

Chief Executive



High-Performance Decision Making:

A new framework for CEOs



Nothing about the way business is changing has altered the basic geometry of decision making: The buck stops at the apex of the corporate pyramid, where the CEO alone abides.

"Decision making is one of the most powerful perspectives in your organization," said Craig Wiley, CEO and founder of Transcend, an executive coaching and strategy-engagement firm that has helped transform thousands of company chiefs and their businesses over the span of two decades. Wiley recently addressed a group of other CEOs at the Chief Executive Leadership Summit.

"That perspective of decision making, and how your teams perceive it, and how they leverage it, and how they move the business forward, is your ticket to a CEO lifestyle that looks like a business being inspired by you, instead of dependent on you," Wiley said. "There is one position in the organization that owns the comprehensive performance of the business ecosystem, and that's the CEO."

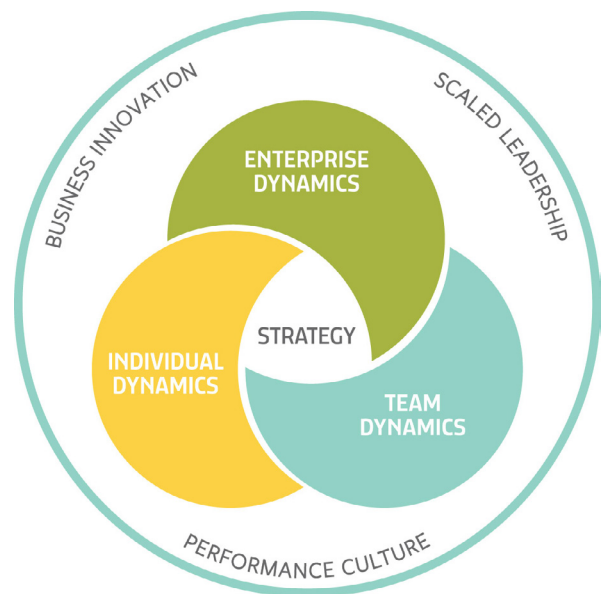
When decision making stalls, he noted, the breakdown hurts growth, customer satisfaction, employee engagement, innovation, competitive advantage, the bottom line and executive scalability.

Wiley conceded that decision making is especially difficult now because there is "dislocation across literally every industry" amid post-pandemic adjustments, continued digital disruption of nearly every industry and signs of a recession afoot. "And in situations like this, that's when alignment, especially among the executive team, becomes absolutely crucial. Being able to make decisions that are smarter; doing them faster; making things stick, making sure everybody's on the same bus—super critical."

The Elite Performance Ecosystem is how CEOs bring their businesses to life at speed and scale, and extend their vision and capability across the company, Transcend believes. It provides a way of thinking, leading and engaging your talent that will accelerate your most complex decision making once and for all. Attacking decision making and performance challenges at the point of execution is incremental progress—not transformational progress. Below the surface, these challenges are exceptional opportunities for performance and profit.

This ecosystem includes the three major components of effective corporate strategy: business innovation, a performance culture and scaled leadership. Every day, C-Suite leaders must work this strategy within unseen dynamics that will either accelerate or decelerate your business. Those dynamics affect how decisions get made and what those decisions are, and they operate at three levels: the enterprise, the team and the individual.

Think of the Elite Performance Ecosystem as a target, where the concentric circles represent your dwindling levels of influence. "Finding the balance in that and spending your time in the right circles matters," Wiley told the group of chief executives. "Ideally,



you should spend 80% of your time as the CEO working diligently to make decisions within the ecosystem where you [have] 100% influence and control. About 20% of your time should be in the areas of influence you can't control. Spend zero time on things you can neither influence nor control, which means your executive team shouldn't even waste time in meetings discussing them."

The enterprise-level mindset depends on executives who lead chunks of the organization and come together to make decisions primarily around the good of the company. Team dynamics are driven by day-to-day collaboration within the parts of the organization. Individual dynamics affect decision making because of a leader's engagement, knowledge, experience and ability to drive strategies forward.

"When decision making really grinds to a halt," Wiley said, "it is typically when an individual or a team has become more important than the enterprise. But when people are making decisions with an enterprise mindset, and we're aligned around the goals and the objectives of the enterprise, that allows a lens for the individual and the teams to outperform," Wiley explained. "Because they're not working for themselves or within their group they're working for the company, in all decisions, in all collaborations."

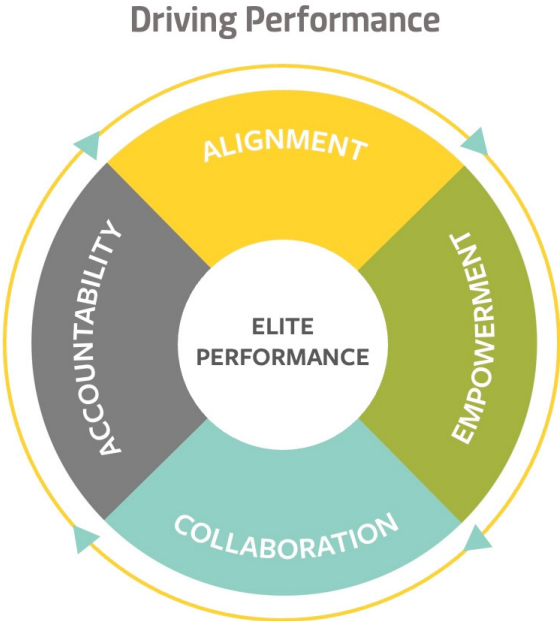
BETTER ENGAGEMENT

How do you establish an effective process for strategic engagement? First, conceive and communicate a clear mission and vision. This isn't simply a description of what the company does or your role in it, or an assumption about the organization's standards and ethics when it comes to conducting business every day. A clarion-call purpose is built around the higher values that are meant to take your company into the future. Among other things, Transcend believes that compensation of your people must reflect how they respond to this purpose.

Second in establishing an approach to strategy, make sure the values demonstrate important drivers of progress, including innovation, partnership with customers as well as within the organization. Values also help inform your vision for the company—ideally, a "Big, Hairy and Audacious Goal" (BHAG) that will help you dominate your industry and create an unparalleled experience for your customers.

Third, Wiley advised, use your vision to imagine a legacy for your company and your leadership. What do you want your company to be known for 20 years from now, and what do you want employees to say about why they wanted to work for your organization?

Fourth, what are the core strategic pillars that are going to help you achieve that vision, as well as the gaps that will stand in your way? Where does your company need to invest in either capabilities or capacity to get there? Where must you align your talent more effectively to drive better performance? Analyzing the four dimensions of performance—accountability, alignment, collaboration and empowerment—will uncover gaps that require improved processes, tools and systems to accelerate decision making and performance.



And finally: How does all this translate into annual goals and initiatives, including execution planning? How will you measure progress against them through key performance indicators? Rely on a large group of your most trusted talent to take you through the process of establishing three-year goals and annual initiatives to achieve them.

INVOLVING EVERYONE

Once you've established your annual goals, Wiley advises leaders to open up the strategy-planning process throughout the organization, all the way to the frontline staff. "You need the people on the ground to engage and collaborate on how the organization is going to achieve both the intermediate and long-term goals," Wiley said. "Engaging your entire organization in a strategic implementation creates buy-in, drives elite performance and fosters accountability."

To establish an Elite Performance Ecosystem, Wiley said, first, create enterprise-first executives and leaders through the collective creation of real-time and long-term strategies. Second, to establish an optimal ecosystem for performance and decision making, change your executive cadence to mirror enterprise, team and individual performance conversations, paired with real-time and long-range strategy touchpoints.

That means regular, planned sessions to talk about each strategic horizon in turn. And "having people who are driving the most critical initiatives in the organization come and report to the executive team around the progress, the hurdles, where they need opportunities, where they need supports to execute," Wiley said. "If you think there are things in your organization that are important, then your cadence should mirror that."

Third, use engagement and development opportunities to connect your strategy's execution with the enterprise-first mindset. "CEOs are inherently resistant to spending money to develop their talent in significant ways, and part of that is because we question the ROI," Wiley said. "I'm going to send people to these conferences. They're going to do these types of things.' But what's the real value when they come back into the business? And is that just isolated within them?"

Companies should examine professional-development opportunities for their people by emphasizing only those programs that build capabilities and capacities within your team that will help drive alignment and

Case Study: Alignment Is Everything

A healthcare CEO at the roundtable asked Wiley about how to balance the interests of enterprise, team and individual dynamics in a particular decision-making scenario at his company.

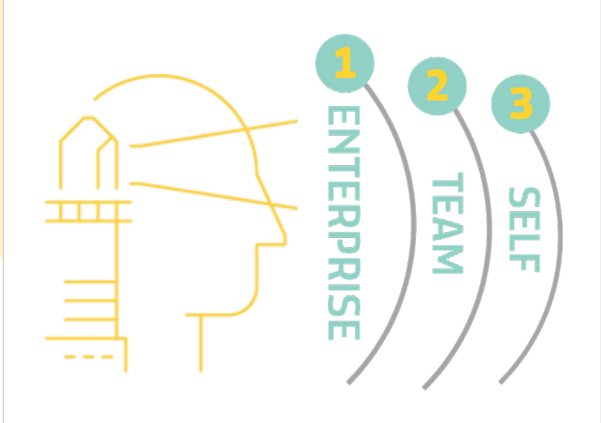
"We're trying to hire a new [administrator] over a \$120 million facility that's going to be built," he said. "This individual is young, very aggressive, really smart—proven smart. [But] the team dynamic is a little more conservative, a little more seasoned, a little less appreciative of that person or that personality."

So, "it's individual versus team," he continued. "I think the individual would do a phenomenal job, but I'm trying to step back. [It's] hard for me to do, [but I'm trying] to step back and let the team help choose that person."

"In the past, I would have said, 'Here's the [person] I want; go for it.' But we are post-Covid, and people have been under stress in the hospital business. [And] you want to have a very cohesive team and give them the power to make that decision."

Wiley responded that managing the dynamic "for the good of the team" is a good idea. "The question we would be asking," he continued, "is: Is the team aligned with what the enterprise is trying to deliver and how that person would make it easier for them to get there?"

"Or is the team [showing little] readiness for change? [Because] if I bring in a high-change dynamic into a stressed-out organization that is already very fragile, is that going to produce the results we want?"



accountability to make them better leaders and more effective in creating change.

After building a Performance Ecosystem, harness it by driving performance across the four dimensions earlier mentioned, Wiley said: accountability, alignment, collaboration and empowerment. This will uncover the gaps requiring improved processes, tools, and systems to accelerate decision making and performance.

Don't just "beat the accountability drum," Wiley warned. "It is one of the dimensions, for sure, but other things need to be in place for accountability to be something that people want to raise their hand for instead of something that's designed or designated to them."

These other things include "ironclad alignment," he said. "What are we trying to achieve? What are we willing to sacrifice? What does success look like? How are we going to resource this?"

Second, leaders must drive alignment down through the organization so that the results of a decision end up comporting with the intention of the decision. Third, at the same time, driving effective performance also must include empowerment, for accountability to actually take hold. Empowerment requires clear roles and responsibilities, sufficient resources to carry out a decision and authority to clear hurdles and accelerate completion. CEOs must avoid appointing leaders with the mandate to drive things forward without giving them the corresponding decision-making authority.

Finally, a robust collaboration structure must be in place to drive performance and decision making effectively. "You need to establish a collaboration cadence," Wiley said. "Here are the experts we're bringing into the room around you. You're going to drive that collaboration cadence, and this is what the cadence is going to look like, and this is when the report-outs are going to be, [and] we're aligned on where it's going to go."

Exceptional CEOs, Wiley believes, display confidence and conviction in the decision-making process and call out the process being used. If they can establish an Elite Performance Ecosystem that serves as a foundation for this process and drives performance across all dimensions of the business, company leaders can become exceptional and stand astride the apex of their industry with the confidence that today's circumstances—and their vision for tomorrow—require. ■

Case Study: The Art of Finding Balance

A footwear-manufacturing chief explained a decision he's making about domestic versus import sourcing out of Mexico and the stresses this process is placing on his executive team.

"Domestic [manufacturing] really drives our growth because it's a strong niche that we really don't have any competition in," the CEO said. "But whenever we're talking about expansion into buying other factories and other production facilities, our internal team is [already stressed]: 'How are we going to tackle more?' And so they're [really] saying, 'Let us stay in our bubble.'"

The company's retailer customers, he said, "need unique products that they can make good, fat, healthy margins on, and delivering those innovations would require foreign-based manufacturing." His internal team has difficulty understanding that "we can't be content with 10% growth when [we could get] an 80% increase in sales."

Wiley noted the difficulty in getting organizations to embrace "long-range strategy initiatives that need to run right alongside real-time strategy initiatives. [Usually] our companies are built to manage the day-to-day business. They're not necessarily resourced to execute in a prolific way [toward] the future of the organization. This is why it's essential to establish and fully embed the Elite Performance Ecosystem into your culture. Doing so will help your teams put the needs of the enterprise first, which results in better decision making and greater accountability around both the long- and short-term goals of the organization."

Chief Executive Group

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As transformation experts with a mission centered on the success of CEOs and their leadership teams, Transcend is an executive coaching and strategic consulting firm that helps companies ignite elite performance and solve significant growth challenges. No matter what your highest priority goals are, our exclusive suite of nine solutions will help you overcome obstacles, capture opportunities, create a thriving culture, and engage employees in driving innovation at scale. We know there's nothing an inspired team of elite-performing leaders can't do. If you're ready to activate transformation, let's get started.

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