



Jim's Profit Accelerator 150 This Is Real Cost, Not Opportunity Cost

Most of the times when I led an organization I was a saver—of people—in spite of my wife's suggestions (usually right). An optimist, I thought I could help him or her become or do whatever it was that the business needed. Even worse, I refused skilled outside help, thinking that I could do whatever was needed.

A grizzled ex-corporate executive once chewed me out after learning that I'd avoided skilled outside help for the company that I was leading for its owner. "You've cost Larry millions!" he said. Beyond the enormous discomfort of sitting there and taking it, I was ashamed because I knew he was right.

SPEED BUMP: Avoiding skilled help is damaging—and probably dumb to boot.

Skilled help means one of three things:

1. Doing what it takes to put the right person into the right senior position.
2. Bringing in an outside expert to provide expertise unavailable in the company.
3. Moving people out of jobs when they can't or won't do them well enough.

This is intentionally black and white. Part of leadership is working with flawed human beings, who are incomplete by definition. That's not our topic. This is about the few situations where the job isn't getting done, period. It takes great courage to switch from helping to finding the right next person. When it's done, it's a remarkable performance accelerant for the leader *and* the troops.

At one of the places I worked, the top sales executive wasn't getting it done, damaging results, morale, and performance company-wide. One aspect of that damage occurred because the CEO's expectations of the incumbent were low, and, as a result, performance across the entire company had sagged. How did the story turn out? Improvement came in two stages:

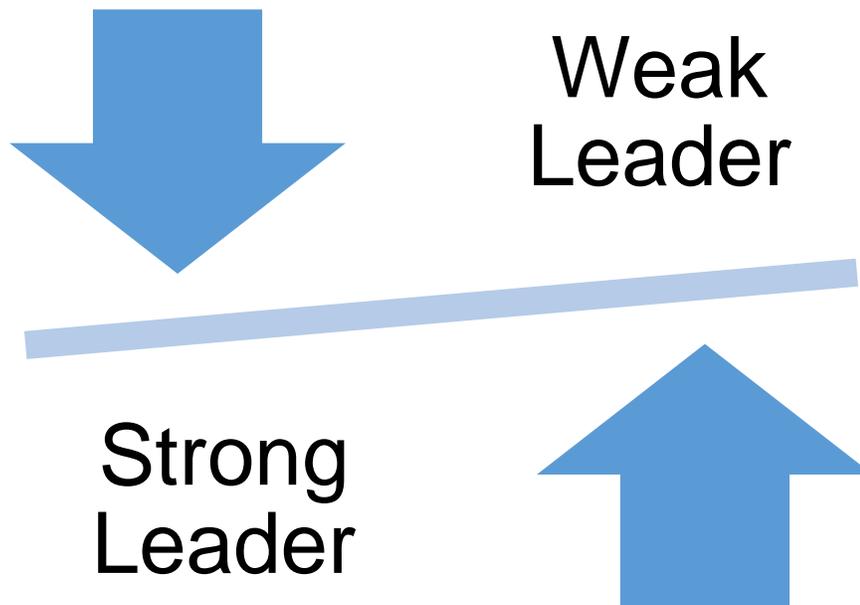
1. When a confidential search was launched to replace the sales executive, the CEO immediately stopped holding back and required the incumbent to step up and do his job better.
2. The replacement executive immediately started performing better than expected, lifting all boats.

It seems that people spout Jim Collins's *right people in the right seats* easily, but few do it consistently, especially in privately held businesses.

At another company, Sam Blackstone, CEO of Elemental Technologies, explained that he struggled when his lawyer told him that his board said that he needed to hire a sales leader to

take the company to its next level. “I always thought of it as my money, and I just didn’t want to spend the money on a search firm.” He did what the board asked, and Elemental went on to dramatic growth, and is now owned by Amazon.

SPEED BUMP: Don’t expect impossible results from people who can’t deliver them.



Easy tip: If your company revenue is above 2008’s results, you have at least one senior executive who’s in over his head. The 2008 slowdown enabled both expense cuts and narrow responsibilities. Growth, on the other hand, is much more challenging. Because it has come slowly, the shortfall may be subtle. Ask yourself this question about each executive, individually: Is he capable and willing to lead us at our 2020 level of operations? Where that answer is clearly no, start searching.

I know of a substantial business that’s had an interim executive for a year, while the owner tries to find the next leader by networking. That year is lost forever, at a time when a new permanent leader’s growth and momentum could have contributed lots.

SPEED BUMP: Weak leadership is a current and real cost.

ACCELERANT: Which leader needs to move to a new position?

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.

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.

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