

CEO ²⁰ CEO

Assisting business leaders as they navigate critical passages

March 25, 2009

Every day that you move your business or career forward is a great day. It may be true that yesterday a customer with a large receivable went bankrupt, leaving you a big bad debt. But that was yesterday. Today the challenge is what you are going to do move the business forward from your starting point this morning. Make a 30 second plan as you arrive at work, and attack that plan. By the end of the day, I bet you'll have had an impact—a great conversation with a prospect, a solid day of receipts to deposit, or maybe you discovered an expense that could be easily chopped. Enjoy that win, if even just for a minute, so it will encourage you to build on the momentum tomorrow. Lay enough daily wins down—even small ones—and they'll add up. *This is not a proverb. This is my 23 years of CEO experience speaking.*

The INSOMNIA Factor

What keeps CEOs **AWAKE AT NIGHT**
—and what to do about it.

Prepare for Bad Behavior

By Robert Sher



You know what happens in shortages. People hoard, some people steal, people get greedy, desperate. "I win you lose" is an easy mindset to adopt. Humans behave badly in shortages.

We are in a prosperity shortage. A money shortage. So prepare for bad behavior. Otherwise you'll be taken by surprise, you'll be more disappointed in people, and you'll have insomnia trying to figure out why it happened, and what to do now. By bad behavior, I mean:

- ◆ Board members acting to save their own skins, not the company's.

(Continued on page 2)

What I've been up to:

Take the Offer? A client got an unsolicited offer to buy her firm from a strategic buyer. But was it a good offer? I called on two M&A experts and two industry experts in my network, and held four 20 minute conference calls with my client listening. They weighed in, then I coached my client through a critical call to set the stage to push the price higher and the terms better. So far so good.

Expanding the C Suite. Another client has grown and it may be time for a #2 in the C suite. It is a big change when the CEO partitions his job. How should the responsibilities be divided? What will it be like and will the CEO like it? How will the rest of the top team react? We're looking carefully before leaping.

Customer Value Calculator. This client is intent on measuring the attributes of a complex product, and wasn't satisfied with a fully subjective measurement. We worked together to extract (from his head) the key sub-measures and drop them into a spreadsheet that his team will use to know if they are hitting their target.

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- Customers being disloyal, thinking short term and dumping you for a nickel savings.
- Vendors unrealistically raising prices or refusing to honor agreed terms.
- Business partners working less, demanding more, acting emotionally, not rationally.
- Employees turning on each other like caged rats, or turning on their manager or on the company.
- Peers in organizations whispering mean things about others, cranking up feuds into active campaigns, trying to get the other guy fired before they are laid off....
- Banks, insurers and other supports for a business pulling back so far that they “fire” good customers and destroy relationships, or don’t honor their commitments like they would in good times.
- Friends and neighbors who become jealous of you as you buy a new car/have your house painted when they can’t afford it anymore.

No business stands alone. All these relationships form what I’ll call a collaborative environment. Collaboration isn’t all rosy. People collaborate for a reason.

In hard times, people’s true colors emerge. If you’ve helped someone in the past, you’d think they’d feel obligated to return the favor, when you need it. And a few people in your world do have that kind of character set. They’ll help you even if it costs them. In my world, I try and collect those people, but I only know their true colors when they show them a few times. Still, it’s a bad practice to rely on the kindness of others, ever.

If you’re relying on the kindness of others, expect insomnia because one hard truth has not, and will never change. *People and companies do what is best for them.* If they collaborate, they do it because they need to. If they believe they can do it themselves, they will try to. This is true in work

(Continued on page 3)

Facilitator of difficult conversations. I do a lot of facilitating. Sometimes it’s to focus a team and keep them on track. Other times it’s to keep two good people who really, really need to talk, from losing their cool and creating a mess.

Why I Drink So Much Coffee. Actually, I’m more of a tea drinker. But part of my job is to build a great network of resources, so I can help clients and my circle of CEOs solve their problems. It takes a face to face to get to know folks, hence the coffees. I had a hunch that one CEO I knew (not a client) could stand to reduce some indirect costs right about now. I put them together with [Expense Reduction Analysts](#), and bingo, they’re working on pulling those nasty costs down. Call me if you want the ERA connection.

Understanding the Customer. An appointment setting team needed to really understand the prospects they were calling and to understand the benefits that real customers had experienced. Inspired by some tips I got from [Chip Doyle](#) of Sandler Sales, I facilitated five conference calls with customers and the appointment setting team so they could truly speak about real benefits. I recorded them too for future training purposes.

Upcoming Presentations

- ◆ May 5th, 2009: Teach at UCSC Extension MILE program; Business Planning in Action.
- ◆ May 21, 2009 Moderator at an SF breakfast event organized by Expense Reduction Analysts, Optimizing Your Capital in Today’s Economy. Interested chief executives should see me if you’d like to attend.
- ◆ June 09: The Alliance of Chief Executives is launching a quarterly group for chief executives running emerging businesses and I’ve been asked to lead it. If you know someone that might be interested, please let me know.

groups too. And it's true during layoffs. The people that keep their jobs are the ones the company *needs*. The companies that will survive are the ones that their customers and clients *need*.

The solution today is the same as it's always been. Find skills, situations or products that your customers need, and are depending on you to deliver. If you stop delivering, they have pain. They lose. They suffer. *You'll* need to be dependable too, so they can always count on you, and trust you. In return they'll pay you a fair price for it, which *you'll need*. I'll call it mutual dependence. Or balance of power.

People and companies in collaborative arrangements where there is mutual dependence will act kindly toward each other. And that's nice. There might even be some genuine caring there. After all, we are human. But don't EVER let the balance slip. If it ends up that you're not really needed, their kindness will likely disappear, probably when you need it most. If you end up giving more than you're getting (either in price or value), you'll likely look to move on yourself. Doing what is right for your company (or your career) with solid logic and done in the right way is NOT bad behavior, although it may be hard to do, and may hurt other companies or people. There is no black and white here.

In groups of people, where collaboration really must happen, or in communities of any sort, it gets messy. People hurt other people, they say things in the wrong way, at the wrong time. They pick up attitudes and biases that may or may not be true. They do insensitive things. Talk starts, and stirs. During shortages, this problem intensifies, and the games people play accelerate and have more consequence. It's a mess.

You'll want to try and manage the mess using the best techniques of organization behaviorists, PR firms, and the like. You'll want to avoid ever creating or adding to the problem. You'll meet with your customers, your co-workers, your "team-mates" and your collaborators to keep the relationships open and on-line. All this is good, and important, and best practice. But there's one more thing.

You'll focus the most, the very most, *on being truly needed*. On having exactly what they need and can't easily find elsewhere. And *they* must know it and *believe it*. So no matter what, *you* are one of the legs they are standing on, and without *you*, they'd fall down. It would be oh-so-much worse for them without you.

If you're doing your job at that level, or if you're company's products are that essential, you'll be one of the last ones standing, even in a nasty recession, even if there's a negative rumor about you, even if someone else in the collaborative environment has taken a shot at you. Your customer who needs you will protect you and shield you, and will fight with you, shoulder to shoulder, if they need to. That, you can sleep on.

Because you deliver what they need.

Honor Roll of Referrers

Thank you to those that have referred me to a chief executive or a speaking opportunity!

- ◆ Anne Bisagno, President, Xantrion, www.xantrion.com, referred me to a chief executive.
- ◆ John Reese, Managing Director, Expense Reduction Analysts, www.expensereduction.com, asked me to be moderator at upcoming event.
- ◆ Jim Horan, President, One Page Business Plan Company, www.onepagebusinessplan.com, referred me to a chief executive.
- ◆ Scott Smith, Partner, Hanson Bridgett, www.hansonbridgett.com, referred a prospective client *for one of my clients*.
- ◆ Greg Weiss, Senior Vice President, Wells Fargo Investments, www.wellsfargo.com, referred me to a chief executive.

Please call, e-mail or let's get together.