

Jim's Profit Accelerator 23: Are You a Neurotic Leader?

I continue to be surprised in conversations with CEOs of successful businesses. I hear a stubborn denial of current reality that would be entertaining if it weren't potentially self-destructive. Apparently the pain of the recession that began in 2008 corrupts the picture of our dynamic opportunities right now. Some would call this *neurotic leadership*: being gripped with irrational fears that past problems will reappear.

Fifteen months ago former Oregon state economist Tom Potiowsky and I predicted that 2014 would be a remarkably strong year for business. A flood of recent economic indicators affirms that view and doubles down on an even stronger 2015.

Here is the evidence:

The Wall Street Journal CEO Council (153 CEOs of major firms in many industries) said: "...Bullish on 2015 ... a long list of new tailwinds, and a shorter list of headwinds.

Tailwinds:

- Lower gas prices
- Higher employment rates and ...consumer confidence should boost consumer spending
- For the first time in six years it seems that we're focused on growth
- Momentum fuels growth
- We will see innovation thrive, and innovators win"

Headwinds:

- A global market that "...will continue to be highly volatile in 2015."*
- Softening economies in Europe and Asia
- Lower oil prices
- U.S. Dollar: WSJ Dollar Index at 83.59, highest since June 2003, making U.S. export sales tougher.

Here's more data, primarily from the *Wall Street Journal* (1/3/15):

- *Interest rates*: Now at a five-year low, interest rates will rise marginally in the next 24 months, accelerating investment to lock in favorable rates.
- *S&P 500*: 2058, slightly below all-time high.
- *NASDAQ*: 4726.81, slightly below all-time high.

- *Computer chips*: Growth in 2015 will slow from 2014's heights, but remain strong, driven by "booming demand for more devices with more capabilities," driving further investment in chip plant and equipment.
- *Oregon unemployment*: Five-year low, creating family income.
- *ISM Survey*: Revenues will rise—manufacturing up 5–6 percent; non-manufacturing up 10 percent (*Institute for Supply Management*).
- *The Biggest—Dow Jones Industrials*: All-time high, surpassing 18,000.

SPEED BUMP: Industrials at 18,000 reflects unprecedented underlying confidence by consumers, businesses, and investors in the strength of the U.S. economy and the promise of sustained growth.

Count Basie is probably the most renowned bandleader of the century. His forty-year "reign" is unparalleled. His bands had powerful arrangements and legendary musicians, but so did many others. Here is his secret: The "Magic Carpet" rhythm section of Walter Page, Jo Jones, and Basie (bass, drums, piano), dreamed up by bassist Walter Page. The dramatic combination of softly playing a driving beat was a new platform that showed off soloists with unmatched impact.

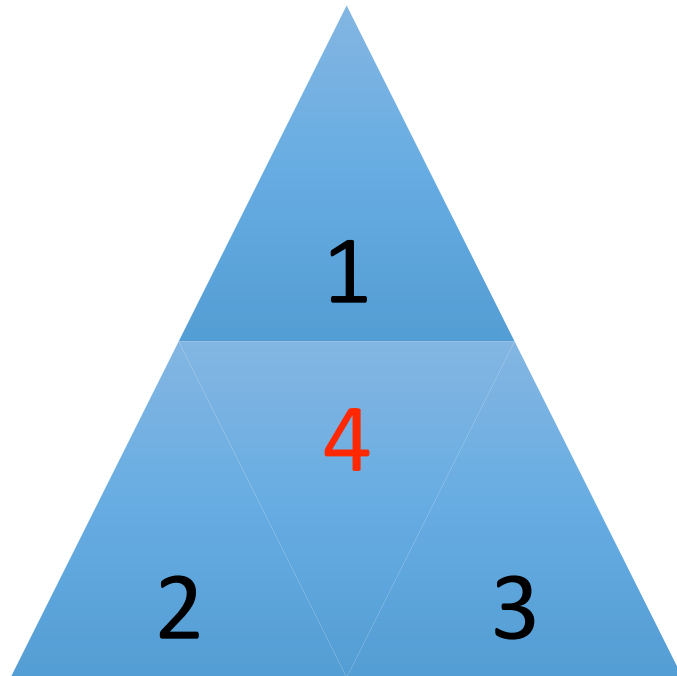
SPEED BUMP: The current economic "Magic Carpet" (underlying confidence driving the promise of sustained growth) will support the growth of your dreams, if you'll get on it.

This situation screams for aggressive investment in the three major building blocks of successful growth. To enable balanced growth, pick one investment in each category. In honor of the Magic Carpet, pick the one in each category that you've really wanted to invest in for the last five years.

1. Equipment
2. People Development
3. New Customers & Offerings

Here's why you need all three:

1. Equipment + People but not New Customers/Offerings = **Wasted capacity**
2. People + New Customers/Offerings but not Equipment = **Late orders, lost customers**
3. Equipment + New Customers/Offerings but not People = **No sales, lost cash**
4. **Balanced investments in all three = Dramatic growth**



I worked with two firms, both thirty-plus years in existence. When tough times hit, one leader regressed to a time when there was no money and no sales and cut key staff so much that eventually the business couldn't survive. The other firm hit similar problems but found a private lender to carry a worrisome amount of debt. They had a record year in 2014.

SPEED BUMP: Wait, there's more: While you're building your plan to exploit these opportunities, put the following plan in place in two weeks.

The "One Thing to Do Business Faster" Program

Here's the nutshell version to get you started. Ask every leader of a group of people to follow these three steps:

1. Pick one thing for your team to do faster (get results faster).
2. Measure and report progress with one public metric daily.
3. Name one leader to keep the team focused.

Of course, your choices should impact your most important results.

ACCELERANT: Will you step out of the clutter or drown? Leadership clutter drowns exceptional leadership daily. Its empty calories of busy work starve the business of the stellar results that are waiting to be harvested.

Call me.

*WSJ 1/3/15

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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