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The Wealth of Leadership: the best of Peter Koestenbaum

by Tim Pearson

Peter Koestenbaum, the legendary business and leadership philosopher, keynoted the Alaska Capital Investment & Manufacturer's Conference 2002 last week. Peter K., as he's known by friends, looks like a Russian Tolstoy – 73 years old, white beard, twinkling eyes, and a mind that never stops. His schedule doesn't stop either. It's not uncommon for him to consult with CEOs on three continents in the same week.

Here are some of Peter K.'s observations:

On the relevance of philosophy to business: *"The more you understand the human condition, the more effective you are as a businessperson. Human depth makes business sense."*

On exercising leadership: *"Leadership is seizing an impossible situation and either wrestling it into a breakthrough solution or releasing its dormant greatness."*

On his definition of a leader: *"A person who is truly effective in achieving worthy results, in any field, no matter what the obstacles, with unfailing regard for human beings."*

On the requirements of leadership: *"Leading requires changing not only the way you think and the way you act but also the way you will."*

On greatness: *"Greatness comes with recognizing that your potential is limited only by how you choose, how you use your freedom, how resolute you are, how persistent you are -- in short, by your attitude. And we are all free to choose our attitude."*

On strategy: *"Paradoxical as it may seem, the personal precedes the strategic; good strategy is created by a brilliant mind and implemented by a strong character, not the other way around."*

On the meaning of your job: *"The significance of your job is not that it offers you security but that it demands from you personal growth."*

On what it means to be a leader: *"To be a leader is to be awake and alert, to be dissatisfied at all times."*

Peter's comments however, don't simply stand alone. He has a coherent framework for his thinking. His thinking is important because it is leaders who create wealth, both financial and civic wealth. Here's a distillation:

1. The two greatest challenges facing business are leadership challenges: First, organizations need to develop what he calls leadership intelligence or a leadership mind. Second, leadership intelligence has to be spread throughout the organization. With leadership intelligence, one can develop quality people. It takes quality people to create and to support the quality products and services that result in wealth.

2. The leadership mind: According to Peter, leaders think differently from other people. A leader is focused on greatness in all he or she does. Greatness is effective and worthy action.

3. The Leadership Model: Peter defines the mindset of a leader as the Leadership Diamond®. The four corners of the Diamond represent the four major leadership strategies: Vision, Reality, Ethics, and Courage. The area inside of the Diamond is one's capacity for greatness. Greatness also has two facets: professional competence and personal character. Both are essential.

So what do these four leadership strategies mean?

4. Vision is the ability to think big and new. It speaks to the ability to apply analytical skills. This is the domain of creativity and the ability to generate new perspectives. When I think of business leaders with vision, I think of Herb Kelleher of Southwest Airlines and his drive to create the low fare airline. Check out the book: Nuts!, 1996 and www.stillnuts.com.

5. Reality means having no illusions. It speaks to relying on data that is factual, and not emotional. It is tough, task-oriented and results-focused. When I think of business leaders with a reality focus, I think of people like Hjalmar Olson and Tom Hawkins at Bristol Bay Native Corporation. Check out www.bbnc.net.

6. Ethics is about providing service. It speaks to the value of people and integrity. When I think of a business leader with ethics and a team orientation, I think of Ann Rhoades, EVP of People with JetBlue. Check out www.jetblue.com and www.peopleink.com.

7. Courage is about acting with sustained initiative. When I think of a business leader with courage, I think of Colman Mockler, former CEO of Gillette and his success at fighting off repeated corporate takeover attempts in order to preserve the value of Gillette. Check out his story in Jim Collins' book Good To Great, 2001.

So how does someone put these four strategies together in order to take action?

- As an individual, you exercise leadership by teaching leadership. And you teach leadership best by modeling what you want to see.

- As an organization, it means creating opportunities to spread leadership intelligence and creating an environment in which everyone is a leader. (Yes, it's possible.)

- Outside your organization, it also means identifying and connecting with other leaders in order to create opportunities and wealth that otherwise would not exist. Check out: Leadership Anchorage (www.akhf.org) and the Alaska Native Leadership Network (www.alaskanativeleadership.com).

If you wish to explore Peter Koestenbaum's work further, his website is www.pib.net. He has a leadership self-assessment that can be completed and scored on-line. He's also written: Leadership: the inner side of greatness, 1991; The Heart of Business, 1987; and most recently, Freedom and Accountability at Work, with Peter Block, 2001. Remember Francis Bacon's comment that some few books are meant to be "chewed and digested?" Well, he was referring to insights the caliber of Peter K.'s.

Tim Pearson is a Professional/Business Coach, PCC (www.timpearson.net). He is a founding player of MindJazz (www.mindjazz.com), a company that helps teams and organizations tap the energy at the intersection of creativity, collaboration, and action. He can be reached at (907) 562-1568 or by e-mail at tim@timpearson.net. Copyright 2002. All rights reserved.