

Lack of Focus: A CEO's Mistake Can Kill Sustainable Growth

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In a recent survey, 2000 senior executives listed their top challenges for 2006 as:

- Creating a culture that embraces and adapts to change
- Stimulating employees' innovation and creativity
- Getting the whole company to understand and execute strategies

An effective CEO understands that he cannot meet these challenges if the management team does not work together. He knows that he can meet them when he and his management team focus on working on the business.

Focus is one of the most important management skills a CEO can develop. Focus drives performance, performance drives results. Having a focused management team is the key to developing competitive advantage in your marketplace.

Focus means getting everyone on the same page and the right page so that everyone works together.

Efficiency vs. Effectiveness

We often confuse efficiency and effectiveness even though they are very different concepts. How would you define efficient? How would you define effective? Take a moment to consider your responses.

Efficiency commonly means getting a job done quickly, on budget and without loss.

Effectiveness means performing activities that help us go to new levels and doing them in order of priority.

Efficiency is doing things right. Effectiveness is doing the right things.

Which do you believe is more important? Which will produce the greatest results, efficiency or effectiveness?

Of course we want both. However, the correct answer is effectiveness. When you spend time doing things right, but not the right things, you will not get the results you expect!

Many people make the common mistake of being efficient but not being particularly effective. Consequently we lose our ability to drive results.

Every day "crisis managers" act in an efficient manner by always working on tasks that are urgent or seen to be urgent. They allow no time to manage and communicate and never enough time to adequately plan or monitor the plans they make.

An effective manager focuses on important tasks that drive results and success, tasks that are important to the future. Nothing dramatic will happen if he doesn't attend to them; he just won't progress to the next level.

High Payoff Activities

We are most effective when we work on our High Payoff Activities (HPA): those activities that generate the most success at our level of responsibility. High payoff activities are usually not urgent. They do not act on us; we have to act on them. It's the old 80/20 principle. The more time we spend on our HPA the more effective and successful we become.

HPA are proactive ways to increase success, yet how many of us know what our HPA are? How many of us have given them concentrated thought and written them out? Once we identify our HPA, how many of us set measurable goals to meet them?

From a team perspective, how many of us help our key people determine what their HPA are? Have we assisted them to set goals to meet their HPA?

An effective CEO generates strong focus for the company when he holds in-depth discussions and sets goals for accountability. His team works together towards a coordinated result.

Examples of High Payoff Activities

The most important of our HPA is to regularly plan and organize our time by placing those activities most important to our success into our daily routine.

Many CEOs and executives have functional responsibilities which, after planning, are often the most important HPA.

Beyond performing these functional responsibilities, the CEO must work on the organization rather than in the organization. True HPA for the senior executive are activities that develop and stimulate employees through coaching and mentoring, building a culture where people want to do their best, monitoring results, and developing personal leadership.

Larry Bossidy, former CEO of Allied Signal, provides an example in his book, *Execution: The Discipline of Getting Things Done*. He tells us that he spends over 20% of his time on people development. This CEO of a billion-dollar company with extensive demands on his time understands that people development is an HPA necessary for the future success of his company.

The effective leader understands that working on the organization is not natural. He creates HPA to continually modify his attitudes about work. You can do the same by asking thought-provoking questions that will guide your thinking towards your HPA. These questions include:

What can I do to:

- create a clear vision for the part of the business that I manage?
- encourage myself and the people who work for me to think more strategically every day?
- provide the people with whom I work clear performance objectives?
- create a culture in which people feel included and valued?
- help my people succeed?
- communicate better?
- be a better leader?
- create systems to make work more error free?
- increase the value our customers receive?

Summary

Most people stress becoming more efficient. Efficiency is important, but if we are to reach higher levels of success, we need to work on those activities that focus on our future. These activities are not urgent; we have to act on them. We have to identify them and place them on our schedule.

Knowing which duties are high payoff activities is important to developing personal focus. A best idea for the CEO is to work with his management team to help them define their HPA. This is an effective way to get the team focused and on the same page.

Focus drives performance, performance drives results. Effective CEOs understand that creating focus in themselves and their management team is the key to success. If we want a future that is different from our present and want to accomplish this in a proactive and timely manner, we must focus on those activities that drive success.

We often work to be efficient at the expense of being effective. Effectiveness drives success.

Peter Drucker said it well, "There is nothing more wasteful than becoming highly efficient at doing the wrong thing."