

SHIFTING FROM AN EMPLOYEE TO A CEO MINDSET

Points to Ponder

- *The significant problems we face cannot be solved at the level of thinking that created them.*
Albert Einstein
- *If everything is important, then nothing is.*
Unknown
- *The difficulty lies not so much in developing new ideas as in escaping from old ones.*
John Maynard Keynes
- *You are searching for the magic key that will unlock the door to the source of power; and yet you have the key in your own hands, and you may use it the moment you learn to control your thoughts.*
Napoleon Hill
- *It's what you learn after you know it all that counts.*
John Wooden
- *Wealth is the product of man's capacity to think.*
Ayn Rand

It's All in Your Mind

Through this book, I will hold up a merciless mirror to your face that will force you to examine cause-and-effect relationships – how your current beliefs, strategies and actions are causing your frustrations and loss of freedom. Please slow down, reflect deeply and adopt a new way of seeing your business and yourself as its leader. Hopefully, you will come to the conclusion that you must change your mindset, leadership approach and business strategies as

suggested in this book to achieve a more fulfilling and financially rewarding life.

Education literally means, “to change within”. Please be open to let this book educate you and change you, especially some of your business assumptions and beliefs. All meaningful progress is the result of change. By changing your mindset and habits (repeated behavior), you change your life.

Since 1985, much of my mission has centered on healing the hearts, minds, and souls of beleaguered business owners. These entrepreneurs needed rescuing, not from their competition, but from their own limiting mindsets, flawed assumptions, and self-sabotaging habits. More important than helping to re-engineer their businesses, I help owners to re-engineer their minds and attitudes.

Put simply, I coach entrepreneurs to conquer themselves first, the marketplace second. I get owners to re-think and re-focus their approaches. I help them to work more **on** themselves and **on** their businesses and less **in** their businesses. By working less in the daily details, these owners are freed up to transform their lives and businesses for the better.

Be a CEO, not an Employee

Worth repeating, before you can fully re-engineer your business, you must first re-engineer your mindset. You need to tame and calm your mind to free it from reactive, counterproductive habits. You must adopt a strategic mindset and focus.

Please adopt this simple change management formula – **BE-DO-HAVE**. In order to **have**, you must **do**, and in order to **do** effectively, you must truly **be**. For example, want to **have** a better golf handicap? Then you must **do** certain things: take lessons, practice and play more, get better clubs, etc. However, all this doing

won't be optimally effective unless you first change your mindset – you must **be** a better golfer on the inside. You must start to see, feel, think and behave like a better golfer in order to be a better golfer.

Similarly, in order to **have** more freedom, joy and financial success as an owner, you must **do** new strategies (i.e. systematize your business, utilize marketing, etc.). In order to optimally do these strategies, you must first **be** a more effective business owner – mind, body and soul. Like an award-winning actor, do not just play the part, become the part. You must change on the inside before your external realities change.

How do you escape the nauseating details and headaches of your business? How do you gain greater freedom? You must make the great mental leap from that of employee to that of a business leader. First, you must acknowledge your technical bias, your addiction to being busy, and your uneasiness with delegation. Next you must adopt the “big picture” mindset of a Chief Executive Officer (CEO). You must **be** a CEO in mind and spirit to get the results you seek. You must think, feel, see, taste, smell and hear like a CEO. This chapter will help you out.

If you don't start thinking like a CEO, it will be nearly impossible for you to start behaving like a strategic business owner and truly working **on** your business in a proactive, purposeful manner. For many owners, jumping this wide chasm from employee to owner is tough and terrifying. However, you will never escape a workaholic existence unless you stop being a detailed-oriented technician masquerading as an owner. Stop focusing on the technical work of the business; focus on the entire business. The choice is yours. Step up and be a leader, not a micro-manager!

The Technician's Addiction

Instead of working **on** their businesses, most owners are trapped working **in** their businesses, slaving away and grinding it out. Instead of working on tomorrow, they are preoccupied with working in today. They end up majoring in minor things. They worry about office supplies instead of office processes. They focus on accounting details instead of holding their employees accountable. They worry about the company's vision plan instead of planning the company's vision. They react with short-term, short-lived fixes instead of proactively creating long-term solutions. They fixate on their mail, email, or cell phone calls instead of communicating their expectations to their key managers or employees. They obsess with doing things right instead of doing the right things. They do the wrong type of work really well. They are chasing their tails!

Are you trapped in the body and mind of a doer instead of a leader? Be honest, do you fall into the routine of doing the work of an employee or technician instead of the work of an owner or leader? Do you neglect such areas as vision creation, strategic planning, establishing priorities and goals, organizational design, business system development, profit improvement, team development, employee accountability, etc?

As previously discussed, you were probably a successful technician that caught the entrepreneurial bug several years ago and bought, inherited or started a business related to your technical skills. You are too comfortable with and good at handling such details. Such expertise, unfortunately, has a strong tendency to suck you into the nooks and crannies of the business. For you, the technical day-to-day guts of the business are addictive and tough to escape. Sadly, a technician's mindset and mode of operation are insufficient for running a business. These technical assets can be real liabilities and traps for an owner trying to be more proactive and strategic.

For example, maybe you were a gifted house painter who thought, “I can start a painting business on my own.” From the get go, you probably functioned in a technical capacity and never grew your leadership capacity or the business systems. You worried about selling and performing painting jobs. You probably didn’t worry about how to design and build a painting business with you as CEO. Rather, you dove in, got busy-being-busy, and started functioning as a painter, chief salesperson, estimator, bookkeeper, materials supplier, quality control supervisor, etc.

Consequently, you function as a jack-of-all-trades painter that also happens to own a house painting company. You are more technician than leader. Instead of focusing on the business of painting, you focus on the technical work of painting. You probably spend far too much time painting or micro-managing your other painters and not enough time painting your company’s future. Because of your technical comfort zone, you are trapped doing the work of a painter, not the strategic work of a leader.

Here are a few more examples to drive home the point. Being a good computer programmer and running a successful programming business are two different roles and worlds. Writing code is technical and tactical work. Just because you know how to do the daily technical work of programming, for example, doesn’t mean you know how to design, build and manage a business that does the work of programming. Programming code has not prepared you for the key functions of a business -- selling, marketing, client service, finance, leadership, business systems, people management, etc. Technical experience is insufficient background for running a business.

Similarly, if your background is selling, finance or production, your bias will get you buried in the selling, financial and production details of the business. You must escape your technical conditioning! Hire others to handle such matters, if necessary.

Business ownership is all about strategic leadership, not technical doer-ship. Few owners understand and appreciate such critical distinctions. Tragically, owners mistake a technician's orientation for that of an entrepreneur's. They mistake busy-being-busy activity for accomplishment. They confuse hard work for intelligent work. They have a technician's addiction to detail work. Sadly, they work and think like employees instead of owners. They do the wrong type of work. They fail to grasp that running a business is strategic, entrepreneurial, visionary, and requires strong leadership.

Contributing Factors

If the technical background or DNA weren't enough of a challenge, lack of role models and faulty educations compound the problem of being addicted to technical busyness.

Let's face facts; there are too many technicians, workaholics, micro-managers and dictators in the small business world and not enough CEOs. Because of poor role models and faulty business educations, owners do not get to see fresh, successful alternatives.

Unfortunately, our business education system focuses too much on technical knowledge and not nearly enough on leadership development and organizational design. Instead of teaching an opportunity mindset, our education system focuses on everything that can go wrong. As such, we scare owners into the deadly mistake of thinking that "they must do everything themselves" to get it right.

As a result, owners fail to put proper systems and processes into place to help guide other employees and the business. Without systems to help them lead, owners end up micro-managing. They can't delegate effectively. Soon, the business outgrows their personal capabilities and time constraints. The dreaded growing pains follow because they failed to grow their leadership capabilities, business systems, and employees. They are trapped on the business

owner treadmill, tackling non-strategic work, expending more and more energy, and going nowhere. No wonder they have the blues and no free time. Now, the owner is at risk of burning out and the business of crashing in.

Practical Strategies

Allow me to get in your face for a moment. You own a business, not a job! Wake up; you are the owner, not another employee! Most companies are over-managed and grossly under-led. Start leading! Start thinking and planning more and sweating less. Use more mind power, less muscle power. Every group craves an engaged and energetic leader to direct them toward a common cause and challenge them to greater heights. Be that person for your employees. While there can be many employees, there can be only one leader. You are it! Start filling the role.

Even if you are a solo practitioner, thinking like a CEO is a critical step as you grow and replace yourself in various technical roles with new employees. Even if you decide to go it alone, you will see that the CEO mindset will pay you great dividends as you better manage your time, resources and clients/customers.

As CEO, you need to work **on** the business: its purpose, direction, strategy, structure, systems, people, goals, and accountability processes. Again, see the whole business, not just its parts. Have an aerial view to know where you want to go and how you want to shape your business. Instead of shuffling papers or doing the bookkeeping, decide how to make your company different, better, more profitable and more systems-oriented. Think and act like a business architect. Again, your goal is to design and shape a business that serves you and works independently from you -- a business that is systems-dependent and not owner-dependent. You want a business that runs nearly on autopilot and spits out cash.

As a leader, you need to be more strategic, long-term focused and less tactical/technical, day-to-day fixated. If you don't focus on the entire business, no one else will. It will just drift or run aground. So how do you stop thinking and acting like an employee or technician? Here are nine steps to consider seriously:

1. First, you should change the metaphor in your head for what it means to be an owner. Regardless of your industry or size of your business, start viewing yourself as a CEO, not an employee. Instead of seeing yourself as a role player, see yourself as a head coach. Effective owners I know prefer to view themselves as a director, conductor, facilitator, or captain. Regardless, choose a metaphor for what it means to be a leader.
2. To help with this mindset transformation, start referring to yourself as CEO. Put it on your business card, stationery, etc. Using the term CEO will force you to see your company as an entity above and beyond yourself, as a separate and valuable asset that needs to be professionally managed and optimized. You are not the business and the business is not you. Spend time and energy helping to build, improve and optimize this asset. For example, focus on how to grow sales, expand your competitive advantage, and increase your value to customers.
3. Consider that as CEO, you get paid at least the equivalent of \$200 an hour to professionally manage this separate entity and valuable asset – your business. Ask yourself before you touch any task, “Would a CEO do this?” Or ask, “Is this task worth me doing at a cost of \$200 an hour?” Don't spend a dollar's worth of time on a dime decision or task. Elevate your vision, thinking and tasks.
4. If you truly buy into your role as a CEO, you should be willing to give up the urgent, less important, low-value tasks you routinely handle. Realize that 80% of your results come from 20% of your talents and activities. Delegate the 80% of your activities that only produce 20% of your results.

Stop doing the wrong kind of work. CEOs should think, lead and delegate – not handle trivial matters. Your job as CEO is to design/re-design and grow the business; your managers' job is to improve the business; and your employees' job is to operate the business. Here are a few more suggestions:

- No longer major in minor things! Don't let yourself get distracted by irrelevant, insignificant stuff.
 - Don't let the urgent control your life. Put your cell phone/pager away more often. Don't be a prisoner to email.
 - Instead of creating a to-do list, start creating a **not-to-do** list for you and let go of small things. Eliminate or delegate the 80% of your activities that produce so little impact for your business. Share this not-to-do list with your team. Put them on notice that you are getting out of the daily detail (usually their areas of responsibility) and starting to see and influence the big picture.
 - Quit trying to manage details and start managing your people. Guide their focus and priorities, but let them do the work.
5. Schedule time to think and plan. You must think deeply about important, strategic matters. Make time to get away from the day-to-day distractions and focus on deep thinking, planning, and decision-making. Isolate yourself to concentrate on big-picture issues. Spend time alone digesting all the information you are bombarded with and develop the big ideas to take your business to the next level of performance. Once a month, schedule a day away from the office to think and plan. With no distractions whatsoever, put on your CEO hat and spend time reviewing and improving your chief asset – your business.
 6. On a daily basis, reserve the vast bulk of the day to tackle only your top 3 priorities. Selfishly guard your time and

focus. Don't allow your employees to disrupt your CEO-oriented priorities and actions with countless got-a-minute interruptions. Allowing such conduct creates an environment whereby your time is not valued and respected. It also creates unproductive days, a reactive business mindset and employees that are overly dependent upon you for everything. Stop these got-a-minute interruptions.

7. Think about CEO role models at large companies you admire. Those proven CEOs with solid integrity and ethics. For example, think of the former CEO at GE, Jack Welch. Read his books and understand his philosophies, mindset, and strategies. Then periodically stop yourself and ask, "What would a Jack Welch do in this case?"
8. Whatever your technical expertise, consider hiring someone else to handle such technical and tactical work so that you can escape the stranglehold. For example, if your background is selling or accounting, hire a competent sales manager or accounting manager to manage such day-to-day details. If you already have such employees on your payroll, then for goodness sakes let them do their jobs. Get out of their zone of responsibility.
9. And finally, adopt a mindset of optimization (see the next section).

Adopt the Mindset of Optimization

As a CEO, you need to elevate your mindset and obsess about getting more from your current resources and efforts. You must ask yourself and others better questions. You must start to ask yourself, “How can our business get greater results from every action we take, every expenditure we make, every effort we expend, every relationship we have?” Avoid status quo like a deadly virus. You must embrace fully the philosophies that, “good enough never is” and “we can always do better.”

Optimization (also known as leverage) is a mindset of maximizing your results while simultaneously minimizing the amount of time, effort, risk, money, and energy you expend. It’s all about getting greater productivity, performance, profitability and payback from your ideas, assets, knowledge, systems, processes, practices, people and opportunities. Overlook nothing; leverage opportunities are everywhere.

Optimization is all about using your mind and limited business resources in new and better ways. It’s about using your creative intelligence as an incredible force to increase your sales, customer satisfaction, profits, quality, etc. Optimization is about freeing yourself and your organization from limiting beliefs, the “we’ve always done it this way” attitudes, and established industry practices. Optimization is searching for opportunities inside and outside your company where the application of focus or force will yield substantially multiplied results. For example, if you start using telephone calls to follow-up your direct mail campaigns, you may multiply your sales results by staggering amounts.

Just as a tire jack can lift the tremendous weight of a car for a tire change, so too can the strategy of optimization help you significantly lift your company’s revenues, improve operations, and lighten your daily load. A lever, fulcrum and slight force can lift significant

weight if you know how to use these tools. Learn about leverage so you can begin to elevate and optimize your business results.

To master the art of optimization, you need to adopt an opportunity mindset. To leave the status quo behind, you need to ask continually the following types of questions:

- What is the best and highest use of our time, talent, and treasures?
- What resources are we underutilizing?
- How can we maximize our returns/output and minimize our input?
- How can we work smarter, not harder?
- Which strategies will give us super-sized results?
- What processes or departments within our business are under-performing?
- What past or current relationships could we more fully leverage (i.e. customers, employees, vendors, suppliers, advisers, etc.)?
- What other industries could provide us with some innovative best practices?
- Where are the hidden opportunities within our business, our employees, our suppliers/vendors, our business partners, our customer base, our competitors, and our business processes?
- How can we get a greater return/payoff using the least amount of money, time, risk, etc?
- How can we be more effective, more productive?
- How can we get better every day in every way?
- What suggestions from our customers should we pursue first?

Expand your mind and your leadership potential and your business and opportunities expand exponentially. The more you grow as a leader, the more your business grows as a market leader. The quality of your business and your personal life will depend on the quality of your leadership. Think CEO, not employee. Think optimization, not status quo. Much more on leadership will be discussed in the fifth chapter, Maximizing Your Leadership.

Now that you understand how to think and behave like a CEO, it is time to systematize your business for smoother operations. For your company to function at its best and not rely on you for every decision and action, you must put robust business systems in place. The systems give you the freedom to function as a CEO.

Suggested Action Items:

- Great transformations begin in and with the mind. Pledge to yourself that you will be open to change. Acknowledge that all lasting and effective change begins on the inside. Believe in the BE-DO-HAVE goal-achievement formula.
- What percentage of a typical day do you spend working **in** the business versus **on** the business? Stated another way, determine what percentage of the typical day you function as an employee instead of a strategic business owner.
- Admit to yourself and your coach that you can no longer tolerate being an employee; you must function as a CEO. Using the term CEO will force you to see your company as an entity above and beyond yourself, as a separate and valuable asset that needs to be professionally handled and optimized. Concentrate working **on** the business, not **in** the business. Consider putting CEO on your business cards, letterhead, nameplate, etc.
- Your job as CEO is to design (or re-design) and grow the business; your managers' job is to improve the business; and your employees' job is to operate the business. Again, your

goal is to design and build a business that serves you and works without you -- a business that is systems-dependent and not owner-dependent. You want a business that runs nearly on autopilot and spits out cash. Ensure that your to-do list and your not-to-do list reflect this new reality.

- Get out of your technical comfort zone and get into your CEO zone. Admit to yourself and your coach what your comfort zone challenge will be (i.e. selling, accounting, marketing, product development, etc.). Pledge to move away from this technical bias.
- How do you stop thinking like an employee? Change your metaphors about being a business owner. For example, instead of seeing yourself as a key player, see yourself as the head coach. Other metaphors could be director, leader, conductor, etc.
- To help with this mindset transformation to CEO, start viewing your company as a valuable asset separate and apart from you that requires professional management and care to grow it. Spend time and energy helping to build, improve and optimize this asset -- the business.
- To help with this mental transformation, consider that as CEO, you get paid \$200 an hour to professionally manage this separate entity and asset – your business. Ask yourself before you touch any task, “Would a CEO do this?” Or ask, “Is this task worth me doing it at a cost of \$200 an hour?” Or ask, “Is this an important task or merely an urgent yet unimportant task?”
- No longer major in minor things! Stop doing the wrong kind of work. Don’t let yourself get distracted by irrelevant, insignificant stuff. Eliminate or delegate 80% of your activities that produce only 20% of your results. Create a not-to-do list (low value, low priority, urgent tasks) for yourself as CEO and share it with your team. Put them on notice about which activities you will no longer conduct.

Train others to tackle such tasks. Focus on the 20% of your talents and activities that produce the bulk of your results!

- Focus on your top 3 CEO priorities every day. Don't tolerate endless "got-a-minute" interruptions. Don't be unapproachable. Rather, educate your employees how to schedule time with you for more proactive and productive meetings.
- Schedule a day a month away from the office, with no distractions whatsoever. Put on your CEO hat and spend time reviewing and improving your chief asset – your business.
- Start asking yourself, "What would the CEO at GE, IBM, McDonalds, etc. do in this situation?"
- Hire others to replace you in the technical trenches of your business.
- Adopt a mindset of optimization.
- Believe your company can get better every day in every way. Maximize your results while minimizing your company's output of time, effort, risk and money. Pledge to get greater results from every action you take, every expenditure you make and every relationship you have.
- Repeatedly ask the optimization-type questions that appear on page 32. Photocopy such questions and keep them on your desk, in your truck, at home, etc.
- Ask all your internal and external stakeholders, "How can we improve _____ and get greater results?"

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