



Gravy Train or Train Wreck?

Which
Leadership
Train
Are You On?
Kirk Dando



Have you ever thought that leadership is a lot like a train?

Here's how I think of it: The cars sitting on the tracks are loaded with different but valuable cargo (like team members: They're all different but collectively valuable); they have a destination (the vision, measurable goals and expected time frames for arrival at the goals); and they have a route to follow (the mission and strategic plan). But they do not have a way of getting anywhere on their own. They have to hook up to the engine (the leader).

Have you ever watched how a bunch of railcars (the team) form a working train? It all begins with the engine (leader). The engine switches itself to the same track as the car (team member) it's going to pick up; then it backs up to the car, makes contact and connects. Then it repeats the process until it has all the cars and starts heading toward its destination, sometimes picking up more cars along the way.

Likewise, all leaders are conductors, steering their corporate "trains" onward, upward and ever forward with knowledge, experience, confidence and enthusiasm—and, above all else, passion and a sure and steady hand.

So, given that you're the conductor guiding your company around the next series of blind corners and long, stagnant stretches, exactly *what kind of train* are you running here?

Are you on: 1) a runaway train to success; 2) a train that once easily moved down the track with velocity but now struggles because it can't see the turns ahead; or 3) a blissful cartoon train boogying along, completely unaware of the sharp, precipitous bend in the track that could leave you in an irretrievable wreck?

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As the conductor in charge of your company's success or failure, you need to know each bend in the track (the map of your company's journey), the altitude of every mile (what others before you have already discovered), the weather forecast and how it could impact you (competitive threats or market changes), how many passengers your “train” can hold (how big your company should get) and when to pick up steam (go fast) and when to keep things slow and steady. And, anything else that could go awry.

Oh, and have you ever conducted a train this size before?

After 17 years of working with organizations of all kinds, I can tell you unequivocally that there are warning signs common to all fast moving growth companies, and if you are unaware that they exist they are sure to derail your journey to success. I call them “Warning Signs of Success” because these are the most common and critical challenges that can suddenly slow previously successful organizations way down, or launch them on a gut-wrenching roller coaster of bravado and uncertainty.

It may be your first day on the job at your first company, or your thousand and first day on the job and your tenth company, but the warning signs—and potential train wrecks—are all the same. Your job as “conductor” is to steer your company in the right direction. No company is immune to failure, just as no train is wreck-proof. Some pitfalls can be avoided because of your company’s lack of size. Others you encounter because of your company’s size—as your company grows, unfamiliar circumstances breed new challenges. Regardless of how experienced you are as a leader or how big or small your company, every one of these warning signs is indicative of something we normally celebrate: success!

Why do I call these the 12 Warning Signs of Success? The answer is simple: If you don't heed them, the very things that cause your success can also cause your demise. They can appear at any and all stages of leadership development and business growth.

I've grouped the signs under the three key challenges of any growth-hungry company, namely: leadership, culture, and performance—all core to business success. Do you see any of these warning signs in your organization?

Leadership: Is My Leadership “Train” the Problem?

The First Warning Sign of Success: Right Idea, Wrong Person.

You started out with the right ideas, right people and right direction, but somewhere along the way you ended up with the wrong people in key positions. Your employees changed (or maybe you needed them to change and they didn't or wouldn't), you changed or your goals changed. Whichever it is, some of the key people you hired are now liabilities. It's tough (and personal!) to think about making a change. You go to great lengths to identify what you need, hire a recruiter, and land that soon-to-be superstar, only to find out that—once again—you have hired or promoted the wrong person. You are concerned about how you will change key players without losing momentum. And how will you sleep at night while all this is costing you time and money?

The Second Warning Sign of Success: Bad Management of Great Opportunities

Rarely is it actually lack of opportunity that causes a business to struggle or fail. More often, it is bad management or poor prioritization of existing opportunities. As a company grows, long term employees are “rewarded” with managerial leadership roles—whether or not they have the necessary skills or experience. Teams simply grow up around technical superstars. Some will thrive in management positions, but others will fall back to their comfort zone—working in the business instead of on the business. Then you have a real problem: Your employees are not able to take advantage of all the opportunities in front of them because they are so frustratingly mismanaged. How do you demote or replace the same people who were at your side from the very beginning and helped you be successful to this point? How do you reward loyalty so everyone (the business, you, the team, key stakeholders, and the struggling team member) benefits? It’s personal, emotional, and debilitating. But if left unaddressed, this problem guarantees you’ll never attain your highest potential—it’s impossible without the right people in place.

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The Third Warning Sign of Success: Open Door, Closed Mind

Your leadership team—including you!—says they're on board for change and growth, but their actions tell a different story. They dismiss ideas quickly or impede new processes. What were once can-do attitudes and “playing to win” mentalities have morphed into “play it safe” mindsets. The leaders are not really listening to the rest of the team. They insist on doing it “their way,” and the result is frustration. Negativity and insecurity seep in because the leader won't change course, even though failure is imminent (and avoidable!).

The Fourth Warning Sign of Success: Leadership Bottleneck

As CEO, you're expected to know it all. Every member of the leadership team reports to you, and all big decisions come through you. It's exhausting, but you're in charge, and it helps to have one single point of contact, “one throat to choke,” right? Absolutely wrong. In fact, this kind of top-down organizational structure screams that you do not trust your managerial leaders, you're afraid of losing control, and you're throttling your business's growth. One likely consequence of this approach is the loss of some really smart managerial leaders. It can also destroy focus, as the CEO spends his time managing lots of people, rather than focusing on his strong suit (CEOs are usually technical geniuses, product gurus, or incredible market builders—not great managers). This organizational structure is weak, unscalable, and unsustainable. And it can't be fixed by simply adding one person “between” the CEO and the team. This one is tough, but like the others, completely avoidable, because it is predictable.

The Fifth Warning Sign of Success: Hope Is Not a Strategy

You and your team have set clear, measurable goals. It feels great; you know exactly what success looks like, and the future is bright. But after several missteps, more chaos and drama and less focus and results, you realize there's a huge difference between a goal and a strategy: one is an endpoint, the other a complex process for actually getting there. And, whatever strategy you may think you have in place isn't working. Team members struggle to know the 5% to say yes to and the 95% to avoid. You may feel you and/or your team is hoping your way to an audacious goal.

Culture: Where Is Your Culture “Train” Taking You?

The Sixth Warning Sign of Success: Core Values Meltdown

Your company started with non-negotiable core values, performance expectations and culture, but they have slowly broken down over time. Compromises are made for special circumstances and brilliant jerks are tolerated. There is a feeling in the company that the leadership team's questionable actions like these reveal their actual values. The best employees are losing faith, creating an “us versus them” environment. The back-channel gossip chain is alive and hindering the company's ability to execute on key initiatives.

The Seventh Warning Sign of Success: Drinking the Chaos Kool-Aid

Your business keeps you constantly energized. You see potential in new products, new markets—there's opportunity everywhere! You and your team go, go, go, and it's thrilling—for a while. But suddenly you're unable to say no or draw hard lines on where to spend your limited resources. The result is chaos: Your team is burned-out (and turning on you), you're stressed-out and, for all your effort, you feel like you're going nowhere. Your to-do list is endless—and also pointless. It is time to become ruthless about categorizing, prioritizing and getting laser focused on performance and measuring results.

The Eighth Warning Sign of Success: Communication Vacuum (aka It Sucks)

Despite countless emails, newsletters, and meetings, employees consistently identify poor communication as a core problem. As your company grows, senior managers have less day-to-day interaction with operations and employees, so they're less aware of problems and priorities than they should be. Executives feel out of control, and employees perceive a lack of direction from the top. In fact, what we call poor communication is usually a mask for other, much deeper issues. What's really hiding behind "poor communication" in your organization?

The Ninth Warning Sign of Success: Incentivizing Failure

If leadership compensation isn't tied to the right metrics, you are rewarding mediocrity—or even failure—right now. Incentives that don't drive the right behavior or produce the desired outcomes erode employee confidence—and keep you off course for too long. Think about it: You have a few key employees who are superstars—they always solve problems that arise, and they do it well. But if your employees are spending their time problem solving, that means you're paying them precisely not to move the business forward, but rather to clean up messes that probably could have been avoided. Remember, you get more of what you reward. And those messes are keeping them from doing what you really need them to do: drive growth.

What is Our Performance “Train” Really Telling Us About Future Growth?

The Tenth Warning Sign of Success: The False Security of Revenues

Things look good; revenues are growing, so you relax a bit. But you have poor or spotty controls on spending, so you approve extra expenditures without much thought or analysis. And guess what? Your expenses start to grow faster than your revenues. You rein in spending—or worse, cut jobs—and you feel like you're in free fall. You don't have all the financial, performance, or market data you need to predict problems, or you don't know how to analyze the data you do have.

This has crushed far too many businesses; you likely know of several of them yourself.

The Eleventh Warning Sign of Success: Random Acts of Accountability

A lack of transparent, consistent accountability means that your top performers don't know exactly what to do, and less-than-great employees use the lack of an accountability culture to their advantage. You should be growing like crazy, but if you ask employees how they contribute to the end goals, you get a variety of answers—none of them quite right. It makes it even more maddening to make payroll each week. What are these people actually doing? Why don't they get it? Are you really paying all these people to not achieve the goals they committed to?

The Twelfth Warning Sign of Success: Sowing the Seeds of Decay

When you started out, you felt like you were ahead of the game because you created systems and processes that helped you get where you are today. But now your company has outgrown those systems and processes—everything from accounting to people to technology. And you may not even know it, because you're busy focusing on growing revenues or juggling rapid growth. It's counterintuitive, but systems that once enhanced your business are actually speeding its demise. This weakness will sneak up on you, killing your business from behind. Learn the signs of system and process decay before they start to impede your progress.

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Problem Solving vs. Problem Predicting

Being aware of these warning signs can help you and your management team become problem PREDICTORS, and that's a good thing because PROBLEM SOLVING is time-consuming, mind-numbing work. It interrupts us from our routine, takes us off course for a while, and keeps us from innovating what's really important to our customers. But, PROBLEM PREDICTING is different. It's easier and it's elegant. It's a less clunky vehicle for leadership. The tires on this version are round, not square. Yes, there are still bumps, but they happen less often, they hurt less, and you can see them coming far enough in advance to maybe miss them altogether.

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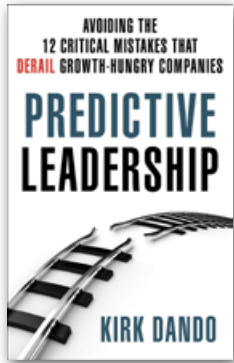
It's important to know that success leaves a footprint for us to follow. So does failure. We oftentimes tend to reward problem SOLVERS, but in fact, we should be rewarding problem PREDICTORS. While we can never get away from some problem solving, we should be spending most of our valuable IQ points and laser-like focus on creating new products and services to help our clients and change the world.

Remember, that's why you got into leadership in the first place—to make a difference, to leave a footprint in the sand that says you were here and that you accomplished something that matters in the grand scheme of things.

So, learn what to watch for. Meet each issue head on and fix it before it engulfs you. Become a predictive leader. Knowing these warning signs of success will help you do that.

And, if you do, I'll make this bold prediction: **There will be less drama, and it will be less lonely at the top for you. And you'll experience more rapid growth and success as you steer your train down the tracks.** 🚂

Info



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ABOUT THE AUTHOR | Kirk Dando is CEO of Dando Advisors and a highly sought-after and well-respected leadership and growth expert whom executive clients call “The Company Whisperer.” To learn more, visit www.kirkdando.com.

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