



Build Your Business

An eNewsletter for
CEOs looking to
grow their companies.

High-value, "how-to" articles on customer-attraction, sales development, leadership, and best-practices in HR, IT, product development, communication, financial operations, engineering and M&A/value creation.

Clueless in the C-Suite

CEOs – and others in the C-Suite – can find themselves in a bubble, an alternate reality, detached from what's really happening in the business. Here is how you can figure out if you're in a bubble like that, and how you can get out.

Written by:

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Clueless in the C-Suite

CEOs – and others in the C-Suite – can find themselves in a bubble, an alternate reality, detached from what’s really happening in the business. Here is how you can figure out if you’re in a bubble, and how you can get out. And if you’re not a CEO, here’s what you can learn from this phenomenon.

Jill was the CEO of a firm staffed with “helping” professionals – largely social workers. She prided herself on the firm’s positive culture, the zero-tolerance policy toward workplace misbehavior, and the happiness of her employees.

Unfortunately it was all an illusion. She found that out by accidentally uncovering one supervisor’s racket of extorting prescription drugs from his direct reports and intimidating them – something he’d been doing for over a year – and none of the dozen people who knew about it had ever reported it or complained. None of Jill’s beloved culture really existed outside her “CEO bubble.” (Worse, her employees assumed she knew of and condoned the bad behavior.)

She had everything you would want a CEO to have: empathy; intelligence; an “open door” policy. She just didn’t realize that people constantly told the CEO what they thought the CEO wanted to hear.

To change this, CEOs (and others in the C-Suite) absolutely must create a system for methodically challenging their assumptions and beliefs, to break out of their bubble.

CEOs are almost always overly optimistic – reliably two to four times as much as their own employees who are closer to the underlying reality. It’s as if the C-Suite comes with mandatory rose-colored glasses.

Think you’re special – you don’t have this problem?

Think again. The survey “Re-engaging with engagement” by The Economist Intelligence Unit (EIU) found C-Suite executives consistently out of touch with what others in the firm experienced – biased in an overly positive direction (emphasis added):

The C-suite displays a consistently “rose-tinted” view of engagement that is not shared lower down the ranks. One important revelation from our survey is the huge disparity between the views of many in the C-suite and those of less senior directors, including just a single rung below board level. For example, 47% of C-suite executives believe that they themselves have determined levels of employee engagement, a view shared by only 16% of senior directors outside the C-suite. More than one in five in the C-suite believe that employees are “much more engaged” than those in rival firms, compared with only 7% of respondents outside the C-suite.

Even if you are that special CEO who isn't out-of-step, it'll cost you almost nothing to set up a system for correcting your perceptions.

This system will help you get the other C-suite executives better grounded, and will keep your eventual successor out of trouble:

1. Collect anonymous data on a regular schedule – build into your management calendar a regular set of anonymous surveys of clients, prospects, employees, suppliers, and other stakeholders, no less than annually. This is what Shakespeare's Henry V does just before his famous "Band of Brothers" speech – walks through his own camp disguised as a common soldier, to understand their true concerns
2. Whenever things look good, look twice – ask yourself and your team where your plans have built in assumptions, especially positive ones. Then at your next management offsite, 'war game' with them using what-if scenarios. It's a great way to build both teamwork and the mental flexibility you'll need when the unexpected does happen
3. Don't treat warning signs as loyalty tests. Coors' leadership famously dismissed customer dissatisfaction of a redesigned beer can with "we have the best beer in the world and we're confident people will figure out how to get to it." Sales plummeted while everyone outside the bubble was afraid to bring bad news. Build a dashboard or balanced scorecard with leading indicators – by the time sales fall, it's too late to do more than react.
4. Get a professional 360-degree evaluation of yourself and everyone else in top management at least every two years – and act on the findings.

Finally, when you do suddenly learn the bad news, keep your head on straight. My client David sent out an employee survey, and emailed me the results with a cover note reading "I want to quit and open a solo practice." The "new" bad news has probably been around a while, so this may not be a crisis. And people are testing you to see how you handle what they've told you – because often they're holding back even worse news, waiting to see if they can trust you to honestly address what they've already shared.

Alternatively, don't let cognitive dissonance get the better of you. Don't try to 'explain it away' – that "these people" have understandable issues, that have nothing to do with me.

Treat every revelation of bad news as a gift. Would you rather know, or not know? Reward the bringer of bad news, praise them, and act without ego to fix the problem.

That's good advice for all of us, in the C-Suite or not.

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Author's Biography

Tom Cox is a successful consultant, author and speaker. He has worked in industries ranging from retail to wholesale to manufacturing to government to business services. He has worked at IBM, Oracle, TRM, Tektronix, SCIF, ODOT, Intel, Regence Blue Cross, Standard Insurance, OHSU and dozens of others.

Tom's volunteering includes the City Club of Portland, where he serves on the Board of Governors.

Tom is the author of one book, countless articles, and he co-authored the chapter on Metrics and Performance Improvement for a textbook on Medical Trauma Care. Starting in 2010 his column runs twice a month in [Oregon Business Magazine's](#) online edition.

A graduate of the University of Chicago, Tom earned his four-year degree in psychology in just three years, with honors.



Tom Cox provides CEO coaching, leadership training, and strategic thinking. He has an unusual ability to see into the blind spots of even the most experienced and gifted executives, helping them advance to the next level of their abilities.

Testimonials: Tom’s direct work with clients:

“I learned more about my business from Tom in two hours than I learned on my own in the last ten years.” -Frank DeSantis

“The most valuable thing I got out of this entire day was understanding a new process for strategic thinking that ensures success.” –Jeff K.

“The session helped us broach and define difficult subjects, in a manner that was surprisingly comfortable.” –Eric W.

“We were able to identify workable solutions to what appear to be chronic or systemic problems. And we got personal assessment tools for all members that were actually useful and that provided clear roads of improvement for all. I believe we are an even stronger team than before the session.” – Rich B.

“Tom Cox has worked with my company repeatedly over the last eight years. We have found that he can identify problems that the rest of us are too close to see clearly, come up with solutions, and make them happen. He is knowledgeable and is an excellent writer and speaker. We have found him upbeat, professional, and a pleasure to work with.” – Sonia Lyris

“Tom has been an enormous help to us understanding our business processes and finding improvements to enhance our operations [...] Tom brings a depth of experience, both managerial and technical which is rare to find.” – Devin Ben-Hur

“Tom is able to handle issues efficiently and consistently. He is a great resource for any company looking for “balance” in their organization.” – John Cusimano

“Tom helped us out at a time when morale was scattered at best. He helped get my team balanced and on the same page and get some projects done. During his time with us we established measurements to gauge outcomes of our work (customer satisfaction, doctor satisfaction, benchmarks of productivity, etc.) [...] I highly recommend Tom as a consultant!” – Dr. Gregory Eckel



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Additional insights and value from leading authorities in their areas. Articles in the February, 2011 publication:

Are you Leaving Money on the Table?

Mark Paul

You may be stunting your corporate growth and company value due to your team's mispriced offerings. How can your team learn what the market will bear?

How to Align Information Technology (IT) with your Business Needs

Manoj Garg

You know IT is needed for business success. Yet, sometimes you have a nagging feeling that you are not getting value from your investments. This article discusses how to align IT with your business.

Maximizing Sales Velocity Despite Economic Headwinds

Bill Etheredge

Have you allowed the downturn to be a convenient excuse for recent financial performance? This article strips away the superficial convenience of financial downturns and shows how to *capitalize* on it.

Using HR to Boost Company Performance

Iris Sasaki

If you are interested in dramatically increasing your employees' and managers' performance, there is a little-known secret that will leverage your strengths - and those around you - to accomplish far more.

What Does a Lost Customer Cost You?

Patrick Wheeler

This article discusses that affect that losing customers has on your business, which could amount to 10% to 20% or more.

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Maximizing the Value of Your Exit Strategy

Brent Freeman

Do you have an exit strategy for your company? Do you know what you need to do to get the maximum value for your company? This article will give you 6 ways to maximize your company's value.

Powerpoint Makes You Stupid

Dave Yewman

Master communicators tell stories and have one or two major points. They're smart enough to not try and communicate too much in a presentation. Are you?

How to Take Your Products International

Richard Biggs

Exporting isn't simply an add-on to your existing business. It should be part of an overall strategy to develop your business. This article takes a close look at the opportunities and threats that exporting can bring to your company.

The Secret to Building a Stronger Business

Alexander Stein

Your company's most valuable asset: a psychologically savvy chief executive. In this article, learn how to deploy yourself more effectively.

How to Minimize Project Risk

Mike Miles

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