

**TODAY'S ECONOMIC  
WORD: STAGNATION**

**"KING" OBAMA AND  
IMMIGRATION POLICY**

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**WHERE DO  
WE GO FROM  
HERE? HOW  
TO HALT THE  
RACE TO THE  
BOTTOM**



**S**ENIOR LEADERS and chief executive officers can be placed on a continuum from operational to entrepreneurial. Each individual has an underlying thinking style that creates a preference in approach and behavior. On one end, operational CEOs often are referred to as “professional” management since they are brought in to execute on the vision of the company. They thrive on planning and predictability. On the other end, entrepreneurial CEOs frequently are the visionary founders of the business or they have been brought in to transform an organization in decline. They thrive on change and disruption.

While these two archetypes of leaders have different strengths and weaknesses, both face a similar problem: how to spend time in activities that naturally fall on the other end of the spectrum. They lack comfort and patience with the work that must take place to be successful when they go outside their preferred thinking style. This eventually becomes a detriment to the business since both thinking styles and associated activities are needed for the organization to thrive long term.

To make up for this deficiency, corporate boards most often recruit CEOs who fall in the middle of the spectrum and can span both ends. Yet, most “middle of the road” CEOs have a limited ability to bridge the spectrum and have trouble at both ends of the continuum. Additionally, they likely will default to an underlying thinking style under pressure.

The solution comes from evolved CEOs. These individuals are aware of their preferred thinking style and, with this awareness, will work diligently to make up for their own preference in how they assemble their team, approach time, and engage in activities. For the CEOs and senior executives who need help with this, engaging the Five Business Time Zones model of leadership can bring new understanding of how they spend their time as well as a design for how they ought to spend their time. Creating awareness around this issue is the first step in breaking out of the comfort zone and spending more time focused on where the business needs attention.

In order to grasp the environment in which leaders operate, it is important to understand the evolution of leadership in the 21st century. There is no way to avoid it: business has changed. During the last 50 years of the 20th century, business leaders focused on execution and quality improvement, popularized by programs such as Six Sigma and Total Quality Management inspired by W. Edwards Deming’s work as well as *In Search of Excellence* (1982) by Tom Peters and Robert H. Waterman Jr. In the last several years, business literature reflects further changes, as seen through *The Innovator’s Dilemma* (1997) by Clayton M. Christensen, *Blue Ocean Strategy* (2004) by Renee Mauborgne and W. Chan Kim, and *Lean Startup* (2011) by Eric Reis. With these thought leaders, the emphasis is on strategic vision, speed, and agility.

# TIME ZONE TRAVEL

BY SOREN EILERTSEN

*“... Engaging the Five Business Time Zones model of leadership can bring new understanding of how [senior executives] spend their time as well as a design for how they ought to spend their time.”*

Executives—once evaluated based upon their ability to create results in the short term—rose to the top positions. Historically, this is because the CEO has been someone who, by definition, “executes.” The word executive comes from the Latin *exsequi*, which means to “follow up, carry out, and/or punish.” More often than not, leaders’ results came from a shorter-term operational focus that involved disciplined delegation and oversight. This execution focus is the comfort zone for most CEOs. However, it is time for executives to move out of their comfort zones into areas that provide a longer and better return on investment.

The Five Business Time Zones represents a new model of leadership and a tool that executives can use to understand how they currently spend their time and how they should spend their time. With the Five Business Times Zone tool, each level or zone presents a different view into the business, each hosting different “key activities,” “results horizon,” and associated “thinking style.”

The five zones are: react, execute, improve, innovate, and reinvent. They span two polar-opposite dimensions with implications for both the organization and the individual

leader. It is important for leaders to be able to cope with thinking styles that run the gamut from an operational and tactical preference at one end to a strategic and possibly disruptive preference at the other extreme. The challenge then becomes effectively managing the time component. When does each zone require cultivation and for how long?

Because the five zones can be minefields if not considered properly, leaders need to be willing to change from what they prefer to do and how they have measured success previously to what they need to do in order to live their vision and build a sustainable business.

Of the five zones, “reacting” places the executive at a long-range disadvantage. The leader essentially functions as a firefighter, responding to past failures or inadequacies in various systems. This is the time zone where a CEO may deal with problems caused by stakeholder dissatisfaction (customer, employee, or board) or quality issues with products or services. There are times when leaders find themselves of necessity in this time zone, but only for a limited time until the issues are resolved, or a repeatable process has been developed to avoid recurring issues. The time zone’s result horizon: past (yesterday).

With “execute” the leader focuses on the present. Here, management spends time communicating and implementing current strategies, inspiring employees, delegating tasks, delivering on commitments, marketing and selling products, and managing talent. All of these actions are necessary to ensure the sustainability and profitability of the business. Every CEO understands how mandatory these skills are, which explains why so many of them spend an inordinate amount of time in this zone without necessarily a long-term perspective. The results horizon: immediate or this month or quarter.

“Improve” is the first of the forward-thinking zones where the focus is on performance excellence and on growth of the current offering in existing markets. The leader seeks excellence through quality improvement, sales and marketing systems, customer satisfaction, succession planning, and brand building—all are very important to the success of the business. Rational systems thinkers particularly are comfortable in this time zone, finding efficiency and consistency in established methods and best practices. The zone offers relatively quick rewards. The results horizon: short term (three to 12 months).

With “innovate,” the leader acts to grow the business through product and service innovation, entering new markets, and identifying potential mergers and acquisitions. Effective travel through this time zone requires new ideas that expand the existing business concepts through market analysis leading to innovative, customer-focused strategies. The product and marketing departments and research and development teams often thrive in this zone. Innovations come in two forms. One is more linear—“what customers would

expect next”—and the second more disruptive and potentially threatening to the existing business. The more disruptive the innovation, the harder it becomes to “hold the space” for this activity inside the existing leadership and organization. Results horizon: mid term (six to 24 months).

“Reinvent” perhaps is the most difficult time zone. In it, the leader seeks to create new business ventures through novel exploration. A leader who spends the most time in this zone may have to disrupt the existing business model as a means to ensure long-term company viability. This type of work likely has to take place outside the existing organization and only be brought back after prototype work has proved results. Additionally, it requires the top leader effectively to compartmentalize attention and work. Results horizon: long term (one to five years).

For many CEOs shifting the preference away from using their preferred style and their comfort zone to attend to what is most important for the business can be very challenging. Here are some pointers to make the transition easier:

**Awaken to the time zones model.** Scrutinize where time was spent over this past week, month, and quarter. How much time was used in each of the Five Business Time Zones? Follow up by reflecting upon how much time should be spent in each zone based on the current life cycle

stage of the business. It is important for leaders to map these items and determine their time zone delta—the difference between where they spend time and where they need to spend time—so they awaken to what has to shift. Operational leaders tend to be more comfortable in the time zones of execute and improve. Entrepreneurial leaders tend to gravitate to innovation and reinvention.

**Work the schedule.** The old adage is true: “What gets scheduled gets done.” Leaders who design their schedule grow and develop when they set time aside for the new time zones. This does not need to be complicated. Begin by considering the activities and time horizon of the new time zones. The literature referenced earlier provides many best practices tips for “how to” work towards the new result horizons. It also is helpful to engage in dialogue with others about individual preferences and discomfort, and seek advice from mentors.

**Observe one’s own nature.** Human beings gravitate to a preferred “thinking style.” In *Adaptors and Innovators—Styles of Creativity and Problem Solving* (1994), Michael Kirton describes “the adaptive cognitive style” (“inside-the-box” operational) and, on the other end of the continuum, “the innovative cognitive



style” (“breaking-the-box” entrepreneurial). Although not synonymous, this can be thought of as similar to spectrums such as a preference for thinking versus feeling and contemplative (introvert) versus outgoing (extrovert).

Understanding preferences allows individuals to make choices about their behavior in any given situation. While preferred thinking does not change significantly over time, being aware of this fact allows for behavior modification. In fact, how individuals select jobs is based partly upon preference in thinking. For instance, an accountant tends to be more rational, conforming, and predictable. Typically a person who chooses this career path prefers more structure, is somewhat inflexible, and works within the existing system. On the other hand, a designer or artist generally prefers less structure, works in the future, and takes risks to disrupt. Understanding personal nature is essential. Equally important is openness and adaptability, which lead to developing the elasticity necessary to cope with the potentially uncomfortable aspects of the non-preferred style. Meditation offers a great tool to help individuals observe their nature.

**Hold the space for time zones that go outside the comfort level.** A number of evolution specialists, including Ken Wilber (*Sex,*

*Ecology, Spirituality—The Spirit of Evolution*, 1995) and Robert Kegan (*In Over Our Heads—The Mental Demands of Modern Life*, 1994) describe human development as increased levels of consciousness. Specialists believe only 15% of the adult population and about half of senior leaders cross a threshold into what is referred to alternatively as postconventional awareness, second-tier thinking, and fourth or fifth order of consciousness at this time.

Although everyone has the capability to cross this threshold, many do not for a variety of reasons. Those leaders who do have a significant advantage over their peers in today’s rapidly changing work environment. The ability to observe the system and their personal meaning-making structure makes it more likely for them to act as a container (“hold the space”) for people and groups who must catalyze on either end of the operational and entrepreneurial leadership continuum. As individuals begin to travel the time zones, it is essential to pay attention to the ability to hold spaces for others. Experimenting with the ability to hold time zone space could be an escalator to higher levels of consciousness.

As artist Pablo Picasso said, “Every act of creation is first an act of destruction.” Too often, conventional leaders seek efficiency and results as part of the known business game.

They avoid potentially uncomfortable space for the same reason. What they fail to recognize is that, once the postconventional threshold is crossed, the game no longer is defined, and the doors to innovation and disruption are opened wide. Postconventional leaders who step outside of their own comfort zones understand what is needed in the organization and create alternately (or simultaneously) a welcoming space for people to be creative and structured.

Businesses are born and businesses die every day. Each stage of the life cycle, from start-up to maturity or decline, requires a different time commitment and activity focus of the leader. Although there is a lot to be said for using managerial muscles and significant time executing on today’s issues, the leader’s focus on innovation and reinvention today creates results and success for the business in the longer term. After all, the leader’s main job always is to clarify the future and create meaning for followers. ★

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