

How to Think Like a CEO and Act Like a Leader

Michael F. Andrew

This book is recommended:

If you want to develop your personal leadership skills and business knowledge to differentiate yourself among your peers.

If you want to be successful and build solid relationships that achieve results.

If you want an easy-to-understand explanation to the world of business, finance and leadership.



Whether you are part of a large organization or a small one, whether you have a senior role or an entry-level position, *How To Think Like A CEO and Act Like A Leader: Practical Insights for Performance & Results!* by author and business consultant Michael Andrew educates the novice, sharpens the pro, and shares easy-to-implement directives on how to succeed in business and life. Filled with

resonating insights that will guide you, this book simplifies the true nature of business to teach readers the CEO perspective on strategic thinking and finance, while providing practical leadership directives to be productive and results-oriented.

Consider this a mini-MBA and introduction into the world of strategic thinking, finance, leadership and business so that you will be able to act like a leader and think like a CEO.

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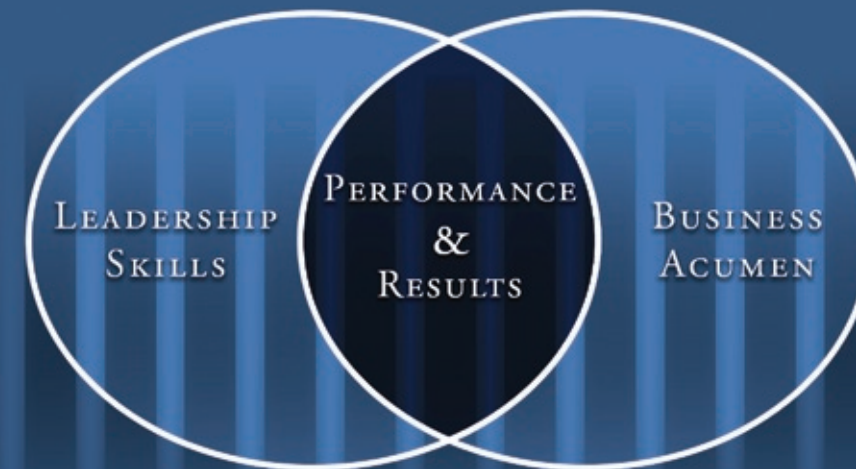
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Practical Insights for
Performance & Results!



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Chapter 17

If Every Company Has a Winning Strategy, Then Why Doesn't Every Company Win?

It's not what the vision is, it's what the vision does.

Peter Senge – Thought Leader and Former Director of the Center for Organizational Learning at MIT Sloan School of Management



Did you ever notice that just about every company has a winning strategy? Well, if every strategy is focused on winning, then why doesn't everybody win? The difference is in the execution. That is all that matters. The key factor in execution is effective leadership. Strategy is about execution and leadership is about results, particularly achieving results through others. As Jack Welch (retired chairman and CEO of GE) says in his book *Winning*, "Any strategy, no matter how smart, is dead on arrival unless a company brings it to life with people—the right people." When there are people involved to execute, then leadership is required.

Years ago, companies would keep their strategies confidential for fear that competitors would find out about them and perhaps copy them. Though this practice is not uncommon today, it really doesn't matter what competitors know about your strategy because all that really matters is the execution—not the words or the idea—the execution.

GE's well-documented strategy, to become #1 or #2 in each business, or get out, became popular because Welch made sure it happened. He led in a way that ensured the strategy was executed! Companies with well-respected business models and strategies, like Dell (no inventory because they build on order), which dominated the market and disrupted the competition, or Southwest Airlines, which consistently achieves superior financial results and customer satisfaction ratings while most airlines struggle, do so by executing those strategies and executing in a way that is extremely difficult to replicate. Think of how many companies have successfully replicated Southwest's strategy to be a low-cost, efficient, fun, and profitable airline. Some have tried. None has succeeded, though JetBlue seems poised to do so. The March 2005 issue of *Harvard Business Review* had an interview with Michael Dell, founder and chairman of

Dell, and Kevin Rollins, Dell's CEO at the time, on the topic of execution. The title of the HBR piece was "Execution without Excuses." In response to the question, "Why haven't other companies been able to copy your model or beat you at your own game?" Rollins responded by saying: "The same reason why Kmart can't imitate Wal-Mart. What Wal-Mart does isn't rocket science—it's retailing. Why can't everybody be a Wal-Mart or JetBlue or Samsung or whatever the best company in their industry is? The reason is that it takes more than strategy. It takes years of consistent execution for a company to achieve sustainable competitive advantage. So while Dell does have a superior business model, the key to our success is years and years of DNA development within our teams that is not replicable outside the company. Other companies just can't execute as well as we do." Michael Dell went on to explain the role culture has played over the years. When executives talk about their DNA, they are, basically, talking about their culture.

Creating the grandest or most insightful strategy is not the end. Though we can all appreciate compelling strategies, it means nothing unless it happens. Execution. That is the differentiator among all of the winning strategies out there. According to Ram Charan and Larry Bossidy's book *Execution*, "When companies fail to deliver on their promises, the most frequent explanation is that the CEO's strategy was wrong. But the strategy by itself is not often the cause. Strategies most often fail because they aren't executed well."

If strategy is about execution, what does it take to execute? It starts with effective leadership, and effective leadership is about results! I say "effective leadership" because I do believe there are many impressive, productive, and unsung leaders out there. The bar has to be set on measuring leaders by results. Former Mayor Rudy Giuliani comes to mind as a leader with a proven

track record of results in reducing crime and cleaning up the city of New York.

I have read hundreds of books on effective leadership. I have also listened to countless presentations on what makes effective leaders. They are all valid, they are all interesting, but they are all over the place. We hear leaders are visionaries; they paint a picture of the future and inspire others to join them. They are superb at developing others. They build coalitions and followers. They are outstanding communicators. In fact, they may consistently exceed expectations as measured or assessed by the leadership competencies defined by a company's HR group. It gets confusing. If someone were to ask me the definition of an effective leader, my mind is so bogged with all sorts of views and definitions accumulated over the years that I have come to define it one way: as one who consistently achieves results through others. I don't care what competencies he or she was measured by or what his or her personality is. Did the person achieve results? Bill Belichick, the successful coach (leader) of the New England Patriots, has a personality and a set of leadership skills quite different from the personalities and skills of recognized leaders such as Harry Truman, Ronald Reagan, Colin Powell, and Jack Welch. They are similar in that they all achieved results by executing on strategies.

Back to Mr. Welch from his book *Winning*: "...in real life, strategy is actually very straightforward. You pick a general direction and implement like hell." The implementation (or execution) process is all about leadership. Chapters 20 and 21 provide more information on the topic of execution.

I have often been asked: "What book do you recommend on leadership?" This is a valid question. My answer has always

focused on examples such as, but not limited to, General Norman Schwarzkopf's autobiography *It Doesn't Take a Hero*, or Colin Powell's autobiography, *My American Journey*, or Lou Gerstner's book highlighting IBM's historic turnaround and his role as CEO, entitled *Who Says Elephants Can't Dance*, or Doris Kearns Goodwin's book *Team of Rivals – The Political Genius of Abraham Lincoln*. Why these books? It is because they are not conceptual readings about leadership. They are practical accounts of how these successful people led amidst some difficult challenges and the results of their leadership. These men have different personalities and styles, but they have the following in common, which I recommend for any leader:

1. They Assessed their context.
2. They Adapted to each new challenge.
3. They Applied the concepts described in Part I.
4. They Achieved results on a consistent basis.

Of course, they had their shares of failures and roadblocks to overcome along the way, but they managed to bounce back and develop strategies (career, military, political, or business strategies) that were executable.

By virtue of your experiences, I will venture to say that you are already a good expert at judging effective leadership. Maybe your definition is different, and perhaps better, than mine. Let's demonstrate:

- **Who is the best leader you have observed or worked for? What made him or her such an effective leader? What results did he or she achieve?**

- **Think of a winning strategy you were involved with. Did the organization accomplish what it set out to accomplish? In your view, why or why not?**