

CHAPTER 8 Leadership in Management

The Boss in the Web Age

Communicate, compromise, think globally—and do it fast

by Nanette Byrnes

Ask a chief executive officer what the job will be like in the year 2020, and you're apt to get the reply: "Who knows?" With the drop-dead pace of technological upheaval, it's hard enough to scope out the business landscape three months from now, let alone two decades. But by the time today's ambitious, twentysomething dot-com entrepreneurs reach middle age and settle into the role of running of multibillion-dollar operations, the corner office will hardly be recognizable. Tomorrow's CEO will still be charged with assembling and developing an elite team and hammering out world-beating strategies. But in the turmoil of today's executive suite, we can already see that the 21st century top dog will have to learn some new tricks. The best performers increasingly are great communicators, compromisers, and masters of change. In the melee of the next 20 years, the new skill requirements and a more entrepreneurial mindset will produce a superstar class of CEOs, predicts Sandy Ogg, a Motorola Inc. corporate vice-president and director of its office of leadership: "We're going into a period of dynamic change, like war, and the pressure it puts on people to lead is just tremendous."

So welcome to a day in the life of Sylvia Chen, a hypothetical CEO in the year 2020.

6 A.M. After checking in on her sleeping daughter, May, Chen sets out on her wake-up hike in the hills outside her suburban Seattle home.

For the past six months, Chen, 45, has been running Xcelerent Software Inc., a 10-year-old designer of educational software for students of all ages. Personal energy was a key factor when the Xcelerent board of directors went shopping for a new CEO. Candidates would have to weather a hectic travel schedule and round-the-clock international business operations. It helped that Chen, the mother of a 7-year-old and wife of a financial services executive, had already demonstrated that she could juggle a full-time job with her family.

The board found Chen's credentials intriguing. Over the past two decades, she's worked for software companies in four different countries, and she speaks three languages. Born in China and educated there and in the U.S., she has a master's degree in music. When questioned about her music background by the Xcelerent board, Chen argued that it helped her to see creative solutions in her recent turnaround of a troubled personal finance software maker.

With three-quarters of her pay pegged to specific operational goals, Chen's package is fairly standard. But her review periods come much more often than they did for executives in previous eras, and are pegged to the results of particular projects as well as to overall returns. Other key criteria by which she is evaluated: how well her partnerships pay off, retention of key staff, and quarterly customer-satisfaction surveys.

So far, Chen's been hitting her marks. But if things turn bad, she or the company can terminate the deal with one year's severance at any time.

"Tenure of corporate chiefs will get shorter and shorter," predicts Richard D. Fairbank, CEO of credit-card giant Capital One Financial Corp. "In the Information Age, everything can be measured. There will be no place to hide."

7 A.M. Back home, Chen scans her video mail, checking key indicators about Xcelerent's financial performance that have arrived on her computer overnight.

The household comes to life as her husband gets ready for work and her daughter prepares for school. Chen takes a few minutes to sit down in front of a big flat-screen monitor in her home office to check e-mail. The setup mirrors one in her office, with a tiny video camera for conferences and a complementary handheld unit that uploads data remotely. With scheduling software and other tools at her command, Chen has long since ceased to use a personal secretary. In Xcelerent's flattened organization, every employee is encouraged to write Chen directly, and they do. One note says that Xcelerent's China operation has independently accelerated the company's marketing schedule for a new software package designed to organize study time. It has sold much faster than expected at Beijing University, a test market of early adopters.

Jim Moore, director of workplace development for Sun Microsystems Inc., says that CEOs in 20 years will need to be Internet literate in order to take advantage of real-time information and data on their operations that

will be available online. That's largely not the case today: As of 1998, only 25% of executives received information-technology training, according to the American Society for Training & Development—about half the rate of all administrative employees. "If they don't have the curiosity and Web skills to know how to dive in and retrieve data, they're going to be hurting," says Moore. "The secretary's not going to protect them anymore."

Beyond getting updates on crucial markets and important company developments, Chen taps into Xcelerent software that pulls together information from inside and outside the company. By applying historical patterns and priorities based on Xcelerent's strategic goals, the software—a direct descendant of 2000-era knowledge-management tools—comes up with the moves Chen may want to make this morning. Xcelerent's ground-level employees have similar tools. Because of the need for speed, operational decisions are highly automated in 2020.

8:30 A.M. *Daughter and husband are off with a kiss, and the promise that when Chen returns from a business trip, she will take two days off to spend at home. Chen has put her focus on achieving goals at work—both for herself and her staff. Jobs should be doable in a reasonable work week and when travel adds to that, people are expected to take time off.*

Chen sits down to a remote video meeting with top management to prepare for a board meeting the next day. She relies heavily on videoconferencing to stay in contact with managers from around the world. This connection lets Xcelerent base each of its operations where the company can best dip into the talent pool—and hold down costs. Xcelerent's technology chief dials in from Bangalore, India. Chen's marketing chief calls from New York, still the hub of the advertising world, and her chief of operations connects from Mexico, where Xcelerent has its largest customer service center.

In this meeting, Chen's role is to challenge suggestions from her deputies. Does the proposal on the table move them closer to where Xcelerent needs to be in three years, or is it reactive? Images of her colleagues are projected on large screens on her home-office walls, but seem lifelike; there are none of the stops and starts that made video conferencing so awkward in the late 20th Century.

10 A.M. *A driver picks Chen up, and en route to headquarters she hosts an interactive videoconference with Latin American staff to talk about a new computer literacy alliance.*

Much of Xcelerent's strength comes from its network of partners. Yesterday, Chen finalized a deal with several governments in Latin America to adopt a program that over the last 10 years has helped computer literacy rates grow 80% in North Africa.

McGill University management professor Nancy J. Adler expects that in 20 years, society's leaders will not be

elected politicians but members of the private sector. The onus will fall on CEOs to address issues that were once seen as matters of social policy but which will have become vital to the interests of thoroughly global corporations. "In 2020, I would see a third of a CEO's time being spent on issues bigger than the company—world education, world health, world peace, the environment," says Adler.

11:30 A.M. *A company video crew stops by Chen's small office for a direct broadcast to the worldwide staff.*

Chen knows it's crucial that she explain the pending literacy alliance and its strategic fit to Xcelerent employees before it gets picked up, and spun, by Internet news services.

With the free flow of instantaneous information on the Web, CEOs will have to spend more time managing rumors and building a sense of community, says Jay Conger, senior research scientist at the University of Southern California's Center for Effective Organizations. Adds Stevan Alburty, a consultant with WorkVirtual in New York: "I have this theory that we'll return to the Homeric age, when all poetry, all information, everything was related through the spoken word. It's the way people want to interact."

12 A.M. *Lunch with an important job candidate.*

Chen personally visits a dozen universities and business schools each year and interviews top candidates repeatedly. She has time to really focus on her key staffers because the vast majority of Xcelerent's employees in 2020 are no longer permanent staff. Xcelerent does all of its nonessential staffing via Internet Talent Exchanges, signing 12- to 18-month contracts with independent consultants.

Leading executive headhunter Jeff Christian says that CEOs in the year 2020 will have to "treat every candidate as if they were their best client." It's a simple matter of population mathematics—fewer people are joining the workforce each year.

1:30 A.M. *On her way back from lunch, Chen runs into a group of programmers headed for an informal brainstorming session. She's interesting in the technology and wants to sit in.*

Chen spends two hours listening to them argue about the different features they're trying to include in a new program. Once or twice, when they seem to be getting caught up in minute detail, she calls a time-out and asks them each how they feel about the progress they've made. When the meeting ends, several programmers thank her for sitting in.

CEOs will have to model themselves after directors of symphony orchestras or ballet companies, says Robert J. Thomas, a senior fellow at Andersen Consulting's Institute for Strategic Change. The CEO sets a vision and then allows the individual "artists," all leaders in their own right, to fashion their own piece of the performance. "The ability to be able to fight and yet come out with a common direction they're all committed to is key," says Thomas.

4 A.M. Chen rushes back to her office for a videoconference with top investors.

On the fully integrated international stock markets, Xcelerent's stock has been flat for the past week, and Chen wants to assure investors that several initiatives, including the computer literacy push, are about to pay off.

About a third of a leader's time is likely to be spent on capital markets in the future, says Michael Useem, management professor at the Wharton School of the University of Pennsylvania. The CEO will spend a great deal of time communicating with three or four dozen top analysts and investors, and for good reason: Investor patience will be shorter than ever and it will not be unusual for CEOs who aren't making the grade to be ousted in a year to 18 months. Increasingly many of these pivotal investors will be based overseas. Net foreign purchases of U.S. stocks have climbed steadily over the past five years, reaching \$63 billion in the first quarter of 2000, according to the Securities Industry Association.

5 A.M. Chen logs on to the company's customer support line and picks up an e-mail to answer personally.

Almost all of Xcelerent's sales come over the Internet, some from terminals in its few showcase stores. Though Xcelerent started online, it has set up

some stores in big markets to build awareness and to provide a sort of community meeting place with space for studying, lounging with a cup of coffee, and for children to play on a rainy day. At home or in the stores, customers can download programs and data onto their portable computers.

7 A.M. Chen boards a plane for Europe, where the board meets tomorrow.

Although routine meetings are now videoconferenced, Chen still travels extensively to meet with key partners, investors, and the board of directors. Inside her laptop, a chip contains personal information, including Chen's passport, which will be instantly read by a scanner as she crosses the border. Chen settles into her seat for the flight, and moments later Xcelerent's corporate jet lifts off—vertically, like a helicopter.

Before she digs into a tasty meal (more miracles of the future), there's one more transaction: Chen reaches over to turn off the plane's built-in video and audio links. Even the CEO of the future needs to unplug sometimes.

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