Leadership Problem-Solving

Agnes was in a tight spot and had to say something. Despite the hustle and bustle of the trade show floor, she was concentrated on the anxious face of the client standing at the company's booth. Again the client prodded: "The product line your competitor is exhibiting is absolutely stunning, it must have taken you by surprise! Will your company be coming out with something similar very soon or do we need to consider taking our business to them?" Agnes could sense the client's sudden doubt and need for affirmation that her company was the right partner. "We're working on it," Agnes tried, "our next product line is going to blow them away." But the client wanted more than just this vague promise that something wonderful was somewhere in the pipeline. "Agnes," he said with a firm voice, "you are head of R&D and I trust your judgment. Can I count on something similar being delivered in the next twelve months?" She had to say something more concrete.

To her right Agnes could see Harold, the company's sales director, who had been listening in on their conversation. His eyes screamed "say yes!". The client had purchased many of the company's automation systems in the past and during some years was good for more than ten percent of their sales. Their relationship had been quite tight, as the client was heavily dependent on their fast repair service and ongoing maintenance program. It would be a blow to Harold if this client was lost, not only because of future product sales, but because the lucrative service-side of business would probably also be transferred to the competitor. It was this stable repeat income that had saved the company a few times before, when the cyclical project-side of the business had been in the dumps.

Agnes knew the importance of the client and knew that overall sales were behind target, given the intensity of the competition. Process automation systems were a tough market, with many suppliers and a high rate of innovation, so keeping up market share was a constant battle. Trade shows, like the one she was attending, were important to confirm a company's reputation as cutting edge and as a dependable partner for the future. So, any sign that the company was falling behind needed to be vigorously refuted, lest clients defect to hotter competitors, triggering a self-fulfilling prophesy. Her very reason to be present, as head of R&D, was to strengthen the company's standing as trail-blazing innovator.

In reality, however, it seemed they *had* fallen behind. Agnes truly *was* stunned by the new product line being shown off by the company's reinvigorated rival. Their new approach hadn't occurred to Agnes and her team before, but it was patently obvious to her that this type of automation system was superior to their own. She had no choice but to quickly return to her lab and redirect development efforts to counter this imminent threat. However, it wasn't yet clear to her whether the competitor's approach would become the dominant standard to which she would need to adapt herself, or whether the 43 people in her team could come up with an alternative that could place the company ahead of the pack again.

Agnes had already sent a few pictures to her R&D colleagues back at the lab and a few had expressed dismay at their blindness to this new possibility. Others voiced their frustration that the R&D budget had been scaled back in the previous years and that vital colleagues had felt impelled to leave. Agnes's major concern was the company's rigorous decision-making process, which was heavy on spreadsheets and analysis, while more often than not slow on results and implementation. Getting the budget she would need to catch up was not going to be a walkover.

All this flashed through her mind as she fixed her gaze on the client across the counter, eagerly awaiting her pronouncement. She had to say something. Should she honestly admit that she needed to look into the development timeline and would get back to him as quickly as possible, or should she courageously seize the moment and commit the company to delivering a comparable product line within a year? Should she carefully think it through and then present a realistic plan, or should she boldly jump into the unknown and trust that she and her team would find a way of meeting the deadline. She was in the business of automation, but how to deal with this problem didn't come to her automatically.