

# How CEOs succeed: 'Think big, start small, move fast'

*Concerned about your CEO being properly focused and delivering value faster? Board members can use the forces of Mobilization to focus the CEO and the organization on the few big choices and initiatives that create real value.*

**BY SANDY OGG**

**B**ain released research in 2012 on public companies generating above \$500 million in revenues in 12 developed and emerging economies. There was no good news. Eighty percent of the 2,000 companies they assessed believed they were doing well. Yet, according to stakeholders, only about 10% were actually doing as well as they thought. And only 11% were able to sustain profitable growth.

It should come as no surprise then that the CEO's tour of duty has shortened considerably. Not just for well-publicized failures like Ronald Johnson and his 17-month tenure at J.C. Penney. Leadership turnover at the world's top public companies has been silently picking up pace. CEO tenure in the

top 2,500 companies dropped from 8.1 years in 2000 to 6.3 years in 2009, according to data from Booz & Company. In 2011, the *Wall Street Journal* reported that Fortune 500 CEOs were averaging 4.6 years. In the private equity sector today, we have observed a more than 50% turnover of CEOs within the five-year investment cycle.

We have a problem.

We all need CEOs to succeed. Our businesses and our societies depend on it. Yet CEOs today are overpetitioned and underserved. They have less and less time in which to deliver value. What can board members do to help them focus their attention and energy on the right things at the right time — without reverting to micromanaging?

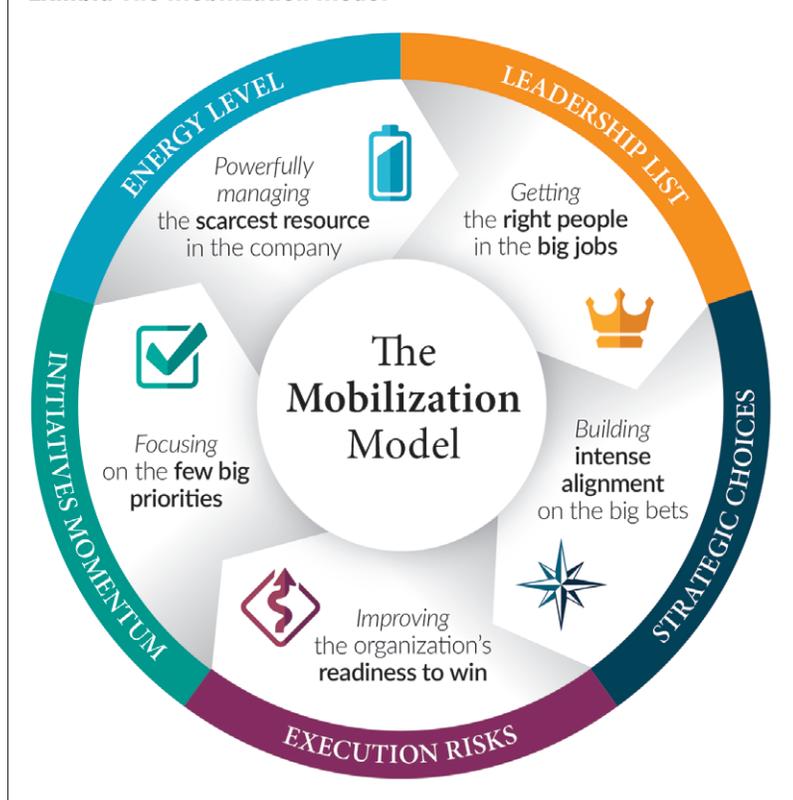
## **The best work differently**

What helps CEOs put in place the set of actions that will ultimately create value in the short- and long-term? I have been living with this question for over 30 years. Through observation, reflection and discussions with leaders in companies around the



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Exhibit: The Mobilization Model



world, I have discovered that the best CEOs work differently and are supported differently than the less successful ones. Successful CEOs somehow get to the profound simplicity on the other side of complexity. Somehow they transform and power up their organizations to keep generating new, more and better value for their customers and shareholders — faster than their competitors.

A few years ago I began working with CEOs in the world of private equity, where the focus is on creating value in a tight timeframe. I looked at the information these CEOs had, the choices they made, and what changes they made based on new information as it came in.

I looked at what acted as a unifying force in their businesses and what created momentum. I tested what I had learned about CEOs in public companies with leaders of select private enterprises. The crucible of private equity sharpened and accelerated the “Mobilization” methodology I had developed from my 30-plus years of experience. The Mobilization process and tools have proven to make it easier for CEOs to put in place the actions needed to create value *faster*.

### The work of the CEO

This approach rigorously focuses CEOs on the work only they can do that will make the differ-

ence between success and failure. The framework, although not comprehensive, concentrates their attention on the things that matter most:

- 1. Leadership List** — getting the right people in the big jobs
- 2. Strategic Choices** — building intense alignment on the big bets
- 3. Execution Risks** — improving the organization’s readiness to win
- 4. Initiatives Momentum** — focusing on the few big priorities
- 5. Energy Level** — powerfully managing the scarcest resource

CEOs need to choose wisely in all of these areas, all of the time. We found that relying on conventional wisdom in the first four areas still leaves CEOs with their greatest challenge: how to introduce enough change so they create momentum — but not so much that they overwhelm the organization. CEOs need to think proactively about how to do this.

What does this look like in practice?

We start with whatever part of the framework is weakest or represents the biggest opportunity and needs to be worked on first. We help CEOs look at the strategic choices they must make, the readiness of their organization to execute those choices, and the execution risks they would then have to manage. Essential, of course, for what will follow is making sure they have the right leaders on the team who can drive value creation throughout the organization.

### Creating the compass

From there, CEOs can co-create a “compass” with their leadership team that sets the overall direction for the organization. The compass allows people to “think big” and excites everyone about where they’re going. It includes the corporate ambition, values and goals, as well as where the company will play and how it will win. Communicated well by the entire leadership team, it creates intense alignment.

When CEOs then turn to making these big ideas actionable, they need to “start small” and “move fast” to establish momentum. The key here is to be very selective and to power up only a few critical initiatives. Make them “fast” by giving them the right sponsors, leaders, budgets, timeframes, and team members. In essence, “think big, start small, move fast.”

We have also seen that it’s helpful to give CEOs access to advisors who have been through the Mobilization process and can even sit on their boards. These seasoned advisors can help them identify

what they need to do, who they need to do it, what the risks are, and what's needed to increase their organization's capability to accelerate value creation.

Last, we help CEOs manage their scarcest resource.

### Scarce, but renewable

Energy is your scarcest resource — and the only renewable one you have. Energy is Mobilization's secret sauce.

When everyone has energy for what the CEO is doing, the company does well. When people lose energy for what the CEO is trying to do, the company

struggles. Then the CEO has to tap their own energy and give it. That means they have to manage their energy well. They have to be able to discern where any energy is

being lost in the organization, as well as what energy needs to be applied with employees, customers, shareholders, or in the communities where the company operates. They need to beware of people in key roles whom they dread talking with because they take, rather than give, energy. Key people need to pass the mobile phone test: if their name comes up on your phone and you cannot muster the energy to speak with them, they are probably "energy vampires." And all energy takers have to go — *now*.

### Actionable insight when it matters

What if your CEO had at their fingertips the ability to not only distinguish critical issues but also be able to respond to them in real time?

We realized that this work of the CEO requires new tools. Many of the ones in use today were originally invented in the days of hard disks and PCs. Since then, a few interesting technologies have impacted the way everyone works; specifically, the Internet, social media, and the cloud.

Technology may offer a breakthrough when it comes to Mobilization. CEOs no longer have to make decisions in the areas of leadership, strategic choices, execution risks, initiatives, and energy *without data*.

The real power of Mobilization lies in making the most abstract elements of success concrete for the CEO. At CEO.works, we are developing "/move" — an online, mobile tool — to put the essential data CEOs need to see in their hands. This cloud-based solution connects with live data feeds from your company's systems.

Customized, mobile dashboards reveal each leader's capacity and their performance in terms of value creation and critical actions on key initiatives. Key leaders, strategic choices, execution risks and critical initiatives have "tripwires" that send alerts so CEOs can take action in real time. Being able to look at this live data longitudinally gives CEOs the ability to observe the impact of their choices on individual and collective performance over time and to discern what value has and has not yet been realized.

Many people say the CEO is the "chief complexity officer" and that their role is to master the complexity of the organization they lead. The Mobilization process and the /move tool give CEOs a fingertip feel for what's going on in their organization and the impact of each of their decisions. Access to actionable insights through technology and the wisdom of experienced advisors helps them make better choices. Use Mobilization to focus everyone on value creation and to increase your CEO's ability to provide you with substantive performance data. Support them in mobilizing your company for sustainable profitable growth. ■

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