

Next-Level Leadership

By Rand Stagen and Brett Thomas

Next-level leaders see marketplaces in ways that allow them to change the rules of the game, outmaneuver competitors, and dominate entire industries. They hold a unique perspective that reflects a success formula defined by six core characteristics.

As the global economy slowed in December 2000 and the U.S. slid into recession, computer manufacturers found themselves in an industry freefall, with desktop and laptop makers engaged in a bloody price war and fighting for their fiscal lives. One of the hardest hit, Apple Computers, saw its quarterly revenues plummet 57% from the year prior, as its viability was increasingly called into question.

However, within five short years, Apple's revenue more than doubled, profits hit a 28-year high, and its market capitalization increased a staggering six-fold. How did CEO Steve Jobs, once ridiculed as a poor manager and weak competitor, quarterback one of the greatest corporate turnarounds in recent history? Apple's high-profile ad campaign, "Think Different," provides important clues. Jobs saw the convergence of computers, the Internet, and music in a much different way than his competitors. He was able to use what we call a "next-level" perspective to enter (and

effectively navigate) the crowded portable-digital-music-player (mp3) market, decimating more than 50 competitors, and achieving a 74% market share for his iPod player. Prior to Apple's arrival, the rules of the game seemed to be clear: Winning would be a result of device size, functionality, and price. These issues were the primary focus of manufacturers' strategic thinking and problem-solving efforts.

It was Jobs' ability to think differently and redefine the rules that drove the transformation of the industry. He was able to see problems and solutions in new ways; including the relationship of mp3 devices to software, content, and distribution. More importantly, he was able to leverage his success with the iPod to create a halo effect for the entire Apple product line and spur unprecedented traffic into Apple's retail locations.

To understand Jobs' success formula, it is important to recognize two distinctly different ways that leaders solve business problems. We

A Snapshot of Next-Level Solutions

The table on the next page identifies the key elements that were common to Next-Level solutions seen in many companies spanning a broad range of industries. It is not intended to be comprehensive in coverage or exhaustive in content. The pattern of next-level solutions exemplified by these examples is consistent with what we observed in our study of other companies and industries.

refer to these as “current-level” and “next-level.” Current-level solutions follow established rules with the aim of winning the game. These solutions leverage existing formulas and best practices. They are transactional by intent and seek to maximize efficiency, especially profits, from their processes. The leaders who produce current-level solutions tend to think about their problems, products, businesses, and markets in narrow, linear terms. These companies see primarily what their competitors see, and they tend to favor only one or two leadership strengths.

By contrast, next-level solutions are not geared toward winning the game; they are geared toward changing the game by redefining the rules. Rather than following established “best practices,” they create new practices. Instead of trying to maximize transaction value, next-level solutions are intended to transform market segments and, in some cases, revolutionize entire industries. Rather than trying to solve a problem or advance a product (such as a digital-music player), next-level solutions situate the product into a much larger puzzle. These companies often see what no one else in their market can see and are able to successfully execute game changing, integrated solutions based on that broader vision. Our research revealed that the men and women behind these unique solutions often possess a unique capacity to apprehend, comprehend, and incorporate multiple perspectives—a trait displayed by Steve Jobs and the other next-level leaders we’ve studied.

While Jobs’ accomplishment is certainly impressive, the pattern of strategic thinking and versatile leadership illustrated by his story is not unique. Apple’s approach is just one of many next-level solutions that will be explored in this paper. Michael Dell’s next-level thinking led to a cutting-edge logistics strategy combined with a no-inventory, low-cost business model to fuel a \$50 billion enterprise. Herb Kelleher’s next-level leadership enabled Southwest Airlines to break countless airline-industry paradigms while sustaining outstanding financial performance in an industry littered with the wreckage of obsolete business models. Dee Hock, founder of Visa, utilized his next-level thinking to transform the way retailers and customers would forever relate with one another.

The logic of creating these and other next-level solutions is decidedly different from current-level approaches and comprises the six core characteristics outlined in the following pages. It can be argued that one of the biggest reasons that companies fail to overcome their competition is their leadership’s inability to think in a way that enables execution at the next-level.

In this paper we will lay out a logical framework that demonstrates the clear drivers of these highly leveraged practices. Though uncovering this framework was and continues to be informative and helpful, our research was intended to answer a still deeper question: Why is it that some leaders possess the perspective and vision necessary to generate these solutions while others have great difficulty getting to that next level? The last section of this paper will reveal the most surprising result of our research: a little-understood technique that we call gamefilming. Gamefilming is a fundamental practice that next-level leaders use to increase their versatility.

NEXT-LEVEL SOLUTIONS

Although these terms may be new, current-level and next-level solutions have always been with us. The examples we’ve studied—some of which are summarized on the chart on the next page—span transportation, construction, computers and technology, entertainment, and even financial networks. Consider the major breakthroughs in your own industry in the past 10 to 20 years. Recall the enormous changes experienced in business in the past 50 or even 100 years. Historical analysis shows next-level solutions as key factors in non-linear industry growth. Therefore, it is reasonable to assume that many of the future breakthrough achievements in your sector will also be a result of next-level solutions. In today’s hypercompetitive environment, companies need next-level solutions more than ever. Though we have chosen to highlight well-known firms as examples, it is important to understand that next-level solutions are not the exclusive domain of large enterprises. Much of our work is with midsize companies where it is common to see skillfully executed next-level solutions produce significantly increased business value, revenue, and profits.

Examples of Next-Level Solutions Across Various Industries and Their End Results

<i>Company</i>	<i>Current-Level Problem</i>	<i>Next-Level Solution</i>	<i>Result</i>
Apple (iPod)	Digital music players were difficult and cumbersome to use. Because most record labels opposed digital music formats, consumers lacked a trustworthy, reliable source for purchasing digital music files.	Creation of a user-friendly music player as one component of a whole-systems approach to solve the music piracy problem while claiming simultaneous market share in both the portable music player and online music sales sectors.	Revenue tripled, profits hit a 28-year high, and market cap increased six-fold from 2000 to 2005. Market dominance with 75% of digital-music players and 85% of online music sales, positioning company for an aggressive move into consumer electronics and entertainment.
Dell	Computers, especially customized models, were too expensive.	A cutting-edge logistics approach combined with a no-inventory, low-cost business model to deliver lower-cost machines for the end user, more customization, and fast direct delivery.	The pioneering model allowed Dell to become the dominating force in its industry. At \$50 billion in revenue, the company is still positioned for continued growth.
Southwest Airlines	Commuters to cities in the same region (e.g., Dallas to Houston) had to choose between a high-priced airline and driving. In the early '70s there was no low-cost option.	Rather than the traditional hub-and-spoke approach, Southwest offered short-haul, low-cost, point-to-point service between midsize cities and secondary airports in large cities. Key to their success is their "high performance relationships" management approach, which fosters worker motivation, performance, and retention.	Changed the competitive rules of the game for an entire industry. Profitable every year for the last 31 years, with a market value greater than the rest of the U.S. airline industry combined, Southwest is widely regarded as the most successful airline in history.
Home Depot	Homeowners had to pay contractors or shop at multiple specialty houses for materials, home repairs, and renovations.	Properly timed a strategy that leveraged a next-level understanding of the relationships between the stakeholders. Created an integrated model that pulled together a fragmented building-supply industry under one roof.	Leading force in the home improvement / building supply industry with a \$90 billion market cap.
AutoNation	Purchasing used cars was a nightmare experience for consumers. Fragmented industry fueled tremendous uncertainty regarding quality and price.	Utilized next-level thinking to design and execute a model that brought the appropriate constituents to the table addressing a breadth of key issues, including a no-haggling sales process, warranty on used cars, and ability to buy from any one of hundreds of car lots.	Aggregated a fragmented industry and created the largest car dealer in the U.S. (currently #112 on the Fortune 500).
Visa	Retailers had to offer their own credit cards, and consumers had to carry a wallet full of cards, because there was no "neutral" account capable of linking merchants, banks, and consumers.	Developed a visionary electronic currency exchange model and electronic infrastructure capable of attracting and servicing hundreds of thousands of retailers and millions of consumers.	Visa International, a financial network that handles trillions of dollars in annual transaction volume. As a key dimension of the global economic infrastructure, the company has near-permanent positioning as the world's leading payment solutions organization.
Starbucks	In the 1980s, as Americans began working more hours and moving away from traditional close-knit neighborhoods, many felt the absence of a casual, community "gathering place."	Through a complex understanding of social needs and consumer behavior, Starbucks transformed a commodity into an upscale consumer "experience" in what came to be known as the "third place," a social gathering spot between home and work.	A \$6.4 billion global company with 90,000 employees, 9,700 stores, and 33 million weekly customers. Average customer returns 18 times per month.

THE “PROBLEM”

Next-level solutions do not occur in a vacuum. They are the result of the efforts of highly adaptable leaders who are committed to solving a difficult, and often intractable, problem. The defining factor is the way in which these leaders approach problems.

You can't solve a problem with the same level of thinking that created the problem.

— Albert Einstein

To better understand Einstein's illuminating insight let us reconsider the digital-music player “problem” from the perspective of the manufacturer. In 2000, the marketplace had become highly competitive. Due to widespread and easy access to design and manufacturing information, innovations were quickly copied by opponents; companies faced constant price pressure, reduced margins, and a clear trend toward commoditization. Further, though there was an increasingly clear consumer demand for downloadable music, consumer choices were limited to devices and online services that required advanced technical expertise to access.

THE “SOLUTION”

Although it was not obvious at the time to the current market leaders, the problem was situated in a broader environment that held important clues to a possible solution—dynamics that Apple would later leverage to significant advantage. The biggest driver, unaddressed by other competitors, was the wellspring of music content for digital players: the record labels. In 2000, the music industry had problems of its own: an outbreak of digital-music downloading activity and steeply declining album sales. The five major record companies were forced to slash costs and lay off thousands of workers. Industry brass collectively appeared to share the same consternation: protect intellectual property from being stolen and aggressively defend shrinking turf with litigation.

The linchpin of Apple's next-level solution was revealed in April of 2003, following a year of intense negotiations with the five major record labels. Steve Jobs managed to convince these key stakeholders to sell their music in the iTunes Music Store with only light copy-protection and user restrictions—a clever compromise between the industry's desire to thwart unauthorized use and giving consumers maximum “ownership” and control of the music they purchased. Not

only did Jobs believe that his solution would be a boon for Apple's revenues, but that it could simultaneously rejuvenate the ailing music industry. “This will go down in history as a turning point for the music industry,” he told *Fortune* magazine. “This is landmark stuff. I can't overestimate it.”

However, Apple's competitors in the digital-music-player market remained unimpressed. Like the leaders of other marketplaces we've studied, digital-music player manufacturers maintained a narrow view of their industry by dismissing the iTunes Music Store as merely a niche product—a flash in the pan with little chance of impacting the music industry—given Apple's tiny 3% share of the global computer market. “It's a very positive thing for the community,” said Kevin Brangan, a marketing director at SonicBlue, the maker of the Rio player (an early market leader). “But their community is a very small percentage of the overall market.” Yet two years after entering the crowded sector, the iPod had become a dominant force in the digital-music-player space, rapidly becoming the Sony Walkman of the new millennium.

Rather than fixate on what current consumers were asking for, and rather than competing primarily on price as its competitors were doing, Apple anticipated consumer desire and differentiated the iPod with sleek, user-friendly designs (hardware and software) that addressed factors largely ignored by competitors, namely an easy and seamless process of downloading and playing music. But the player was only one component of an integrated solution—the real driver behind iPod sales was the iTunes Music Store, which sold a million songs in its first six days online and 20 million songs between April and December 2003—quickly gaining an 80% market share of legally purchased downloads.

Time magazine crowned Apple's iTunes Music Store as the “Coolest Invention of 2003” explaining, “In a year when record labels hit a sour note by suing students, grandparents, and 12-year-old file sharers, Jobs had effectively brokered a peace agreement: He had shown the music industry how to win friends and turn a profit on the very Internet that was being used to steal their songs.”

In 2000, the digital-music-player market had become highly competitive. Due to widespread and easy access to design and manufacturing information, innovations were quickly copied by opponents; companies faced constant price pressure, reduced margins, and a clear trend toward commoditization.

Consider how the manufacturers and the record labels perceived and approached their respective problems. The solutions they came up with could be described as “current-level,” because the thinking, the tactics, and the method with which those tactics were executed all represented the current paradigm. A careful review of Jobs’ leadership and Apple’s solution reveals an approach that is not only different in degree, but different in kind. Jobs’ solution appears to be coming from another level—a level that is more comprehensive, more complex in scope yet more simple and elegant in form, and frankly, more intelligent.

To understand how Apple and other companies achieve such enormous success, next-level solutions should be understood to be more than just a piece of technology, a financial scheme, an invention, or single great idea. Further, next-level solutions never occur independent of leadership. An innovative technology or method may be part of the approach, but the successful implementation of a solution that is truly next-level requires management of an extensive work effort, coordination of a multitude of interdependent business processes, and skillful leadership of a significant number of stakeholders (internally and externally).

THE DEFINING CHARACTERISTICS

There are six defining characteristics of next-level solutions (independent of industry). To be “next-level,” a given approach would reflect at least five of these six.

1. Change the Game

Henry Ford’s moving assembly line, which ushered in the age of mass production, changed the automobile industry forever. Home Depot’s grasp of the needs of a broad range of stakeholders (retail customers, contractors,

tradesmen, suppliers) combined with flawless timing and execution allowed them to successfully aggregate the building-supply industry and put it all under one roof—forever changing the face of home improvement. AutoNation’s innovative “no haggling” sales process, warranty on used vehicles, and nationwide computer-based inventory transformed the used car marketplace. Interestingly, after changing the game in digital music, Jobs is now tackling the TV/cable business model. (Instead of relying purely on syndication for recurring revenue streams, producers can now earn revenue streams through online downloads.)

2. Go beyond formulas and conventional best practices

Current-level solutions are predicated upon approaches that have worked consistently in the past—in other words, the current paradigm. In the domain of current-level solutions, proven success formulas, conventional wisdom, and established best practices are the platform for ideas, methodologies, and innovation. This, of course, may be sufficient for the kind of day-to-day, incremental improvements that are necessary for businesses to remain successful and to continue to deliver marginal improvements during each business cycle. However, some problems remain unresponsive to existing solutions. Indeed, as Einstein noted, our most vexing problems *cannot* be solved with the same thinking (the same paradigm) from which the problems were created.

Leaders operating from a current-level perspective tend to accept the assumptions and beliefs of the old standards as fact—and may lack the awareness that they are operating on unproven assumptions and beliefs. This is one of the defining characteristics of current-level leaders: They are *subject* to their existing vantage point. Put another way, they may lack an objective view of their own assumptions and beliefs; therefore, their perspective on the situation is perceived to be the *only* reality.

Next-level leaders represent a different breed. They are aware of many of the underlying assumptions and beliefs of the traditional success formulas but don’t completely buy them. Current-level beliefs are useful up to a point but may be useless in an effort to fashion a solution intended to usher in a new approach. In our digital-music player example, music industry leaders were initially unwilling to let go

Current Level	Next Level
Play the game to win	Change the game
Follow established formulas and leverage “best practices”	Go beyond current formulas and establish new practices
Transactional	Transformational
Narrow, linear thinking	Big-picture, whole-systems thinking
See what competitors see	See what no one else can see
Leadership favors one or two strengths	Leadership displays versatility across multiple strengths

Sony's current problems appear to stem largely from the fact that the organization does not have many next-level leaders and is thus locked into old-paradigm thinking.

of their traditional business model—their current paradigm. Sony, for example, stunned investors in 2005 with a warning that annual operating profits would be nearly a third less than forecasted. (One of the factors it cited was sluggish performance in the iPod-dominated portable-audio business.) Sony's current problems appear to stem largely from the fact that the organization lacks next-level leadership and is thus locked into old-style thinking. Sony's mindset is to own all its own music, aggressively compete head to head (rather than cooperate) with the other music companies, and refuse (up until recently) to allow its player—the Network Walkman—to play the most popular digital-music format (mp3). Ironically, Sony had access to most of the pieces of the puzzle (consumer electronic leadership, record label ownership, and outstanding distribution channels) but being firmly stuck on the current level, couldn't envision a next-level solution. The company's revenue and profits are suffering following one embarrassment after another. From its failure to anticipate the demand for flat-screen televisions to its inadequate response to the rapid commoditization of DVD players, Sony is enduring humiliating defeat after humiliating defeat.

3. Transactional versus transformational

Much has been written in popular management literature in recent years about transactional versus transformational leadership. This same comparison emerged visibly in our work and research. Next-level leaders, and the key solutions they deliver, are nearly always transformational in intent, scope, and results. Leaders and organizations seeking to transform companies or marketplaces have bigger, more compelling visions. Dee Hock's aspirations for Visa International extended far beyond facilitating simple transactions. He envisioned a model that would transform the global business infrastructure. Consider the following: Visa espouses no political, economic, social, or legal theory; it transcends language, custom, politics, and culture to successfully connect a bewildering array of more than 21,000 financial institutions, 16 million merchants, and 800 million people in over 150 countries from pole to pole. Annual volume of \$3 trillion continues to grow in excess of 20% compounded annually. A staff of only 3,000 people scattered across 21 offices in 13 countries provides around-the-clock operation of two global electronic communication systems

with thousands of data centers communicating through 9 million miles of fiber-optic cable. Hock's next-level solution transformed banking and consumer buying-behavior while cementing Visa's position as the world's leading payment solution organization. His effort, which had a transformational intent from the start, is chronicled in his book, *Birth of the Chaordic Age*, a compelling manifesto about the future framed by a gripping personal odyssey.

Transformational leaders and organizations attract workers who engage in something more meaningful than just earning a wage or even creating wealth. Yet for every next-level solution that transforms a product category, sector, or industry, there is a counterpart same-level solution backed by leaders that seek to preserve the old paradigm by squeezing out a marginally higher transactional efficiency the only way they know how: with more of the same. Some workers find the transactional goals of trouncing the competition and creating wealth for stakeholders inspiring. However, a significant percentage of workers find greater inspiration in goals that center on transforming a business, sector, or industry. In fact, transformational leaders often outclass transactional leaders in short-term financial performance while simultaneously having impressive, often long-term, impact.

4. Big-picture, whole-systems thinking

MIT professor and best-selling business author Peter Senge popularized the concept of systems thinking, which is concerned with cause-effect relationships in complex systems. Our research shows that it is the nature of a next-level thinker to recognize the bigger picture and the interrelated drivers within a marketplace. When Howard Schultz took the helm of Starbucks in 1987, rather than viewing coffee as simply a commodity, he recognized its potential as a catalyst for “connecting people.” Attuned to the American trend of longer work hours, fewer traditional close-knit neighborhoods, and a declining “sense of community”—and drawing inspiration from the role that the neighborhood café plays in European countries—he envisioned a ubiquitous stopping place between work and home, which he described as “the third place.” He believed that by creating the right social “experience,” customers would incorporate frequent store visits into their daily (or weekly) routines. Schultz's whole-systems thinking returned big dividends for Starbucks. The

average customer visits four times a week (18 times a month). And with nearly 10,000 stores, and five new ones opening each day, it's still not about coffee; it's about community and connection.

From Schultz to Jobs to Hock to Dell, this ability to see how all the pieces of the puzzle fit together is common among all of the next-level leaders we've studied. It is important to emphasize the fact that whole-systems thinkers don't simply focus on the pieces of the puzzle that others overlook; rather, they focus on the *relationship* between the puzzle pieces. Take Home Depot's understanding of home improvement. Their leadership had to understand the priorities of the plumber, the carpenter, the electrician, the general contractor, and the consumer. But their formula also had to take into account the interrelationships among these entities, especially in terms of how they conducted business, as well as their professional practices, their needs, and their goals. Home Depot's big-picture understanding informed the design of a next-level (retail) approach that permanently changed multiple industries simultaneously.

5. See what no one else sees

Leaders operating from the current-level perspective have limited vision and can typically perceive only a one- to three-year event horizon, whereas leaders with access to a next-level perspective usually have an expanded event horizon of five to 10 years. More importantly, leaders at the current level are usually capable of understanding a problem or situation from only one or possibly two angles (e.g., the perspective of their company or industry, and possibly the perspective of the customer). Employing the same limited view as their competitors, they often forfeit any significant first-mover advantage. In contrast, next-level leaders have the ability to see and understand a problem or situation from multiple points of view. It is this complex "camera angle" that allows these leaders to solve problems that confound others. It is comparable to having 3-D vision in a marketplace where competitors are operating with two-dimensional or monocular vision with no depth perception.

Seeing what no one else sees is also extremely relevant to creating customer value. When it comes to the customer, current-level leaders have limited understanding. In the best case, they

listen to what the customer wants and try to accommodate them. By contrast, next-level leaders don't just listen to customers: They listen *on behalf of* customers. They anticipate customer wants and needs—including wants and needs that the customer himself cannot yet articulate.

Here, the airline industry is a good example. The legacy carriers privileged their own perspective but failed to recognize—let alone understand and empathize with—the real priorities of the regional flyer. Additionally, their mindset severely limited their ability to understand the position of their own labor groups. As a next-level company, Southwest Airlines was able to leverage their understanding of the customer and employee's perspectives to design a model that delivered superior service at a lower cost. This ability to perceive, understand, and appreciate multiple viewpoints is seen as a core differentiator in many of the next-level companies we have worked with and studied. By contrast, current-level leaders struggle to even recognize and understand these subtleties, much less align and integrate them.

We would like to be explicit here: We are talking about what developmental psychologists refer to as "complexity." The mindset that next-level leaders bring is not simply a different or additional approach added to the mix. Rather, the view these leaders are operating from, and from which their insights and suggestions derive, transcends the current-level thinking; it is thought leadership that is more expansive, more inclusive, and more complex. The next-level leader's strategy takes more perspectives into account; therefore, it is inherently more intelligent, more potent, and better suited to solve the challenges of complex marketplaces.

Consider Henry Ford's perspective on automobile manufacturing as contrasted with his competitors'. Ford's more complex analysis informed a broader, more expansive, and more compelling vision than any of his contemporaries'. Breaking from the current philosophy of custom-ordered cars targeted at high-income consumers, Ford envisioned a manufacturing process that would offer less choice—the Model-T famously came "in any color you want as long as it is black"—but at a level of efficiency and low cost that would, in his words, "democratize the automobile."

Next-level leaders have the ability to see and understand a problem or situation from many perspectives. It is this "multiple-camera-angle" viewpoint that allows these leaders to solve problems that puzzle others.

Michael Dell had to thoroughly understand the traditional model of computer manufacturing (including sourcing), marketing, sales, and distribution. But to revolutionize the industry, he also had to have a penetrating insight into key dynamics that his competitors did not—namely the advantages of cutting-edge logistics and a “no-inventory” business model. Dell’s next-level solution for computer manufacturing, sales, and distribution included *and* transcended the old paradigm.

The ability to perceive and skillfully work with multiple perspectives represents a crucial difference between the mindset of current-level leaders and next-level leaders. As we will see in the remaining sections of this analysis, it also plays a central role in helping current-level leaders become next-level leaders.

6. Leadership displays versatility across multiple strengths

The sixth and final characteristic of next-level approaches is leadership versatility. Athletics provide a helpful illustration of our conception of versatility. A quarterback, for instance, may excel at the competitive collegiate level by drawing upon one or two strengths. He may have an unbelievable passing game, but perhaps he cannot run the ball well. If this player wants to entertain his professional NFL dreams, he must develop the versatility to excel at both a passing and a running game. To take the analogy one step further, if this same quarterback develops only his technical athletic prowess but fails to develop his leadership and interpersonal skills, it is unlikely that his team will succeed at the most competitive levels of the sport (e.g., the playoffs and/or the national championship).

By definition, next-level leaders are versatile leaders. Versatile leaders are not limited to one or two strengths (inasmuch as the NFL quarterback is not limited to only a running or a passing game); rather, they draw upon multiple strengths. As an example, many current-level leaders are gifted when it comes to finance, or maybe they’re brilliant when dealing with people. Versatile leaders we’ve studied can manage the numbers, *and* inspire people, *and* invoke awe-inspiring solutions. Further, the vast majority of next-level leaders we have studied are well-rounded across a number of key competencies, including business acumen, technical understanding of their industry, imagination and vision, strategic thinking, self-awareness, drive (often with a strong sense of

purpose), and well-developed interpersonal skills.

Though a balance of leadership strengths is common and helpful, certain leadership competencies factor in more heavily than others. Next-level leaders are especially strong in their ability to see multiple perspectives, their ability to think in terms of whole systems, and, finally, emotional intelligence. (EQ, as it is widely known, is based on self-awareness, skillful self-management, attuned social awareness, and polished interpersonal skills.) An effective leader doesn’t have to master every dimension of leadership, but if he is to be versatile enough to spawn next-level solutions, he must at least be well above average in the key competencies cited above, and he must truly excel in several—as opposed to just one or two—as in the case of current-level leaders. In our work with executives, we benchmark leadership capacity across six dimensions using a cutting-edge tool—developed by Ken Wilber and the Integral Institute—called an Integral Psychograph.

GETTING A GAME FILM PERSPECTIVE

We’ve studied peak performers in athletics, business, and military Special Forces. Whether on the playing field or on the battlefield, many high performers view versatility as their most lethal weapon against their adversaries. How do leaders become more versatile? To answer this question, we spent five years analyzing and synthesizing the research and theories of more than 100 leading thinkers. In applying these concepts with our own clients, we came to identify a highly leveraged technique that is capable of dramatically accelerating a leader’s versatility—we call it “gamefilming.” Many readers are familiar with professional athletes’ practice of filming their own and their opponents’ performances and then reviewing that data to evaluate their strategies, developmental efforts, and methods of execution. We discovered that next-level leaders have more in common with NFL superstars than one might think. In fact, many leaders we’ve met have reviewed their golf swing on video or studied footage of a speech or presentation with the aim of improving one’s performance. Whether conducted by athletes or business professionals, gamefilming is essentially about two things: *perspective* and *objectivity*. New insights are achieved by considering alternate

We’ve studied peak performers in athletics, business, and military Special Forces. Whether on the playing field or the battlefield, many high performers view versatility as their most lethal weapon against their adversaries.

perspectives from different vantage points, while greater objectivity results from witnessing one's performance in third-person (on video or feedback from others) as opposed to the usual highly subjective first-person view.

A midmarket client of ours, Pegasus Logistics Group, has a talented leader serving as chief operating officer. A former NFL quarterback for the Chicago Bears, Brent Snyder brings a unique level of experience as a high-performance team player and leader. He explained to us how game film is utilized in the NFL: "The purpose of game film is to give the players and coaches a perspective on the situation that is impossible to achieve either from the sidelines, in the case of the coaches, or on the field, in the case of the players. Technically, the game film doesn't just offer a perspective; rather, it offers multiple perspectives. A game film viewpoint will include perspectives from the front, from behind, from the side, and even overhead. The game film perspective ensures that you see the situation objectively from every possible angle. Objectivity is the key. Only through objectivity can we accurately evaluate our performance, our opponents, our preparedness, and, more importantly, the big picture."

"We look closely at our opponent's strategies, tactics, and plays they run in this or that situation. We know them intimately before we ever step foot on the field. By understanding who they are, how they operate, what motivates them, and what behaviors they display in specific situations, we can anticipate many of their moves. That, of course, informs how we prepare. It informs the drills we run, what new plays we develop and practice, and what weaknesses we work hard to shore up before our opponents ever have a chance to exploit them. A game film perspective translates into being prepared for just about anything they might throw at us."

"Those are some of the external aspects of gamefilming we use to make sure we are prepared for the challenges opponents may pose for us," he said. "But that's only half the story. Once you've objectively evaluated your opponent and your own readiness, you then turn the camera onto yourself. The only way to achieve peak performance is to have an absolutely objective and accurate evaluation of yourself, your teammates, your teamwork, and your strengths and weaknesses."

Every one of the leaders we studied—those who were already next-level when we found them and those who moved from current-level to next-level during our work together—had one thing in common: They all exhibited what we call a "game film perspective."

"A game film perspective," he continued, "allows you to see dimensions of your performance that would otherwise be overlooked, which helps you to learn things about yourself and more quickly adapt. It is interesting how relevant this is to leadership. To be effective as a leader, I must have an objective, accurate evaluation of my capabilities and performance in all the relevant dynamics."

Snyder pointed out that self-awareness is central whether on the gridiron or in the boardroom. He offered the following questions for further reflection: As a leader, how do others perceive you? How do they perform when teamed with you? What strengths can be leveraged and what weaknesses can be exploited by your opponents if you don't correct them?"

We've come to understand that at its essence, gamefilming is about awareness, choice and success. The more awareness a leader has, the more choices—more options—are available in terms of strategies and tactics. Leaders who have more choices are more likely to deliver a winning strategy or execute one successfully.

Ways to Get a Game Film Perspective

Some leaders and organizations gamefilm intuitively, but that is more the exception than the rule. As Brent Snyder implied, gamefilming can be subdivided into several categories: group gamefilming (evaluating and improving team performance), individual (evaluating and improving one's self), external (analyzing the competitive landscape), and internal (increasing awareness of one's own performance). Experience shows that in the business context, leaders tend to be familiar with external gamefilming in the form of strategic market analysis (akin to NFL teams studying their opponent's strategies and tactics). Businesspeople are also familiar with assessments such as the popular 360-degree feedback tools so common today.

Team Gamefilming

Our team gamefilming model includes techniques that are designed to be both accessible and highly effective. The illustration (see next page) lists the practices in increasing levels of skill.

1. High performers thrive on feedback. In lieu of video cameras used by the NFL, team members serve as the next best resource for informal feedback. High-performance teams utilize each member as an additional set of eyes and ears to

provide practical and actionable feedback. A CEO we know actively solicits feedback from members of his executive team. He frequently asks, “I’m really interested in your perspective on this issue. What dynamics do you notice from your vantage point?” Not only does he actively seek out others’ perspectives on key issues, he also engages their feedback on the team’s and his own individual performance by asking, “From your perspective, what would you say our team did well, and where did you notice room for improvement? How would you answer those same questions about my leadership performance on this project?”

One of the most reliable methods leaders use to obtain data-rich *peer feedback* is 360-degree-type assessments that are available for just about any dimension of performance. The Leadership Circle Profile, for example, is an excellent instrument for obtaining 360-degree feedback for organizational leaders.

2. The *After-Action Review* method—popular with military Special Forces and high-performance teams—is one of our favorites. It works like this: Immediately following any important activity, the team huddles to offer one another honest, direct, concise feedback as to what was supposed to happen, what actually happened, the positive and negative factors, and how the key learning points can be incorporated into future performance.

3. *Structured Dialog* is a method for group gamefilming that employs specific rules of interpersonal engagement that ensure multiple perspectives are taken into account while eliciting specific, productive, and actionable information. While some teams can learn structured dialog skills from books, most benefit from instruction and initial coaching from a skilled facilitator. Once the dialogic guidelines become habitual, teams institutionalize the new behaviors and skills.

4. *Action Learning*—or in most simple terms, learning by doing—refers to a specific field of science that grew out of systems theory research (Action Science) pioneered by Peter Reason, Chris Argyris, Bill Torbert, Peter Senge, and the MIT Society for Organizational Learning. This advanced method incorporates mental models and feedback loops to drive high performance in the midst of ever-changing environments.

5. *Team Flow* requires high individual and team awareness. Each level of gamefilming



methodology transcends and includes the capacities represented by the previous ones. Groups practicing team flow engage multiple perspectives easily and quickly, evaluate individual and collective performance objectively and accurately, learn from each experience, and accomplish all this through unconscious competence. Phil Jackson, who coached the Chicago Bulls to an unprecedented six World Championships described team flow as “five men on the court, so attuned, that it is like five fingers on the same hand.”

Individual Gamefilming

In our work, we have come to realize that many next-level leaders devote a lot of time to introspection—that is, they objectively analyze their own individual performance using a variety of methods analogous to the group gamefilming summarized above.

1. *Mental replay* refers to the common practice of mentally reviewing important interactions or experiences as a way to obtain feedback that can be leveraged for performance improvement. A sales executive we know uses mental replay immediately following presentations—often in the elevator or on the way to the parking garage. Other leaders mentally review their workday before leaving the office each evening.

2. *Reflection* is the practice of thinking carefully about a topic—often from different angles or perspectives—with the goal of obtaining new insights. Next-level leaders spend a significant amount of time reflecting on complex issues, considering strategies, clarifying priorities, and evaluating performance.

3. *Journaling* brings an additional level of structure to individual gamefilming—writing slows and focuses the stream of thought and helps leaders clarify and sharpen their awareness around key issues. Like the great explorers and

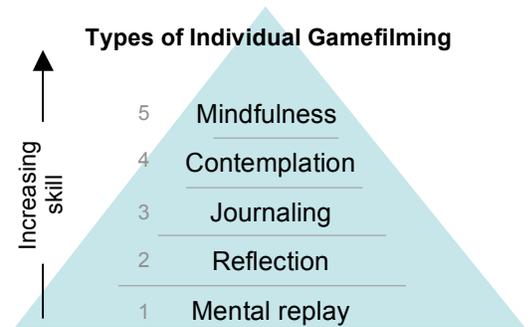
High performers thrive on feedback. In lieu of video cameras used by the NFL, team members serve as the next best resource for feedback. High-performance teams utilize each member as an additional set of eyes and ears giving practical and applicable feedback to one another.

scientists of legend, many modern-day leaders find it useful to take a few minutes each day to make a record of their actions and decisions and capture key insights that arise through this form of disciplined reflection.

4. *Contemplation*—which is akin to journaling without the pen and paper—requires strong concentration used to mentally drill into issues and extract penetrating insights.

5. The first four levels are concerned with *doing* gamefilming. The highest level is about *being* gamefilming. *Mindfulness*—a form of highly attentive present-moment awareness—is the meditation-in-action technique that Phil Jackson, Michael Jordan, and the legendary Chicago Bulls utilized for competitive advantage. Jackson—known as the “Zen Coach”—understood that versatility was key to creating a next-level team. “The day I took over the Bulls I vowed to create an environment based on the principles of selflessness and compassion I’d learned as a Christian in my parents’ home; sitting on a cushion practicing Zen; and studying the teaching of the Lakota Sioux Indians.” In his book, *Sacred Hoops*, he explained, “When players practice what is known as mindfulness—simply paying attention to what is happening—not only do they play better and win more, they also become more attuned to one another.” Michael Jordan later wrote about the experience: “Phil brought in a sports psychologist to talk about getting into *the zone*. I had been there before, so I understood the concept. I just couldn’t comprehend how to get myself in the zone consistently. He provided methods and practices designed to get us into the zone all the time. To achieve that level of awareness and understanding really involves a level of perfection. My mind still travels a bit, but Phil taught us to concentrate on breathing to bring the mind back to center.”

Golf legend Tiger Woods has practiced mindfulness since childhood. His Thai mother is a long-time practitioner of Eastern meditation methods and his father, a former Green Beret, taught him mental focusing techniques as a child. “My mom’s of Buddhist descent, so obviously she has a very calm nature,” he told NBC Sports in November 2005. “My dad was in the Special Forces, a Green Beret, so he was tough. He taught me how to be tough on the golf course and how to focus. His life depended on it. That’s where my mental approach comes from.” Tiger’s mental calm and unflappable concentration has



become his trademark. While most of his opponents review their performance (using conventional video-based gamefilming methods) the day after tournaments, Tiger leverages his meditative awareness to mentally review his performance in the moment, allowing him to instantly adjust his game as he walks from hole to hole.

Elite athletes are not the only high performers employing these methods for competitive advantage. It seems that introspection is a closely guarded practice of elite leaders as well. Our research showed a reliable and close correlation between complex leadership capability and the quiet practice of meditation. Visa founder Dee Hock is a longtime practitioner of rigorous contemplation. Steve Jobs has practiced highly disciplined Zen meditation for more than 30 years.

Like Tiger, some of the top business performers that we have studied possess a highly developed ability to gamefilm on the fly, even in the heat of battle. Once developed, this ability allows leaders to see their own performance objectively and course-correct in the moment. Brent Snyder describes the experience this way: “Some people call it ‘flow.’ When you’re in the zone, time slows down and everything becomes extremely clear. They say that Major League batters can sometimes see the stitching on a fastball. It’s a lot like that. You are present, centered, aligned, and clear. Everything and everyone around you seems to slow down almost to the point of standing still. You have plenty of time to evaluate what’s happening and choose your response.” Maybe this explains why, in recent years, Steve Jobs’ competitors look like they are moving in slow motion.

• • •

Stagen Leadership Institute, Inc.
www.stagen.com
214.744.9255

It seems that introspection is a closely guarded practice of elite leaders. Our research showed a reliable and close correlation between complex leadership capability and the quiet practice of meditation.