

LEADERSHIP THROUGH LIFECYCLES

By John McAdam

Companies, private and public alike, exist in dynamic environments. They're subject to a variety of internal and external variables that impact their business. Conditions fluctuate. New markets emerge. Existing markets evolve. With technology ever advancing, some become obsolete.

We've all heard it said: The only constant is change. Businesses must adapt to market fluctuations to remain relevant—and this adaptability, this recognition of changing conditions and the need for strategic, nimble response, starts at the top.

I call this ability to adapt "leadership in the moment."

I've led companies as a hands-on CEO and executive on the front lines, and more recently as a board member for a number of innovative organizations where I consult as part of a multidisciplinary leadership team. Through my long career, I've come to understand how vital it is for company executives to adjust their strategies and leadership styles depending on the unique phase of the business lifecycle they find themselves in.

Here's some of what I've learned.

THE SURVIVAL PHASE

Being brought in to lead a company that is struggling to survive is akin to boarding a plane that's about to crash. The pilot is unconscious, and you're nosediving to the ground. This is not the time for grand speeches and visionary mission statements. It's a time of swift, decisive action. You're not there to resuscitate the captain or comfort the crew. You grab the controls and do whatever it takes to save the plane and all the souls on board.

In the survival phase, speed is paramount. In fact, survival should be the shortest phase as you quickly take the necessary actions to stabilize your company. It's also the phase of tough decisions, where layoffs and downsizing are common. While it's critical to act quickly and decisively,

you must do so with integrity and compassion. Not only is it the right thing to do, but it's important in helping "surviving" employees move past this necessary but painful period with the right attitude for success.

It's essential that you remain visible to all stakeholders, act transparently, and communicate clearly—and often—throughout the survival phase. At the same time, you need to be working on plans B, C, and D. You may not want to think about an alternate exit in the event of catastrophic failure, but it will be worse for everyone involved if you don't. So you plan and act for the best, but prepare for the worst.

The takeaway? As the leader, you must be ready to make the hard decisions, and make them quickly, compassionately, and transparently. Believe the approach you're taking is the right one for the survivability of the company, and demonstrate resilience to everyone around you.

THE STABILITY AND BUILD PHASE

When you emerge from survival and move into the stability and build phase, look at the circumstances that brought you to the brink and view them as opportunities to help you plan and execute your next moves.

This is your chance to rearchitect your company—from the market you're targeting to your product innovation and strength, to your sales approach, and to your commitment to customer support and satisfaction. Recognize and acknowledge any mistakes, and recommit to the passion and vision that started your company in the first place. Redefine your market to ensure that there's a viable path forward. Reinvest in your products and your people. You need a team around you that you trust, a team capable of taking your company into the future. And remember: turnarounds take time, so be realistic and patient. Your company could be in this phase for two or three years.



The takeaway? Transparency and open communication are everything. Again, be visible and communicate clearly and often.

THE GROWTH PHASE

When your company stabilizes and moves into the growth phase, you'll want to adjust your leadership approach again. This phase is inspirational and, for a leader, very hands-on.

It's about planting new stakes in the ground. Demonstrating your expertise to customers. Growing your installed base. Keeping a step ahead of your competition. Identifying the next big thing and how your company can get in on it.

Make sure everyone in your company clearly understands the objectives. Is there a plan in place to scale? To develop new partnerships? How will you continue innovating? Expanding your market? Will you prioritize organic development, or will you consider mergers and acquisitions? If the latter, how will you ensure that a merger or acquisition succeeds and that all employees adjust, both existing ones and those joining during the transition? You'll want to make sure company culture doesn't suffer during a merger, or as you begin aggressively recruiting again. During the growth phase, you must set the example you want your employees to follow, from the top down—because your company's culture starts with you.

The takeaway? Inspiration and innovation will guide your decisions and actions. Be passionate and determined. It's contagious.

FOR ALL PHASES

What cuts across all these phases? A singular focus on customer satisfaction and, ultimately, customer loyalty.

You get satisfied customers by meeting their expectations for quality and service. But you earn their loyalty—a much more valuable commodity—through continuous innovation. Customers become advocates when they buy into your vision and product roadmap. They become zealots and brand champions when they can't wait for your next new product or update.

It's vital that you as a leader demonstrate your understanding and appreciation for your customers' unique business challenges and requirements. Underscore with them your company's ongoing commitment to maximizing their

investment in your solution through world-class support and continual innovation—particularly when you meet with CIOs. Show them you understand their mission-critical operations and concerns, and how your solution underpins their success. Whenever possible it's best to emphasize this commitment in person, especially when meeting with C-level executives. Keep in mind with international customers that requirements and regulations differ by geography, so be sure to prepare thoroughly through prebriefings.

PARTING THOUGHTS

Whether you're a leader pondering your next move or a rising star ready to try on the CEO mantle, here are some final things to consider.

I've had the privilege and pleasure of leading as a CEO, executive, or board member of both private and public companies of various sizes, and each offers unique environments to learn and grow. Private companies benefit from a certain level of autonomy and, when led by a strong leadership team and board with a clear-eyed view of the potential market, can be a thrill ride of nimble, customer-driven decision making, innovation, and execution. And, it's enlightening to see how a company operates differently before, during, and after an IPO. Public companies must prioritize these same requirements for agility, plus you have the additional challenge of balancing your actions and company strategies against shareholder interests and stricter operating regulations.

You may want to give serious consideration to joining a company board. A board position can offer executives an entirely new perspective regarding company lifecycles and market expectations.

Additionally, as executives we need to remember that every decision—whether a mailroom hire or a major R&D investment—must be well defined, well executed, and always in the best interest of the company, its customers, employees, and shareholders. The leadership decisions we make have lasting impact.

Regardless of where your next move takes you, every company requires a leader who can quickly and confidently adapt management strategies to changing market conditions and business lifecycles. Remember, it's your courageous "leadership in the moment" that will guide you and your company through each successful transition in the lifecycle of the business.

ABOUT THE AUTHOR John McAdam currently serves on the board of F5 Networks, and was president and CEO from 2000 to 2017. Under his leadership, F5's annual revenue grew from \$100 million to \$2 billion. Prior to F5 he was GM of IBM's web server sales business, and president and COO of Sequent Computer Systems. John currently serves on the Nutanix board of directors. He has received numerous industry awards for his leadership, and holds a B.S. in Computer Science from the University of Glasgow, Scotland.