

# Inside the Mind of the CEO

BY JAMES E. LUKASZEWSKI, APR, FELLOW PRSA

# The biggest question CEOs face is, “What do we do next?”

## Do you have an answer?

few key decisions, they have to give the organization time to catch up.

**Being a CEO is lonely.** Only a handful of individuals within the organization can discuss things and have a relationship, of sorts, with the CEO. In general, the CEO has to go outside the company to find peers. In the United States, 60 percent of all board members are CEOs. That gives the CEO peers to talk to who understand the decisions, problems and issues the boss faces.

**There is only one CEO position in any organization.** The moment co-CEOs are appointed there will be a management implosion or explosion, and one will either resign, die or be ejected.

**Understanding how leaders navigate is essential.** In my experience, most of those in senior positions will tell you that 50 percent of the time they know what to do, 25 percent of the time they are in a good position to choose correctly, 12.5 percent of the time they’re guessing and 12.5 percent of the time they don’t have a clue what to do. When you’re the leader, there’s no one to follow, but you do have the best view of the future.

**The biggest question CEOs face is, “What do we do next?”** Do you have an answer?

### Under pressure

You also need to be aware of when your CEO is under extra pressure. Here is my top-five list of difficult CEO situations:

1. Being a new CEO — In effect, this individual has to reinvent the company every 100 days for the first 900 days.
2. Culture change initiatives — These have to be given immediately and forged relentlessly throughout the organization and until at least 40 quarters have passed.
3. Mergers and acquisitions — Every one of these fails in most respects. They are the undoing of many executives’ operating careers.
4. Apologizing — Among the most difficult things for CEOs to do.
5. Getting indicted — Indictments are up; CEO exits are up; and the public, shareholders and employees

are looking for restitution when things sour, especially when the actions turn out to be criminal.

### An effective executive

More and more CEOs are hiring special coaches — some are even referred to as campaign consultants — to elect the chairman across the company on a continuous basis. Part of this is because so much of corporate life these days is politicized. CEOs are learning that they must have a base of support within their own organizations to survive and achieve their objectives. The *Managers Journal* feature in the June 1 issue of *The Wall Street Journal* carried a wonderful summary of the concept of an effective executive as described by Peter Drucker. (How many Drucker books have you read?) Drucker lists eight rules for the truly successful executive, which are especially applicable to the senior corporate communicator:

- Ask, “What needs to be done?” Failing to ask will render even the ablest executive ineffectual.
- Ask, “What is right for the enterprise?” The enterprise comes first.
- Develop action plans. These are “statements of intention” rather than commitments. They allow failures to be dealt with promptly and potentials for success to be recognized early.
- Take responsibility for decisions.
- Take responsibility for communication. “Effective executives make sure that both their action plans and their information needs are understood.”
- Focus on opportunities, not problems. Put the problems on Page 2, list the opportunities up front.
- Make meetings productive. Stop wasting time dealing with the past; focus on the future.
- Think and say “we.” You have to be a follower to be a leader.
- Drucker throws in a bonus rule: “Listen first, speak last.”

For a detailed discussion of Drucker’s concepts, see the June 2004 issue of the *Harvard Business Review*.

## Trouble ahead

A June 19, 1999, article in *Fortune* magazine identified five signs of trouble that lead to the end of promising careers: people trouble; decision trouble; bad earnings; missing in action (usually at some other company's board meeting); and off-the-deep-end financials (now the Sarbanes-Oxley kiss of death). Can you recognize any of these in your own CEO?

If you do, or even if you don't, communicating with your CEO may be difficult. Here are the most important attributes of effective communication for personal advisers to the CEO:

- Avoid the usual pro-press arguments or excuses.
- Candor (truth with an attitude).
- Give advice beyond that which the boss already knows.
- Give advice on the spot (in two minutes or less).
- Know when to be on or off the team.
- Notice and work to constructively correct signs of failure.
- Provide sound managerial reasons for communicating or not communicating.
- Provide well-timed, significant insights.
- Use successful or respected peers as examples.

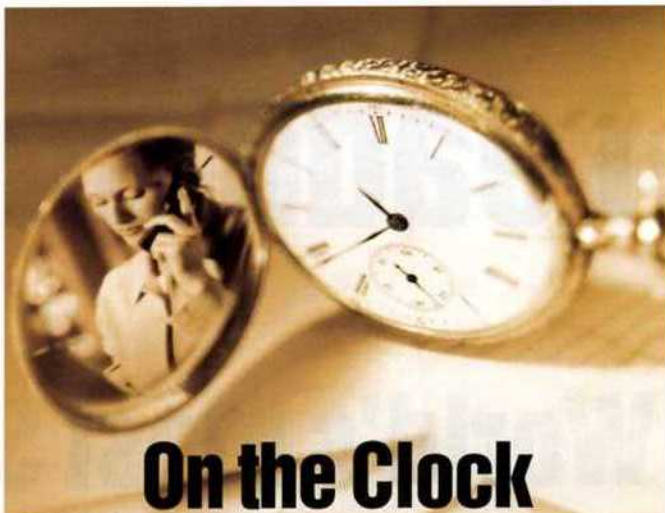
Just remember the questions CEOs always ask me: "Where is this table everybody says they want to get to? If they all got there, would I have to listen to them all whine at once? Could any of them tell me something operationally useful that I don't already know?"

Can you? ■

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## On the Clock

### What do CEOs do all day? How do they spend their time?

Here's how James E. Lukaszewski, APR, Fellow PRSA, breaks it out.

Here are the key leadership function ratios:

Admiration building:	6 percent
Articulating:	40 percent
Coaching/teaching/motivating:	40 percent
Decision-making:	5 percent
Forecasting:	5 percent
Repeating/reemphasizing,	
Reinterpreting:	20 percent
Reputation repair:	1 percent
	117 percent <sup>o</sup>

<sup>o</sup>The math is correct because the job of a leader is close to being around the clock. Anyone who does anything on an around-the-clock basis is, by definition, doing substantially more than any peer in a nonleadership position.