

# Investor's Business Daily

Issue date: May 1, 2009

Column: IBD's 10 Secrets To Success

## Be Honest And Dependable; Take Responsibility

## Be Open To Transparency

By Steve Watkins

With the world more connected, transparency is vital for leaders. How to embrace it?

\* Plan. A big change in the next decade will involve the shift from closed to open communication, says Bob Johansen of Palo Alto, Calif.-based think tank Institute for the Future, which each year makes 10-year forecasts of trends. "Leaders have the choice of riding that wave or bucking it," he said.

\* Deal with doubt. The world of the next decade will be marked by volatility, uncertainty, complexity and ambiguity, Johansen says. That doesn't leave much room for arrogance. It does require transparency. "You have to be clear about where you're going and be flexible about getting there," he told IBD.

\* Pick your battles. Leaders must decide what they want to share with everyone. If the boss doesn't do it, others could choose their own ways to measure the company's results that might place the firm in a bad light.

\* Stay humble. Johansen calls it "quiet transparency." If you self-advertise, you're just putting a target on your back. Oil producer BP heavily touted its "Beyond Petroleum" campaign to show its environmental concern. The ads helped some, but the firm wound up a target for regulators and advocacy groups.

"The best approach is to do the right thing, be transparent and be quiet," Johansen said.

\* Embrace the consequences. Being open, even about problems, has advantages. Susan Kuczmariski, a Chicago-based leadership consultant who co-wrote "Apples Are Square," says Wisconsin Film & Bag's Jack Riopelle found that out. Just after he took the helm, Riopelle found that the maker of plastic bags and shrink wrap had used cheaper material in its products than it claimed.

He sent his 88 salespeople out to customers with refunds and an explanation. The company didn't lose a single customer.

"When you're transparent," said Kuczmariski, "it's appreciated by everyone."

\* Get buy-in. IBM urged its workers to come up with common values. "The employees felt their voices were heard, and the values weren't hammered down from above," Kuczmariski said.

\* Stick to your message. Outdoor gear maker Timberland's mission is to sell its products. People also know the firm as environmentally friendly. But it doesn't hype the fact. It just shows up clearly in everything it does, Johansen says.

\* Communicate with purpose. Think about the values that could be your legacy. "You have to have something to stand for," Johansen said. "Transparency without substance is a negative."

\* Win 'em over. Leaders can't be transparent if people don't trust them, Johansen says. If the boss fosters trust, he'll be perceived as real.

\* Share the wealth. Give employees credit instead of hogging the spotlight. "It builds a sense of collaboration," Kuczmariski said.

\* Admit errors. Space shuttle astronaut Mary Weber told Kuczmariski about the time her commander, shortly before a launch, informed the crew of a mistake he had made on a previous mission.

"That created a sense of trust, to see that openness and transparency were so important," Kuczmariski said.