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THE CONVERSATION

Academic rigor, journalistic flair

Is it really so bad to have a business mogul as president?

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Transferrable skills include ribbon cutting. EPA/Shawn Thew

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Donald Trump's image as a street fighter offering a voice to the disenfranchised propelled him to victory in the US election. But beyond the artifice of political stage management, it just might be possible that an executive business brain will cut through Washington's House of Cards.

Trump has never held public office so he's a total newcomer to the Washington bear pit that scuppered much of Obama's agenda. His experience as a business mogul, however, comes with some transferable skills. Executive and global leadership are wholly interlinked and so there are some important lessons to be learned from business. This can be seen in the way that the crisis in America's auto industry was handled.

The impact of Ford Motor Company's US\$12.7 billion 2006 and General Motors' US\$79.6 billion 2007-08 losses were overshadowed by worldwide economic collapse soon after. Global governance, political and economic systems have become the dominant debate since. But executive leadership was also key.

Disaster in America's auto industry, staved off only by US government bail outs, has been a result of senior leadership's failure to react to global signals. The emerging trend for downsizing from big, gas-guzzling sports utility vehicles to smaller models, driven by the 2003-08 oil price hikes, were reacted to too late. Interpretation requires mature executive leadership minds, with a desire to embrace both data analysis and creative solutions.



Ford's old leaders failed to react to global trends. EPA/Andrew Gombert

Any real embrace of subtle global trends must be rooted in extended dialogue between government and industry, not one or the other dictating. Trump's brutal, old-school bruiser mentality might be sorely tested by this. A strong hand may be needed when faced with existential threats. But if a business executive persists with a sovereign will, this can end in significant damage.

Commander-in-chief

The role of president is akin to the CEO of a company. They are the commander-in-chief and dictate the vision. Those that are dubious of a Trump presidency should take heart that he will be surrounded by advisers who will be experts in their field. But it's important that he has a listening ear.

An openness to change – and detecting its subtle signals – is crucial. Indeed, CEOs play a critical role in encouraging their leadership teams to spot subtle trends in their industry. On the hopeful side, it was Trump's acute understanding of the deepening social divisions in the US, that galvanised so many to vote for him, to the shock of many.

The tunnel vision of senior leadership both drives and restricts performance. The key role of a chairperson in a business is to aid the CEO's openness to change, sometimes bringing their gaze up to the horizon. Margaret Thatcher's propensity to drown out questioning ultimately led to her exit. What voices will Trump permit to speak? Will he be open to criticism? His propensity to shout down his critics throughout his campaign would suggest not.

The art of the deal

Any good leader must maintain a macro view of what's going on. Yet leaders have a propensity to get bogged down in micro issues; a heavy focus on planning and control by 20th century businesses was a

reaction to the industrial upheaval of the 19th century. Trump will have to cope with the shift to today's more ambiguous and interconnected world, which needs a flexible and organisational mind.

Organisations are probably the last space that despotism is allowed to exist in the West so Trump will find the bird's nest of government bureaucracy maddening. He has, however, boasted of his ability to make deals. This will be put to the test, as he will have to engage in the kind of political compromise and back room dealing that orthodox business leadership can despise.



A strong hand is only good sometimes. EPA/Michael Reynolds

Ultimately, President Obama stepped in to save the US auto-industry. But it took judicious leadership to regenerate it. Ford avoided government takeover by putting together its own strategic recovery plan, led by CEO, Alan Mulally. A sophisticated range of measures from union negotiation to settling a nervous leadership team were skilfully deployed – and it required capturing both the micro and macro perspectives, sustaining business through volatile trading. Behind the bluster, is Trump an intuitive business brain that can see the macro as well as the micro? Mulally demonstrated the deft touch that was needed.

The hunger for deal-making – something Trump has made a name for himself in – is a core strength of the classic business mogul. But in the long view of history these need to be deals that stand the test of time.

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