

# CEO <sup>20</sup> CEO

Assisting business leaders as they navigate critical passages

March 22, 2010

The other day I visited one of my first clients. He admitted, "Sometimes I feel a bit bored". Bored? With nearly 300,000 square feet of facility and a record growth spurt, how could he feel bored? The answer is that he has, over several years, worked very hard at building a management team that is eager and able to handle all the day to day issues along with aggressive growth. The boredom situation is easily and delightfully solved: This CEO will spend nearly all his time living in the land of opportunity, working to uncover strate-



## The INSOMNIA Factor

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

### Eager and Able

By Robert Sher

Imagine a leadership team several levels deep that is eager and able to pull the company up to the next level. All the CEO does is to align their energy. This *dream of a team* is too rare. Too often CEOs stay awake at night thinking about how to deal with a team that has some key managers topped out, some barely able to do the minimum and others in way over their heads. Insomnia would be running rampant.

To grow to the next level, you need leaders that are eager to dive in and able to perform well. If you have them now (good job!) you'll need more leaders to get to the level-after-next. *You must always be developing leaders throughout your organization.*

Small businesses get stuck when the founder runs out of

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gic alliances, areas for diversification, new markets, acquisitions and other big picture strategies. What fun! This month's Insomnia factor is on just this issue.

#### Recent Retainer Calls

Most of my clients put me on a retainer so they can have access to me whenever they need me. Here are some of the calls I got last month for routine issues and questions:

♦ **Review Letter of Intent.** This client was getting close to putting a reseller partnership together and asked me to look at the letter of intent he was about to send, from a business perspective.

♦ **Supplier going Legal?** This client had a supplier that was threatening legal action. We talked strategy about calming them down and minimizing any risk.

♦ **Retain Investment Banker?** This client had me look over the document for reasonableness.

♦ **Hiring a Key exec.** I was asked to interview a critical hire.

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bandwidth. A few of them are able to leverage teams of helpers/managers to get more work done. But those businesses get stuck again at the next level, when the chief executive must have *leaders* on the top team who *lead* the managers. That is the subject of this article. Managers like/need to be told what to do. Leaders (executives) create momentum on their own, making decisions as needed to achieve an objective.

I want my clients to develop an abundance of eager and able leaders in their company; in fact more than they need at any given moment, so they have several great choices when the call for leadership comes.

The first, most important concept is that *good enough is not good enough*. Too many companies retain good managers & good executives. I know it is hard to fire an executive that is good. But the standard for a growing, well run company is higher. You need excellent leaders, who are excited about stepping up their performance, about getting to lead a project, a department, a division, and someday, the business unit. It's no different than for my 12 - year-old daughter's soccer team. She's a great goal keeper but was sad when two of her teammates from last season got cut from the competitive team. The two are good girls, and good players, but not good enough for competitive soccer. Not good enough to win the cup. Yet they are fine for the recreational league. Is your company in the recreational league, or are you playing at the competitive level, for the cup?

### Know Someone that Should Subscribe?

Please encourage them. It will be good for both of us. Send them to: [www.ceotoceo.biz/insomnia.html](http://www.ceotoceo.biz/insomnia.html) to look at a few issues, and the link to sign up is on that page.

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- ◆ **Betrayal of Trust.** How to react and respond to a person who was trusted for many years, then breeched the trust.
- ◆ **Forecast Gut Check.** Do these numbers look right? Would you trust them?
- ◆ **Event Conceptualizing.** This client asked for some help creating an intimate event that would bring in 10-15 high value decision makers for a value add event.

## Presentations

*(I'm always interested in speaking opportunities)*

- ◆ **Thursday, March 18, 2010, Noon (Walnut Creek)** "Delivering Help in your Circle: Strategic Networking for Business Development", delivered to [CREW, Commercial Real Estate Women's Network](#).
- ◆ **Thursday April 22, 2010, 11:30 (San Francisco)** I'm moderating a panel of CFOs: "Beyond the Runway: Managing Growth in an Uncertain Economy" for a joint luncheon of the [Association for Corporate Growth \(ACG\)](#) and [Financial Executives International \(FEI\)](#). Let me know if you'd like to attend.
- ◆ **Tuesday April 27, 2010, 6PM (Santa Clara)** I'm teaching a class, "Business Plans; How to Assess, Evaluate and Implement for the [MILE program in the UC Santa Cruz](#) extension program.
- ◆ **Saturday, May 15th, 2010, 9:30 am (Burlingame)** The [National Speakers Association's](#) Pro-Track pro-

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I'm not saying to fire all your good executives at once. Just fire the worst ones every year. Fire those that are not likely to be a key part of the medium or long term success of the or-

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ganization. Replace them with leaders that are ready and able. Executives in your organization that aren't part of your future are blocking your way, impeding your progress. They are choking out great leaders that might rise up from the ranks or are waiting to be hired. Clear the way.

But don't "train" your future leaders. Real leaders aren't taught. They train themselves. They are learners, looking ahead to their own future and enrolling themselves in classes, reading books, finding mentors, and managing their own learning. If they ask for help, all you'll have to do is point the way. But if you have to push training on someone, cajole them and explain why it is important – then *know* that they will never be a leader. Clear the way.

Real leaders are very willing to prove their abilities. So when you think you see a leader, even at a lower level, make sure they get a chance to lead. Maybe it's a project you ask them to champion. Or perhaps there is a problem that needs special attention. Giving them time-bound work is a great low-risk way

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### Networking Success is about HELPING

Somebody's father once said, "It's not what you know, but **who** you know". That's what a network is all about. I've got a great network that is growing all the time, and many people ask me how to build a network. So after giving six speeches on it, I did a webinar which has been recorded. It's called [Delivering HELP in your Circle: Strategic Networking for Business Development](#). Perfect to view while you eat lunch at your desk. By the way this father thinks that both are important — *what you know and who you know!*

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gram has asked me back to expand my talk to an all-day workshop on business planning.

- ◆ **Tuesday, June 8, 2010, 12:30 (Oakland)** "Building a Plan for Business Development through Strategic Networking", delivered to [Nor Cal CCIM](#) (Certified Commercial Investment Member), a commercial real estate group.

### **Referral Hall of Fame**

Thank you to those that have referred me to a chief executive or a speaking opportunity! *Referrals are how I grow my practice.*

- ◆ **Andrew Krone**, with [Marble Bridge Funding](#), who met me at a [Tatum](#) breakfast (thanks to Christina Bui), recommended me for a speaking opportunity which has snowballed into a string of four speaking ops, with two more likely. Wow!
- ◆ **Cheryl Hayes**, VP with [GE Capital \(Real Estate\)](#) brought me in as a speaker where two Presidents connected with me.
- ◆ **Kevin Miller**, Account Exec with [Old Republic Title](#) referred me to a speaking opportunity.
- ◆ **Kevin Ishizu**, Director with [Barney and Barney](#) (insurance) referred me to a Managing Partner.
- ◆ **Kim Walters**, General Financial Manager of [Invision](#) (real estate development) connected me to a CEO.
- ◆ **Della Lo**, China Affairs Manager with [Am-Cham-Hong Kong](#) introduced me to a prospective client.
- ◆ **Bill Butler**, Private Banker with [Citi Private Bank](#) connected me to a prospective client.
- ◆ **Ron Lissak**, Managing Partner of [Catapult Advisors](#) introduced me to a CEO.

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to watch them in action and for them to both learn and demonstrate leadership. If they do well, find them their next challenge. They'll thrive and so will your company.

Some of the biggest disasters I've seen is when someone is placed in a leadership position without being properly vetted.

Bad leaders can create serious damage to a company in a short time frame. Sometimes it's because they have overstated their experience or competence. Other times it's because they want leadership for the wrong reasons, like power or a big salary.

### Global Expansion Strategy Viable For Many

Many CEOs will take a deep breath before even thinking about putting down a permanent footprint overseas. For years, global operations have been the province of the large firm, but this is changing. Alliance member Raju Reddy, CEO of Sierra Atlantic, stepped into China in August of 2007 without any major hiccups, and in two years has doubled the size of his China team, supporting global sales. Moreover, he is generating significant revenues from sales within China. Sierra Atlantic was only a \$56 million revenue firm at that time. Read my case study [here](#).

### The Answer is NOT Inside your Head

In the second half of 2008, most of the CEOs I know started complaining that their tried and true sales and marketing techniques started failing. What had produced steady results stopped working. With the top line crumbling, everybody starting scrambling. Given the depth of the downturn, everyone added some new techniques, adjusted pricing, and otherwise made attempts to figure out something—anything—to push the top line upward. Should anyone have abandoned their best pre-downturn sales techniques in favor of new ideas? No. Do the drastically poorer results during the great downturn mean that the best pre-downturn techniques will never work again? No. Read my essay about where to find the answer by [clicking here](#).

Collecting and growing an excellent leadership team is one of the most critical aspects of a CEO's job. Clogging up the management ranks with people at the apex of their career is a sure way to stagnate a company, and to choke out opportunities for your future leaders to engage. Make a special effort to identify and develop leaders within your organization so that your entire leadership team is eager and able to take your organization to the next level. You'll be

the kind of CEO that gets to flirt with boredom, yet focuses on strategic issues and future opportunities.

*Robert Sher is principal of [CEO to CEO](#), specializing in assisting CEOs and business leaders as they navigate critical passages. He is the author of *The Feel of the Deal; How I Built a Business through Acquisitions*. He may be reached at [Robert@ceotoceo.biz](mailto:Robert@ceotoceo.biz).*

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