

Mastering the FISO Factor

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by Blythe J. McGarvie

The Straight Road

Dante's *Inferno* begins with the stanza: "Midway in our life's journey, I went astray from the straight road and woke to find myself alone in a dark wood." As I followed the Enron trial on a daily basis over the last two months, it struck me that this reference to the dark wood of error is as apt today as ever. With the jury's decision to convict both Ken Lay and Jeff Skilling, the saga's closure may be near. Yet, people who followed these leaders may well wonder whom they can trust in the future. I am frequently asked such questions as: "How do I know if I should invest my effort behind a leader's strategy? What indicators suggest the leader deserves my trust?"

LIF'S LESSONS:

Example is not the main thing in influencing others, it is the only thing.

- Albert Schweitzer

Exemplary behavior is important, but not enough. In my research, I found three main attributes that usually distinguish a trustworthy leader. The three signposts of a leader who walks the straight road are: *mistakes, motivation, and markets.*

MISTAKES

The leader may not always be right. In fact, whenever you try something new, *mistakes* will happen. Einstein and Edison operated under this assumption. It's how the person responds to these errors that makes the difference. When we have experienced the trials and tribulations of a difficult project only to find the results disappointing, we have

a couple of choices. We can try to fit the data into the hypothesis—ignoring any troublesome outliers. This is a recipe for disaster since outliers are often leading or lagging indicators that might point the way to better understanding. Or, we can evaluate what happened and determine if the process, the input, the output, or a combination of these created the perceived mistake. Leaders who follow the last model gain respect from their colleagues and their followers. I call this approach the feedback loop.



McGarvie (at left) speaking at the International Women's Day Panel in London on March 8, 2006.

A study in Marshall Goldsmith's seminal work, *Learning Journeys*, showed that RESPECT is the key to having people respond to your leadership. More than half of the prominent leaders and teachers surveyed described situations in which they received feedback from someone whom they deeply respected. Most agreed that the same message would not have had much impact if a different person had delivered it. These findings imply that the SOURCE of feedback can be as important as its CONTENT. Think about how your most respected teachers, coaches, or colleagues made you listen and change your behavior. Learning is one of the six FISO Factor® catalytic

agents. Successful people learn and change their behavior because of their own efforts and feedback from respected colleagues. You don't have to be perfect, just make adjustments and admit mistakes before losing the path or strategic direction.

MOTIVATION

We all know political and business leaders who marshaled vast resources, manpower, and money only to dump them into bottomless pits. *Motivation* makes an important difference between a false leader and a worthy one. Confidence in a leader may derive in part from learning how the individual achieved his current belief system. But, a leader's world-view can motivate others only when it leads to results those others appreciate or desire. Leaders should create an open environment and share their motivations with their team members—this not only accelerates results but it increases buy-in on the part of team. Having the ability to play and encourage fun in the discovery process not only makes for a more enjoyable day, but it also opens endless possibilities for improvement. Some of our most valuable inventions occurred through serendipity and approaching the problem in a playful and experimental manner.

LIF'S LESSONS:

*We do not stop playing because we grow old.
We grow old because we stop playing.*
- George Bernard Shaw

MARKETS

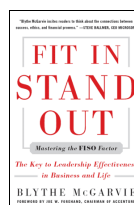
A leader who admits mistakes and has good motivations still needs to compete in the right *markets*. For example, cornering the market as the best buggy-whip manufacturer in the world is meaningless since the market has been declining for eighty years. Even Western Union discontinued all telegram and commercial messaging services on January 27, 2006, admitting that this business no longer served a meaningful purpose. A FISO Factor® leader decides when to exit, enter, or redefine the market.

Let's look at how a leader approaches market share as an example of gaining the confidence of others. Many companies focus on market share to build revenue and profits. However, according to the *MIT Sloan Management Review*, Fall 2000, Volume 42, Number 1, "Traditional strategies built around market share lead to diminishing returns. Smart companies are increasing their returns by defining their goals in terms of market spaces, not sales of discrete times—and focusing on the whole customer." Whether you are the leader or the follower, you must learn how your business makes money in the market place and fully understand what your competitors do. A great source for understanding market behavior is a recent book called *More than you Know, Finding Financial Wisdom in Unconventional Places*, by Michael J. Mauboussin. How a market is defined can make all the difference between a road to prosperity and a road to perdition.

As a FISO Factor® leader, you embrace learning. As a follower, consider how the leader responds to his or his company's mistakes; consider his motivation, and whether or not he knows how markets work.

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for contact: bmcgarvie@LIFgroup.com



Fit In, Stand Out: Mastering the FISO Factor as the Key to Leadership Effectiveness in Business and Life, was published in October 2005 by McGraw-Hill. It is available from Amazon.com, Barnes & Noble, and other fine booksellers. (ISBN: 0071460799)

The *Mastering the FISO Factor* newsletter supports the mission of Leadership for International Finance to achieve outstanding, sustainable results for clients through speeches at conferences and forums, consulting with organizations, and coaching executives.

The **FISO Factor**™
Fit In, Stand Out

