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## GET X-CITED

**X-teams create a culture of innovation**

Innovation is vital to every successful organization, but companies can't afford to wait around for lightning to strike. In a hypercompetitive world, businesses need to be able to generate, leverage and sustain innovation.

Current research by Deborah Ancona and Henrik Bresman suggests that "X-teams" can help companies create a culture of innovation by pulling together external and internal input for an infusion of new thinking.

In [\*X-Teams: How to Build Teams that Lead, Innovate, and Succeed\*](#) (Harvard Business School Press), Ancona, the faculty director of the MIT Leadership Center, and Bresman, assistant professor of organizational behavior at [INSEAD](#), describe in detail how X-teams have driven innovation at companies as diverse as Microsoft, BP, Merrill Lynch, CVRD, Procter & Gamble, and Southwest Airlines.

X-teams are so-called because they combine and integrate high levels of external activity with extreme execution. Members scout outside for new ideas, opportunities, and resources. Within the company, X-teams reach across boundaries, taking on the critical work of ambassadorship. They meet with management to gain buy-in, sponsorship, and protection from potential internal opponents; to acquire funding and other resources; and to keep the team's work tightly connected to the company's strategy.

Ancona and Bresman provide detailed guidelines for managers who want to set up an X-team, for X-team leaders, and for senior executives who want to use X-teams as a powerful tool to distribute leadership company-wide.

Making X-teams work can be complicated for senior management and taxing for team members. But the benefits can outweigh the costs, particularly when the goal is innovation. Dozens of company X-teams have been trained through [MIT Sloan Executive Education](#) with input from the MIT Leadership Center, with successful results. X-teams from BP have developed new ways to manage the company's huge oil/gas exploration projects across the world. And, X-teams at Merrill Lynch have produced everything from new interest rate volatility indices to an entirely new and successful distressed equity business.

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### **CEO Anne Mulcahy shares lessons from the turnaround at Xerox**

When Anne Mulcahy took the helm at [Xerox Corporation](#) in 2001, it looked like a sinking ship. The company had almost \$19 billion in debt and revenues were in a double-digit freefall.

Today the company is profitable and has no core debt. How did Mulcahy mastermind this turnaround? "It was the alignment of the people around a common set of goals," she said.

Mulcahy shared the lessons of the Xerox turnaround during the [Dean's Innovative Leader Series](#) at MIT. The series is sponsored by the MIT Leadership Center and the MIT Sloan School of Management.

Companies in crisis need to listen to their core constituencies — customers and employees — and be prepared to act on what they hear, Mulcahy said. Leaders need to articulate a vision for the future and communicate that vision throughout the company.

Quoting billionaire investor Warren Buffett, Mulcahy summed up her strategy this way: "Focus on your customers, and lead your people as though their lives depended on your success."

[Read the lessons from Anne Mulcahy...](#)

## EMPOWER THE TROOPS



### **Success depends on front-line leadership, says former Southwest CEO Jim Parker**

"The ultimate success of a corporate vision depends on achieving excellence throughout an organization," [Jim Parker](#) writes in his upcoming book, *Do the Right Thing: How Dedicated Employees Create Loyal Customers and Large Profits* (Wharton School Publishing).

The former CEO and vice chairman of the board of directors of Southwest Airlines (who is also a member of the MIT Leadership Center Advisory Council) uses the World War II invasion of Normandy as an example of the success of [distributed leadership](#). Once Gen. Dwight D. Eisenhower set D-Day in motion, Parker writes, "The future of the world lay in the hands of leaders at other levels."

In contrast, the Germans were hampered by hierarchy — even in the face of disaster, field commanders waited for approval from above. As in World War II, Parker asserts, the organization that has empowered its front-line leaders has the edge in business.

[Read the Lessons from Jim Parker](#)

## DISTRIBUTED LEADERSHIP



### Real-world experience supports Leadership Center model

The MIT Leadership Center's [Distributed Leadership Model](#) continues to gain support from experts on the front lines of leadership. In "Leading from Below," two directors of a global consulting firm share the lessons they've learned from studying hundreds of companies. The *Wall Street Journal* headline sums their message up this way: "CEOs can't change companies on their own. The secret is to foster a leadership mentality throughout the ranks."

"Leading from Below" was produced jointly with the [MIT Sloan Management Review](#), which frequently runs articles on leadership topic — from "The Superstar CEO Curse" to "How to Lead a Self-Managing Team" to "The Elements of a Clear Decision." For a more complete list of leadership articles, click [here](#).

[Read more about "Leading from Below"...](#)

