

On Leadership: The Benefit of Years

I have a confession. I'm a 'Gray Hair.'

Yes, I'm one of those people who were summarily chucked out of corporate consciousness in the late 1990s and into this century because they were old. Past it. Goners.

Yeah, right.

Even the Gray Hairs who were controlling the venture capital that was funding the newbies in creating companies were dissing their gray-haired counterparts. (Some of them were also probably dying their hair, but let's not get personal.) And why? Why were they turning their backs on their own?

Because the new new conventional wisdom (because everything that was worth anything then couldn't just be 'new' it had to be 'new new') was that only the twenty-somethings understood where industries were going. They were wired. Connected. Faster, more visual, more creative. The old folks were just going to do the same-old same-old. (What was it that necessitated all this repetition?) Only the next gen had any ideas worth pursuing (for which read funding) - and they were going to rule the world.

Again. Yeah, right.

So, what happened? Well, some of those twenty- (and thirty-) somethings really did have brilliant ideas that were more than single products or just a lot of talk. Some of them created companies. Big, beautiful companies. Those are the ones that are still in play and constantly growing new worlds. They are the name brand corporate mascots of that era and all the potential the world came to know.

Many of the newbies had great ideas but couldn't manage their way into or out of a paper bag. It wasn't just that they didn't know how - they didn't even know they *needed* to. They were brilliant. That wasn't the problem. It's just that they were brilliant at creating a product or service or idea - not a company.

Well, the venture guys started finding out pretty quickly that some gray hair was needed - desperately - to make the companies work. After all, the twenty-somethings might be wired and have all the energy in the world (especially necessary in the 24/7/365 connected world they created) but the venture fund investors weren't looking for energy. They were looking for returns.

And so the Gray Hairs returned. Suddenly they were at a premium. They were the answer to all questions. Even the newbies were in search of likely Gray Hairs for when they made their presentations to the venture guys. If they didn't have a Gray Hair - or two or three - on their management team, they weren't considered viable. And there went the funding - right to someone else with another idea...and a Gray Hair already on board.

Why, you ask, am I bringing this up now? Because I need to do a fast rewind of a decade or two – to when I was a relative newbie – to make clear what's going to happen next and what you need to be on the lookout for in the years to come.

When I first came into industry as a rather junior executive, the company for which I worked was in the midst of a downsizing. Only in those days it was called a 'lay off.' By the time I came in, this aerospace firm had cut their staff by tens of thousands – and more were soon to go. But the thing that confused me most was who senior management was targeting to push out the door. It was their most experienced people.

Typical of me, I made an appointment with my most senior executive (a serious Gray Hair) and asked why. I couldn't understand how the company could afford to summarily lose so much knowledge and experience in exchange for a younger (for which read lower paid) staff. I couldn't even figure out how the company could ignore the fact that just because early retirement packages came out of a different budget, the money was still coming out of the same company.

Was it just me? Was I missing something? Wasn't he worried that he might be next?

No, he explained to me, I was seeing what I thought I was seeing – but this was the best way to get the company's costs under control the fastest. As for the brain drain – no problem. He, like everyone else at his level, was sure that the new employees would pick up whatever knowledge they needed quickly.

He was wrong. Even while the lay-offs were still going on, the company was hiring back the people they had laid off just a few months earlier. It had to. It couldn't operate without them. There were no legacy systems in place. Critical knowledge hadn't moved to the next generation – because no one ever thought about it. Until then everyone stuck around long enough to learn what they needed to know. No more. The people with real working knowledge were being shown the door.

Only when they were shown the door back in, they came in as 'consultants' - at a much higher pay level than they were making when they were inside. Some of them started competing companies and brought their expertise to the competition. Some of them just found a nice, warm beach and a well laid out golf course and relaxed.

It cost the company far more to bring knowledge back in than it did to let it go. Yet, because it was coming out of a different 'budget bucket' it didn't matter. Kind of.

Except that when we fast forward a few more years, the company was broken up and sold in parts. While the name still exists, the company as good as doesn't – and that never had to happen.

And now, time travelers, fast forward with me to the present and the future. Because we're seeing the newest version of the same thing now.

We have an aging population. People are simply living longer. They're healthier and can contribute for much longer than in the past. And they have so much to contribute.

Corporate culture no longer calls for longevity. With the possible exception of the public sector, the expectation is that you'll either leave of your own volition or your

employer will, at some point, invite you to go before what you consider your time. And, in most cases, those legacy systems still aren't in place.

And this is just as true at the executive level as it is throughout the enterprise – so you have to watch your own back as well as your people's.

Start looking at your company now. Don't play with words or budget buckets. Humans are humans and resources are resources. When you put them together you're looking at one of, if not the, biggest costs – as well as, by far, your greatest gain and safety measure. This deserves real, concrete strategy.

Look at what your company is doing, where it's going, where the knowledge base lies, what the risks are, how much the loss of knowledge will cost to replace and regain. Understand that aging does not mean incompetence – but it may mean some really clever job redefinition and reconstruction. Balance out your new new needs – and bring in the next gen for that – while preserving the best and brightest of your Gray Hairs.

The given is that whether it's to counteract lay-offs (oh, excuse me, is it Downsizing or Reductions In Force these days?), venture/private funding requirements or simply an aging population, the fact is Gray Hairs bring real, ongoing value to the enterprise. Moreover, their loss most frequently means lost opportunities and increased costs.

You're a good executive and you would never let that happen to your company. Would you?

Of course not. Not least because one day you'll be a Gray Hair too.

About the Author

Leslie L. Kossoff, internationally renowned executive advisor specializing in strategy and corporate turnaround, was cited by *About.com* as **“one of the most intelligent and perceptive voices on executive and managerial leadership today.”** For over 20 years, she has assisted clients in the public and private sectors in the U.S., U.K., Europe and Japan. Her clients, ranging from start-ups to multi-nationals, include Sony, Kraft Foods, the UK National Health Service, Fidelity Investments, Seiko/Epson, 3M and others.

A former C-level executive in the aerospace/defense, pharmaceutical and entertainment industries, Leslie enjoys an outstanding reputation as an invited speaker at conferences around the world. She is the author of two books, including the award-winning *Executive Thinking*, is the editor of the blog EU Economic Engine and writes regularly for *Horticulture Week/The Grower* focusing on business and management issues in the agricultural industry. Having written over one hundred articles in journals including the *Financial Times* and *CEO Magazine*, she is frequently quoted in *Entrepreneur*, *Investor’s Business Daily* and is a regular guest on the syndicated “Small Business Advocate” radio program. Jim Blasingame, its host, cites Leslie as **“one of the top organizational thinkers for executives and business owners.”**

During her association with Dr. W. Edwards Deming, the quality management expert credited with turning around Japanese and Western industry during the latter half of the last century, he declared Leslie **“Quite simply one of the best at implementation.”**

Leslie is a founding Board member of the Global Women’s Leadership Center at Santa Clara University Leavey School of Business, serves on the Advisory Board of the Russia Research Network, is the former director of the Institute for Quality and Productivity Improvement at California State University, Long Beach, has been a member of the Judges Panel for the Sterling Award for Quality in California and is included in the *Who’s Who Registry of Global Leaders* among others.

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