

CEO - Who Me?

08/29/05

What do I have to do to keep growing my company? Am I the right person to do it, or do I need to bring in a CEO? Do I have what it takes to be a CEO?

This question comes from a business owner who has been at it awhile, growing and operating a reasonably successful service company. Last year, the company hit a wall in terms of growth and profitability, and the owner began to question what it would take to continue to grow the business, and whether he should remain at the helm.

First, my hat is off to this business owner - great set of questions. We all need to regularly challenge our roles and responsibilities, rather than taking them for granted. Many business owners could take their companies significantly further, but may not know how to, or may lack the confidence to pull it off.

Let's answer this owner's questions, with the goal of keeping the owner at the helm. Here are 12 rules to insure the owner's longevity as a productive, driving force behind the business.

1. Create a business strategy – Draw up an overall picture of where the business is going, and what it will look like when it gets there. Be specific. Describe its size, revenue, #s and types of customers and employees, profitability, investments. List the things the business will have to learn about and be able to do, to succeed in the future.
2. Communicate your strategy – in clear, simple terms that all employees, customers and vendors can understand. Talk about your strategy regularly. Ask people if they see the fit between what they are doing, and where you want the business to go.
3. Inspire employees to support the strategy, by helping them see the value of bringing that strategy to life. Ask people for their assessments of how the business is doing, and for their recommendations on what else to do. Discuss how growth and achieving goals creates more opportunities for everyone.
4. Motivate employees and managers to perform, learn and grow – to the best of their abilities. Ask people to stretch, take risks, and learn from mistakes. Encourage people to suggest new ways of doing things, consistent with the long term plans of the company.
5. Monitor performance – acknowledge success, appreciate contributions and demand accountability. Be sure that people know what their standards of performance are, and whether or not they are meeting those performance standards. Ask if they know how their performance contributes to the overall success of the company. Ask customers how the company is performing, and what else it could be doing to exceed expectations. Tell vendors about the importance of delivering on time and in budget. Be willing to make changes, if necessary.
6. Help and coach people to success – by being available, aware, and involved in the business. Resist the temptation to constantly step in and do it yourself, but know when it is the right time to get hands-on. Keep visualizing yourself as educator and coordinator, working side-by-side with your employees, encouraging them to stretch and grow. Find the right balance between hard work and brains.
7. Make decisions, and demand others do so as well – figure out which ones you, as owner should be making, and which ones are best left to your employees to make. Teach employees how to make good decisions, by talking openly about things that went well, and things that didn't go according to plan, including how it might be done better next time. Teach your employees to make small, frequent decisions, and

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assess and adjust frequently, rather than holding out for the one big one that might, or might not, go as planned.

8. Encourage flexibility, intelligence, respect and integrity – demand a high ethical standard, of yourself and everyone around you. No special exceptions, no breaking the rules for high performers. Be willing to look at problems and solutions from more than one point of view. In my book, it is more valuable to be able to make a mistake and recover, than to demand perfect decision making – which is unlikely. If you are not sure, admit it and ask for help. Teach your employees to do the same.
9. Simplify – focus on what matters. Cut down on the noise, disruptions, distractions. Ask everyone to focus, and expect the same of yourself. Think before you comment, ask a question, interrupt a process, demand that something be done right away. Just because something is important to you, it may not help your employees do what they need to do at the moment. Is it necessary, if so, does it have to happen right now? If the answer is “no”, write it down and discuss it later. If the answer is “yes”, then take action and don’t look back.

10. Be predictable and trustworthy. Let your people know what you expect. Don’t mix up your messages, or contradict yourself. Stick to your strategy. Do what you say you will do. Don’t over promise. Ask people to check you on it.

11. Be an expert – at some things. And ask your employees and vendors to do the same. Know what you are good at, and strive to excel at that. Same for your company. Know what else you have to learn, to get to the next level – and start learning about it now. Learn to let go of things you don’t do well. Ask others to step in and support you. Ask them to teach you about what they know. Learn enough to be able to recognize good performance.

12. Composure – keep it, at all times. If you are going to speak in anger, or haste, walk away. If you are excited or enthusiastic, let it show, but wait to make major decisions until the heat of the moment has passed.

More than running the company, people depend on you for leadership. These 12 qualities are the heart of a good leader.

A good book is Try The Mind of the C.E.O. by Garten, Jeffrey ; Basic Books ; 2001.

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