



Book CEO Priorities

Master the Art of Surviving at the Top

Neil Giarratana
Career Press, 2010
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Recommendation

With more than three decades of experience as a CEO, Neil Giarratana knows how to run a company. His book includes real-life examples of common problems that confront CEOs and offers useful – if fairly elementary – advice on how to deal with those issues. Be sure to consider Giarratana’s suggestions in the context of your company – it’s possible that some of his ideas could land an inexperienced chief executive in hot water. Despite this caveat, Giarratana’s book offers notable value, particularly for neophyte executives. If you are a new CEO or a CEO-in-waiting, *BooksInShort* recommends this briefing. Do heed one telling piece of advice: No one is going to watch your back or tend to your career as devotedly as you, so keep your eyes open.

Take-Aways

- As a CEO, you must develop a vision for your firm and personify it.
- Most US corporate CEOs do not keep their jobs for long; high turnover among chief executives derives from rapid business changes and economic uncertainty.
- CEOs must develop “business smarts” just as urban dwellers develop street smarts.
- Your first days on the job as CEO will affect how employees regard you forever after.
- A CEO must demonstrate integrity and honesty.
- CEOs must be deft negotiators and big-picture visionaries who also tend to details.
- Sales mean everything, so monitor them carefully.
- Avoid a poor first quarter, which can sink the entire year.
- Some employees will hate you and will want you to fail. Try to get rid of them as quickly as you can.
- Be the chief steward of your company – and your career.

Summary

Short-Term Work

In the United States, most CEOs last fewer than five years in their jobs due to economic uncertainties and constant change in the world of business. To survive, you must handle many challenges that will routinely develop to thwart you and hurt your firm. You also must construct a strong foundation for your business and for its strategy. This includes a mission statement that presents your vision and promotes your company’s core values and business philosophy.

“Wanting to succeed as a CEO is a worthy goal, but to achieve it, you first have to hold on to the job.”

Chief executives of long tenure develop “business smarts,” the commercial world’s equivalent of street smarts. As a CEO, you need the expertise to create effective strategies that advance your company in the marketplace. Along the way, you also must learn how to deal with numerous issues that can eat away at your power, prestige and efficacy. And you must be able to protect yourself from the land mines that seem to be buried everywhere CEOs must tread.

Early Days

A CEO lives under a spotlight, especially during the first few days and weeks on the job. As a new CEO, you should realize that people will make serious judgments and strong assumptions about what kind of person you are during the first minutes of your initial meetings with them. They will draw conclusions from the way you speak and from your body language, facial expressions, tone of voice, style of dress, and so on. First impressions count, especially for a new CEO.

“It is...not an easy task to infuse new thinking or philosophy into all corners of the company.”

Do not make the mistake of focusing on the wrong subjects during your first few meetings with your management team. For example, this isn’t the time to review your past business triumphs, to reveal how your family feels about your new CEO appointment, to warn people that they must work harder and perform better, to explain the many changes you want to make, or to discuss the troubled economy and other off-putting topics. Your senior team wants to hear your business philosophy, period. What matters to you? What do you think about the firm? What do you expect from your team members and their people? Strive for common ground on strategy and tactics.

Reflexive Hostility

Even during your first days on the job, some people in the company will automatically dislike you, even – or especially – though they don’t know you. A few employees are sure to hate you. Nothing will give them greater pleasure than to watch you fail miserably and to see the board boot you out of your exalted position. Some employees will hope for this outcome for a variety of reasons: They think that the board should have picked one of their friends as CEO; they don’t like your plans; they worry that you will bring in new people to replace them; they believe you can’t possibly measure up to the former beloved CEO; or they consider you an outsider who will never understand the company. People who want to dislike you will always find a reason.

“Establish priorities for your growth and don’t deviate from the project choices you have made.”

Do not ignore the haters. Deal with them quickly before they poison other employees against you. Find out who they are. Learn all you can about them and neutralize them before they can do you and your programs any harm. Try to have a discussion with the people who dislike you to air their gripes and give them a chance to talk everything out; if that doesn’t work, plan to terminate them as quickly as possible.

“The first day in your new position is full of promise and [holds] the most opportunity to positively impact your future work at the company.”

Once they are gone, determine if they had time to stir the pot and turn others against you. Being a CEO is difficult and demanding. You don’t need to tolerate conspirators who dislike you and work behind your back to undermine you. If you find them, quickly show them the door.

CEOs Must Act Like CEOs

You are your company’s inspirational leader. What you say and do carries enormous weight. You must encourage your employees to support your firm’s core values and to admire, honor and follow its business philosophy. As CEO, you are the walking, talking billboard that broadcasts the company’s values every minute of every day. That gives you an obligation to lead by example and exemplify the firm’s high standards. Demonstrate by your speech and actions that you and the organization’s other leaders hold its employees in high regard.

“Just like people, companies need breathing room in order to develop properly.”

A CEO must never waver from open and forthright activities and operations. This means no moral compromises, no falsifications and no dishonesty – ever. The role of CEO demands that you exhibit the highest degree of personal integrity. Employees will study your behavior to see if your actions match the company’s stated core values. Expect immediate cynicism and distrust among employees if you operate in a way that does not reflect and support these standards. Pay close attention to any ethical lapses anyone in the company commits, work hard to halt such transgressions and to demonstrate that the company will not tolerate unethical behavior.

Sales Are Everything

In business, nothing matters as much as selling what you produce. You must carefully monitor sales yourself. Do not rely only on your managers’ sales projections. Find additional ways to determine the most accurate forecast of upcoming business. Meet with your firm’s salespeople regularly. To get a good fix on the marketplace, establish a “customer advisory board” under your sales director’s leadership. Pay attention to the level of customer purchases and the sales margins.

“If they can help it, smart executives do not leave anything, large or small, to chance.”

Since strong sales depend on great salespeople, your sales managers should support their staff members by getting out of the office and spending substantial time in the field. To find new employees, sales managers can ask their customers which salespeople they regard as the best among all their vendors. Then your managers can recruit these top performers so they sell for your firm, not for the competition. Often, you can find top-notch sales talent among the reps running their firms’ booths at industry trade shows.

“Your people pick up on...signals about what you think is hot and what is not as if you were standing next to them with a megaphone.”

Properly compensate your salespeople so they remain excited about working for your company and meeting its sales goals. Reward them for strong monthly, quarterly and annual performance. Monitor sales metrics, including how many new customers your firm acquires annually, average sales per individual customer, service revenues

and the average order size per new customer.

“The world is nothing but one big sales function.”

For forecasting, insist on the most comprehensive data. Pay close attention to first-quarter operations and results. A bad first quarter can put your company behind for the entire year. Any strategy contains potentially destructive elements, so be diligent about risks that might threaten your operation. Focus your search for risks on hazards that could undercut the current budget year. Think through the consequences of possible risks that could undermine your firm or even wreck it. Impress on everyone in the company that you and the other senior executives need to know what is going on at all times. Demand to know any bad news as soon as possible.

Leadership Strengths

Nothing comes easily for CEOs because they bear the ultimate responsibility for all of their organizations’ successes and failures. As CEO, you must draw on two pivotal strengths that distinguish successful business leaders: 1) In the drive to find solutions to problems, they have the insight to ask the hard questions no one wants to ask; and 2) They have the experience to assess the accuracy and value of the answers they receive.

“Who is really running the place, you or everyone else?”

Companies rely on the vision of their CEOs, so you must take a big-picture approach to directing your firm’s activities. At the same time, demonstrate your mastery of the small details that matter. Such details, added up, can often spell the difference between a profitable enterprise and career-ending losses, so exhibit your acumen by speaking knowledgeably about them. Never be shy about leveraging your hard-earned talents to make meaningful contributions during strategy sessions and similar meetings. Understanding the details of your operation is particularly valuable in terms of allocating time, people, money and other resources for projects or priorities.

Savvy Negotiations

As CEO, you must become an expert negotiator to guide big decisions on important contracts. Any negotiation requires due diligence and so much more. For example, savvy negotiators plan a negotiation in part by imagining not only that they must achieve the best deal for their firm, but hypothetically that they must push for the best outcome for the party on the opposite side of the table. Carefully considering and predicting your rival’s tactics will help you polish your strategy.

“The difference between toughness and meanness is a very fine line.”

During any negotiation, you must always be ready to stop negotiating and leave the room if the other side is not prepared to make concessions about meaningful issues. Be extremely careful when you want to close a deal so badly that you can already imagine your victory champagne toast. That attitude can drive you to overpay for what you want.

Be Tough, Not Mean

Running a company is not for the fainthearted. CEOs must be tough in mind and action. However, they should not be mean to their employees. Tough CEOs are prepared to do whatever is necessary to advance their companies’ interests, but they also proceed with an inclusive attitude that recognizes that the firm’s success depends on everyone’s efforts. Mean CEOs are selfish and never acknowledge the contributions of others. To stay tough and not become mean, CEOs need to be fully in touch with their inner selves. If you have a difficult time treating your employees with respect, hire an executive coach to help you build your people skills. A professional psychologist may also be useful.

Find the Right People

As CEO, you will need the right executives to achieve your organization’s goals. Call on executive search firms to find the best people. Hiring competing search firms to refer applicants for the same position might help, but tell them you’ve commissioned multiple companies for the same purpose. Each will work harder to find the most suitable prospects. Never rush the hiring process. Meet with job applicants multiple times in different situations and venues to gain a full understanding of their characters and capabilities.

Office Politics

When people work together, destructive office politics emerge quickly. Employees may team up, almost always behind the CEO’s back, to influence company policy. Such conniving can have a hugely negative effect and will interfere with your efforts to lead. Do not tolerate such interference. Shut it down as quickly as possible. Get rid of the ringleaders and others who are responsible for any underhanded machinations. Be ruthless. The sooner dangerous office political operators are gone, the better. To minimize the effects of office politics, demonstrate that you are an empathetic leader who cares about your employees. Use every opportunity to thank people for their good work. Let them know you value them and their contributions. Be a leader everyone in the firm can admire. People are far less likely to conspire against someone who others respect.

Operating Principles

In summary, CEO success comes down to the following precepts:

- Know yourself, what is important to you and when to draw a line in the sand.
- Be strong and tough – but fair – as you shape your firm’s policies and direct events.
- Define the company so that all its constituents – board members, employees and shareholders – understand its identity and goals, and fully support its mission.
- Communicate well. Listen well.
- Monitor the marketplace and delve for understanding of what its trends indicate.

- Recognize exactly what sales can and cannot accomplish.
- Establish strong relationships with your most important customers and vendors.
- In the final analysis, you and only you truly care about your personal job security. Act accordingly.

About the Author

Neil Giarratana served as the CEO of European subsidiaries of American firms and also as CEO of German companies operating in Europe and elsewhere.
