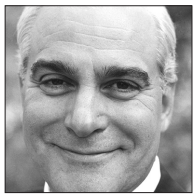


LEVINEONLEADERSHIP

Continuous learning drives innovation and results



**Stuart R.
LEVINE**

In our many years of operating a strategic planning firm, one incredible truth has emerged. The commitment to continually learn defines whether people and teams have the energy to innovate and develop strategies that achieve results. As the world continues to evolve economically and politically, global and emerging markets become more competitive. Effective leaders understand their role in stimulating discussions that challenge their teams to stay on the edge of trends.

Frequently, people seek us out to gain insights into strengthening their organizations. My initial response revolves around the question, Do people have the will to learn? In many cases, this defines whether there is a shared enthusiasm in an organization to grow and develop new products and services. Ask yourself whether you and your team have the will to learn.

Consider some of the points that were presented by David M. Walker, president and CEO of the Peter G. Petersen Foundation and former comptroller general of the United States, at the November 2010 Annual Conference for the National Association of Corporate Directors:

“Companies and the directors that oversee them, especially ones that relate to global entities, do not have duties of loyalty to countries. They have a duty of loyalty to their shareholders but should also consider the interests of key stakeholders. However, if companies, manage-

ment and directors fail to pay attention to the key sustainability challenges that we face as a nation, we will all pay a high price over time.

“If we do not take steps to keep our economy strong for both today and tomorrow, our national security, international standing, standard of living, our social safety net and even our domestic tranquility will suffer over time.”

The key sustainability challenges outlined by Mr. Walker – including fiscal, entitlement programs, health care, tax system, educational system, critical infrastructure, immigration policy, savings rates, innovation gap, operational structures and practices, and dysfunctional political system – are all challenges that we as leaders need to digest and understand as we plan new strategies and products for our organizations. These challenges should get you thinking and trying to learn more about how these will affect your company, your ability to lead and your children’s future.

When we begin a strategic planning process, our discipline tells us that it begins with a thorough review of the global and domestic landscape. This ensures the common ground of trends that will define your ability to compete in the future. Examine some of the following statistics from IBM Global Business Services’ report, “The future of the Consumer Products Industry: The end of the world ... or a world of opportunity.” See if this gets you thinking in a new way or encourages you to learn more about where the world is going and the implications over time:

Over the next 10 years, the world’s population is expected to grow by almost 20 percent, primarily in emerging markets.

■ In 1975, only three cities – Tokyo, New York and Mexico City – had popula-

tions in excess of 10 million. By 2020, 16 cities will have populations in excess of 20 million.

■ Many of the new “mega cities” will be in developing nations and will present a mixed set of opportunities and challenges.

■ In 2007, more than 1 billion people, or 30 percent of the world’s urban population, lived in slums.

■ The rural poor will have \$1.3 trillion in purchasing power by 2020, representing one of the fastest growing facets in some key markets.

Having just met Harry Markopolos, “the Madoff Whistleblower” who recently wrote the book, “No One Would Listen,” I am struck by the inscription he placed inside my book: “Assume fraud before genius, until genius is proven.” Harry is the courageous leader who spent eight years of his life trying to prove the Bernie Madoff fraud case to both his employer and the Securities and Exchange Commission. He began each day with a mirror looking under the chassis of his car before turning on the ignition to ensure no bombs were there.

The key learning from my personal conversations with Harry were his views on what’s coming – a much more vigilant regulatory environment. The onus will be on us as leaders to understand the implications that this will and should have on our board culture as well as company culture.

Companies can create learning cultures that focus on innovation or they can stagnate, focused on internal politics and lack of confidence in the ability of their people to relearn. As a leader, I encourage you to focus on the kind of culture you are creating within your firm.

Levine is chairman and chief executive of Stuart Levine & Associates, an international consulting and leadership development company.