
CEO Skill and Strategy Checklist

A company has been likened to a ship. The engine room is where the customers exchange money for value producing the power that drives the ship. The company structure is the hull that keeps it afloat. It's the role of the CEO to navigate the ship into the future. The destination is the owner's goals: financial and otherwise. The exciting thing about running a small company is you get to have at least as many "otherwise" goals as you do financial.

Unless your company is in start-up or the competition has just destroyed your market, a small company doesn't need a lot of time in the CEO function. But that doesn't mean the function isn't important.

Alas, folks who run small companies often don't spend time on the bridge being CEO. One reason is they've never been shown how to do it. I'll start to correct that injustice here. The second reason is (with the exceptions mentioned) the CEO function is rarely urgent. Until you've developed good operational systems there will always be more pressing calls for your attention down in the engine room.

But once your operational systems are sufficient that you can spend time on the bridge, here's a check list of where you should be spending your CEO time.

Strategy

- Your Industry & Market** As CEO you need to know what others in your industry are doing, who the market leaders are, where your company stacks up, and what the best practices are - why reinvent the wheel? And you should be aware of other markets you might want to enter soon.
- R&D** You need to make sure the company is developing the right new products for the markets you serve and for new markets you want to enter.
- Competition** If you're on top of the areas I just mentioned, you'll have a good idea what your competition is up to. You must also know what new competition might arise from technological or regulatory changes.
- Mergers, Acquisitions and Divestiture** Are there companies you should buy? Parts of your organization you should spin off? A company you should merge with? The CEO should be thinking of these things and developing relationships with key people in those companies.
- Financing** You need to know the cash ramifications of your decisions and the company's progress. Your job is to conserve cash when appropriate, spend it wisely and raise it when needed. Being the lowest cost producer helps a lot, and you must set that as a priority. As CEO, you should be cultivating relationships with lenders, investors and even companies you'll need when you liquidate. The time to develop those relationships is before you need them. Way before.
- Strategic Hiring** You need a list of your next few strategic hires, what skills you'll need on the team and in what order you'll hire them. Plus a plan for when to bring them on. I don't mean "when" on the calendar, but relative to some change in the company: revenue, number of employees, a product launch etc. Extra points if you've identified individuals you want to recruit and started to get to know them.
- Succession** With a strategic hiring plan, you're part way toward succession. The other part comes from within. Who are you grooming? For what positions? As people move up who will replace them? Then there are the big, scary questions: when will the company need someone at the helm whose skills are different from yours? Who's going to take over your slot? And what's next for you when that happens?

These are tough questions but the need will come whether you're prepared or not. Considering how much you've got invested (financially and otherwise) you'll be in better shape if you're prepared.

Skills

- Time Management** As I said before, CEO time isn't urgent for a small company. So you'll need the skill to focus on things that aren't screaming for your attention: the ability to plan your week, make appointments with yourself, to think, and stick to your plan.
- Relationships** Many CEO strategies involve relationships. You must be good at building strategic relationships. This doesn't mean you're pals with everyone. It's not about golf or swapping pictures of your kids. It's better if these relationships are strictly business. But you must make connections. The list of influential people who will take your call should be long and growing.
- Financial Understanding** Numbers are the language of business. You must be fluent. You must focus on cash flow not profit. And you need a business model that explains the ramifications of your decisions, and what happens beyond your control.
- Vision** This one's over rated. I include it because without vision for where the company's going you can't lead it. Some companies drift along without a CEO for a surprisingly long time. But to go somewhere exciting you need a vision of where "somewhere" is. Don't get caught up in the hype though: vision is necessary but not sufficient.
- Execution** It's nice to have a dream but you must wake up to get anything done. A mediocre vision diligently executed will always, always, always out perform a passion filled, far sighted, and inspiring visualization that's haphazardly implemented.

If all this seems like a monumental task, don't worry. It's not required that you be perfect. Like in baseball you can strike out seven out of ten times and still be batting 300. (If you don't know baseball, that's very good.) The key is make a lot of mistakes; but review and correct them quickly. And don't make the same mistakes twice.