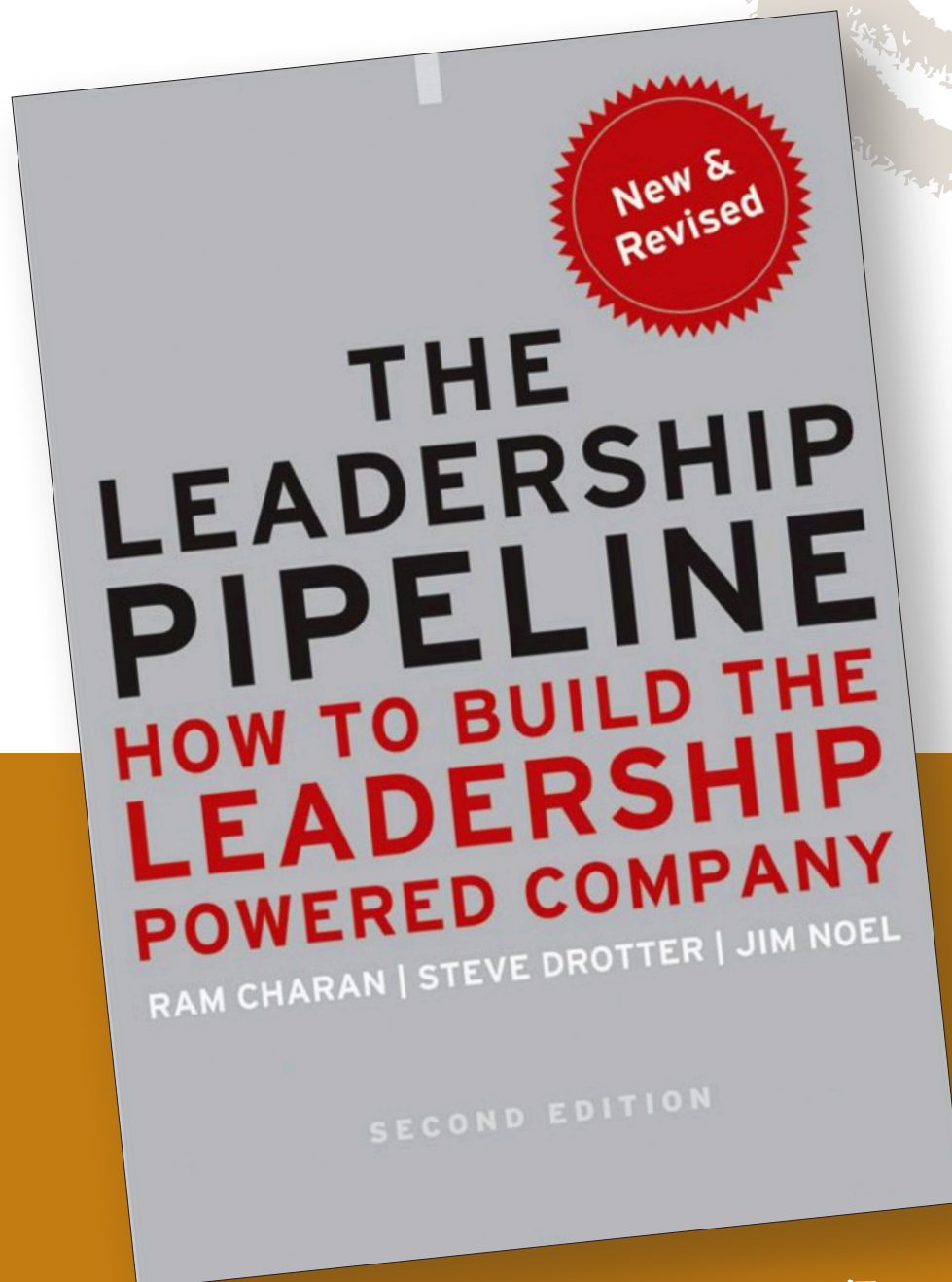


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## The Leadership Pipeline | *Ram Charan, Steve Drotter, Jim Noel*

The Leadership Pipeline: How to Build the Leadership Powered Company  
John Wiley and Sons: San Francisco, 2012. 308 pages.

*This is an era in which the demand for leadership greatly exceeds the supply.*

The aggressive attempts to recruit outsiders suggest that most organizations' leadership pipeline is inadequate. Internal training, mentoring, and other developmental programs aren't keeping the pipeline full, making it necessary to look outside. Everyone seems to be fighting over a relatively small group of stars who tend to move from organization to organization.

What's needed is an approach that will allow organizations to keep their own leadership pipelines full and flowing.

The Trouble with Finding and Developing Leaders
1. Founders and CEOs must change what they work on as the organization grows
2. There aren't enough leaders and few are being grown internally
3. New horizontal leadership skills are necessary
4. Old economy companies are competing for new economy talent

As defined by the authors, the leadership pipeline represents both the true requirements at key leadership levels and the skills needed to make the transition from one layer of leadership to the next successfully. In most organizations, the pipeline is not a straight cylinder but rather one bent in six places. Each of these bends, or passages, represents a change in organizational position – a different level and complexity of leadership – where a significant turn has to be made. These turns involve a major change in job requirements, demanding new skills, time applications, and work values.

### Overview of the Six Passages

The six turns in the pipeline listed below are major events in the life of a leader. They represent significant passages that can't be mastered in a day or by taking a course. The goal here is to help you become familiar with the skills, time applications, and work values demanded by each passage.

Once you grasp what these passages entail and the challenges involved in making each leadership transition, you'll be in a better position to use this information to unclog your organization's leadership pipeline and facilitate your own growth as a leader.



#### Passage One: From Managing Self to Managing Others

New, young employees usually spend their first few years with an organization as individual contributors. No matter what department they are in, their skill requirements are primarily technical or professional. They contribute by doing the assigned work within given time frames and in ways that meet objectives. By sharpening and broadening their individual skills, they make increased contributions and are then considered "promotable" by organizations.

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When people become skilled individual contributors who produce good results – especially when they demonstrate an ability to collaborate with others – they usually receive additional responsibilities. When they demonstrate an ability to handle these responsibilities and adhere to the company's values, they are often promoted to first-line manager.

When this happens, they are at Passage One. Though this might seem like an easy, natural passage, it's one where people often trip. The highest-performing people are often reluctant to change;

they want to keep doing the activities that made them successful. As a result, people make the job transition from individual contributor to manager without making a behavioral or value-based transition. In effect, they become managers without accepting the requirements.

The skills people should learn at this first leadership passage include planning work, filling jobs, assigning work, motivating, coaching, and measuring the work of others. They must shift from "doing" work to getting work done through others.

The most difficult change for managers to make at Passage One involves values. They must believe that making time for others, planning, coaching, and the like are necessary tasks and are their responsibility. More than that, they must view this other-directed work as mission-critical to their success.



### Passage Two: From Managing Others to Managing Managers

The biggest difference from the previous passage is that here, managers must be pure management. Before, individual contributions were still part of their job description. Now they need to divest themselves of individual tasks.

The key skills that must be mastered during this transition include selecting people to turn Passage One, assigning managerial and leadership work to them, measuring their progress as managers, and coaching them. This is also the point where managers must begin to think beyond their function and concern themselves with strategic issues that support the overall business.

All of this is difficult to do if a given manager at this passage still values individual contributions and functional work to the exclusion of everything else. Too often, people who have been promoted to manager-of-manager positions have skipped Passage One; they were promoted to first-line managers but didn't change skills, time applications, or work values. As a result, they clog the leadership pipeline because they hold first-line managers accountable for technical work rather than managerial work. They often choose high technical achievers for first-line managerial spots rather than true potential leaders; they are unable to differentiate between those who can do and those who can lead.

Managers at Passage Two need to be able to identify value-based resistance to managerial work, which is a common reaction among first line managers. No matter how brilliant an individual might be at technical work, he will become an obstacle in the leadership pipeline if he derives no job satisfaction from managing and leading people.

Coaching is also essential at this level because first-line managers frequently don't receive formal training in how to be a manager. Coaching requires time – they need to go through the instruction-performance-feedback cycle with their people repeatedly before lessons sink in.

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### Passage Three: From Managing Managers to Functional Manager

This transition is tougher than it seems. While on the surface the difference between managing managers and functional management might appear negligible, a number of significant challenges lurk below the surface. Communication with the individual-contributor level now requires penetrating at least two layers of management, thus mandating development of new communication skills. Functional managers must also manage some areas outside their own experiences, endeavoring not only to understand this “foreign” work but also learn to value it.

Two major transition skills are team play with other functional managers and competition for resources based on business needs. At the same time, managers at this turn should become proficient strategists, not only for their function but also for blending their functional strategy with the overall business strategy. From a time application standpoint, this means participating in business team meetings and working with other functional managers. All this takes away from time spent on purely functional responsibilities, thus making it essential that functional managers delegate responsibility for overseeing many functional tasks to direct reports.

This leadership passage requires an increase in managerial maturity. In one sense, maturity means thinking and acting like a functional leader rather than a functional member. But it also means that managers need to adopt a broad, long-term perspective. Long-term strategy, such as state-of-the-art, futuristic thinking for their function, is usually what gives most managers trouble here. They must push into the future, looking for a sustainable competitive advantage rather than just an immediate but temporary edge.

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### Passage Four: From Functional Manager to Business Manager

This leadership passage is often the most satisfying as well as the most challenging of a manager's career, and it's mission-critical in organizations. Business managers usually receive significant autonomy, which people with leadership instincts find liberating.

It is a sharp turn, requiring a major shift in skills, time applications, and work values. It's not simply a matter of people becoming more strategic and cross functional in their thinking (though it's important to continue developing the abilities rooted in the previous level). Now they are in charge of integrating functions, not just understanding and working with other functions.

There are probably more new and unfamiliar responsibilities here than at other levels. For people who have been in only one function their entire career, a business manager position represents unexplored territory; they must suddenly become responsible for many unfamiliar functions and outcomes. Even more difficult is the balancing act between future goals and present needs and making trade-offs between the two. This paradox of balancing short-term and long-term thinking is one that bedevils many managers at this turn – and why one of the requirements here is for thinking time. At this level, managers need to stop doing every second of the day and reserve time for reflection and analysis.

When business managers don't make this turn fully, the leadership pipeline quickly becomes clogged. A common failure at this level is not valuing or effectively using staff functions. Directing and energizing finance, human resources, legal, and other support groups are crucial business manager responsibilities. Business managers must learn to trust, accept, advice, and receive feedback from all functional managers, even though they may never have experienced these functions personally.

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### Passage Five: From Business Manager to Group Manager

The assumption is that if you can run one business successfully, you can do the same with two or more businesses. The flaw in this reasoning begins with what is valued at each leadership level. A business manager values the success of his own business.

A group manager values the success of other people's businesses. A group manager who doesn't value the success of others will fail to inspire and support the performance of the business managers who report to him. When this occurs, the leadership pipeline becomes clogged with business managers who aren't operating at peak capacity because they're not being properly supported or their authority is being usurped.

This level also requires a critical shift in four skill sets:

1. Proficiency at evaluating strategy for capital allocation and deployment purposes
2. Development and coaching of business managers
3. Portfolio strategy – what businesses must be added, subtracted, or changed to position the organization properly
4. Assessing whether they have the right core capabilities

Leadership becomes more holistic at this level. Managers need to factor in the complexities of running multiple businesses, thinking in terms of community, industry, government, and ceremonial activities. Group managers can't take a specialist mentality into a realm that mandates holistic thinking. They need to evolve their perspective to the point that they see issues in the broadest possible terms.

Some smaller companies don't have a group manager passage. In these companies, CEOs usually undertake a group manager's responsibility.

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### Passage Six: From Group Manager to Enterprise Manager

When the leadership pipeline becomes clogged at the top, it negatively affects all leadership levels. A CEO who has skipped one or more passages can diminish the performance of not only the managers who report directly to him but also individuals all the way down the line.

The transition during the sixth passage is much more focused on values than on skills. As leaders of an institution, they must be long-term, visionary thinkers. At the same time, they must develop operating mechanisms to know and drive quarter-by-quarter performance that is in tune with longer-term strategy. This leadership role often requires well-developed external sensitivity and the ability to manage external constituencies, sense significant external shifts, and do something about them proactively.

Enterprise leaders need to come to terms with the fact that their performance as a CEO will be based on three or four high-leverage decisions annually; they must see these three or four mission-critical priorities and focus on them. There's a subtle but fundamental shift in responsibility from strategic to visionary thinking and from an operations to a global perspective.

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At this level a CEO must assemble a team of high achieving and ambitious direct reports, knowing some of them want his job and picking them for the team despite this knowledge. This is also the only leadership position in the organization for which inspiring the entire employee population through a variety of communication tools is essential.

Leadership pipeline problems occur at this level for two common reasons:

1. CEOs are often unaware that this is a significant passage that requires changes in values
2. It's difficult to develop a CEO for this particular leadership transition

Preparation for the chief executive position is the result of a series of diverse experiences over a long time. The best developmental approach provides carefully selected job assignments that stretch people over time and allow them to learn and practice necessary skills.

*You can't grow leaders unless you have an accurate development target and this means acknowledging that the roles and responsibilities of leaders have shifted.*

### Passages Through the Pipeline

Knowledge about each passage helps reveal "hidden" leadership problems at every organizational layer. This knowledge also provides a way to solve these problems. Too often, organizations don't realize their leaders aren't performing at full capacity because they aren't holding them accountable for the right things.

*By establishing appropriate requirements for the six leadership levels, companies could greatly facilitate the succession planning, development, and selection processes in their organizations.*

Individual managers could clearly see the gap between their current level of performance and the desired level. They could also see gaps in their training and experience and where they may have skipped a passage and how that's hurting their performance.

### 3 Benefits of the Leadership Pipeline

1. Reduces emotional stress by minimizing skipped leadership passages
2. Helps people move through leadership passages at the right speed
3. Reduces the typical time frame needed to prepare an individual for the top leadership position in a large organization.



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### Clarifying Roles with the Pipeline

The leadership pipeline provides a fast and effective way to establish role clarity. By comparing what a leader does versus what is required at a given leadership level, as well as what his boss and subordinates do versus the model, you can sharpen role clarity.

### Defining Performance Standards with the Pipeline

Well-defined performance standards are crucial. Without them, it's virtually impossible to convey leadership expectations and requirements.

Performance standards should achieve the following three objectives:

1. Standards cover a complete set of performance requirements
2. Standards involve both long and short terms
3. Standards are differentiated by leadership level

How to Do Succession Planning that Fills the Pipeline

1. Tailor the leadership pipeline model to fit your organization's succession model
2. Translate standards for performance and potential into your own language
3. Document and communicate those standards throughout the organization
4. Evaluate succession candidates through a combined potential-performance matrix
5. Review the plans and progress of the entire pipeline frequently and seriously

The Leadership Pipeline model offers theory and practical tools for changing your own leadership behaviors and those of others. Its essential message is timeless: leadership entails a series of passages that come with very specific values, skills, and time requirements. Leaders must not skip passages as they take on more responsibility and influence in an organization or they will end up working at the wrong level and will clog the pipeline.

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### Recommended Resources

1. **Read** as Auxano Founder and Team Leader Will Mancini talks about the ever-present crisis in the church - the absence of a leadership development process.
2. **Read** about 8 killer takeaways for building a Leadership Development Culture by Lead Navigator Mac Lake via Auxano Founder Will Mancini..
3. **Read** here as Mac Lake, Auxano Lead Navigator, discusses the senior leader's role in leadership development.
4. **Watch** as Steve Drotter, co-author of Leadership Pipeline, briefly discusses the newly revised and updated version of the book.

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## Go Ahead Actions for Vision Clarity

by Mike Gammill

### Vision Clarity Connection

*Then Jesus said to his disciples, “the harvest is plentiful, but the workers are few. Ask the Lord of the harvest, therefore, to send out workers into his harvest field.”*

Jesus urged his disciples—his very own leaders-in-training—to pray for more workers to be sent in to the harvest fields because there will never be a shortage of harvest in His kingdom. The cross is the central moment of the Gospel, but each gospel writer devotes a significant amount of Jesus story to the time he invests in developing his future leaders. *Leadership development wasn’t just something Jesus did on the road to the cross; it was central to his strategy of deploying the gospel around the world.*

*Leadership development is probably the most expensive ministry you aren’t investing in.* It’s expensive in the obvious way because many churches see leadership development as a discretionary. But the real expense to not having a robust centralized architecture for leadership development is realized in the lost returns: it only takes one leader to grow into a 100 Xer to cover the costs of training for the other 99.

Once contextualized to fit your church, *Leadership Pipeline* presents a way to design and implement a central architecture for leadership development. A healthy leadership pipeline presents Christ with prepared leaders to be sent into the harvest fields and offers much needed continuing development for leaders who have already been sent.

### Go Ahead

- 1. Identify where you are (in your personal development as a leader) on the Leadership Pipeline and review the skills, time allocation, and values of that passage.**
  - Select one skill, time allocation, or value to develop and design a growth strategy with a peer, coach, or mentor to support you and hold you accountable. Repeat.
- 2. Infuse strategic insights from the Leadership Pipeline in your key leaders. Gather 2-3 key leaders for a one-hour discussion on leadership development. In preparation for the discussion, have each leader read the *SUMS for Leadership Pipeline* and come to the meeting ready to discuss where they (personally) are on the pipeline.**
  - In the first thirty minutes, review the material and identify at least three key concepts that could add value to your ministry.
  - Next, take fifteen minutes for a developmental discussion during which each leader shares where they are in the leadership pipeline and at least one key skill they need to develop (one way they can positively adjust how they use their time, and one value to strengthen.)
  - Finally, invest the last fifteen minutes corporately designing a growth plan and accountability structure for each leader that includes both individual initiative and coaching/mentoring.
- 3. Assess how leaders are identified and developed in your context and strategically choose one leadership passage to develop. Designing a comprehensive and fully integrated leadership pipeline for your church is a significant investment of time and resources, so strategically start smart to assess and demonstrate value.**
  - Gather three to four key leaders to explore how new leaders are currently identified and developed in your context.
  - Identify which leadership passage is most critical for your ministry now, and work with this team to design a strategy to develop leaders who are already in, or ready for, this passage.
  - Design and deploy a communication strategy that includes regular inspirational communication and a centralized leadership-training event to celebrate and develop these leaders in your church.



## More About Mike Gammill

As Lead Navigator for Auxano, Mike Gammill is passionate about using Vision Clarity to help the local church find its unique place in the Kingdom of God. Mike has fifteen years of experience serving the local church in multiple capacities and has a demonstrated ability to walk alongside pastors and leaders to uncover innovative ways to strategically implement vision through Christ-like leadership.

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