

THE
CEO

TEST

**MASTER THE CHALLENGES
THAT MAKE OR BREAK
ALL LEADERS**

ADAM BRYANT & KEVIN SHARER

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Test #1

Can You Develop a Simple Plan for Your Strategy?

Simplifying complexity is a leader's superpower.

What's the big idea, and so what?" As CEO of Amgen, Kevin, one of the authors, would often start meetings—typically one-on-ones with his senior leaders—with those bracing questions. He wasn't being snarky or rude, and he would often ask it with a smile. With others whom he didn't know so well, like a consultant coming into his office to pitch an idea, he would be more explicit about what he wanted, asking them for their big idea and then adding, "What do we do about it, and what will success look like?" In each case, he was laying down a challenge: Can

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you get to the point quickly by crystallizing the essence of your idea and why it's important? He had used other tactics over the years for the same effect, including invoking a metaphor to signal his expectations to his team: "It's your job to have a hypothesis of what the picture is," he would tell them. "Don't come into my office and dump jigsaw puzzles at my feet to start inventorying the pieces together. I want you to tell me what your hunch is about the picture. Truth is a mosaic, facts are the tiles, and we never have all the tiles." He would ask anybody who wanted to show him a forty-slide deck to set it aside and summarize what they were about to say. He was relentless about pushing responsibility back on others to connect the dots and to explain their ideas in simple, but not simplistic, terms—like the time his CFO walked into his office and suggested moving all their manufacturing to Puerto Rico. He explained, capturing his big idea and the "so what" in just a few sentences, that the tax incentives alone would have as much impact on the financials as a new blockbuster drug, and the move would eliminate the risk to its two California plants, which sat on top of the San Andreas Fault. After years of planning and hundreds of millions of dollars of investment, Amgen's major manufacturing operations are now based there.

Kevin developed this habit of relentlessly pushing for simplicity in his mid-twenties when he was the engineer officer of a fast-attack nuclear submarine. He had to be able to disassemble and reassemble the sub in his head, knowing every part and how they worked together, and how various catastrophic scenarios could unfold and how to fix them. That's when he started the practice of drawing what he jokingly called an "idiot diagram" for himself to explain how things

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work. His goal was to create the simplest, high-level framework for describing something that's breathtakingly complicated, from which he could progressively go deeper in terms of detail and be able to keep that 3D model in his head. Later in his career, when he joined Amgen, he had to quickly learn the science of biotechnology, something he had never studied. But Kevin was well versed in mechanical and electrical automatic control systems that were based on networks and multiple feedback loops, and he realized that the human body, at least systemically, worked a lot like a nuclear submarine. That insight created a framework for conversations with Amgen scientists about how different drugs would affect the body. He would never know as much as the scientists, of course, but he kept the discussion at an altitude that enabled him to understand both the science and the implications of potential new drugs for Amgen. "Reaching all the way back to my submarine days, I knew about automatic control systems," Kevin says. "So I could use that as a metaphor to understand biology. Then I could figure out the best five questions to ask."

Kevin's "big idea" provocation is a crucial test, arguably the most important one, that makes or breaks all leaders. It goes to the heart of the core skill of simplifying complexity, which is an essential tool for navigating and wringing insights from the onslaught of information and infinite choices that leaders face. It is the ability to quickly understand the conceptual essence of any issue—a high "get-it" factor—and to grasp its importance and implications. This ability to simplify complexity is a necessary time-management tool, a kind of Swiss Army knife of leadership that will make you more effective and more efficient by quickly bringing clarity to complex subjects that

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are fraught with ambiguity and risk, and it will help you bring people along with crystal-clear communications about various challenges and the strategies for tackling them. The skill of simplifying complexity is not widely shared, and leaders need to make a conscious effort to practice it themselves and demand it from others. This book is itself an exercise in simplifying complexity, as it is our attempt to distill the difficult art of leadership into a manageable set of insights and a concise guide for putting them into action.

A critical test of this skill for leaders is whether they can use it to articulate a clear, galvanizing plan for what the company is trying to achieve. Can they stand up in front of their employees and, in a simple and memorable way, explain where the company is headed and why, along with a plan, timetable, and ways to measure progress along the route? This is the cornerstone of any organization. Without clarity around a shared set of goals, and why they are important, leaders will struggle to align their team, leaving everyone to define for themselves what success looks like and how their work is contributing to the business. People may be working hard, but much of their energy will be wasted because the organization is out of sync, which in turn will encourage destructive silo behavior. So, this is the first CEO test that all leaders face: Can they create a clear and simple plan to get everyone moving in the same direction? “The leader’s job is to simplify complexity, and be right,” Kevin says. “It can’t be simple and wrong. It has to be simple and right.”

This theme was echoed often in one of the author’s (Adam’s) interviews with more than six hundred leaders, many of whom shared their observation that senior executives often have difficulties de-

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scribing a clear vision. The same struggle shows up often in Merryck & Co.'s mentoring work with C-suite executives. Across hundreds of engagements, one of the thorniest conversations starts with the simple question, "What is your strategy?" It's not that the leaders don't have a plan; it's just much clearer to them than it is to everyone else.

Experienced board directors said they find that the skill is rare, as well. "The CEO might be passionate about some idea or vision, but they're actually not very clear on the destination," said Chris Brody, a former partner of the private equity firm Warburg Pincus, who has decades of experience investing in companies and serving on the boards of companies of all sizes, including Intuit. "If they can't describe it to anybody else, they are going to dissipate a lot of valuable resources getting there. I often see too much passion for an amorphous outcome, which confuses people."

"It's amazing how many times companies go down a rabbit hole where they really don't have a relevant point of difference or a real competitive advantage."

—Don Knauss, former CEO, The Clorox Company

Don Knauss, the former CEO of Clorox and a veteran board director, said he looks for clarity—in effect, the result of effectively simplifying complexity—from leaders to describe their company's

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“economic True North.” As he explained it, “When you peel the onion back on whatever the company’s articulating in terms of how they’re going to win in the marketplace, it’s about the ‘right to win.’ You have to have a relevant point of difference for the consumer. It’s amazing how many times companies go down a rabbit hole where they really don’t have a relevant point of difference or a real competitive advantage, either in their cost structure or in their capabilities, to win in the marketplace. And if you don’t see that fundamental advantage, you can get a sense very quickly whether what they’re advocating is smoke and mirrors or really has a chance of winning.”

Why do so many executives struggle with this challenge? There are many reasons, but the biggest one starts with the fact that the word “strategy” can mean different things to different people. In our experience, when you ask somebody about their strategy, you are likely to hear answers that either are too lofty, like a mission and vision statement, or are a general description of what the company does, rather than a statement of what it is trying to achieve. Or their strategy goes to the other extreme, diving down into the weeds of a long list of short-term priorities and initiatives. What often is missing is the middle layer between too vague and too granular, something that we call, for lack of a better term, a simple plan.

In broad terms, the role of the simple plan is to help address two questions that every employee deserves an answer to: What should I be working on? Why is it important? The answer must meet a crucial standard: “It has to be crystal clear,” said Joseph Jimenez, the former CEO of Novartis. “And not only does it have to be crystal clear, but everybody in the organization has to understand it, they have to

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have line of sight to that goal, and they have to understand how what they're doing is going to help us move into the future. You have to distill the strategy down to its essence for how we're going to win, and what we're really going to go after, so that people can hold it in their heads.”

But that's not what companies typically share at all-hands meetings. Instead, leaders unveil strategy slides with, say, six bullet points alongside a tiered, colored pyramid, with maybe a corkscrew arrow or two thrown in for good measure. They may make sense in the moment, but if nobody can remember them, or if employees are not sure about how they're supposed to contribute to the strategy, then it is a wasted exercise. It is a fact of life that most people can't remember more than three or four things day to day. Given the complex messages that many chief executives push out to their employees, it would seem they don't appreciate the limitations of people's memories. In our work at Merryck with leadership teams, we often ask everyone in the group, in interviews before an off-site, to explain the company's strategy to us. More often than not, we hear very different answers from each person.

But effective leaders do understand the power of simplicity. That's why Bob Iger of Disney would find any excuse to remind people of the same top-three priorities for Disney that he had been evangelizing since his first day on the job. They were so central to Iger's leadership that they were listed in the second sentence of his bio on Disney's website: generating the best creative connect possible; fostering innovation and utilizing the latest technology; and expanding into new markets around the world. “You have to convey your

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priorities clearly and repeatedly,” Iger writes in his autobiography, *The Ride of a Lifetime*. “If you don’t articulate your priorities clearly, then the people around you don’t know what their own should be. Time and energy and capital get wasted. You can do a lot for the morale of the people around you (and therefore the people around them) just by taking the guesswork out of their day-to-day life. A lot of work is complex and requires intense amounts of focus and energy, but this kind of messaging is fairly simple: This is where we want to be. This is how we’re going to get there.”

**“This is where we want to be. This
is how we’re going to get there.”**

—Bob Iger, Executive Chairman, The Walt Disney Company

That drive to simplify is why McDonald’s focused relentlessly in its early years on four areas: quality, cleanliness, service, and value (QCS&V). Ray Kroc, who built McDonald’s from a local chain into a global enterprise, repeated it so often that he once said, “If I had a brick for every time I’ve repeated the phrase ‘quality, service, cleanliness and value,’ I think I’d probably be able to bridge the Atlantic Ocean with them.”¹ When McDonald’s leadership team updated its strategy in 2017, it developed a similarly simple mantra of “retain, regain and convert” as its growth strategy—to hold onto its best customers, win back the customers it had lost, and convert casual customers to more frequent ones.

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That push for clarity is why, when Shawn Layden took over as chairman of Sony Interactive Entertainment Worldwide Studios in 2016, he came up with a three-part rubric for his global teams when they asked him about his plan. “I’m going to make it super simple,” he said. “When you come up with game ideas and you want to propose something, just think of three things: first, best, and must. ‘First’ means, are you going to create a new game that has never been seen before, something completely innovative? ‘Best’ means, is the game you’re proposing going to be the best in class? ‘Must’ means something we should do, like developing content to support the virtual-reality headsets that Sony created. If you have a game idea and it’s not the first or it’s not the best or it’s not a must-do, then we’re not going to do that game.”

If simplifying complexity is a key skill for leaders, as the previous examples show, then how do you use that to develop a simple plan to align everybody around strategy? As much as we would like to be able to provide a handy worksheet with shortcuts for writing a simple plan, that approach won’t work because the goal is to simplify complexity, not oversimplify it. That said, we can provide a conceptual framework to help you and your team develop a simple plan, and we can share some insights on how to avoid the pitfalls that we’ve seen time and again in working with leaders to develop them. This requires an investment of time to get your team aligned around shared goals, create a concise plan to achieve them, and develop a way to measure progress. Creating a simple plan is like setting the trajectory of a rocket launch; if you are even a few degrees off, over time you will miss your mark by a long shot. The process requires patience and time, but the patience will be rewarded with faster execution of

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your strategy. “When I came into the role, I had this gift of a nine-month transition before I took the helm officially, and I took the team through a strategy refresh,” said Kelly Grier, Ernst & Young’s US chairman and Managing Partner and Americas Managing Partner. “We deliberated every decision, and we analyzed and debated every data set. Ultimately, we landed on a common vision. The trust we built because of the honest conversations and this commitment to think more holistically drove a different mindset.”

So how do you develop a simple plan? We’ll repeat our caveat that this idea, like many others in this book, is meant to start a productive conversation with your team, rather than provide the final word on the topic. We also want to acknowledge that others have created frameworks worth considering that aim to achieve the same goal of simplification and alignment. Greg Brenneman, the chairman of private equity firm CCMP Capital, who has a long career of implementing turnaround strategies at companies that include Continental Airlines, Quiznos, Burger King, and PwC Consulting, uses a one-page approach that he developed for analyzing companies he’s considering joining or buying. He divides a sheet of paper into four columns—labeled market, financial, product, and people—and then writes down the key actions that the company could take in each area to improve its prospects. “If I couldn’t write that one-page plan or had trouble identifying the key value levers, then I knew pretty quickly that the company would be better off in someone else’s hands,” Brenneman writes in his book, *Right Away & All at Once*. Intel created an approach called OKRs, for objectives and key results, that has been widely adopted by some companies, Google among them.

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Salesforce's Marc Benioff created his V2MOM framework—vision, values, methods, obstacles, and measures—for aligning everyone at his company around a shared goal.

All these approaches have merit, though we have found in our experience of working with senior leaders and their teams that words like “mission” and “vision” often have the same Rorschach-test effect as the word “strategy.” They can mean different things to different people and often lead to existential conversations about meaning and purpose that can distract from the task at hand, which is to develop a clear and simple plan *to grow the company*.

We have found the most useful framework is an approach that Dinesh Paliwal, the former CEO of Harman International, developed. He said, “When we go to our board now, every business strategy is described in one page, with simple messaging. What is the goal, the core message, in one line? What are the three key actions we're taking? What are the three key challenges? And how do we measure success in twelve months? My board members read that, and it's much easier for them to understand. Simplifying the message is not just an art. It is a practice, and it doesn't happen in one day. It doesn't come naturally to most of us. It's work and you have to spend time on it.”

Let's take a closer look at each of the elements in Paliwal's model, which leaders at all levels can use to clarify the goals and strategies for their particular team, business unit, or division.

The core message, in one line, is the answer to Kevin's “what's the big idea?” question. This isn't about what you're going to work on, or a description of the business or general direction, but rather what

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you are setting out to achieve. In our work with teams, we find that switching contexts helps focus the discussion. Imagine you're trying to raise money from a group of skeptical investors (think *Shark Tank*). Or that you're preparing a five-minute, three-slide presentation to your impatient board of directors who want to know, "What are you doing with all the resources we're giving you?" Or what if you were trying to recruit a top prospect in your industry who was choosing among five great job offers from all your biggest competitors, and you had to make a case that is both ambitious and specific for why that person should join your team? How do you plan to win?

An example of that kind of big idea can be found in a 2015 document published by the New York Times Company. At the time, the company's prospects seemed grim. Revenue from print advertising, the foundation of its business for decades, was falling quickly, and revenue from digital advertising and digital subscriptions was growing slowly. The leadership team set an ambitious target: "We are setting the goal of doubling our digital revenues over the next five years, to reach more than \$800 million in digital-only revenue by 2020. To get there, we must more than double the number of engaged digital readers who are the foundation of both our consumer and advertising revenue models."² That's the big idea—the what, the why, and a glimpse of the how, all packed into two sentences.

With a clear goal like that serving as the compass, it's time to start filling in the map of how you're going to get there. What are the big levers you're going to pull to achieve that goal? There can't be ten. There probably should be no more than three or four, and they shouldn't include obligatory mentions of all the work you're doing already. Where are you going to apply resources with greater intensity

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and focus? At the Times, those levers included building its international audience, growing digital advertising by creating more compelling and integrated ad experiences for which they could charge a premium, and improving the customer experience for its readers.

Once you've articulated the levers you're going to pull to reach the big goal, then your organization chart should reflect those initiatives, with top talent assigned to each of them. Don Gogel, chairman of the private equity firm Clayton, Dubilier & Rice, would regularly bring up this point in strategy review sessions with companies in CD&R's portfolio. "One of the most important questions is whether the best people are working on the most critical projects," Gogel said. "We'll start that discussion by asking, What are the company's top five priorities? Who's staffing them and to whom do they report? Companies very often will give those top-priority projects to people a few levels down in the organization because they have some time available. But if these really are the most important projects, you've got to put your best people on them. Otherwise, you're giving mixed signals to the organization. Ensuring that top talent is working on key organizational priorities is essential, and most companies simply overlook this fundamental fact."

After the three or four big goals have been articulated, then it's equally important to be clear on the challenges that the company is facing. This can be hard for some executives because they would rather be inspirational cheerleaders, even though the troops are fully aware of the headwinds. The Times Company had its truth-telling moment in 2014, when an internal newsroom document called the "Innovation Report," which was intended for a small audience of leaders in the company, was leaked to and published for

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public consumption by BuzzFeed. The unvarnished language in the report (Adam was a member of the newsroom team that researched and wrote the document) chronicled the Times's many challenges at the time, including its siloed culture, an outsized and outdated focus on the print paper and website home page, and the slow adoption of the audience-building tactics that BuzzFeed, the *Huffington Post*, and other sites were using more effectively. There are less painful and public ways than a leaked internal report to achieve the same effect, of course—the leadership team instead can acknowledge internally the challenges the company faces—but the goal is to create a shared understanding of the difficulties that lie ahead.

Finally, you need a way to measure progress. What's the scoreboard? At the Times Company, the key measure was tracking the growth of digital subscriptions, given that so much of its business flows from that single metric (more loyal readers attract more advertisers). We'll share more on the Times as a case study of digital transformation in chapter 4, but note here that the company has executed its simple plan, passing its \$800 million goal for digital revenue ahead of schedule.

Is the example of the Times Company easily transferable to other companies and industries? Of course not. The urgency to find a new direction, because its traditional business model was unsustainable, is not shared by established multinational companies with big portfolios of businesses in different industries, or by companies with strategies that are largely working already. But this is why simplifying complexity is such a crucial test. Developing a simple plan to galvanize the organization and build energy toward shared goals is a leader's job. Get it right and everyone will feel aligned to win in the

marketplace. They will have a clear compass and will feel empowered to draw the map. But miss the mark and you will have created a fuzzy document that creates little clarity, and people will then just focus on their own jobs with little sense of how their work connects to a broader goal.

In our work with leadership teams, we have seen some common challenges that arise when they start developing a simple plan, so keep the following tips in mind as you're working on yours.

Focus on Outcomes, Rather Than Priorities

Rather than framing the discussion around the question “What are we going to work on?” ask yourself, “What do we need to accomplish? What are the three or four things that, if we accomplish them over the next twelve months, will make this a good year?” This is the approach that John Donahoe, the CEO of Nike, uses with his leadership teams. “Priorities for priorities’ sake are dangerous,” he said. “Priorities have to be geared to a specific outcome in mind. And they have to be measurable, but they don’t always have to be quantitative. I might write statements that I want to be able to say yes to at the end of the year. It might be about launching one or two new products for the next year. There might not be metrics for everything, but the question is, have we achieved that outcome, and can we identify the specifics that we need to tackle to achieve it?”

Ron Williams, the former CEO of Aetna, used a clever metaphor to help his team think about the planning process in a way that focused them on specific outcomes. He said:

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The simple way I explain strategy to people is that it's like having a time machine. You get in your time machine, and you go forward five years. You get out, and you observe very carefully everything that's going on. Who is winning? Why are they winning? What's going on? You get in your time machine, and you come back. Your strategy is a bridge to the future. That helps with alignment. It provides great clarity to the organization because they have a sense of how you define reality and a sense of where you're taking the organization, which helps with hope and aspiration because the vision you have painted is vivid and clear. When you create a very structured alignment, then you can get this whole ship moving through the water at a very good speed. The purpose of the plan and the strategy isn't because the world is going to unfold exactly the way you think it is. The point is that when it doesn't, you know exactly what to change and what to do.

Williams's time-machine metaphor also raises an important consideration: you have to decide up front about the time horizon of your plan. A one-year plan may make more sense for a startup, while a three- to five-year plan will better suit a large and more established company.

Edit Ruthlessly

The simple plan is not an exercise in giving space to everyone's hobby horse. The goal is a succinct summary of the actions that the

top team will own. What are the areas that are going to get new or greater focus to achieve the outcome? Check the verbs in your document. If a bullet point starts with “continuing to” or similar language, it shouldn’t be on the list, because presumably that item is what your company should be doing at all times.

Prune out flowery adjectives and jargon, too, applying the test that Susan Salka, the CEO of AMN Healthcare, a staffing company, learned from her father. She said:

**“Can you create a vision that the
frontline person can understand,
and see how they fit into it?”**

—Susan Salka, CEO, AMN Healthcare

One of his expressions had to do with keeping things simple and making people feel comfortable around you. If somebody was talking over his head, using big words, being too complex, or trying to act too sophisticated, he would say, “Would you break that down to cows, chickens, and taters?” I used to think it was silly—what do cows, chickens and taters have to do with each other? But years later, I realized that the message is, keep it simple. Don’t overcomplicate things. As a leader, that’s something that I’ve really learned over time. The strategy and the business can be complex, but you have to explain them in a way that’s really easy to understand. Can you create a vision

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that the frontline person can understand, and see how they fit into it?

Make Yourself Uncomfortable

One inherent challenge in developing a simple plan is that, when done right, it introduces career risk. It is much easier to frame a simple plan in the spirit of “priorities we will continue to work on,” without specific outcomes or targets in mind, thereby guaranteeing success. The simple plan should be ambitious enough to prompt a collective “can we really get there?” gulp by the team, with compensation plans aligned with the simple plan to incentivize the team to reach the shared goals. The leader’s job is to set a high bar, but even the most senior executives can have their personal reasons for not wanting to set it too high. They may have worked long and hard to get their current job and would like to enjoy it for a while, so they adopt an approach that is more about making tweaks at the margins to muddle through—the business equivalent of the physician’s oath to first do no harm. “I remember telling one CEO that I don’t want to hear any more that ‘It’s about the journey,’” said Chris Brody the former Warburg Pincus partner. “I’d like to know what the destination is.”

Beware of “Expert-itis”

People can get so deeply immersed in their field, with a keen appreciation of subtle nuances, that they find it hard to pull themselves back to a distance from which they can see the forest for the trees. What seems obvious to them is not obvious to everyone else, so they dismiss the elements of a simple plan as truisms that everyone knows and believes in—“It’s like motherhood and apple pie,” said one leader we worked with of the exercise. Instead, they dive deeply into more granular, internally focused matters like decision rights and budgets around initiatives for the next quarter, rather than on the big levers that should be pulled to win in the marketplace. A hallmark of effective simple plans is that they may seem obvious, like Iger’s three-part strategy for driving the company. “Well, of course,” you might say. “What else would it be?” But the fact is that his three-part plan has been the driving force of Disney’s long track record of growth, and a key reason for Iger’s success in that role. Another reason people can get lost in expert-itis is that there is a sense of job security in complexity, as in, “I’m the only person who really gets how complicated this is, so the company can’t live without me.” It’s the leader’s job to capture the essence of what matters. “If you ask CEOs ‘What’s important?’ a lot of them will give you twenty-one single-spaced pages of their priorities,” said Brenneman of CCMP. “And that’s not going to work. What is your one-page plan?”

Test It

How do you know when you have it right? After you and your leadership team have developed a simple plan, then it's time to start pressure-testing it with key focus groups, including employees and, if you're the CEO, perhaps key directors, since the board ultimately will need to agree to the approach. What's clear? What's not clear? What's missing? Do employees understand how their jobs fit into the plan? Do they understand what they should focus on day to day and why it's important? Are they clear on the scoreboard for measuring progress? Is the strategy memorable enough to pass the hallway test—if you stopped a dozen employees randomly as they were walking between meetings and asked them to articulate the strategy, would you hear the same answer, or twelve different ones? And the plan should be the same for all your key audiences, including employees, directors, customers, and investors.

**“If you ask CEOs ‘What’s important?’
a lot of them will give you twenty-one
single-spaced pages of their priorities.”**

—Greg Brenneman, Executive Chairman, CCMP Capital

Let's say you've done all the work we've described, and you have your simple plan. It's crisp and clear, and everyone is eager to link

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arms and start working. Congratulations. As the leader, you are now halfway there.

Now you need to live a key principle of leadership: there is no such thing as overcommunication. You have to repeat the simple plan relentlessly, no matter how redundant the messaging may feel to you. “At first I wondered how many times I’d have to say the same thing,” said Andi Owen, chief executive of Herman Miller, the office furniture company. “Then I realized that there are eight thousand employees, and in almost every venue I’m in, people are meeting me for the first time. I have to repeat the core message over and over because my job is to set the direction, communicate, and be inspiring. I thought I would spend a lot more time doing some other things, but most of my day is spent communicating.”

Owen’s insight was echoed by Christopher Nassetta, the CEO of Hilton Worldwide. “You have to be careful as a leader, particularly of a big organization,” he said. “You can find yourself communicating the same thing so many times that you get tired of hearing it. And so you might alter how you say it, or shorthand it, because you have literally said it so many times that you think nobody else on earth could want to hear this. But you can’t stop. In my case, there are 420,000 people who need to hear it, and I can’t say it enough. So what might sound mundane and like old news to me isn’t for a lot of other people. That is an important lesson I learned as I worked in bigger organizations.”

The need to constantly remind people of the strategy can seem puzzling. After all, people are smart, and presumably they can remember the key components of a simple plan from week to week. One answer is captured in an insight from Marcus Ryu, the chairman and cofounder of Guidewire, which makes software for the

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insurance industry. “I’ve come to realize that no matter how smart the people are who you’re communicating to, the more of them there are, the dumber the collective gets. And so you could have a room full of Einsteins, but if there are two hundred or three hundred of them, then you still have to talk to them like they’re just average people. As the audience gets bigger and bigger, your message has to get simpler and simpler, and the bullet-point list has to be shorter and shorter.”

“Never give people a void. Just don’t, because instinctively they’ll think something is awry.”

—Geoff Vuleta, founding CEO, A King’s Ransom

A second reason why repetition is so important is captured in this warning from Geoff Vuleta, the CEO at A King’s Ransom, a consulting firm: “Never give people a void. Just don’t, because instinctively they’ll think something is awry.” Businesses, just as in nature, abhor a vacuum, and if leaders aren’t saying anything, then employees will supply their own narrative, and they will often go to a dark place, spinning conspiracies or worst-case scenarios. Uncertainty creates free-floating, contagious anxiety.

“People read a lot more meaning into things that you didn’t necessarily intend to have meaning,” said Christy Wyatt, the CEO of Abso-

lute Software, a cybersecurity company. “People will make up stories in the white space.” One vivid reminder of this rule played out when she was leading another firm called Good Technology. Like most Silicon Valley companies, it had a kitchen stocked with free snacks and drinks. The company decided to switch the vendors that supplied the snacks, so there was a week when supplies ran low before the new vendor took over. “Because we hadn’t said anything about it, and the food was starting to run low, people started saying, ‘There’s layoffs coming; bad things are going to happen,’” Wyatt recalled. “I actually had to say in an all-hands meeting, ‘Guys, it’s just the nuts in the kitchen. That’s it.’ But people look for symbols, and they look for meaning where maybe there isn’t any. So now we’re overcommunicating. You have to talk about the little stuff as well as the big stuff, just to make sure folks aren’t running away with ideas.”

Tom Lawson, the CEO of FM Global, a property insurance company, learned a similar lesson when he oversaw the company’s research group. He had one particularly rough morning when he was late for work, it was raining, and he got soaked running through the parking lot to join a conference call. He walked right past the receptionist, went into his office, and shut the door. About three hours later, his head of research knocked and said, “We’ve got a problem. Everyone’s talking that the company’s in financial trouble and that our research is going to get outsourced.” Lawson was stunned and asked why. “You walked right into the building on the day we released our financials and you didn’t talk to anybody,” his colleague said. “You shut your door and you locked yourself in here.” In fact, the company’s financials were fine, but it was a lesson to Lawson about

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how actions can be misinterpreted. “Everybody’s paying attention all the time, and so it’s not just what you say; it’s how you act,” he said. “If you don’t communicate, people will make up narratives themselves, and they may be negative.”

Finally, prepare to be teased for endlessly repeating the strategy. If your employees roll their eyes and say what you’re going to say before you open your mouth, consider that a victory because they have internalized the message. Getting to that point requires far more communication than you might think, and in all forms—all-hands meetings, email blasts, webcasts. All these approaches are necessary to fight the collective short attention spans in organizations.

“You tell people, ‘Here’s where we’re headed and these are our priorities,’ and then you just sense how often people are wandering,” said Laurel Richie, the former president of the Women’s National Basketball Association. “I always say that part of the job is keeping all the bunnies in the box. You start with all the bunnies in the box and then somebody gets a great idea to go do something else and you go help them all come back and get in line and then a bunny over here pops out. So the more the bunnies are getting out of the box, the more I realize I just haven’t done a good enough job communicating what our priorities are and what our focus should be.”

All leaders have their blind spots, those disconnects between how they think they are showing up in the world and how their employees perceive them (and in this context, perception is reality). One of the biggest disconnects arises around this question of strategy. What is clear and simple in the leader’s head is often not as clear and simple to everyone else. Because of the powerful gravitational pull in business

Can You Develop a Simple Plan for Your Strategy?

to make things more complicated than they are or than they should be, a leader's job is to provide the counterweight of a relentless drive to simplify complexity, and to develop a jargon-free plan for winning that everyone understands, remembers, and knows how to contribute to its success. The simple plan will evolve over time, of course, based on new insights from the results of various initiatives. But the point is to start with a clear plan so you know what to adjust and why when market conditions change.

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keeping all the bunnies in the box.”**

—Laurel Richie, former President, WNBA

Kevin's question—“What's the big idea, and so what?”—is effective shorthand to start building the habit inside your company of simplifying complexity and designing a simple plan to ensure everyone is aligned around a clear goal, the levers to achieve it, the challenges that stand in your way, and the scoreboard for measuring progress.