

And over the next three years we plan to invest more than \$54 billion to develop new technologies and products and to bring them to market.

2. *Knowledge that empowers us.* We want to be a company that uses everything we know as a force for competitive advantage. So we will invest heavily—time, energy, and money—to bring people together, to meet face to face to build understanding and to share creative ideas. And we are making our knowledge available on-line, "realtime" everywhere—through our corporate university, through dedicated training, through a business TV channel, and through cutting-edge IT networks—so our people can benefit from each others' experience.

3. *Speed gives us the edge.* At DaimlerChrysler, we will be relentless about speed. Speed is of the essence for competitive advantage. To expand our customer base and increase margins, we have to keep our brand and product range up to date and bring innovative, quality products to the market faster than our competitors. Moving fast, we will introduce 34 new cars, light trucks, and commercial vehicles in three years, and many new products in services, aerospace, rail systems and diesel engines.

4. *Being truly global.* We want to meet and exceed the expectations of our customers wherever they are—with products designed especially for them. To do this we have to integrate our worldwide design, engineering, and production networks, access global capital markets, exploit global technologies, and harness global communications. We also have to put down roots in key markets. Already we count as "domestic" half the world market. We are at home in more than 200 countries. We want all our people to be as global in their outlook as their company.

Wherever we operate, we will be socially and environmentally responsible and contribute to the communities we serve. In many cases, we will invest, stimulate local industries, and create jobs. This will not detract from our bottom-line commitment. Only as a profitable company can we make a real difference. And only a responsible approach to our global environment will ensure long-term profitability.

We have passionate and inspired people with the spirit and dedication to make DaimlerChrysler extraordinary. EE

Robert Eaton and Jürgen Schrempp are co-chairmen of the DaimlerChrysler Corporation; [www.daimlerchrysler.com](http://www.daimlerchrysler.com). This article is adapted from a letter to stockholders.

## WARREN BENNIS

# Leaders of Ideas



*Our growing need for more collaborative forms of leadership results from the growing importance of intellectual capital.*

**I**N THE WINNING ENTERPRISES of earlier times, leaders could have most of the intellectual assets. But today, companies live and die according to the quality of their ideas. And ideas are different from physical assets. Ideas are like butterflies—wonderful but elusive—and people at the top have no lock on them. Great ideas can come from anywhere in the enterprise, and they inevitably shift power to those who have them.

I see a new paradigm for achieving greatness—one where leaders are devoted to unleashing the genius—the great ideas—of their colleagues. Such leaders and followers constitute a new kind of organization. They form teams in which each member, including the leader, is needed to create the collective magic.

Too many modern workers regard themselves as wage slaves, and too many workplaces appear to be places of pain, not passion, populated by individuals who are underutilized and undervalued. Often, their great ideas die with them. The best leaders forge competitive advantage by creating a social architecture that generates intellectual capital. They somehow unfetter greatness within their organizations and find ways to keep it there.

Today's leaders must not only have the stature to attract top talent, they must have the character to retain it. Talented people have options. They can walk out the door at any time—to go to a competitor or to become a competitor. In this "free agent" environment, leaders have to earn respect.

A key attribute of leaders of ideas is their ability to generate and sustain trust. Largely as a result of downsizing, the

level of trust in the workplace is low. Terrible alienation exists. As many leaders regard employees as a fiscal liabilities, employees are feeling hopeless and helpless. In fact, the only great work being done in many businesses today is that of entrepreneurial individuals who are using their employers' fax machines and other resources to craft their next job—a high-anxiety activity dubbed "wing-walking." Only leaders who inspire trust can get such workers off the wing and focused on tasks that are important to the organization. Such leaders send the message that "we are all in this together."

One way leaders do this is by imbuing work with purpose and meaning. Knowing that people would rather be on a crusade than simply at work, great leaders

invite them to contribute their best ideas and efforts to meet the challenge. Their ability to "enlist others" is not some simple rhetorical trick. If it were, the bland mission statements cranked out by most corporations would actually inspire workers, instead of infuriating them. The ability to inspire reflects an under-

standing of human nature. People want to do good work. They want the hours they spend at work to mean something.

Such leaders have contagious optimism. They make employees feel they can accomplish anything. Their workplaces are productive because they are filled with people who enjoy the intrinsic rewards of working well. People love to solve problems, especially in partnership with others whom they respect. The longing for community is born in us. Few corporate leaders understand the depth of our craving to be part of something larger, and even fewer understand how to tap that longing to turn individual workers into a cohesive, productive group. And yet only in such groups can complex work be accomplished. Allowed to flourish, people spark greatness in each other.

### *From Me to We*

The question is, how do you get talented, self-absorbed, independent, bright,

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and often arrogant people to work together? I offer 10 principles.

- **Share a dream.** Every great group shares a dream. Members believe they are on a mission from God; they are on a quest. That belief brings cohesion and energy to their work.
- **Abandon egos.** Members manage conflict by abandoning individual egos to the pursuit of the dream. Conflict, even with these diverse people, is resolved by reminding people of the mission.
- **Protect talent.** Talent is protected from the "suits." All great groups have disdain for their corporate overseers and are protected from them by a leader. Distance from headquarters helps.
- **Have an enemy.** Great teams have a real or invented enemy. Noble missions can be helped by an onerous opponent.
- **Be an underdog.** World-changing groups are populated by mavericks—people at the periphery of their disciplines. They view themselves as winning underdogs. Their don't-count-me-out scrappiness feeds their obsession.
- **Make membership meaningful.** Members pay a personal price. Membership isn't a day job; it is a night and day job. It's what gives membership meaning.
- **Seek strong leaders.** Great groups are nonhierarchical, open, and egalitarian. Their leaders are seldom the brightest or best, but they are connoisseurs of talent, more curators than creators.
- **Recruit and place well.** Great groups are the product of meticulous recruiting. Cherry-picking the right talent means knowing what you need, being able to spot it in others, grilling candidates, and placing the right people in the right roles.
- **Include youth.** Youth provides the physical stamina. But such groups are also young in spirit, ethos, and culture. Because members don't know what's "impossible," they do the impossible.
- **Bring product to market.** Real artists ship product at the end of the day. Their work means nothing unless they bring a great product to market. Without something to show for their efforts, the most talented assemblage becomes little more than a social club or a therapy group.

### Rules for Idea Leaders

Leaders of ideas vary widely in style and personality. Some are facilitators, some doers, some contrarians. However, leadership is inevitably dispersed, sometimes in formal rotation, more often with people playing ad hoc leadership roles at different points. The formal leaders, even when delegating authority, are catalytic completers; they take on roles that nobody else plays—

cajoler, taskmaster, protector, or doer—roles that are needed for the group to achieve its goal. They intuitively understand the chemistry of the group and the dynamics of the work process. They encourage dissent and diversity in the pursuit of a shared vision and understand the difference between healthy, creative dissent and self-serving obstructionism. They discern what different people need at different times.

They also provide direction and meaning. They remind people of what's important and why their work makes a difference. They display a bias toward action, a sense of urgency, curiosity, and a willingness to risk failure to achieve results. They find symbolic ways to show how the group can overcome the odds. They build around a shared dream or purpose. Their mission statements have real meaning and resonance.

Articulating a meaningful mission is the job of leaders, and it's not an easy task. You can't expect every employee to be zealously committed to your cause, but ultimately the responsibility for uninspired work lies with you, the leader.

### Al Dunlap: The Unleader

Thank God for Albert J. Dunlap, also known as "Rambo in Pinstripes" and "Chainsaw Al." In his shameless autobiography, *Mean Business*, he describes a style that brings to mind Neanderthal courtship rituals—leadership by club rather than consensus. He seems to have proudly adopted the philosophies of Attila the Hun and the Mafia Manager.

I have known a lot of CEOs in my time—many of them with big egos—but before Dunlap I had never encountered one whose ego was truly pre-Copernican, or one who took more delight in revealing himself at his most egregious. His business world is ruled by five laws: 1) Business is remarkably simple—the only person who counts is the shareholder; 2) Heading a major corporation justifies virtually any amount of compensation; 3) You're not in business to be liked but to succeed; 4) You can outsource just about anything today; and 5) Firing thousands of employees is an acceptable way to run a business.

What Dunlap seems to lack entirely is the capacity, essential for real leadership, to abandon his ego, as Max De Pree puts it, to the talents of others. I concede that Dunlap's brand of autocratic, intimidating, self-worshipping leadership may work with young or passive employees in the short term, but it won't work with talented people for very long. His philosophy is not only antithetical to ordinary

decency, it commits the economic sin of threatening long-term profitability.

### Characteristics of Real Leaders

If our age seems lacking in leadership, take heart. Leaders aren't born, they're made—mostly self-made. I find that seven characteristics define idea leaders: 1) business literacy—they really know their business; 2) people skills—they bring out the best in people; 3) conceptual skills—they think systematically and creatively; 4) track record—they have done it before and done it well; 5) taste—they pick the right people who can make up for their weaknesses; 6) judgment—they make quick decisions with imperfect data; and 7) character—their character is based on ambition, competence, and integrity. A leader with drive but little competence or integrity becomes a demagogue; a leader with competence but no integrity or drive becomes a technocrat; and a leader with ambition and competence but no integrity becomes a destructive achiever.

Leaders create the social architecture capable of generating intellectual capital. By *intellectual capital*, I mean know-how, expertise, brainpower, innovation, ideas. All good CEOs find ways to release the brainpower of people. They do that by leading, by doing the right things.

When I think about *doing the right things*, I think about the future, about dreams, missions, visions, strategic intent, purpose. When I think about *doing things right*, I think about how-to means and quality-control mechanisms. Leaders ask the *what* and *why* question, not the *how* question. Leaders don't steal responsibility from people. What employees want most from their leaders is direction and meaning, trust and hope. Real leaders create something of magic and enchantment. The hard skills are creating a motivated and productive work force. So, in effect, the soft skills are the hardest skills.

Leaders need a sense of wonder; they need to be purveyors of hope who suspend disbelief that something can't be done. Idea leadership is like jazz improvisation. You must enjoy the sound of surprise. You must also learn to be yourself. Know what you're good at. Hire only good people who care. Treat them the way you want to be treated. Switch from macho to maestro. Identify one or two key objectives. Ask your co-workers how to get there. Listen hard. Get out of their way. Cheer them. Count the gains. Start now. EE

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