

The CEO next door

The 4 behaviors that transform ordinary people into world class leaders

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This book draws on the biggest dataset of the CEOs in the world, learn the real habits of top leaders.

The 4 CEO genome behaviors

- **Decide**
- **Engage for impact**
- **Relentless reliability**
- **Adapt boldly**

Hiring a wrong CEO is a \$112 billion dollar problem. Our work aims to resolve that problem. In May and June 2017, CEOs of GE, J Crew, Ford and US Steel stepped down under pressure from share holders.

This is what the NY times calls the end of the American era of the baronial chief executive.

CEO Myths

- CEOs are from Ivy league universities
- In our sample, Only 7 % of CEOs graduated from an Ivy league university. 8 % of CEOs did not even have a college education

CEO Myths

- CEOs are destined for greatness from an early age.
- Over 70 % of the CEOs we interviewed did not set out to be CEOs.

CEO Myths

- CEOs are egotistical superheroes
- Our research showed that CEOs who say 'independence' as their defining character were twice as likely to fail compared to other CEOs.

CEO Myths

- CEOs have larger than life personality with enormous charisma and confidence.
- A third of the CEOs in our study describe themselves as ‘introverted’

CEO Myths

- To become a CEO , you need a flawless resume
- 45 % of the CEOs we saw had at least one major blow up /mishap in their careers.

Successful CEOs stood out for decisiveness itself- the ability to make decisions with speed and conviction. Decisive CEOs in our study are likely to be 12 times more effective.

‘A potentially bad decision is better than a lack of direction from a CEO’

**Ninety four % of CEOs who rated poorly on
decisiveness rated poorly because of slow
decision making**

**Successful CEOs make decisions with only 80
% of the information available to them.**

Using a framework adds speed to decision making by simplifying complexity.

Good CEOs give their people a voice, not a vote

Simple frameworks help the organization take decisions rather than come with every decision to the CEO

As a CEO you have to make decisions from ambiguous situations and live with the failures.

Building consistent *learning* practices in every meeting helps CEOs address failures and learning better.

The physical state of a leader contributes to better decision making.

Good CEOs reach out for perspective to others, they realize that all input is not created equal.

Reaching a decision is only half the problem solved, the next step is to align the organization to implement it.

**At their best, leaders have the power to
create a new and better reality.
CEOs have to be the masters of
relationships and influence.**

Successful CEOs engage with others for impact rather than affinity(popularity)

CEOs fail when they are at the two extreme ends – not nice enough and too nice

Conflict aversion is a problem of the too nice CEOs. They misinterpret collaboration as frictionless.

**Great CEOs like great music conductors
conduct without pampering**

**Leaders and all of us operate at two levels –
aspirational and transactional**

CEOs who are known to be reliable are 15 times more effective than everyone else.

Boards and shareholders place a great emphasis on consistency of results.

Habits of highly reliable leaders

- They are on time for meetings and calls
- They make individual actions very clear in every meeting
- They follow up on agreed actions
- They make lists and put lists into action
- They keep everyone informed

CEOs who excel in reliability practice radical personal accountability

To be a successful leader, you need to move from individual achievement to collective achievement

Assess your reliability, ask yourself ...

- How consistent was I this week
- When am I thrown off my game
- Does everyone in the team understand what is expected of them
- What expectations do my stakeholders have of me

The best CEOs plug into broad and seemingly unrelated information. They take the information and make connections.

**The best CEOs don't have all the answers,
but they ask the best questions.**

Being curious is the hallmark of adaptable CEOs.

'life can only be understood backwards, but must be lived forwards' Soren Kierkegaard

**Getting to the top is about delivering results
and being known for delivering results.**

No one has more control over your visibility and success in an organization than your boss. Get a good boss.

First time CEOs underestimate the job completely and the shift that is needed in their habits, assumptions, attention and time.

For CEOs, about 45 % of their time is with external stakeholders.

A good CEO needs an excellent administrative assistant because the person manages the most crucial element of a CEO's resource – his/her time

Recalibrate your power

- Your knowledge and insight
- Access to information
- Formal and informal network
- Loyalty
- Positional authority

CEOs succumb to identity theft, i.e. they start being a CEO only and forget all their other passions and what makes them a full human being

**There are three stages of a leader's career :
first you are known for what you can do,
second, you are known for what you know
and third, people want to follow you for
who you are.**

The six 'safe' people bets that put you in peril

- Maintaining the status quo
- Favor pedigree over relevant track record
- Acquiesce to the board
- Over rely on people they have worked with
- Hire people who are clones of themselves
- Avoid talent that could become competition.