

The Insomnia Factor

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

The Monthly Newsletter
of CEO TO CEO

Number 12 in a Series

The Unpredictable Leader

Are you a surprise to your subordinates? Or do they know you, know what you'll say, what you'll want, how you'll react?

In an ideal world, leaders convey the mission and vision of the organization with such great clarity that their teams can make excellent decisions on their own, always executing the mission, moving toward the vision. These leaders motivate their teams to perform at high levels. They are perceived as stable, self assured and focused.

Similarly, throughout the ranks of the organization are manager-leaders who train their people to analyze situations the same way they would, using the same best practices the manager-leader uses, effectively acting as an extension of that leader.

Subordinates, generally seeking to please, listen

(continued on page 2)



Robert Sher

May 23, 2011

Superficial is less and less satisfying with each passing year. Scratching the surface is not nearly as rich as digging in deeply. After almost five years of consulting, I've gone far inside a number of organizations and have now completed all twelve essays on the Dirty Dozen Distractions.

These essays will form the basis of a book, but before that project, I plan on digging deeper. I'm formulating a diagnostic assessment for C-level execs at companies with revenues between 50 million and a billion. From my experience, I know that using the Dirty Dozen as a lens to focus on team behavior will produce more effective markers on how to course correct. (Any referrals to companies of this sort would be welcome.)

CEO TO CEO

Assisting business leaders as they
navigate critical passages

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In This Issue:

Recent Retainer Calls.....Page 2
Business Planning Workshop.....Page 3
Managing Multiple Constituencies....Page 3

The Dirty Dozen

I've found that there are a dozen distractions I encounter most often. I've called them "The Dirty Dozen." For each, I've presented 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. I say 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.

(Corporate Distraction - continued from page 1)

carefully, then look for signs that they are on the mark and are pleasing the boss. Early in their careers, or when new to their positions, they check in frequently. Given consistent predictable responses from the boss, they soon begin to work independently, knowing they are on track. The boss is freed to attend to other matters, and to scale his or her influence as appropriate.

All this breaks apart when the boss seemingly flip-flops, and what was right is now wrong. Confidence is shaken and everyone goes back to “training mode” at best, waiting to be given instructions. The whole notion of building a strong team to leverage the time and energy of the leader atrophies, and instead, he or she creates a cadre of administrative assistants. Any real executives quit.

This issue’s topic, *The Unpredictable Leader*, the last in the Defeating Corporate Distraction series of twelve essays, takes you through some common issues and techniques related to this common distraction. To read the other parts of this series, click [here](#) and start with the June 2010 issue.

I’ve seen three types of unpredictability: all are distracting and detrimental.

Emotional Unpredictability The leader is moody, so people wait for the right time to approach him or her. There are times when the leader is affable, but at other times look out! The constant volatility reduces communication and approachability.

Strategy and Execution Unpredictability One week the instructions are to go in one direction; the next week things are changed or even reversed. This inconsistency can echo through many levels of the team, destroying morale and focus. My definition of unpredictability does not include well planned and communicated strategic changes, or effective reactions to known, obvious changes in the situation.

Participation Unpredictability Many leaders have a role to play in decision making and execution, yet when their team turns to them, they are not in the office, not available, or perhaps not willing to offer their help and guidance as they had previously.

Don’t think this advice on unpredictability is only about the chief executive. Each reader should consider the people above them, those at their level, and leaders below them. You might even examine the organization’s future leaders, who are in a formative time for their predictability in future leadership roles.

From my experience in the field, I think there are three underlying causes of unpredictability:

Weak Emotional Intelligence One of the most frequent causes of unpredictability lies in the leader being unaware of or unable to manage his or her emotions. Then the stresses of running the organization emerge, manifesting as moodiness and inconsistency.

(continued on page 3)

Recent Retainer Calls

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Most of my clients put me on a retainer so they can have access to me whenever they need me. Here are some of the issues I helped them with last month.

Legal Action I’m headed off to depositions. Any advice?

Difficult Meeting I’ve got a difficult meeting coming up. How would you approach setting up and running the meeting?

Accelerating Recruiting We must accelerate the hiring of some hard-to-fill positions. Any ideas?

Breaking Up It’s time to give 30 days’ notice to a company we’ve partnered with for 3 years. It will be damaging and upsetting to them, but I still need their support during the 30 day period. How would you handle it?

Top Team Alliance Update

I’m running two Top Team Alliance groups that I formed about six months ago. Both groups have come together really well, and are nearly full. One group has mostly executives from closely held companies, and the other has a mix of PE, VC and public company executives. The groups have bonded well, and are actively helping their peers improve their performance. If you know an executive that might be interested, let me know. Once these groups are full, we’ll be starting new ones.

Business Planning Workshop

I am holding a business planning workshop in late summer, in which operating executives or executive teams can build their own one-page business plans under my direction. This is an abbreviated version of a process I employ with a number of my clients. All participants will be actively involved in building their own plans. They will come away with the foundation of a plan they can use for the rest of the year. Half day and full day options are available.

For more information, including fee structure, contact Jane Cere: Jane.Cere@ceotoceo.biz.

Managing Multiple Constituencies

We all know that “being the boss” doesn’t really mean we get what we want. Some companies have a simple ownership structure with clarity on who has the last word. But Alliance of Chief Executives member **Jim Harrison**, CEO of **MLSListings Inc.**, has multiple overlapping constituencies which blend ownership, industry associations, governance, sales channels and customers. **Read this case study** to learn how Jim manages to keep them all happy, and some of the best practices when being political is required.

(Corporate Distraction - continued from page 2)

Inexperience The second common cause is that the leader/manager is inexperienced, and frankly isn’t sure what to do. One day they pick a course of action, but are soon convinced they were wrong, and choose a different direction. Usually this is compounded by a fear of admitting that they are “over their heads”, lessening the likelihood of making collaborative decisions or getting helpful advice.

Intentional Dominance Tactic On rare occasions, the leader likes to dominate and to keep the confidence of those around him low. This “keep them off balance” approach never produces a healthier organization, but might be useful for inflicting wounds upon marketplace competitors.

When leadership unpredictability rears its head, the resolution generally follows four paths, and my favorite, by far, is the first: becoming predictable.

Self Improvement/Self Discipline The leader can choose to change their behavior and become predictable. They can learn to have and use more emotional intelligence, they can seek coaching about their behavior and they can seek help in areas where they feel inexperienced and unsure. First they must become aware of their unpredictability (many are not), and then they must embark on the change. But this is not an easy change, and it takes a person with fierce determination to make progress. They might not make a complete turnaround, but even a 10% or 20% improvement can be significant. I’ve titled this “self improvement” not because they must go it alone (they don’t), but because the only person who can “make them change” is themselves. They may get the signal from the boss, but they’ve really got to want it. Consider using a 360° survey on emotional intelligence (there are several), and consider using a coach to interview direct reports and collect feedback.

Ejection from the organization Some leaders aren’t going to change and if their behavior is toxic to the organization, fire them. Enough said.

Insulate the problem leader’s bad behaviors A strategy, if the problem leader is unchangeable or too good in other ways to fire, is to surround them with people who can “take it” and who will insulate the rest of the organization from the worst of it. This might be possible when moodiness is the key problem, but is more difficult for other kinds of unpredictability. A CEO could hire a strong top team and primarily interact with them, avoiding too much unrehearsed interaction with the rest of the staff. Some temperamental leaders will “close their office door” when in a bad mood in an effort to shield those around him during bad moods.

Accept the distraction, and the decreased performance that results There are many organizations which are owned by such unpredictable leaders, or which choose to tolerate them. The drama that surrounds them and the dysfunction it causes may be a price that ownership is willing to pay. If the organization is meeting its owners’ objectives, then who is to say that things must change? But I can’t say I love this option.

(continued on page 4)

(Corporate Distraction - continued from page 3)

One way to reduce unpredictability is to plan carefully up front, with the use of experts or experienced domain specialists in the process. If such planning is done, and people with the critical experience have been involved, the plan itself becomes a bulwark against strategic flip-flopping.

This essay is about your boss? I'm often asked what to do if it's your boss who is unpredictable. The first and most obvious is to think about changing jobs. I've seen over and over again that the people whose careers move fastest have bosses who are great mentors and who model the kind of behavior that very successful people have. If your boss doesn't qualify, think about moving on.

The most common strategy is mood timing – popping in with key requests or issues when the boss is in a good mood. This makes all the sense in the world, provided there are enough good moods!

Another key method is to confirm and reference the baseline strategy/plan, and place your request/initiative/issue in the context of an agreed upon plan. For example, at your weekly 1:1 with your boss, you reconfirm the urgency of getting the new product designed and released in three weeks. The boss agrees, and even trumpets the urgency more. Then you present your initiative to speed the process along further. It will be difficult for the boss to flip flop onto some other priority at that point.

Similarly, putting key initiatives in writing, referencing the vision/mission and key assumptions lays the groundwork for defending a decision against a surprise. Your boss, faced with clear logic based on accepted company priorities will be more likely to “stay the course”.

If an entire organization knows clearly what the leader wants, and in fact what the leader would say if confronted with most decisions, then that leader has succeeded in truly attaining leverage. One of the most important elements for attaining this goal is predictability. ■

Robert Sher is principal of CEO to CEO, specializing in assisting CEOs and business leaders as they navigate critical passages. He is the author of *The Feel of the Deal; How I Built a Business through Acquisitions*. He may be reached at Robert@ceotoceo.biz.

The Dirty Dozen

- 1) *Strategy tinkering & obsession*
- 2) *M&A and partnering mistakes*
- 3) *Running out of money*
- 4) *The data and analysis obsession*
- 5) *Debates without decisions*
- 6) *Functional areas not synchronized*
- 7) *The wheels coming off the bus*
- 8) *Misplaced loyalty*
- 9) *High-maintenance employees*
- 10) *Too much one-way communication*
- 11) *Compulsive micro-management*
- 12) *The unpredictable leader*

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