



New entrepreneurial leaders – do they follow instinct or logic?

We are still in the midst of the toughest economic crunch since the 1930's; much of the financial sector remains in disarray and the mood hanging over business and the economy is dark, with the Euro zone paralyzed. Yet none of this is a barrier to some companies who seem to be able to grow at an exponential rate. Some of the Sunday Times top 100 fastest growing companies have not only generated **sales growth of up to 87%**, but also done it for the second or third year running.

How do they do that ????

“Business as usual won't work anymore”, claims Sir Richard Branson. He identifies that three quarters of the fast track league table companies are majority owned by an entrepreneur, and that it is this entrepreneurial leadership which has made them react quickly in the toughest times. In his latest book, Sir Richard argues that the entrepreneurial leader is obsessed by further improvement and is able to do good for the environment and society as they make money - a lot of money.



In situations of unknowability, entrepreneurial leaders apply a different logic that is based in action, discovery and creation. For them, sometimes future must be created, not predicted.

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It is important to note that entrepreneurial leadership is not confined to new businesses or just focused on new venture creation. **Entrepreneurial leaders can and work in established corporate entities** frequently introducing new directions, markets, products, services, attitudes and processes.

For recruiters, this skill (or the lack of it) is becoming a real problem for many organisations. Global staffing giant, Kelly OCG, calls it **“The Leadership Deficit”** in one of their recent white papers. They observe that entrepreneurial leaders are more scarce than ever before; today’s global workforce is undergoing an unprecedented transition, as: “Companies everywhere are faced with recruiting and retaining top talent from a senior executive **labour force that is shrinking overall”**.”

The timing could not be worse; organisations are desperate for people that not only understand theory, models and methods but are ripe to take action regardless of the lack of resources and high levels of uncertainty.

Research undertaken by Babson College in the US, **“The new entrepreneurial leader”** explores this skill in more depth. Their study shows that entrepreneurial leaders engage a different logic of decision-making based on a different rationale for business. Increasing uncertainty and rapid change requires leaders to be **“cognitively ambidextrous”** and able to shift between traditional “prediction logic” (choosing actions based on the analysis of known trends) and “creation logic” (taking action despite considerable unknowns).



Ambidexterity requires focus and passion for unpredictability

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The uncertain market conditions also require a strong sense of **self awareness** and resilience. The leaders' deep awareness of how their decisions are impacted by who they are (their values, biases, background and capabilities) helps them guide the required effective actions. The **cognitive psychology** skills we explored in our last seminars are needed to understand this.

Another key element of new entrepreneurial leadership is **passion**. Successful companies hand out new ventures and ideas only to members of staff that have a personal passion for the concept. They pursue projects in an unconventional way; they use their passion, intellect and a unique action-oriented network-based approach to pursuing opportunities. Quality personal engagement initiates the development of trust in relationships with stakeholders. Capability and authenticity increase acceptance of the new opportunity and reduce resistance until the balance tips in favour of the new business notion.

This is when the real work starts. Business science would explain this as "**conditioned emergence**", the science of creating the right conditions so that your new ideas are more likely to grow. **Helping others see and feel what you see and feel**, capturing the motivation of employees, investors and customers. This means that execution is more likely and enough to keep ahead of the competition.

The good news is that these skills **can** be learnt, if the right conditions are created.

Our **Spring seminars** will look at how organisations can capture and develop entrepreneurial talent to produce the **appropriate tension between analysis and action that leads to growth**.

These seminars are free. What we want in return is your presence and passionate contribution to the debate.

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