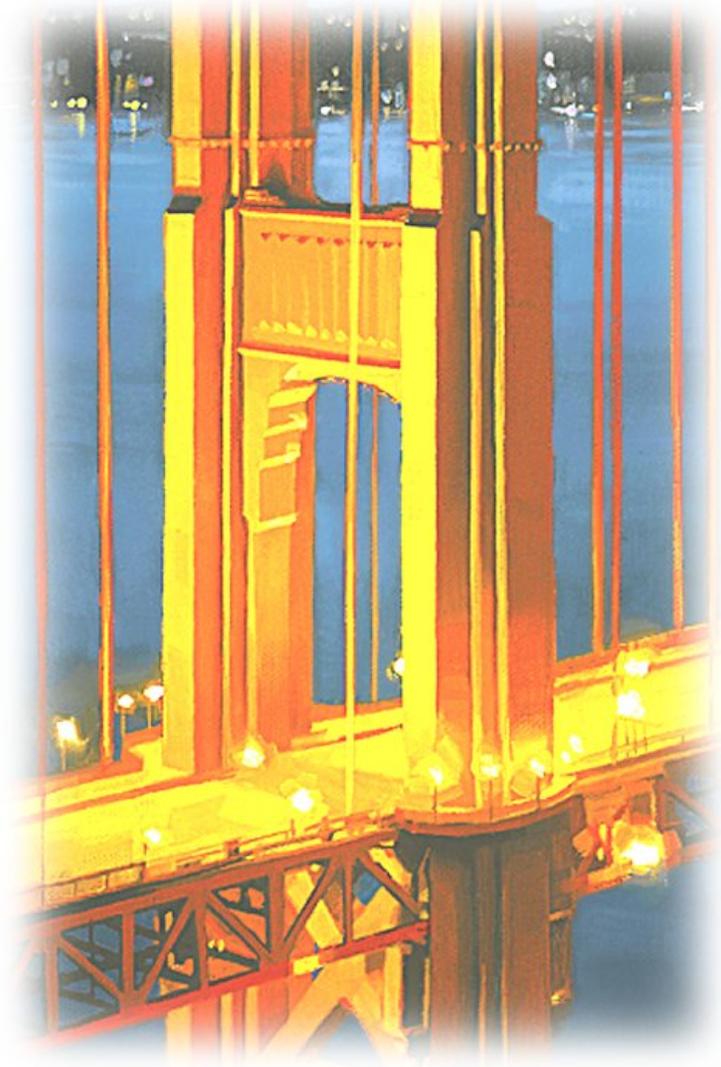

IDEABRIDGE



The IdeaBridge White Paper Series:
CEO and Entrepreneur's Field Guide



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CEO AND ENTREPRENEUR'S FIELD GUIDE

1

Introduction

The Entrepreneur's Field Guide is a compendium of nearly fifty books on the subjects of leadership, military strategy, business management and the coaching of championship sports teams; it does not pretend to be entirely original thought, nor is it intended to be viewed as a "cure-all" for every leadership issue you may face as a an entrepreneur or CEO.

This Guide has many sections that can be quickly referenced when you are curious to see how some of history's greatest leaders have responded to similar kinds of problems you may encounter as the Chief Executive.

The goal in assembling the collective ideas and strategies from history's greatest teachers, coaches, strategists and Leaders, was to share some crucial leadership concepts that could directly impact your effectiveness, success and performance as an Entrepreneur and CEO.

Leadership Principles

- Leaders take charge, make things happen, dream big dreams and then translate them into reality. Leaders attract the voluntary commitment from followers, energize them and transform organizations into new entities with greater potential for growth, excellence and market superiority.
- Leaders are never content with things the way they are. To be leading, by definition, is to be in front, breaking new ground, conquering new worlds, moving away from the status quo. Great Leaders are never satisfied with current levels of performance. They constantly strive for higher and higher levels of achievement. They move beyond the status quo themselves, and they ask the same of those around them.
- Before becoming a good Leader, you must learn to be a great follower. The best Leaders are those who have served many apprenticeships.
- The only purpose in giving you the job as the Leader was to quickly make things happen and make things better.
- The strength of any organization is a direct result of the strength of its Leaders. Everything rises and falls on leadership.
- What makes people under the stress of competition push ahead rather than retreat, even in the face of overwhelming odds, is the attitude and behavior of their Leaders. When people know their Leaders care for them, notice them, and reward their successes, they will attempt difficult tasks without hesitation.
- Relying solely on internal information is not enough for a Leader to develop the vision needed to lead the way. Leaders are the key to bringing outside information into the organization. They meet with other executives, participate in trade shows and meetings, meet and talk with customers, suppliers and people in related industries to find out what is - or should be - new in their industry and what they can learn from other industries.



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- Great Leaders are constantly planning. A Leader who does not prepare for difficulties when they are distant, will not escape them when they are close.

Accepting Responsibility/Accountability for Results

- Leaders place an unrelenting focus on results. They want results, not “best efforts.” We have too long rewarded, even celebrated, “best efforts”, despite failure. Achieving results is in the control of your leadership. Leaders have a responsibility to lead change and to tackle reality head-on, despite the inevitable outside influences that can impact results. Leaders do not offer excuses...they deliver successful results.
- True leadership involves not only the exercise of authority, but also full acceptance of responsibility. Accept responsibility for those whom you lead. When in a position of leadership, everything that occurs is your responsibility, even the errors.
- A Leader is ultimately responsible for accomplishment, results, success. In business, success is most often measured by growth in sales, profits, marketshare and stock price.
- Rather than expend energy worrying and placing blame, Leaders just solve the problem. The great Leaders go one step further and take action to ensure that a similar problem doesn't occur in the future.
- Great Leaders are positive individuals. They don't fault others and are willing to shoulder the blame. They don't complain; they find solutions.
- Leaders always share, or give away, credit for successes. In everything they do, they exhibit the attitude of sharing, except when things go wrong. Then the true Leader steps-up and accepts the blame; he shares it with no one.

Self Discipline, Character, & Personal Development

- Character is the bedrock on which the whole edifice of leadership rests. With character, the full worth of the individual and his team can be realized. Without it, failure, or, at best, mediocrity will result. Character is a habit which is built through the daily choice of right and wrong. Character is a moral quality which grows gradually to maturity; it does not appear suddenly.
- The best Leaders commit themselves to a life of ongoing personal development. Good Leaders continue to learn, grow and develop. The great ones also give others the opportunity and encouragement to do so.
- The greatest achievers in life are people who set goals for themselves and then work hard to reach them. What they get by achieving the goals is not nearly as important as what they become through the process.
- When it comes to self-discipline, people choose one of two things: the pain of the discipline which comes from sacrifice and growth, or the pain of regret which comes from the easy road and missed opportunities. (i.e. lack of self-discipline).



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- The best Leaders love to read. Most subscribe to a lot of different magazines, many of which are outside their area of expertise or current knowledge. They also read a lot of books about strategy and biographies or autobiographies about Leaders.
- An effective Leader understands his own shortcomings and seeks improvement from within. When a person demands excellence from others, but never corrects problems within himself, he cannot effectively lead.

Communication

- What separates the great Leaders from others is that they have truly learned the art of listening. Ask questions and listen with interest. Good Leaders not only ask questions, but they really listen to the answers. Do you? Learn the power of silence. Listen!
- Nail down everyone's responsibilities with clarity and precision. Anything that can be misunderstood, will be. It's often a good idea to have someone repeat back to you their understanding of the assignment or objective; it's great insurance against foul-ups and surprises!
- A dream-team coach constantly communicates the game plan. He's got a plan not only for each individual game, but a plan for the development of the whole team over the course of the current and upcoming seasons. Once the game plan has been drawn up, he then communicates it to his team on an a continual basis. Where's your game plan? When was the last time you showed it to your team?
- Always keep in mind that what others tell you is only the tip of the iceberg. Inquire further. Oftentimes the real answer is several layers below the initial response. Keep probing further and try to discover the "core" problem.
- Without the ability to communicate, a Leader cannot effectively cast his vision and call his people to act on that vision. Great Leaders are articulate...Are you?
- A Leader understands that the boss needs to be kept informed, and never wants to be embarrassed or surprised.
- A Leader is not capable of reaching her potential without effective communications skills.
- Listen to feedback carefully and avoid being defensive. Leaders must always work to develop and enhance their skills at remaining totally objective.
- Ask your associates, "What would you do?" This helps them grow and also shows them that you care about their opinions.
- Leaders follow-up verbal communications with written communications so that there are no misunderstandings.
- A good communicator has the ability to set a person at ease. She can find a way to relate to nearly anyone of any background, regardless of social status, title or position within the organization.



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- The fastest way to open the lines of communication is to smile. A smile overcomes innumerable communications barriers, crossing the boundaries of culture, race, age, class, gender, education, and economic status.
- When employees feel that their opinions are valued, they develop a sense of ownership in achieving company goals; this kind of "ownership" cannot be bought at any price...it must be earned through respectful listening.
- In business, most of the market intelligence and answers to many problems is often several layers below top management. Often the receptionists and administrative staff hear more about what's going on than management does. When was the last time you took your assistant or other clerical person out for a one-on-one lunch or for coffee? Elicit their input often.
- The most successful CEOs display a relentless desire to make certain that they are provided information that is balanced and of the highest quality. At their companies, no one is ever shot for bearing bad news; that risk is reserved for those who knowingly bring false cheer or no news at all, or repeatedly fail to measure up to a high and uniformly applied standard of competence.

People Skills

- Leaders are open enough so that everyone around them can get to know and trust them. Leaders are also approachable. True Leaders are recognized as warm and likable people. How do you stack up in this area?
- Leaders must develop a deep understanding of the collective yearnings. They pick-up on the subtle clues, the quiet whisperings, the facial expressions and voice tones. They get a sense about what people want, value, need and dream about.
- Have a genuine concern for those whom you lead. People look for their Leader to safeguard their future.
- The reason behind holding a recreational outing is to let your team rest and recuperate from the demands your leadership places upon them. When was the last time you took your team offsite for some fun? And remember, you must take the entire team, not just your favorites!
- Look for ways to relieve stress in those around you. Leaders always ask how they can help. Leaders don't wait to be asked...they readily volunteer.
- When you believe in people, you motivate them and release their potential; people can sense intuitively when a person really believes in them.
- Praise a person every time you see improvement.
- People will continue working, struggling and trying if they have hope. Hope lifts morale. It improves self-image. It reenergizes people. It raises their expectations. It is the Leader's job to hold hope high, to instill it in the people he leads.



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- To build relationships, begin by listening to people's life story, their journey so far. Your genuine interest in them will mean a lot to them. It will also help you to know their personal strengths and weaknesses. Ask them about their goals and what motivates them.
- Napoleon Bonaparte is known as one of history's greatest Leaders. One of his leadership secrets was knowing the needs of his men. He first determined what his men wanted most. Then he did everything to help them get it; he knew this was a key to successful motivation. Napoleon often commented how amazed he was to learn that men would gladly risk their lives in pursuit of a simple ribbon or medal.
- Outstanding Leaders do not hold grudges.
- A good Leader must be motivating, rewarding and create a nourishing environment; he must never appear aloof, distant or disinterested.
- Employees must feel comfortable about coming to you to ask questions, get advice and occasionally just get your opinions on their future with the company.
- Be friendly and approachable. Make people feel safe to express their opinions to you.
- Keep all interviews low key, fun and upbeat, don't run them like interrogation sessions. It should be a free flow of information, a two way conversation.
- Be curious. Do not conduct interviews as interrogation sessions. Get to know people, their family and interests and hobbies. This will help you develop better rapport.
- When having discussions in their offices, Leaders should never sit behind their desks. Instead, they should go to a chair or a sofa, thus avoiding an imposing position that is often intimidating to associates. Visitors are more comfortable, and therefore more candid, when Leaders sit in the more sociable areas of their offices.

Building Momentum/Taking Action

- The test of any Leader lies in action, not in words. An effective Leader does not overstate the promise of success for fear of disappointing others. He is slow to speak, but quick to act. He watches carefully over his words. It is a grave error to promise more than one can deliver.
- The attitude of the Leader, coupled with a positive atmosphere in the organization, can encourage people to accomplish great things. And consistent accomplishment generates additional momentum. Many times momentum is the only difference between a winning, positive, growth environment and an acidic, negative, demoralizing atmosphere.
- To be appointed to a leadership position is not sufficient to make you a Leader. You must, after being appointed, take charge and begin leading.
- Anything that hinders your team's ability to perform should be lawful prey...Track it, hunt it down and eliminate it! Especially sacred cows!



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- The primary operating value expected of Leaders is to exhibit a bias toward action and a sense of urgency about their business.
- When things are running routinely, a manager can maintain the status quo. But when there is a crisis, somebody has to take charge....That's the Leader!
- Leaders perform for results, not recognition.
- Leaders must have strong personal energy to get a project up and running. They must also maintain that energy to see projects through to completion.
- You must get some early victories, some wins! People must begin to think of themselves as winners and part of a winning organization. Team building or improvements in meetings or minor processes do not qualify as early wins! Early wins should create models of behavior consistent with the leader's vision of how the company should function.
- Look for early wins where broad operational areas and processes could be changed to result in quick and substantial improvements with a minimum of effort. Maximum bang for the buck.
- You must constantly seek to build personal credibility, political influence and business momentum. People must start seeing some early wins. You must promote the perception that the company is going in promising directions.

Setting Performance Standards and Expectations

- Demand excellence from your people, and they will develop into people who will also demand excellence of themselves and the people they lead. Set "excellence" as the standard.
- When you strive for excellence, you prompt your people to shoot for the top. When a Leader's goal is acceptability rather than excellence, then even the best people in the organization will produce what is merely "acceptable" and the rest may not even produce that minimum. When excellence is the standard, the best will hit the mark, and the others will at least hit the board.
- Some misguided Leaders drop their Minimum Acceptable Performance Standards ("MAPS") to a level where everyone can meet them. No matter how minimal the effort, they still qualify. Is it any wonder their organizations don't achieve anything meaningful? Meeting the minimum is not only one step away from failure, but also a quantum leap from victory. Everywhere you look people are struggling, frustrated and dissatisfied.
- Superior Leaders recognize that *elevating* the MAPS is crucial to consistently superior performance. In looking at their standards, the Minimum Acceptable Performance Point ("MAPP") is almost indistinguishable from the Victory point. When their people meet the lowest requirement, they are still in position to win. But even if they fall beneath the MAPP, they are still a long way from failure.
- A Leader's actions become a model for the actions of his team. Further, the Leader's character sets the moral tone for the team. The standards he sets become the benchmark for the group. The people he favors become his flag-bearers. In all situations, the Leader is observed and copied; at all



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times, the Leader demonstrates preferred behavior by his own actions. The Leader sets the example...whether he intends to or not!

- A Leader must give positive acknowledgment and encouragement to the producers, and she must be careful not to reward the idle. Take a hard look at your team. Who and what are you rewarding?
- You may want to consider including some of these attributes into the required skillset of your managers: Manage change, establish plans, execute plans, compelling vision, inspiration, strategic ability, troop rallying, risk taking, taking charge, business practices and controls, results orientation, manages diversity, broad perspective, calm under fire, interpersonally sensitive, people skills. Add more based on your specific culture.
- The best managers want a routine that asks each employee to keep track of their own performance. Each employee becomes excited and involved in keeping track of their own progress toward their goals.
- Superior Performance is the key to independence of action. If you consistently put the numbers on the board and do the right things, then you earn the right to call your shots. If you don't perform, somebody has the right, the obligation, to make serious inquiries as to why you are behind plan and exactly what you intend to do about it.
- First, promote the people who are focused on increasing market share and who are willing to take risks to do so. This means that you will promote those who make mistakes and not promote the overly timid employees who prefer to take the traditional route of non-action. This both moves up the people who want to conquer their markets and forces security-minded people who want to be promoted, to take risks to advance their career.
- Everyone is focused on the goals, and excuses just slow down achievement. When success is the only measure, then excuses become irrelevant. Success is what you must measure things by. Everyone must recognize that some problems are harder than others, some markets are tougher and bad luck will ultimately occur. But these are all irrelevant. All the excuses in the world will not make up for a failed goal. The critical question is: What are you doing to fix this problem and meet your commitment? Now some people will claim that this is unfair. Yes, it is. But your competitors are not concerned about fairness and your stockholders are not concerned with fairness. We are only concerned with success. This success-oriented environment self-selects employees. The most successful will be the ones promoted, and the least successful are generally those who leave or are never hired in the first place.
- Stretch goals must be at least a 50% increase over expectation.
- It's performance that matters and it's performance that people concentrate on. Since no one will pay any attention to excuses, then no one will put much effort into formulating them and will instead concentrate on performance or immediately fixing problems.
- Carrying non-productive employees because they once did something useful is a reckless and damaging luxury that no company can afford. If an employee is no longer needed, then regardless of what they've accomplished or what they are capable of, they must be set free. People, no matter how good, should not be kept on the payroll if they are not adding value. Most managers end up failing when they avoid making these tough calls.



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- Every meeting, every memo, every policy and every interaction should be driven by the same core objective: to advance the ball daily. To build profitable marketshare and to increase the value of the company daily. And you must fight as hard for the last 1 percent of the market as you fought for the first 10 percent. In every review, the first and most important question should be, "What have you done to increase your marketshare and build the value of your company?" Then drill-down deeper and ask, "What else could be done? How can we be more effective? What other markets can we attack? How can we be better? Where are we weak? Where are we strong and where are our competitors vulnerable?"
- This should characterize your style:
 - Demanding, but certainly able to be satisfied
 - Accessible, but not too familiar
 - Decisive, but willing to hear all sides first
 - Focused and intense, but flexible and understanding
 - Active and urgent, but not causing a commotion everywhere
 - Willing to make the tough calls, but humane and caring
 - A very low tolerance for failure to meet commitments will encourage people to be more realistic in what they promise to deliver.
 - Rampant office politics is symptomatic of a weak leader. Don't waste your time, or permit others to waste their time in building fiefdoms and boundaries. Spend your time creating, planning and accomplishing. *Let your actions be your politics.* Be the last to know about rumors and juicy gossip. Don't get sucked in with the tantalizing details. Don't ask, don't answer, don't tell, don't agree. Just say you need to focus on work. Just work.

Earning Trust, Loyalty and Coalitions of Support

- Trust is the single most important factor in building personal and professional relationships. Trust implies accountability, predictability, and reliability. More than anything else, followers want to believe in and trust their Leaders. People first must believe in you before they will follow your leadership.
- Loyalty must be earned. It is earned by caring about and protecting both subordinates and bosses. It is earned by working with people and helping them be successful. The loyalty and dedication of subordinates can help Leaders meet tight deadlines or solve difficult problems. The loyalty of a boss can get Leaders out of potential trouble.
- You can buy a man's time, you can even buy his physical presence at a given place, but you cannot buy enthusiasm...you cannot buy loyalty...you cannot buy the devotion of hearts, minds or souls. You must earn these.



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- Leaders must trust and accept the people they lead; such acceptance requires tolerance of imperfection. Anybody can lead perfect people.
- Leaders create an environment of respect and loyalty. No one wants to let them down and most want to meet or exceed their expectations.
- Leaders that place a high premium on building loyalty, create environments where membership lasts for life.
- Trust must be built day-by-day. It calls for consistency. Some of the ways a Leader can betray trust include: breaking promises, gossiping, withholding information and being duplicitous.
- Trust allows team members to begin working as a single unit, to begin accomplishing the things together they recognize as important. Once the players know and trust one another, and develop a fit, the team's personality will begin to emerge.
- Leadership isn't about convenience. You have an obligation to serve. They trust you'll be there when they need you, late nights, early mornings, even weekends and holidays.
- You must establish productive working relationships and build credibility as soon as possible. These relationships are essential for getting things done and getting support for your leadership initiatives.
- You must take the time to take the organizational pulse to learn what will work and what won't. Before you come out with new, sweeping initiatives, first understand if the culture is ready for these changes. If it's too much, too soon, *watch out!*
- You must build a supportive coalition which 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. 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. Failure to do so almost universally results in the Leader being *FIRE!*
- 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.



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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.
- 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 *FIRE*D by the board. It's as simple as that. *Any Questions?*
- Don't try and sell people. Build relationships first!
- 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. 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 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.
- 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. Try to find those natural thought leaders and influencers. They are a wealth of critical information.



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- 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 to change. 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.
- 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 a critical project or cause.
- 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 she control resources that others need? Does she 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? Who in the company is untouchable? It's best to find out early!
- 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 full story. More subtly, they may express alarm in private meetings with their peers and subordinates about the risks inherent in your proposal; this is called "subtle sabotage."
- Resistance may arise later when the Leader begins to articulate a vision and initiate deeper changes for the company. A standoff may force the Leader 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 a powerful coalition of support. 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.
- Being new to the company, the leader lacks a reservoir of obligation, returned favors and support from which to draw. He must accumulate political capital before he can hope to secure support for his key initiatives. One does so in part by achieving some early wins and channeling the resulting support into broader initiatives. Another necessary step is to help others in strategic positions advance their own agendas in exchange for their support of yours.
- When you face political opposition, it usually means that your solution or proposal has negative implications for someone in the company. So politics is 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. Remember that politics is the art of the possible, and it's no good devising the ideal solution if the rank and file refuse to execute the changes.



Developing Your Team

- Leaders give of themselves, their time, their knowledge, and their experience to ensure that their subordinates can grow. They arrange for employees to have opportunities for training and advancement. They don't worry about people leaving their unit, because they always have their employees' long-term interests in mind.
- Often, new Leaders wrongly believe that they must compete with the people close to them instead of working with them; great Leaders have a different mind-set. Great Leaders readily recognize that those closest to them will determine much of the team's success.
- Time spent developing aspiring Leaders is an investment the company's future, and your own.
- One of the best things you can do for the people you are developing, besides modeling personal growth in yourself, is to help them develop their own personal plans for growth. I want to emphasize that growth requires a plan, and as the Leader, you must take the initiative to encourage them to develop that plan.
- The Leaders you've developed must carry-on the tradition of development and produce a third generation of Leaders. If they don't, the building process stops with them. Lasting success comes only when every generation continues to develop the next generation, teaching them the value and the method of developing the next group of Leaders.
- Leaders think in terms of other people. Leaders don't focus on themselves and their own individual success. They think about the success of the organization and other people. To develop others, you must teach them to think in terms of how they can promote others, develop others, take along others.
- The success of an organization is directly proportional to the percentage of time its Leaders spend recruiting, developing, nurturing, guiding and coaching their team.
- A good Leader aspires to be a role model rather than a hero.
- To be a successful Leader, you must develop other successful Leaders around you. You must establish a team. You must find a way to get your vision promoted, implemented, and contributed to by others. The Leader sees the big picture, but he needs others to help make his mental picture a reality.
- Who will take your place? There is no success without a successor to carry-on your vision and work. Do you have a succession plan in place?
- In order to create the right opportunities, you should look at the potential Leaders around you and ask, "What does this person need in order to grow?" Then be proactive in supporting their growth and development.
- Good Leaders, in their teaching, concentrate on personal as well as professional development. Through their information, inspiration and example, they work to develop the potential in each individual.



- No executive has ever suffered because his people were strong and effective Leaders. Don't fear the strengths of others...fear their weaknesses!
- People on the team must be made to feel that they are in an environment where it is safe to offer suggestions or criticism without feeling threatened. Encourage your team to always be looking for new ideas and better ways to run or improve your business.

Hiring/Building Your Team/Selecting Your Team

- Great Leaders know that hiring and keeping good people is one of a their most important tasks.
- If you hire well, the benefits are multiplied and seem nearly endless. If you hire poorly, the problems are multiplied and seem endless.
- Sometimes you'll get an opportunity to draft an "impact player", a superstar who can instantly change the whole complexion of the team. Incidentally, impact players usually possess not only technical ability but also leadership skills. True Leaders are never threatened by hiring people with great potential.
- BEWARE: Any person that you hire who has character flaws will be the weak link in your team.
- You can tell much about a person's ability to lead others from how well he manages his own life.
- The key to surrounding yourself with other Leaders is to find the best people you can, then develop them into the best Leaders they can be. Great Leaders produce other great Leaders.
- Look for people who have an attitude of sincerely wanting to help people. This caring service approach comes from within and is not something you can teach through training programs. Look for people who put a smile in their voice. It is critical to the success of your company.
- Secure Leaders are able to surround themselves with people more qualified than themselves.
- Keep in mind that one "great" person will always out-produce and out-perform two mediocre people.
- Too often, people hire employees haphazardly. Because of desperation, lack of time, or just plain ignorance, they quickly grab any candidate who comes along. Then they hold their breath and hope everything works out. This is a reckless and irresponsible way to hire. Plan ahead. Always be thinking about a succession plan and always be looking for exceptional talent.
- If you hire the right people, you won't have problems later on. If you hire the wrong people, for whatever reason, you're in serious trouble and all the revolutionary management techniques in the world may not bail you out.
- Having the right players determines 60 to 80 percent of the success of any organization.
- The assessment of character in an interview can be difficult. Warning signs to watch for include:
 - a person's failure to take responsibility for his past actions or circumstances
 - unfulfilled promises or obligations



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- failure to meet deadlines
 - lots of unexplained job hopping
 - how he talks about his prior employers
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- Everyone you recruit for your organization should be a potential Leader. Lead and nurture everyone within your influence, but spend 80 percent of your coaching time on the most promising 20 percent of the potential Leaders around you.
 - No matter how great the player, if he can't play with the team, he won't help the organization. The addition of a new team member always changes the chemistry of the team.
 - When looking for top "Stars" to hire, the best way to locate them is to ask other top superstars for their recommendations. Stars will always recommend other stars.
 - The single most important contributor to productivity is the quality of the employees. Everything else is secondary. We must hire the very best people. No management system in the world can make up for having less than the best talent. Every new hire you make should raise the mean level of performance of the team, not detract from it.
 - You are only as good as the people that report to you. If you do not insist on hiring absolutely the best, then you are consciously deciding that employees of average or worse quality are acceptable.
 - Hiring the right person is the most critical decision a manager makes. Determine the criteria for the perfect employee and hire only people who fall into the top 5 percent of your criteria. No matter how desperate you are to fill a position, no matter what the consequences, do not compromise. Spend the time necessary to make the right selection. The quality of your employees directly determines your ultimate level of success. Period.
 - The top priority in any company should be to hire type-A people who are driven by conquest rather than by security. It's critical that you have a core set of people who naturally gravitate toward and understand conquest.

Delegation

- If a Leader does not learn the art of delegation, then he will never find himself coaching a dream team. Leaders who can't or won't delegate create a bottleneck to productivity and success. Not every issue demands a Leader's attention. Delegate!
- Delegate as much of your day-to-day responsibilities as you can in order to free-up time for your Leadership roles. Pay more attention to longer-term matters, your goals, objectives and your vision.
- Be on the lookout for employees under you who are ready to conquer new worlds - this is a prime time to delegate jobs to them.
- As wise decisions are made by knowledgeable employees throughout all levels, top executives are freed-up to plan for the future and be creative. Empower those beneath you to make decisions and then judiciously delegate.



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- The question Leaders must ask themselves is whether the task can be done by someone else. If so, it should probably be delegated. The Leader should focus on performing the tasks which no one else can do...like long term planning and strategic thinking.
- To break the vicious lack-of-time cycle, a Leader needs the right person to delegate to and a willingness to invest the time it will take to train that person to perform a given task.
- If you want to do great things and make a big impact, you must learn to delegate.

Courage and Risk Taking

- Great Leaders are trailblazers. They are experimenters. They stick their necks out and therefore inevitably make lots of mistakes. Great Leaders have the courage to take action where others may hesitate.
- Pressure can often come in the form of criticism. Yet criticism is often the price to pay for being successful. If you don't have critics, you usually aren't having a lot of success. One of the biggest challenges Leaders face in their careers is being able to handle the pressure that comes with success.
- Most Leaders have followers around them. They believe the key to leadership is gaining more followers. Few Leaders have the courage to surround themselves with other Leaders. The ones who do, bring great value to their organizations. And not only is their burden lightened, but their vision is carried on and enlarged.
- Leaders are faced with very tough situations, balancing the varying pressures of making money for stockholders or being popular with employees, while doing what they believe to be ethically right.
- Very few people step-up to leadership without being frightened. We are by nature afraid of looking silly, of people not responding to our lead, of being wrong about where we are taking our organization; it's normal. Some aspiring Leaders are never able to get over this fright. They prefer the safer "manager" role.
- Standing up for what you believe in will put you in confrontation with others. Confrontation involves risk and there are many who avoid it. As the CEO or Executive in charge, you must have the courage to stand up for your ideas *and* your ideals.
- Leaders look for great ideas, not just consensus. This takes courage because it's simple to get a unanimous vote to do nothing. The true test of leadership is to get the full support of your team when you don't have a unanimous vote to take action.
- Leaders don't blaze trails to show it's safe, they do it because it is a functional way to get others on board.
- Leaders must have the personal courage to try something new, to go where others fear to tread, to face adversity, to support their people, to protect their subordinates from unfairness and to stand up to their superiors when necessary.



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- Great Leaders respond well under pressure. They are decisive, thrive on challenges and love competition. A Leader who is secure and feels good about himself can stand the pressure and do what he believes to be "right" rather than what is popular or politically correct.
- Dissatisfaction with the status quo does not mean one has a negative attitude or is grumbling. It has to do with a willingness to be different, to take risks. A person who refuses to risk change, fails to grow. A Leader who loves the status quo soon becomes a follower.
- Good Leaders must have the courage to make mistakes, learn from them and continue to pursue their vision until it becomes a reality.

Making Decisions

- Once you come to a responsible decision, carry it out without hesitation or timidity. Timidity is not born of healthy caution, but is the stepchild of fear.
- Successful Leaders do not worry about the mistakes they have made. They know that mistakes are going to happen and they are willing to live with the consequences of their decisions. Too much time is wasted by people agonizing over a decision because they're afraid of making mistakes. Great Leaders are decisive and courageous.
- Business success results from acting with vigor, decisiveness, and confidence; one must not grope nor hesitate. In deciding to move, there can be no vacillation or indecision. Any vacillation will result in greater expense, loss of opportunity, and general discouragement. Once decisions are made, Leaders encourage immediate, vigorous execution.
- During change and chaos, the Leader's first responsibility is to grasp the actual situation, which is almost always hidden in a mist of uncertainty; that is, to assess the known elements correctly and to guess the unknown elements accurately. Then he must reach a decision quickly and carry it out forcefully and relentlessly through completion.
- A Leader, above all, exhibits a cool head - that is, he objectively processes information and correctly estimates its impact on his situation. Two qualities must accompany coolness. The first is decisiveness. Without decisiveness, other qualities are of little value. The second is intelligence. The Leader should have a talent for turning every situation into an advantage, for creating unexpected, but appropriate, improvisation in the face of obstacles.
- Under difficult circumstances, the Leader knows there is no time for the wise to offer long-winded advice nor for the brave to be angry. All must focus their efforts on the demands of the situation at hand. Therefore, it can be said that of all the dangers involved in leading competitive operations, timidity is the greatest. Most of the calamities which overtake an organization in competition arise from hesitation and fear of failure.
- You cannot erase the past with words. Do not second-guess decisions that have already been made. Do not undermine actions already begun. Do not assign blame for errors already made. Rather, focus your attention on doing the best thing in the present moment and planning for a better future.



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- You are almost always better off with a “nearly-right” strategy today, than a “perfectly-right” strategy a year from now. Whichever strategy you pursue will involve mid-course adjustments. Leaders must learn to get comfortable taking action with a 60-70% plan, knowing that they will have inevitable adjustments along the way.
- Most business ventures take at least twice as long, cost twice as much and bring twice the problems of your most conservative estimates. Further, you’ll be lucky to achieve even half the profit you projected in your worst-case scenario. Knowing this, if the venture still looks good, go for it.
- A classic mistake is simply to not make any personnel changes during the honeymoon period. Sticking with direct reports that are not up to the task will squander precious time and energy. You must set a time limit by when you will make your staffing decisions...six months at most.
- The more you drive for decisions, and find yourself making those decisions instead of your senior team, the less powerful they will feel and the more frustrated you will become. You must drive them to decisions. Lay out the values and business philosophy of the company and demand that all decisions be made within that context. Then, let them make decisions; those who can’t, or won’t, must go.
- “There’s a time for input and a time for execution. I will expect your input on major decisions and will carefully listen to your opinion. But once a decision has been made, everyone must support it 100% and intensely focus on its execution.”
- At some point you will have to call your team in and say, “This is what we’re going to do. The debating and challenging is now over. We’re now going to execute and get there as fast as we can. And you’re responsible and wholly accountable for making this happen in record time.”
- The first step in solving a problem is determining whose problem it really is.
- You must work hard to avoid “group think” – a situation in which there is too much compatibility and a consensus is found too quickly without serious debate.
- Problems need to be reported immediately. In fact, you should usually know that something may become a problem before it actually does. Further, just reporting the problem is not acceptable. A solution, or solutions, must be presented at the same time.
- It’s not enough for your decision to be the “right” decision. Oftentimes, even the “right” decision will not get the necessary support and you will be killed-off by the hidden or shadow politics of the organization. Build support early on for your initiatives before you announce or launch them publicly. Look for your lead-blockers to help build support and buy-in.

Attitude & Enthusiasm

- To get a better sense of a Leader’s true capabilities, get to know his or her subordinates. Do they reflect the fire, the drive, the enthusiasm, the passion, the optimism, the loyalty that you expect to find in their boss? They’d better!
- A Leader’s state of mind affects every person on their team. How’s your state of mind today?



- True Leaders feel good about themselves and their ability. And it shows.
- Leaders create a sense of excitement and find ways to ignite it in others.
- A Leader's enthusiasm for his own work carries over to the other members of the team, who soon have the same enthusiasm for their work.
- Senior executives who complain about the low morale of their employees evidently do not realize that employee moral is a mirror of the confidence in their leadership.
- Enthusiasm truly makes the difference. Enthusiasm is contagious! As a Leader, if you are excited, you draw people like a magnet.
- Leaders try to let their people see a broader picture - that they are making business history, and encourage them to get excited by the prospect.

Ego, Humility & Empathy

- To be a great developer of people, you must be personally secure, because taking your people to the height of their potential may mean they will pass you by. It takes a very secure person to face that possibility, but without such a mind-set, you may be competing with your people instead of developing them.
- Leaders put empathy ahead of authority. Leaders are friendly, not arrogant or egotistical. They are as friendly with the janitors as they are with the Chairman of the Board.
- An apology is the sign of a secure Leader.
- In most instances, the people you work with will know as much or more about the specifics of the details as you will; it's foolish not to bow to their expertise.
- Leaders don't have fragile egos. They recognize that no single person can have all of the answers all of the time, and that they can always learn from others. Leaders don't let their ego get in the way.
- Good Leaders are teachable.
- Leaders look at others as equals, not as subordinates.
- Empathy can come from asking questions, really listening and trying to understand what someone else is feeling. Good Leaders do this.
- Leaders can take charge without always being in control.
- What you must value most is candor. "Tell me the bad news and I won't bite your head off. Tell me the bad news and I won't start looking for someone to blame." The biggest risk you run as the CEO of any company is that you'll never hear the truth again if the word gets out that you shot the messenger.



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- You have to establish authority while concurrently encouraging input and consultation. People should say, "He really listened to me and asked good questions. I didn't persuade him this time, but I know he's flexible and really listens to all sides."
- Leaders must be willing to say, "I was wrong," "I made a mistake," "I accept responsibility for our failure and am willing to accept the full consequences of that failure."
- You expect the CEO to be incredibly energetic and to bring a sense of vitality and life to a problem. They are very clear thinkers, so they make decisions and they instill in people a sense that failure is not something to be afraid of.
- It's very important to restore the confidence inside the company. Give people a goal, a target. Go to your people and say, "Look, here's my plan, I have every reason to believe that it will work, but you know I could be wrong, so look it over and give me some feedback."
- Say, "You can make a mistake, that's the way we all learn. All I ask is that you always come back to me the moment you've made a mistake so we can quickly sort it out. Just don't ever give me a big surprise, never cover up bad news. Never. You must come to me quickly, while there still may be time to do something."
- People should be frank with you. They should not be afraid of you. There has to be a bit of irreverence, so that not only is someone allowed to tell you that you're wrong, but that there's a culture where it's better to say we disagree than we agree. In the end they have to have the respect, that when you say, okay, I've heard all of you and I think we have to do this, and nobody will second guess you. That's leadership!

Common Mistakes Made by Leaders

- The most precious and difficult thing for a CEO to obtain is a clear view of his world. People may wish to flatter him, spare him unpleasantness or hide a failure of their own. Their intentions are not always disingenuous. It's just that his power as a CEO tends to cause people to distort their message by bending their words and actions to earn favors. CEOs who don't recognize this fact are doomed to failure.
- Those Leaders who rule by fear are usually the most insecure. An interesting discovery was that these individuals actually believe their employees enjoy working for them, when in fact the fear they instill fosters hate and disgust.
- Excessive pressure on employees, combined with a single-minded focus to meet goals, will often kill initiative and creativity. Overbearing behavior of a Leader will inhibit openness and honesty; it will greatly diminish the quality of any team.
- By selecting followers rather than potential Leaders, the Leader of an organization dramatically limits its potential for growth and its ability to recognize problems brewing on the horizon.
- Many misguided Leaders have the mentality that it is their role and duty to catch people doing something wrong. Once this kind of mentality permeates the culture of an organization, the employees become fearful. A sword-wielding Leader will never get the best from his employees.



- There is no such thing as “off the record.” It’s simply not good practice for Leaders to show weakness to others. Celebrate publicly; Cry alone. Leaders don’t open-up to people with their inner feelings of doubt or hurt - half don’t care, the other half are glad it’s you and not them! Nobody feels sorry for you for more than an hour, but they will never forget your moment of vulnerability.
- Like it or not, a judgment will be made of the leader based on who influences him, who he spends time with and whose counsel he seeks. New leaders get in trouble by creating a little inner-circle of advisors that nobody can penetrate. This inner circle often leads to 'group-think' and can substantially limit new ideas, creativity and growth.
- Be very careful not to fall into the trap of cronyism. Any leader who pushes “his boys” often causes morale problems within the ranks. Practicing cronyism also can hurt the very people you are trying to help, especially if you push someone into a position before they are ready for the promotion.
- The handling of flatterers and bootlickers is an issue related to cronyism. In all companies, there are people who are very skillful in pleasing the boss by bearing good news, false cheer and by stroking the boss’s ego. They are always looking for ways to make the boss happy, worrying about getting a lot of “face time” and serving their personal agendas and ambitions. Watch Out!
- Leaders should avoid bringing a substantial number of former colleagues with them when they move to a new position. A leader who drags “his guys” along with him is likely to undermine the morale of the new company. It also will be very difficult to develop good rapport with new associates and communication channels will be harder to establish. Further, you will gain more credibility as a person of self-confidence and independent thought if you do not drag along with you a group of cronies as you move from job to job.

Staying Cool when the *Heat is on!*

- The leader’s true colors will come through in unguarded moments and in spontaneous reactions to unexpected events.
- Sometimes by moving too quickly, you open a Pandora’s box of problems that were not present before the changes imposed by your snap decisions. This is very important to understand. These are called the “unintended consequences” of decisions, and at times, the aftermath of your decisions can be worse than the initial problem you tried to solve.
- Leaders must remain cool and levelheaded at all times. Nothing gives one so much advantage over another as to remain cool and unruffled under all circumstances. Temper tantrums, snap decisions, finger pointing, yelling and blaming are all signs of panic. Good CEOs don’t panic. They don’t throw tantrums. They keep themselves in control so that they can keep control of the situation. Do not get angry, even if anger is justified. Tell yourself, force yourself, to stay calm, cool and collected. Do not be rash.
- Be careful to not be seen as overly directive, dogmatic or demanding. Check your ego. It’s critical that you appear approachable and open to new ideas. There is a very fine line between getting things moving and overwhelming the company. You must be active without being perceived as going off in all directions, wrecking havoc at every turn.



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- People are curious about the new leader's judgment, value, strategy, energy, style, etc. They will be watching you very closely to pick up any signs at all. You send signals through all of your small decisions, actions, interactions, emails, tone of your meetings, etc.
- It is crucial to set the right pace; if there is too little momentum, the leader can accelerate the pace by inaugurating new initiatives or changing key players. Conversely, he also must ensure that things don't get too crazy, too soon.
- It's very easy to get into trouble by appearing impulsive and making moves without thinking through all of the potential implications of your decisions.
- If you can make the jobs of others a lot of fun, they will work harder and more creatively and feel more satisfied with their careers and lives. The Leader who is able to maintain a sense of humor and to lighten the mental load of his colleagues will always have a motivated, happy team. A sense of humor is a mark of intelligence and is a quality that is desired in corporate presidents.
- Don't come in with the solution or claim that you have all the answers, even if you do. Be slow and deliberate in structuring solutions and remember to carefully think about the unintended consequences of your decisions.
- A need to appear decisive can cause you trouble. Some new leaders believe that they must prove themselves by projecting a confident, take-charge attitude. The danger with this is that the Leader may appear too swift and irrational, lacking the critical leadership element of patience and calm in the face of a stressful situation.
- *Leaders must be decisive, but "patiently decisive" and not jump at the first recommendation for a decision.* They should listen to all sides before deciding. In fact, on occasion, it's good practice for a Leader to postpone an important decision for a day or two, or even a week or two, while collecting additional information. Leaders must be comfortable soliciting contrasting views, and if possible, to sleep on important issues.
- Listening is the most important skill for leaders. If a leader is a good listener, he can accept ideas, criticism and other feedback that can improve the company.
- You want people to say, "Wow, he's decisive, but he just hasn't made his mind up yet." You see, you want people to see that you are decisive on the matters where you can afford to be. But on the much larger issues, you need the decisive reputation to carry you for a while in order to buy yourself some time to really evaluate the problem.
- New leaders get into big trouble when they believe that they must appear decisive and establish a directive tone. If the leader is seen as dealing superficially with deep problems, the resulting cynicism makes it difficult to rally support for change because people may not trust him.
- It is the mature leader who accepts even unfair criticism with equanimity, calmness and grace. Criticism can provide the very useful "reality check" that all leaders need in order to maintain perspective. Leaders must be brutally honest with themselves or they will slip into the terrible habit of self-deception. Even the best leaders make mistakes. By listening to criticism and quickly catching, acknowledging, and correcting mistakes, good leaders can become superb leaders.



- Regarding decision making: Although there may appear to be some urgency involved and you do not want to appear indecisive, exercise extreme caution and patience. In many cases, a fast decision leads to bad results that will come back to haunt you.
- At first, you will lack the insider's detailed knowledge of the company, its people, structure and systems, its policies and culture. Therefore you must take the time to understand it before you make any key decisions or moves.
- True Leaders can maintain a calm, internal confidence because they have worked hard, prepared for the tough moments, and have built on the successes of the past. In fact, Leaders must appear confident at all times, especially when the pressure is on.

Creating a Vision

- There is no more powerful engine driving an organization toward excellence and long-range success than an attractive, worthwhile, and achievable vision of the future that is widely shared.
- A vision is little more than an empty dream until it is widely shared and accepted. Unless people believe they have "chosen" to adopt a new attitude and behavior and feel rewarded, they are not likely to accept the vision or work toward its accomplishment.
- A Good Vision:
 - Sets standards of excellence that reflect high ideals and a sense of integrity
 - Is persuasive and credible
 - Inspires enthusiasm and encourages commitment
 - Is well articulated and easily understood
 - Is ambitious and calls for a shared commitment
 - Challenges and inspires people to align their energies in a common direction
 - Fits with your unique culture and values
 - Clarifies purpose and direction
 - Reflects the company's unique strengths
- Critical to achieving the vision is choosing the right Leaders based on their loyalty, commitment to the vision and their ability to work in a team environment.



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- When creating a vision that's 5 years away, think about the changes in society and of your stakeholders. Take the future into account when thinking about your vision. Learn to anticipate these changes. Anticipate possible surprises.
- Discuss the vision in terms that address the employee's legitimate concerns and interests. This means connecting with people in a way that resonates with their own deepest feelings about what is right and worth their effort doing.
- The Leader must constantly try to steer the changes into the direction of his vision. The Leader must alter the organizational climate to make the vision's attainment more likely. The Leader must always keep the group "on course" with the vision.
- Leaders live the vision by making all their actions and behaviors consistent with it and by creating a sense of urgency and passion for its attainment. This is done in many ways including:
 - The integrity and consistency of your actions and speech
 - What you say in both formal and informal settings
 - What you express interest in and the questions you ask
 - Where and whom you spend your time with
 - How you choose to act and how you make your actions known
 - How you organize your staff and your physical surroundings
- A vision is not a mission; a mission is a purpose. A vision is a *direction*. The strategy lays out the broad path by which the mission and vision will be achieved.
- A vision is a compelling, widely shared mental picture of how the company will look and function once your strategy is fully realized. A vision must be attractive, meaningful and attainable. Given what you have to do (your "mission"), your priorities ("A-item tasks"), and how you expect to move forward (your "strategy"), a vision is what your company will look like once you've arrived.
- A vision is a picture of the future distilled down to its crystalline, simplest and clearest form. If effective, the vision will generate passion in the new Leader that is contagious and motivates others.
- A mission is what you want the company to do and to be known for. Your core objectives, or A-items, specify the targets in pursuit of the mission and are reflected in key organizational objectives. Your strategy lays out the broad path by which the mission and core objectives will be realized. People must be able to say, "Oh, I see how all this (vision, mission, core objectives, and strategy) fit together and supports our vision."
- A shared vision helps to align people's actions by defining what the future should look like and spelling out the behaviors consistent with obtaining that desirable future.



Determining your Core 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 tradeoff. 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.

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