

## Top 10 CEO Challenges

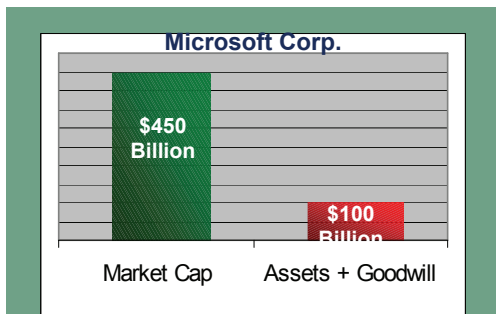
1. Sustained and steady, top-line growth.
2. Speed, flexibility, adaptability to change.
3. Customer loyalty/retention.
4. Stimulating innovation/creativity/enabling entrepreneurship.
5. Cost/ability to innovate.
6. Availability of talented managers/executives.
7. Tight cost control.
8. Succession planning.
9. Seizing opportunities for expansion/growth in Asia.
10. Transferring knowledge/ideas/practices within the company.

\*According to The Conference Board CEO Challenge 2004 survey.

## The “Soft Stuff” Yields Hard Results

Today’s ever increasing competition has created a quest for productivity improvements. We know that we must expand effectiveness to survive, and the tried and true methods focus on “the hard stuff” reengineering, rightsizing, investment in technology, etc. There is an emerging “soft skills” technology, that promises (and has demonstrated) even greater return on investment. **Personal Growth Technology.**

Most Chief Executive Officers of corporations across America have risen to their offices on the basis of their performance in the business world. Many of these



Says a top Microsoft executive: "Microsoft has a market capitalization of \$450 billion. If you add up everything we own, including the \$17 billion or so we have in the bank, it comes to about \$30 billion. If you then add in things like goodwill and other financial assets, maybe you'll come up with another \$70 billion, if you really struggle. But that means that there is \$350 billion more that people have given us credit for that is not there. What is it?"

*Well, it's the stuff in smart people's heads."*

men and women have expertise in specific business areas – sales, marketing, finance or general management. However, only a small percentage of these executives have had specific training in “soft skills” areas – the areas of business that deal with *people*, and *maximizing the production of people* under their direction.

Further, top executives often have rather deep-seated opinions on the subject of “soft skills” and their value to the company. Some simply do not believe that investing time or resources on “people issues” can or will pay off. They see the ingrained behaviors of people as “fixed”. Others may have tried innovative approaches and become disillusioned or disappointed at the outcome. Even fewer see the connection between personal growth and the company’s financial growth. All of these attitudes and opinions act as roadblocks to understanding how “soft skills” can help a company grow.

***“Our Employees are our Most Important Asset.”***

This has become a very common catch phrase. A company can lose its factory due to fire or disaster and, with proper insurance coverage, can rebuild. It can lose its most important customer, then go out and win a new customer to replace the loss. Yet if a company loses its’ employees it loses the knowledge, expertise and relationships with customers that have been accumulated over the years... The “company” loses everything.

### So, what is The Company?

If I asked you to show me your company, what would you point to? The factories, inventory, computers and offices? The illustration above suggests not. You would point to the people, wouldn't you? In fact, their really is no "company" at all. Instead, there is a group of people working toward a common purpose. The employees are not a company's greatest asset, **they are the company itself.**

When top management understands this, they see the true nature of their job...TO GROW THEIR PEOPLE.

be enormously difficult to change because they are often invisible to the people involved, because they support the existing power structure in the firm...

3. Although tough to change, corporate cultures can be made more performance enhancing. **Such change is complex, takes time, and requires leadership, which is something quite different from even excellent management.**

#### What constitutes a performance enhancing culture?

Certainly, the answer to this question is very complex, in fact Kotter

of others and are open to approaches outside their "comfort zone". They set aside their natural commitment to "being right" and are willing to listen to others.

4. **Innovation:** An organization that creates innovative approaches from it's grass roots is adaptive and able to react to market pressures, staying ahead of competitors.
5. **Personal Growth:** Since an organization is a group of people organized for a common purpose, the only way to expand organizational effectiveness is to expand personal effectiveness.

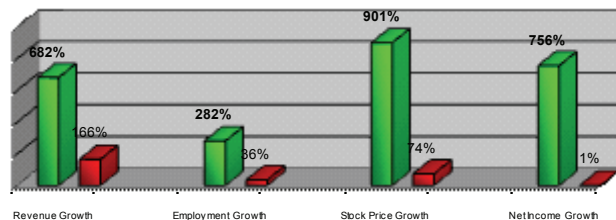
#### Why doesn't every CEO take steps to create such a culture?

First of all, it is virtually impossible to see the culture that you are immersed in. How do you change something that you can't see? Even if you distinguish your current culture, most of us don't know how to change a culture. We were taught how to do accounting, marketing, etc., but not how to lead, to produce such cultures. The "technology" of the soft stuff is only now evolving to the point where this capability can be "taught". So, most people don't even know where to start.

Soft skill strategies may feel "soft and fuzzy" to a CEO keeping an eye on profits, revenues and productivity. But if that CEO sees their job as growing their people, these same metrics measure their people's performance... and therefore the CEO's personal effectiveness at creating a growth culture.

If you want to increase your people's (your company's) performance, focus on creating a culture that evokes the best from your people. How do you do that? Go to work on expanding your personal leadership effectiveness.

Firms with Performance Enhancing Cultures  
VS  
Those Without



The next question is how?

### Performance Enhancing Cultures

In 1987 The Division of Research at The Harvard Business School conducted a series of studies that sought to explore the link between corporate culture and financial performance. The conclusions were published in a book by John P. Kotter and James L. Heskett called "Corporate Culture and Performance". Here, and in the table below, are excerpts of their findings:

1. Corporate culture can have a significant impact on a firm's long-term economic performance.
2. Corporate cultures that inhibit strong long-term financial performance are not rare; they develop easily, even in firms that are full of reasonable and intelligent people. Once these cultures exist, they can

and Heskett devote an entire book to it. In our 17 years experience working with organizational leaders we have found that high performance organizations have 5 key cultural characteristics in common:

1. **Commitment:** Great performers in any field are committed to a compelling purpose. That purpose is the fuel that propels them. Sharing a commonly held, compelling purpose is the heart of any great team.
2. **Accountability:** People who see themselves as accountable for results are diligent about **doing what they say they will do**, the simple definition of integrity. Including holding others accountable, as a means of supporting their success.
3. **Adaptability/Coachability:** People regularly seek the input

# Insight to Action

Take a few minutes and use this inquiry to turn your ideas and insights into an executable set of actions.

I take specific, conscious actions with my people to evoke commitment, enabling entrepreneurship .

Daily \_\_\_\_ Weekly \_\_\_\_ Monthly \_\_\_\_ Annually \_\_\_\_ Other \_\_\_\_

Actions I could take to expand my effectiveness:

I take actions to hold people accountable to support their success.

Daily \_\_\_\_ Weekly \_\_\_\_ Monthly \_\_\_\_ Annually \_\_\_\_ Other \_\_\_\_

Actions I could take to expand my effectiveness:

I encourage people to break old patterns to increase their effectiveness.

Daily \_\_\_\_ Weekly \_\_\_\_ Monthly \_\_\_\_ Annually \_\_\_\_ Other \_\_\_\_

Actions I could take to expand my effectiveness:

I seek feedback and use it to design new approaches to expand my effectiveness.

Daily \_\_\_\_ Weekly \_\_\_\_ Monthly \_\_\_\_ Annually \_\_\_\_ Other \_\_\_\_

Actions I could take to expand my effectiveness:

# EXTRA

## CHANGE LEADERSHIP TRANSFORMS ORGANIZATION...

### Personal Mastery

Programs deliver change management services; supporting the development of cultures that foster creativity, openness, and accountability.

Concentrating support in behavioral health and human services organizations, PMP has partnered with some of the most innovative organizations nationally, both large and small, to implement change initiatives:

- Adopting Evidence-Based Practices
- Implementing Electronic Health Records,
- Ushering in the Recovery Model
- Increasing productivity
- Integrating Behavioral and Primary care

PMP's approach to change management is based on a "personal growth model": An organization, by nature, is a group of people organized to fulfill a common purpose. Therefore any effort to expand an organization's capabilities must focus on personal growth for each individual.

**PMP promises sustainable value** to each individual in client organizations. The

*"PMP has served as a leadership consultant, trainer, and coach for me and members of my executive cabinet and senior leadership team. In my nearly 30 years of executive leadership I have encountered scores of management consultants, though none in PMP's league. They are very smart, insightful, and truly committed to the success of their customer. I have found their work to be of enormous benefit to both the organization and to me personally."*

**David Guth, CEO,  
Centersone of America**

PMP Change-Leadership programs are comprehensive in nature, combining three distinct disciplines:

**Breakthrough Workshop**

**Personal Coaching**

**e-learning**



**If you are faced with the daunting task of reducing costs, increasing productivity, improving quality of service; while keeping staff motivated and included, we can help. Call or write Brad Zimmerman; (248)647-9290 [bzimmerman@pmpcoach.com](mailto:bzimmerman@pmpcoach.com).**

*"Projects with specific outcomes that impact the bottom line build the business case for engaging PMP. All of us have hired consultants that got everyone excited and then we went back to the office and fell back into the same old patterns. The involvement of Brad since the retreat truly holds us accountable to change.*

*If you find yourself in a situation similar to ours and are truly committed to change, engage PMP. I highly recommend them, but only, if you are committed to break through thinking and operating."*

**Marn G. Myers, President & CEO  
The Judson Center**

**Executive Coaching / Leadership Development / Change Management**



### Personal Mastery Programs

*Transforming Organizations Through Personal Growth*

**[www.pmpcoach.com](http://www.pmpcoach.com)**

31000 Telegraph Rd., Suite 260, Bingham Farms, MI 48025  
(248)647-9290