

The Insomnia Factor

What keeps CEOs
AWAKE AT NIGHT
— and what to do about it.

The Monthly Newsletter
of CEO TO CEO

Number 11 in a Series

Compulsive Micro-Management

I hated that governor! That nasty device didn't let my rental truck exceed 55 mph. Back in the late 70's and early 80's, as part of my job, I would rent a 24' bobtail truck with lift gate to pick up cargo at the

port in San Francisco. You could floor the gas pedal but it would never go faster than 55. The rental company's trucks were old but cheap, and they let me drive them even though I wasn't anywhere close to 25 years old.

The Dirty Dozen

I'm finding that there are a dozen distractions I encounter most often. I'm calling them "The Dirty Dozen." For each, I'll present how I've seen the distraction present itself, how it's caused the greatest damage, and what the key strategy is to mitigate the distraction because in truth, they'll never be fully defeated. The distraction at hand may be defeated, but tomorrow will bring a new one, a variant perhaps. Distractions will always be there, always decreasing our performance. But if we are aware of them and actively employ effective strategies to keep us on our path, we'll find our prize sooner.

All twelve distractions are controllable to a large degree. The first three are strategic in nature. The next four relate to planning. The last five are about people. But the order in which I will discuss them is no reflection on importance. Each organization is afflicted with a different mix of distractions, and you will find one or more that will immediately resonate with your personal experience.

That frustrating, speed limiting driving experience reminds me of running a company where micro-management has taken root. The company's growth rate is stifled, which limits its size, and if it breaks through even a bit—on a steep downhill stretch—it will most surely slow down again soon. This is true if the CEO is a micro-manager, also true if the top team suffers from the malady, or even if it's infected significant numbers of executives at the next few levels.

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Robert Sher

April 21, 2011

I'm writing this from New York, having taken a vacation with my wife and two teenage children. In Toronto we toured Casa Loma, built by Sir Henry Pellatt, who did great things but ended penniless. After seeing Niagara Falls, we went to Philadelphia and immersed ourselves in Benjamin Franklin and other fathers of our country. We moved on to Orange, and Thomas Edison, touring his office, workbench, home and library.

It sure makes me think long and hard about what I'm up to, and if it's my best and highest calling. I'm updating my own One Page Business Plan in light of having had an excellent year, making sure I'm stretching myself, and most certainly, not getting absorbed in things I should be delegating.

CEO TO CEO

Assisting business leaders as they
navigate critical passages

The Insomnia Factor • April 2011

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Malady? Only if you wish to grow in your executive career. Malady? Only if you want your business to grow to the next level. Many business owners are content with things as they are, and I won't quibble with that. But if you're not satisfied; if you want more, then every executive on your team must stop doing their subordinates' jobs for them—because that's what micro-managing really is.

This issue's topic, ***Compulsive Micro-management***, the eleventh in the series, will take you through some common issues and techniques centered on this common distraction. To read the first parts in this series, click [here](#) and start with the June 2010 issue.

Origins of the Malady

This is largely a disease of those who have advanced from an entrepreneurial or supervisory role to an executive or leadership role. In the past, those executives were accustomed to doing the detail work themselves. They came to believe that their way was the best way; the only way, the perfect way. Many of these executives have never tasted the glory of letting other people perform those same tasks to an equal or higher standard.

Lack of Clarity or Training at the Higher Level

It is so much easier to fill our time with familiar tasks that we have mastered. After our promotion, while we intellectually know we should hand these tasks off to the lower level, generate surplus time in our day, and with this newfound time we should figure out our new focus. But in practice many people find this difficult. Most executives, especially entrepreneurs, are unclear on what their new job should be if they are not doing what they used to do. Certainly they're not clear on exactly how to perform some of their new functions. They have never fully understood or internalized the critical strategic work they should be doing in the time they spend micro-managing.

Incompetent Subordinates

Most everyone who micro-manages will tell you that their team “doesn't have what it takes” to do it on their own. Without doubt, that is true in many cases. Often with budgets tight, the team is filled with people without the experience or training they would need. Sometimes a company can't afford to hire the right talent, and hires “helpers” who do in fact require the level of supervision that.....that a supervisor on a production line would deliver. This type of employee does in fact need micro-management (that is what supervisors actually do). But this also means that the business is not funded well enough to hire the right people, or isn't profitable enough to grow. So an executive will be diverted to being a supervisor, and the executive work will languish. In many cases, hiring a stronger team is affordable, and this may be a better place to invest in the growth of the business, although it may feel like

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I help my clients in many different ways. The best way to understand what I do is to read these examples of recent client work.

Lost Two Leaders This business unit was off and running, but then its leader left. Another top team member stepped in to run it, but when he left, the unit was still not performing well. The CEO decided that an outside consultant was needed to interview the team within this business unit to learn what might be holding it back, and what the go forward plan should look like.

Roles and Responsibilities This longstanding owner/CEO realizes it's time to spend more time enjoying the fruits of his labor. His top team members, who have grown up in the business, are talented, energetic and eager to play a greater part in leading the business forward. I'll be helping them create a clear governance structure, which defines roles and responsibilities for each of them as operating executives, board members, and eventually owners themselves.

Driving Planning Downward This larger organization had never driven planning responsibilities down three levels in their management structure. As we put this into effect, I'm sensing lots of eagerness and excitement around the work. We're trying to get the second level more comfortable with the process, so they can lead their teams on their own. A big challenge: getting everyone to take breaks from executing to give planning the time it deserves.

Presentations

April 1, 2011. Santa Clara, CA. A private group of CEOs asked me to deliver a 90 minute business planning workshop. It was whirlwind fast, but all of them have a start on an operating business plan that they should be able to finish out on their own.

June, 2011. Oakland, CA. **Succession Planning for Business Owners.** What will happen to your company and your wealth when it's time for you to move on...or you're no longer able to run it? Succession is a difficult issue from a number of perspectives. At this session, business owners will come together to discuss strategies and issues. I'll be facilitating this private discussion. If you're a business owner and would like to attend, please [contact me](#) to see if the discussion would be useful to you. If so, I'll reach out to the organizers on your behalf.

✳ Referral Hall of Fame ✳

Thank you to those that have referred me to an executive or a speaking opportunity! Referrals are how I grow my practice.

Dave Weil, CFO of **Solairus Aviation** to a CEO

Andre Gueziec, CEO of **Triangle Software** to a group of CEOs.

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a risk at the start. There is certainly no point in paying an executive salary, then due to understaffing, having them do supervisory level work. One option is to fire them and hire a supervisor/manager at a much lower pay grade. Upgrade your team entirely when you've saved enough to afford it.

Another reason you may have an "incompetent team" is that "real" (aka truly competent) managers and executives will quit if micro-managed. Your firm may be collecting all the managers who will accept being micro-managed because they don't have what it takes to be "real" managers or executives. This is a total catch 22. In some such cases, it may take the replacement of the micro-managing executive and all their subordinates to get a chance at recovery. There are other paths to attempting to fix these situations, but they all have risk of failure, and are costly. My favorite to start with is to put a good executive over the micro-manager, effectively demoting the micro-manager. The demotee may not stick around for long, but it gives you a chance to learn some of what needs to be learned.

Insufficient Training/Written Processes

We entrepreneurs and executives are by and large quite smart. We figure out our environment and create processes in our heads that allow us to get a lot done. Having created something from nothing, we can easily start thinking that everyone else can keep up, or learn at our rate. And it gets worse with age, since as we get older we accumulate knowledge and experience, forgetting how many years it took for us to get there. Our companies grow, we move up in management, and toss some of our work to our junior subordinates, then wonder at how they could not do it as well as us, or even do it our way. What is often missing is using known best practices for training and the development of written processes. Now I'll be the first to admit, it is boring work to write down in agonizing step-by-step detail how to do things that I already fully know how to do. But it is essential, and far less tiresome than having to clean up the mess, over and over again.

But please note that training is not the only answer. I know several people who over-train, assuming that every time one of their incompetent staff does it wrong (again) that they just need to train (again). Incompetent people who don't learn from well-delivered training likely need to be fired. At the same time, I know others who really believe (although they don't admit it) that their "way" is the only and best way, and when they see a team member doing the job differently, jump into training mode (again and again) in an effort to disguise their micro-managing intentions.

No Process for Earning Trust

I'm sorry to admit that I'm not the trusting sort. When I first hire someone, I may give them the benefit of the doubt, but I won't trust them until

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they've earned it. I've had too many disappointments. One of the most important aspects of the on-boarding process (for a new hire or a promotion) is coaching the new executive so that they have success after success, thus earning the trust of their peers and of their boss. Throwing them into the fire will likely destroy trust, as they are more likely to fail. Most all of us are guilty of this, and micro-managers have a great fear of allowing someone in, only to be surprised down the road by the horrible work and bad results. Instead, a newcomer should be given tasks and responsibilities in a stepwise manner, with close review and oversight (in addition to training/coaching). As we see them perform well on increasingly difficult projects, our trust grows and our need to supervise/micro-manage declines.

No Trust/Tolerance for Mistakes—A Culture of Micro-management

This defines a bureaucracy. Delegation (the opposite of micro-management) does increase the risk that the work might be done wrong. Offsetting that is the opportunity for a top manager to do something positive and new to take the organization to the next level. But some organizations have such a “guilt-line culture” that the risks are too high. I remember an early consulting assignment that involved writing a few short documents. I was astounded by the number of people that had to review, edit and approve the document. Everyone was afraid of upsetting other people. What should have been done in a day (and helped them solve a critical problem) took weeks. It made me crazy, but they thought it was normal!

Unbridled Perfectionism

This can be a beautiful thing. If I ever need a brain surgeon, I surely wish he or she is an unbridled perfectionist. But these people, if executives, have great difficulty scaling. Truly compulsive micro-managers. Chances are you'll end up paying them well (if they are critical) and leaving them close to the work (this means at a lower level) or as a technical specialist, but not a leader of a team of any significant size. If this is the CEO, the company will have a natural limit to its growth and profitability.

Focus on the Cost of Not Stepping Up

Too many people only focus on the potential costs of having the delegated task “done wrong”. Instead, focus on the costs of not diving into strategic, higher level work. For a CEO, that might be competitive strategy or exit planning, or identifying new board members, and so on. If the micro-manager reports to you, sit down with him/her and make a list of the strategic, high level deliverables you need from them. Give them a deadline, and ask to see their project plans detailing their approach in each area. Make them break down their action items week by week, and in your weekly 1:1 meetings with them focus nearly all of the time on these areas, not their old duties. This method pushes up the consequences of not doing the strategic work, and often forces people to “let go” of their old responsibilities.

Results Focus

Too often we get wrapped up in how something is done, rather than the results. Getting crystal clear on what the actual results should be can validate the concept that new ways of doing things work just fine. Likewise, someone who won't listen to known best practices that have been developed within the firm should get poorer results, signaling the need for training or dismissal.

“*Too many people only focus on the potential costs of having the delegated task ‘done wrong.’ Instead, focus on the costs of not diving into strategic, higher level work.*”

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So your Boss is the Micro-manager?

Ouch! But I'll start by trying to be positive. First, you can try to put them at ease, hoping they'll stop micro-managing. Here are some suggestions:

- 1. Paraphrase their instructions back to them, so they know that you heard and understood them.**
- 2. Ask for deadlines and priorities on the work they give you, so you don't disappoint, and start earning their trust.** If there are challenges which may lead to delays or poor outcomes, let them know right away.
- 3. As you learn the job, start sharing with them what you think needs to happen and by when, and ask if you have it right.** When they start telling you not to "tell them all the details" you have earned their trust.
- 4. Carefully try to highlight the "big picture" projects they need to be working on, and ask if you can support their efforts.** The goal here is to get them focused on doing their own job, and not yours.
- 5. Give them frequent briefings on the status of things.** Do this in your weekly 1:1 with them, and if you don't do this, try to get regular meetings with them so you can bring them up to date, and in doing so help them have confidence in you.

The sad truth is that if your micro-managing boss doesn't reform quickly, you ought to quit and go elsewhere. You can't grow as an executive while you're being micro-managed. And more than likely, your boss is stuck too. And if your boss is stuck, you are likely stuck on your rung on the corporate ladder with him/her.

Micro-managing is being stuck in a level of detail that should have been skillfully delegated. Micro-managing is a dead end career-wise, and is one of the causes of businesses getting stuck—of having their growth governed, and limited in scope and scale. Want to hit the accelerator and see your business or department respond? Eliminate micro-managing. ■

Next month's issue of *The Insomnia Factor* will focus on Distraction #12, "The Unpredictable Boss/Leader."

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CEO **TO** CEO

The Dirty Dozen

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- 2) *M&A and partnering mistakes*
- 3) *Running out of money*
- 4) *The data and analysis obsession*
- 5) *Debates without decisions*
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- 11) *Compulsive micro-management*
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