



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.

The Secret to Building a Stronger Business

Your company's most valuable asset:
a psychologically savvy chief executive.

In this article, learn how to
deploy yourself more effectively.

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The Secret to Building a Stronger Business

What are the key factors that make or break your business? Your product or service? Your customers? An A-team of senior managers? Gobs of working capital? Just plain luck?

Sure, those are all important. But I'd argue that ultimately it comes down to *you*.

As chief executive, you impact every aspect of your business. Even when you delegate, your personality and decisions influence everything.

Leaders who are psychologically in tune — meaning resilient, agile, and aware — are not only more effective, they also bring an unmatched competitive advantage to their businesses.

How can you make that happen?

The Value of Understanding Why.

Many leaders — even those who run businesses with people-centric cultures — tend to prefer a straight-ahead, hit-the-ground-running, just-make-it-go approach to managing people.

The alternative approach I recommend is inside-out — rather than outside-in. What does that mean? It's considering every aspect of your leadership and executive decision-making from the perspective of why, not what or how.

When an employee (or you) makes a mistake or a bad decision, your first question should be "Why did he do that?" not "What can we do about it?" In the long run, this more psychologically savvy management tactic pays dividends.

The value of understanding *why* cannot be underestimated.

To me, this is common sense, but, of course not everyone in the business world agrees. An article in [The Economist](#) would have managers believe that trying to understand a worker's psychology amounts to meddling. Worried about an employee's emotional state or stress level? Careful, that may very well cross a privacy boundary. In fact, the article refers to the business world's "new-

found interest in promoting mental health” as if that were a bad thing. It questions the assumption that “promoting psychological wellness is as axiomatically good as encouraging the physical sort,” and worries that a “mental-wellness movement” will inevitably attract “charlatans and snake-oil salesmen.”

I won't publish the word that captures my true opinion of all that; “bunk” will have to do. Think of the issue this way: If your copy machine is broken, you fix it; if your delivery system is gunked, you grease it; if your shop is dark, you light it. Why treat the human factor less responsibly?

Obviously, understanding and changing people is more complex than copiers and light bulbs. But the same principles hold: If, say, your sales team's performance needs your attention, you attend to it; and the right procedure follows a good diagnosis.

Improving on Excellence

And by the way, dysfunction or sub-par performance shouldn't be your first clue to pay attention. Like world-class athletes, top business leaders improve on excellence by understanding what already works well. The more you know about yourself and the underlying forces that push and pull you, the better equipped you'll be to make even better decisions going forward.

What to Do:

Putting these kinds of ideas into play isn't easy and doesn't happen overnight. But here are two key pointers to get you started, culled from my experience advising entrepreneurs, CEOs, and other senior executives navigating complex circumstances and looking to refine their leadership capabilities:

Strengthen your business by investing in “psychological capital”

Everyone naturally asserts the vexing tendency to try to keep things the same, notwithstanding good intentions and recognized imperatives to make things different. Have you ever resolved to lose weight, quit smoking, be more patient, or otherwise try to change yourself? How did it work out? My point exactly. So long as this potent streak of irrationality is left unchecked, your magnificently designed and deployed blueprints for business success are in constant danger of becoming derailed.

First action: Identify the issue and the goal. Do you aim to, say, become a better listener? Assert more confidence at board or investor meetings? Get your SVP or COO to micro-manage less? Improve morale? Expand or overhaul operations? Silence a critic?

Second action: Start thinking about what the issue is made of, not how to change it. And don't sit in a bunker while you're percolating. Talk your ideas out — with

a confidante or trusted colleague. Or engage an expert advisor who can assist in parsing the complexities with balance and objectivity.

And remember, dismantling and reconfiguring entrenched systems requires time, thoughtful attention, and heavy lifting.

Change isn't about finding easily opened doors. Whatever your desired outcome, what's most crucial to getting there is identifying and unraveling the tangle of ingredients, understanding how and why they got there. And only then putting something new in motion.

This under-the-hood approach to leadership development and organizational change differs significantly from conventional methods. Common practice among many management consultants is to measure issues and outcomes against standardized norms or "best practices" (a generally meaningless term), assess where things are out of alignment, and then implement corrective procedures.

But especially where the fulcrum of an issue is a person (or groups of people) rather than something operational, the pull toward repetition – meaning the tendency of even the most strong-willed type-A's intending to do something different to instead fundamentally do the same thing again– will quickly erase the gains of even the best solutions. The most enduring remedies are those designed to address underlying causes, not just symptoms.

A real-world example

Consider Frank and Darryl, Chairman and CEO respectively of a \$45 million-a-year 150-employee multi-media production business. They thought they were on the same page about all the important things. Business was great, and they were good friends. But when I first met them, I found two guys at loggerheads over nearly every decision. Already behind schedule on several high-value projects, they felt pressured and wanted me to help them resolve things yesterday.

The deadlines were real enough. But the pressure was synthetic; they'd deferred addressing their conflict until it was nearly too late. Now they were making instant resolution my responsibility.

Here's what we did: I met with each of them separately a number of times, and then spoke with them together. After a series of conversations, they aired out their simmering frustrations and resentments so that eventually, the temperature lowered enough for them to actually move ahead on time.

But the job wasn't done once I'd helped them achieve on-time completion. That was only a temporary flight back into the good working stasis they already knew.

Getting Frank and Darryl's working partnership truly solid, and by extension re-stabilizing the company's entire C-suite, required navigating through the substance of their discord – learning why it was there, why things had gone south after years of apparent harmony, why they'd silently agreed to ignore the difficulties (and then come to grips with the business consequences of that denial), and helping them know how to unstick themselves in the future.

Concluding thoughts:

- Lion CEOs who soar on the dazzling alchemy of charisma, cajones, and awesomeness are still also human. They have doubts, insecurities, and anxieties just like the rest of us. Even the most independent and brilliant leaders need impartial insight, feedback, and guidance.
- Be on the lookout for the phrase “for whatever reason” This is the linguistic septic tank of every business meeting. It's the place you unthinkingly flush whatever it is you don't want to know but really need to. Whenever you hear or say “for whatever reason” it means you're gliding right over the most important ingredient in the discussion – the reason why.

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Author's Biography

Alexander Stein is a business psychoanalyst, speaker, author and thought-leader, and is a Principal in The Boswell Group LLC, a consulting firm focusing on the psychology of business. He advises CEOs and corporate directors on the people side of their business, and specializes in expansion, succession, leadership, boardroom and senior team dynamics, conflict resolution, high-stakes hiring assessments, partnerships, and innovative development initiatives. He is a former FORTUNE columnist and CBS business news blogger, and an engaging public speaker adept at rendering complicated ideas clearly and compellingly. Dr. Stein's approach pivots

on knowing that the best business decisions and solutions are built on sound understanding, not just expedient action.

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Patrick Wheeler

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Tom Cox

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Brent Freeman

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Dave Yewman

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Richard Biggs

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

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Mike Miles

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