

The CEO Advantage: How to Cultivate Better Business Growth

By Nancy MacKay, Ph.D

CEO challenge:

The CEO of a company in a highly competitive industry, with less-than-compelling market drivers, knew that she needed a significant growth strategy. In fact, she believed that without such a strategy, the company would be out of business due to the difficult industry conditions.

At the same time, the board had made it very clear that it was expecting growth far beyond what had been achieved over the last three years.

She decided to hold a strategy planning session with her executive team, focusing on ways to grow the organization. To her disappointment, her reports spent the session focused on discussing the barriers to success and the company's past failures, refusing to entertain legitimate ideas.

The team was left uninspired, demoralized and no closer to avoiding disaster.

CEO mistake:

This CEO made a number of mistakes. First, she leapt straight into strategic planning without first getting buy-in to the goal of significant growth. Most significantly, not only did she fail to create a sense of urgency for change, she neglected to explain the board's expectation for significant growth.

Without agreement that such growth was not only possible, but also necessary, any discussion of strategies was virtually useless.

The second error was a failure to include all key stakeholders in the session. By limiting the planning to the executive team, when others in the company were much closer to customers and competitors, she ensured a lack of credible input and overall resistance to any subsequent plans.

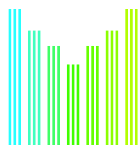
CEO solution:

After reflection and consultation, our CEO held another session and made the following changes.

First, she clearly defined the context for planning, making sure the team understood the board's specific expectations for significant growth.

Next, she created a sense of urgency for change by requiring that participants complete pre-work before the meeting. The team was asked to develop a SWOT (strengths, weaknesses, opportunities and threats) analysis relative to the company's top three competitors, all of which had already achieved significant growth. They also had to prepare a customer analysis, including a forecast of customer needs three, five and 10 years out. And, finally, they had to complete an industry analysis including competitors, suppliers, buyers, new entrants and barriers to entry to aid in identifying the organization's most important market drivers.

Next, the CEO invited top talent from the next level down. These were the folks who were accountable for the profit and loss of the business units and were a lot closer to the grassroots of the business. Not only did this bring much-needed perspective to planning, it would ultimately speed strategy execution.



In addition, external “rock stars” – people who had achieved significant growth in the same or a related industry – were invited to share insights and lessons learned as well as inspire the team to realize that significant growth was indeed possible.

More work? Perhaps. But the effort made planning infinitely more valuable in the long run with the result that the company’s prospects were much better several months later. •

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