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CEO Skills Development Best Practices -- Executive Summary

*Read the entire **Vistage Best Practices: CEO Skills Development module** to get an overview of our experts' best practices; the following executive summary provides a high-level overview of the process and what you need to get started.*

The Organized Executive

According to Vistage speaker **Bruce Breier**, successful executives manage four key areas of organization — **time**, **information**, **projects** and **people**. As they do so, they experience the "four C's" of personal organization: **confidence**, **clarity**, **comfort** and **cohesion**. To manage time, Breier recommends a disciplined process of daily planning that consists of five basic steps:

1. Set aside time every day to recap the day and plan for tomorrow.
2. Make it *quality* time by using a checklist agenda.
3. Recap the day.
4. Process all new paper, voice and email messages.
5. Plan tomorrow.

To manage information:

- Use an L-shaped desk with a credenza behind you. Four trays go on the credenza. Three hold (in order): documents to work on during the day, documents pertaining to projects in progress, and pending items. The fourth serves as your outbox. Your desk should be clear of everything except the documents you're currently working on.
- Use a "43″ file system to manage recurring paper — the documents you need to see again, but not today. The term "43″ comes from having a separate file for each day of the month (31) and each month of the year (12).
- Use a labeled filing system (in a stand-alone file cabinet) to hold non-recurring documents that you need to see again but only when the situation calls for it.

To effectively manage projects, use private work time (PWT) — making yourself unavailable to others in order to focus solely on your commitments. To implement PWT:

- Allocate and schedule five to 10 hours per week to work solely on your projects and commitments.
- Predetermine the project tasks to be completed during each PWT session.
- At the appointed time, close the door and turn off the phone. If necessary, put a sign on your door so people know not to interrupt.

- Change your voicemail message to explain that you can't be reached, and let callers know when they can expect to hear from you.
- Prior to each PWT session, walk the floor and take care of any issues before making yourself unavailable.
- Accomplish what you set out to do!

The management of personnel revolves around three areas: **interruptions**, **direct report briefings** and **effective meetings**. To reduce or eliminate interruptions, establish a standard operating procedure on internal interruptions and diagnose prior to causing or receiving every interruption. If the situation is urgent *and* important, interrupt. If not, use voicemail or email or hold the interruption for a more appropriate time.

Executive briefings involve weekly sessions (15 to 30 minutes) with each direct report. Each briefing should follow an agenda that includes:

- A progress report and update from the direct report.
- A discussion of issues that require your advice and/or support.
- Anything you want to delegate to the direct report for the next seven to 14 days.
- Any remaining miscellaneous items.

To run more effective meetings:

- Never conduct a meeting without an agenda.
- Always start and end on time.
- Encourage participation from everyone.
- Assign a designated note taker.
- Gain clarity and agreement on all assignments at the conclusion of the meeting.

The CEO as Coach

Vistage speaker **Agnes Mura** defines coaching as "an alliance designed to promote life-long learning and help people to become more effective and feel more fulfilled." It's a developmental process that raises people's awareness and encourages them to try new behaviors, new ways of learning and new ways of relating. It nurtures a sense of responsibility, enhances problem-solving skills, fosters goal setting and builds implementation skills and more effective work habits.

The benefits of coaching include:

- Improved retention
- Better performance accountability
- Succession planning
- Truth-telling
- Reinforced culture
- Reduced employee conflict

Coaching leads to many positive outcomes at the individual and organizational levels. For individual employees, coaching:

- Leads to breakthroughs on personal bottlenecks that limit performance.
- Brings performance to its highest capacity.
- Helps employees understand the intersection between themselves and their jobs.
- Creates enormous gains in emotional intelligence and effectiveness in people's entire interpersonal domain.

At the organizational level:

- Problems are no longer tolerated, covered up and allowed to snowball.
- The level of trust and motivation rises.
- People get better at telling the truth.
- Barriers to performance are removed.
- Performance of the management team improves dramatically.

Three conditions must exist before any company can realize the benefits of coaching:

- Coaching must be introduced as a developmental, not as a deficit or fix-it, tool.
- Confidentiality must be respected in all coaching situations.
- Coaching must be voluntary.

The Art of Coaching

Mura's method of coaching, called the Art of Coaching, consists of five separate steps.

1. Establish goals.
2. Promote discovery.
3. Determine a course of action.
4. Authorize and empower.
5. Recap.

Putting this process to work requires the following skills:

- **Contextual listening** — listening beyond the words and paying close attention to tone of voice, body language and other nonverbal communication.
- **Discovery questioning** — asking open-ended questions that come from a non-expert position.
- **Truth-telling** — laying reality out on the table for the coach and the "client" to see.
- **Gap bridging** — clarifying where the client is and where the client needs to go, then identifying what's needed to close the gap between the two.
- **Celebrating** — affirming and celebrating the client's accomplishments as you move through the process.

Conflicts often arise during coaching conversations. In those situations, says Vistage speaker **Bob Niederman**, always confront the issue rather than the person.

1. Get clear on what you want and why you want it.
2. Identify your contribution to the problem.

3. State what you want, your reasons for wanting it and your possible contributions to the problem.
4. Seek to understand the other person.
5. Check to see if you've learned something significant from the other person.
6. Return to step three and make any changes you believe will further the conversation.

On occasion, coaching conversations can venture into areas so sensitive that the person being coached refuses to discuss the issue. Using a risk manager, says Niederman, can help the person open up and address the issue. To create a risk manager:

1. Identify the issue being avoided.
2. Identify the risks associated with the issue.
3. Create a risk manager (a mutual agreement to monitor and reduce the level of risk during the conversation).
4. Address the issue.
5. Manage any new risks that arise.
6. Integrate the process.

Understanding Organizational Change

According to Vistage speaker **Joni Daniels**, managing large-scale organizational change starts with understanding your role as change leader, the different phases of organizational change and some fundamental change management principles. During major organizational change, CEOs need to wear several different hats, including:

- Change sponsor
- Sales agent
- Change target
- Cultural touchstone
- Change energizer

Major organizational change occurs in three distinct phases: **endings**, **the neutral zone** and **beginnings**. Managing change during each phase requires different techniques to minimize resistance and keep people focused on the desired future state.

Endings

- Acknowledge what people are losing.
- When possible, compensate people for their losses.
- Provide plenty of information about the change and why it's needed.
- Identify what is over and what isn't.
- Treat the past with respect.
- Set limits.

Neutral Zone

- Normalize the change.

- Continue to communicate in as many ways as possible.
- Monitor the transition process.
- Lead by example.
- Prepare for sabotage.

Beginnings

- Provide the four P's:
  - **Purpose.** Explain/reiterate the purpose of the new.
  - **Picture.** Paint a picture of the benefits.
  - **Plan.** Lay out a step-by-step plan for the change.
  - **Part.** Give each person a part to play so he or she knows why it's important to join the team.
- Use reinforcement in all forms.
- Clarify the mission.
- Address the issue of trust.

In addition to managing the phases of organizational change, paying attention to the following fundamental change principles will improve your chances for success:

- Change is a process, not an event.
- Change for change's sake is pointless.
- Resistance is normal.
- Don't take resistance personally.
- Communication is the key to success.
- Plan thoroughly.
- Make no assumptions.
- Be realistic.

"If you ignore these critical areas, the change effort loses its momentum and you never really get there," warns Daniels. "Or you get there but not in the way you envisioned.

Pulse Points for Organizational Change

According to Vistage speaker **Del Poling**, leading your organization through major change requires managing 30 "pulse points" — areas of leverage that, if not properly attended to, can derail the entire change project. Of these, eight have the most immediate and long-lasting impact on the change effort.

1. Understand the notion of "unfreezing." People can't move toward the new until they let go of the old. It's your job to help them unfreeze.

2. Identify the level of change. In general, organizations go through three levels of change. Level-one change involves doing more of what you're already doing. Level-two change alters the way people work. Level-three changes are forced upon the organization by top management, outside agencies, market conditions or environmental factors.

3. Clarify and optimize key roles. To successfully implement level-two and level-three change, companies must make sure three essential roles are filled:

- *Authorizing leaders* decide what gets done, by whom and by when.
- *Change agent leaders* have the knowledge, skill and position to manage the process of implementation.
- *Sustaining leaders* serve as liaisons between management and frontline employees.

4. Clarify the direction. To get people to buy into the change, clearly communicate the plans, goals and objectives of the change, as well as the perceived benefits.

5. Communicate the need for the change. Setting the vision, mission and goals will not suffice to bring about level-two or level-three change. You must also help your people see why the present condition is unacceptable.

6. Manage resistance. Resistance to change is normal, natural and healthy. However, unless you manage resistance, it will derail even the best planned of change efforts.

7. Make good decisions. How and when decisions are made during the change process has a huge impact on the ultimate outcome.

8. Ensure all stakeholders have the necessary competencies. To effectively lead change, managers need five distinct competencies:

- Technical
- Interpersonal
- Leadership
- Management
- Business/contextuals

Above all, the CEO must stay connected for the duration of the change. Otherwise, people begin to think that you don't consider the project important, at which point momentum begins to slip away.

Managing Resistance to Change

Resistance is a normal part of the change process. The keys to managing it, say Poling and Daniels, are knowing what to expect, identifying the various kinds of resistance and putting plans into place to deal with it. People resist change for many reasons, including:

- Not involved in planning the change
- Personal disruption
- Don't understand the benefits
- Disagree with the change
- Fear of the unknown

Poling identifies three specific types of resistance as the primary culprits in torpedoing change initiatives:

- **Dependency.** Dependent employees won't take the initiative; they blame others and refuse to take responsibility for their performance. They expect management to solve all their problems.
- **Counter-dependency.** Counter-dependent employees refuse to follow rules and procedures even when they make sense for everyone involved.

- **Fear.** When people get scared, they resist.

To manage dependent and counter-dependent behavior, simply confront the employee, explain that you don't tolerate that kind of behavior. Try to get them to grow up. If they refuse, let them act like a four-year-old in someone else's company. To help manage the fear, Poling recommends formal "grousing management sessions" whereby employees can voice complaints and concerns about the change process.

Daniels offers the following strategies for managing resistance:

- Honor the resistance; don't pretend it doesn't exist.
- Don't personalize the resistance.
- Identify the available resources.
- Manage according to the change phase (endings, neutral zone, beginnings).
- Recognize your personal advantage.
- Gently but firmly keep your people focused on the future.

Ultimately, managing resistance often comes down to what Daniels calls the "three C's":

- **Carry** people who don't want to make the change.
- **Coach** people to deal with the change.
- **Can** (fire) those who refuse to make the change.

The difference between managing change well and managing it poorly often depends upon how well you plan for and manage the resistance. By understanding it and taking it into account every step of the way, you'll dramatically improve your chances for success.

Expert Practices -- 3 High Leverage Points of CEO Skills

Running a growing company may be the most challenging and demanding job on the planet. It requires the energy of two or three normal people, the patience of Job, enough singleness of purpose to make Sisyphus look like he had attention deficit disorder, and a *very* broad array of skills and abilities.

To take your company from launching pad to synchronous orbit, you have to be able to envision the future, understand financial statements, build customer relationships, lead and empower increasingly diverse workforces and much, much more.

Some of these wide-ranging skills have far greater impact on your ability to lead your organization than others. As we move increasingly into an information/knowledge/service-based economy, the skills that seem to give CEOs the most leverage focus on managing people rather than the "hard asset" side of the business. Of course, you still have to know how to read a balance sheet, control inventories and things like that. But as technology continues to level the playing field, the only way left to gain a competitive advantage is with your people. In such a world, your people management skills — at the individual and group levels — will increasingly determine your organization's long-term success.

A primer on all the various people management skills could easily consume terabytes of hard disk space. To keep this best practices module manageable and to provide immediate take-home value, we decided to focus on three specific skills:

- Time management/personal organization
- Coaching
- Change management

Why did we select these three? Each skill is designed to bring out the very best in people. Time management starts at the personal level (you), coaching relates to managing people at the individual level, and change management looks at the organization as a whole. By developing your skills in these critical areas, you empower your people (and yourself) to bring out the best they have so that your organization reaches its full potential.

Time Management/Personal Organization

Your effectiveness as a CEO begins and ends with the most critical skill of all — your ability to manage yourself. When you manage your time (and therefore yourself) well, says Vistage speaker and personal organization expert **Bruce Breier**, your effectiveness as a leader and a manager skyrockets. When you don't, it sinks like a stone.

Breier believes CEOs who don't manage themselves as well as they could fall prey to one or more of the following:

- **Feeling of futility.** Often, CEOs feel so overwhelmed by job demands and constant interruptions that they consider personal planning a waste of time.
- **Lack of knowledge/expertise.** Many CEOs simply don't know how to plan their days and/or organize their lives.

- **The adrenaline factor.** Most entrepreneurial CEOs like a certain amount of chaos in their lives. They avoid time management or personal organization regimens that seem too rigid or structured.
- **False reliance on technology.** “Buying the latest wireless device or other technological gadget does not automatically make you more organized,” says Breier. Without a disciplined process for personal organization, technology only automates your disorganization.

Overcoming these obstacles requires a disciplined process that addresses four key areas: **time**, **information**, **projects** and **people**. Breier shares his 30 years’ experience and expertise on this subject in “The Organized Executive”.

Coaching

Picture the following scenario. A highly sought-after senior marketing executive mulls over employment offers from two different companies. Each company offers a challenging position with plenty of responsibility and opportunities for growth. Each has a good reputation for providing quality products and treating customers well. And each position offers almost identical pay and perks.

In the second company, however, the CEO makes it clear that part of the culture is meeting with each direct report twice a month to assist with personal and professional growth — not just to work on their performance as management team members, but to help them develop faster through a feedback and an exchange of ideas. Everything else being equal, which job do you think the marketing executive will take?

This scenario, say Vistage speakers and coaching advocates **Agnes Mura** and **Bob Nierderman**, represents just one of the many benefits of coaching your people. And as the battle for top talent escalates and companies become increasingly dependent on their employees’ continual growth and development, coaching will become one of those leverage points that sets the great CEOs apart from the merely good ones.

Change Management

Our third leverage point deals with managing people at the organizational level. In the corporate world, change used to resemble white-water rafting — long periods of calm followed by short bursts of rapids. Within the past generation, however, that trend has reversed itself. Today, short periods of calm (if any) are immediately followed by long periods of turbulent change. In most organizations, unpredictability, uncertainty and surprise have become the norm.

This doesn’t mean, however, that organizations should become passive recipients of change. In fact, say change management experts **Joni Daniels** and **Del Poling**, to survive and thrive in today’s “white water” markets, companies must learn to proactively plan for and manage change, which requires skill, guidance and direction from the person at the top.

Like the helmsman on a clipper ship in a raging storm, your ability to guide your people through a continual sea of change represents a major leverage point in your quest for organizational success.

Expert Practices -- The Organized Executive: Benefits of Personal Organization

It's been a long time since CEOs could get away with taking a weekday afternoon off to hit the fairways. These days, most chief executives consider themselves lucky if they put in less than 60 hours per week on the job. Not surprisingly, effective time management has become one of the most important skills for today's business leaders.

But according to Vistage speaker **Bruce Breier**, time management is but one part of a bigger picture that involves personal and corporate organization. Successful executives, he believes, must manage four basic areas of organization — time, information, projects and people. When they do, they experience the four "C's" of personal organization:

- **Confidence.** Having your time under control provides a greater sense of confidence about the day. Effective time management allows you to become more proactive rather than merely reacting to events as they occur.
- **Clarity.** When you take time to plan the day or week, you gain valuable knowledge about what to do and when to do it. Of course, things don't always happen on schedule. But knowing when they *should* happen provides a clarity that gives you more control over potential outcomes.
- **Comfort.** A broad-based planning process that takes into account all professional and personal activities provides a level of comfort because you know you haven't overlooked anything important.
- **Cohesion.** When all executives in a company manage their time well, teamwork tends to improve significantly. People feel the need to interrupt less often; they communicate more effectively; and they experience lower levels of stress.

Time Management

The secret to effective time management lies in *daily* planning — not once or twice a week, but each and every day, regardless of whether you feel like it or not. Developing discipline around this one principle, says Breier, will have a greater impact on your personal organization than anything else you can do.

An acknowledged expert in the field, Breier practices a disciplined process for daily planning that consists of five basic steps:

- **Allocate time to recap the day and plan for tomorrow.** Set aside 30 minutes at the end of each day for next-day planning. Mark the time in your calendar and treat it as a serious commitment. Try to do it at the same time every day so it becomes part of your routine rather than something forced into your schedule.
- **Make it *quality* time.** Close your office door, turn off the phone and permit no interruptions. Prepare a checklist of things to do so it doesn't become a random or haphazard exercise.

"I look at daily planning like getting ready to fly an airplane," explains Breier. "Pilots can't start down the runway until they go through their pre-flight checklist. So before you 'take off' for the day, make sure to go through your checklist to plan for tomorrow. After 30 years of daily planning, I still use the same sequential steps to end my day."

- **Recap the day.** Check off the day's completed "to do" items and reschedule incomplete tasks. But don't automatically reschedule incomplete activities for tomorrow if you know you won't get to them. Instead, move them to the next available day when you have the time and the desire to complete them.
- **Process all new messages.** Ending the day with a clean desk, a tidy inbox and a clear mind requires responding to unanswered communications. "You have three options with paper," notes Breier, "file it, route it or throw it away. For voice and email messages, use the save, reply or delete keys. By processing all messages every day, you prevent them from building up."
- **Plan tomorrow.** Planning for tomorrow involves organizing five categories of activities: **things to do**, **people to see**, **places to go**, **people to call** and **things to discuss or delegate**. Before leaving your office, suggests Breier, send an email or voicemail to the people you want to delegate things to for the next day, so they have your message before their day starts. This saves you the time of going from office to office telling people what you want them to do.

"Daily planning is a simple process, but one that requires discipline and consistency," acknowledges Breier. "Fortunately, it only takes a few days before the benefits become obvious. Those benefits can then serve as a motivator for sticking with the process, even when it feels forced or uncomfortable. Once daily planning becomes a habit, you will welcome the time to clear your mind, clean your desk, refresh your spirit and get re-energized for any evening activities — all of which help you start the next day far more effectively."

Information Management

The primary goal with information management is to create an uncluttered office — one without stacks of paper, overflowing in-baskets or dozens of unanswered voice and emails beeping away at the back of your consciousness.

"A cluttered workspace produces demoralization, discouragement, distress and distraction," says Breier. "It reduces your passion for the job and dramatically cuts into your personal productivity. In contrast, an uncluttered and stack-free office allows you to work without distractions and interruptions. It frees you up to focus your full attention on the task at hand."

Good information management depends to a large extent on the daily planning session. If you fail to plan on a daily basis, your ability to manage paper and information will seriously decline. In conjunction with a disciplined process of daily planning, Breier recommends the following:

- **Proper desk layout.** Use an L-shaped desk with a credenza behind you, thus creating a U-shaped environment. The only papers on your desktop should be those directly related to the project or task in front of you. Put your phone, calendar, pens, pencils and other items on the return. On the credenza, arrange four trays:

    1. The first tray holds everything that comes out of the chronological filing system. Keep it behind you and, one by one, bring the documents to the front to work on.
    2. The second tray holds projects in process. If you tend to work on many projects at once, use a stand-up vertical tray with eight or 10 slots.
    3. The third tray contains "pending" items, like paperwork you need to return, or urgent voice or email messages.
    4. The fourth tray serves as your "out" tray and primary paper flow tool for your administrative assistant. Ideally, 100 percent of today's work should go into this out tray.

"Notice that this system has no inbox," points out Breier, "and for good reason. In most cases, the inbox becomes a dumping ground for others and a constant interruption to you. If you have an inbox, get rid of it. The only paper

that should walk into your office is that which has been diagnosed as crucial (important and urgent). Everything else should go to a central mailbox system in which everyone has a slot."

- **Chronological filing system.** This system manages "recurring" paper, the documents you need to see again, but not today. Set up a file drawer (in your desk) that contains 43 hanging files. Label 12 for the months of the year and 31 for the days of the month. When you need to see a document again (but not today) put it in the appropriate file. If necessary, your assistant can manage this file, but you're likely to get better results if you do it yourself.
- **Categorical filing system.** This stand-alone file cabinet holds non-recurring documents that you need to see again but only when the situation calls for it. Most companies organize these files alphabetically. Instead, Breier recommends filing categorically for easier retrieval. Ideally, you should be able to access any document within 20 seconds.

To maintain a clutter-free office:

- Schedule time to completely purge your office. Go through *everything*. You'll be amazed at how much paper you no longer need.
- File, route or dispose of *all* new paper during your daily planning at the end of each day.
- Ruthlessly rid yourself of all unnecessary and unwanted paper. When in doubt, throw it out. Shredding paper (instead of just tossing it) sends a subtle but important message that you won't tolerate clutter.

"It can take weeks or even months to get used to this kind of system because it requires constant attention," admits Breier. "But if you use it every day, it *will* work. Once you get your system up and running, you will discover a newfound pride in your office environment. More important, you will find yourself working a *lot* more effectively."

Project Management

Do you often fall behind on projects? Do you continually find yourself scrambling to meet deadlines on your personal commitments? If so, you're not alone. According to Breier, many CEOs and executives report ongoing frustration with their inability to keep on track with projects and personal commitments.

The solution? "Private work time (PWT)," a concept whereby you schedule time to make yourself unavailable to others in order to focus solely on your commitments.

"Most executives who have difficulty managing projects don't schedule quality time to work on them," notes Breier. "They wait for an opening in their calendar and hope for the best, or they put in serious overtime as the deadline approaches. Neither represents an effective approach to project management.

"I recommend private work time (PWT), whereby you schedule time in advance to work on your projects and commitments without interruption. Ideally, you want to set aside one or two hours each day, for a total of five to 10 hours a week. The key is to schedule the time in advance and then have the discipline to stick to it. It also helps to make sure that your employees understand and respect your need for PWT."

To use PWT to maximum effectiveness, says Breier:

- Allocate and schedule five to 10 hours per week to work on projects and commitments. Mark it in your calendar.
- Predetermine the tasks to be completed during each session. PWT can also be used for email correspondence activities.

- At the schedule time, close your door and turn off your phone. If necessary, put a sign on your door so people know not to interrupt.
- Consider changing your voicemail message to reflect PWT.
- Conduct management “rounds” prior to each PWT session. Walk the floor and take care of any issues before making yourself unavailable.
- Accomplish what you set out to do!

People Management

People management revolves around three critical areas: **interruptions**, **direct report briefings** and **meetings**.

Interruptions

According to Breier, interruptions represent *the* major cause of unproductive executive time. They also represent a leading cause of managerial job dissatisfaction because they create a day of constant starting and stopping. Interruptions lead to a lot of unfinished “to do” items at the end of the day which, over time, leads to chronic demoralization.

Despite these negative consequences, interruptions are deeply ingrained in the cultures of most organizations. Eliminating them requires a two-step process:

- Establish a standard operating procedure on internal interruptions. Every employee needs to know what constitutes an interruption and when it is appropriate (or not) to interrupt.
- Diagnose prior to causing or receiving every interruption. If the situation is urgent *and* important, interrupt. If not, use voicemail or email or hold the interruption for a more appropriate time.

“Keep in mind that a customer or client never represents an interruption and should never be considered one,” cautions Breier. “Interruptions have to do with the way your people communicate with each other, not with the outside world. In my experience, 80 percent of all interruptions are unnecessary. When you diagnose before interrupting, you can eliminate the unnecessary ones, thereby raising everyone’s level of productivity and job satisfaction.”

Direct Report Briefings

This people management tool involves allocating 15 to 30 minutes per week for a “one-to-one briefing” with each direct report. Each briefing should be a scheduled, non-negotiable time commitment in which you give the direct report your full, undivided attention. When done with consistency and the full commitment of each person, these briefings can works wonders to improve communications between you and your direct reports, and get you both on the same page. According to Breier, each one-to-one briefing should follow an agenda that includes:

- A progress report and update from the direct report
- Discussion of issues needing your advice and support
- Anything you want to delegate to the direct report for the next seven to 14 days
- Any remaining miscellaneous items

“Scheduled briefings are far more productive than interruptions,” states Breier. “In addition, this kind of proactive communication strengthens your relationships with key managers because you pay attention to their agenda. You will be amazed at what you can accomplish in a half hour if you schedule the briefings consistently and permit no

interruptions."

Group Meetings

Most people say they dislike meetings. What they really dislike are disorganized and unproductive meetings. When properly managed, says Breier, meetings become informative, effective and even inspirational. To run great meetings:

- Never conduct a meeting without an agenda.
- Always start and end on time.
- Note the cost of the meeting (the sum total of an hour's worth of time for everyone attending the meeting) on the agenda.
- Encourage participation from everyone.
- Assign a designated note taker.
- Gain clarity and agreement on all assignments at the conclusion of the meeting.

Key Leverage Points

Over the years, Breier has spoken to hundreds of Vistage groups on personal organization. He knows how difficult it can be to implement some, much less all, of the tools he recommends. However, when asked which tools unquestionably yield the most bang for the buck, he nominates:

- Daily planning
- Scheduling private work time
- One-to-one briefings with direct reports
- A completely organized email environment

"If Vistage members take nothing else away from my presentation or this write-up, I strongly urge them to at least give these four a shot," says Breier. "In regard to the daily planning, I realize that 30 to 45 minutes a day sounds like a lot to give up. But I guarantee you will get back double or triple that amount of time each day from working more effectively. Plus you gain tremendous peace of mind from feeling more in control of your life and your work flow. As for the private work time and the one-to-one briefings, just try them once or twice and I think the benefits will convince you of the efficacy of those activities.

"I know that entrepreneurial CEOs tend to thrive on crisis management. They enjoy the adrenaline rush of putting out fires and derive great satisfaction from solving one crisis after another. If you prefer that management style, more power to you. But if you want more stability and predictability in your workday, give these tools a test run. Schedule them in advance and show up at the appointed time. You will be amazed and delighted with the results."

Expert Practices -- The CEO as Coach

The concept of coaching is gaining popularity among CEOs. Yet, many executives have misguided notions about what it means to act as a coach to their direct reports and other staff members. According to Vistage expert resource **Bob Niederman**, coaching is a very specialized role, separate and apart from that of leader/manager.

“A manager makes decisions on employment, pay, process and performance kinds of issues,” he explains. “By nature it is a hierarchical position with power and authority over those below. In contrast, a coach assumes a position of equality with the person being coached. A coach helps the employee improve his or her performance and develop the steps that lead to the desired future.

“Managers can play both roles, but they need to make it very clear which hat they are wearing at any given point in time. Lack of clarity with respect to the two roles can create confusion, uncertainty and lack of trust. Employees need to know when a request comes from the manager and when it comes from the coach because those are two very different situations.”

Vistage speaker **Agnes Mura** defines coaching as “a just-in-time alliance designed to generate both results and learning.” That’s a powerful combination that generates great value for the organization, both in terms of short term results (a problem solved) and long-term learning (transferable to future challenges). It benefits both the company and the individual, demonstrating their interdependence. Work challenges become perceived as growth opportunities when a mentor helps us think them through. The habit of lifelong learning becomes ingrained and helps people become more effective and feel more fulfilled.

Coaching, whether brief or formally planned, is a developmental process that focuses on the coachee’s interests and goals. It involves stepping over to their side and asking, “What changes do *you* want to make, who/how would you like to be so that you can accomplish your goals, and what resources do you need?”

“Coaching raises people’s awareness of their own patterns of thought and action and also encourages them to try new behaviors, new ways of learning and new ways of relating,” Mura says. “It nurtures a sense of responsibility and enhances problem-solving skills. When done well, coaching fosters goal setting and builds implementation skills, as well as more effective work habits. Ultimately, the person receiving the coaching internalizes the new behavior so they can continue to grow and develop on an ongoing basis… and ultimately self-coach.”

Benefits of Coaching

According to Mura, coaching offers numerous benefits, including:

- **Improved retention.** In the face of the current talent wars, CEOs can no longer discard good performers just because they don’t perfectly fit the culture or they have a bad quarter. “Coaching provides a powerful tool for developing and retaining people,” says Mura. “It also helps in the hiring process because it allows you to benchmark certain behaviors and performance standards. In the long run, coaching is far more cost-effective than churning employees.”

- **Better performance accountability.** Coaching allows you to hold direct reports and others accountable rather than avoiding issues. “In today’s organizations, too many CEOs and top executives tolerate mediocre and/or inadequate performance or behavior,” says Mura. “In their role as coach, managers can address those issues in a humane, effective and productive manner, rather than letting them fester for long periods of time and watching overall morale suffer. Until they address performance issues through coaching, most managers feel uncomfortable about making job change or termination decisions — and so they should.”

- **Succession planning.** Part of your job as CEO involves recognizing and developing your successor, and role modeling that responsibility for your direct reports. Coaching allows you and your direct reports to stay current with your firm’s people, know their strengths and weaknesses as well as aspirations and — when appropriate — work with them toward a career and succession plan.

- **Truth-telling.** Many organizations waste a lot of energy hiding the truth and engaging in destructive political behaviors. Coaching provides a method of surfacing the truth in a non-threatening and constructive way.

- **Reinforced culture.** Coaching establishes a culture of constructive, multi-directional feedback, personal development and accountability. When coaching becomes the currency of the realm, so to speak — with direct reports, among peers and even upward — it sends the message that it’s okay to help and ask for help, to give and receive feedback, to change and grow.

- **Reduced employee conflict.** Gender, cultural and generational clashes can become virulent in many organizations. Coaching across gender, culture and generational gaps yields far better results than trying to segregate people or hire a homogeneous culture that creates a climate that fails to match today’s market realities.

Niederman echoes these benefits, especially in regard to the retention issue. “Today’s employees want more than just prestige and a paycheck,” he says. “They want to make a contribution, magnify and improve their performance and build a future for themselves. Research indicates that people tend to leave companies when these three variables aren’t present. Coaching addresses all three in a very positive manner.

“Without coaching training, most CEOs tend to think in short-term, win-lose terms. They often fail to see how the development of their direct reports results in long-term benefits for the executive and the company. They tend to close down conversations that have the potential to create real transformation. When these opportunities don’t present themselves, valued employees leave companies. On the other hand, a CEO with great coaching skills can help direct reports develop and apply their gifts so that the employee and the company win.”

Niederman also believes that coaching benefits the coach (as well as the person being coached) in three specific areas:

- **Purpose.** Many CEOs do not have a clear notion of why they’re in business or what they want to get out of it. The process of coaching often helps them define their true calling.

- **Personal standards.** Coaching enables CEOs to determine a higher standard of performance for themselves. They can then coach others to that standard.

- **Life balance.** Most people today have difficulty balancing family, work, creative activity and leisure time. The CEO coach can serve as a role model for employees by modeling the skill of making good personal choices.

Organizational Outcomes of Coaching

According to our experts, coaching leads to many positive outcomes at the individual and organizational levels. For individual employees, coaching:

- Leads to breakthroughs on issues that create ongoing bottlenecks to improved performance.
- Brings performance to its highest capacity. (In some cases, the performance may still not meet the organization's needs, notes Niederman, but it empowers the individual to reach his or her full potential so that the company and the person can make informed choices.)
- Helps employees understand the intersection between themselves and their jobs. This can help answer whether they really fit the job and vice versa. In essence, coaching provides self-driven career education, notes Mura.
- Creates enormous gains in emotional intelligence and effectiveness in people's entire interpersonal domain, both professionally and privately.

At the organizational level:

- Problems are no longer tolerated, covered up and allowed to snowball.
- The level of trust and motivation rises (when coaching is done routinely and/or on a large scale).
- People get better at telling the truth and become more creative.
- Coaching removes barriers to people's performance. People either discover that they don't belong in your company or their performance (both technically and interpersonally) dramatically improves.

When CEOs learn the fundamentals of coaching, they can role model, which moves the management team to a much higher level of performance. The team learns how to discuss the issues that never get addressed. Team members become more confident that they can handle even their biggest challenges. Creativity and problem-solving skills increase. Group coaching and peer coaching can keep the momentum going.

Introducing Coaching to Your Workforce

These uplifting outcomes don't magically occur just because you decide to start coaching your key players. According to Mura, three conditions must exist before any company can realize the benefits of coaching.

- **Coaching must first be introduced as a developmental, not as a deficit or fix-it, tool.** If you start out by coaching problem people first, your high performers won't necessarily feel like sharing in the coaching process, and those who have an Achilles' heel or blind spot will feel defensive. Instead, begin by selecting a very successful senior manager and position coaching as a powerful developmental privilege. And they deserve it most too, because they will exponentially improve their productivity.

"Most people see coaching as a remedial or punitive tool," notes Mura. "If you start out by working with low performers, you will only reinforce that notion. Instead, position it as a corporate investment in the individual. Treat coaching as a developmental perk and privilege. Start with developmental coaching and make it a part of your culture. After you've had success in this area, introduce it to people who might need it for remedial purposes, too."

Niederman agrees. "Coaching isn't just about getting people aligned with your agenda; it's about you getting on *their* agenda. It involves identifying what your employees truly value, and helping them get it for themselves. Coaching empowers people to use more of their internal resources and realize that once they get their creative juices flowing, they can accomplish a lot more than they thought."

- **Confidentiality must be respected in all coaching situations.** Coaching must occur in a safe environment. If employees feel threatened, they will reject the coaching outright. In situations where confidentiality can't be maintained or where trust is insufficient, you may have to go outside the organization to provide the coaching.
- **Coaching must be voluntary.** You can't force coaching down people's throats. Instead, it should be a choice and a privilege that goes hand in hand with the management development plan. If not, people will consider it a token process and it won't work. This doesn't mean people have to volunteer before you can coach them, but their agreement and commitment has to be secured first. (Even when catching a "coachable moment" on the fly, it's smart to ask for permission: "Would you like to talk about this in a bit greater depth right now?" You can't coach good performers against their will and expect good results. That's called nagging."

"In the case of formal coaching assignments, offer the individual a non-binding conversation with a couple of potential (internal or external) coaches to choose from," says Mura. "Let the employee determine if [he or she] might benefit from working with a particular person and this methodology."

The ideal place to introduce coaching to your organization? At the top, say our experts, meaning the coaching process should start with *you*.

"Every CEO should have at least one coach, if not several," proclaims Mura. "All athletes, especially the most elite performers, have coaches. Tiger Woods has several coaches. To try to do what a CEO needs to do without an objective, outside truth teller who has no agenda and no axe to grind is a high-wire act. No high-performance athlete would dream of attempting to go it alone. Vistage chairs are a great resource in this way, if properly utilized."

"Start out by walking the talk. Get at least one coach (more if you want to work on several areas at the same time) and engage yourself in the process. Once you feel comfortable being coached, get training and become a coach yourself and roll that skill training and privilege out to your senior managers. Once they see the benefits, your managers will be inspired to coach the people underneath them and the whole organization will reap the rewards. Keep in mind, however, that coaching requires a high-level skill set and methodology. Never put people into positions of coaching without giving them proper training."

Expert Practices -- The Art of Coaching

Vistage speaker **Agnes Mura** believes that coaching is an ongoing process, rather than a series of unconnected events. She and expert resource **Bob Neiderman** discuss key coaching skills along with managing conflict and risk in coaching situations.

The Coaching Conversation

To **Agnes Mura**, who coaches and teaches coaching skills to CEOs and senior executives, coaching is an ongoing process rather than a series of unconnected events. She considers coaching a process because:

- It involves a predictable progression toward an outcome.
- It has a clearly defined structure.
- The methods are transferable and teachable.
- It requires a collaborative environment.

One of Mura's coaching tools, which she calls the "Coaching Conversation," consists of five distinct steps. (Note: In this methodology, the person being coached is referred to as the "client.")

1. **Establish goals.**

The first step involves setting short-term and long-term goals with the client. Long-term goals include your mutual vision for the outcome of the coaching process and should be established in the first coaching session. Short-term goals define what should happen during each specific coaching session. Set these each time you meet.

2. **Promote discovery.**

The fundamental principle of all coaching is to promote insight and discovery about the problem being faced as well as about optional solutions. Your role as coach is to seek out the client's ideas and share some of your own — not just tell them what to do. To promote discovery, says Mura:

- Quiet your mind and listen beyond the words.
- Ask powerful, open-ended questions.
- Paraphrase to show that you understand.
- Draw out the consequences by helping the client think aloud about what might happen if they undertake various courses of action.
- Share your own personal experiences as they relate to the issue at hand.

"In particular, listen for the emotions, because feelings play a big role in the decision-making process. They also tell you how the client really feels about what they are saying," advises Mura. "Also, pay close attention to nonverbal cues. In a conversation, words constitute less than ten percent of the total communication. The rest comes from the client's body language and tone of voice."

It's important to linger in this discovery step and not rush into action until the issue and the optional solutions have been evaluated. But many leaders are "activists," and tend to rush through this reflective stage.

3. **Determine a course of action.**

Once the problem is better understood and some optional solutions have been studied, the coach guides the development of an action plan and helps define the parameters to guide actions.

"In this step, the coach invites the client to identify what action [he or she] will take," explains Mura. "For example, you might ask questions like, 'Where should we go from here? Where would you like to begin? What do you think you should do next? What are you going to do about this?' You should feel that you have stopped exploring and have begun moving toward the creation of an action plan."

This involves:

- Clarifying the desired outcome.
- Dividing large projects into smaller, more manageable pieces.
- Identifying boundaries and resource parameters that will affect the planning, such as budgets, available resources, timelines and milestones.
- Determining how the actions to be taken will fit within the client's life or organizational context, and setting a target date for completion. Specificity makes this step most valuable.

4. **Authorize and empower.**

In step four, clients need to know they have your full support. Help them identify any potential obstacles and methods to remove or get around them. This proactively eliminates any excuses the client may have for not following through on the action plan. It also gives the client confidence that the goal can be accomplished. Finally, let the client know you will provide whatever support he or she needs to accomplish the action plan's objectives.

5. **Recap.**

Ask the client to review what you've covered in the coaching session. Then get clear agreement on what the client has committed to, when he or she will do it, and the expected outcome. Next, reaffirm your approval of the action plan. Finally, and most importantly, have the client reflect on what's been learned.

"The client must do the recap, not you," cautions Mura. "Otherwise, you can walk away with very different ideas about what occurred during the session and what is supposed to happen afterwards. If you find a discrepancy, back up and repeat steps three and four until you both are in agreement. And above all, don't forget to harvest the long-term insights that this problem-solving exercise has generated for them."

"This coaching conversation allows you to stay focused, even on the most difficult issues. It is predictable, it makes the client feel safe, and — most important — it helps them accept the accountability needed to achieve their goals."

Key Coaching Skills

Five basic steps. Sounds easy, right?

Not so fast, cautions Mura. Although the process may seem simple, the skills required to implement it are not. Effective coaching demands a high-level ability to be present in the moment and stay closely attuned to the client's needs and perceptions. It also requires a package of interpersonal skills that take time and practice to acquire:

- **Contextual listening.** Listen beyond the words and pay close attention to tone of voice, body language and other nonverbal communication.
- **Gap bridging.** Coaches clarify where the client is, and where the client needs to go. Next, identify what the client needs to do to close the gap between the two. All coaching is about bridging gaps.
- **Discovery questioning.** Good coaches ask open-ended questions that come from a non-expert position. They don't pretend to have the answers. If the client seems stuck, it may be appropriate to bring your answers into the conversation. If so, always present them in a generous rather than a judgmental framework.
- **Truth-telling.** As a coach, you will often be called upon to name the "white elephant" — the things that are really going on in the conversation that the client can't or won't identify. "Coaches must tell the truth, even when it feels uncomfortable," states Mura. "This doesn't mean attack the client. Instead, lay reality out on the table for both of you to see."
- **Celebrating.** A large part of your role involves affirming and celebrating the client's strengths, insights and accomplishments as you move through the process, a leadership skill insufficiently practiced yet vital to learning.

"The hardest part for most CEOs is learning to listen," says Mura. "Ideally, the coach should talk 20 percent of the time and the client 80 percent of the time. CEOs also have a tendency to jump in and solve the problem for the client, which defeats the whole purpose of coaching. Keep in mind that your job is to help the client identify and explore the implications of possible solutions, not to provide them.

"Also, beware of persuading and asking too many leading questions. If you do ask a leading question, offer it as an option rather than advocating a particular course of action. Instead of recommending a certain action, ask, 'If you did this, what might happen?'"

When coaching:

- Always ask permission to coach. For example, with a contract.
- Establish agreement on where, when and how long you will coach — even if it's as informal as, "Shall we take 10 minutes in the conference room now to see if we can get you unstuck on this issue?"
- Involve the client in designing the coaching process.

"When you allow people to help design the process, it builds trust in the relationship and allows you to follow the individual's learning style," explains Mura. "They feel safer and become more open to being coached. More important, they buy into the process and invest more of themselves in achieving the desired outcome."

Managing Risk in Coaching Situations

On occasion, coaching conversations can venture into areas so sensitive that the person refuses to discuss the issue. For whatever reason, they feel the risk of exploring the issue outweighs any potential gain they might derive from the conversation. At those times, using a risk manager can help the person open up to the issue and move forward.

"People avoid taking risks for many reasons, the main one being a fear of consequences if something goes wrong," says Vistage expert **Bob Niederman**. "Yet, in order to grow, people sometimes have to go places they haven't gone and do things they have never done before. Most people won't venture outside their comfort zones without some way to manage that risk."

To encourage people to take risks in the coaching process, Niederman recommends the following process:

1. Identify the issue being avoided.

This step is not always as simple as it seems. You may need to probe a bit to make sure you have the right issue.

2. Identify the risks associated with the issue.

Ask, “What are the risks involved in discussing this issue? What might happen if we dig into this a bit deeper?” Examples of perceived risks include:

- Fear of getting too emotional (i.e., crying) in front of you
- Fear of embarrassment
- Fear of losing face (self-esteem)
- Fear of retribution from the boss

“Each of these represents a legitimate risk,” notes Niederman, “but there could be more. Make sure you get all the risks out in the open before moving on.”

The second part of this step involves honoring and validating the person’s concerns. Never minimize, discount or attempt to talk someone out of a risk. Instead, assume that each risk is valid and treat it accordingly.

“No matter how well-intentioned, responses like, ‘Oh, that’s not such a big deal’ or ‘What would be so embarrassing about that?’ do not help,” explains Niederman. “The person needs to know that you hear, understand and respect what they are saying. The slightest hint of judgment on your part can cause them to shut down.”

3. Create a risk manager.

Once you’ve identified and acknowledged the risks, the next step involves creating a “risk manager,” a mutual agreement to remain hyper-alert to anything in the conversation that heightens the risk and to take immediate action to decrease that risk.

Start out by inquiring about what might decrease the risk of talking about the issue. In many cases, the person will say something like, “Just mentioning that this feels risky has decreased the risk a bit. But it could rise again.” You can respond with, “Okay. If we decide to move forward with this conversation, we could agree to stop it any time we feel an increase in the risk. Would that work for you?”

If the person agrees, you can then say, “What I’m hearing is that we need to stop the conversation any time the risk begins to rise. I will count on you to let me know when that happens. I, too, will closely monitor the risk level. If I feel it increasing, I will stop the conversation and we can talk about it. Will this work for you?” In most cases, the person will answer in the affirmative.

“The process is fairly straightforward, but it requires your full attention,” states Niederman. “The person agrees to inform you when something comes up in the conversation that increases [his or her] perception of risk. You promise to stop the conversation at that point and explore what is going on. Plus, you also agree to keep a close watch for any signs of increased risk.

“Interestingly, the difference between the risk and the *awareness* of the risk reveals a lot more than the actual issue because it allows you to witness how the person functions moment to moment in daily life. People make decisions based on their experienced risk and degree of risk aversion. Once you understand how this works, you have an important window into the person’s decision-making process.”

4. Address the issue.

By now, the person should be ready to discuss the issue, at which point you use all the standard coaching tools — probing questions, active listening, paraphrasing and repeating the emotionally charged phrases. Tune in very closely to where the person is in the moment and where he or she appears to be going.

5. Manage any new risks that arise.

During the course of discussing the issue, new risks may arise. If so, repeat steps two through four.

6. Integrate the process.

To wrap up, assess what took place during the discussion. Ask, “What have we learned/accomplished today, and where should we go from here? What’s our next step?” Then ask the person to commit to one action that will further the process of getting to where he or she wants to go.

“Managing risk is situational,” explains Niederman. “This process works because it helps the person identify what would make the risk more manageable in the moment. One way to manage that risk is simply to call a halt to the process. Before diving into the issue, create the awareness that it’s okay to stop the conversation and then get agreement that either one of you can call time out if things get too stressful.

“Once the person feels like most of the risk has been removed, [he or she] will almost always engage in conversation about the issue. In many cases, they experience a great sense of relief to finally get things out in the open. You still have to step carefully because risk can rear its head at any time. But once you have the issue out on the table, you can use all your coaching skills to help the person process it and move forward to resolution.”

Expert Practices -- Understanding and Managing Organizational Change

When was the last time you read or heard about a major organizational change that went off without a hitch? It doesn't happen very often, says Vistage speaker and change management expert **Joni Daniels**, primarily because CEOs and their management teams don't fully understand the nature of organizational change. They typically do a great job of planning the technical aspects of the change, but they don't take into account all the people issues.

"Management usually assumes that change won't cause much disruption, won't cost a lot, will be quick to implement, and will solve all previous problems," says Daniels. "In truth, change is *always* disruptive. To some people it causes catastrophic disruption. It usually costs more than you anticipate — especially when you factor in planning, down time and the learning curve — and it always takes longer than you expect to implement. It may solve the previous organizational problems, but it also creates new ones. When faced with these formidable barriers, it's no wonder that so many change initiatives fall short of their intended goals."

Managing large-scale organizational change, argues Daniels, starts with understanding three critical areas: your role as change leader, the different phases of organizational change and some fundamental change management principles.

The CEO's Role in Organizational Change

During major organizational change, CEOs need to wear several different hats, including:

- **Change sponsor.** As the change sponsor, your role is to clearly articulate and present change in a manner that people at all levels can understand. Depending on the size of the organization, your change vision may have to galvanize a very disparate group of people.
- **Sales agent.** You also have to sell the change. Put the logic and emotion behind it and deal with the kinds of issues salespeople face each day — resistance, objections, reluctance and people who like the old way better. Moreover, a large change initiative requires an *ongoing* sales process, not a one-time sales pitch. "If the change effort makes sense, it makes sense every day. Never let your people forget that," advises Daniels.
- **Change target.** Change affects the top of the organization as well as the bottom. You (and your senior managers) have to model an ability and willingness to change. You also need to be visible and accessible so people can approach you, ask questions and see you "waving the flag of change."
- **Cultural touchstone.** Despite all the talk about flat organizations, the maternal/paternal structure remains very deeply rooted in our society. As a result, CEOs continue to serve as the touchstones for their organizations. "People circle CEOs like hawks," states Daniels. "They pay attention to everything you do. During times of major change, they especially watch what you do and not what you say. Successful CEOs pay attention to and do the right things day in and day out."
- **Change energizer.** Part of your job involves creating energy around the change effort. This requires communicating frequently and well, so that you create a real excitement by making the change sound sexy, credible, realistic and future- focused.

Three Phases of Organizational Change

According to Daniels, major organizational change occurs in three distinct phases: endings, the neutral zone and beginnings, as defined by William P. Bridges in his book Transitions: Making Sense of Life's Changes." Although they intertwine and overlap to some extent, each phase has its own defining set of characteristics and behaviors. As a result, managing change during each phase requires different techniques to minimize resistance and keep people focused on the desired future state.

"During change, people go through these three stages much like a grieving process," explains Daniel. "Unfortunately, most organizations don't let people grieve for what is being lost in the change and they rarely acknowledge the emotional impact. When that happens, people get stuck in the past and can't move forward. Then the management team wonders why their train of change never leaves the station.

"Planning the technical side of change comes easy for most companies. It's the people issues that throw so many for a loop. Managing people during a major change effort starts with understanding the three basic phases of change."

1. Endings

Every change process begins with an ending, which has an emotional impact on people. Every change — even positive and voluntary ones — involves some loss. It impacts people because they have to let go of something. Often, people don't know exactly what they're letting go of or even what they're feeling, but they still sense the loss. So the primary focus in this stage has to do with helping people cope with their sense of loss.

To help employees work through their sense of loss, Daniels offers the following strategies:

- **Acknowledge the loss.** Most companies fail to do even this simple but critical step. Acknowledging that your people feel a sense of loss demonstrates empathy and concern for their well-being as well as the organization's.
- **When possible, compensate people for their losses.** Recognize what your people are losing — comfort, clients, technology, physical space, status, relationships, competence, or whatever. Try to make up for the loss, even if all you can do is communicate that you understand how they feel. Allow people to have a grieving process.
- **Provide information.** Don't become so enmeshed in carrying out the change that you forget to tell people where you are going and why. "The bigger the change, the more people need to hear about it," advises Daniels. "In fact, people need to hear about it long past the point where you think they should have gotten it. If you don't say it, someone else will, and someone else will probably get it wrong."
- **Identify what is over, and what isn't.** Even in massive change efforts, some things do not change. Clarifying what hasn't changed helps people understand what has. It also gives them an anchor to hold onto when the change seems overwhelming.
- **Treat the past with respect.** People have a lot invested in the way things used to be. They may have even had a hand in inventing it. Putting down the past demeans the people who created it. Treating the past with respect sends a positive message to those who invested in it.
- **Set limits.** Eventually, the endings phase must come to an end. Let people know that their grieving has to cease at a certain point and they must move on.

2. The Neutral Zone

The neutral zone is that difficult, uncertain, often topsy-turvy time between endings and beginnings. People have begun to discard the old, but they're not yet ready to embrace the new. Most of the time they don't know exactly what the new is. Not surprisingly, most people find the neutral zone to be a very difficult place.

Despite the uncertainty, the neutral zone has its upside. It encourages people to try out new behaviors and ways of thinking that would otherwise get shot down. It allows you to set new goals and support innovation. And it allows people to take risks and step outside their comfort zones to see what happens.

"Some of the most creative ideas emerge when people don't have a clear-cut way of doing things," notes Daniels. "Your employees will come up with some amazing things once they break free of the old constraints. The neutral zone can foster new levels of creativity, but only if you encourage people to take risks and don't punish them for failing."

During transition, suggests Daniels:

- **Normalize the change.** Get people to understand that the change isn't temporary, that it represents the new status quo. Create temporary structure and systems to get people through the uncertain times. Decide how people will communicate and handle new situations until you reach the "promised land."
- **Communicate in as many ways as possible.** Don't assume that your people like to get information the same way you do. Use pep talks, newsletters, emails, bulletin boards, recognition ceremonies — anything to communicate and reinforce the movement toward the new.
- **Monitor the transition process.** Create a transition monitor team to keep tabs on progress toward the goal, prevent things from falling through the cracks and make sure everyone has the information they need.
- **Lead by example.** If you want someone to change, don't yell at them from across the room. Instead, come over to where they're standing and see things from their perspective. Leading is an active — not a verbal — task.
- **Prepare for sabotage.** Identify who might throw up roadblocks and think of what you can do to prevent them.

3. Beginnings

In the beginnings phase, people finally let go of the old and embrace the new. But you'll still encounter some ambivalence and resistance. In beginnings, suggests Daniels:

- **Provide the four P's:**
- **Purpose.** Explain/reiterate the purpose of the new.
- **Picture.** Paint a picture of the benefits.
- **Plan.** Lay out a step-by-step plan for the change.
- Part. Give each person a part to play, so everyone knows why it's important to join the team.

- **Use reinforcement in all forms.** Recognize and reward people for moving forward with the new. Bring in pizza or doughnuts to recognize their efforts. Let your staff go home early on Friday. Use these and other low-cost techniques to let people know you appreciate their efforts to change.
- **Clarify the mission.** Reiterate the purpose of the change effort and how it'll help the organization. Address these questions with your direct reports and make sure the answers filter down to everyone in the organization.
- **Address the issue of trust.** Even if you have done everything right, some people will still look at you and the change effort with suspicion. You build trust by being trustworthy, which means doing it in a very visible way. Walk the talk, say what you mean and mean what you say. Above all, be consistent.

Principles of Effective Change Management

In addition to understanding the phases of organizational change, Daniels identifies a number of fundamental principles that lead to success:

- **Change is a process, not an event.** In today's environment, change isn't a one-time event. Instead, it has to become part of the way you do business. In order to compete, gain market share and remain viable for the long term, your organization needs to change in whatever way makes sense. Your employees need to know and accept that in order to operate a successful enterprise, ongoing change simply comes with the territory. As CEO, it's your job to get that message across.

- **Change for change's sake is pointless.** At the same time, needless change makes people angry. People encounter enough necessary change without having to suffer through needless transition. For that reason, every change in your organization should be well thought-out. In addition, not all change needs to go through to fruition. If it becomes obvious that a change isn't working or no longer makes sense, call a halt to the process.

- **Resistance is normal.** The more investment people have in the old way, the more they'll resist change. Plan for resistance and know what to do when you run into it. Failure to prepare for resistance is like not having car insurance — you're just asking for trouble.

- **Don't take change behavior personally.** When employees go into resistance, CEOs often view the behavior as a personal attack on their leadership abilities. In reality, resistance to change has very little to do with you personally or as a business leader.

"Individuals go through transition in a very personal way. It's usually not conscious, but it's very emotional," explains Daniels. "Their focus is on how the change will impact their lives, not on how they can make life miserable for you. When you accept that resistance is part of the change process and don't take it personally, you can manage it much more effectively."

- **Communication is the key to success.** Often, CEOs get so embroiled in the operational issues that they forget the most important aspect of change — communicate, communicate, communicate.

"In a major change effort, I tell my clients to increase their communications by at least 35 percent," says Daniels. "People don't hear things the first, second or even the third time — mainly because they don't want to hear it or they don't believe it, so they ignore it. Never underestimate how much your employees need to hear and see it. People also want two-way communication, both formal and informal. Consistency is the key."

- **Plan thoroughly.** Have a plan for each phase — how to start the change, what to do in the middle when things get tough, and how to pull it all together when you get where you need to go. Make the plan flexible and changeable, with plenty of contingencies should things go awry. As part of this process, create a stakeholder plan that identifies who will be affected by the change, who has the most to lose, where the most resistance will come from, and how you'll deal with it.
- **Make no assumptions.** Don't assume the change will go well just because you want it to. And don't assume everyone will love your idea. "I recommend taking a slightly cynical approach," says Daniels. "Ask a lot of 'what if?' questions. Play the devil's advocate. Expect things to go wrong. I would much rather have a backup plan that I never use than get blindsided by incorrect assumptions."
- **Be realistic.** Don't think the change will solve all your problems or even *the* problem. While it may eradicate some problems, it also creates others that nobody could foresee. Plus, the process always takes at least 20 percent more time, money and resources than you plan for. Plan for delays and don't be surprised when they occur.

"If you don't pay attention to these critical areas, the change effort will lose its momentum and you never really get there," warns Daniels. "Or you get there but not in the way you envisioned. Or it takes three times as long and you lose good people. In the absence of change leadership, people create a grapevine of rumor and innuendo that becomes part of their reality. You lose productivity because people spend time gossiping rather than getting the work done or asking questions of people who can actually give them the answers.

“It doesn’t take much to derail a change initiative. Little pieces fall off here and there as your attention and commitment wane. Then one day you wake up to find the change effort has gone off course but you can’t put your finger on where and when. Or, you get halfway across, realize it is a lot harder than you thought and change your mind, which wastes time and money and destroys your credibility. Momentum and luck won’t get you to where you want to go. Know what you’re getting into and pay attention to these change principles — or be prepared to pay the price.”

Expert Practices -- Pulse Points for Organizational Change

In today's volatile markets, organizational change has become a fact of life. The challenge for CEOs, says Vistage speaker and change management expert **Del Poling**, is not just taking their companies through major organizational change, but doing so without damaging their people or business. This challenge becomes even more daunting given the fact that organizations often find themselves undertaking multiple changes at the same time.

According to Poling, major change is effective when:

- You accomplish the full scope of the change within budget and within the projected time frame.
- The change effort doesn't cause severe trauma to the organization or cause major contributors to leave.
- You gain commitment (rather than compliance) from all your employees and any other stakeholders affected by the change. People implement the change because they believe in it, not because you mandate it.

In order to achieve these outcomes, says Poling, organizations need to manage 30 separate "pulse points" — areas of leverage that, if not properly attended to, can derail the entire change project. Of those 30, he identifies eight as having the most impact on the change effort.

Understanding "Unfreezing"

People can't move toward the new until they let go of the old. You have to "unfreeze" their old ways of thinking and behaving before they can adopt new ones. Until this unfreezing happens, your change effort will never leave the starting blocks.

"As CEO, you must get your people to let go of the old way of looking at things and embrace the new," Poling says. "E-commerce represents a classic example. Many companies have gone out of business because their people said, 'You can't do e-commerce in *our* industry.' Unfreezing involves helping people see that your business can (and must) engage in e-commerce."

"You can unfreeze people in two basic ways — give them new information that changes the way they view their world or put them through a significant life event. In some cases, you may have to do both. In business, the classic case involves taking employees out into the field so they can hear firsthand how the customer feels about your product and service. That usually opens their eyes to the fact that your company needs to start doing things differently."

Before launching any change initiative, Poling recommends asking the following:

- Who do we need to unfreeze?
- What new information must we provide to unfreeze them?
- What kind of significant life event could we provide that would help unfreeze them?

Identify the Level of Change

In general, organizations go through three levels of change:

- Level-one change involves doing more of what you're already doing, such as opening a new store or office with the same format. Level-one changes are usually easy to implement because you replicate what already works. The secret lies in having the right people and prototype. If you keep replicating problems, you can replicate the company right out of business.
- Level-two change alters the way people work. Often, your employees ask for the change because they want a better way of doing things. Yet, because the change requires that they learn to work differently, they often resist.
- Level-three changes are forced upon the organization by top management, outside agencies, market conditions or environmental factors. They often hit when you least expect them. Level-three change is the hardest to implement and the kind that usually get you in trouble.

"The more you can identify the level of change, the better you can manage it," says Poling. "With level-one change, you can delegate assignments and back off. With levels two and three, you must stay personally involved until the projects are complete. You also need to hold people accountable for keeping on schedule, which requires selling and persuading skills to help them understand why the change has to happen. Merely announcing the change won't do the trick; you must sell it."

When assessing a proposed change initiative, ask:

- What level of change will this cause for everyone impacted by it?
- Are we prepared to manage level-two or level-three changes?

Clarifying and Optimizing Key Roles

To successfully implement level-two and level-three change, says Poling, companies must ensure that three essential roles are filled:

- **Authorizing leaders** decide what gets done, by whom and by when. They must completely buy into the change for it to succeed. "If your authorizing leaders don't fully support the change, your chances for success melt away," cautions Poling. "This is one area where you absolutely must have commitment, not compliance."
- **Change agent leaders** have the knowledge, skill and position to manage the process of implementation. Their job is to stay on top of the change process. For example, when implementing a new sales system, your sales manager would fill the role of change agent leader. Change agent leaders must have basic leadership skills and know the technology of the change.
- **Sustaining leaders** serve as liaisons between management and frontline employees. They have credibility and visibility within the organization and are respected by people at all levels. They may or may not be part of the management team; it often works better when they come from the rank and file.

"You need all three, but sustaining leaders play an especially important role in level-three change," says Poling. "Without them, you end up running from one crisis to another. By serving as sounding boards for other frontline employees, sustaining leaders put out a lot of fires before they spread. Be honest and straightforward with your sustaining leaders at all times. If you try to manipulate them, they and other employees will see through it in a minute."

To determine whether you have the necessary roles to effect major change, ask:

- Do we understand the required roles for implementing level-two and level-three changes?
- Are the authorizing leaders prepared to fulfill their roles?

- Are the change agent leaders prepared to fulfill their new roles?
- Are the sustaining leaders prepared to fulfill their roles?
- Are the people impacted by the change prepared to fulfill their new roles?

Clarify the Direction

To get people to buy into the change initiative, clearly communicate the plans, goals and objectives of the change as well as the perceived benefits and payoffs. It also helps to provide a road map that visually communicates the change. Without a roadmap, the people in the trenches getting the work done day in and day out may not understand the change. Poling recommends at least one roadmap for every level-three change.

"I like to use Gantt charts, which list the work steps and activities needed to complete those steps, who will do them and when each activity starts and ends," says Poling. "I post the chart at water coolers, coffee machines and other public places so people can see what we have laid out. In some cases, I even send the charts to their homes along with a letter saying 'here's what will happen over the next six months, and here's when it will impact you the most.'

"The roadmap accomplishes two important goals. First, it lets your people know that *you* know what it will take to get from here to there. Second, it gives people advance notice of what is coming so they can prepare themselves mentally and physically. However you do it, give your people plenty of advance warning for all level-two and level-three changes and make it visually easy for them to follow the change."

When clarifying the direction of any change initiative, ask:

- Are we clear about the future state of the change?
- Does everyone impacted by this change understand and buy into the future state?
- Have we translated the future state into appropriate goals and objectives?
- Do we have a clear and accurate timetable for this change?

Communicate the Need for the Change

In and of itself, setting the vision, mission and goals will not suffice to bring about level-two or level-three change. You must also help your people see why the present condition is unacceptable. More important, you must keep that information posted throughout the entire change process. Without this understanding, warns Poling, the organization won't generate enough momentum to sustain the change effort.

"When communicating the need for change, don't focus solely on what isn't working, because that tends to shut people down," he advises. "You also need to explain how the future will be better and how the organization will get there. People need to know that you see a light at the end of the tunnel."

Two simple questions can help with this step:

- Do all of our people understand why the current situation is unacceptable and why the future will be better?
- If not, what do we need to do to help them understand?

Managing Resistance

Resistance to change is normal, natural and healthy. However, unless you manage it, resistance can derail even the best-planned of change efforts, especially with level-three change.

Making Decisions

How and when decisions are made during the change process has a huge impact on the ultimate outcome. To make the best decisions and ensure everyone agrees with those decisions, Poling recommends the **AVENUES** process:

- **Assumptions.** All decisions are based on operative assumptions, which consist of beliefs, not facts. When people have different assumptions, they reach different conclusions. If your people have different operative assumptions, you won't like their decisions. To test your team's alignment on assumptions, ask:
    - Are our operative assumptions valid for *today*?
    - Are we (the senior management team) all in sync with our assumptions?
- **Values.** Values define what's really important in the organization. To make good decisions, everyone must clearly understand the values.
- **Expected results.** These are your goals and objectives for the change initiative. Everyone on the team must have clarity on these.
- **Norms.** Norms involve how you do things. Your policies and procedures must support how your company operates *today*, not when you first created them.
- **Unspoken.** When making decisions, things often go unsaid. Whenever possible, get these issues out on the table ahead of time. Ask your people, "What issues probably won't get talked about today that need to be? What do you think everyone else knows that maybe we don't know?"
- **Expected standards.** These deal with quality. Do you have alignment on the expected quality of your products and services?
- **Supply information.** Before making any decision, make sure everyone has the same valid, hard data.

By using the **AVENUES** model to get in sync with your people, suggests Poling, you can alleviate most of your conflicts and make higher-quality, more timely decisions. In addition, he recommends asking the following questions:

- Have we identified all the key decision points of this change process?
- Do we have agreement on who will make those decisions?
- What decision-making process will we use in this change process?
- How will we inform people of our decisions?

Ensure All Stakeholders Have the Necessary Competencies

To effectively lead change, says Poling, managers need five types of competencies:

- **Technical.** Do your people know their jobs? For example, does your CFO know what he or she needs to know to handle the company's financials? Don't let people off the hook in terms of technical skills. Give them a yardstick so they know what they have to do to be competent.
- **Interpersonal.** Level-two and level-three change requires a lot of people skills. For example, do your managers know how to create a climate of trust and respect, resolve conflict, communicate feelings as well as facts, and give credit to others when it is due?
- **Leadership.** Leadership competencies include providing organizational direction, identifying key priorities, establishing long-range goals and objectives and other activities that lead people toward the future.

- **Management.** Management competencies focus on planning, organizing, staffing, implementing, monitoring and following through on others' work.
- **Business/contextuals.** Finally, your people must have intimate knowledge of your business, market and industry. How literate are your managers in these areas? More important, what do they need to know that they currently don't know?

"After unfreezing, having the necessary competencies is probably the biggest factor in determining the success of the change effort," says Poling. "You can understand the need to change, create a dazzling plan and launch it beautifully, but if you don't have competent people to carry it through, it won't go anywhere. No matter how hard you work, you can't go to the Olympics with non-Olympic people."

To assess this critical pulse point, ask:

- Do our leaders have the competencies required to effectively implement this change?
- How effective are our leaders at persuading and negotiating for win/win solutions?
- Do our leaders walk their talk?
- Do our front-line people have the competencies required to make the changes we need?
- If not, what competency development do we need to provide?

"Above all, you — as the CEO and leader of your organization — must stay connected for the duration of the change," says Poling. "Otherwise, the rank and file begin to think that you don't really consider the project important. You must have some presence until the project reaches its conclusion. This doesn't mean to get in and tell everyone what to do. Instead, show up from time to time, let people know you are paying attention and provide support when needed. When you stay connected, people know the project has a top priority rating and they behave accordingly."

Expert Practices -- Managing Resistance to Change

Resistance is a normal part of the change process; you can't get around it. The secrets to managing it, say Vistage speakers **Del Poling** and **Joni Daniels**, lie in knowing what to expect, identifying the various kinds of resistance and putting plans into place to deal with them. First, however, it helps to understand why people resist in the first place.

According to our experts, people resist change for many reasons, including:

- **Not involved in planning the change.** In most change scenarios, senior management spends weeks or even months planning the change. This allows them to mentally work through the change and get used to the new before discarding the old. Front-line employees don't have that luxury. Instead of helping to create the change, it happens *to* them, which can create feelings of powerlessness and loss of control.
- **Personal disruption.** Change makes people angry because it contradicts their perceptions and expectations of the way the world should be. When those expectations are deeply held, people resist change even when it is positive and/or they know resistance is futile.
- **Not understanding the benefits.** CEOs usually do a good job of communicating what needs to change. However, they often fall short when communicating how the change will benefit those whom it impacts. When people don't understand what's in it for them, they resist.
- **Disagreeing with the change.** Many times, employees simply disagree with the need to change and/or the nature of the change.
- **Fear of the unknown.** Change takes people out of their comfort zones. Most people have to be dragged out of their comfort zones kicking and screaming. This is especially true when they feel they don't have enough information about the change to understand their roles and what the organization expects of them.

Dependency, Fear and Grousing

Although people resist change in many ways, Poling identifies three specific types of resistance as the primary culprits in torpedoing change initiatives:

- **Dependency.** Employees who exhibit passive dependency sit around and wait for people to tell them what to do, how to do it, and when to do it. They refuse to take any initiative and expect management to solve all their problems. Employees who engage in active dependency refuse to accept responsibility (denial) and project it onto others (blame). Either form of dependency can quickly kill a change initiative.
- **Counter-dependency.** Counter-dependent employees refuse to follow rules and procedures even when they make sense for everyone involved (i.e., the programmer who refuses to document his work just because he doesn't like to). Full of defiance, counter-dependent employees resist on the stubborn and immature principle that, "Nobody is going to tell *me* what to do!"
- **Fear.** When people get scared, they resist. Your job, says Poling, is to help them get "unscared" by providing plenty of information about what will happen, and when and how it will affect them.

To manage dependent and counter-dependent behavior, suggests Poling, simply confront the employee, explain that those kinds of behaviors are not acceptable in your organization and try to get them to grow up.

This may require some coaching and plenty of positive reinforcement for engaging in adult behaviors (such as accepting responsibility for their actions). If they refuse, however … well, let them act like a four-year-old in someone *else's* company. Managing fear, which manifests itself less obviously through grumbling, griping and grousing, requires a different approach.

"Any time you ask people to change, they will complain," explains Poling. "In fact, griping and grousing are good signs because it means your employees care about what is happening. So don't try to eliminate all grousing. Instead, manage it and use it to learn what is going on at lower levels in the organization.

"Start by reassuring people that they have some control over their destiny. Let them know that you have charted a firm course and their captain has a firm hand on the helm. Reassure them that they will have some input into how the change will affect their individual jobs. When necessary, provide additional training and education in order to reduce their fear."

Poling also recommends conducting "grousing management sessions" — regular meetings that allow employees to voice complaints and concerns related to the change effort.

- At least once a month, convene your people in groups of eight to 10 (no more than 10, or the grousing gets unmanageable). Provide lunch and let people know in advance they will have an opportunity to express their concerns.
- Start the session by asking employees, "How's it going?" Let them air their gripes for 20 minutes or so. Then ask, "Where are we making headway?" This subtly shifts the focus of the session from the negative to the positive.
- After employees have voiced their complaints, bring them back to reality. Review why the change is necessary and why things will get better as the change effort progresses. When appropriate, tell them what actions you will take to address the issues they've raised. Conclude the session by publicly recognizing people for helping to move the change initiative forward.
- Have a senior manager facilitate each session to keep things solution-oriented, rather than problem-oriented.

"People often have legitimate concerns that you haven't thought of," notes Poling. "In that respect, grousing sessions can uncover some very useful data. When you discover something of real concern, problem-solve the issue as quickly as possible. Otherwise, simply allowing people to verbalize their gripes will go a long way toward defusing their resistance."

Before undertaking any major change initiative, Poling recommends asking the following questions:

- What kind of resistance do we anticipate?
- Do we understand normal "grousing?"
- What plans are in place to deal with the resistance?
- Are we prepared to deal with people who will sabotage this change?
- How can we deal with them productively?
- How do we help our people become "unscared" about the change?

Honoring Resistance

When first hit with change, says Daniels, people tend to react in predictable ways. They:

- Feel awkward, ill at ease and self-conscious

- Think first about what they have to give up
- Feel alone, even if everyone else is going through the change
- Become very self-focused
- Fear that they don't have enough resources

Rarely, however, do people openly express these feelings. Many can't even identify their feelings. Instead, their resistance manifests itself indirectly, through behaviors such as:

- Avoiding responsibility for doing the things necessary to implement the transition
- Attacking the change
- Compliance (I'll do it, but …)
- Changing the subject
- Silence (does *not* equal agreement and commitment)
- Wanting management to make all the decisions and solve all the problems

To combat these change-killing behaviors, Daniels offers the following strategies:

- **Learn to honor resistance.** Encourage it. Get in front of your people and say, "Okay, you know what's going on better than I do. Tell me why you think this change won't work." Then list all their reasons on a flip chart and say, "Thanks for your feedback. We need to know these things in order to move forward. Now, how are we going to jump these hurdles?"

> *"The goal here is two-fold," explains Daniels. "One, you want to get all their concerns out on the table so you can manage them. Two, acknowledging that people have a right to question the change gives them a feeling of empowerment, which they need to start moving forward. If you castigate people for resisting, you only increase their resistance."*

- **Don't personalize the resistance.** Resistance to change is rarely personal. During change, people focus on themselves and what they are losing. Their resistance has nothing to do with your abilities as a leader and everything to do with what the change means to them as individuals.
- **Identify the available resources.** During major change efforts, people tend to hoard resources rather than share them. To prevent this subtle but powerful form of resistance, reassure people that they'll have the resources needed to get through the change.

> *"People can get very creative in sharing resources, but you have to draw that creativity out of them," notes Daniels. "When people feel stressed, as they often do during transition, they become more rigid, not more flexible. Your job is to help them relax, step back and carefully assess the situation before coming to the conclusion that they don't have enough resources."*

- **Manage according to the change phase.** During the *endings phase*, people tend to hold on to the old and see the new as overwhelmingly negative. At this point, providing information, building awareness of the positive aspects and helping people resolve conflicts will minimize their resistance and allow them to move forward. During the *neutral zone*, people begin to accept the fact that — like it or not — the change *will* happen. They start to explore the process and look at the possible advantages of cooperation. Your job is to help them with exploration, problem solving and goal-setting. In the *beginnings phase*, the majority of people have reached commitment and have embraced the future state as the new reality. However, you'll likely still encounter some resistance. To minimize resistance in this phase, publicly praise the progress people have made so far and emphasize the advantages of reaching the Promised Land. Become a "change cheerleader" who waves the flag for people to rally around.

- **Recognize your personal advantage.** You have a major advantage over your people because you have already worked through the change and your own resistance to it. By the time you announce the change, you're ready to jump right into implementation, but your people are hearing about it for the first time. Don't expect people to move at the same pace as you.

> *"It's easy to get frustrated because everyone else is just starting the change and you have mentally completed it," points out Daniels. "But think about how long it took you to get through the change even though you had all the information and helped to plan it. Your front-line people haven't had weeks or months to think about, absorb and prepare for the change. Slow down and give them a chance to catch up. Otherwise, you will only add to their resistance."*

- **Keep pushing.** Gently but firmly keep your people focused on the future. If you take the pressure off, they will revert back to their old behavior. People tend to gravitate to the status quo because it feels comfortable. Even after they've accomplished the change, they will revert back to their comfort zones unless you keep pushing forward.

Ultimately, managing resistance often comes down to what Daniels calls the "three C's":

- **Carry** people who don't want to make the change.
- **Coach** people to deal with the change.
- **Can (fire)** those who refuse to make the change.

"All three represent legitimate responses to resistance," says Daniels. "In a perfect world, you would coach everyone. In the real world, however, you may not have the time, energy, resources or coaching skills to help everyone in the manner you would like. And carrying people who refuse to make the change can cause serious rifts in your workforce. Termination should always be a last resort, but don't hesitate to use it when appropriate. If you must fire people, do so in a timely but humane manner.

"The difference between managing change well and managing it poorly often depends upon how well you plan for and manage the resistance. By understanding that it is a natural part of the process and taking it into account every step of the way, you will dramatically improve your chances for success."

Tools & Analysis -- Self-Assessment Checklist: CEO Skills Development

How do your personal organization, coaching and change management skills measure up against our experts' best practices for CEOs and executives? To find out, print out the questionnaire below and see how well you score.

***Self Scoring Guide**: For each section below, scoring is as follows:*
1 or less = serious problem area.
2 = area needs major improvement.
3 = area needs moderate improvement.
4 = area needs minimal improvement.
5 = world-class!

Time Management/Personal Organization	
________	I regularly set aside 30 minutes at the end of each day for daily planning and/or personal organization time.
________	I conduct weekly one-to-one briefing sessions with each of my direct reports.
________	I set aside five to 10 hours per week for "personal work time" to work solely on my projects and personal commitments.
________	Our organization has a clearly defined standard operating procedure regarding interruptions. We interrupt each other only when something is urgent *and* important.
________	I keep a clean, uncluttered, stack-free office, purging my office and files of unnecessary paper at least twice a year.
Coaching	
________	In our organization, coaching is considered a privileged developmental tool for the top performers, not a remedial or fix-it process for underachievers.
________	Coaching is a voluntary process; it's never forced upon anyone.
________	Coaching is implemented as an ongoing process, not a one-time event.
________	The CEO serves as a role model by having at least one, if not several, personal coaches.
________	We don't put people in coaching positions without first having been coached and then receiving training to develop their coaching skills.
Change Management	
________	As CEO, I understand and effectively execute the different responsibilities and roles required during major organizational change.
________	My management team understands the different levels and phases of organizational change, as well as the key management principles of each.

________	The management team understands that resistance to change is normal and plans for it during all phases of the change.
________	The management team understands the key “pulse points” of organizational change and includes them in all planning efforts.
________	The management team constantly communicates the “who, what, when, where and why” during all phases of the change.

Tools & Analysis -- Self-Asessment Checklist: Organizational Habits

Test your current level of organization: Use the following evaluation tool to determine whether your organizational habits are all that they could be.

To the right of each statement, check the box that best matches your immediate response. If it's generally a true statement, check "yes." If not, check "no." In the third column, evaluate your response. Enter a plus (+) if you are pleased with your answer and do not wish to change. Enter a minus (-) if you're displeased with your answer and would like to see it changed.

	Organizational Statements	Yes	No	+/-
1.	I have an uncluttered and stack-free office environment. I'm proud of my environment.			
2.	I currently have an excellent information management system and can access any information quickly and efficiently (within 30 seconds).			
3.	I begin most days and weeks with a plan and use an excellent calendar system.			
4.	We have excellent standard operating procedures (S.O.P.s) within our company, and everyone is clear about how to use them.			
5.	Every day I process in and respond to my voice and e-mail messages in a timely and responsive manner.			
6.	I have scheduled time each week to work on my projects and commitments, and I'm on or ahead of schedule most of the time.			
7.	Unnecessary interruptions are not a problem in our office.			
8.	I meet regularly with each of my direct reports for coaching, communication and collaboration.			
9.	Group meetings within our company are inspirational, informative and effective.			
10.	I am delighted with our strategic planning process.			

Based on your responses, list below the three most prominent organizational challenges you have at this point in time.

1.

2.

3.

Tools & Analysis -- The CEO Report Card

The *Atlanta Journal-Constitution* asked 11 experts to grade Coca-Cola Chairman and CEO Doug Daft on several different topics using a 4.0 scale (A=4.0, F=0.0). The following worksheet was adapted from that article and includes their questions and a few others. (By the way, the overall grade for Daft was C+ …)

How would you grade yourself? How would others grade you?

Leadership

4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.0

Has the CEO set a clear strategic direction for the company? Has the CEO communicated the direction effectively with company's various constituencies, including employees, customers, suppliers and shareholders? Has the company responded positively to the direction set by CEO (as measured by results)?

Management

4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.0

Has the CEO assembled a strong management team to implement the strategy? Has the CEO held direct reports accountable for performance? Has the CEO established an effective succession plan for top management?

Financial Performance

4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.0

How has the company performed under this CEO when it comes to hitting financial targets, improving profitability and controlling costs? Does the CEO set realistic, aggressive financial goals for the company? Does the CEO understand, measure and monitor overall financial performance?

Marketing

4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.0

Does the company have a strong sales and marketing plan and team in place? Have sales results met goals and expectations? Has sales training taken place, and has it been effective? Have sales and marketing responded effectively to changing economic conditions?

Operational Performance

4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.0

How has the company performed under the CEO when it comes to improving operational effectiveness, improving on-time performance, and increasing operational efficiencies? Has the CEO developed a culture of continuous improvement?

Innovation

4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.0

Does the CEO foster a customer-focused approach to innovation? Has the company introduced enough new products or services to address the changing needs of customers? Is the company considered “innovative” within their industry?

Tools & Analysis -- 10 Top Characteristics of the Organized Executive

How do you define an organized leader? Begin by assessing whether or not each executive:

1. Is acutely clear of the description and definition of success for his or her position, and is technologically literate to ensure success on a daily and weekly basis.
2. Is timely and responsive with all requests because he or she has adopted a personal policy of under-promising and over-delivering.
3. Consistently allocates 30 minutes a day to perform daily planning.
4. Is uncluttered and stack-free in the working environment.
5. Is acutely clear regarding what constitutes a justified interruption and only interrupts others when the matter is important *and* urgent.
6. Allocates time to prepare for meetings and appointments and never leads an unprepared meeting.
7. Allocates time to meet one-to-one with direct reports.
8. Is an active goal-setter who understands that once goals are finalized, they must be converted into projects that need to be managed.
9. Is very clear as to when project overload sets in.
10. Is passionate, motivated and enthusiastic about his or her position within the company.

Tools & Analysis -- Checklist for Assessing Major Change

Your organization is changing — but are you undergoing level-two or level-three change? Answer the following questions to find the answer.

Is your organization:

Yes	No	
_____	_____	Implementing new policies and procedures that require work to be done differently?
_____	_____	Expanding services, requiring new and different job responsibilities?
_____	_____	Implementing a new organizational structure?
_____	_____	Implementing total quality management?
_____	_____	Implementing a continuous improvement process?
_____	_____	Implementing just-in-time inventory management?
_____	_____	Implementing self-directed work teams?
_____	_____	Implementing a new performance review process?
_____	_____	Implementing a new budget and cost control process?
_____	_____	Consolidating functions and culture as a result of merger and acquisition?
_____	_____	Implementing a new market-driven business plan?
_____	_____	Implementing a new customer response program?

If you answered “Yes” to *any* of these questions, your organization is attempting a level-two or level-three change and must manage the change accordingly.