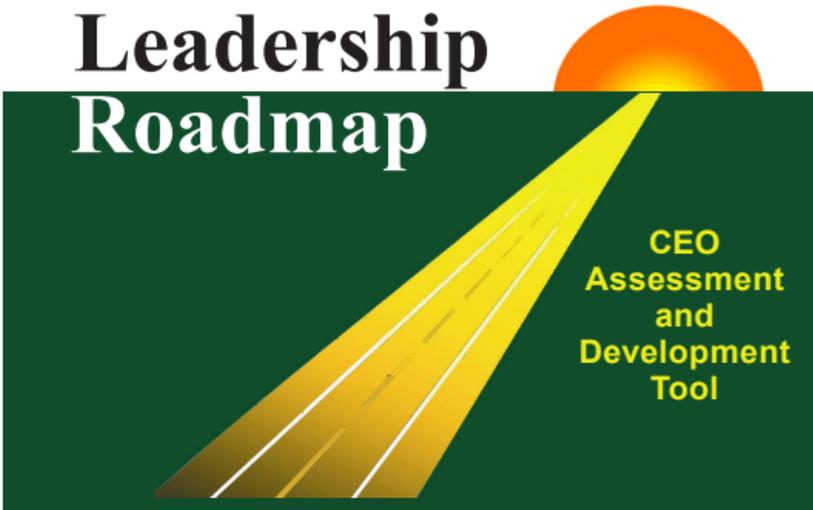


The Leadership Roadmap



**CEO
Assessment
and
Development
Tool**

A disciplined approach based on
12 basic elements of CEO leadership

Becoming an excellent practitioner of
these elements is the secret to success

Relevant for any business regardless of size,
type, market served or economic conditions

Useful for succession planning and
leadership development at all levels

CEO leadership performance always sets the standard for leadership throughout an organization. An effective leader, by definition, needs engaged followers.

Research indicates that worker engagement rates are appallingly low (about 25% is the world average) and that few companies have been able to achieve above average results for very long. We believe that's because few leaders have been able to integrate all the current wisdom into a concise, coherent and comprehensive framework for leadership and to passionately follow this framework to achieve sustainable superior results.

The most crucial question today is: Do you want to continue to deal with these issues piecemeal, or do you want to take them on systematically, to build an organization that becomes an engine for competitive advantage and sustained success? The return for such a systematic approach can be well worth the investment.

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To Our Readers

So much has been written about CEO leadership it is frequently assumed it is so well understood that no explicit definition is necessary. In this booklet we define 12 basic elements of CEO leadership that apply to any business, regardless of type, size, market served or economic conditions. Many CEOs are practicing most, if not all, of these elements to some degree, but the likelihood is high there still exists considerable room for improvement to enhance their prospects for personal, professional and organizational success.

The 12 basic elements in this booklet support the need for leading change and developing an effective and efficient organization. These elements are drawn from our book, **The Leadership Roadmap**, published in 2008 by North River Press. Additional information can be found on our website at: leadershiproadmapinstitute@aol.com.

The purpose of this booklet is to provide: 1) an explicit definition of the 12 basic elements in a convenient form for ready reference, 2) a self-assessment and 360 degree performance measurement tool and 3) a useful guide for succession planning and leadership development for leaders at any level.

These elements are drawn from the knowledge, skill and experience obtained during 20 years as COB/CEO of a successful global manufacturing business as well as over 50 years experience serving on the Boards of several publicly and privately owned companies.

The following 1 to 10
performance rating scale is
suggested:

PERFORMANCE SCALE

1 Entry Level/considerable improvement needed

—
—
—

5 Basic requirements being met/improvement needed
to master

—
—
—

10 Basic requirements being mastered/benchmark
standard

Vision / Mandate

Excellent CEOs develop a Vision of what the business needs to become within a 5 to 10 year period to achieve the Mandate.

The Mandate is a quantitative statement of what needs to be achieved on an ongoing basis to keep all stakeholder groups working together both willingly and enthusiastically in a world of competing alternatives.

Excellent CEOs assess the quality of the Vision and Mandate by how well all major stakeholder groups understand, support and are committed to making them become reality.

They engage the entire executive leadership team and the Board in a participative process to build a high level of

Vision / Mandate

Performance Assessment (1 - 10) _____

Reality

Excellent CEOs regularly describe in a clear, concise, coherent and comprehensive way, why the Reality is driving the need for change.

Their description highlights the trends (economic, market, competitive, product, process and operating performance) expected to have the most profound impact on the business. They also identify the major opportunities and threats that need to be dealt with in the strategic and annual plans.

They see the Vision, Mandate and Reality as forming the foundation of all planning processes and expect all executive leaders to be willing and able to describe this foundation to any stakeholder in an individual or group setting at every opportunity.

They measure the quality of how well this is being done by the degree of understanding, support and commitment to the need for change that exists throughout the entire organization.

Reality

Performance Assessment (1 - 10) ____

Leadership and Business Model

Excellent CEOs recognize that their actions and behaviors are based on their key beliefs regarding what they and the business needs to do in order to be successful. They recognize that these beliefs are being based on the depth and breadth of their knowledge, skills and experience; their level of ego development or maturity, and how well they have integrated all of these through critical thinking. A consolidated summary of these beliefs make up the leadership and business model they use for operating the business.

Excellent CEOs are able to readily articulate their model to any stakeholder at any time, and take advantage of every opportunity to do so. This helps bring out ideas for refining the model, builds widespread understanding, support and commitment to the model as well as build the business literacy of the organization to a high level along with enthusiasm for others to follow their lead. This, in turn, provides a foundation for leadership development and for achieving a high degree of organizational synergy directed toward building a powerful competitive advantage.

They measure the quality of their leadership and business model by how well the organization as a whole consistently delivers promised results and the level of enthusiasm throughout the organization for following their lead.

Leadership and Business Model
Performance Assessment (1 - 10) _____

Organization Structure

Once the Vision, Mandate, Reality and the Leadership and Business Model are solidly in place, excellent CEOs ensure that the organization is structured in such a way as to consistently deliver promised results.

An excellent CEO not only accepts responsibility for raising the question regarding structure, but also for sharing his/her assessment of any need for change of the current structure along with his/her rationale for the need for change as a starting point for discussion at the executive team level.

The CEO is responsible for leading the process at the executive team level until a position is reached that has broad team support along with a well thought out plan for implementation.

They measure the quality of how well this has been done by how well the need for structural change is understood and supported by the organization as a whole.

Organization Structure
Performance Assessment (1 - 10) _____

Leadership Competence

Once organization structure issues are dealt with, excellent CEOs ensure that the key leadership roles are filled with “A” level leaders (or “B” level capable of rapidly becoming “A” level) in all six areas of culture fit, knowledge, experience, skills, level of ego development or maturity and past record of performance results.

The CEO must also conduct a self-assessment to evaluate whether or not he/she is qualified to fill the role needed to achieve the Vision and have this self-assessment validated by strong support from both the Board and executive level leadership.

The CEO must also share his/her assessment of the other executive team members for the key leadership roles and process this assessment with each individual and ultimately the entire team. The goal is to arrive at a plan for staffing the key leadership positions that has broad team support.

The quality of how well this has been done is measured by the level of confidence the Board and executive team members have in the executive staffing plan and ultimately by how well promised results have been delivered.

Leadership Competence
Performance Assessment (1 - 10) _____

Culture

Excellent CEOs clearly describe the culture/climate needed to achieve sustainable success. They also establish an expectation of responsibility/accountability for actions and behaviors by every leader and team member throughout the entire organization with a particular emphasis on executive leadership providing the example.

The expected culture/climate description must include at least the following:

a) **INTEGRITY** - high moral and ethical standards: always deliver on your promises

b) **TRUST FILLED** - fair treatment for all, open communications, clear performance feedback to every team member and team, an opportunity to participate, opportunities for growth and development

c) **SYNERGY** - cross-functional teams the norm, not the exception; everyone a member of at least one team, support and cooperation actively promoted

d) **PEOPLE** - an emphasis on people as the organization's most important asset because they perform every transaction of the business with every stakeholder, and tapping the full energy, creativity and commitment of the people is a powerful competitive advantage

e) **CONTINUOUS IMPROVEMENT** - a mind-set that every product and process presents opportunities for continuous improvement and that these opportunities need to be pursued with a heightened sense of urgency.

f) **INNOVATION** - a widespread recognition of the importance of innovation, of the different types of innovation, the sources of innovation and the importance of having a process for dealing effectively with innovative ideas.

The quality measure for how well this Culture is being built includes both informal feedback on an ongoing basis and formal feedback on a regular planned schedule.

Culture Performance Assessment (1 - 10) ____

Strategic Planning

Once the Vision, Reality, Leadership and Business Model, Structure and Staffing issues have been successfully resolved and Cultural expectations are in place, excellent CEOs provide the starting point for strategic planning. They start by sharing their assessment of what the key goals need to be for the upcoming 3 to 5 year period, instilling confidence that the business is on the right track toward fulfilling the Vision and achieving the Mandate. The proposed strategic goals should be accompanied by a Strategic Inspiration Mission Statement (SIMS), a one line statement that establishes the underlying theme for the strategic plan.

Excellent CEOs use a participative process involving the Board and the executive leadership team to incorporate all necessary changes to these proposed goals. The objective is to end up with both a set of goals and a SIMS that are understood, supported and accompanied by a high level of commitment at the executive leadership and Board levels. Every goal needs to have clear metrics in place.

The quality of the strategic plan is measured by the level of confidence and enthusiasm for the strategic plan at both the Board and executive team levels.

Annual Planning

The annual operating plan is the first year, expressed in detail, of the 3 to 5 year plan. Excellent CEOs provide a starting point for the planning process by sharing their assessment of what the annual goals should be for the year. These goals should be consistent with giving everyone confidence that the business will be on the right track toward achieving the 3 to 5 year plan if the annual goals are achieved. The proposed annual goals should be accompanied by an Annual Inspiration Mission Statement (AIMS), a one line statement that helps totally focus the organization on the underlying theme of the annual plan.

A participative process involving the Board and the executive team is used to modify the proposed goals as needed to end up with a set of goals and an AIMS that are accompanied by a high level of understanding, support and commitment. These goals must also include clear metrics.

The quality of the annual plan is measured by the level of confidence and enthusiasm for the annual goals and the AIMS at both the Board and executive team levels.

Deployment

Excellent CEOs realize that the most important part of any plan involves the planning process because an effective process yields a high level of understanding, support and commitment throughout the organization for the plan. An effective planning process starts at the executive level and then is cascaded throughout the total business. Every team should be actively involved in this process and should end up with a set of goals with metrics that can be clearly connected through each level back to the total business goals. This cascading process is called deployment. The process of deployment is the key to building widespread literacy along with understanding, support and commitment to the total business. Most businesses never achieve deployment to this degree.

The quality of deployment is measured by the number of teams that have developed their team's goals and can link their goals all the way through the structure to the total business goals.

<p><i>Deployment</i> Performance Assessment (1 - 10) ____</p>

Execution

Given the strategic and annual plans that have been deployed well, excellent CEOs recognize the importance of effectively executing the plans. It has been said that an average quality plan well executed will in most cases produce better results than a brilliant plan poorly executed. Excellent leaders realize this and never lose sight of perfecting the process of execution.

The single most important element in this process of execution is having the needed Culture in place. The Culture of an organization affects every individual person and team in the organization. It is like the oil in the engine. Without the proper oil, no engine will ever perform at a sustained high level; and in some cases this can even lead to an engine failure.

The second most important element is having a highly disciplined formal review process that focuses on variances that either endanger or enhance the achievement of plan results. The frequency of the review process will vary depending on the level in the organization being reviewed. It can range from daily to weekly at the direct operating level, to quarterly at the most senior corporate level. Templates should be developed to standardize the reports as much as possible and focus on the critical few as this helps make the process more effective and efficient. There are three basic levels of accountability. The top level is the most positive and involves recognition for exceeding or meeting the plan metrics while reinforcing the Culture. Consistent performance at this level opens job growth opportunities as well as favorable consideration for bonus participation. The middle level involves identifying key lessons that have been learned when a negative variance to plan has resulted for one year. In this situation, plans need to be made to avoid repeating the same lesson again.

Execution

(continued)

This middle level of accountability also includes the situation in which plan metrics have been achieved but at the expense of a violation of an element of Culture. The third level of accountability involves actions taken when unfavorable results have been reported for two or more years in a row. This situation puts jobs and bonus participation seriously at risk.

The quality of execution is measured by the actual results achieved and by the actual level of accountability experienced throughout the organization.

Execution**Performance Assessment (1 - 10) ____**

Training and Development

Excellent CEOs recognize the importance of training and development as an ongoing never ending requirement for building and maintaining the business as an engine of success. This recognition provides a highly visible indicator of the strength of belief by leadership in people as the most important asset in the business. The highest and quickest return on investment in training and development comes from supporting individuals and teams in performing their work by being directly linked to improving job performance.

Training and development also plays an important role in helping team members prepare for opportunities for job growth and advancement to higher levels in the organization. Every team member who has expressed an interest in advancement needs to be provided a clear picture of the basic requirements they need to meet to become qualified for advancement.

Excellent CEOs measure the quality of return on investment in training and development by the actual improvement in job performance of individuals and teams, the quality of succession plans, the growth in knowledge and skills throughout the organization and the number of team members who feel that the company is their best opportunity to achieve their personal and professional goals.

Audit

Excellent CEOs recognize the importance of ensuring integrity of the key processes that drive the results of the business. The processes for financial accounting and reporting are well established in the business community. However, the processes that actually drive operating business results are not generally given the level of attention needed to truly master them.

Excellent CEOs recognize that in the area of people processes the quality of culture, the quality of the planning and deployment process and the quality of management accountability process needs to be audited on a regular basis. They also recognize that the process for continuous improvement directed toward becoming a lean enterprise and the process for innovation needs to be audited on a regular basis. There are few leaders that know where their organization stands compared to the ideal for each of these processes. As a result, it is impossible to know if the business is improving or declining in these areas.

The quality for how well audit process is helping improve operating results includes the following elements: 1) the actual improvement of year over year operating results, 2) the number of audits conducted, 3) the number of action items identified and implemented and 4) the actual improvement of each major process toward the ideal state.

Audit

Performance Assessment (1 - 10) _____

Premise

Everyone wants to make a difference in work and life and to be part of a winning team.

Winning requires a compelling competitive advantage, used well.

The strongest competitive advantage is consistently providing all major stakeholder groups (customers, employees, investors, suppliers, communities) with Best Value.

The three principle processes that drive Best Value are:

- 1) *Innovation*** the process for rapidly identifying and implementing both incremental improvements and quantum leap forward advances for products, processes and the business model
- 2) *Lean Enterprise*** the process for improving cost, quality and delivery by eliminating waste through continuous improvement and optimizing all value chains
- 3) *People*** the process for tapping the full energy, creativity and commitment of all the people, both individually and collectively, toward building a compelling competitive advantage as a customer-focused innovative lean enterprise

The Leadership Roadmap

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