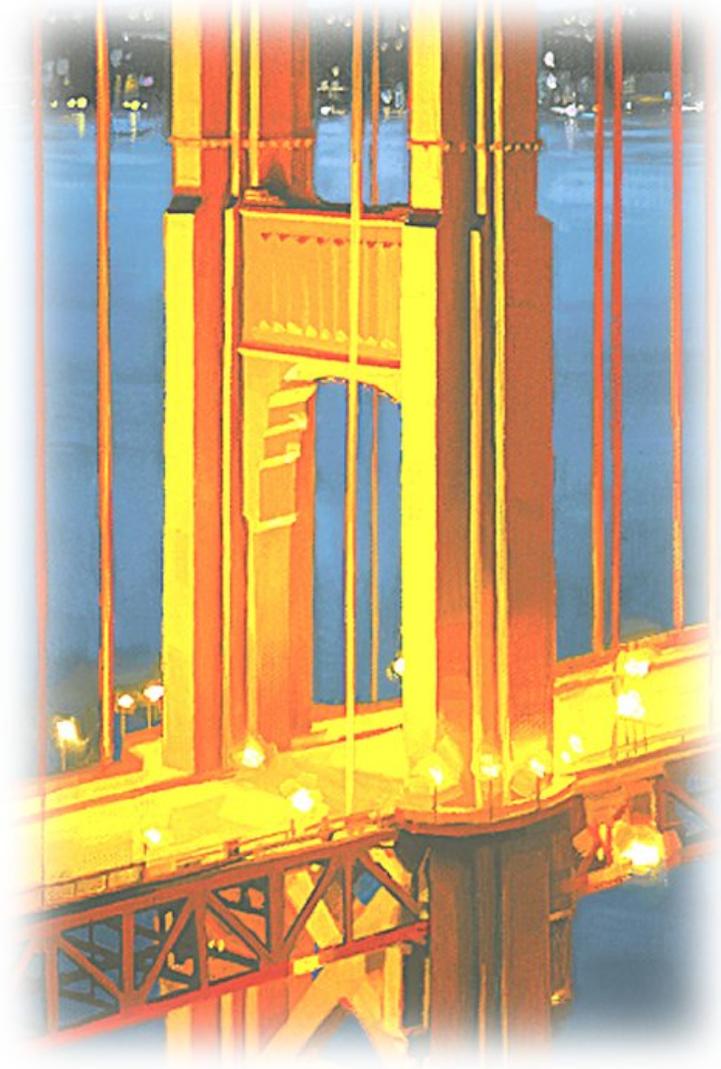


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# IDEABRIDGE



The IdeaBridge White Paper Series:  
CEO Survival Guide

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**Summary**

This Workshop Series includes all the articles viewed as most important to CEOs for ensuring focus, direction, leading and building coalitions of support. There are many more articles you may find useful in our index of Tools and Guides on IdeaBridge.com. Please review the entire outline of business articles for additional advice on growth, leadership issues, mergers, planning and other important business issues.

**This Workshop series includes the following templates, forms, articles and outlines:**

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### The 20 Vital Questions the New CEO Must Ask

#### Summary

The honeymoon period afforded a new CEO from the Board of Directors and investor groups will last about 100 days. Most New CEOs who are fired are not let go due to lack of technical skills, but rather, because they failed to address many of the fundamental issues and questions we've outlined below. These questions have been developed from extensive worldwide research and discussions involving real-life CEO firings.

**In most cases, these questions should first be asked of the individual Board Members in private meetings. It is important to get to know the Board members on a personal level.**

1. What are the specific objectives, initiatives and financial goals you are tasking me with? Develop a crystal-clear understanding of their expectations. Are different Board members asking you to accomplish conflicting objectives? If so, what are the specific goals and objectives for the company as established by the Chairman of the Board? You must know exactly what their expectations are! And if they are conflicting, you should address the matter by having the Board put your objectives in writing.
2. Ask them: Tell me how you would define in one year, three years and in five, whether or not I have been successful from your perspective? Further, what are the must-do's in your view? What do you want done and what is my level of authority? When do you want to be contacted, and on what kinds of issues, problems and decisions?
3. Understand the pressures of the Board Members. What are the organizational and personal objectives of each Board Member? Do they have a personal agenda that you can help them with? Do they have any "pet projects"? What do they feel is most important for you to focus on? What do they consider as the Top-5 most critical objectives of the company?
4. What is each person's preferred style of working? Do they want daily, weekly or monthly updates? Do they want to know about every hire? Do they want up to the minute information? When do they want you to pick up the phone and call them? Under what circumstances? Do they want you to just quietly run the company and report your actions after the fact, or do they expect you to get approval for every action? What is your level of authority? Where does it start and stop? How does each Board Member prefer to be informed?
5. Do they want information via email, letters, memos, PowerPoint presentation, just a telephone call, a casual update from time to time, or to hold off all communication until the Board Meetings?
6. It is vital that you get a very clear picture of the financial health of the company. What does the Board expect you to do financially with this company? What kind of returns are they looking for? How long will they give you? What kind of growth are they expecting? What are the key financial performance indicators that they will be using to track your progress? Ask yourself, "Can these goals be reasonably achieved?"
7. When conducting Board meetings, what is their preferred style? Aggressive and confrontational, or collegial and supportive? What level of problems do they want to be kept aware of? Low level issues, employee issues, major customer issues, supplier issues? Make sure you clearly understand what



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kind of events warrant an out-of-cycle phone call to the Board Members; let them tell you under what circumstances they want to be informed.

8. What specifically led to the dissatisfaction with the current CEO? What would cause them to be concerned with your performance? Ask: What are your specific expectations of me as your CEO? Will they tell you when they aren't happy with your performance, or quietly go on an outside search to replace you? You ought to find out right now. Another point: Does the current CEO know that the Board is looking to replace him?
9. What do they see as your greatest opportunities? Your greatest risks? Your most important near-term business initiatives?
10. Ask: What will facilitate a very positive and constructive working relationship with you? What will impede such a relationship? What really bugs you and gets under your skin about a working relationship with a CEO? What will really frustrate you, and how can we avoid that? What kind of actions will delight you with my performance as your CEO? You must discover the pet peeves and special projects of each Board Member. Start off on the right track by finding out what each Board Member likes and dislikes about the current CEO and his working relationship with them.
11. You must find out exactly where the skeletons are located? What is going to jump out, grab you and suck up a lot of your time? What are the hidden problems that they are hesitant to tell you about? You have got to uncover these issues before you accept the job! HR issues? Staffing? Morale? Customer concentrations? Regulatory issues of any kind? Any risk of loyal customers leaving and causing you to have a liquidity issue? Any lawsuits? Urge everyone to be candid with you, say, "C'mon...tell me what the hidden issues, problems and agendas are!" You'll be shocked by what you'll learn if you keep pressing them and pushing for more detail.
12. What is the current state of employee morale? At the executive level, the managerial level and the street level? What are the current standards of performance at the company? How is performance measured, how were the standards established and are they working to propel success and build momentum?
13. What is your Marketing and Growth strategy? Where are you exceptionally strong? What market niches do you own, where are you weakest? Are there markets that you've had real trouble trying to penetrate?
14. How often does the Senior Team and the Board go offsite for Strategic Planning meetings? When was the last one and what results were obtained? Who has facilitated these meetings in the past? How has that worked? Have the planning sessions served to produce tangible results in terms of new product offerings, restructuring, cost reductions, new markets, new initiatives, alliances, etc.?
15. You should discuss the personalities within the company, especially those of immediate associates. A candid evaluation of the major personnel problems, and discussion about the senior people who need counseling and people who probably should be released.
16. Find out exactly which plans, reports, lawsuits, documents, projects and files you need to be briefed on by senior management or should review. Find out who is the best person to brief you on each issue. If reports and files must be read, find out which are the most important. Ask the Board Members to prioritize all the major issues that they expect you to look into.



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17. Ask each Board Member: What are the festering problems that this company has just not been able to deal with to your satisfaction? What's hiding just around the corner that is most likely to jump out and bite us? Where are these problems and who is specifically tasked with solving them? What level of priority are they currently being given?
18. Discover what your specific level of authority is on all decision-making. What are your boundaries and limits before having to turn to the Board for approval?
19. What are the toughest problems and issues that you can expect to encounter during the first few months? List the top-5, in order.
20. Are there any pending initiatives, mergers, major policy changes, relocations, expansions, lawsuits, pending acquisitions, government inquiries, labor negotiations, etc?



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### The 15-point Action Plan For New CEOs and Entrepreneurs

#### Summary

New CEOs are given the benefit of a honeymoon period that will last anywhere from two weeks to six months. However, the tone of your leadership must be set early on. The First 100 Days are absolutely critical. The list that follows is not in priority order, as every leadership challenge is different. However, the following 15 items are non-negotiable; they must be tackled within the first 100 days:

1. Evaluate the existing management team. Figure out who's on your team and those who are desperately clinging to the past.
2. Limit the focus and scope of your first initiatives to just 3-5 major strategic goals.
3. Build coalitions supportive of your change initiatives; this is an absolute must.
4. Determine how the new management structure will be organized.
5. At all times, appear calm, cool and collected, but you must be decisive.
6. Communicate at every possible opportunity about your goals, objectives and initiatives.
7. Energize, motivate and inspire the team at every opportunity. You must build momentum.
8. Build a sense of urgency to quickly create momentum; get some early wins!
9. Learn the existing business; review existing plans and budgets. Get to know the numbers early on. Study the key financial issues and determine what needs to be done.
10. Determine the direction and vision of the company; ensure that others will support it.
11. Create some contingency plans for personnel; people are sure to leave.
12. Get a crystal-clear understanding of exactly what the Board expects of you.
13. Determine the best way to execute the plans for your key initiatives.
14. Get out of your office and be visible. Meet customers, employees, suppliers.
15. Conduct training sessions and speeches about how you prefer to do business, including:
  - Your Leadership Style
  - Your Business Philosophy and Business Standards
  - How you prefer to do business and what constitutes unacceptable behavior
  - Your Sales Philosophy and expectations for results
  - Your Performance Guidelines and Expectations
  - Your Cost Control Philosophy
  - The Working Environment you expect to create
  - How you are open to ideas from anyone, anywhere at anytime



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### **The Top Reasons Entrepreneurs Fail or Are Displaced By Their Boards**

- Top failures are: too ego-driven, lack of execution, haphazard hiring practices, lack of decisiveness, and failure to follow-through and deliver on commitments.
- Focusing on too many initiatives and starting new ones before they complete existing programs.
- A pattern of Flavor-of-the-Month initiatives and programs.
- Failure to have the critical audience review your ideas (i.e. failure to "pre-sell").
- Failure to execute and deliver as promised.
- Not getting things done due to a reluctance to push, push, push.
- Failure to pay enough attention to the financial health of the company.
- Failure to focus on results.
- Underestimating the costs of running the business; cash flow problems.
- Failure to put the right people into the right jobs.
- Failure or inability to quickly deal with the people and performance issues.
- Failure to generate enough new sales. Corollary: failure to collect on receivables!
- Lack of outside emotional support to deal with all the pressures of the position.
- Failure to get information directly from the source. (Filtered info)
- Blind loyalty and blurred judgment with friends and confidants
- Failure to keep confidences and secret information; trusting too many people.
- Failure to fire people when it's necessary.
- Failure to show a genuine interest in their people.
- Too much micro-managing instead of big-picture thinking and planning.
- Decision gridlock: Failure to make quick decisions; being indecisive.
- Failure to properly prepare for meetings with a defined, written agenda.
- Failure to follow up and track critical projects and assignments. (Trust, but Verify!)
- Too distant from the day-to-day operations of the business



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### Nine Vital Steps for New CEOs

#### Summary

These 9 steps are non-negotiable when it comes to quickly making things happen in your role as the New CEO. Ignoring them is not an option. Attack them daily.

- 1. Understand exactly what the Board's expectations are. Exactly!**  
Nail-down with clarity and precision exactly what the Board expects of you. Do not make any assumptions. Explain to them how you intend to get things moving and accomplished. Make sure they are OK with your methods. Better to test the waters right now.
- 2. Establish a sense of urgency...Immediately!**  
Examine the market and competitive realities. Identify and discuss any crisis situations, potential problems and major business opportunities.
- 3. Form a powerful Coalition Supportive of your Change Initiatives.**  
Assemble a group with enough power to lead the change effort and a group that will support the changes; this must include managing up to the Chairman and the Board or you will get FIRED! (See: Why CEOs Fail). Also, form broad networks of informal, but informative relationships among staff.
- 4. Create a powerful, widely-shared and compelling vision.**  
Create a vision to help direct the change effort. Get Board's OK with the direction. Develop strategies and action plans to help achieve the vision.
- 5. Communicate constantly, especially the direction/vision.**  
Use every vehicle and every opportunity to widely and constantly communicate the new vision and the strategies and tactics you will employ to achieve that vision. Teach new behaviors by example of your leadership and the guiding coalition of your supportive team.
- 6. Empower others to act on the Vision.**  
Eliminate all obstacles to change. Change any systems, policies, people or structures that could seriously undermine the change effort and the accomplishment of the vision.
- 7. Plan for and create short-term wins; build momentum.**  
You must plan for short term wins in order to build momentum and support for the continued change efforts. Recognize and reward employees involved in the improvements. Make it exciting to get involved. Have some fun during the process of building pride and esprit de corps!
- 8. Consolidate the improvements to produce even greater change.**  
Use the increased credibility to change systems, structures and policies that don't fit with the vision. Hire, promote, develop and reward those employees who can implement the vision. Reinvigorate the process with new projects, themes and change agents once some of the initial initiatives have been achieved.
- 9. "Hard-wire" the changes and new approaches into the culture.**  
Develop the systems and standards to ensure that the new behaviors will endure and remain. Set performance standards consistent with what is expected of your team and what is required to ensure consistent success.



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### 100-Day Action Plan for New CEOs and Entrepreneurs

#### Summary

Expectations are extremely high for the Chief Executive to quickly chart a new course and to make things happen. But no one can succeed in a vacuum and for a CEO to successfully launch their initiatives, they must quickly build strong coalitions of support. This document will serve both new and seasoned CEOs and will also prove highly-valuable to Entrepreneurs.

#### Building Credibility, Trust and Coalitions in Support of Your New Role

- You must establish productive working relationships and build credibility as soon as possible. These relationships are essential for getting things done and getting support.
- You must take the time to take the organizational pulse, what will work, what won't. Before you come out with new, sweeping initiatives, first understand if the culture is ready for these changes. It's too much, too soon. *Watch out!*
- You must build a supportive coalition that is capable of overcoming resistance to the cultural changes that you will be demanding within the first 100 days and beyond.
- You must adapt your style to what the company is ready for and can take. For example, they may not be ready for the Rubber Chicken, or the Battlefield Pep Talk or the halftime locker room chew-out session. Tailor the approach to suit the audience, the culture and the situation.
- The support of the Chairman and Board, even in combination with the formal authority to allocate resources and make decisions, is not enough to make change happen. You must build an internal and external coalition of political support for your change initiatives.
- The secret to most turnaround successes is the ability to get people focused and working as a team toward common objectives. You also have to have the strength to persevere in defining the right thing to do, and people have to believe in you. That takes credibility, sincerity and the ability to earn respect while executing the tough calls.
- New leaders must quickly create momentum for change by tailoring their approaches to fit the technical, political, and cultural situations they enter. Momentum is created by securing early wins and building strong personal credibility and supportive coalitions.
- It's important for the leader to solidify the support of subordinates early on, because they understand the company and hold the keys to making the changes happen quickly.
- Despite your talent and proven record of consistent success at other companies, if you cannot earn the support, loyalty and respect of your subordinates and senior team, you will be FIRED by the board. It's as simple as that. *Any Questions?*
- Don't try and sell people. Build relationships first!
- You must work incredibly hard to quickly build internal and external coalitions of support that will rally behind your change initiatives.



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- The right to lead the company must be earned from key subordinates.
- Gaining acceptance for big changes can be a huge challenge. Further, every move, action, speech, conversation, meeting and initiative will be carefully analyzed for hidden meaning or ulterior motive. People won't take you at face value until you have proven to be trustworthy.
- Personal credibility emerges from a myriad of decisions, actions, interactions, memos, reactions to emergencies and unexpected problems...like it or not, you are always on display and they pick up on the most subtle of nuances. Credibility is the result of a slow process of accretion as your conduct is observed over time.
- Say to your senior team, "I want you in front of your people to show public support for these plans now. You had your chance to change the plans and give me input. Now it's time for you to step up and lead your people, not just sit there like one more member of the audience. You are the leaders of this company and you have to stand up and start taking that leadership role. Beginning right now."
- You must show the people that you've inherited that you have some respect for their judgment, thoughts and ideas. You've got to show them that you will give them a shot of being on your team.
- Criticizing past efforts or programs can easily come across as self-serving and can cause the people to become angry adversaries looking for the first opportunity to sabotage whatever you are trying to do. Watch out!
- Never make sweeping changes without first running them by the major internal and external constituencies...pre-sell them on your ideas. If they don't like the plans, maybe they can help you make them better.
- The process of building credibility tends to be incremental; you will build it an inch at a time.
- The leader's actions will be widely communicated, told and retold, becoming stories and legends within the company. These stories will powerfully shape the beliefs of people within the company...either positively or negatively.
- Credibility is essential to mobilize the energy of the staff. But it's hard to build, easy to lose and difficult to regain once lost. To build credibility, you must come to be seen as having the judgment, values, energy and wisdom to take people to unfamiliar territory. Leadership is not a right, it is a gift that is given to you by those who trust you to lead them.
- Some people in the company will just naturally have more influence over the staff. People just tend to go to them for answers, support, opinions, etc. Find those natural thought leaders and deputize them.
- Your goal should be to build winning coalitions and prevent the formation of blocking coalitions. Managing cultural change involves the hard work of building winning coalitions with the power to take action and the robustness to survive the inevitable opposition and crises. Leaders must also forestall the formation of blocking coalitions by those seeking to protect the status quo. All these challenges require figuring out who will offer support and who will raise opposition.



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- The leader must analyze the various political arenas: top management, middle management, the Board and the workforce. The leader must cultivate and retain the confidence of these key groups, and with his boss. The support of one or two of the most influential senior managers can make a huge difference, and this support may be enhanced if the leader helps them to promote cause or projects that are important to them.
- Assessing pivotal people's sources of power involves assessing the resources at their command and the nature of the people who follow them. Does she have a monopoly over the flow of information? Do others take cues from him? Does he have the power to distribute or withhold desirable rewards, or does he control resources that others need? Does he control large or important sectors of the company? Has she built up a reservoir of loyalty or indebtedness by protecting others and helping them? Does this person have an "in" with the Board and therefore is untouchable? Before you start cutting people, first ask the Board about anyone who may be protected. When you go to meetings and you see the same people answering the questions, and then you see other people defer to them, you've got yourself a pivotal player!
- People who have reasons to resist change don't necessarily do so openly or directly. Your efforts can be seriously jeopardized if others can prevent you from learning, securing early wins, laying a foundation and building credibility. Key people may withhold support or resources by not providing the best talent and full information. More subtly, they may express alarm or concern in private meetings with their peers and subordinates about the risks inherent in your proposal; this is called "subtle sabotage." These campaigns may be waged against you by individuals or by established coalitions.
- Resistance may arise later when you begin to articulate a vision and initiate deeper changes for the company. A standoff may force you to use blunt power of position to squash resistance, and perhaps ultimately to fire those who persist to be stubbornly opposed. The leader should seek to avoid such a no-win confrontation by building these powerful coalitions. However, it is rare for any company to undergo cultural change without senior-level people getting fired or pushed aside...this is just the reality. But using aggressive tactics against those who disagree with you will label you as a tyrant and a bully.
- 28. When you face political opposition, it usually means that your solution or proposal has negative implications for someone in the company. "Politics" is really just people acting in their own self-protective interests. To work through the politics, you must think about how your solution affects the players in the company. Then you must build a consensus for change that takes into account all of the factors driving the politics. Consensus building may require you to change your solutions to make it acceptable. If so, do it. Remember that politics is the art of the possible, and it's no good creating the perfect plan or the ideal solution if the rank and file refuses to execute the changes.



## **Leadership Imperatives for the First 100 Days as CEO**

### **Summary**

This is one of the tools in the essential toolkit for new CEOs or CEOs who move from one company to another. This was developed from many CEOs who have given us input on the paper. We have been told that this paper has never left the side of some new CEOs and Entrepreneurs.

The first 100-Days in your role of CEO will often make or break your position. People will be watching you very closely looking for clues to your thinking, your team building, your leadership, your focus and your character. This document can be a good primer to help maintain your focus during the critical first 100-Days.

### **Maintain a Laser-Like Focus**

- Leaders must balance an intense, single-minded focus on only a few vital priorities with flexibility about when and how they are implemented. The leader must determine what the three or four key strategic priorities must be.
- You must be relentless in prioritizing and focusing your efforts and must quickly develop a compact set of objectives which are used to keep everyone focused.
- The new leader must identify the core objectives or goals, explain why these are the goals and must constantly articulate them over and over again in order to get everyone on the same page within the first 100 days.
- When making recommendations, stick to the three most important-the ones with the biggest payoffs. Don't worry about the supporting data: you can always give that later when you have more time. When thinking of solutions, think of the elevator speech: the solution should be so crisp and clear that you could explain it to someone in a 30 second elevator ride.
- When developing a list of the core issues, objectives or contributing factors, you should generally come up with three to five "drivers" and everything else will tend to logically fall under one of the key drivers. (Note: keep it 3 – 5). When trying to figure out if you are really looking at the core problem, dig deeper. Gather more facts.
- Some leaders will decide on the core objectives and put them onto charts, demanding that all senior managers carry the charts and track progress daily toward the shared objectives.

### **Building Momentum**

- Early wins energize people and focus their attention on the needed changes. If you can't get some major wins within 100 days, you will fail. So think very carefully about what you will get done in the first 100 days.
- In the first 100 days, the leader must energize people and focus them on solving the most vexing problems of the business. This is a time to lay the foundation for substantial growth and change. It's



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critical that the employees perceive momentum building during the first 100 days. Seeing tangible improvements in how work is performed boosts motivation and encourages further support for your initiatives.

- Figure out what momentum building actions are most likely to succeed and give you the greatest lift; focus on those.

### **Building the Management Team**

- Within 100 days, you should generally decide the composition of the new management team and decide if structural and personnel changes are necessary. Remember, you inherited what you got from day one, but after 100 days, you have bought into everything that's still going on. Regardless of whether it's good, bad, or ugly, after 100 days, you have bought in and you own it!
- You will find that there are usually just a handful of people that will make all the difference. Your job is to search-out and find those people. Find out who those people are by announcing that you know this to be true and that you are looking to find those people. Announce that once you find them, you will work to remove all roadblocks and impediments so that they can be even more successful.

### **Executing the Plans**

- Be rigorous about implementation and execution. Making change happen takes a lot of work. Be rigorous and thorough. Make sure someone takes personal responsibility for getting the job done. You must have a plan of execution with timelines, objectives and goals. State what needs to be done, and when it needs to be done by, at such a level of detail and clarity that a sixth-grader can readily carry it out. To implement major change and stick to an aggressive timetable, pick someone who can kick tail and take names. Every two weeks the team should meet for detailed updates. Anyone who is behind plan must explain to the team why they are behind and what specific action steps that they will undergo in order to catch up by the next meeting.

### **Understanding the Politics and Building Coalitions of Support**

- You must figure out what's important, who the decision makers are, who has the customer contacts, who the opinion-makers are and whose support you must have.
- Learn as much as you can about the politics and culture of the company. You must quickly learn about and understand the "shadow organization" which is really the behind the scenes politics and the people who can undermine your change efforts, or support them.
- People will want to see you, talk to you, spend time with you; do not isolate yourself behind a desk. Be visible.
- A lot of people will want to try to influence the new guy, and they will be watching to see how you react. Be very careful and deliberate.



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- Map-out the likely opposition to your change initiatives. Who won't like this idea? Who does it impact? Who will have more work to do because of this initiative? Identify likely allies and opponents and those who may be on the fence. Then craft a strategy for consolidating support and overcoming resistance.
- You can quickly assess the health of an organization based on the attitude of the staff. Look at attitudes first. Are there a lot of interested, engaged people? Are they encouraged to speak-up and come forward with ideas? Do they care? Do they have a sense of urgency? Do they have a winning attitude?

### **Fact-Finding Methods and Analyzing Data**

- Develop an aggressive attitude toward fact finding and gathering. Despite the power of facts, many leaders fear them. Perhaps they are afraid that if they look too closely at the facts, they might not like what they see. But hiding from the facts is always a prescription for failure. You must never fear the facts. Hunt them down with a vengeance. Get the facts out into the open.
- Fact-based analysis requires hard evidence and rigorous analysis, before any recommendations can be made to the Board.
- You have to be very clear from the very beginning: "Show me the facts, let me see the analysis." You will profoundly influence decision making by introducing a rigorous framework from which decisions are made and problems are analyzed.
- Require that decision making be supported by hard data. Encourage this by demanding that people show you the facts that were used to arrive at the decision. The new leader can profoundly influence the decision making capability of the company by introducing new decision making frameworks and requirements.
- When trying to boost profits, first look at where you are currently making money. When you have your data, put it on a spreadsheet or into a database and sort it in various ways. Play with the numbers and you will begin to see patterns or clumps that stand out. Those patterns will highlight aspects of your business that you probably didn't realize. They may mean problems, but they may also mean opportunities. Find the opportunities and make the most of them.



## **Management Team Alignment**

### **Summary**

This is an abbreviated checklist that can be used very quickly to prime your thinking in the development of a company-wide pledge. This following pledge was originally developed by the management team of an entrepreneurial company. Use this as a template to draft a similar document for your team.

We individually and collectively agree that the following values, standards, objectives and business principles will form the framework of how we work together and interact with others at all levels within our company. We will widely share these values so that we may at all times be held fully-accountable to live, act and lead in a manner that is consistent with what we expect of one another and our employees.

- Personal Integrity and Honesty at all times, regardless of the consequences.
- Accepting complete responsibility for our words, actions and commitments.
- Teamwork, Cooperation and the complete elimination ego-blockades and turf wars.
- We will make decisions as if we were the “owners” of our respective business units; all plans, expenditures, recommendations and decisions will be made within the context that if we owned the company, the decision would have been the same.
- The foundation for all of our business decisions is based upon the following objectives: maintain asset quality, aggressive growth and cost control. The greatest challenge of our Leadership is to find an acceptable balance between these objectives.
- As the Senior Management Team of the company, we are individually and collectively responsible to take the initiative to foster open, two-way communication, not only among ourselves, but among all employees as well. We recognize that great communication starts with us listening very carefully, especially to those viewpoints that may differ from our own.
- As the leaders of the Company, we must ultimately accept full responsibility for any setbacks or failures of the team. We recognize that we are here to build the business and that we are accountable for profitably growing our respective businesses; that’s our job.
- We will seek to improve the personal productivity and effectiveness of our business units by helping them prioritize, plan and focus on those activities that will ultimately contribute most to growing our company. We will work hard to eliminate all unnecessary paperwork, meetings, reports and other nonsense that detracts from our responsibility to aggressively and relentlessly grow our business.
- We simply cannot ever tolerate from ourselves, or anyone else, bickering, in-fighting, backstabbing, harmful gossip, irresponsible loose chatter or politicking which leads to the formation of internal cliques. We will give the Senior Team members our full and complete support and loyalty. We will not play favorites with our employees. We will consistently give 100% support to one another and other Departments.
- We will require our employees to take full responsibility for meeting their business objectives; we will hold them accountable for the commitments that they make. We will create a performance-based



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environment where expectations are defined in crystal-clear detail and everyone is held accountable for the commitments that they make; accountability begins with us.



### **Developing a Business Strategy**

Strategy is about choosing different ways of competing that are not necessarily good for everybody, but that are uniquely good for you, in your company, given the particular market outcome you aspire to achieve.

The essence of strategy is tradeoffs - making choices about what you won't do, in order to do other things uniquely well. The weakness of many companies is that they lack the discipline to limit themselves to competing in some business segments while avoiding others. They react to pressure to broaden their position without considering the strategic impact. Many small business owners think that offering every conceivable product or service somehow creates a competitive advantage. We *fundamentally* disagree with that premise. Here's why:

Everyday, you and your employees are making choices - about how to spend your time, about what to say to individual customers, about whom to call on - and those choices are going to be either consistent or inconsistent with your chosen strategy. It's essential that everybody's choices are consistent with your strategy, and that means the strategy has to be constantly reinforced through lots of communicating...by *you*.

Ultimately, sustainable competitive advantage comes from being different. Essentially, what one must ask is: "How can we, by limiting what we do, by not seeking to serve all customers, by not seeking to offer every product, by not seeking to enter every geography, how can we, by limiting ourselves, be unique?" That is the essential strategic question you alone must answer. Then, you and your senior team must be diligent enforcers of those strategic limits.

The strategic mindset understands trade-off. The strategic mindset is willing to sacrifice customers. The strategic mindset is willing to forgo making customers happy if they're not profitable customers. The strategic mindset is willing to give up on opportunities for growth if they are not consistent with the strategy.

This means that you must learn to say "NO" - *a lot!* In any organization, there are countless opportunities to invest money, to incorporate new technologies, to add new features, to chase a new market segment, to respond to a competitor. There is constant pressure from all directions, to blur, homogenize, and imitate in the name of "opportunity." So, while you are developing and reinforcing your strategy - communicating how you are different and what you are willing to give up in the name of strategy and focus- you must also have the self-discipline and courage to be the enforcer of those limits. Only by setting limits can you truly be unique. Without being unique, you will have no competitive advantage.

The hallmark of strategic thinking is making those crucial tradeoffs. You must have the willpower to turn away some customers, pass on some opportunities and abandon some markets in order to focus on what you do best. Small business owners don't like to hear this, because in the short term, sticking to a core strategy may constrict growth. But those who have the guts and determination to focus on the areas where they have a unique competitive advantage will build a much stronger, and ultimately, more successful company.



## **How to Grow In Stagnant Markets**

### **Summary**

Those companies that consistently report double-digit growth, even in stagnant markets, are a different breed. They do different things. They reward differently. Their Leaders say different things. But as much as they differ from the laggards, the double-digit growth companies share amazingly similar traits with one another. Here's how the winners continue to grow:

### **Leadership and Communication**

The mindset of growth starts at the top. Leaders of profitable growth companies have an entirely different thought process from those who just maintain businesses. They are realists – they see the world as it is, not the way it used to be or the way they'd like it to be. They constantly challenge the status quo, looking for new opportunities and ways to do things better. They're proactive, and they move fast. Most of their discussions and meetings focus on how to dramatically increase their growth.

Your role as a growth-oriented leader can't be for stability, predictability, or policy conformance. The passion of leadership has to be to 'grow the business!' You've got to wake up every day thinking about how you are going to grow your business, generally at the expense of your competitors. You've got to be very hungry and focused.

Leadership—at all levels—is the key. Business development is everybody's responsibility. Leaders of growth companies work as hard at transforming the thinking of their organizations as they do at anything else. The focus must not be on 5% or 7% incremental growth, but on *quantum-leap growth*.

Growth is a mentality created by a company's leadership. It starts with the spark of a new point of view, and it catches fire when everyone acts with a bias toward growth. Leaders with the growth mindset turn dying enterprises into thriving ones; conversely, when companies get off track, it's largely a leadership problem.

Growth must be in your mental architecture. It must be how you're wired. Your leaders must energize their people with the same restless ambition, teaching them to build the business and look for new opportunities. In the daily dialogues throughout your company, the loudest decibels should be about growing.

### **How Can We Grow When Our Industry Is Mature?**

Well first, there's really no such thing as a mature business. Any company of any size in any industry – no matter how "mature" the industry – can grow, once its leaders learn how to look beyond their traditional definitions of industry and markets.

Growth often starts only when a company's leadership breaks the lockstep thinking that has driven strategy for years. Every growth curve must flatten-out sooner or later. The ultimate test of a company's leaders is how well they anticipate that moment and respond to it by finding new sources of growth.

In a growth company, the dialogues and working relationships are 180 degrees different from those simply focused on retention. The mental architecture of profitable growth rules at all levels. People are



learning where the sources of growth lie. They are curious about new markets, new needs, new technologies, and they talk about them with one another. Everyone shares ideas and best practices about growth.

However, one must recognize that not all growth is good. Growth at all costs, or growth for its own sake, can be a recipe for disaster. Good growth is sustainable, profitable, and capital efficient; don't confuse it with feverish spurts of volume that ravage earnings or steal from the future. After all, do you really want to rent market share, in the form of getting it simply through price? You'll lose margin and then you'll lose the customer as soon as the next lowest price bidder shows up. What you want is 'good growth.'

Good growth is profitable and capital efficient and it more than repays the money invested in it. Whether your business is growing fast or slowly, whether it's big or small, there is just one criterion, one simple fact you need to determine: What's the return on my investment? Many sophisticated executives don't think enough about return on investment.

### **Corporate Culture**

The distinction between growth companies and "also-rans" starts with leadership. Growth companies' leaders create operating mechanisms, behaviors, attitudes, and dialogues so deeply ingrained in the corporate culture that it becomes part of the company's genetic code. For any growth strategy to work, changing the genetic code is essential.

The code originates with the company's leaders – their thinking and behavior send signals and cues that set the pattern for everyone else to follow. In time, these become the organizational "genetic code." They influence how people think and behave in all areas of their working lives, from how they look at opportunities to how they work together. In the end, they determine whether the company grows or not.

Changing the genetic code is a major challenge for any company. The old code embodies the thinking of past leadership, and its pull is surprisingly powerful. The new code has to be consciously created and agreed-upon by leaders who must go out and constantly reinforce the new culture.

An early challenge for a company's leadership is to define a growth trajectory so that everybody in the company can understand it, from the directors to the front-line employees. Any new trajectory will have at its core a central idea. Not just a slogan. A "central idea" is a clear, robust, and purposeful statement that summarizes your strategy and growth goals. It can usually be stated in less than five sentences; it creates a picture that everyone can visualize.

Corporate culture (or 'the way we do things around here') tends to endure through generations of management, and can play a huge role in determining a company's success or failure. People tend to be heavily invested in the past; it has determined their rewards, their career paths, even their identities. Left untouched, old reflexive behaviors will defy any new direction imposed from above. Change efforts to reposition a company toward growth most often fail because the leaders fail to fully comprehend the pervasiveness of the genetic code. The sum of those hundreds of thousands of transactions – what decisions get made, how they get made, who makes them, and when they are made – determines whether a company is going to grow, remain stagnant, or simply fail.

The basic building block for a genetic code of growth is the leader's teachable point of view on growth. It includes the business ideas that drive balanced growth, the ideas that support it, the leader's ability to energize people around growth.



## **Supercharge Your Business Performance**

### **Creating a Sales System to Develop New Customers**

- Chronic new business problems are generally related to bad systems, plans or budgets. The search for strategic solutions begins with analyzing, evaluating, and validating every individual step in your new business Process/system.
- Once you are sure that the design of your new business development system is logical and capable of delivering results, you must look at the number of leads, the number of referrals to and appointments with prospects, the number of proposals, the number of signed proposals, the number of closed sales, and the average sale size. Then you must set out to systematically improve on each element, beginning with an increase in the number of tangible sales leads.
- Take immediate action to consistently improve each month's results by incrementally improving every element of your selling system. Break down every step of the sales process; analyze it and measure it separately.
- Managers and sales people need a tracking system that allows them to anticipate and forecast new business levels. That strategy should start with the managers setting sales growth targets that are realistic and based upon your sales people's capacity to book new business.
- Changing your people will do nothing to improve a fundamentally flawed selling system. The first step in managing new business is not training, hiring, pay plans, better prospect lists, or even better management. It's the design and validation of the entire company-wide new business process.
- Discover the decision making process early. Salespeople must learn who makes the final decision, who is on the approval committee, who signs the proposal, when they'll decide, and what criteria they'll be using to make their decision.
- Remember that anything but a resounding "Yes" is a "No." "I will think it over" is a "No." "I will get back to you tomorrow" is a "No." "You are the best I've seen yet" is a "No." All these put-offs mean that the customer is not convinced yet – so keep pushing for the "Yes!"

### **Developing a Core Competency & Strategic Advantage**

- Competitive advantage must grow out of what your company is especially good at – your "core competency." Core competency may reside in a special capacity, a distinctive approach to the business, or a unique access to resources. Competitive advantage may also be created by changing the way your company does business. Unique or distinctive customer benefits must be generated and supported by hard-to-copy competencies. No sustainable competitive edge, no sustainable profits.
- What do you do well that results in unique or distinctive benefits that your customers are willing to pay for? What is your competitive edge? What are you doing to strengthen it? What could we be doing to create advantage?



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- Your task is to leverage one or more of these core competencies into an advantage in the marketplace. You need to make sure, to whatever extent possible, that your competitors cannot easily duplicate that advantage. Leaders have the primary obligation to ensure that your company builds and strengthens its core competencies in order to protect and sustain your competitive edge.

### Tracking Just the “Vital-Few”

- What are those few success factors that separate the winners from the losers in your industry? What disciplines or activities directly impact volume, margin, cash flow, and return on investment? The key is to identify these “drivers” and to measure them frequently. Tie goals and compensation to these drivers.
- There is nothing as wasteful as tracking and monitoring with great efficiency that which does not have to be tracked at all.
- You must make sure you have timely, accurate, relevant, and understandable methods of measurement. Without good and timely measurement, it’s difficult to think clearly and respond proactively to issues.
- A critical component of measurement is a performance feedback system that regularly, consistently, and clearly communicates goal status to those who are accountable.
- One caution: With computers, it is easy to develop cumbersome and complex measurement systems that seem to capture every bit of information about every activity. But don’t confuse raw data with useful information. Measuring too much is as dangerous as measuring too little. Focus your measurements by narrowing their scope and limiting your presentations to those critical performance issues.
- Always look to improve your results by reducing the time cycle for each major element of your business.

### Face Reality

- The Habits of Highly-Effective Leaders are:
- Measure the right issues. (Focus on the Pareto Principle: The 80/20)
- Gain leverage by focusing limited resources on core opportunities.
- Align your operations with your strategy.
- Design business systems that accommodate ordinary people.
- Hire the best and deal with people as they exist, not as you would prefer them to be.



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- There are never enough resources, no matter what the size of the company. Focus and clarity are the keys to getting things done with limited resources. Have you recently helped your team stay focused by regularly reviewing their plans and progress toward their goals?
- Do not confuse personality, effort, long hours, style, strong credentials, attendance, or effective communication with performance. Focus on results, measure results, discuss results, strategize on results, and reward results. Top management and the company are evaluated on the results produced, so that measurement should permeate your company. If you teach your team nothing else besides ethics, teach them to get results.
- Focus most of your resources on tomorrow's opportunities versus yesterday's problems and choose the bolder route when faced with equally-viable alternatives.
- All systems and projects have to be broken down into bite-sized chunks so that an average employee with a good effort and proper direction can perform the tasks successfully. The objective of a cost-effective organization is to create extraordinary products and give extraordinary service with ordinary people. When ordinary, caring people fail regularly at a particular task, it probably has more to do with a faulty system than a faulty person. Develop your strategies accordingly and organize the work and systems to make employee's weaknesses irrelevant to their performance.
- Master the skills of: directing your team's efforts toward the right issues, of gaining their total commitment, and breaking complex business issues into their basic elements. Stay focused on the key issues that are central to your company's success.
- Management must always be aware that their incremental judgments regarding how much good a particular project will do, might be misleading. The bottom line in making a strategic decision about a resource is determining how much good it will do (in relation to its cost) compared to all other projects being considered. Test each project for its fit and operational alignment with your overall strategy. Remember that a strategy defines the negative decisions of what you will not do or will not offer as much as it identifies the positives.

### **Leadership Maxims:**

- The secrets to leadership are passion, motivation, ethics, courage, communication, judgment, and insight. Passion supplies the energy, motivation attracts the followers, ethics generates trust from all constituencies, courage provides the backbone needed to make tough decisions, communication drives-home the message, judgment supports good decision-making, and insight provides the capacity to select the right people, the right role for yourself, the right goal, and the right strategy.
- Do the managers in charge have the right strengths for the job? A high percentage of all chronic performance problems are due to assigning someone to the wrong job.
- As a leader you should have the courage to fight for your beliefs, the intellectual honesty to change your position in the face of new facts, and the grace to forgive your political opponents.



## **Success Plan: Building coalitions of support**

### **Summary**

Expectations are extremely high for the Chief Executive to quickly chart a new course and to make things happen. But no one can succeed in a vacuum and for a CEO to successfully launch their initiatives, they must quickly build strong coalitions of support. This document will serve both new and seasoned CEOs and will also prove highly valuable to Entrepreneurs.

### **Building Credibility, Trust and Coalitions in Support of Your New Role**

You must establish productive working relationships and build credibility as soon as possible. These relationships are essential for getting things done and getting support.

- You must take the time to take the organizational pulse, what will work, what won't. Before you come out with new, sweeping initiatives, first understand if the culture is ready for these changes. It's too much, too soon. *Watch out!*
- You must build a supportive coalition that is capable of overcoming resistance to the cultural changes that you will be demanding within the first 100 days and beyond.
- You must adapt your style to what the company is ready for and can take. For example, they may not be ready for the Rubber Chicken, or the Battlefield Pep Talk or the halftime locker room chew-out session. Tailor the approach to suit the audience, the culture and the situation.
- The support of the Chairman and Board, even in combination with the formal authority to allocate resources and make decisions, is not enough to make change happen. You must build an internal and external coalition of political support for your change initiatives.
- The secret to most turnaround successes is the ability to get people focused and working as a team toward common objectives. You also have to have the strength to persevere in defining the right thing to do, and people have to believe in you. That takes credibility, sincerity and the ability to earn respect while executing the tough calls.
- New leaders must quickly create momentum for change by tailoring their approaches to fit the technical, political, and cultural situations they enter. Momentum is created by securing early wins and building strong personal credibility and supportive coalitions.
- It's important for the leader to solidify the support of subordinates early on, because they understand the company and hold the keys to making the changes happen quickly.
- Despite your talent and proven record of consistent success at other companies, if you cannot earn the support, loyalty and respect of your subordinates and senior team, you will be FIRED by the board. It's as simple as that. *Any Questions?*
- Don't try and sell people. Build relationships first!



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- You must work incredibly hard to quickly build internal and external coalitions of support that will rally behind your change initiatives.
- The right to lead the company must be earned from key subordinates.
- Gaining acceptance for big changes can be a huge challenge. Further, every move, action, speech, conversation, meeting and initiative will be carefully analyzed for hidden meaning or ulterior motive. People won't take you at face value until you have proven to be trustworthy.
- Personal credibility emerges from a myriad of decisions, actions, interactions, memos, reactions to emergencies and unexpected problems...like it or not, you are always on display and they pick up on the most subtle of nuances. Credibility is the result of a slow process of accretion as your conduct is observed over time.
- Say to your senior team, "I want you in front of your people to show public support for these plans now. You had your chance to change the plans and give me input. Now it's time for you to step up and lead your people, not just sit there like one more member of the audience. You are the leaders of this company and you have to stand up and start taking that leadership role. Beginning right now."
- You must show the people that you've inherited that you have some respect for their judgment, thoughts and ideas. You've got to show them that you will give them a shot of being on your team.
- Criticizing past efforts or programs can easily come across as self-serving and can cause the people to become angry adversaries looking for the first opportunity to sabotage whatever you are trying to do. Watch out!
- Never make sweeping changes without first running them by the major internal and external constituencies...pre-sell them on your ideas. If they don't like the plans, maybe they can help you make them better.
- The process of building credibility tends to be incremental; you will build it an inch at a time.
- The leader's actions will be widely communicated, told and retold, becoming stories and legends within the company. These stories will powerfully shape the beliefs of people within the company...either positively or negatively.
- Credibility is essential to mobilize the energy of the staff. But it's hard to build, easy to lose and difficult to regain once lost. To build credibility, you must come to be seen as having the judgment, values, energy and wisdom to take people to unfamiliar territory. Leadership is not a right, it is a gift that is given to you by those who trust you to lead them.
- Some people in the company will just naturally have more influence over the staff. People just tend to go to them for answers, support, opinions, etc. Find those natural thought leaders and deputize them.
- Your goal should be to build winning coalitions and prevent the formation of blocking coalitions. Managing cultural change involves the hard work of building winning coalitions with the power to take action and the robustness to survive the inevitable opposition and crises. Leaders must also forestall



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the formation of blocking coalitions by those seeking to protect the status quo. All these challenges require figuring out who will offer support and who will raise opposition.

- The leader must analyze the various political arenas: top management, middle management, the Board and the workforce. The leader must cultivate and retain the confidence of these key groups, and with his boss. The support of one or two of the most influential senior managers can make a huge difference, and this support may be enhanced if the leader helps them to promote cause or projects that are important to them.
- Assessing pivotal people's sources of power involves assessing the resources at their command and the nature of the people who follow them. Does she have a monopoly over the flow of information? Do others take cues from him? Does he have the power to distribute or withhold desirable rewards, or does he control resources that others need? Does he control large or important sectors of the company? Has she built up a reservoir of loyalty or indebtedness by protecting others and helping them? Does this person have an "in" with the Board and therefore is untouchable? Before you start cutting people, first ask the Board about anyone who may be protected. When you go to meetings and you see the same people answering the questions, and then you see other people defer to them, you've got yourself a pivotal player!
- People who have reasons to resist change don't necessarily do so openly or directly. Your efforts can be seriously jeopardized if others can prevent you from learning, securing early wins, laying a foundation and building credibility. Key people may withhold support or resources by not providing the best talent and full information. More subtly, they may express alarm or concern in private meetings with their peers and subordinates about the risks inherent in your proposal; this is called "subtle sabotage." These campaigns may be waged against you by individuals or by established coalitions.
- Resistance may arise later when you begin to articulate a vision and initiate deeper changes for the company. A standoff may force you to use blunt power of position to squash resistance, and perhaps ultimately to fire those who persist to be stubbornly opposed. The leader should seek to avoid such a no-win confrontation by building these powerful coalitions. However, it is rare for any company to undergo cultural change without senior-level people getting fired or pushed aside...this is just the reality. But using aggressive tactics against those who disagree with you will label you as a tyrant and a bully.
- When you face political opposition, it usually means that your solution or proposal has negative implications for someone in the company. "Politics" is really just people acting in their own self-protective interests. To work through the politics, you must think about how your solution affects the players in the company. Then you must build a consensus for change that takes into account all of the factors driving the politics. Consensus building may require you to change your solutions to make it acceptable. If so, do it. Remember that politics is the art of the possible, and it's no good creating the perfect plan or the ideal solution if the rank and file refuses to execute the changes.



## **Business Fundamentals Don't Change!**

### **Summary**

The fundamentals don't change. For superior results, stick to the basics. Any company can do this on their own; you don't need a highly-paid consultant to tell you how to stick to the basics. This checklist has been provided to serve as a reminder about what basic business principles are all about.

What are the basics? They're easy to express but hard to put into practice – so hard that there's probably not a company anywhere that embodies all of them. Even the best companies successfully embody only a few of these principles. These powerful principles make all the difference between struggling and winning; review the list often to stay on top.

### **Facing Reality and Speaking with Candor**

- You could build an entire library around the books written on strategic planning alone. But you could burn it to the ground for all the good it will do if you are not basing your thinking on the real world.
- Along with fear of retribution, mid-level executives may avoid reality because they don't want to look inane by raising issues they don't have answers for.
- Part of facing reality is acknowledging problems promptly. A clear view of reality needs to precede any constructive action.
- Speaking the truth requires candor, frankness, openness – in other words, positive, proactive honesty – as well as intelligence, courage, imagination, self-respect and a sense of belonging.
- Once you create an atmosphere of candor in a company, it doesn't take long for the managers – who should be generally intelligent and motivated – to identify and agree on the real issues they have to confront. And once you're clear on the problems, the solutions will follow.
- Being honest doesn't preclude being nice. It's nothing more than having an organization in which people, in a straightforward way, say what is on their minds without fear of reprisal.
- Speaking the truth has two components: honesty and openness. Discussions are candid. To be open means that all issues can and must be raised.
- Make it clear that employees won't get their hands slapped if they say something a superior may not want to hear. Managers can reinforce this value by regularly asking certain questions at employee meetings: "Are there issues we're not confronting head-on? Do you think there are areas in which we are not communicating honestly and openly?"
- Most people remain convinced that asking tough questions may put their jobs on the line. The boss should say to everyone, "Tell me your opinion. I want to hear it and give it full consideration. But in the end, I will decide."



- It's amazing how hard people will work with each other yet not discuss difficult issues that arise between them. This problem is rampant in organizations. If you have a gripe with someone, discuss it directly. Don't go to the person's boss.
- If someone complains to you about someone else in the organization or about a business situation in the organization, ask, "Why are you telling me this? If you have a problem with Bob, talk to him directly. If you think situation Y is a problem, talk to the people who control situation Y."

### **Develop a Compelling Mission and a Vision for Your Company**

- Merely posting a mission on a bulletin board for all to see is not enough. Through concrete actions and rewards, you must inspire employees to incorporate the mission statement, to live it in everything they do for the organization.
- Whatever the statement is called or however it looks, what's important is that the elements of vision are openly discussed, debated, incorporated, and reflected in people's behavior from top to bottom. Only then can everyone in the organization own shared values, purpose, and mission.
- Even the clearest of visions will take you nowhere if you don't actually get moving.
- Company vision statements have been around for years. Most CEOs, employees, and industry observers disregard them as little more than platitudes. The problem is they are vague, incomplete, or out of touch with the reality that exists at the company. But companies have to have vision or they will twist in the wind. If a company can't articulate its vision in a strong vision statement, then it's headed for trouble.
- To inspire concretely, you have to articulate three things: *values*, or what your company stands for; *purpose*, or why employees are working for this company; and *mission*, or what the company is trying to achieve. The values inspire workers. The purpose gives them a sense of accomplishment. The mission provides a challenge.
- A fully articulated vision includes a statement of values, a statement of purpose, and a specific mission. These three elements collectively answer the questions: What do we stand for? Why are we here? What are we trying to achieve?
- Corporate values are those principles and beliefs that are intended to guide behavior of all members of the organization. To inspire in a concrete way, however, the values have to be rooted in the reality of how the business is conducted and how its leaders actually behave.
- Values represent the aspirations for behavior. A visitor should be able to walk in and infer what the company's values are by observing how the people act.

### **Leadership**

- Leadership is the ability to set clear direction, to develop the trust of your people and to produce winning results. And as for winning, it's the most overlooked element of leadership.



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- Too often managers see their job as making trade-offs, as opposed to expanding the range of possibilities. That is the difference between a manager and a leader. A manager sees a set of circumstances as a trade-off; a leader sees possibilities.
- At any level of an organization, leadership requires three things: Setting a clear direction, developing the trust of your people, and producing winning results.
- Every employee wants to know the direction in which his company or business unit or department is headed, so he knows what he is trying to achieve. Without direction, there is no leadership.
- One of the pillars of good leadership is trust. Trust cannot be demanded. It must be earned. Leaders develop the trust of their people by demonstrating that the direction of the company makes sense and that the supporting organizational moves will help achieve that direction. And as noted earlier, one of the most important requirements for generating trust is frequent, open, and honest communication.
- Generating trust requires openness and consistent action. Leaders develop trust when they are open with their employees about the situation they are facing and when they deliver on the actions and behaviors they articulate.
- Another pillar of leadership is finding ways to help your company win. Leaders win by setting high standards of performance and demanding actions so their people achieve that performance. One of the reasons leadership has become so much more important in companies is that it's harder to "win" nowadays. Without winning, no CEO or manager can claim to be a leader.

### Communication with Employees

- Managers who think they are being nice by waffling on performance reviews aren't showing much respect for their employees, who can improve only if they have all the information, including the bad news.
- Failure to honestly critique an employee's performance hurts the company and the employee. Unfortunately, many managers endure performance problems because they lack the skills they need to hold straightforward one-on-one conversations.
- Failing to give an employee a candid and honest review in the spirit of "being nice" doesn't show much respect for that person. In order for the employee to grow and develop, they must be given a crystal-clear assessment of how they can improve.
- Require that each manager clearly state to his or her people what the purpose of their group is and what their top three objectives are, both for the longer term and for the next year.

### Taking Action

- Why don't organizations take action? Fear. Taking action means that you may be held accountable for the result. To a fearful executive, it seems safer to study the issue and seek a consensus with



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others before committing to a decision. That reluctance to take action will permeate your company, lead to stifling bureaucracy and ultimately lead to stagnation.

- What is important is to acknowledge that any action is less than perfect but that moving forward usually beats standing still.
- You must rid yourself of the whiners, complainers and yappers who impede improvement through their negative talk and attitude. Those who receive a fair hearing on their complaints, yet still don't buy into the company policy need a hall pass to an exit interview.

### Getting Results

- A winning company produces results. Management places no premium on talk or appearances; it rewards merit. Winning people get ahead; shallow self-promoters do not.
- After all, what is it we expect a corporation and its managers to do? The answer: We expect them to make money today and to invest for tomorrow. That is precisely what management is all about.
- The best managers are those who can achieve both goals. What good is a manager who can produce short-term results but leaves a business in long-term disarray? Conversely, what good is a manager who can plan for promising results sometime in the future but never deliver profitability today?
- The solution doesn't require pages and pages of writing and analysis. It simply takes one sentence: a Leader should produce excellent short-term results while investing in the long-term health of the business.

### When it's Time to Let Someone Go

- When you finally have that tough conversation with a non-performer, it is rarely a surprise. Non-performers are coasting along hoping nobody will notice their poor attitude and lack of performance. They aren't surprised to be having an exit interview, and in fact, most will quietly wonder what took you so long to send them packing.
- If someone isn't capable of handling their responsibilities, then you are duty-bound to find someone else who can. Fairness is determined by the clarity in which you explain your performance standards and the consistency by which you enforce those standards.
- Sentimentality can't be allowed to cloud decision-making when dealing with performance evaluations. Everyone should understand that no matter what his seniority or position, lack of performance will lead to dismissal. Firing someone is never pleasant, but if people believe they can coast without producing, the company won't function optimally.
- Once an employee no longer performs up to expectations – even if he has been a superstar in the past - you have to correct the situation. If you lose confidence in his ability, and he loses the drive to contribute, you simply must make a change.



## **Building Rapport with Your New Team**

### **Summary**

As an Entrepreneur or New CEO, it's quite likely that you'll inherit or build a new management team. This is the team that may make-or-break your agenda in the first 100 days. It's vital to establish rapport and to learn everything you can from them. Here are the 10 key questions that have shown to be most useful to quickly size-up a new team.

### **Building Credibility, Trust and Coalitions in Support of Your New Role**

1. First, learn everybody's full names, and know something about them. Their kid's names, their hobbies, their backgrounds. Find out what they do and why their job is important. Be sure to call them by name and recognize their efforts in helping build the company, service customers or just make it a better place to work.
2. When interviewing the team for the first time and trying to get to know them, ask them some of these kinds of questions: How would you describe success in your current role? Can you measure it? What do you actually do that makes you as good as you are? What are your natural talents and skills? Are you using those skills in your current role, or is there another role that may be more suited to your natural skills and style? Where are you struggling in your current role? What don't you like about your current role? What would be the perfect role for you at the company?
3. Leaders should often ask the following: How can I help you and how can I make your job easier? What am I doing that is making your job difficult, and what is it about my style or decisions that really bothers you? Do you feel that I am being consistent in supporting the priorities which I have established, or am I constantly confusing and frustrating you with new agendas and initiatives?
4. What aspects of the company do you like the most? What issues around here concern you the most? What are your ideas for improving the company?
5. In your judgment, regardless of title or rank, who are the most innovative, helpful, and cooperative people in the company? Who in the company can be counted upon to be totally candid about our issues and problems? Who is the least political of the bunch?
6. What three things cause you to waste your time the most? How can I help?
7. Ask, "By what means do new ideas bubble-up to the top in the company? What major innovations or initiatives are currently underway?"
8. Leaders should ask: How can I help you? How can I make your job easier? What impediments has the company put in your way of doing a good job? What policies, programs, procedures, people or rules stand in your way?
9. What are you shooting for in your current role? Where do you see your career heading? What personal goals would you feel comfortable sharing with me? How often do you want to meet to talk about your progress?



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10. "What do you want to accomplish in the next few months?" "What tools will we use to measure and report results?" "What is your most efficient route toward those goals? How can I help?" (NOTE: Great leaders give performance reviews that focus on the future rather than simply harping on the past. They discuss what could be, rather than allowing the conversation to descend into the past.)



## **Establishing Performance Standards**

### **Summary**

These detailed Performance Guidelines and Checklist will speed-up your development of performance guidelines tailored specifically to your company's unique culture. This Checklist includes much of the leading thought on establishing a performance-based culture and should serve as a strong guidepost for directing daily actions to ensure that they are consistent with your Strategy. Users of the Checklist need only to check those boxes that they would like to integrate into their own planning.

### **Leadership**

- Consistently work and act in a manner which identifies you as a Leader of the Company. Regularly work to improve your skills as a Leader. Read appropriate books, listen to audio tapes, seek advice and counsel from those leaders which you respect. Review "The Leadership Imperative" regularly.
- Delegate as many of your routine activities as possible in order to free-up time for your leadership responsibilities. Focus on longer-term matters, your Department's goals and objectives, personnel issues, the training and development of your team, recruiting, new business and customer retention, planning, personal growth and development.
- As a Leader in your company, you play a vital role in supporting and maintaining the corporate culture, which can be generally defined as: (See Mission Template)
- A clear focus on our core business of \_\_\_\_\_; Aggressive New Business Development; A strong work ethic; strong cost-control culture; aggressive and proactive customer retention; customer service; teamwork; corporate citizenship; unwavering personal integrity; a competitive spirit; a sense of urgency; a culture that embraces changes with a laser-like focus on building a business and maximizing value.
- As a Leader, you ultimately must take responsibility for any setbacks or failures of the team. However, remember that successes are primarily due to the team's efforts and you should readily give them credit for their achievements.
- Maintain ongoing recruitment for potential hires and maintain a clear succession plan for your business unit.
- Always be thinking several steps ahead. Plan carefully for contingencies and have alternative strategies developed well in advance of potential problems. As a Leader, you are encouraged to come prepared with various solutions, options and recommendations when presenting a problem or opportunity to senior management.
- At times, Leaders must make decisions which are unpopular; have the courage and the common sense to do the "right" thing, not just the popular thing.



### **Attitude**

- Be open-minded, approachable and supportive of new ideas, programs and the inevitable changes occurring in our industry; your team should maintain a similar posture toward change.
- Maintain a positive “can-do” attitude; be solution-oriented and creative. Look for solutions and alternatives rather than the easy decline. Give projects your full support, rather than just going through the motions with lukewarm compliance.
- Avoid being defensive toward well-intentioned advice and constructive feedback, ideas, concepts, alternatives, etc. Do not pretend to know things that you do not; encourage your team to maintain a similar position.

### **Teamwork, Cooperation and Respect**

- Remain cognizant of the fact that everyone is on the same team; support, respect and cooperate with all of your business units and support departments. As conflicts arise, seek quick resolution through a candid discussion of the issues rather than firing-off heated E-Mail messages.
- Consistently act and perform in a manner which supports and encourages teamwork and the accomplishment of Department Goals. Work diligently at fostering team spirit, not only among your direct reports, but also with the support staff, operations groups and others which assist your team.
- Leaders don't participate in office politics, back-stabbing, gossip or other loose chatter; and they don't permit it from anyone on their team. Be known as the person who is always supportive of other BUSINESS UNITS AND regions, departments and employees.
- Ensure that your team actively supports other departments and regions by referring opportunities wherever appropriate. Further, ensure that your team maintains excellent working relationships with all of our support groups at all times.

### **Setting Standards and Monitoring Performance**

- Consistently exemplify and adhere to our industry's highest standards of integrity, customer service, courtesy and professionalism in all your dealings with employees, support staff, customers, referral sources and prospects.
- Set the standard and a consistent example of personal responsibility and accountability. Make it crystal clear that you will accept nothing less than the highest ethical standards.
- Give employees continuous feedback about their progress as measured against their annual plan and the Department's annual goal. Promptly advise your manager of any potential performance problems or issues. An employee who is “surprised” at their year end review is a personal failure. Yours. I don't ever want to hear about performance issues unless you have first discussed it with the employee.



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- Set high standards for your team and hold them accountable for their commitments to you. Maintaining high standards leaves no room for third and fourth chances or “beating around the bush.” You must be fair, supportive and show them how they can be successful, but your feedback must also be timely and candid.
- Provide account officers with quick, accurate feedback regarding shortfalls in their performance and effectiveness, then explain exactly what is expected for them to improve. If improvement is not seen or is stymied by a poor attitude, a formal (written) counseling must be performed with the assistance of your manager and the Human Resources Department.

### Improving Productivity

- A unit which falls behind Plan for any reason must quickly develop a realistic Action Plan for improving the situation. It’s not enough to say, “We’ll look into it.” We must have a specific plan with action-items and a timeline for its achievement.
- Focus on improving productivity and set reasonable deadlines that your team must adhere to. Quickly act to clarify expectations and responsibilities of anyone who is not performing to expectations. Make it clear to the team that they will not be measured by the hours that they work, but rather by the level and quality of their productions.
- Constantly review the Goals, Performance Guidelines and our objectives with the team so that everyone remains focused on the Department’s agenda. Teach your team to concentrate on staying focused on the most important tasks that will yield the greatest tangible results for the Department.
- Teach your team to maximize their time and efforts by focusing on those opportunities where you have the best chance of landing the business, rather than spending time on “long shot” deals. If a deal is clearly outside the parameters of what you’re comfortable with or willing to do, pass on it quickly!
- Encourage your team to constantly suggest ways to improve our process, increase productivity and reduce costs. Regularly solicit ideas from your team. Encourage your team to embrace new ideas which could reduce costs, increase efficiency or improve productivity.

### Communication

- Remember that as a Leader, your employees will be watching you very closely. It has been said that up to 80% of communication is non-verbal. Be constantly mindful that your attitude, pace, style, frame of mind and your reactions to daily situations will have a dramatic impact on the people you lead.
- Keep your manager constantly informed about all important issues occurring in the Department; never cause your manager to be surprised or caught-off-guard; keep him informed.
- Employees can’t perform effectively until they know exactly what is expected of them. Don’t leave your team to figure out things on their own. Get rid of ambiguity and nail down every person’s responsibilities with clarity and precision.



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- Communication gaps can cause you trouble, so don't leave an information vacuum. Bad news, rumors and gossip will fill the communication void. If you get lazy or careless about communication, your team will lose their bearings and will start to drift. In times like these, even no news, is news.

### **Personal and Team Development/Training**

- Continually improve your leadership, sales, time management, negotiation and planning/organizational skills. Seek advice, seminars, books and classes to ensure that your skills are among the best in the industry. Be proactive in seeking the same for your team.
- Teach your team to plan several months ahead in order to leave plenty of time for unexpected problems. During times like these, the pace quickens, work moves at a faster tempo and problems can hit in a hurry. You need to be in a position where you are nimble and have built some flexibility into your schedules.
- Work with your team to get them comfortable with negotiating deal structure, pricing, fees etc. Be proactive in demonstrating how you expect your employees to serve our customers and negotiate with prospects.
- Work alongside your team to support them in their efforts to ensure that 100% of all existing desirable relationships are retained.

### **Unacceptable Business Behavior**

- Failure to meet commitments...any commitments, whether it's a one page memo or a \$20 Million sales goal, commitments must be kept.
- Failure to immediately face reality if commitments are impossibly behind.
- Making excuses for your people or for your lack of performance.
- Failure to quickly deal with employee issues.
- There will be no boot-licking or apple-polishing – Forget it! Sucking-up to the boss, any boss, is forbidden here. There will never be favoritism based on favors, so save your time! Recognition will be squarely based on having a great attitude, a strong customer orientation and results. Period.
- There will be no excuse for being late to meetings.
- Passing the buck or saying, "It's not my job!"
- Playing any kind of company politics or the formation of internal cliques or turf zones.
- Backs-tapping, loose chatter.
- Shoddy analysis, "half-baked" proposals and lazy-thinking. (Come prepared or reschedule!)



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- Lack of candor. Weasel language. Failure to tell it exactly as it is.
- Shading the truth or Rounding-the-Corners.
- Failure to promptly and immediately deal with problems.
- Failure to put the customer first in our decisions.
- Failure to properly balance customer requests with our need to make money.
- Asking your boss to make *your* decision.
- Long-winded memos and write-ups. (Get to the point. Be succinct. Be intellectually honest and be direct.)
- Excuses of any kind. Take full and complete responsibility for your team and yourself. Accept the consequences for your actions and quickly move on.
- Wasting time. Anyone's time...yours, your bosses, a co-worker's, a customer's. Do not waste anyone's time.
- Any kind of favoritism or allowing emotion drive decisions, rather than sticking to our chosen strategy.
- Back-office politics, gossip or scheming to revenge a political enemy within the company.
- Failure to immediately deal with deteriorating situations.
- Failure to aggressively negotiate on behalf of the company for rates, fees and terms. Never leave money on the table because you are too timid to ask.
- Wasteful or unnecessary expenditures of any kind.
- People who are too timid to say, "No!" to vendors, sales people and solicitors of any kind.
- Turf building, turf protection, empire building of any kind.
- Not treating everyone in our company with care, kindness and respect for their opinions, regardless of title.
- The filtering of information up through the ranks. Anyone can talk to anybody at this company. Period. Do not prevent people from going over your head, their direct opinions, unfiltered are always welcome.
- Covering up a bad situation with fancy charts, colored graphs, long memos, etc. Get straight to the bad news and lay out your recommendations while you've still got time. But never, ever, hold-back the bad news. Give it to them straight.
- Failure to be proactive and to plan ahead.



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- A sour, bad attitude that is detectable over the phone or in face-to-face meetings with customers is completely unacceptable.



## **Visions and Mission Statement Workshop**

### **Summary**

This template has been assembled by taking bits and pieces of mission statements, vision statements and core values from some of the world's most progressive and successful organizations. The Checklist format has been designed so that a busy team of executives can quickly scan and check those items that appeal to them. This process serves to stimulate discussion and ideas, dramatically reducing the time such a process would normally take.

### **Elements That Should Be Part of Any Mission Statement**

- Standards
- Expectations
- Corporate Philosophy
- Performance Expectations
- Goals and Objectives
- Strategy, Purpose, Our Plan and our Mission
- Crystal-Clear Performance Expectations at all levels
- A unifying core-purpose for all employees, Company wide
- Our Core Values-the essential and enduring tenets of our company. Should not be more than 5-6 at max. Must survive a hundred years from now. Must truly be what we believe, even if it may cause us a temporary problem. (i.e. Johnson and Johnson's recall of Tylenol, because they have a core value to protect their customers above all else.) What we stand for. What we believe.
- Our Core Purpose- our fundamental reason for existence, beyond that of just making money. A perpetual guiding star on the horizon. It is timeless. It transcends product lifecycles, management fads and new leaders. It provides the bonding glue that holds a company together as it grows, decentralizes, diversifies and grows. Do not confuse this with specific goals or business strategies. The primary role of purpose is to guide and inspire. This must be authentic, something we really believe and live. The purpose is broad, fundamental and enduring. It should be the deeper, more fundamental reasons for our existence.
- Core purpose plus core values will form the Core Ideology. The core ideology should never change. This defines the enduring characteristics of our company. It's who we are. The fundamental principles, as in a religion, that will never change.
- Core Ideology = Core Values + Core Purpose



### **Values/Philosophy**

- What does the company stand for? What are our principles and beliefs that guide our behavior? What are our unifying beliefs and values? A visitor should be able to walk into our outermost satellite office and quickly assess exactly what our corporate values are.

### **Purpose**

- Why are we working here? What do we accomplish that's useful in the world? How do we benefit society at large?

### **Mission**

- What are we trying to achieve? What are our most important goals? What is our great challenge? What will we look like once we achieve this goal? What do we aspire to become, to achieve, to create? Describes the aim of our current business practices. It offers us direction. It clarifies the direction and general goals of our company, enabling employees to better understand their company and the role they play in our success. It provides a reference point from which specific business strategies can be assessed and progress can be measured.

### **Vision**

- Our statement of core values that defines our culture and our way of working. To identify our goals and provide direction for prioritizing all our initiatives and strategies. Declares how we will operate in philosophical terms, in decision making, serving customers and measuring success.

### **Layout Ideas for a Mission Statement**

- Different possible elements include:
- Mission
- Goals
- Beliefs
- Business Philosophy
- Corporate Values
- Corporate Principles
- Our Business Credo



- Our Strategy
- Core Values and Beliefs
- Our Vision
- Our Primary Purpose
- Our Primary Aim

### **Introductory and Connecting Statements**

- In accomplishing this mission, we are guided by a clear, widely-held set of values:
- These strategies form the foundation of our actions and guide our business decisions:
- We are guided by a strong set of corporate values
- We will be known, respected and admired for our enduring set of values which form the foundation of our actions and guide our daily decisions:
- Our Values are the foundation for our corporate drive to excel.
- These capabilities, our people, and our commitment to living these values will be our global platform for growth.
- A company endures and prospers only by moving forward. The past has given us the present on which to build upon. But to follow our visions to the future, we must see the difference between traditions that give us continuity and strength, and the conventions that no longer serve us.
- Fundamental to success for the company are those basic values that have guided our progress since our founding.
- Our Values: We have a set of enduring beliefs that are ingrained in the way we think and act. These values guide our choices, defining for us the right courses of action, the clearest directions, the preferred responses. Consistent with these values we set our objectives, formulate our strategies and judge our results.
- This statement is an expression of our mission and shared values, the achievement of which is an ongoing challenge and a never-ending process. It requires us to respond effectively to an ever-changing environment. It requires pragmatism and dreams, courage and confidence, trust and commitment.
- To accomplish these objectives, we hire bright, action-oriented people who share our passion for business and our goal of \_\_\_\_\_.



**Corporate Strategy or Mission Statement**

- Maintain our focus on those few opportunities that are a unique complement to our core business and our existing corporate culture.
- Our strategies will build on the competitive strengths that distinguish our company.
- Maintain a flat, decentralized organization focused on the customer. Seek business synergies that create strength and reduce costs.
- Funding growth-oriented, privately held businesses is our core business and always will be. Other businesses complementary to this will be needed over the long-term to maintain and enhance our position as a growth company.
- Aggressively drive to retain and add customers within our profitability and risk criteria.
- Our balance sheet and earnings will be a source of strength.
- We pursue strategies designed to foster long-term relationships with both customers and employees that share our values and business philosophy.
- Looking ahead, we will consider opportunities to expand through acquisitions which complement and enhance our core business.
- We will stay in the business we know best and will focus our time and energies in building and enhancing our market leadership position.
- Ancillary products and services are designed to strengthen existing customer relationships, enhance our competitive advantages and provide additional cross-selling opportunities. Any of the products and services we provide must add profit on their own or through synergy with other products.
- We will pursue our vision through focused growth based on our core strengths where we have a competitive advantage.
- We will set ourselves apart through our responsiveness and flexibility to custom-tailor unique financial solutions to growth oriented businesses.
- We foster a strong sales and service culture that understands our local markets and work to expand our share of customers in all of our regions.
- To accomplish our objectives, we recognize the importance of setting priorities and executing plans consistent with our strategic objectives. This requires strong leadership and the pursuit of excellence in every aspect of our business.
- We strive to grow faster than our markets. We strive to be a highly competitive company, controlling costs while growing in sales and profits.
- We will be a vigorous, aggressive and effective competitor in our core businesses.



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- We will seek growth by building upon our existing core businesses.
- We will focus on those business sectors where we either have or expect to attain, a market leadership position.
- We achieve growth by differentiating ourselves in a market that considers our product to be a mere commodity. Growth is essential to maintaining a position of strength in our markets and attracting and retaining the high-caliber winners that are crucial to our success.
- Our fundamental strategy is to build market share and leadership positions in businesses that we are in and know exceptionally well.
- First, we are performance-driven. Profitable growth which builds shareholder value is our primary objective. We approach the business with a focus on results, a sense of urgency and a healthy dissatisfaction with the status quo. To accomplish our objectives, it is important to hire and retain bright, talented people who share our passion for business.
- We remain vigorous, tough, relentless competitors known for our high ethical standards, consistently profitable growth and a business style that reflects the entrepreneurial-drive, clarity of purpose and intensity of a small company. We have a unique, entrepreneurial zest that business owners can readily identify with.
- Our strong credit culture has produced a strong balance sheet that provides us with the opportunity to win in the marketplace, regardless of economic cycles.
- Decisions will be based on facts, be reached objectively and implemented promptly.
- Growth: We aggressively seek sustainable, profitable growth through the relentless pursuit of our vision, simplicity of style, speed of action and leadership in all of our chosen businesses.
- We run a trim operation and continually strive to eliminate waste, minimize cost and seek performance improvements.
- We strongly believe in, and support, the Free Enterprise System and accept our responsibility to further its greatness globally.
- To profitably grow our business by successfully pursuing strategies that capitalizes and leverage on our core business strengths.
- We build long-term relationships with clients, based upon value added solutions and advice, not lowest price.
- We help our customers achieve their goals by custom-tailoring a unique financial solution to their growth problems.
- We will strengthen our position in existing markets by focusing our efforts in the retention and expansion of our core business, by acquiring other financial institutions and by our aggressive pursuit of new business opportunities.



**Performance-Based Culture: WINNING!!**

- Intensity, Razor-Sharp Focus, Determination
- Passion, energy, excitement, zest
- Entrepreneurial. Bold and Courageous
- Sense of Purpose, widely shared. Alignment.
- Restless and ruthless
- A fighting spirit
- Encouragement of individual initiative
- Autonomy and entrepreneurship
- Winners and strong Leaders at every level. People are winning!
- Aggressiveness and boldness. Self confidence
- People as the source of our success
- An aggressive sales culture.
- Pay-for-performance
- A winning culture
- Individual opportunity and reward based on merit
- Work hard, yet keep it fun and exciting
- Beating big goals
- Reward success, performance and loyalty
- Hard work and productivity. Demanding standards of performance
- Continuous improvement, never being satisfied, never slowing down.
- Work with passion, commitment, enthusiasm and drive
- No cynicism allowed
- A distaste for the status-quo



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- People that naturally take initiative...without prodding to do so.
- People that understand the necessity to make money
- A burning desire to win by any ethical and legal means
- People driven to succeed...to win
- A respected and feared competitor. Viciously competitive
- Winning..being the best, knowing it and delighting in beating others
- Hard work and continuous improvement
- Pursue ever-higher goals
- PERFORMANCE: We encourage high expectations, set ambitious goals and meet our financial and other commitments.
- Link incentive compensation with results and performance.
- None of us can ever settle for doing less than our level best, and we can never stop trying to surpass what already has been achieved.
- Having a spirit of excitement
- Accountability: Will hold people and groups accountable for results in line with corporate objectives and will provide rewards commensurate with performance. Our people readily accept personal responsibility from beginning to completion.
- We seek talented, action-oriented people who are enthusiastic, honest, open and hard working. Who want to do their jobs well and who expect their co—workers to do likewise.
- We want people to use money as carefully as if it were their own, who suggest way to be more productive and who help each other. We want and will encourage to go the extra mile, work the added hour, and make the additional call. Above all, we want employees who accept responsibility and accountability for their own performance and who readily step-up and take initiative.
- We will be vigorous, tough, ethical competitors.
- We favor simplicity, we want action. We are results-oriented. We favor substance over form and quality over quantity. We strongly believe and encourage the free flow of candid, direct, objective information, up down and across all organizational lines. We insist on doing the homework and we love over-achievers.
- We mutually establish clear accountability and goals. We attack the problem and not the person.
- People will be hired, paid and promoted base on merit, teamwork and performance.



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- Winning is fun. We enjoy winning and derive great satisfaction from beating the competition in the pursuit of profitable new business opportunities.
- We will attract, motivate and retain high-performing, energetic people in all areas of our company. We are committed to competitive, performance-based compensation.
- Our employees are winners, ever striving to exceed their past accomplishments. Exceptional performance is the result of these people working together in a spirit of teamwork and collaboration.
- We are a dynamic, action-oriented team of winners who delight in the thrill of competitive victory and growth in market share.
- We seek action-oriented, high achieving people.
- We expect our employees to be motivated and excited about the company and to believe in what we are doing.
- Our employees exhibit the spirit of initiative, persistence and entrepreneurship.
- Our employees are recognized and rewarded for achieving results. In the end, it's always the special efforts of people that make great things happen.

### **Employees are our Strength!**

- Our continued success depends on honest, thoughtful, hard-working people who work as a team and are dedicated to the importance of setting and achieving ever-higher goals.
- Our company encourages employees to become involved in activities that make our communities a better place to live and do business.
- However large and complex a business may be, the work is still done by people dealing with people. For our company to succeed, we must operate in a climate of openness and trust, in which each of us freely grants other the same respect, cooperation and decency we seek for ourselves.
- Employees who are accountable, creative, entrepreneurial, profit-minded, and quick.
- Our employees are the source of our success. We treat them with respect, promote teamwork and encourage their ideas to improve our company. Excellence in performance is sought and rewarded.
- We seek to attract the highest quality individuals whose personal values and professional skills are consistent with our values and business philosophy.
- We strive to attract, motivate and retain the most talented and enthusiastic people in our industry.
- We recognize that our success depends upon the attitudes and performance of all employees.
- Our employees will be known for their teamwork and will be faithful to our core values and beliefs.



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- We seek to recruit, develop and retain the most talented people in our markets. We will reward people based on merit, teamwork, results and shared values.
- To encourage and support the activities of our employees in civic, social and professional organizations where they live and work.
- We recognize that our employees are the primary reason for our continuing success.
- We view our employees as our greatest resource and will provide every opportunity for them to achieve their hopes, goals and career aspirations.
- This business is built around people. We want self-directed winners who have a passion for business and a burning entrepreneurial drive to excel at growing our market share.
- Our people are our company's greatest competitive advantage.
- We encourage and support our employees, recognizing that through their high standards, creativity and commitment, our company will prosper.
- This is a team business where we depend on one another. We expect each person to make a contribution.
- Our strength is our people. The collective talents of our employees comprise our most important resource.
- We firmly believe that our people are our most important resource, making the critical difference in how well we perform and through their work and effort, separate us from our competition.
- We firmly believe that our people are the best at providing custom-tailored, relationship-oriented financial solutions to growth-oriented businesses in our markets.
- Our employees make the difference. Success depends upon a strong customer focus, quality service and continuous improvement by employees who show integrity, caring and initiative.

### **Focus on the Customer!**

- Developing and maintaining relationships rather than just executing transactions.
- Customers are the reason we exist. We must provide them with creative appropriate financial solutions and serve them in a caring way.
- We seek to build sustained relationships and recognize the importance of continuity of people.
- We must never forget that in order to deliver our promise of delighting our external customers, we must be ever diligent in serving our *internal* customers. Delighting our customers stands above all other values.



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- Everyone in our company must strive to satisfy our internal and external customers, at all times.
- Customer satisfaction is the source of employee, shareholder, supplier and community benefits.
- We recognize that our business can only succeed if we can consistently create and keep customers.
- We clearly understand that without customers, we have no business. Therefore, adding and retaining profitable customers must remain our first priority and at the core of everything we do.
- Customers are the ultimate focus of all our business activities.
- If we fail to provide total satisfaction, we forfeit the right to that customer's business.
- Everything we do and stand for is directed to the satisfaction of present and future customers. We serve our customers with excellence. Our existence depends on them.
- Our employees make every reasonable attempt to return every phone call by the close of business each day. That applies to both internal and external customers. That's just how we do business.
- The customer is the key. Customers have choices. We compete with others to add and retain our customers. We must be ever diligent to protect our customer base by truly adding value. Value is what the customer says it is.
- Our customers come first. We prosper only to the extent that we create long-term relationships with satisfied customers.
- Our customer focus requires that we earn and retain the respect, confidence and loyalty of our customers by serving them so that they will benefit from their association with us.
- To profitably grow, we must focus on customer addition, retention and expansion.
- Serving our "internal customers" is critically important to serving our external customers

### **Integrity In All We Do And Say!**

- We are committed to doing what's right, without exception. Every decision we make, and every action we take, must follow the highest ethical and moral standards. We must tell the truth, keep all commitments and use our time and resources to make our world a better place.
- We expect integrity, civility, openness, support for others and commitment to the highest standards of achievement.
- Absolute integrity, regardless of the consequences
- Honesty, integrity and ethics in all aspects of our business



### **Open Lines of Communication**

- Communication: Clarity regarding company, divisional, regional and individual goals, People will know what is expected and will receive ongoing communication that is timely, open, direct, candid and honest.
- Fierce agreement around our goals and objectives
- Straight talk. Candid. Direct. Open. Honest. Communication
- An open environment where people freely tell us what's wrong
- All employees, Company wide, have a crystal-clear understanding of our mission, goals, objectives and values. No ambiguity.
- All employees will be appropriately informed and trained in the vital aspects of our business so that they fully understand the consequences of their actions and decisions. We will develop leaders from within our ranks. Our communications will be honest, open, timely and widely shared.
- Communication: We will effectively communicate corporate objectives and policies.
- We are direct, clear and ethical in our communication and actions. We speak with honesty courage and care.
- We will share the information needed to do our jobs and provide a sense of direction and purpose. We will communicate our goals clearly.
- We must provide clarity about our expectations and must enforce these standards throughout the company.
- We must share information, ideas and knowledge freely, quickly, candidly and unencumbered by organizational structures or individuals.
- We strongly encourage and foster open lines of communication, without fear of reprisal. The freedom to speak one's mind on any subject concerning the company's welfare is a vital ingredient to our constant improvement and success.
- We take action based on facts, not emotion. Sound business decisions are based on sound data and rigorous analysis. Facts are reviewed in an atmosphere without blame.
- We encourage each employee's participation and ideas.
- People must know exactly what is expected of them and receive timely, honest, feedback on their performance and career aspirations.

### **What is the compelling Vision for Our Company?**



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- Now, what about the “Envisioned Future”? This should consist of two components: A 10-30 year Huge Goal and vivid descriptions of what it will be like when we achieve the BHAG. It’s a dream, a hope, and an aspiration. It’s only a 50-70% bet, but the company should believe that they could achieve it anyway. Passion, emotion and conviction are essential parts of the vivid description. Does it get your juices flowing? Is it stimulating and does it generate forward momentum? Does it get the rank-and-file motivated and moving? It should produce a bit of an audible “gulp” when people hear it and think about what it may take to achieve the BHAG.

### **Other Phrases and Ideas to Incorporate**

- We are flexible in our approaches, practice responsible risk taking and learn from our mistakes.
- Management, which is customer-focused, urgent, empowering, simple, passionate and driven to win for the team.
- We must learn to thrive on change, shun bureaucracy and strive to destroy our competitors.
- We are proud to be members of the team and enjoy coming to work.
- We will encourage our people to take the initiative in their work, understanding that some risk is involved, but also recognizing that the potential benefits to the company often outweigh such risks.
- We are fiercely determined to keep bureaucracy to a minimum by keeping a lean organization with a minimum of managerial layers.
- Enthusiasm at all levels of our company is important to us.
- Our leaders have enormous energy and the ability to energize and invigorate others. They are exceptional role models and are open to ideas from anyone.
- We grant decision-making authority consistent with responsibility.
- Our employees, especially our managers, must be leaders who generate enthusiasm and respond with extra effort to retain and attract new customers.
- Integrity is the cornerstone of our business. We will always conduct our affairs in a manner consistent with the highest ethical standards.
- We hold managers and employees accountable to model those behaviors that are in accordance with these objectives through our employee performance review process.
- We set high performance expectations for ourselves and for our business. We strive to build a culture that is open and treats all fairly. We will create an environment that encourages individual decision-making and working together as a team in the interest of serving our internal and external customers.
- We encourage innovative thinking, proactively seek new sources of income, control our costs and enhance our service quality.



## **Leaders Are Responsible For Growth**

### **Summary**

This article urges CEO to get out of their offices and take personal responsibility for driving and pushing for a growth mentality at all levels of their companies.

### **Growth Problems? Look in the mirror!**

Growth is your responsibility and it cannot be delegated. Your role as CEO or senior Leader cannot be solely for stability, predictability, or policy conformity. Leaders should wake up everyday thinking about how to grow their companies. If the Leaders aren't focused on growth, the rank and file will spend their days simply maintaining and protecting the status quo, not growing.

Leaders must accept responsibility for their contribution toward sales stagnation, endless bureaucratic hurdles and needless reports that add no value. In the end, it comes down to the quality of leadership. Leaders with the growth mindset turn dying enterprises into thriving ones; conversely, when companies stagnate and start to make excuses for poor performance, it's largely a leadership problem.

Growth is a mentality created by a company's leadership. It starts with the spark of a new point of view, and it catches fire when everyone buys into what the leaders are coaching, expecting, measuring and inspecting. How are your leaders? Are they passionate champions of growth? Are you?

### **The Growth Mindset**

Growth often starts only after a company's leadership breaks the lockstep thinking that has driven strategy for years and caused the stagnation.

Growth must be in your mental architecture. It's got to be how you're wired. Your leaders must energize their people, encouraging them to create and find new opportunities daily. In the daily dialogues everywhere in your company, the loudest decibels should be about growth and new opportunities.

The growth mindset starts at the top, but it must reach all the way to the bottom. Growth must be the central activity of your company. You can't be lukewarm or balanced about this subject. You've got to be a raving, passionate champion for growth. You've got to be out on the fringe and demand and pressure and push to make growth happen. Growth has got to be central to everything you do, every day. You must be a growth champion; growth cannot be delegated.

### **The Warm-up Is Over**

If you are like most companies who are drifting toward sales stagnation, the sales focus and intensity level will have to come up tenfold from where you are today. And you will have to play a central, supportive role in this change. It's your company's future.

And forget about the gratuitous nod of agreement, "Yeah we'll look into growing first thing next quarter." At today's speed of business, you may have five new competitors by then, all working out of their garages



and undercutting your price by 40%. The time for meetings and rambling discussions on growth has passed. It's time for you to take action. Now. *Right Now!*

### **How Growth-Oriented Companies Are Different**

Growth companies are performance-based, results oriented and have a strong sense of urgency. People are learning where the sources of growth lie. They are curious about new markets, new needs, new technologies, and they talk about them with one another. People willingly share growth ideas and best practices, *without prompting*. In growth companies, the enemy is *external*, not internal.

Growth companies use a different language. They have a passionate attitude about destroying their competition and walking home with the trophy. They use words like "fight, capture, destroy, steal, war" when talking with their troops. Anyone whose not passionately committed to growth, or who feels "uncomfortable" demanding growth, is moved out, moved over or let go.

The days are gone when managers should be rewarded for simply maintaining the status quo in their business unit. The bar must be raised. Today, business leaders must be judged by their success or failure in achieving sustained, incremental, profitable growth. Because, not all growth is good. Growth at all costs, or growth for its own sake, can be a recipe for disaster.

### **Good Growth vs. Bad Growth**

Good growth is sustainable, profitable, and capital efficient; don't confuse it with feverish spurts of volume that ravage earnings or steal from your future. Good growth more than pays for the advertising and sales costs associated with generating the incremental volume. Good growth is relationships.

Bad growth is growth driven by price alone. Do you really want to *rent* market share, in the form of getting it through price? Rest assured, if you sell on price alone, you won't own that customer for long!

### **The Next Step**

If you seek profitable, incremental growth, you must take action. This is not the time to point fingers or blame others for your sales stagnation; this is the time to take action.

Growth won't just happen. You have got to stand up and say, "Hey! Growth is central around this place. We expect it, demand it and reward it!" Then make sure growth is part of your week. You've got to commit "x" percent of your time to inspecting, rewarding and pushing for growth. Then go out and do it.



## **How to Build a Winning Business**

### **Summary**

To be a consistent success in this ultra-competitive business environment, winning must be the obsession that drives your company. The goal of winning must be the foundation that underlies every decision you make, that guides your thought process, that pushes you to be aggressive and focused when others are merely content.

### **What Winning Means**

- Winning can mean different things to different people. In the context of this article, winning means:
- Increase in market share
- Landing new customers
- Achieving big goals
- Hiring the right employees
- Meeting your commitments on time
- Retaining your customers over the long-term
- Keeping your best employees excited and motivated
- Getting to market before your competitors, etc.
- Winning is the attitude that gives you and your company the “edge,” that confidence that separates you from your competition and keeps pushing you to stay on top. It’s an attitude that determines success or failure in every business decision you face.
- Winners don’t make excuses; they just buckle-down and get it done! Make it clear that you will not tolerate the use of excuses as a rationalization for lack of production or progress on your stated objectives.

### **The importance of “winning today”:**

- By emphasizing winning, and more importantly, “winning today,” you move everyone’s thought process away from a general concept and direct it toward achieving immediate results. It builds momentum and it eliminates any excuse about not understanding what your goal is and what you expect should be done to achieve it.
- You should become obsessed with “winning today.” In everything you do you should emphasize “winning today.” And that means everyone in the company should have the same priority: “winning first”, before anything else in their business relationships and decision-making.



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- Your message must be consistent: “We want winners and we will begin winning, NOW!” It isn’t hollow conversation; you must talk with conviction and a tone that leaves no room for uncertainty. By adding winners to your business, your organization is immediately exposed to the habits and standards of success.

### **Building Winning Standards**

- Any business that doesn’t have a clear, precise definition of winning has not established the foundation for a successful, growth-oriented environment.
- You must have in place the specific standards and expectations by which winning performance can be judged. This is particularly essential when you’re introducing change in order to revitalize a losing company and demoralized employees. If employees clearly understand what it means to win, they will more readily adopt winning attitudes and behaviors.
- Use the hiring of leaders to make a strong statement to your employees. Hire winners and superstars, those people with success in their background and winning their genes. Their tempo, work ethic, and enthusiasm will be essential in reinforcing the direction that you want your company to pursue and in building momentum toward achieving your goals.
- Winners become your message carriers. They sprinkle throughout your firm the knowledge it takes to shake off the doldrums, to make a bad situation better, to turn a good company into a great one. Winners walk with confidence, winners have habits that are molded from success, winners understand and teach what works.

### **Winners reject failure!**

- The elements of failure can be everywhere – employees flaunting rules, reporting late for work, leaving early, spending too much time complaining and gossiping. If you don’t demand immediate results, you’re creating an atmosphere where less than the best is acceptable, where winning is some abstract goal that serves more as a public relations ploy than an actual quest. You must demand daily progress toward each of your stated objectives.
- Winners never accept failure in any form. They won’t let people or the culture or the atmosphere or history or lack of expectations bring them down. This is the essential attitude that winners bring to your company, and it’s critical to establish a winning attitude before you can accomplish anything of lasting value for your company.
- Winners simply won’t fail from lack of effort, lack of commitment, or lack of determination. Nor should your organization. You must push aside any distractions and make sure that you focus on the assignments that have the highest priority. You must convey this single-mindedness of purpose to the entire organization.