

Column: To Lead, You Must Focus

Harvard Business Review

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June 2014

Leading a large, complex organization like the U.S. Navy, which is interdependent with similar entities, calls for a certain approach. You begin with a narrow focus on your organization's unique strength and role. For the navy, that is presence. U.S. naval forces—sailors and Marines—are constantly mobilized, don't need an inch of foreign soil, and can stay in position a long time. We are in the right place not just at the right time but all the time.

That focus helps establish priorities. For us it emphasizes the obvious: Presence requires ships. My primary objective since becoming the secretary of the navy, in 2009, has been to rebuild a fleet that declined from 316 ships in 2001 to just 278 before I took office. The decline wasn't necessarily a choice; it happened because spiraling costs and significant delays had become standard; the technologies on which we relied were immature; and ship design often continued well after construction had begun.

As the governor of Mississippi, I learned the power of setting a few specific priorities and relentlessly pushing them. As the CEO of a private company, I saw that creating a compelling vision and crafting an inspiring narrative are key to achieving results. You must never lose sight of the ultimate goal. I remember how one foreign navy chief described the difference between soldiers and sailors, regardless of country: The army is focused on the ground—on maps and boundaries—while the navy looks across open oceans. Every day I communicate that our navy will have 300 ships before the end of the decade, that a larger fleet is critical to presence, and that presence strengthens global security and prosperity.

Leadership in an interdependent system also means taking responsibility for keeping the system healthy. For the navy, taxpayers are an important part of that system. In the past, private contractors had replaced many government acquisition professionals, so taxpayers bore the brunt of cost-plus contracts that gave industry no incentive to hold down prices. We made fixed-price contracts the norm. We introduced more competition. With costs rising unsustainably for a new destroyer, we terminated production after three ships in favor of building more-advanced versions of the DDG-51, whose lead ship was commissioned in 1991. We put 60 ships under contract during my first four years in office, compared with 19 in the four years before I arrived. One example is the littoral combat ship, which can operate both close to and far from shore. We tested two versions and liked both, but the proposed costs were too high, so we made the two shipyards compete against each other. When their bids came back, the price had been cut by 40%; we were able to buy 10 of each version (one more than planned) and still save \$3 billion.

Of course, a healthy private shipbuilding industry is also important to the system. Recognizing that predictability was crucial to shipbuilders, we shifted to more-stable designs and built ship types we had built before; made sure that new technologies were mature; and laid out the number, type, and timing of builds (along with more--realistic cost estimates and congressional funding).

Inside big organizations, managers themselves work interdependently, bringing their various strengths to the mix. Devote your energy as a leader to reminding your organization what its crucial role is, creating the vision and the narrative, and looking out for the health of the system. Then your presence, like the navy's, will make a difference.

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