**Leadership Development Improves The Bottom Line**

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We don’t lack smart people in business these days. Smart people are everywhere. We lack leaders.

The latest studies are proving leadership equates to profits. Developing good leaders does more to effect the bottom line of an organization than hiring yet another top graduate from a famous school.

Leadership Development Is A Competitive Advantage

Yet credentials and expertise are what most companies focus their recruiting and training efforts on. Leadership development tends to be an optional activity, while skill development is sacred.

Spending time and resources developing leaders at all levels of an organization will do more to improve bottom line performance than any repetitive job specific training will.

New data is proving what many of us have believed intuitively.

1. One study of over 500 publicly traded companies and their leadership training expenditures found that the companies in **top 50% in training spending had an 86% higher shareholder return than the bottom 50%.**
2. Another study of 2,600 companies with over 12,500 leaders participating found that the companies with ineffective leadership development systems performed in the 24th percentile financially.  **While companies who had deliberate leadership development activities financial performance ranked in the 68th percentile.**

Any organizations that develops leaders at all levels of the organization will have a clear competitive advantage over the competitor that continues to focus on only skill development.

**The Bottom Line:**

Intelligence is no longer a differentiator. Leadership is what separates the great organizations from the average ones.

While job specific skill training will help an organization maintain its position in the middle of the pack. Leadership training will cause that company to lead the pack.

In this economy, there is no lack of talented and skilled people in the marketplace. They are everywhere. Hiring skill or spending money on developing those skills that are already prevalent in the market will do little to change a company’s competitive position.

The time is now to begin the process to insure an organization’s future. A company that develops its current and future leaders has a competitive advantage over the competition.

**Leadership is a competitive advantage that will not disappear with the advent of new technology.**

**Leadership is one area of training that is never going to be obsolete and will always improve the bottom line.**