

CEO Agenda In Extraordinary Times

By Tom Northup. April 2009

In these extraordinary times, the economic equivalent of a 100-year flood, company sales have declined as much as 50% from last year to this year over the past few months. The uncertainty as to how deep the recession will get and the how long it will last affects all of us. Worse yet, nobody has experience dealing with such problems.

For the CEO, the first priority is to take action to ensure survival. Leaders must take steps to ensure that cash flow remains positive. However, if all they do is circle the wagons and wait for the turnaround, they will miss tremendous opportunities.

In such times, leaders must rethink key aspects of the enterprise: its strategies, processes and talent, and they must do it in weeks and months, not years. Leadership's role is greatly magnified as a company struggles to adjust to rapidly changing economic realities.

Outstanding leaders recognize this wider role. Even as they ensure that the company will survive, they also look for opportunities to position the organization for future competitive advantage.

Leadership culture is the single most important factor in determining the level of organizational productivity and results. Good managers get results through others. A great manager achieves results through other people and develops them in the process.

Thus four initiatives are crucial to driving future opportunities for success.

1. Focus on core competencies.

Understand the success factors your clients use when they determine with whom to place orders. These key factors drive your marketplace. Determine the gap between where you are now and the outstanding level valued by clients. Implant this level of performance into the core competencies in your company. The quicker you master these competencies the sooner you will develop a competitive advantage.

2. Target opportunities intentionally instead of reacting to problems.

The difference between these two approaches is the difference between a weak organization that will not meet its long-term performance objectives and an organization positioning itself for an outstanding, profitable future.

Opportunity comes from either developing new markets or taking different approaches to current markets. Of these, current markets have more potential to develop quickly. Some leaders despair that their market volume has declined but don't realize that even at these lower levels the size of their market is still substantial, particularly in relation to market share. In the past when the market expanded, sales teams became comfortable order takers. In today's environment the CEO's high payoff activity is to recommit the sales team to selling to core competencies and to meeting key success factors.

For example, one company is a supplier to the 3M Company. They have met rigid requirements in multiple areas for three years and have earned the highest rating with 3M. The challenge is to translate this core competency into competitive advantage in their market place.

3. Embrace change.

Make acceptance of change part of your organizational culture. The economic environment has conditioned employees to understand the need for change. Take advantage if this.

CEOs play a crucial role in change management. Ultimately, people execute change. If you need to improve or add a new process, you need to get your people on board to create the results you want. Your people drive it. When you don't share power with your employees as you discover the need for change and don't involve them in the change plan, they become "change plan critics." Managers who participate in setting direction become intellectually and emotionally committed.

The effective leader understands the connection between sharing power, motivation and change. When the CEO shares power with his management team he is building their personal motivation. Real change is self motivated.

A great manager develops employees. He understands that his success depends on the success of his employees. The effective leader lets his staff know he wants them to succeed personally; that they are important to him and the organization.

Employees have the letters MMFA emblazoned on their forehead: Make Me Feel Appreciated. People follow the leader not for what they can do for her but what she can do for them. Developer leaders are empathetic to the needs of employees; particularly important in today's environment.

Bad economic times are not the time to reduce people development. With the current uncertainty we can strengthen self motivation by demonstrating to employees that we care. As a practical matter, helping employees reach their professional goals will help the organization reach its goals. The combination brings success. Now is precisely the time to strengthen your results culture of motivated employees working together as a team to ensure the viability of the company.

Today everyone, managers and employees, are challenged by uncertainty. Will they have a job? Are they feeling guilty for keeping a job when associates have lost theirs? For most people it is difficult to be upbeat at the very time they need a strong positive attitude. The CEO needs to actively drive positive mindsets.

4. Upgrade Your Own Skills

For the CEO who is experiencing the same negative attitudes as employees it is difficult to be effective. Personal leadership is key. If we can't lead ourselves, how can we expect to lead our organization? You are a role model. Everything counts. Your personal leadership is a reflection of you and your expectations for you and your organization. Your employees observe you and your traits. John Maxwell is fond of saying, "People do what people see."

There is no better time than now to strengthen two important success traits in ourselves and our employees; a positive mental attitude and self motivation. Develop the 1% concept in yourself and throughout the organization. If we can improve our effectiveness 1% a month, a tiny amount, through compounding we will have doubled our effectiveness in about five years. This is an exciting concept that over time will build positive mental attitudes throughout the company. Tiger Woods has expressed this concept very well, "The greatest thing about tomorrow is I can be better than I am today." In today's environment, building positive attitude is key to current performance and future competitive advantage.

Every organization is perfectly designed to get the results they're now getting. Every organization has two things in common, a present and a future. During the present we program our future. If the future you envision is different from your present, you need to change the way you do things today. The

economic maelstrom we are experiencing highlights the need for immediate change. We don't have the luxury of time. Everything is compressed. In this environment effective leadership culture and working through employees to focus on opportunity is critical to future success. CEOs who make a commitment to development build a proactive organization that can identify, develop and realize opportunities in the short term and year after year

When we focus, target opportunity, embrace change, and upgrade our skills, we develop strategically with purpose.