

Jim's Profit Accelerator 59: How Dads Successfully Teach Their Kids to Be CEO

"I had no idea it was this hard." David was a 40-year-old CEO of a substantial family business. He'd worked there for 20 years, in most departments. He was bright, conscientious, and driven to excel. His parents were sharp and caring, with little family drama. After three years as CEO, David still struggled, discovering that his experience in the business was insufficient to become its leader.

This experience almost derailed the career of an exceptional CEO. His subsequent success came from intense outside help coupled with his own hard work. Until then he didn't know what he didn't know, and wrongly thought the problem was his aptitude.

David encapsulates the dad's challenge: How can a son or daughter learn to be the CEO that the company needs for the future?

It would be nice to borrow a page from the few large firms who successfully grow replacement CEOs. But those organizations provide these elements, all out of reach of smaller firms:

- Graduated practice in a series of leadership positions.
- Multiple coaches and advisors.
- Guardrails to enable real risk without catastrophe.

SPEED BUMP: Mid-size firms must make up their own path to grow a CEO.

There are some proven ways to find that path, however. Here are three minimum steps, worthwhile regardless of whether he or she ultimately succeeds you as CEO (Sadly, they are the same for pretty much all learning):

Step 1: Observe

- Enlarge your field of role models.
- Watch how other superb leaders do it (don't just listen to them describe it).
- Craft situations that enable watching and discussion.
- Agree out loud that watching and discussion can happen frequently. (This is the other reason for him or her to work in another organization.)

This is not the usual mentorship, which focuses more on how to succeed in one organization.

Step 2: Practice

More vital than observation, real trial situations are critical. To be effective levers of leadership growth, they require these minimums:

- Individual leadership of others: Be part of a team, become their leader because of your contributions, and do it out of your father's sight.
- Consequences that matter.
- Chances to fail and adjust.
- Multiple opportunities to lead people, especially one-on-one.

SPEED BUMP: The core of effective leadership is one-to-one.

Step 3: Be Coached

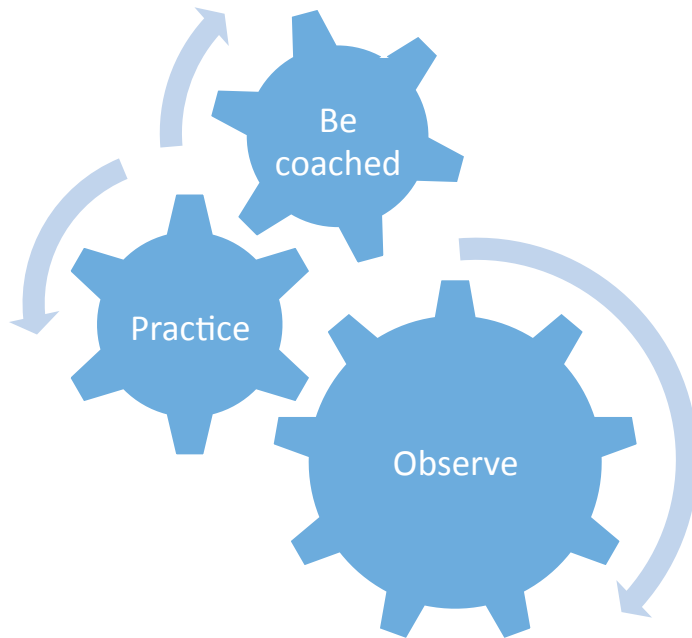
An outside look and individualized skill training beats self-teaching. To be most successful, a coach must have played the game and be gifted in teaching fundamentals to someone else. Sideline analysis from a nonplayer is a weak second choice, because winning details are seldom seen by an observer who has learned only by watching.

My Stanford MBA provided unsurpassed analytical and teamwork skills, but I learned to lead in proverbial trial-by-fire situations—by doing it in demanding leadership positions under the critical eye of veteran (intimidating) senior executives who had skin in the game.

When I was tasked with developing and implementing a new concept bakery in 30 Chicago locations (of a multibillion-dollar firm), I failed to get approval in my initial presentation to the corporate executive leadership team. They insisted that I identify the major risks in the project, and at least provide initial solution steps. But I didn't want to admit any weakness or problem in the plan, missing the essential need for their guidance through the inevitable problems in the path of implementation. I'll never forget the rejection—or the need to seek competent help for any major initiative. Most frustrating, this help was committed to my success, but I didn't allow myself to see it at first!

Stanford taught me well, but rejection and failure taught me a lesson I have put into practice repeatedly over the years.

SPEED BUMP: Being a successful CEO demands hands-on practice with a coach.



Becoming a successful CEO doesn't require magic. It does demand a willingness to jump in while being close enough to a skilled coach to prevent permanent injury to the trainee or the business.

At an architecture firm where I coached, the new Managing Principal (~CEO) was the first nonfounder in the role. After a year of work together, he delivered a profit jump that was three times the prior three-year average, with per-employee sales rising 15 percent over the prior year. He was successful because he aggressively tried things, listened, made mistakes, and learned from the pain.

SPEED BUMP: Ability passes genetically, but interest and drive may not.

ACCELERANT: What's your plan to replace yourself?

For more information on how you can accelerate revenues and profits in your business, please call or email me.

For more information, visit www.grewco.com.

Jim Grew is an expert in CEO-level strategy and executive leadership whose clients refer to him as the Business Defogger and Accelerator. Jim helps leaders swiftly discover the hidden opportunities within their businesses and exploit them for dramatic results. Nearly three decades of success as a COO and CEO coupled with his experience running nine thriving businesses provide the foundation for his consulting work as president of the Grew Company. He presents regularly to industry groups, mentors business leaders, and shares insights on his blog, BizBursts.com: <http://bizbursts.com/>. He holds BA and MBA degrees from Stanford University.

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