THE SKILLS OF GREAT LEADERS

Men of genius themselves were great only by bringing all their power to bear on the point on which they had decided to show their full measure.
—Antonin-Dalmas Sertillanges, The Intellectual Life

If you Google “characteristics of entrepreneurs,” you’ll get about 155 million results, most of which are platitudinous: “creative”; “passionate”; “motivated”; “resourceful.” You’ll read that you need to be good at “visualization,” that it helps to be “confident,” and that being “dedicated” is a nice trait.

Part of the problem with these lists is that they are widely applied, regardless of the profession. If you were to ask about the characteristics of a great concert pianist, you might hear: “She needs to be creative and passionate, motivated and confident … and it’s good to be dedicated.” None of this response is helpful or specific, because the enumerated traits are useful for virtually any skilled profession. Running an organization does require a level of dedication—you don’t need Google to figure that out.

The biggest shortcoming of these lists, though, is that they suggest a personality type instead of a set of acquired skills—as if leaders are made at birth, and you either are the type, or you aren’t. But we know there is enormous variation within the body of entrepreneurs. Some are terrible public speakers, while others earn standing ovations. I know as many successful leaders who present as introverts as extroverts. Worse than inaccurate, these bromides suggest that the only thing you need to succeed is a collection of personal attributes, awarded to you at birth.

My view is that there is a set of skills, not personality traits, that enables successful leadership of an organization. To golf well it’s not enough to be determined and patient. You also need to know how to hold the golf club. There are five master skill areas that are within your reach, and within each of these are sub-skills. Master the sub-skills and you’ll have conquered the master skill.

This note is adapted from the book, The Dog Caught the Car: A How-To Manual for New Leaders. Lecturer David Dodson prepared this note as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.
SETTING AND ADHERING TO PRIORITIES

In the book, *The 4 Disciplines of Execution: Achieving Your Wildly Important Goals*, the authors note: “The more you try to do, the less you actually accomplish.” While this is true about individual behavior, it is even more critical for an organization. Two of the most important words for a CEO are “focus” and “alignment.”

Leaders can identify opportunities for their organization at a faster rate than employees can implement those ideas. While the CEO’s creative mind moves at 100 miles per hour, the organization travels at 40 miles per hour. Lacking this understanding, inexperienced leaders get frustrated, wondering why those around them “can’t move fast enough,” having failed to understand that implementation requires steps such as hiring people, buying equipment, designing marketing material, and building control systems. Rookie managers imagine that their staff can drop whatever they are doing and shift all their energy and attention to the CEO’s latest idea.

This leads to either dozens of unfinished initiatives or those that are poorly implemented, resulting in high turnover, poor customer service, and in some cases, running out of cash.

The answer is to carefully set and adhere to priorities while at the same time finding ways to increase your organization’s capacity. This may seem simple, but it’s another area where great managers differentiate themselves. Leadership requires understanding what is possible. And within that limitation determining what to do, and more importantly what not to do.

COMMITMENT TO BUILDING A TEAM

Most of us begin our careers as individual contributors (Exhibit 1). In such a role, your success or failure is measured almost exclusively by what you alone produce—a great presentation, for example, or closing a sale.

As an individual performer, you have near-complete control over your work-product and to excel you only need to work hard; or as we say, “hit the ‘more’ button.” The next step in most people’s professional development is to manage a small department (Exhibit 2).

Here again, the “more button” can often get you out of a jam. For example, if one of your direct reports prepares a presentation that you’re not happy with, you can stay up all night and fix the problem yourself. But this goes away when you begin to supervise managers (Exhibit 3).

The “more” button isn’t scalable at this level. Besides, even if you could clone yourself, or add more hours to the day, you cannot routinely bypass one of your managers by directly supervising the work of their direct report; not if you want to preserve the integrity of your organization. The solution is to build a team of great people to work for you. The exciting part is that building a team, scales. The only difference between an effective leader who runs a company with 100,000

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employees, and a CEO of a firm with only fifty employees, is that one has mastered the skill of how to “manage managers.”

But to get there, you’ll need to learn how to attract, select, mentor, and retain great people. Fortunately, building a great team is not the result of intuition but a set of acquired skills that can be mastered by any talented person.

**Creating a Revenue-Generating Machine**

Top CEOs do not need to have their own sales skills, and they don’t need to be a marketing wizard. But they do need to know how to build an organization that can grow revenue. Some value can be created by cutting costs, but that trick only goes so far. To add value, a CEO needs to build a machine that can generate revenue.

Initially, selling may be the CEO’s direct responsibility. Just as the “more” button is not sustainable, once an organization reaches a certain size, the CEO must shift focus. Eventually, the key skill is not making sales, but building a sales organization, which requires:

- Hiring and retaining a head of revenue
- Designing a compensation plan that attracts and motivates top sales talent
- Creating an effective organizational sales and marketing structure
- Making strategic decisions on product price and positioning.

Some inexperienced leaders believe that generating sales is about hiring more salespeople, because after all, “they pay for themselves.” That’s an expensive mistake in almost every case. As a new CEO, you’ve likely inherited a system driven by a few individual contributors and not a scalable revenue system. Furthermore, the head of revenue you hire from outside the company likely worked within a “legacy” system that didn’t require her to create a hiring, training, or compensation plans from scratch. She may also have come from industries with ingrained habits which made innovation difficult or impossible. For these reasons, you’ll need to be involved in the formation of your revenue machine, including compensation, and fundamental decisions such as whether to organize geographically or along product lines, and whether to have multiple classes of salespeople (“hunters” and “gatherers”) or a single sales force.

Remember also that some of the best sales executives are revenue-oriented but not necessarily profitability-oriented. This means the price and positioning of the product will remain the responsibility of the CEO—often in close concert with the CFO—while the machine is being built.

**Willingness to Seek and Take Advice**

Successful CEOs don’t waste time finding answers to questions if they can pick up the phone and ask someone. Doing so saves time, and more importantly, increases the probability of finding the right answer.

Nonetheless, too many inexperienced CEOs let their egos interfere with their own success, and others worry that asking for counsel admits weakness. In fact, the most confident leaders are the ones who view seeking and taking advice as a weapon. Rarely do you encounter someone who
has encountered exactly your problem, but those you reach out to will have often handled a similar situation—enough for them to identify a pattern and provide input. This leads to the critical skill of identifying and cultivating a network of mentors that you can draw from. Since mentors aren’t infallible, they need good inputs to provide good advice. Your job includes providing the necessary information clearly and concisely. They won’t always be right, but if you’ve chosen your advisors well, you’ll have a higher chance of succeeding by pursuing and considering their input. This is why the best CEOs are diligent about surrounding themselves with advisors who have the experience, skills, time, and bandwidth to take your calls…plus the willingness help you.

**Fanatical Custodian of Time**

Top CEOs and other high performers have always been fanatical custodians of their time. They recognize that money can’t buy more hours in a day—which is why the last of the five characteristics for great leaders is obsessive stewardship of their time. The most effective executives never let others steal their valuable minutes.

Not all hours are created equally. Successful leaders also think both in terms of quantity and quality. Creativity and insights that can transform an organization can’t happen in short moments between answering emails and responding to routine requests from your management team. Busy can be reassuring but is seldom impactful. Leadership requires being fully present when decisions are considered and made. Those CEOs who can focus like a laser beam on the problem before them, aiming all their super-energy and attention at a single point, make far better decisions than those that confuse multi-tasking with a lack of intellectual discipline.

**Conclusion**

These five properties of successful leadership can be learned by mastering the sub-skills within each general area. Building a team doesn’t come from a mission statement, it happens when the organization commits to using best practices that include hiring, training, compensation, and development. The same can be said for the other four properties of great leadership.

This is not to suggest that qualities such as integrity and compassion are to be ignored. But those are attributes, not skills. For some, they come naturally and for others require unbroken vigilance. But the sub-skills of management must be learned.
Exhibit 1
Individual Contributor


Exhibit 2
Manager of a Small Department


Exhibit 3
Manager of Other Managers