



The CEO's Agenda How Successful CEO's Create Wealth For Themselves & Shareholders

By Brian Graves and Bob Hall

Are you an effective Chief Executive Officer? Although each CEO's priorities are driven by their specific company's situation, we find *successful CEOs are constantly asking themselves two key questions*. What strengths can be exploited to increase revenues, market share, and profits to drive cash flow and ultimately the stock price if your company is public? Even the market leaders continually think about how they will maintain and increase their lead. What weaknesses need to be addressed to improve future cash flows and shareholder value? Even the best known CEOs such as Michael Eisner at Disney, Jack Welch at GE, and Michael Dell at Dell computer had to figure out how to move from the rear or middle of the pack to a leadership position. Successful leadership starts with a mindset, *nothing is impossible!* With time, resources, and capital most any business objective can be accomplished. Granted transforming an organization takes more than a Fort Night.

We find most CEO's agendas are similar; the differentiator between success and mediocrity is how they allocate time to what we have labeled the **CEO's Agenda**. The CEO's Agenda typically consist of four main items: *Strategic, Routine, Non-Routine, and Personal*. The *Strategic agenda* focuses on exploiting the strengths and fixing the weaknesses that have the greatest likelihood of increasing future cash flow (after all, growing cash flows increase the value of both private and public companies) in a reasonable time frame. The *Routine agenda* deals with the daily demands of various constituencies (customers, suppliers, employees, directors, shareholders, security analysts, news media, and government officials). The *Non-routine agenda* deals with responding to emergencies or crises that arise from time to time. Although nobody talks openly about it, CEOs do have a Personal agenda. By *Personal agenda* we are referring to maintaining some sense of work life balance, this agenda includes items such as exercising, eating right, allocating time to family, friends, and charitable causes.

If you are a type "A" CEO, we suspect you like most of your peers would prefer to spend most of your agenda focused on Strategic issues. This is no surprise, since we have found the **most successful companies both private and public have structured their organization so the CEO's agenda is**



heavy on Strategy. Unfortunately CEOs get distracted and can find time evaporated away with little or no time to spend on strategy until the business develops a crisis or the CEO personally experiences a competitive threat during a field visit.

We find the **CEOs Biggest Frustrations** include:

- ❖ Surprises- missed sales goals, lost deals, missed deadlines
- ❖ Lethargy- everything takes too long
- ❖ Incremental- when things do get done, the degree of improvement falls short of where it needs to be.
- ❖ Lack of creativity- the same old solutions to new problems and opportunities
- ❖ Complexity- unworkable solutions for solving simple problems
- ❖ Superficiality-giving a problem or opportunity the once over without carefully thinking through the alternatives and the potential consequences.
- ❖ Wishful Thinking- if we wait long enough or ignore it, the problem will take care of itself.

These frustrations and the desire to control and influence the organization can handicap the long-term success of the entrepreneurial and high growth company CEO. Typically, CEOs of these rapidly growing companies do not have the luxury of a full time Strategic Planning Group or the bandwidth within their executive team to effectively develop and adapt their business strategy. Successful CEOs have been taking advantage of strategy consultants for years to develop, create, modify, and implement their strategies. Strategy consultants provide CEOs with many advantages to ensure they allocate time to the strategy agenda. Advantages of working with a strategy consultant include an unbiased second opinion about your business and future plans, the ability to leverage cross industry knowledge, and the ability to augment the band width of your executive team so your initiatives can be accomplished according to your time line. Besides being an **Accelerator** to assessing your options, a skilled strategy consultant can facilitate planning sessions and problem solving meetings to extract information from your executives, which they may be afraid to tell you. This hidden information can be crucial to adapting your company's strategy to assume or maintain a leadership position. Successful CEOs know the investment in a strategy consultant who understands their business and can serve, as a sounding board and idea generator for improving their business is small relative to the gains in future cash flow and firm value, which can be in the millions to hundreds of millions of dollars.

About the authors: Brian Graves and Bob Hall are Managing Directors at Management Consulting Associates, a Strategy Consulting firm based out of suburban Chicago. Both Brian and Bob were executives at a leading Strategy Consulting Firm and have advised a variety of executives on Strategic issues to improve the wealth creation capability of their businesses.