



LEADING IN TRANSFORMATION

Great CEOs are the emotional center of the company. They need to be relentless and lead with great intensity. Yet, CEOs also need to be conscious about how they focus their time, emotional energy, and skill if their companies are to successfully transform and respond to change.

CASE STUDY

Three simple words.

In response to a loss in market share, Coca-Cola created a strategy called the 360-degree landscape. It was summarized into three simple words:

- Availability
- Acceptability
- Affordability

Leaders were explicit about how these three pillars would guide choices and build the company. They were clear about the employee value proposition and how the strategy could create new opportunities for growth for Coca-Cola associates.

01 FIVE KEY FOCUSES OF THE CEO

“Organizations and people have great, vast potential. Our role as a leader is to do whatever we can to unlock that potential and accelerate transformation.”

- Jack Stahl

1. Define strategy and a compelling employee value proposition

Ensure that the strategy is clear, compelling, and focuses the prioritizing of time, resources, and your energy as a leader. A clear picture of where you want to drive your company gathers energy from every constituent.

Understand what your strategy means to your employees' growth, career aspirations and financial goals. Co-create strategy with employees to ensure alignment.

“Having a clear, compelling, and aligned strategy took 10% to 15% of my time as a leader. Dedication time to co-creating and communicating that strategy was critical.”

- Jack Stahl

2. Drive relentless engagement and communication

Communication needs to be repetitive. Intense communication is powerful to help CEOs drive change and share strategy, while at the same time learning about challenges in the company and solving issues.

PERSONAL EXERCISE

On Sunday night, take less than 15 minutes to review a list of your 10 or 12 most important external constituencies and your most important broadcast towers within the company, as well as 5 or 6 key management routines:

1. Which are most important to the strategy at that point in time?
2. Where are you not spending enough time?
3. Is there something less critical that you are prioritizing instead?

Work to have 100 one-on-one conversations per week. These may be as short as 90-second hallway interactions. Ask questions. Every problem you deal with is linked to a person, somewhere. Understand what people are focused on, what challenges they face, and how you can help. Share context about the strategy and where the company is going.

Spend disproportionate time with broadcast towers that can amplify your message to supporters or help to neutralize skeptics.

“The communication intensity is probably three to five times greater than what you believe going into a role.”

- Jack Stahl

3. Manage constituencies

Great leaders spend 25% to 30% of their time engaging with external constituencies. A direct report to the CEO will likely have 5 to 7 critical constituencies. For the CEO, that number could be as high as 15 or 20.

Think about who the constituencies are that are most important to your business. Make them a priority. Understand their strategies, objectives, and challenges by asking questions. Recognize that they are talking to each other. Deepen your relationships with them in a way that creates opportunity and reduces risk.

“Most senior leaders and new CEOs underestimate the risk profile and the benefit of maintaining powerful relationships, particularly with broadcast towers”

- Jack Stahl

PERSONAL EXERCISE

Reflect on a past conversation you have had with a person senior to you that substantially changed how you lead or execute.

How can you use your time effectively to create the same impact for your direct reports?

CASE STUDY

Accelerating talent.

While at Coca-Cola, Jack asked his boss for approval over capital for everything under \$10 million. His boss suggested that they set it at \$1 million.

He explained that if the limit was set low, they would need up to 25 conversations a year rather than 3 or 4. Each of those would be a coaching opportunity and, if used well, would accelerate Jack's career in the company.

4. Lead at scale

Instead of leading only through one-on-one meetings or small groups, take every step you can to lead at scale. Create management routines for yourself where you can be in front of 15 people or more at once, especially for critical initiatives.

Use every meeting as an opportunity to teach, assess talent, solve problems, or break down barriers to transformation.

Be in enough routines with enough frequency to know that the process is working. Identify executional gaps and whether people have the capability to solve them, or not. If a given initiative is being managed correctly, turn your attention elsewhere. Go where the opportunity is greatest, or where the risk of a lack of leadership is highest.

“Our role as leaders is to demonstrate the importance of effective, complete execution. The best way to do that for leaders at your and the CEO level is to model those behaviors at scale.”

- Jack Stahl

5. Develop people

Spend time with the people that are driving 80% of the value creation. Talent development boils down to clear coaching conversations. Set expectations, understand their current challenges and offer alternative perspectives to help them be more successful.

Those conversations can take just 10 or 15 minutes but help people understand how you think about the business and enable them to broadcast it to others.

02 TACTICAL TOOLS FOR TRANSFORMATION

1. Use a 3-part framework to communicate transformation through mind, heart, and hands.

Build a strategic narrative that appeals to the *minds* of your organization. Explain the logic of how the external world is changing and why the company needs to reposition. Support it with quantitative evidence.

Energize the company with a compelling story that speaks to the *hearts* of your employees. What do they buy into emotionally to make them commit to your vision?

Get *hands* on the task by defining the metrics that need to be targeted. Create a culture of transparency so that all teams are clear about where they are and where they need to be.

2. Change habits

Successful transformation requires training new muscles in the organization. Sometimes, you just need to change habits and not the whole value structure. Identify bad habits and work to eliminate them.

Use the stories you tell and whose behavior you celebrate to motivate change in the direction you require. With enough repetition and recognition, good habits will take root on their own.

3. Focus business reviews on objectives

Allocate only one page to look back on what has been achieved. Use the rest of the document to pose two or three critical questions on what needs to be done. Create a conversation around what you are trying to solve as a group. Focus the energy forward.

4. Manage your energy

Reflect on when in the day or after which events you are most energized. Manage your calendar such that you are making your most important decisions during that time.

Schedule unplanned time. Whether it's a few minutes a day or a few days a year, give yourself space to step back from the day-to-day and think deeply and strategically.

Decide who you are going to disappoint. You cannot satisfy the needs of everyone in your company or all of its external constituencies. Over deliver with the people that are most important and accept that you will disappoint others.

5. Divide labor by timespan

Assign teams to focus on either the now or the future. For example, have global organizations address the forward facing questions while regional organizations focus on managing the day-to-day business. Or, be clear about who within each team has the responsibility to step away from the day-to-day tactics to build the future strategy.

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