Abstract: Procurement leaders have an enormous responsibility in a global economy that is constantly changing. They must demonstrate the ultimate flexibility: transitioning from good managers to good leaders; adapting their styles to the given situation; and being a champion for change in their organization. How is it that some managers are able to lead their projects or organizations better than others? The trick is in their ability to change and adapt: to transition to newly required skills; to flex their styles in a given situation; and to remain a champion for change in the organization. This paper explains the transitions that need to occur for good managers to become good leaders. It also describes situational leadership styles; what is required during a crisis; and how to flex your styles for the best outcome.

What are the different skills required in leadership? How do we transition from simply managing to effective leading?

The skills required to lead are significantly different from managing. The shift in thinking and behaving can be dramatic. However, it’s these shifts, these changes, that enable managers to excel at leading their groups. They’ve made the change from administering to innovating; from thinking short-term to thinking long-term; from focusing on systems to focusing on people; from fact-finding to decision-making; and from doing things right to doing the right things.

Leadership expert Warren Bennis describes these traits in his book, Managing the Dream: Reflections on Leadership and Change. These are the transitions that good managers make in becoming good leaders.

1. The shift from administration to innovation: To exhibit strong leadership, you must move beyond the administration of your work. A typical manager works to ensure consistency and stability towards meeting the end goal. However, if you’re behaving as a leader, you shift from focusing on stability; instead, you will be challenging the status quo, finding and developing new ways on the continuous path to improvement.

Putting it in to practice. A key change you make in your thinking is as follows: as a manager you ensure you accomplished goals by asking “how” and “when.” In your leadership role, you should be asking “what” and “why.” This challenge to the status quo begins to unveil the opportunities for continuing to improve.

We can see this behavior illustrated in the procurement leader’s role. When asked to purchase a component for the organization, if you simply administer, you’ll ask “how much and when?” But if you’re shifting your thinking to innovating, instead of simply administering, you’ll ask “what and why?” “What are these part used for? Why are we buying them? Is there an opportunity to use something already purchased or to buy them as part of a larger assembly?”
These questions of what and why lead to innovative thinking. They are the shift from simply administering to innovating.

2. The shift from short-term to long-term thinking: The average manager takes care of the present situation; their main emphasis is on the here-and-now, the recognizable “short-term view.” When you morph into stronger leadership thinking, your focus needs to shift to the horizon; your focus moves to the long-term-view.

Putting it into practice. When you are working towards a short-term goal, you are more apt to focus on the bottom line. Your focus on the short-term also leads to protecting the present, and avoiding dangers or threats to that environment. The more effective managers shift to thinking like a leader. They begin to focus on the horizon: what is “out there.” Additionally, their thinking shifts from avoiding dangers, to figuring out how to turn these dangers into opportunities.

The procurement professional is often faced with this challenge of shifting from focusing on the bottom line to looking toward the horizon. An example might be persuading the IT manager that it’s time to move from buying hardware to leasing it so that you can take advantage of the rapid changes in technology. Although you could reap the rewards of an immediate cost savings on buying hardware, which is the short-term view, instead you take the longer-term view driving for a stronger balance sheet and protecting the business from obsolescence.

3. The shift from structure to people. To continue your transition to thinking and acting as a leader, you will have to abandon behaviors that prioritize systems or structures to enable completion of your goals. Now you must set your sights on people as they look to you for inspiration.

Putting it into practice: You’ve succeeded by focusing on controls and processes, so this can be a tough transition. You now need to prioritize the people-side, by establishing trust and being a beacon in the fog of uncertainty. You can no longer rely on tight processes and strong policy, but instead depend on principles that establish guidelines for your team to follow.

This shift can be made manifest even if you don’t have direct control over people. This is about creating a reputation and a set of principles that people understand that you abide by. You do this by demonstrating integrity and dependability. People who work with you know that you have an ethic and a set of guiding principles when you make sourcing decisions or enter into negotiations. Your principles guide and lead the team.

4. The shift from fact-finding to decision-making. The shift from good management to strong leadership lies in the subtle change from fact-finding to being the decision-maker and taking ultimate accountability. While in your management role, you succeeded in the logical, fact-finding path towards goal-attainment. But as a leader, the proverbial “buck stops here.” Decisions start and end with you, and your willingness to stand up and take accountability will differentiate your leadership.

Putting it into practice: While you were a manager, you went to great efforts to ensure all facts were uncovered and shared for final recommendation. As a leader, it is the culmination of those facts, your willingness to take the decision and be accountable for the results, that signifies the change from simply managing to effective leading.
Procurement professionals have a great opportunity for exhibiting this leadership skill when you are driving sourcing decisions. You are often responsible for leading and gaining consensus on significant, high impact sourcing decisions. But you cannot abdicate the responsibility for that decision to another organization even if you do not agree with it and something goes wrong. If you led that decision, you own it. You have to stand up, be accountable, and address whatever action is necessary to deal with the outcome.

5. The shift from doing things right to doing the right thing. As a manager in your organization, your attention to quality, processes and outputs, enabled you to ensure things were being done correctly. But managers who have shifted to leading, have moved from simply ensuring things are done correctly: they are taking responsibility for ensuring the right things are being done.

Putting it into Practice. Your management responsibilities focused on the tactical elements of getting the goals accomplished. As a leader, your sights are set on the strategic elements ensuring your teams are focused on the right things.

The most effective managers are shifting their thinking and when approached with a challenge, think through it from a perspective of “what is the right thing to be done?” What are we trying to accomplish before setting out on getting it done; thus avoiding doing something correctly that should have been done at all.

Transitioning from a manager to a leader requires all of these shifts. These shifts can be small or they can be seismic, but in every case, the successful leader will choose to make them.

The agile leader not only makes the changes in thinking and behaving as described above, they also recognize that different situations call for different leadership styles. They are able to flex their styles to adapt to what is needed in a particular environment. There are five leadership styles available to leaders at any given time. Depending mostly on Time and Information, the effective leader can draw from any of these styles to be most effective.

1. Flexing your leadership to the Autocratic Style: In the Autocratic Style, the leader makes a decision on his or her own with no input from others.

When to use the Autocratic Style: Information level for the leader is high, and time available for a decision is low.

Contrary to contemporary writing, this is a completely respectable and acceptable leadership style. When the leader has all of the information that they need, and time availability is low, we expect the leader to make a decision. On one extreme, if there is a fire in the building, the leader has enough information to decide that everyone needs to get out of the building. There is not enough time to get everyone together to agree that they need to get out of the building. In this instance, the leader makes the decision utilizing the Autocratic Style. On the other end of the extreme, there are countless decisions made daily by a leader that do not require input from or consensus by the team.

In the daily work of a procurement professional, you can also appropriately act in the Autocratic Style. For example, you’ve just been called by one supplier that they missed their production quota for the day and will be shipping short for next week’s expected deliveries. You know that this product is needed. You quickly get on the phone to your 2nd source of
supply and arrange an expedited shipment for next week. You don’t convene a team together to decide if you should do this. You have enough information on your own, and you have little time to make a decision. You’ve just acted in an Autocratic Leadership Style: completely appropriate under the circumstances.

2. **Flexing your leadership to the Approaching Style:** In the Approaching Style, the leader makes a decision by asking for input, but doesn’t give a reason why.

   **When to use Approaching Style:** Information level for the leader is medium to high, and the time available for a decision is low.

   In this scenario, a leader may ask for input due to lack of his own information, but because of having only a little bit of time, doesn’t share the reason why. This could be something as innocuous as asking a teammember for the supply level on a particular part to finalize the decision on a business case. He doesn’t have the information he needs to finish quickly, and doesn’t give a reason for the question.

   In a more serious situation, a supply manager may know that there is a significant event happening at a supplier. She’s just learned the corporate office is going to do an investigation on unethical behaviors by the supplier and they’ll be shut off for supply. You ask for current inventory levels, without revealing reason why, because you do not want to start a panic about that supplier.

3. **Flexing your leadership to the Consultative Style:** In the Consultative Style, the leader makes a decision by asking for input, and does give a reason why.

   **When to use the Consultative Style:** Information level for the leader is medium, and the time available for making a decision is medium.

   Many of you were working when the 9/11 crisis put a significant cramp on supply movement around the world. Trade-offs were required for getting supply from one source versus another, based on which ports were open. When asking for input, it made sense to share why you were asking. Other organizations had better information, there was a little more time to make a decision, and by revealing the reason you stood a better chance of making the right decision.

   The first 3 styles (Autocratic, Approaching, and Consultative) show that time is of low-to-medium availability, and that the decision-maker has high-to-medium information of his own. The final two styles of leadership require the largest amount of time, but have the added benefit of driving the highest level or buy-in from those that it will affect. These are the styles that you should be using the most often because they drive the highest level of buy-in from those affected. And when teammembers are part of the process and decision, they tend to be more committed to the outcome, which creates the best chance of success. The key variable here is time.

4. **Flexing your leadership to the Group Style:** In the Group Style, the leader works towards consensus input from team, then the leader makes the final decision.

   **When to use the Group Style:** Information level for the leader is medium to low, and the time available for making a decision is high.
5. **Flexing your leadership to the Consensus Style:** In the Consensus Style, the leader allows the team to make the decision based on consensus within the team.

**When to use the Consensus Style:** Information level for the leader is medium to low, and the time available for making a decision is high.

In procurement, these last 2 styles, Group or Consensus style, are particularly useful if you want to ensure a sound sourcing-decision. You will include internal clients affected by the decision, ask engineering for input, and even query the sales team. The decision itself may be made by the leader (Group Leadership style), or the decision may be based on what the team decides (Consensus Style). These two styles require a much larger amount of time, but they also drive the highest level of buy-in among the people who participate in the decision.

When you are driving sourcing-decisions for your team, you should be exerting a leadership style of either Group or Consensus. A common mistake is believing that there isn’t enough time and a decision has to be quickly made. However, after the fact, even more time is spent trying to drive buy-in, trying to get constituents from around the company to adhere to the decision, and finding that there continues to be a lot of rogue-buying outside of the sourcing-decision you led.

The agile leader recognizes that staying in any of these styles is only required if the situation demands it. A trap that a leader may fall into is becoming comfortable in one style at the expense of another. For example, in procurement, you may often find yourself leading during a crisis and stepping into the Autocratic, Approaching, or Consultative Style. It seems clear that during a crisis (a supplier goes into bankruptcy or production facility burns down, or the price of oil doubles in an 18 month period) that time is of the essence and the situation calls for a Consultative to Autocratic Style. And that may indeed be right in the moment. The trap is when leaders stay there even after the crisis is over.

**Summary:** In order to successfully lead a group or a project, you must be able to adapt your skills and your style. The skills required for leadership are different than simply managing. Leaders have moved from simply administering to genuinely innovating; from thinking short-term to thinking long-term; from focusing on systems to focusing on people; from fact-finding to decision-making; and from doing things right to doing the right things. They also recognize that different situations call for different styles, and they flex their style for the best outcome. The only thing constant is change: the agile leader is ready to respond.

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