

The CEO Next Door: The 4 Behaviors That Transform Ordinary People Into World-Class Leaders

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Section 1: Get Strong

Chapter 1: Unlocking the Secrets of the CEO Genome

Set the strategy and build the team and culture that would take the company there.

What Makes a Great CEO

CEO Myths

- **CEOs are egotistical superheroes.** We were intrigued to uncover that the CEOs who say “independence” as their defining character trait were twice as likely to underperform compared to other CEOs. The weakest CEO candidates used “I” at a much higher rate than “we” compared to the rest of the CEO candidates. For many successful CEOs, this team orientation has its roots in early organized athletics and in mentoring others.
- High confidence more than doubles a candidate’s chances of being chosen as CEO but provides no advantage in performance on the job.
- Above-average intelligence is an important indicator of C-suite potential. However, once at the C-suite level, higher intelligence as measured by standardized tests does not increase the odds of being hired as CEO or performing well in the role. In fact, CEO candidates who “cut to the chase” and speak in clear, simple language are more likely to be hired than those with complex and cerebral vocabulary.

Over nine thousand people of all levels of seniority have taken a self-assessment on CEO Genome Behaviors on our website www.ceogenome.com and have found the advice immediately applicable.

Section 1: Get Strong: Master the Four CEO Genome Behaviors

Our research uncovers the **Four CEO Genome Behaviors** statistically associated with success:

Decisiveness, Engaging for Impact, Relentless Reliability, and Adapting Boldly.

Chapter 2: Decide: Speed Over Precision

When we dug into the behaviors that differentiated high-performing CEOs, the behavior that stood out wasn’t thoughtfulness, analytical rigor, or any other trait you might link to quality decision making. *Successful CEOs stood out for decisiveness itself* - the ability to make decisions with speed and conviction. *Decisive CEOs in our study are twelve times more likely to be high performers.*

Decisive CEOs are driven by a unique sense of responsibility: “It’s on me to handle this,” they realize. While the rest of us may tie ourselves into knots, wanting to get each decision right, they make calls they know could be wrong, operating in a sea of uncertainty. What makes all this possible: deciding with speed and conviction. Knowing which decisions require nine minutes of deliberation, which require two weeks, and which don’t require your attention at all. And, above all, conscientiously learning from every call - good or bad.

What differentiates CEOs like Steve Gorman is their recognition, their firm belief, that when you need to get somewhere, even having the wrong map is better than no map at all. Art Collins, the former CEO of Medtronic and board member at Boeing, U.S. Bancorp, and several other leading corporations, told us, “It’s like calling a play. I was a quarterback when I played football. You didn’t always call the right play, but boy, once you called the play, you’d better have all your team;mates execute against it.”

So if you hope to make it to the corner office, stop sweating every decision. Instead, like Gorman, choose your map and press forward with speed and conviction. Become **Decisive**. As you strengthen those **Decisive** muscles, focus on three things: make decisions *faster*, make *fewer* decisions, and put in place practices to *get better at decision making every time*.

Make Decisions Faster

1. Make the complex simple.

“I noticed that the successful CEOs were willing to make decisions with only eighty percent of the information...”

Using a framework adds speed to decision making by simplifying complexity. Such a framework makes it clear to the entire organization what is important, so that not only the CEO but everyone can make better decisions.

Early in his career when he was at Vision Express in the United Kingdom, he determined there were a set of key levers to improving profitability for the retail eyewear business, and every decision the team made had to revolve around those - and only those - levers.

2. Give a voice, not a vote.

Effective decision makers actively involve others in their decision process. They do that for two reasons. First, to get multiple inputs to improve the quality of the decision. And second, to pave the path to smooth execution by building ownership and buy-in for the decision with relevant stakeholders. So when the time comes to execute, those who have to carry out the decision will become champions and willing volunteers, not chain-gang prisoners.

The participative mantra of decisive CEOs is this: *Everyone has a voice but not a vote*. Top CEOs recognize that there is an art to gathering input as part of the decision-making process. Yet they do not wait for consensus.

Madeline Bell, CEO of the Children’s Hospital of Philadelphia (CHOP), has a clear process in place to gather information and input from a variety of sources. She is incredibly inclusive when it comes to getting input from those around her. The information contributes to her decision. But often it has another purpose: to help her *communicate* the decision in a way that will bring all the parties into alignment. During those discussions, she learns the pushback and sources of hesitation and can then build the rationale to address the sources of concern. Participative, yes - but consensus driven? Not at all. Every decision she makes is unpopular with some contingent of stakeholders. But once she’s made a decision, she doesn’t look back unless material new information emerges.

Make Fewer Decisions

They wanted Madeline to referee the decision. “Absolutely not,” she told them. “I’m not up to speed on the issues involved.” She suggested that to answer the question, they look *down* the chain of command instead of up. “People closest to the day-to-day operations should be the ones to debate and decide it. This is not my decision.”

Madeline was employing one helpful tactic: *Do not step in when the decision rights reside with others in the organization who have the information and experience to make the decision*. It is a tactic that can be incorporated by leaders at every level.

Brad learned what all the best CEOs do: Your job is to decide on the *what* and empower others to decide the *how*.

Get Better Every Time

1. Look back. Make mistakes your laboratory.

SAS research pointed to a tangible benefit of not dwelling on the concept of failure: CEO candidates who used the word *failure* in talking about their mistakes were half as likely to deliver a strong performance in the seat as CEOs who did not.

2. Look inward. Condition your mind for decisiveness.

Too many leaders don’t realize the degree to which their physical state - whether they are rested, exhausted, or overcaffeinated - affects their emotional state and therefore their ability to perform when it comes to making decisions. Effective leaders recognize that under physical or emotional stress or fatigue, they tend to default to their natural behavioral biases related to decision making.

3. Look to the future.

First, he came to every decision with a clear mind. And second, whenever critics unsettled him, he reminded himself that they were focused on the present, not the future. He believed the benefits would become clear in time. “People who were really angry with me the first two years now understand our journey,” he told us recently. “Time is the greatest leveler.” (Of course, that’s especially true when you’ve made the right decision.)

Ashley's use of a forward-looking view to stay the course reminded us of the "10/10/10 technique" that Chip and Dan Heath recount in their book *Decisive: How to Make Better Choices in Life and Work*. "Imagine how you will feel about a decision in 10 minutes, 10 months, and 10 years," they write. Gaining distance from the pressing decision at hand helps you approach it more rationally.

4. Look around. Seek contrarian perspectives.

Doug told us three ways that MOPs helped advise him in ways that his employees couldn't. First, because they were outsiders, he had to bring them up to speed on the issue at hand in simple, clear language. Sometimes just that step of the process revealed to him a new answer or a flaw in his logic. Second, despite being outsiders, they often had information or perspective that offered insights to the issue at hand. And finally, because these outsiders knew him personally, they were terrific sources of "soft" advice. They asked questions that most colleagues would never dare to ask, such as, "Is this direction in line with your values?"

When the VC firm Andreessen Horowitz evaluates CEOs, one of their primary questions is, *Can the CEO get the company to do what she knows is right?*

Chapter 3: Engage for Impact: Orchestrate Stakeholders to Drive Results

At their best, leaders have the power to create a new and better reality. But the only way this new reality will emerge is by leaders enlisting others around them to do something different and often seemingly impossible.

Yet when it comes to performance in the CEO role, likeability alone leads to suboptimal results. CEOs who engaged others with a results orientation were 75 percent more successful than those who simply excelled at interpersonal skills or being likeable.

Successful CEOs engage with others for impact rather than affinity. They balance keen insight into their stakeholders' priorities with an unrelenting focus on delivering business results. They deeply understand others' needs without falling into the temptation to pander to them.

Being Too "Nice" Can Get You Fired

It can damage every one of the trifecta of key performance drivers - managing priorities, picking the right talent, and creating the right relationships.

Lead with Intent

Good CEOs have a clear vision; great CEOs can enlist everyone from the janitor to the largest customer behind the vision and explain how and why the smallest details of that individual's role are critical to success. Their secret? *They lead, in every interaction, with intent.* Leading with intent requires a leader to a) clearly articulate the intent to herself, b) consistently align her daily actions with her intent, and c) act on her intent in each interaction based on deep understanding of her audience and context.

There's nothing inspiring about showing up with a "to do" list and doling out tasks. People want to know where you're taking them and *why*, particularly if you're asking them to do something difficult or different from what they're used to doing.

A Surprising Tool for Perspective Getting

The importance of finding powerful and supportive mentors is among the mainstays of your typical "Career Management 101" instruction. However, when we had SAS crunch our assessment data, we found that the *weaker* CEO candidates talked about the importance of mentors to *their* careers. The *stronger* candidates talked about *offering* mentorship to others more than about the mentorship they received themselves.

Mentoring others is a powerful laboratory for *perspective getting* - it's hard to help someone without understanding his needs. Those who mentor others become the men and women who have the team, the network, and the resources to get things done. Growing as a leader is a lot easier when there are people eager to follow you. And corporate boards know that when they hire a CEO, they hire her network, too.

Jim Donald summed up his success across his CEO roles at Starbucks, Pathmark, and Extended Stay Hotels this way: "The secret of rising in your career is taking care of everybody in the organization first, by giving people credit when they do it correctly, and then by forming relationships on the front line. That's so critical because, as you climb, it's easier to have a base of support underneath that pushes you up, rather than trying to pull yourself up as an individual."

Chapter 4: Relentless Reliability: Deliver Consistently

What is that quality? It's not confidence or experience or even decisiveness. The killer behavior behind both hiring and performance success is **Reliability**. *CEOs who are known for being reliable are fifteen times more likely to be high performing, and their odds of getting hired are double those of everyone else.*

When Bill takes the helm of an organization, he rebuilds like an engineer, creating business systems that find and address root problems. He redesigned the structure of CHC, making accountability a top priority. He wanted one person clearly accountable for each and every business priority. He quickly upgraded the management team, bringing on board a world-class CFO, head of operations, and other executives. With his executive team, he tracked action items relentlessly. The list had 347 items at its peak, which GBill thinned out to 35 as he led the team to more solid footing.

A hallmark of reliability is following through on commitments. In the sample we studied, 94 percent of the strongest CEO candidates followed through consistently on their commitments. Research in the field of organizational psychology has found that people who are organized, disciplined, and thorough - that is, people who score high in conscientiousness, one of the five basic personality dimensions - have an increased probability of success in management roles.

The pillars of **Reliability** are personal consistency, setting realistic expectations, practicing radical personal accountability, and embedding consistency into the organization.

Discover the Thrill of Personal Consistency

“Being consistent creates clear expectations. You want your team to be able to anticipate the first and second questions you ask and have already thought through the answers. You are teaching what you want them to pay attention to. If the budget numbers come back out of whack, you want them to dig into the critical levers on their own. The moment you are inconsistent twice, there is a new pattern.” Jeff Swartz, the former CEO of Timberland, echoed this sentiment. “If you want to be serious, then you have to be serious all the time. Because if you're serious one day and happy the next, people will be confused. They won't be able to figure out where you're coming from, and that'll be threatening.”

The Habits of Highly Reliable Leaders

The successful CEOs we meet who understand the critical importance of reliability know that the little stuff matters. They work hard at being reliable in everything they do.

- They are on time for meetings, for planes, for phone calls.
- They make individual commitments (who is taking what actions by when) clear in meetings.
- They follow up on agreed-upon actions religiously.
- They make lists (to do, to read, mistakes, people to keep in touch with, useful resources, etc.) - and put those lists into action.
- They are aware of their mood, words, and actions in their interactions with their teams - are their actions and words having the desired effect?
- They keep the people who need to know in the loop, so that no one drops the ball.

They proactively shape their commitments to create a situation where they can reliably deliver.

Wherever you are in your career, you too can shape expectations to ensure reliable delivery. When you're handed a project, your response shouldn't be, “Okay, I'll get to work on it.” Say instead: “Here's what I'm going to deliver by when. And consider it done. And then make sure you follow through.”

Stand Up and be Counted On

4. Build the machinery of consistent process.

The magic comes from the fact that the system itself - the clear steps, deadlines, and measurable outcomes - makes it possible to hold people accountable for results. In our research, CEOs are almost twice as likely to be strong in holding people accountable than the average senior leader.

Scorecard: Simple Reliability Tool

- **Your mission and vision:** A mission is a short statement of the immediate purpose of your work. A vision looks further out: What accomplishments and values will your company be known for in the future?
- **Your top five priorities to accomplish them:** What will move the needle - and what needs to change so

that your calendar going forward reflects those priorities?

- **What would thrilling success look like for you and your organization three years out?** What accomplishments would fulfill your vision? How do you quantify and measure those accomplishments?
- **How will success be delivered?**

Chapter 5: Adapt Boldly: Ride the Discomfort of the Unknown

Let Go of the Past

4. They are willing to let go of approaches that have worked before.

“If we got kicked out, and the board brought in a new CEO, what would that man do?” Grove asked. Moore didn’t miss a beat: “A new CEO would get Intel out of the memory chip business.” Grove stared at him, numb. “Why shouldn’t you and I walk out the door, come back, and do it ourselves?” he replied. That’s exactly what they did. They shut down Intel’s memory chip business and pioneered a new market, manufacturing microprocessors, that would increase Intel’s market cap from \$4 billion to \$197 billion.

Margin note: We get out of ILT

Build an Antenna for the Future

—A meaningful glimpse of the future requires more than a three-year strategy document. Brad Smith, the CEO of Intuit, describes an exercise that helped him stretch his time horizon further. Brad and fellow leaders were asked to reflect on a decision or a strategy they wished their predecessors had executed differently ten years earlier to put the company in a better position today. “Everyone had a field day with this portion of the exercise, quickly identifying the ‘would have, could have, and should have.’” Oh, the benefit of hindsight is a magnificent thing!” recalls Brad. But it was the second part of the exercise that brought the lesson home. They were asked to fast-forward ten years and think about what their successors might with *they* had done differently. “That shifted my perspective and made me realize that as CEO, things were now different. Beyond the short-term goals of delivering business results, and even the three- to five-year plans, came the responsibility to consider the longer-term implications of everything I was doing today,” says Brad.

2. Use the power of questions.

“You must get underneath what they are telling you. Here’s what you do,” he said. “First, pay attention. Let them get about halfway into something they really think is important and then interrupt. Ask: ‘Wait, tell me why you think that is important?’ That forces them to back up and describe the assumptions, the facts, and the logic. Second, beware the declarative statement. When someone makes a point as if it [is] a fact, by saying: ‘Everyone knows that...’ or ‘We all agree that...’ stop them and say, ‘Wait, do you have data to back that up?’”

Adding It All Up

To help you measure where you are today on your path to the top, and to suggest ideas on how to improve, we have created a diagnostic online at www.ceogenome.com.

Section 2: Get to the Top: Win Your Dream Job

Chapter 6: Fast-Track Your Future

Career Catapult #2: The Big Mess

One tactic for those who feel they’ve been overlooked for the most plum assignments: *Take the job no one wants*. This is the job that one considers important - until you see and realize the potential to make it amazing.

Chapter 7: Stand Out: How to Become Known

“You’ve built a strong track record. But how much time are you spending getting to know people who could actually hire you for a CEO job?”

Visibility with the Right People

1. Pick your boss.

No one has more control over your visibility and success in an organization than your boss.

- **Understand your boss’s goals.** What does success look like to her? How does your role fit into that? How can you best support her? What are her career goals? What motivates her? Know which individuals in the organization are most important to your boss, and look for ways to get her noticed by them.

- **Don't guess his or her expectations and preferences.** *Ask.* What are her top goals for your work? How does she prefer you communicate with her? And don't just ask once; priorities shift over time. For example, you might turn in a project a day late to double-check the numbers, assuming she expects perfection, while she needed to make a quick decision, even if the data wasn't perfect yet. A good way to make this conversation less abstract is to ask about the best direct report your boss ever had: What made him or her so great?

- **Let your boss help you.** Keep your boss looped into your career goals, and connect your interests to the organization's. You want to keep these at the top of your boss's mind so that when your boss is in a meeting and your dream assignment is mentioned, your boss has both the knowledge and motivation to say, "You know who would be great for that..." and name you. On the other hand, if your boss hears you're considering a job opportunity in another division without consulting her first, you can turn a fan into a critic overnight. People who see themselves as being invested in your success want to be consulted and involved in your important career moves.

- **Master the regular update on the things that matter.** Send a focused update on where you are on your boss's top priorities with respect to your work. The appropriate time frame and medium for these updates will vary depending on your boss, company, role, etc., but the consistency shouldn't. The message to get across is: *I understand what's important to you and to the business. I'm on top of it. You can count on me.*

Some people go to work to please their boss. Others show up at work to get the job done. Neither of those is the same as saying, "How do I help this individual above me achieve the goals for the enterprise?" That's the secret to making your superior your sponsor - someone who can introduce you to opportunities or pull you up with him as his star rises in the organization.

2. Build Your Tribe

- Share your aspirations - not problems or issues - with potential sponsors. This creates positive energy and demonstrates that your goals are aligned with the business's and the sponsor's objectives.
- Ask a potential sponsor for advice on topics relevant to her. If you want someone to feel invested in your success, give her easy opportunities to contribute to it.

3. Build a bonfire

- *'At your level, to get promoted, it's not enough to just check the boxes and meet expectations. You need to make a contribution that moves the needle for the company. Something that is visibly and meaningfully core to what drives value.'*
- *Is this person known for something important for the business?*

Visibility in the RIght Way

1. Ask for what you want.

How you ask for what you want is at least as important as whom you ask. Your tone must be that of aspiration, not desperation. The first common mistake is coming to sponsors with problems rather than requests. The management refrain "Don't bring me problems - bring me solutions" applies equally to enlisting sponsorship. If you want sympathy, go to a friend. If you are going to a sponsor, make requests, not complaints.

Here's where I'm excited to go. Here's why it will be great for the enterprise and why I'm the right person to do it. I'd love your help if possible.

Chapter 8: Close the Deal

To ace an interview, ask not what the interviewer can do for you but what you can do for the interviewer. Nothing gives you a greater edge in getting hired than an intimate understanding of the mind of your interviewer.

There's only one statistically significant variable that both increases the chances you'll be successful as a CEO. It's **Reliability**. No other factors overlapped. None at all. Reliably delivering on expectations time after time gives decision makers a sense of safety that you will continue to deliver in the future. Feeling safe makes them more likely to bet on you.

Become the Happy Warrior

Among the 2,600 candidates analyzed by CKaplan and Sorensen, the more likeable leaders had higher odds of getting hired for *any* leadership position. They weren't necessarily the best of the best, but they were the friendliest of the best. SAS analysts found that highly confident candidates were 2.5 times more likely to be hired. *Likeability and confidence impart no advantage in performance, but they definitely help you land the job.*

Bill Fry exudes the likeability and confidence of a "Happy Warrior." The Happy Warrior confidently says, "I love to solve the problems you have. Been there, done that, and liked it. Eager to do it again, for you!" As these leaders talk about their most difficult projects and tough decisions, they exude joy, passion, and energy. In other words, they simultaneously create both emotional and practical safety. You know you've met a happy warrior when he or she leaves the room and you can't wait to put her or him in the job.

The people who ultimately get picked are those who lead with fierce competence delivered with genuine warmth. Good interviewees take a read on the room the moment they walk in and mirror the energy level. They pay close attention to body language to see how their words are landing: Are people's eyes lighting up? Do they sound hesitant? Are they checking their watches? Your goal is to connect with your audience and make them feel safe.

You may not look anything like the interviewers who will decide whether you get the job. You may not have gone to the same schools or played the same sports. But if you can leave them feeling safer and more energized than you found them, you've got a great shot at getting the job.

Memorable and Relevant

- **Bona fides and vivid stories.** Having a stamp of approval from a titan in the industry is both "sticky" - i.e., memorable - and safe. This is a good substitute if you don't have brand names on your resume. Years ago, Elena assessed a candidate and gave him a strong recommendation. She still remembers a story he told about how Sam Walton jumped into a plan to convince him in person not to leave the company. Did the story influence her recommendation? Well, it obviously stuck with her. An interviewer tends to remember a vivid, meaningful, and personal connection you have to a known winner. Have you received awards? Mention them!
- **Address your blowups productively.** A well told tale of redemption and learning can be incredibly powerful and positive, to boot. In our research, CEO candidates who react well to failure are statistically more likely to get a hire recommendation. Just remember that the story can't end in a pile of rubble. You have to show what you have learned and how you have changed your approach from that point on.

Here's another way to put an indelible stamp on your interview: *Overinvest in "bookends."* Practice your stories before the interview. Know the details you want to tell, especially the "bookends." The first and final minutes of your interview - how you meet and how you part - are most likely to be remembered. Make them special. Your expression, your voice, your hand gestures all need to telegraph, "I'm right, I'm ready, I won't let you down!" You are a safe choice, in other words.

Set the Agenda

Here's who I am. Here are the opportunities for your company today. Here's what I'm going to do about it. That day, they hired him on the spot.

You have to enter the room knowing what you want them to take away from the conversation. What do you want them to know and remember about you? Simply answering their questions leaves too much to chance. Apply your **Engage for Impact** muscle and think through what you want them to think, feel, and do as a result of the interview. Then build a simple list of three talking points to achieve those goals, with vivid examples for each. If the conversation falters, nudge it in a direction that allows you to speak to one of your topics.

Section 3: Get Results: Navigate the Challenges of the Role

Chapter 9: The Five Hidden Hazards at the Top

The next chapter then dives into the single most common mistake of new CEOs: failure to quickly get your team in place.

Hazard #1: The Ghouls in the Supply Closet

The clock is ticking. *Anything you bring to light in the first six months in the role will be viewed as what you walked into, setting the baseline. After that, it's your problem.*

Hazard #2: Entering Warp Speed

The Calendar Reality Check:

- How well does your time allocation represent your business and life priorities?
- How well does your time allocation represent your relationship priorities?
- How much time are you spending on short- versus long-term issues?
- How much time are you spending internally versus externally?

Hazard #3: Amplification and the Permanent Spotlight

Your new reality is this: Every move matters. Every gesture is profound. Your words are no longer musings, banter, input, or casual thoughts. They are declarations with the power to shape the future. Use them to create the future you want for your business.

Hazard #4: It's a Smartphone, Not a Calculator

Maybe you've seen that old Seinfeld episode where Jerry loses his head because his father will only use his new Wizard organizer as a tip calculator. (Jerry: "It does other things!") That phenomenon is not so different when an executive moves into the CEO role - but it's far more costly. In our review of seventy CEO firings, *a fifth of the CEOs were fired because they didn't use the full set of business levers available to them - the CEO-specific means of influencing outcomes.*

Lever 1: Culture Shaping

In our advisory work, we are often struck by the contrast between first-time CEOs and the CEOs who are ready to pass the baton after a successful tenure. Many of the retiring CEOs reflect in hindsight that cultural change was by far the hardest and yet most impactful change they had instilled in the business. They frequently wish they had placed more attention on culture earlier. Even as they prepare to pass the reins, many of them are eager to reinforce the culture and values that they hope will transcend their tenure in the business.

Three ways to shape the cultural imprint you leave on the organization.

- How consistently you articulate and model the behaviors you seek
- Where you put your time and attention
- Whom you hire, fire, and promote

Chapter 10: Not Just Any Team - Your Team

The first question every new leader should ask when it comes to talent is this: "How can I move this from being the team to being my team as quickly as possible?"