



DO BUSINESS FASTER™

## **Jim's Profit Accelerator 260 The Problem with a Strong CEO**

Many successful companies have gotten where they are largely due to a strong CEO. Crucial at the early stages of the business, the strong leader usually is essential in leading a business through its growth troubles (and every business has them).

The strong leader may even have strong division managers and a healthy leadership process. But here's the problem: When it's time to groom a replacement, it's surprisingly hard to do well.

Consider Jack Welch, who took GE to an all-time high stock price. His hand-picked successor Jeff Immelt presided over a dive in profit that remains stunning.

Consider Bridgewater Capital's founder Ray Dalio, now seventy, who has tried for ten years to put a successor in place—and the fighting continues. (Bridgewater is the world's largest hedge fund.)

**SPEED BUMP:** Management matters, according to a recent study at Stanford Business School.

So how to bridge this very real chasm?

Move the focus from the replacement to the leader. Yes, the current leader. The problem is always with that person's approach to choosing and grooming a successor. The successor must step up and grow into the job, but unless the current leader changes his impact on the business, the odds of success are poor.

What to do:

**Stay on the job.** Going away more doesn't change things; it just embeds the leader's impact in the heads of all employees, even the successor.

**Increase successor responsibilities stepwise**, not in a burst, and provide real-time advice in a setting that leaves space for the successor's approach.

**Vote less and less on decisions of the company.** Guide yourself by your perception of risk, and ask for evidence of that risk before you decide to vote. Most of the decisions your putative successor wants to make will work fine, or can be adjusted. The stick in the spokes is trying to figure out what the boss wants, instead of what the business needs.

Bonus: Be patient with yourself. For most folks, this is new territory, regardless of your success. (This is where a sophisticated advisor can provide a sounding board.)

**ACCELERANT:** Who is your future replacement?

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

A note on **SPEED BUMPS:** Use them to click quickly with an idea that can immediately be implemented in your life as a business leader. Think: “How can I use this today?” or “Who can use this?”

For more information, visit [www.grewco.com](http://www.grewco.com).

Jim Grew, the Business Defogger and Accelerator, helps leaders discover hidden opportunities within their businesses and exploit them for dramatic results. Jim has led 9 businesses, worked in 31 companies at C-level, and is an expert in strategy and executive leadership. He presents regularly to industry groups, mentors business leaders, and shares insights in his Executive Letter (above). Jim holds BA and MBA degrees from Stanford University. In his new book, *The Other Side of Succession*, he shares how to plan for the future by growing your business now.

©Jim Grew 2019. All Rights Reserved. *Do Business Faster*