# M1L15. Leadership Styles

# Slide #1



In this topic, we will describe the four leadership styles based on Bill Taylor's paper in the Harvard Business Review titled, The Four Leadership Styles and How to Identify Yours.

Slide #2



Classic entrepreneurs are driven by the financial performance of a business.

This kind of leaders like competition and are hungry for success.

No nonsense variables such as cost, quality, performance margins, and profitable deals are their language.

Those leaders care about the values their companies stand for, but it is the dollar and asset value proposition that matters the most.

If you enjoy running a very competitive business and are excited about launching a new product that competes with all the other similar products on the market, you are one of those classic entrepreneurs.

Slide #3



When faced with decisions about launching a new product, winning over an important customer, or selling the company to an eager suitor, classic entrepreneurs focus on tough minded economic calculations and no-nonsense financial returns of their investments.

Whenever classic entrepreneurs make their decisions, they tend to look at financial terms, economic evaluation, the net present value, the internal rate of return, and so on.

They rely on hard economic data and analysis to make their decisions.



A lot of senior managers in Fortune 500 companies, especially those companies that have a long history, are classic entrepreneurs.

I personally worked for several of those classic entrepreneurs while I was in the oil industry.

I noticed that their focus was about making the most efficient use of resources, how to maximize the value of their investment, and how to minimize the cost.



The modern missionary leadership is quite different.

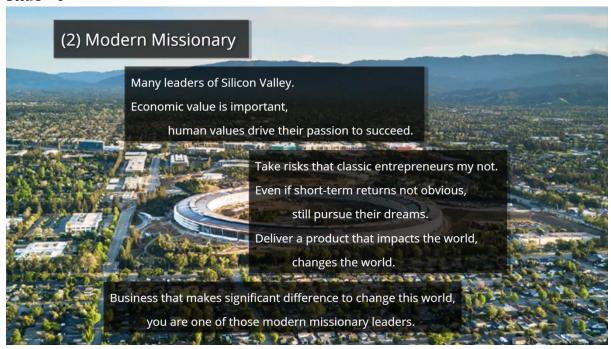
It is the opposite of classic entrepreneurs.

The modern missionary type of leader aim for more than business success.

They aspire to success and significance.

Winning is less about beating the competition than about building something original and meaningful.

Success is less about making money than about a difference and having an impact.



Many leaders of Silicon Valley companies are modern missionary leaders.

Economic value is important to them, but human values are what drive their passion to succeed.

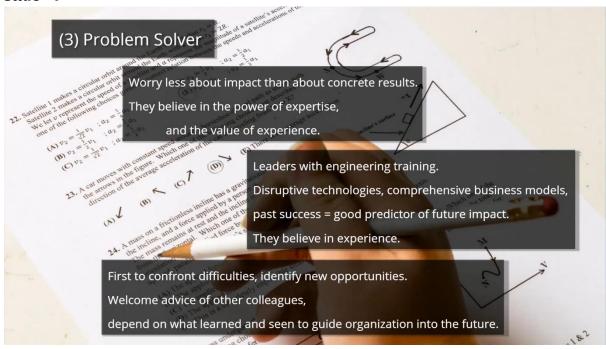
Those leaders may take risks that classic entrepreneurs may not.

Even if the short-term returns are not obvious, they may still pursue their dreams.

They still want to deliver a product that impacts the world and changes the world.

If any of you do not just want to run a business, you are aiming to turn your business into a reason, into something that makes significant difference to change this world, to change people's life.

You are one of those modern missionary leaders.



The third type of leadership style is the problem-solving style.

Problem solvers worry less about impact than about concrete results.

They believe in the power of expertise and the value of experience.

A lot of leaders with engineering training are problem solvers.

Disruptive technologies and comprehensive business models may reshape the market, but past success is a good predictor of future impact for problem solvers.

They believe in their experience.

Problem solvers are always the first to confront difficulties and identify new opportunities.

They welcome the advice of other colleagues, but ultimately, they depend on what they have learned and seen to guide the organization into the future.



In terms of personal image, problem solvers care a lot about getting things done.

If any of you believe your expertise and experience are the most powerful leadership weapon, problem solving leadership style may fit you the best.

Problem solvers tend to think really hard to solve problems themselves and they enjoy leading their organizations to deliver their solutions, to solve a problem, and to create new opportunities for their company.



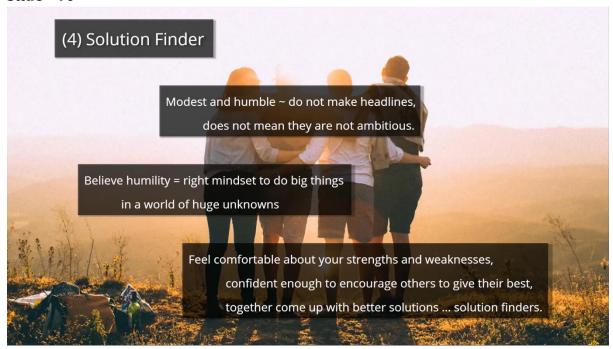
The fourth type of leadership style is called solution finder.

Solution finders believe that the most powerful contributions often come from others, from their colleagues, from their peers.

It is the collective intelligence surrounding their organizations that come up with a solution.

They are committed to make sure that their products are what they can collectively imagine.

They are ultimately responsible for business results, but they believe that achieving the result is everybody's business.



Those modest and humble leaders do not make headlines, but it does not mean that they are not ambitious.

They believe that humility in a service of ambition is a right mindset to do big things in a world of huge unknowns.

So, if any of you are ambitious and humble, you feel comfortable about your strengths and weaknesses.

At the same time, you are confident enough to encourage others to give their best.

And together, you will come up with a better solution.

You are likely one of the solution finders.



Here, I want to emphasize that no leadership style is better than the other.

Every style has strengths and weaknesses.

It is important to get clarity about the leadership style that fits each of us the best.

Because the more we understand about ourselves, what we truly care about, how we make decisions, why we do what we do, the more effective we will be at getting the support of others to achieve what we want to achieve.