

# Software

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## Why Software Business Leaders are Failing... *...and What You can do to Correct this Hazardous Trend*

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US software business leaders are facing economic and competitive challenges that they have never faced before. They have an increasingly urgent need to be leaner and more efficient, seek and seize new opportunities, and build managerial bench strength. And they must do all these things despite substantial obstacles in an economic environment that is becoming more and more limiting.

Many leaders are failing abjectly. Managers in software business must be prepared to deal with the constant barrage of challenges faced by today's technology developers. One of the things that prohibits success is the natural tendency to approach management issues from a technical perspective.

Since most software business managers get promoted because of their technical acumen, their inclination is to rely on what has worked for them in the past. Unfortunately, understanding technical problems and creating technical solutions does not adequately prepare software managers for the strategic and organizational challenges they inevitably face once promoted to management positions.

So they tend to concentrate their efforts on addressing the technical issues they know how to solve, putting out the day-to-day fires that can easily devour nearly all of their managerial time. But this often occurs at the expense of the longer-term thinking and planning that managers MUST do. They end up spending a great deal of time doing the wrong thing really well.

Addressing technical issues may be appropriate responses, but they are likely only part of the answer. Software business managers need to more systematically look at what they do and how they do it, from how they spend their time, to how they work with and through other people. The things that made them very successful in the past could be the very things that doom them to suboptimize results in the future.

Two frequent traps that software leadership falls into are: 1) reacting to changes in competitive environments by implementing short-term technical fixes. These may be big efforts; introducing feature sets, rescheduling release dates, restructuring, or turning over key positions, for example, but nevertheless they are attempts to fix the various parts rather than the whole. Or, 2) focusing so closely on operational and development milestones that they fail to see market factors that require substantial redirection. They end up generating products that were well-conceived when initiated, but that no longer meet customer needs and specifications. Software project management is not the same thing as software business management.

The real key to success for the long term is answering the question: How can we 'deliberately design' our company to make it lead the market in the way things are done, instead of merely responding to competitive changes (reactive), or merely meeting development schedules. Being reactive means always trailing market leaders and trends at the expense of the true strategic issues facing the firm.

Software business management needs to move quickly and adeptly, starting with a blank sheet of paper to rethink how the entire company works, from product

concept through interacting with customers. This means asking leaders throughout the company to think entirely differently, not only about what they do, but about how they go about getting results, and even redefining what results "mean."

The real challenge is that these leaders are not prepared through their education or experience for these new roles, roles that require them to think strategically rather than functionally, move tactically (quickly) and drive the market instead of reacting to it. Yes, being out in front means mistakes will be made, but it is better to make them early and fast, and keep moving forward aggressively, or competitors will. Reacting to economic factors, or to what competitors have done rarely leads to success, it just means you're behind a leader.

Nobody remembers the second person to fly across the Atlantic Ocean.

*Michael P. Laddin is president of LeaderPoint, a company that has been studying management and leadership, and management development learning environments, for more than 20 years. The company's development programs have advanced the skills of more than 1,700 managers in 600 companies across virtually all sectors.*

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