



DO BUSINESS FASTER™

Jim's Profit Accelerator 258 A Profit Catapult

An executive team, run right, can be a profit catapult. It's the "run right" part that separates the teams with great results from all the rest. Two business owners have read my book and said in so many words (my words), "I'm doing that stuff now." No, they aren't. It's like a high school basketball player saying that he's doing what Michael Jordan or LeBron do. All are playing some form of basketball, but the demonstrated performance is not the same. And the difference in business results is that great, and that challenging.

SPEED BUMP: Leaders mistake the process for the human behavior.

Just because leaders are "doing the right things" doesn't mean that they're doing them with the demanding execution and sensitivity to their people that mark great leaders.

Now, off the soap box: The first three elements that Executive Team success demands:

1. **Group ownership of the P&L.** That means that each member of the group (and the CEO) believes that the group owns company results, and is recognized accordingly, including pay. That means that every major decision (including hiring key people) is reviewed by the group in advance, aggressively. Also, every major failure is investigated by the group with the same drive to learn (since mistakes may be the best teacher).
2. **Group ownership of the annual plan** (not the same as the budget, which measures outcomes). The annual plan is the short list of major company initiatives and ongoing results that have the biggest impact on results. The budget is a financial plan to frame future results, and a measure of actual result of the annual plan. By now you're thinking "we do that."

Do you really? I dare you to check with your team, together or individually (whichever way you get frank answers), to see if **they** believe that they and the group own initiatives and results more than you do (Mr. President)....and that their pay is driven by the group's results.

3. **Each member of the ET is personally responsible to the group for her department's performance.** That requires that each member either has a department P&L or owns lines on the company P&L (budget and actual). And that they report their results to the group each month, rather than the CFO, controller, or CEO reporting results.

SPEED BUMP: Ownership means full responsibility and willingness to seek help.

The first CEO questions about this are:

- Are my people capable and willing to learn to do this?
- Am I willing to be a demanding coach, calling out shortfalls and praising wins?
- Am I willing to set the example for frequent aggressive questioning?
- Am I willing to ask questions instead of giving answers?

If you find yourself regularly giving answers, you either have the wrong team or you've trained them to be dependent on you.

SPEED BUMP: The best coaches offer questions, and rarely provide answers.

Blackstone CEO Stephen Schwarzman talks about building Blackstone with Peter Peterson into the colossus that we now see—and doing it using a system like the above. His discipline and human demand for excellence seem unusual, but his process is within reach for those who want to do the work.

ACCELERANT: What will you do this week to move toward a winning ET?

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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