

# THIS IS CHESS, IT AIN'T CHECKERS

Quick Hit Leadership  
Lessons for the CEO

**by Todd Ordal**

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I LEARN BY DOING AND BY STORIES. Textbooks are great, but real examples have much more impact and influence on me. I've compiled a few stories from 30 years of leadership and consulting experience that I hope will have some impact on you.

I've come to appreciate that often we spend too much time looking for pat answers when we should spend more time looking for the right questions. These stories are not intended to give you a color-by-number approach to leadership, but rather to get you to think differently about your business and your role. In fact, you'll notice that I pose a question or two at the end of each section. See if you can think of more.

—Todd Ordal, 2010

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ISBN 978-0-557-97494-8

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Simplify Your Business and Win

# THIS IS CHESS, IT AIN'T CHECKERS

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**T**here's a scene in the movie "Training Day" — a great, but disturbing flick — where Denzel Washington schools a new police detective on the complexity of a situation and sums it up by saying, "This is chess, it ain't checkers!" Is your business chess or checkers?

Different businesses have different levels of complexity. Some have many moving parts and a very complex competitive environment with threats from direct competitors, substitute products, rapid product changes, new entrants, limited suppliers, powerful buyers and significant working capital needs. This is chess ... perhaps three-dimensional chess in the dark! You have to play it well to even survive. It would be worthwhile asking how you might turn it into a game of checkers and eliminate some of the complexity.

I know of a consumer products company that had all of these characteristics. They were on the verge of death several times before they were finally sold. Only some very creative product development and fancy financial footwork kept them afloat. A sale to a larger company was a good option because it eliminated some of the challenges listed above.

Other businesses are much simpler. They require lots of hard work

but have less complexity. They might be driven by a strong brand, natural resources, captive customer relationships or a monopolistic business environment, or they might have significant barriers to entry. Their revenue stream is not constantly at risk from a new product entry. They don't have severe concentration issues (i.e., much of their revenue or supply coming from one source), and they might have a negative cash conversion cycle (i.e., they're paid by their customers before they must pay their suppliers).

I've worked with several companies that have many of these characteristics, though not all. Their owners/CEOs sleep much easier. If you look at Warren Buffet's portfolio, you'll find companies that look like this. How do you change from chess to checkers? Sometimes you can't without leaving your industry as it's currently defined. It likely requires dramatic change (e.g., a new sales channel, a new delivery mechanism, proprietary products, etc.).

From my experience, it's well worth the time to ask the right questions that might lead you to a better playing field, fewer headaches and higher profit. At the end of "Training Day," our chess player, Denzel Washington, gets ... oh wait — you might not have seen it! I'll bet you can guess.







*What can you do to simplify  
your business?*



To be a great leader, you must take on obligations.



# ARE YOU LEADING OR PRESIDING?

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**H**ave you ever felt ill-equipped for the job? Most of us gain the confidence or skill required, but some don't. More flash than bang, they're usually miserable and can become the company scientist, turning progress into molasses.

Some time ago, I was on the board of an organization that had a very affable, bright leader whom the team loved. However, during a particularly challenging period, the board saw him as non-strategic and in over his head. As one board member remarked, "He doesn't lead; he presides."

Since that time, I've run into numerous people in leadership roles who preside rather than lead. At the heart of it, they're essentially frauds, even though they might be good people. They tend to fall into two camps: They either lack the self-confidence to make decisions (even non-critical decisions), or they've ascended to their position without really learning the skills required for the job.

I've seen this happen when young people are quickly thrown into positions of authority without the required skills. If this person has bluffed their way into their 40s or 50s, they continue to fake it because it's too painful for them to admit that they're in way over their

head. Both causes are correctable to a point, but only if they ask for help, which requires great courage. (An exception is the man or woman who develops extreme self-confidence without the requisite skill. The only intervention for this disorder is a 2 x 4 upside the head!)

Regarding lack of confidence, I have encountered numerous people in positions of authority who lack the confidence to lead. They often develop coping skills that allow them to look busy while making few decisions, like an automobile with the engine racing and a broken clutch. Their career either flames out, or they turn into “non-stick” managers; always jumping ship just before the stuff hits the fan.

I’m familiar with several “frauds” in leadership roles that I’m personally fond of. They’ve been in numerous positions of authority but have had no real success. I know they’ve been uncomfortable, perhaps even miserable, most of their careers. They often have highly tuned political skills, trying to jump onto successful wagons or slip unnoticed out of troublesome situations like a criminal at a crime scene.

Though I might feel some compassion for many of these people — who among us has not felt like a fraud for at least one moment in their career — it’s in great part their own fault. To be a great leader, you must take on obligations, like making decisions and filling in your weak spots. Or, at the very least, you must identify them and work around them.





*What skills do you need  
to acquire to run a  
better business?*



While firefighters deserve everyone's adoration, firefighting in business is self-absorbed behavior that rewards a lack of planning.



# ONLY YOU CAN PREVENT FOREST FIRES!

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**W**hile in a hotel conference center recently, I watched several firefighters rush to the aid of a woman who had blacked out. While firefighters deserve everyone's adoration, firefighting in business is self-absorbed behavior that rewards a lack of planning. It can become an addiction that deserves little respect.

Remember the movie "Backdraft" where Robert De Niro plays an arson investigator? If you haven't seen it and plan to — even though the movie is from 1991 — skip the next two sentences. De Niro's character discovers that the mystery antagonist and arsonist is actually a fireman. In the real world, this is perhaps a rarity. But in business, firefighters love to start fires.

Several years ago while helping a struggling business; I spent the first day in absolute shock at the firefighting that went on. The CEO had a loudspeaker in the office (remember school announcements when you were a kid?) and several times a day called for everyone to drop what they were doing and run into his office to solve a problem. Had this happened monthly or had the fires been unpredictable, it might have been healthy. However, in this business, it was

the CEO's way of getting an adrenaline rush and grandstanding. When he sold the company to a group of investors, they had little regard for his heroics.

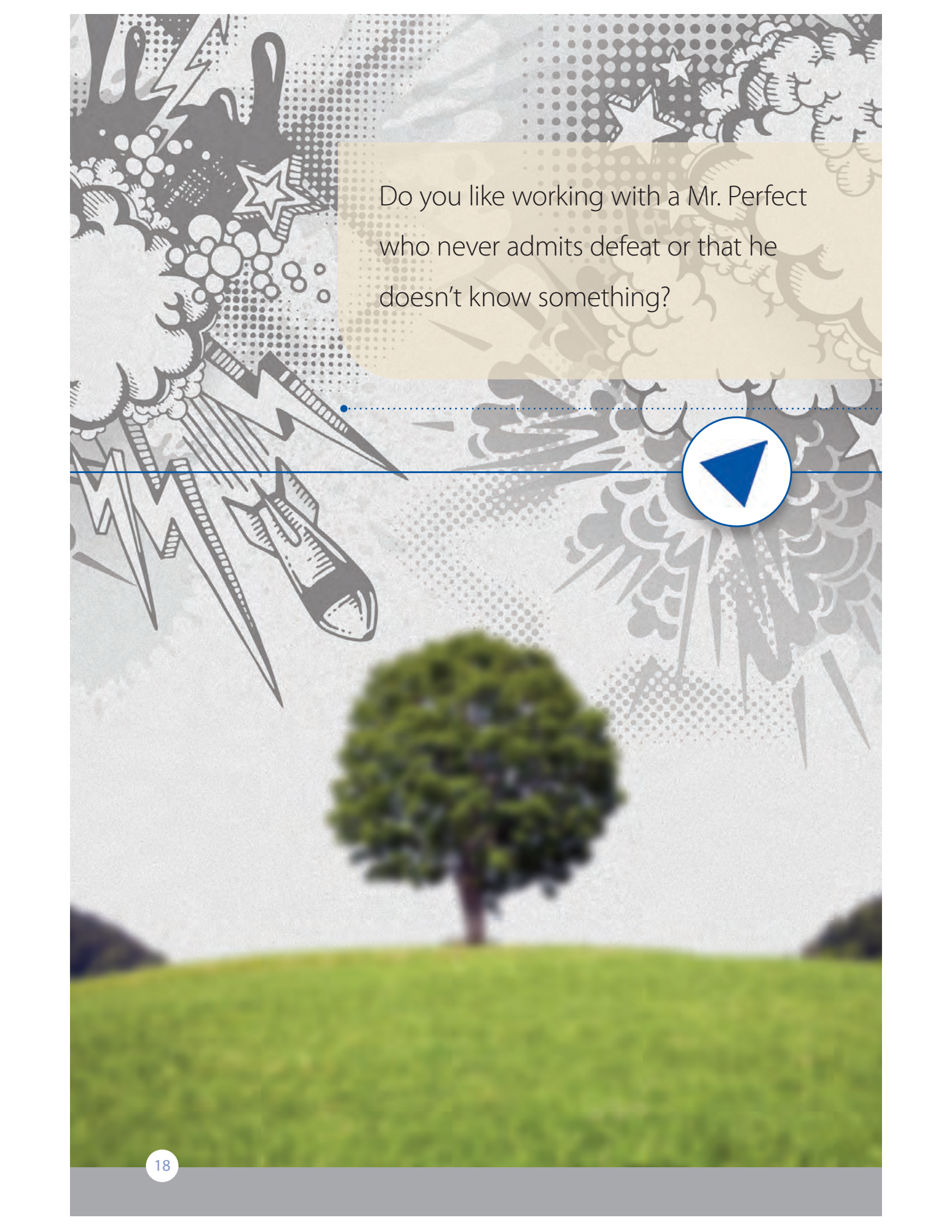
Dwight Eisenhower said, "In preparing for battle I have always found that plans are useless, but planning is indispensable." You clearly can't plan for every contingency in a fast-paced business, but if your vision and strategy are clear, you can avoid many of the 11th-hour decisions. In the immortal words of another famous warrior, "Only you can prevent forest fires" (Smokey the Bear, 1944).







*Can you plan more effectively to  
reduce or anticipate problems?*



Do you like working with a Mr. Perfect  
who never admits defeat or that he  
doesn't know something?



# EXPOSED AND FEARLESS

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I love getting older! OK, not all elements. My knees hurt from five surgeries and I sometimes forget my wife's name, but age brings experience and perhaps less concern about what others think. I don't blush as often as I used to when I say, "I don't know." I believe that my effectiveness is much higher when I quit worrying about having all of answers.

Do you like working with a Mr. Perfect who never admits defeat or that he doesn't know something? Although being exposed or vulnerable is uncomfortable at first, it's much more genuine.

With a German mother, I have genetic material that causes me to want to know all the details, always make the right decision and I have a healthy fear of failure. I have to fight the desire to control all situations. Being exposed doesn't come naturally. However, in most business situations, regardless of your role, admitting you're stuck and sharing leadership with other group members can be very liberating and much more effective than shooting for perfection.

You may have heard, "It's about success, not perfection." Many people in a leadership position — not all of whom are really leaders — would benefit from being more exposed. You don't engender others' trust by having shields up. "Never let them see you sweat"

might be good advice if you compete in extreme cage fighting, but it's pretty naïve and ineffective in business (Patrick Lencioni has some great thoughts on this in his book *The Five Dysfunctions of a Team*).

A close cousin to being exposed is being fearless. Have you noticed that some people can be completely honest while others fret over the consequences? Being fearless can lead to unemployment, but constantly biting your tongue only leads to misery. A fellow consultant taught me that it's much more important to be kind than nice. Being kind means saying things that may sting but provide value. Being nice is born out of fear. How do you respond to, "Do you like this new outfit?" Do you say, "Oh yes, honey, and your butt looks really small!" or "You look much better in the other one"? OK, so that might be an extreme, life-threatening example, but being kind requires us to be fearless; being nice is not always kind. (Please note that I was nice and didn't specify gender in the above vignette, so no angry letters. Guys want small butts too!)

A word of caution: Being exposed and fearless requires that you interact with emotionally intelligent people. If you aren't doing this, why not? I learned early in my career that it's best to consider yourself self-employed at all times. While this attitude can find you out of a job in short order if you work for a jerk (or a board of jerks), I wouldn't do it any other way.





*Are you a “real” leader or are you  
hiding behind a coat of armor?  
(Hint: They can see through it!)*





# Tactics Versus Strategy

# BEYOND THE BRICK WALL

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**H**ere's a quote from a recent book review section of a business publication discussing the financial meltdown of 2009: "In a year when the market value of the Fortune 500 fell by 37 percent and profits plummeted by 85 percent, conventional strategy books seem beside the point."

It's pretty easy to get wrapped around current challenges and tactical activities and forget about creating a unique competitive advantage. I'm not a fan of many "conventional strategy books," not because strategy is irrelevant, as the quote above seems to suggest, and not because they're dull, though most aren't written like a Nelson DeMille novel. I'm not a fan because they're often theoretical and leave you no road map for how to craft and manage strategy. When you want to know how to throw a grenade, you read the *Guidebook for Marines* not *War and Peace!*

I've recently been involved with a company that has no clearly articulated strategy or vision and some significant financial challenges. However, the senior team is asking, "Where are we going?" They know that good execution must happen to get to the future, but "what" are they executing? They must conserve cash and make



some cuts, but they can't develop products overnight. Adding new customer groups in a willy-nilly fashion (e.g., without correct brand strategy, positioning and market planning) leads to later pruning of "non-strategic" customers. They must continue to address long-term issues.

If you have no vision, which products do you develop? Which customers do you go after? There's evidence that companies that aggressively forge ahead rather than hunker down can create a significant competitive advantage.

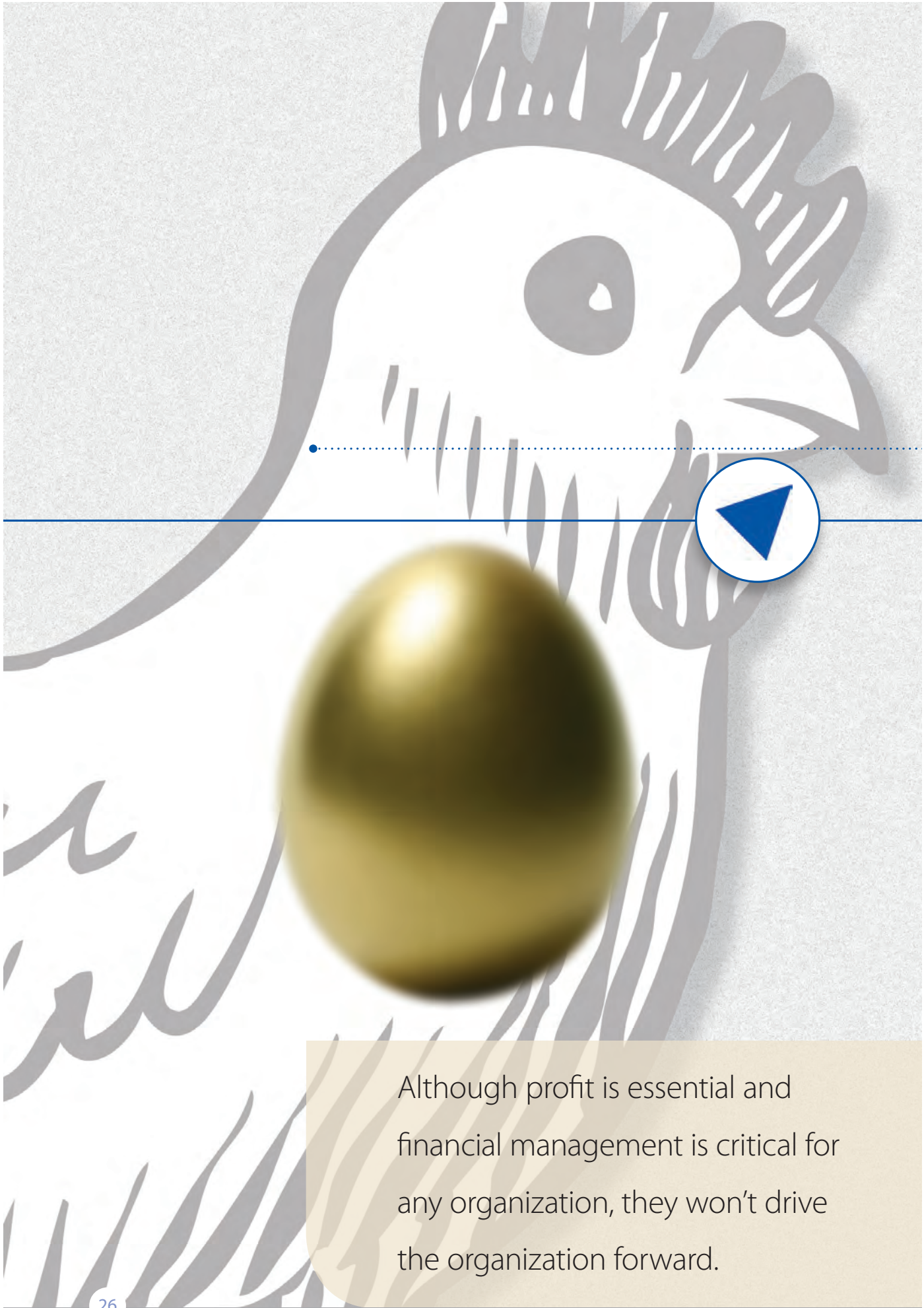
When you want to know how to throw a grenade, you read the *Guidebook for Marines* not *War and Peace!*

A friend used to say, "You don't worry much about lung cancer when your car is heading for a brick wall!" However, talented executives must know how to hold both short-term viability and long-term success in their minds at the same time.





*Do you have a vision to keep you  
on track as you respond to the  
inevitable challenges of your  
business or are you in tactical  
mode all of the time?*



Although profit is essential and financial management is critical for any organization, they won't drive the organization forward.

# PROFIT IS THE EGG, NOT THE CHICKEN

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I watched a video of the CEO of Zappos the other day and he had a great line: “Chase the vision, not the money. The money will follow.” I think he’s spot on. Said differently, profit is the egg, not the chicken.

Although profit is essential and financial management is critical for any organization, they won’t drive the organization forward.

I experienced this lesson some time ago in my career. We’d built a very successful multibillion dollar company based on innovation, customer focus and a strong, collaborative culture. After the company was sold, new ownership brought in some necessary, but insufficient, skills around financial management and accountability.

They replaced company conclaves, which previously brought hundreds of line managers together to share great ideas, with multiday “quarterly business reviews” designed to bust the chops of anyone below midline (business reviews are critical, but watch the tone!). Sharing new ideas from the trenches was supplanted by training sessions on new policies devised on mahogany row by folks who wouldn’t know a customer if they ran over one on the way to a long lunch. Looking good on stage became more important than shar-

ing a great idea over a beer or two after work with the front-line people. Hunting for scapegoats replaced focusing on heroes. It was all about the egg, and we'd forgotten about nurturing the chicken! Growth plummeted.

I also know a company founder who ran into cash problems early in his company's history. Someone on the accounting staff decided to pray over the bills to see if he could make them go away — sort of like an exorcism. Nothing happened. I'm not opposed to praying for intervention, but perhaps they should've focused on revenue activities (the chicken) versus the pile of bills (the egg).

**“Chase the vision, not the money. The money will follow.”**

Most businesses hit tough times when belts must be tightened; however, you can't cut your way to greatness. Don't confuse financial results with strategy — financial results are a function of how well your strategy was designed and executed. Strategy = chicken; results = egg.

By the way, the answer to the age-old question: The chicken came first!





*Are you focused on the egg  
or the chicken?*



# Tap Into Rational Self-Interest





# WIIFT?

## THE MOST IMPORTANT QUESTION MANAGEMENT CAN ASK

---

**W**ith increasing frequency, I've talked to organization leaders who were frustrated by their employees' lack of loyalty. ("Dude, when is my vacation?!" or "I can't make it in today because my dog has a headache!") When I've asked these business leaders why their employees should care about work, the leaders are often stumped. If you can't answer that question about your employees, then what about your customers? If you don't know what motivates them, you're bound to lose them.

Yes, I recognize that high unemployment rates might allow you to treat your workers like chattel for a brief period, but that's short-term thinking. The current workforce doesn't respond well to command and control. Our parents respected position and authority, but that doesn't cut it anymore. Rail against a sense of entitlement if you want, but good luck finding engaged people. Be thankful you aren't in France. The Wall Street Journal carried another story of a plant manager being held hostage because the workers didn't get a nap. (OK, they not only missed their nap, but also their espresso and foot massage.)

I know from mistakes I made as a leader that you really can't moti-

vate them — you must appeal to their rational self-interest. That's the WIIFT (what's in it for them?). It could be a chance to make a difference, an opportunity to learn, a fraction of the action (profit sharing), a great culture, a great place to live or flex time to have a life outside of work. Last, and perhaps least, it could be a big paycheck (much research has proved that a big paycheck is never at the top of the list). Whatever it is, identify it, create systems to support it and hire people who appreciate it.

I've previously written about my 20-year stint at Kinko's, so I won't rehash the story. But I'll tell you that 20,000 people — in our entrepreneurial stage, which ended in about 2000 — were there for many of the reasons above. We were only selling copies, but it was magical. What's in it for your co-workers? And what's worse than uninspired co-workers? Uninspired customers. A business that cannot identify what's in it for their customers is doomed to fail. Why are you a better choice than your competitors? No strategy equals eventual failure.





*Why should your employees be  
excited about working for you?*



## Emotionally Intelligent Leaders

# TEMPER TANTRUMS AS A MANAGEMENT TECHNIQUE

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I've met a couple of business "leaders" who scream at their employees like Bobby Knight "discussed" calls with referees at basketball games. In past years, I've tried the tactic myself — both at home and in my previous leadership roles — with marginal results. Is screaming completely ineffective? Absolutely not. As a young manager, I got positive results several times from displaying a short fuse. In addition to creating momentum, it allowed me to assert my authority and feel good for a fleeting moment. So what's the problem?

How many of you know anyone with real talent who has put up with abusive leadership for an extended period? How many of you who've experienced abusive leadership were at the top of your game in that environment? I don't think I've ever said, "How can such a \_\_\_\_\_ (pick one: jerk/bonehead/tyrannosaurus/primordial organism) have such a talented and motivated team?"

Leaders who frequently have temper tantrums lack emotional intelligence. Abusive or know-it-all leadership is — in my experience — all about control. Control isn't always a bad thing, but I've observed that teams achieve much more when there's trust versus fear, initiative along with compliance, mutual accountability versus individual

gain. Patrick Lencioni wrote a great little book called “The Five Dysfunctions of a Team,” which provides a good model for leaders who know it’s not “all about me.” The five dysfunctions are absence of trust, fear of conflict, lack of commitment, avoidance of accountability and inattention to results. You’ll find most of these in an organization where screaming is a prevalent management technique.

I wrote some time ago about a model for leadership espoused by management guru Warren Bennis. In his article “The Four Competencies of Leadership,” he talked about the need to manage attention, meaning, trust and self. Trust and self are key components of emotional intelligence (EI). There has long been evidence that IQ is only a small portion of success. Daniel Goleman and others have written about EI and its impact on success. IQ might get you the CEO’s job, but you’re most likely to get fired for lack of EI. Although it’s virtually impossible to influence IQ, the good news is you can learn EI.





*Do your people respect you  
or fear you?*



You may need both,  
but don't confuse them.



# LUCK VERSUS SKILL

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A friend sent this story to me the other day:

A young man asked an older rich man how he made his money.

The old guy fingered his sweater and said, "Well, son, it was 1934 and in the depth of the Great Depression. I was down to my last dime.

"I invested that dime in an apple. I spent the entire day polishing the apple and, at the end of the day, I sold the apple for 15 cents.

"The next morning, I invested those 15 cents in two apples. I spent the entire day polishing them and sold them for 30 cents. I continued this system for a month, by the end of which I'd accumulated a fortune of \$1.59."

"And that's how you built an empire?" the boy asked.

"Heavens, no!" the man replied. "Then my wife's father died and left us \$2 million."

This story reminded me of a dinner a friend and I went to several months ago. There was a panel discussion, and a young CEO panel-

ist who had cashed out of his business was spouting off all sorts of advice about a variety of topics from leadership to strategy to investing. Quite the sage. A legend in his own mind.

I watched as some in the audience scribbled notes and hung on every word. Eventually, one audience member asked the brilliant CEO some specifics about his former company. It turns out that their revenue was insignificant and they never made a dime of profit. My friend and I stood up and left. Be careful who you listen to. ...

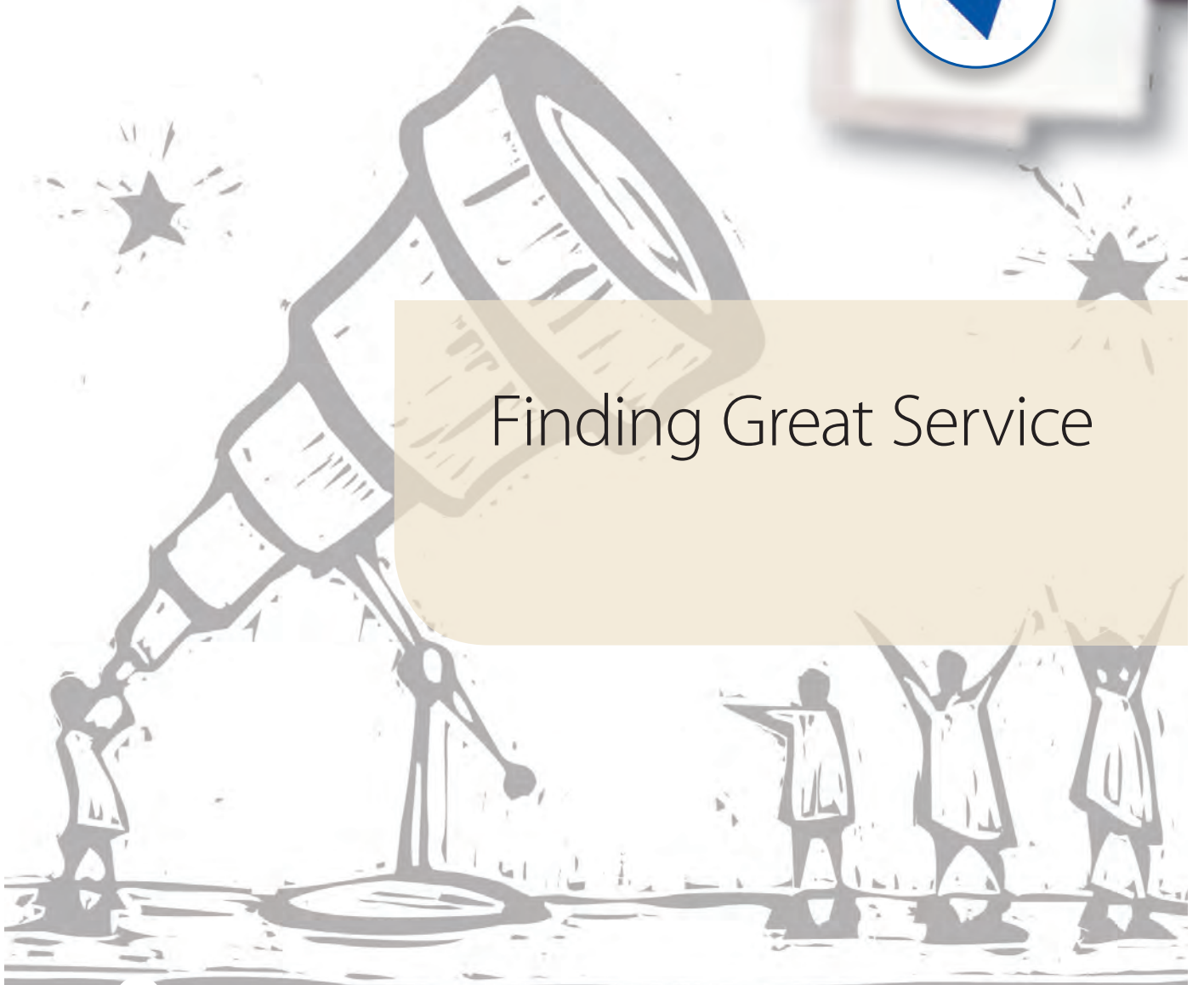




*What evidence do you have  
that your success is skill based  
rather than luck?*



# Finding Great Service



# FARGO? YOU BETCHA!

---

I'm sitting in the airport in Fargo, N.D., on a Saturday night. The sky is black because of the large thunderstorm overhead. I take a break from writing a memo to a client to check weather radar on the web, and it looks bad. I'm on the last flight out to Denver, so I hope to heck this storm moves out quickly. Being a pilot, I understand what you can fly through versus what will bend metal. This stuff will bend metal.

As I pause from wondering about the weather, I think about what great service I've had in this airport. Why is everyone so friendly here? The people at United Airlines actually smiled at me as I checked myself in and asked if I wanted help! Haven't they heard that they're supposed to hate their customers? Perhaps the memo hasn't gotten here yet. ...

I know that the waitress who just delivered my burger and greasy fries (they may be friendly, but it IS a culinary wasteland) has two boys and she's taking them fishing after work. Fishing? Not sending them to the mall?! What's she thinking? I'm trying to remember the last time a service provider was this interested in my life and in genuinely sharing hers.

The Transportation Security Agency guy wasn't trained correctly. He



forgot to snarl, and he completely screwed up when he asked me about my weekend. What's wrong with him?! Perhaps his polyester pants aren't tight enough.

I grew up in this area, so I can't profess complete surprise at the gracious and friendly service. I guess it might be genetic, but it makes me wonder what the hell we've done wrong in the rest of the country. For example, while in the airport, I called a hotel in Reno, Nev., to make reservations for another trip. The reservation person at the hotel thought she was doing me a tremendous favor for allowing me to help fund her livelihood. What's up with that?!

I work with companies on strategy (i.e., "What will we do to prosper in our competitive environment?"), so I get to talk with CEOs about forward and backward integration, acquisitions, core competencies, financial leverage and a bunch of other important issues. Most of them, however, could take a lesson on relationships from my waitress at the Fargo airport. I order a second glass of wine to wash down my fries. Because she's personable and gives a damn, she gets a 30 percent tip.





*Set strategy aside for a minute;  
is it possible that you might grow  
your business by treating people  
substantially better?*

No one in his right mind  
would try to ski just like Bode  
Miller. It works for him alone.



# WHAT DO SKIER BODE MILLER AND APPLE'S STEVE JOBS HAVE IN COMMON?

---

**E**ven if you aren't a big fan of ski racing, my guess is you've heard of Bode Miller. He's not only the most winning American skier ever — a four-time world champion in four types of ski racing — but also legendary for his training technique and lone-wolf personality. What's most unusual about Bode, however, is his unorthodox style. He often looks like a crazed break dancer on skis and crashes much more frequently than he wins. Only his unbelievable catlike instincts and balance allow him to win with this wild style. No one in his right mind would try to ski just like Bode Miller. It works for him alone.

Why are we talking about ski racing? A friend recently sent me an article about Steve Jobs, the mercurial and brilliant founder of Apple. The title is "How Apple Got Everything Right by Doing Everything Wrong" Steve Jobs is to business what Bode Miller is to ski racing. As noted business guru and former Apple executive Guy Kawasaki puts it, "Steve proves that it's OK to be an asshole. He just has a different operating system."

I see CEOs and other business leaders trying to be the smartest guy in the room and getting their butt kicked because they aren't as intuitive as Steve Jobs or as catlike as Bode Miller. They fall victim to

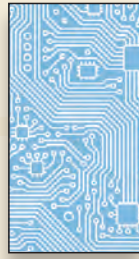
the erroneous concept that one author called “The One Big Brain” — the belief that a small group or, even worse, one person must do all the brilliant thinking.

While I really admire Apple’s products and enjoy watching someone compete and win in an unconventional manner, I’d no more suggest that a CEO emulate Steve Jobs than I’d tell a budding ski racer to do it like Bode.

Sometimes someone with savant-like talent can get away with unusual behavior and still win big; most of us can’t. Looking at Bode Miller and saying, “I want to ski like that” or looking at Steve Jobs and saying, “I want to lead like that” makes about as much sense as trying to think smarter by getting your hair cut like Albert Einstein!

Looking at Bode Miller and saying, “I want to ski like that” makes about as much sense as trying to think smarter by getting your hair cut like Albert Einstein!





*Are you emulating  
the right leaders?*



# The Lifesaving Value of Preparation



# ICE, ROCKS AND AIRPLANES

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I had a conversation with someone recently about the value of being prepared, and it reminded me of something that happened to me a few years ago. I used to travel every week and I was a pilot, so I flew many business trips myself. One day I was headed to Missoula with a colleague. It was a clear day in Colorado and most of Wyoming, but there was a wall of clouds to the west and north, where we were headed. One significant problem with winter flying is picking up ice, which can bring down even large aircraft when enough accumulates. As we chugged along and began picking up a bit of ice, I noticed the radio had been particularly quiet. So I tried a radio check with air traffic control in my best airline captain voice. "Center, Baron 2059 Papa, radio check. ..." No response. This isn't terribly unusual in mountainous terrain, so waited about 15 minutes and tried again. Still no response. This was heading downhill rather rapidly as we'd continued to encounter ice and now turbulence.

As we approached Missoula, the radio seemed to kick back in and the controller told me to turn off course because there was a United jet departing ahead. The Missoula airport has mountains all around it. We'd be landing to the west, but there were mountains to the north and south. The controller had me fly south and start descend-

ing to an altitude that was below the mountain peaks. We were in the clouds, but he told me to expect vectors back on course quickly. After about 30 seconds, I tried a radio check. No response. Now I was descending toward a mountain I couldn't see, I was still picking up ice and I had a very nervous guy sitting next to me — not to mention the guy in my seat!

Luckily, I made a habit of always backing up the navigation panel with a handheld GPS device and also carried a hand held radio. Because I don't have a ghost writer, I was obviously able to find my way to the runway without hitting anything hard though I got no high marks for my landing. (There is an old joke about an older woman passing the Captain on the way out of a commercial flight and asking, "Sonny, did we land or were we shot down? I'm glad she wasn't on my flight!")

Without some situational awareness and a backup plan, we'd probably be impaled into the side of a peak in Montana right now. It isn't much different in a tough business situation. You need to assess the situation, use what tools you have, calm yourself and those around you — or in my case, feign confidence — and take action.





*Do you have situational  
awareness in your business and  
do you have backup plans?*





# Perseverance

# CHURCHILL ON HELL

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I am fortunate to have been on the board of directors of some good companies. In a board meeting one day, the CEO was describing a rough patch while a fellow board member was opening a bottle of iced tea. He handed the CEO the bottle cap, which contained a brilliant saying by Winston Churchill: “If you’re going through hell ... keep going!”

A similar message had come my way the night before at an event recognizing successful entrepreneurs. The overriding theme of success that came across wasn’t luck, a trust fund or even brilliance — it was perseverance.

A third point and then we’ll tie this together. There’s some compelling research from 15 global companies that says 90 percent of executive success can be attributed to emotional intelligence, which — unlike cognitive intelligence — can be improved.

What does all this mean? Mental toughness and good people skills will get you a lot further as a leader than a deep understanding of the Financial Accounting Standards Board, subatomic particles or knowing how a hard drive works.

IQ of 150? Great, but it won’t give you a leg up on the guy who com-



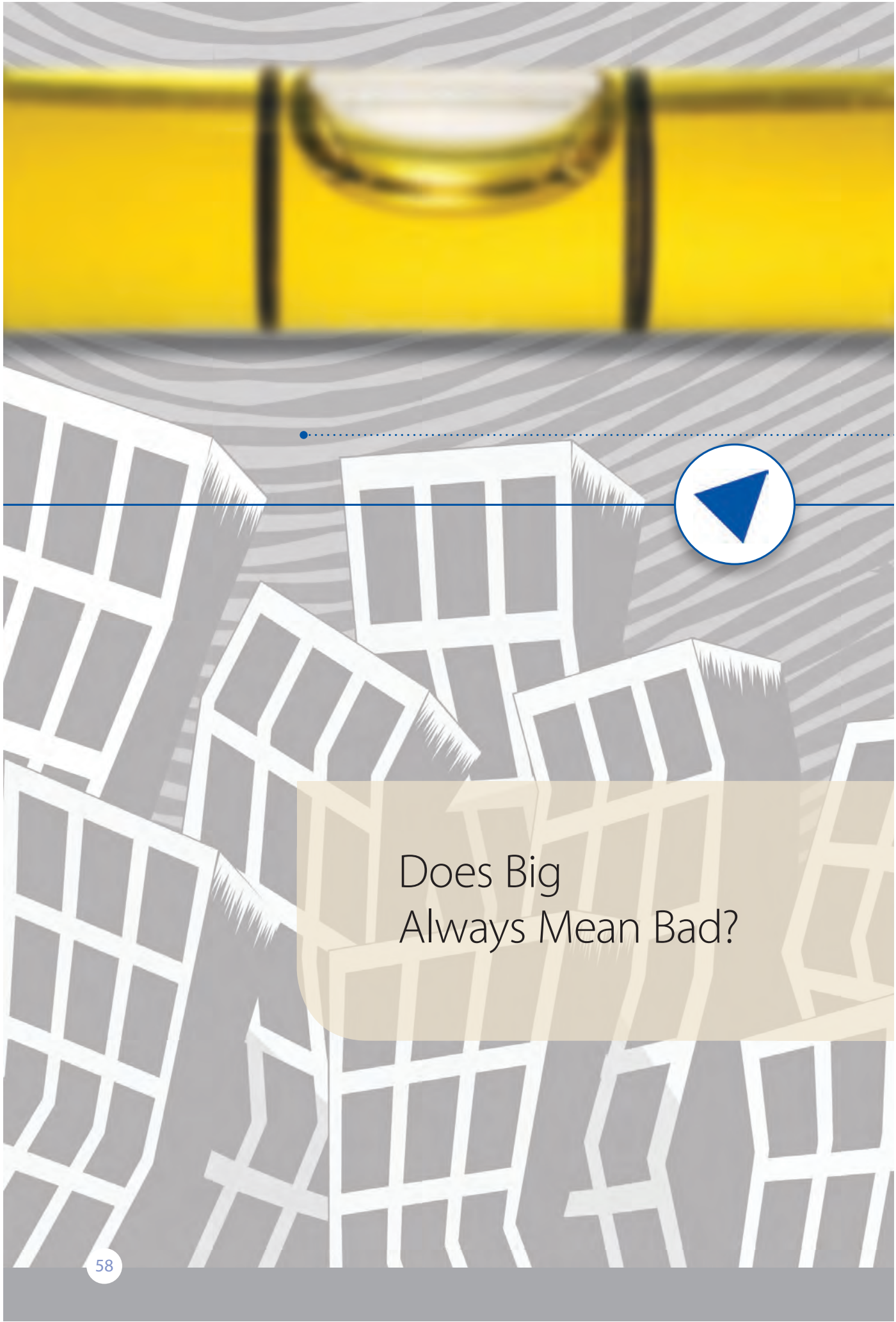
municates more effectively with his people. Graduate of Oxford? Good, but if you crack under pressure like a corn tortilla in the hot desert sun, your persevering competitor will win the long race.

Another brilliant remark from Churchill: "Kites rise highest against the wind — not with it."





*Do you put as much energy into  
perseverance and emotional  
intelligence as you do  
the technical aspects  
of your business?*



Does Big  
Always Mean Bad?

# WHAT CAUSES ORGANIZATIONAL DYSFUNCTION AND MISALIGNMENT?

I once sat next to a young man at lunch who worked for a real-estate company that represented tenants searching for commercial real estate. As such, he worked for mostly larger organizations and said he was absolutely flummoxed (OK, he didn't say flummoxed, but I like the word and I couldn't print the one he really used) at how dysfunctional many of the companies were. It's a bit harsh to say all organizations are dysfunctional, but certainly many have "opportunities for alignment."

Between the salad and main course, we discussed why dysfunction and misalignment exist so often. Here were our observations:

**1. Communication.** Executives tend to under communicate, assuming everyone receives information when they don't. Volume and frequency are important, and to communicate effectively, of course, you must have a ...

**2. Clear message of purpose and vision.** Many don't. Guardrail-to-guardrail behavior is quite prevalent in many companies. Beyond a purpose and vision, strategies and tactics must also be fleshed out and communicated well. My tablemate found that those who were responsible for site location were often pulled different directions

when expectations changed for no apparent reason (see No. 1).

**3. The law of large numbers.** When organizations become large, communication and consistency of expectations often break down. This doesn't mean they can't overcome it, but it takes much work. I once worked for a CEO who'd been a senior executive at Wal-Mart. He said they were fond of stating they could decide on Friday to put a red dot on the upper-left corner of all stores' front door and have it done by Monday. That's effective communication — even with large numbers. (Having your own closed-circuit satellite communication system helps!)

**4. Indifference.** Sometimes people don't care, which leads to great dysfunction. The lunch I attended with the young man focused on generational differences in the workplace. Gen X and Gen Y have a real need to understand what's in it for them, and senior management should address this rather than fight it.

We only came up with four before the speaker started. I suspect that with a few more minutes, we could've rounded out the top 10.



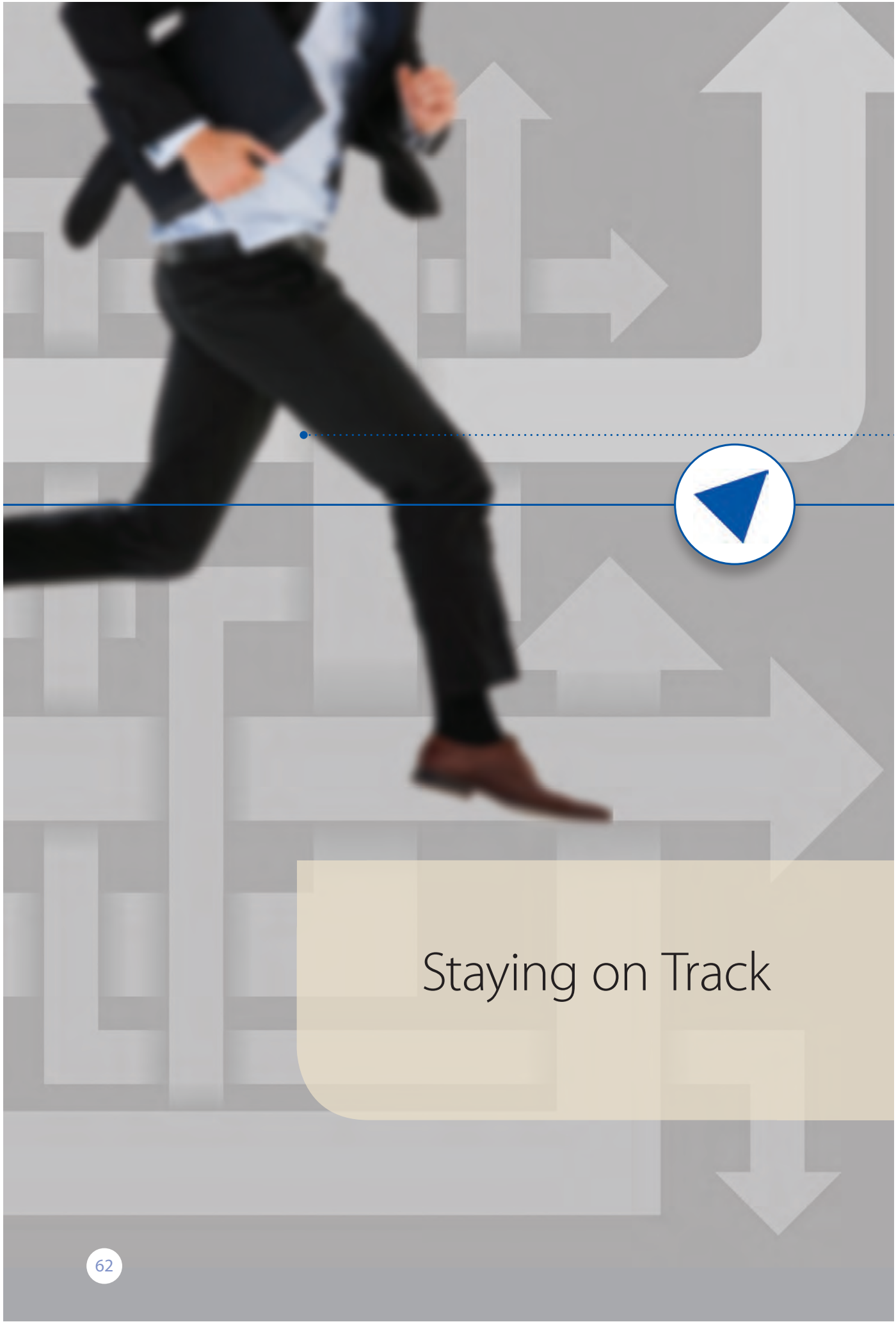


*Does your organization  
feel dysfunctional?*

*Do you know why?*

*If it doesn't, do you know why?*





# Staying on Track

# HAVE YOU \_\_\_\_\_ TODAY?

I have a client who runs a mid-size global firm with a talented and sophisticated board of directors. It's not always easy or appropriate to gather the board to discuss all issues, so he and I meet monthly for "strategic dialogue." This allows him to discuss issues that are tough to bring up with his board and executive team. As the saying goes: "It's lonely at the top."

This CEO is very talented and successful, and he's growing his business faster than the market. His profitability is well above his industry's norm. He's on top of his game. I offer this so you might give a hard look to the below list (reprinted with permission), which is posted in his office as a daily reminder of his priorities.

**1. Have you talked to the board today?** This can be a challenging relationship for CEOs. If you don't develop trust and open communication, you'll never get the benefit from the board that you should, nor will they have the level of faith required for long-term success.

**2. Have you reviewed the numbers today?** Having a dashboard in place to monitor your business and address critical issues can eliminate surprises and help you take corrective action before small problems become real problems.

**3. Have you walked the hallways today?** In this CEO's world, he literally means walking the hallways to make sure he interacts with his co-workers. He understands that visibility is important for leadership. If your "hallways" are distant, take this metaphorically and think about your interaction with your team.

**4. Have you talked to a customer today?** Too many CEOs insulate themselves from the people who really matter: their customers. Stay "on" the business rather than just "in" the business by getting unvarnished information. As a friend of mine says, "If you're constantly facing inward, your butt is facing the customer!"

**5. Did you read today?** Constantly educate yourself.

**6. Did you think about the future today?** This CEO's industry has some pending changes that might radically alter how they do business. Yours probably does as well. You can't isolate thinking about the future to a two-day planning event every year. Continually question the vision to develop a clear, compelling picture of the future to make effective decisions and align the organization.

If you don't have a structured way to stay focused, you won't.





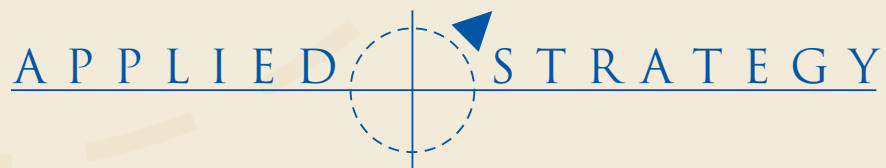
*What's on your daily list?*





## ABOUT THE AUTHOR

Todd Ordal, President of Applied Strategy LLC, works as a thought-partner to CEOs and their senior teams to enhance organizational performance through better strategy and effective leadership. He is a former CEO with 30 years of leadership experience and is also a Certified Management Consultant™ and a certified executive coach.



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