

Is your company is planning to fail? V4

What is the purpose of this article?

- 1) The audience for this article is corporate leadership (i.e. boards of directors, C-Suite, and controlling shareholders).
- 2) The focus is on the characteristics of corporate leadership talent which maximizes the chances the chances of your company failing (i.e. going out of business or providing poor returns to investors).
- 3) This article can also be viewed as a checklist of talent characteristics your corporate leadership should not have.

This is the third article in a series

#1 Your company will fail i.e. go out of business or provide poor returns to investors.

#2 Why will your company fail? i.e. your corporate leadership is not superior to and differentiated from your competition.

This article does not provide tax, legal, or financial advice.

You must do your own research and fact-based analysis using current and relevant information.

Ensure that your corporate leadership core components of talent are significantly below the median of your competitors.

The core components of talent are:

#1 Self Awareness

There are two types of self awareness

- 1) Internal self-awareness: Leadership doesn't clearly see and understand themselves. They don't understand their competitive strengths, weaknesses, and capabilities.
- 2) External self-awareness: Corporate leadership doesn't understand how others (customers, employees, shareholders, society, etc.) view them.

#2 Character

- 1) VME (Values, Morals, and Ethics. Employees, customers, and society perceive that corporate leadership lacks integrity, and has poor value, morals, and ethics. The decisions and behaviours do not reflect what the published and documented VME.
- 2) Courage Don't have the courage to make the right decision. The right decision is often not: the cheapest, easiest, lowest risk to the company, lowest risk to you, and not what everyone else is doing.
- 3) Don't have perseverance, especially against all odds.
- 4) Don't know when to stop persevering. When they are digging themselves into a hole, they keep digging.

#3 Relationship skills:

- 1) Corporate leaderships lacks the ability to create and sustain a network of personal relationships inside and outside your company.
- 2) They have limited persuasion and negotiation skills. They cannot manage different points of view and interests.
- 3) They cannot create and maintain committed followers .

#4 Communications

- 1) Oral and written communications is poor. The messages that people perceive are very different from the messages corporate leadership intended to broadcast.
- 2) Corporate leadership has poor listening skills. Do not listen to customer, employees, society, etc.

#5 Crystallized intelligence

- 1) Corporate leadership had limited knowledge of historical events, thus does not prepare for those events and is surprised by those events e.g. Labelling as "black swans" pandemics, wars, liquidity freezes, etc.
- 2) Lacks current relevant knowledge e.g. customer needs, employee needs, technology, ways of thinking, paradigms and methodologies.

#6 Fluid intelligence

- 1) Corporate leadership is unable to solve problems if they don't have past experience with the proble.
- 2) Makes decisions about the future, assuming that it will be the same as the past. E.g. customer needs, competition, employee needs, etc.
- 3) Assumes that the future can be predicted. Unable to create scenarios and plan for them.
- 4) When there is no map of the future, cannot provide direction or create a map,

#7 Cognitive skills

- 1) Limited long-term memory
- 2) Small working memory: able to only retain a small amount of information and knowledge while working on something.
- 3) Limited logic and reasoning: not able to use facts, evidence, rules, and principles to draw valid conclusions and make sound judgments. Errors, biases, and fallacies distorts their thinking and lead to poor outcomes.
- 4) Visual processing: Poor ability to interpret the information their eyes receive.
- 5) Processing speed: takes a long time to receive information, process it, and figure out what to do.
- 6) Attention
 - a) Sustained – cannot stay focused for long periods of time.
 - b) Selective – easily distracted.
 - c) Divided – can only do one thing at a time.

#8 Cannot quickly learn and unlearn: paradigms, frameworks, methodologies, data, facts, knowledge. Unable to unlearn.

#9 Creativity

- 1) Cannot think about a task or a problem in a new or different way.
- 2) Cannot create new ideas and act upon them.

What are your next steps?

#1 Understand how your board of directors and C-Suite talent is perceived.

#2 Data collection must be anonymous. A third-party can help provide anonymity.

#3 Define the components of talent to be assessed.

#4 A key set of questions for each component of talent can be:

- 1) Are they the very best in the industry? – no company has superior talent
- 2) Are they above average?
- 3) Are they average?
- 4) Are they below average?
- 5) Should one or more be replaced immediately?

Consider asking why they have that perception.

#5 Assessing the Board of directors

- 1) Each director assesses themselves and then the rest of the directors, as one group.
- 2) The C-Suite also does assessment of the board as a whole.
- 3) A random sample of employees, customers, suppliers also assess the board as a whole. One possible response could be that have no opinion.

#6 Assessing the C-Suite

- 1) Each C-Suite member assess themselves and then the rest of the C-Suite, as one group.
- 2) The board of directors also does assessment of the C-Suite as a whole.
- 4) A random sample of employees, customers, suppliers also assess the C-Suite as a whole. One possible response could be that have no opinion.

#7 Discuss the findings and document everyone's views about what the implications are. Have this discussion first in two groups: the board and the C-Suite. Then have a joint meeting of the board and C-Suite to discuss.

What further reading should you do?

Your company will fail

<http://koorandassociates.org/avoiding-business-failure/your-company-will-fail-v1/>

Why will your company fail?

<http://koorandassociates.org/avoiding-business-failure/why-will-your-company-fail/>

What are the core components of talent?

<http://koorandassociates.org/creating-business-value/core-components-of-talent/>