How the Best Leaders Lead
Proven Secrets to Getting the Most Out of Yourself and Others

THE SUMMARY IN BRIEF

Leadership is the critical factor that determines the success of any business, department or organization. The ability to select, manage, motivate and guide employees to achieve results is the true measure of any leader’s success.

In How the Best Leaders Lead, business expert and renowned author Brian Tracy reveals the strategies used by top executives and business owners everywhere to achieve astounding results in difficult markets against determined competition.

Tracy gives business leaders and managers at every level a series of practical, proven ideas and strategies that they can use immediately. He describes how you can plan for the future while managing the present, how to motivate people in turbulent times, how to communicate and get ideas across to others, and a variety of ways to build, manage and motivate winning teams. He also tackles the issues involved in hiring and keeping the best people.

Great leaders determine their ideal leadership style for any situation, identify opportunities and take concrete action. With this summary, anyone can learn how to become a better and more effective leader, and get more done faster than they ever dreamed possible.

IN THIS SUMMARY, YOU WILL LEARN:

• How you can put 12 military principles to use in your business.
• How to set clear goals and objectives for yourself and others.
• How to develop an exciting future vision for your business.
• How to set priorities and focus on key tasks.
• How to solve problems faster and make better decisions.
Introduction: The Race Is On

We are living in the most challenging times for business and economics that we have experienced in our lifetimes. Only the fit will survive. The race is on and you are in it. If you are not committed to winning, to conquering against all odds, you will be brushed aside and passed over by people and companies more determined to win than you are.

The Seven Responsibilities of Leadership

There are seven basics that never change — the key responsibilities of leadership in any organization. On a scale of 1 to 10, your ability in each of these seven areas determines your value to yourself and your contribution. Here they are:

1. **Set and achieve business goals.** The No. 1 reason for business and executive failure is the inability to achieve the sales, growth and profitability goals for which the leader is responsible.

2. **Innovate and market.** As Peter Drucker said, the purpose of a business is to “create and keep a customer.” Only through continuous innovation of products, services, processes and promotional methods can companies create and keep customers.

3. **Solve problems and make decisions.** The only obstacles that stand between you and the business success you desire are problems, difficulties, hindrances and barriers. Your ability to go over, under or around these problems is central to your success.

4. **Set priorities and focus on key tasks.** Time is your scarcest resource. The way you allocate your time can be the critical determinant of everything you achieve — or fail to achieve.

5. **Be a role model to others.** Albert Schweitzer once wrote, “You must teach men at the school of example, for they will learn at no other.” Leaders conduct themselves as though everyone is watching, even when no one is watching.

6. **Persuade, inspire and motivate others to follow you.** Management consultant Tom Peters said that the best leaders don’t create followers, they create leaders. You must motivate others to follow your vision, to support and achieve the goals and objectives that you have set, to buy into the mission of the organization as you see it.

7. **Perform and get results.** In the final analysis, your ability to get the results that are expected of you is the critical factor that determines your success.

The Heart of a Leader

Leadership is the single most important factor in the success or failure of a company or business. Your ability to step forward and lead your enterprise to success in competitive markets is both essential and irreplaceable.

The better you become as a leader, the better you will be in every area of your enterprise.

Leadership Requires Character

Leadership is more about who you are than what you do. Your ability to develop the qualities of effective leadership, the essence of what it takes to be a leader, is more important to your success as an executive than any other factor.

One of the great principles of personal development is, “Whatever you dwell upon grows and expands in
your experiences and personality.”

You become more effective, day by day, when you think and act on the basis of the key qualities of effective leaders throughout the ages. You program these qualities into your personality and behavior by dwelling on them continually. You learn these qualities by practicing them in your daily activities as a person and as a leader in your organization.

The Seven Qualities of Leadership

There have been more than 3,000 studies conducted over the years aimed at identifying the qualities of successful leaders. More than 50 qualities have been identified that are important to leadership. But there are seven qualities that seem to stand out as being more important than the others. The good news is that each of these qualities can be learned, and they must be learned by practice and repetition:

1. Vision: The most important single quality of leadership. Leaders have vision. They can see into the future. They have a clear, exciting idea of where they are going and what they are trying to accomplish.

2. Courage: The second quality that leaders have in common. Winston Churchill said, “Courage is rightly considered the foremost of the virtues, for upon it, all others depend.” The quality of courage means that you are willing to take risks in the achievement of your goals with no assurance of success.

3. Integrity: The most respected and admired quality of superior people and leaders in every area of activity. The core of integrity is truthfulness. Integrity requires that you always tell the truth, to all people, in every situation. Truthfulness is the foundation quality of the trust that is necessary for the success of any business.

4. Humility: Leaders have the security and self-confidence to recognize the value of others. The best leaders are those who are strong and decisive, but also humble.

5. Foresight: Leaders have the ability to look into the future and anticipate what might occur. Excellent leaders are good strategic thinkers. They have the ability to look ahead, to anticipate with some accuracy where the industry and the markets are going.

6. Focus: The ability to focus personal and corporate energies and resources in the most important areas is essential to leadership.

Leaders Know Themselves

The better you know and understand yourself, the better decisions you will make and the better results you will get.

What is the most important and valuable work that you do? The answer is thinking. The quality of your thinking determines the quality of your choices and decisions. The quality of your decisions, in turn, determines the quality of your actions. The quality of your actions determines the quality of your results, and the quality of your results determines almost everything that happens to you, especially in business.

Perhaps the most powerful stimulant of good thinking is pointed questions that force you to analyze and decide exactly what you want and what you are going to do to achieve it. Asking yourself serious questions — about your position, abilities, talents, performance, etc. — will not only help you focus on your goals and aspirations; it will help you to develop greater clarity about who you really are inside and what is truly important to you.

The successful leader is, first and foremost, a successful person. The best leaders establish priorities and goals not only for their professional lives, but for their personal lives as well. They know, in both their professional and personal lives, what they want, who they are, who and what is important, where they are going and why, and what strengths and weaknesses will help or hinder them as they move forward. The best leaders are complete, balanced, self-aware, healthy individuals who live their professional and personal lives by the same rules.
Summary: HOW THE BEST LEADERS LEAD

Who Are You and What Do You Want?

Leaders know themselves. They know who they are and what they want. The more clarity with which you can answer the questions that you ask yourself, the more effective you will be as a leader. You will make better decisions, set clearer priorities, allocate people and money more diligently and efficiently utilize your personal time and resources to accomplish more of those things that are more important. You will make fewer mistakes and get more things done with greater effectiveness.

By developing complete clarity about yourself and your situation, you will think and act more efficiently and accomplish greater results in everything you do.

Counterattack! The Business Lessons of Military Strategy

Great generals and military leaders have been studied throughout history to determine which qualities and abilities enabled them to prevail against fiercely determined and hostile enemy forces. Over the years, students of military history have identified 12 principles of military strategy that, when properly applied, lead to victory.

These principles of military strategy apply to business, as well. Every one of them is essential to success in competitive markets. A weakness in a single key area can lead to business reversals or even bankruptcy.

1. The Principle of the Objective. This refers to the importance of establishing clear objectives for every military action in advance and making them clear to each person who is expected to help to achieve those objectives. Does everyone in your company know exactly which goals you are trying to achieve in your business?

2. The Principle of the Offensive. This refers to switching over to the attack, to taking aggressive action against the enemy to achieve victory. Your company cannot win by playing it safe, retreating or simply cutting costs.

3. The Principle of the Mass. This refers to the ability of the commander to concentrate his or her forces at one point, the location of the enemy’s greatest vulnerability.

4. The Principle of Maneuver. This refers to the ability to move the attacking forces in such a way that they can outflank the enemy and attack where the enemy is most vulnerable.

5. The Principle of Intelligence. This refers to the need to obtain excellent information concerning the actions and movements of the enemy. In business, the more you know and understand about your competitors and your marketplace, the more successful you will be.

6. The Principle of Concerted Action. This refers to the ability of the general in command to ensure that all parts of his or her forces work together in harmony and cooperation in both offensive and defensive operations.

7. The Principle of Unity of Command. This refers to the need for absolute clarity about who is in charge of every area of activity, from the commanding officer on down. Top companies have clear leadership at all levels.

8. The Principle of Simplicity. This refers to the importance of clear, simple orders, commands and battle plans that are easily understood by the people expected to carry them out.

9. The Principle of Security. This refers to the importance of guarding against surprise attacks and unexpected reversals. In business, this principle requires that you look down the road and anticipate what could happen to hurt your business or threaten its survival.

10. The Principle of Surprise. This refers to the importance of taking an action that is not anticipated by the enemy. In business, you must be looking for different ways to do business with different customers, in different markets, at different prices, using different distribution channels.

11. The Principle of Economy. This refers to the importance of not expending any more soldiers and material to achieve a military objective than it is worth or is necessary. In business, this means that you do everything at the lowest cost possible.

12. The Principle of Exploitation. This refers to the importance of the winning army taking full advantage of a victory. In business, this means that you follow up and follow through when you achieve a market success or get a new customer.

Masterful Management

Henry Mintzberg wrote in BusinessWeek that too many leaders don’t see themselves as managers. They believe that their job is “to do the right things,” while others are responsible for “doing things right.” That may look good in a consultant PowerPoint presentation or an academic white paper, but the fact is that the best leaders are, first and foremost, managers. They make things hap-
pen. They get results. They organize people, allocate resources, implement strategies — whatever it takes to get things done.

In Execution, Larry Bossidy writes, “Only the leader can make execution happen, through his or her deep personal involvement in the substance and even the details of execution.”

The Seven Roles of the Manager

In any enterprise there are seven key roles of the manager: planning, organizing, staffing, delegation, supervising, measuring and reporting. Each of them is only learned through trial and error and continuous practice. But they are all learnable, and they must be learned for you to realize your full potential as a leader.

One of the most important management qualities is flexibility. The more mental tools and skills you have to get the most and the best out of your people, the more flexible and, therefore, the more effective you can be as a manager.

Each role is as important as any of the others. An executive can be excellent in many areas, but the areas where he or she is weak will hold him or her back from achieving everything that is possible.

The Seven Determinants of Business Success

There are seven key factors that are relevant to every business and organization: productivity, customer satisfaction, profitability, quality, innovation, organizational development and people-building. A failure or shortcoming in any one of these areas can lead to the collapse of the enterprise. Your job as a leader and a manager is to ensure that your company succeeds in each of these areas.

To fulfill your potential, you must become excellent at what you do. Choose your personal area of excellence. Your decision to excel in a particular area moves you into the top 10 percent in your field because most people never make that decision in their entire careers.

The key to moving from good to great in your field is to ask yourself the brutal question: “Why aren’t I already the best at what I do?” The answer is always the same. The reason you are not at the top of your field is because you have not decided to be there or you have not backed that decision up with the hard work that is necessary.

Hire and Keep the Best People

Your skill in hiring and keeping the best people will determine your success as a leader more than any other single factor.

In Jim Collins’ best-selling book Good to Great, he writes that the key to building a great company is to “Get the right people on the bus, get the wrong people off the bus, and then get the right people in the right seats on the bus.”

The skill of hiring and keeping good people is not genetic. It is a skill that, like any other business skill, can be learned with practice.

Select the Right People

The selection process is the key to your success and the success of your company.

The rule is that if you select in haste, you will repent at leisure. As a manager, you are responsible for spending the time and effort required to make a good hire. As a leader, you have two responsibilities. One is to enable your managers to make the best decisions. Don’t set deadlines for new hires unless you absolutely have to. Taking your time is one of the keys to successful recruitment.

Your second responsibility is to be involved in the hiring of employees at all levels in your organization. You may not do initial interviews for some employees, but no employees should be hired before you have seen and talked to them.

Improve Performance Professionally

Job descriptions and job requirements are changing so rapidly that you must continually redefine them for each employee. Here are five simple steps that you can use on a regular basis to improve the performance of every person who reports to you:

First, sit down and explain clearly what the employee is expected to do. Describe the results that you want from the job.

Second, set measurable standards of performance for the job you want done. Put numbers on everything. Put financial measures on every single output responsibility, if possible. One of the great rules in management is, “What gets measured gets done.”

Third, never assume that the employee completely understands what you are saying. When you have delegated an assignment, ask the employee to repeat it back to you in his or her own words.

Fourth, give regular performance feedback to tell people what they are doing well and what they can change or improve.

Fifth, inspect what you expect. When you delegate a job, you assign responsibility, but you are still accountable.

Building Winning Teams

All work is done by teams. Your ability to assemble and manage a high-performance team of individuals is one of the keys to your value and effectiveness as an
executive at every stage of your career.

To help people become happy, productive members of the team, you must understand their motivations. People at work are most motivated by four factors.

The first is *challenging, interesting work*. Most people want to be busy and happy at work, doing things that keep them active and force them to stretch, to move out of their comfort zones, to continually learn and grow. People won’t buy into the goals and objectives of a team if they are given only the most mundane tasks.

Second, people are highly motivated by working in a *high trust environment*. This is created by keeping people in the know. Have regular weekly staff meetings where everyone gets a chance to talk about what they are doing in front of everyone else. This is one of the most powerful team building exercises of all.

Third, people are motivated by being made *personally responsible for results*. Give people important, challenging work to do and then support them while they do that work. The more responsibility a person takes on, the more he or she grows as a decision maker and leader and the more valuable he or she will be to your company.

Fourth, people are motivated by *opportunities for personal growth and promotion*. Many people will take or stay at a job that pays less than they can earn somewhere else if they feel that they are becoming better skilled and more competent as a result of the work they do.

Much to the surprise of most managers, money and working conditions are fifth and sixth on the list of what motivates people at work.

**The Dynamics of Top Teams**

Top teams have five characteristics in common: shared goals, shared values, shared plans, clear leadership, and continuous evaluation and appraisal.

Top teams and good leaders practice what is called *management by exception*. This means that once the task has been assigned, as long as it is on schedule and on budget, no reporting is necessary. The individual only has to report back if there is an exception to the agreed-upon plan and/or schedule. The better and more competent your people are, the more you can practice management by exception with them.

You can also practice *management by responsibility*. Make people completely responsible for the successful completion of a particular task. Then get out of their way and leave them alone. It is amazing what people will accomplish when they feel that they are personally responsible and that they have no excuses to fall back on.

**Problem Solving and Decision Making**

Your entire success as a person and leader is determined by your ability to solve problems effectively and well. Whatever title is written on your business card, your real job is problem solver. All day long, in every situation, you solve problems.

Leaders don’t react to problems with anger or frustration; they look upon problems as the essential defining skill area of their work. As a leader, your job is to become extremely effective at solving any problem that is brought to you, large or small.

**The Three Qualities of Genius**

In becoming better at problem solving, you can develop within yourself these three qualities of geniuses:

1. The first quality of a genius is the ability to concentrate single-mindedly on a single goal, a single problem or a single question without growing tired or bored.
2. The second quality of geniuses is mental flexibility.
3. The third quality of geniuses is that they use a systematic method to solve any problem.

**Systematic Problem Solving Method**

There is a systematic method of problem solving that is used by the most effective executives in almost every organization. The following 10-step process is incredibly effective in helping you overcome obstacles and achieve your goals:

**Step 1:** Define your problem or goal clearly in writing.

**Step 2:** Once you have defined your problem clearly, ask, “What else is the problem?”

**Step 3:** Restate the problem to make it easier to solve. If you settle for a quick definition of the problem, it could lead you down the wrong path.

**Step 4:** Determine all the possible causes of the problem. Ask the brutal questions. Get your ego out of the way.

**Step 5:** Determine all the possible solutions to this problem. Then force yourself to ask, “What else is the solution?”

**Step 6:** Once you have done a thorough and complete analysis of the problem and laid out all the possible causes and possible solutions, make a decision!

**Step 7:** Once you have made a decision, assign responsibility. Who exactly is going to carry
Communicate With Power

Fully 85 percent of your success as a leader will be determined by your ability to communicate effectively with others. Everything you accomplish will be associated with other people in some way. And the people in your life will account for 85 percent of your happiness and your success.

The quality of your communication, therefore, determines the quality of your life and the quality of your relationships, of all kinds.

In your interactions with others, there are five goals that you want to accomplish:

1. You want people to like and respect you, which will reinforce and validate your self-image but also encourage others to want to hear you, not shut you out.
2. You want people to recognize that you are valuable and important, reinforcing your self-esteem but also giving others a reason to listen to you.
3. You want to be able to persuade people to accept your point of view, to sell your product, services and ideas to others.
4. You want to get people to change their minds and to cooperate with you in achieving your goals.
5. Overall, you want to be more personally powerful and influential in all your relationships, personal and business.

These are the keys to success in leadership, life and love.

Your Emotional Intelligence

In 1995, Daniel Goleman wrote the book *Emotional Intelligence*. He argued that EQ is more important than IQ.

He concluded that your ability to persuade others is the highest form of emotional intelligence and the true measure of how effective you are as a person.

People do things for their reasons, not yours. Motivation requires *motive*. To communicate and persuade effectively, you must find out what their motives really are.

The key is to get out of yourself and enter into the mind, heart and situation of the other person. Focus on the needs and desires of the other person rather than your own.

Communicators are aware of the emotional element in effective communication — the importance of understanding the emotional motivations of the people with whom you’re communicating. But any efforts to address emotional issues must be based in sincerity.

The Leader’s Questionnaire

The best leaders are those who have a complete and intimate understanding of every facet of their business and industry. Leaders know everything about their own companies, their customers, their competition and the business environment in which they operate.

A complete leader’s questionnaire covers all the major strategic and management issues that leaders will need to address. Every leader should be able to answer each question with confidence, without hesitation. If you do not know the answers, or if you are unsure, it is important to find out as soon as possible. Without the answers to the questions, or with the wrong answers, you will make mistakes in marketing, sales and business strategy that can be fatal to your business.

As Larry Bossidy writes, “Only a leader can ask the tough questions that everyone needs to answer, then manage the process of debating the information and making the right trade-offs. And only the leader who’s intimately engaged in the business can know enough to have the comprehensive view and ask the tough, incisive questions.”

Here are a few of the tough questions that you and the team you lead will need to answer:

1. What business are you really in? What does your company actually *do* for your customer to improve
his or her life or work?

2. What is the mission of your company or firm? Your mission should be stated in terms of what you want to achieve, avoid or preserve for your customers.

3. How do your customers talk about, think about or describe your company to others? What words do they use?

4. Who is your perfect customer?

5. Describe your perfect customer psychologically. How does your perfect customer think and feel in relation to buying what you sell?

6. What does your perfect customer consider of value? What benefits does your customer seek or expect in dealing with you?

7. What are your company’s core competencies? What special skills or abilities does your company possess that enable you to fulfill the needs of your customer?

8. Who are your competitors? Who else sells the same product or service to your prospective customers?

9. Why do your customers buy from your competitors? What benefits do they receive from your competitors that they don’t receive from you?

10. Which of your products or services give you your highest profits? Which of your products, services, markets, customers or activities are the least profitable?

11. What is your company’s area of specialization? What is your area of differentiation or excellence?

12. What organizational changes should you make in your business, with regard to people, activities, work flow and expenses, to improve both effectiveness and efficiency?

Simplify Your Life

Everyone has too much to do and too little time today. You feel overwhelmed with your duties, tasks and responsibilities. As a leader, those duties, tasks and responsibilities are multiplied. The challenge is for you to simplify your life in such a way that you spend more time doing the things that are most important to you and less time doing those things that are not at all important. A great leader is someone who is effective, positive, in control, generally content and even-keeled. If you are overwhelmed, you are probably none of these things. Simplifying your life will not only make you a happier person, it will significantly increase your success as a leader.

Here are six methods, techniques and strategies that you can use to reorganize and restructure your life, simplify your activities, get more done, and enjoy more personal time and time with your family than ever before:

• **Determine your true values.** Decide exactly what is most important to you. The most important question that you must ask, and answer, throughout your life is, “What do I really want to do with my life?” Set peace of mind as your highest goal and then organize your life around it.

• **Decide exactly what you want.** Start deciding what you want by writing out a list of at least 10 goals that you would like to accomplish in the next year. After you have written out this list, review the 10 goals and then ask: “What one goal, if I achieved it in the next 24 hours, would have the greatest positive impact on my life?”

• **Select your major definite purpose.** Your most important goal becomes your major definite purpose. Then make a list of everything you can think of that you can do to achieve that goal. Organize the list by priority, by what is more important and what is less important. Then immediately begin the most important thing that you identified to achieve your most important goal.

• **Get your life in balance.** The key to balance is to be sure that your exterior activities are congruent and in alignment with your interior values. A sense of happiness, peace, joy and relief comes when you return to your values and make sure that everything you do is consistent with them.

• **Put your relationships first.** Put the most important people in your life at the top of your list of priorities. Put everything else below them.

• **Take excellent care of your physical health.** You can simplify your life by eating less, eating better, exercising regularly, getting thinner, getting regular medical and dental check-ups, eating proper nutrients and taking excellent care of yourself.

**RECOMMENDED READING LIST**

If you liked *How the Best Leaders Lead*, you’ll also like:

1. *Crisis Leadership Now* by Laurence Barton. Barton applies an insider’s insight into numerous case studies. He shows how catastrophes can happen at any time and what to do to handle them.

2. *Leadership Gold* by John Maxwell. Maxwell shares a lifetime of leadership truths and offers practical advice for leaders at every level.

3. *The New Boss* by Peter Fischer. Fischer covers all the bases for newly appointed senior managers. He illuminates the seven building blocks of an accomplished transition and provides case studies to spell out nearly every possible leadership situation.