

# High Potential Equals High Maintenance

By Gordon Peterson & Todd Lapidus

In our previous two articles, we shared views that shape the way senior leaders examine their organizations. *Worlds Apart*<sup>1</sup> identified an organizational “sweet spot”—what we call the Alignment Threshold™—where a firm’s business strategy is aligned with its talent. *Razor Sharp*<sup>2</sup> introduced the concept of a firm investing a disproportionate share of time and money in the critical talent pool that executes on the company’s strategic platform.

In this paper, we look at criteria that will identify, develop and deploy leaders who can do just that. We contend that developing a critical talent pool is poorly understood and, as a result, poorly executed in most businesses. To many, it may seem counterintuitive to expend more, rather than fewer resources in order to get high performers to reach their full potential. Talent would seem to be a part of your organization that should save you time and money, when in fact it is the area where you should devote more resources in order to produce greater rewards and, more importantly, improved flexibility. How to go about developing high-potential leaders is the focus of this paper.

## Linking Your Leadership Brand

Successful, high-potential leadership development efforts are built on a shared leadership identity or “brand” embedded among your organization’s leaders. Your leadership brand should differentiate what you can do from what your rival’s leaders can do<sup>3</sup>. A vibrant leadership brand has the same potential draw and retaining power as a brilliantly executed consumer brand.

Building and maintaining your leadership brand is one of your senior leadership team’s most critical responsibilities. In our view, it is equal in importance to the financial obligations under your stewardship. The leadership brand nourishes and informs your corporate culture. It defines and personifies your firm to your best customers and will help attract your competitors’ best customers. It serves the same function in attracting and retaining the best talent in your industry. Over time it becomes key to the legacy that will sustain your organization.

Inspired and skillful leaders align strategy and operations. High-functioning leaders are a trusted source of rapid and intelligent change in your company. This is the critical bridge that Larry Bossidy speaks about in *Execution*<sup>4</sup>. Having the ability to deploy “ready now” talent on-demand makes strategic plans come alive.

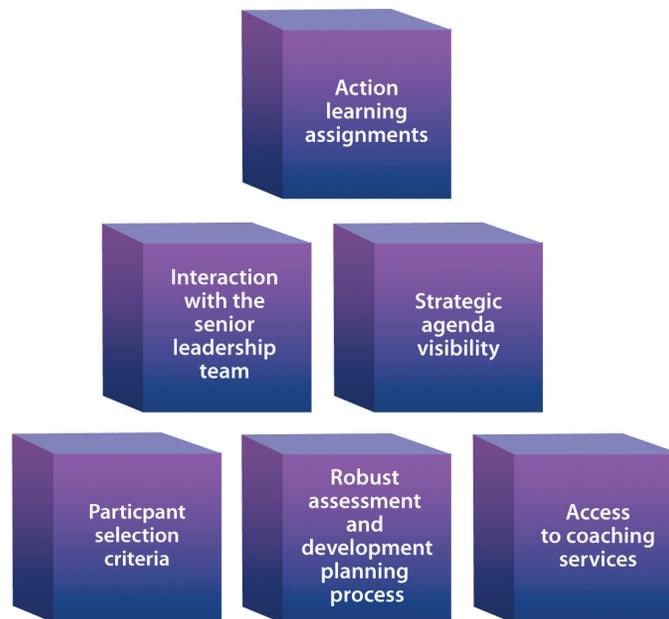
High-potential employees thrive with opportunities for upward mobility, increased responsibility and access to senior leadership. Loyal customers value the business continuity of a fully stocked leadership bench and the consistent, high-quality relationship it offers.

It is important to clarify that high potentials are not always the same as high performers. The two groups have different needs and resource implications. High performers deliver to current expectations. High potentials create the future. The goal of cultivating high-potential talent is not to increase productivity, rather to create more flexibility and speed. A workforce unprepared to deliver on these two dimensions rips the heart out of your best-laid plans.

## Components of the High Potentials Program

The first step toward developing high-potential leaders is to define your leadership brand. From there HR can construct a program to develop your most promising future leaders, using the following six building blocks.

### *Building Blocks For High Potentials*



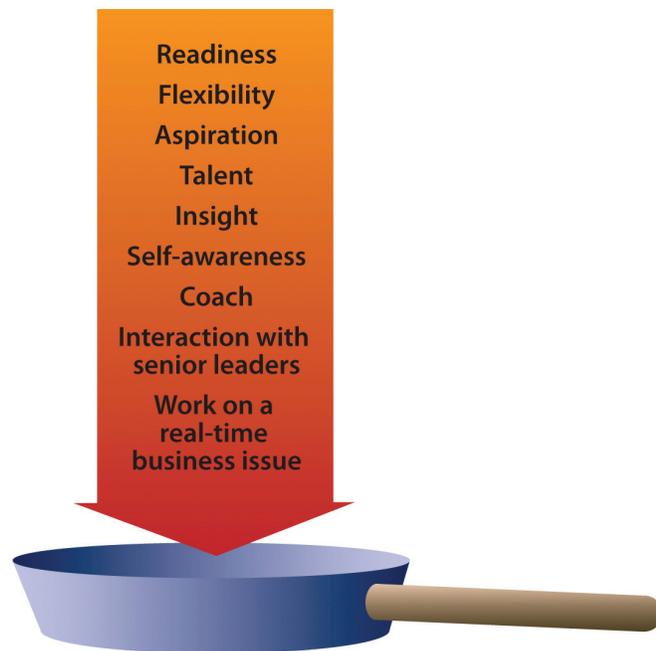
In choosing your participants, the general selection criteria should include:

- Readiness: Access to a more responsible position within 12 months
- Flexibility: Willingness to learn, grow, accelerate and, if necessary, relocate
- Aspiration: Love of execution and hunger for additional responsibility

To these general criteria are added the specific skills sets needed to execute your one, three or five-year strategic plans.

The best curriculums increase self-awareness. High potentials need expanded attentiveness that comes from simultaneously viewing a scenario through multiple perceptual lenses. To acquire this skill, participants must first be able to identify and then move beyond the assumptions that form the background of their views. With this capacity, high potentials deliver uncommon performance. Assigning a coach (either internal or external) to each future leader accelerates the transformation of potential into results while building accountability into the program.

### *Ingredients to implementing The High Potential Program*



A low-cost, low-risk and high-impact component is meaningful interactions between your talent and your senior leadership team. We see this as a priority because the encounters unleash creativity and innovation and serve as a forum for modeling executive behaviors to your future leaders. It also provides dramatic access to the strategic agenda (the big picture) and to people deeply invested in that agenda.

What exactly does seeing the bigger picture do? Often high-potential talents are focused on doing specific tasks brilliantly or are masters of certain niche aspects of a business. To develop further, they need to see how what they do might fit or integrate with other business areas or processes to create entirely new opportunities for the organization. Creativity is where the real action is for your high potentials. It is a decidedly different tack than the toolbox of productivity.

High performers work toward productivity and improving process. Meanwhile your high potentials need different fuel:

- Access to senior strategic leaders
- Tough, demanding coaches
- Confrontation with real-time business issues

Developing solutions to complex issues facing the firm right now gives your high potentials hands-on experience. More importantly, aggressively using and building your investment in talented people rewards your organization over the long term.

## Case Study

The following example comes from a large, global information services provider with a strong presence in North America, Europe and Asia. C3 worked with this company to launch a high-potential leadership development program. Within one year they achieved impressive results:

- Time to fill critical open positions reduced by 15 days
- 100% retention of high potentials
- Payback period: self funding within first year

The company retained 100% of all program participants, and over one-third of these were promoted into open “critical” positions during the first two years of the program.

### First-Year Lessons

1. The program changed the CEO’s view of where the action was in the people/talent process. Employee development was no longer seen as a simple investment in productivity techniques and incremental learning, rather as an out-of-the-box feeding of potential to create the future. The shift produced leaders ready to engage and co-create the next wave of success.
2. As stewards of the effort we had to walk the fine line of knowing when to speak and when to remain quiet. From the CEO on downward, executives were often juggling competing business priorities and needed to be reminded of their commitment to the program.
3. After one such conversation, the CEO rescheduled a client meeting so that it did not conflict with a high-potential program session. We think the success of the program was cast at that moment. When the Global Head of Operations then postponed an overseas business trip to attend a related presentation, management resistance melted away and buy-in became self-sustaining.
3. All program participants were high performers, but not all of them proved to be high potentials. Several strong performers failed to demonstrate that they could take on a role of increased vision, responsibility and scope within the next 12 months—the agreed-upon definition of “high potential” established at the onset of the program. This helped us refine the selection process by evaluating potential with a more critical eye.
4. The most unexpected lesson was that participants needed a great deal of attention and nurturing. Going into the program there was an expectation that participants would be mostly self-reliant and properly focused. Instead, coaches assigned to each of the participants spent significant time advising, redirecting and elevating.
5. From this experience came the title of our paper. Pleased with the first year’s results and reflecting with his executive team on the experience, the CEO concluded that “high potential equals high maintenance.”

## C3 Makes High Potential Equal High Rewards

The business case for high-potential leadership development is compelling. C3 has significant capability and experience to help you build your leadership brand. Please contact us today at [www.c3corp.com](http://www.c3corp.com) or speak directly with us.

1. For a copy of *Worlds Apart* use this link: <http://www.c3corp.com/pdfs~/WorldsApart.pdf>
2. For a copy of *Razor Sharp* use this link: <http://www.c3corp.com/pdfs~/RazorSharp.pdf>
3. *Harvard Business Review*: Dave Ulrich and Norm Smallwood, 2007
4. *Execution*, Bossidy & Charan, Crown Business, 2002

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