

# How Effective CEOs Spend Their Time

After more than seven years of training CEOs, Jim Schleckser explains what separates the most effective business leaders from their weaker peers.



*Jim Schleckser has been an entrepreneur for the last 20 years, and for the last seven he's been imparting his leadership acumen to other entrepreneurs as part of the [CEO Project](#), a program that trains CEOs to increase their business performance. Many of the CEOs Schleckser coaches are the heads of Inc. 500 companies, and he's found that sustaining an Inc. 500 level of growth over consecutive years is one of the most difficult challenges facing a young, rising business. "It's one thing to make the list, but it's actually quite hard to stay on the list," Schleckser says. "As you grow, you hit speed bumps, and we talk to thousands of CEOs to determine where those points of constraint are." Schleckser spoke with Inc. reporter John McDermott about the importance of hiring good talent, finding balance, and the characteristics of bad CEOs.*

## ***Where do the best CEOs spend their time?***

They spend a lot of time perfecting their business model; determining what they do and for whom, getting the profit right, getting the pricing right, getting the value proposition right. The second area we see good CEOs spending a lot of time on is talent, and I guess that's not surprising. What we find is that as companies continue to grow, you have to have good people because the talent that brought you to \$7 million in revenue may not be able to bring you to \$20 million.

## ***How hands-on should a CEO be in the talent recruitment and retention process?***

In the early days, the CEO should interview almost every employee. As his or her company begins to scale, I'd be thinking about intermediate level employees and up. I did speak with

one CEO who interviewed every employee in his company, and he had almost 300 people in the company with plans to hire another 50 each year.

***What did he find were the common characteristics of good employees?***

Winners keep winning. When you find someone who you think is an "A" player and effective, you should go back and see if they were an A player and effective previously. And if you can see that he or she was accountable, collaborative and inspiring in his or her previous work, you can expect the same kind of performance going forward. The other way to check it is to put some lofty, quantifiable job expectations in front of them. Say, "We expect sales to grow by 30%" or, "We expect you to cut costs by \$200,000 in your first six months." "A" players will get very excited about that, "C" players will get very nervous.

***What are some of the characteristics of ineffective CEOs?***

The less-effective CEOs do not know the point of constraint in their business. If you don't understand what you can change to make your business better, you're probably in the less effective category. Second, is how they allocate their time. They find that point of constraint, and spend 30% to 40% on that problem. The less effective CEOs do what we learn in business school; that we should peanut butter our time evenly across all areas of the business.

***Do you ever run into CEOs who have difficulty relinquishing control in a certain area?***

Absolutely. CEO behavior is actually a potential point of constraint on a business. Imagine a CEO that was an incredibly great salesperson. But if the company eventually gets to \$20 million in revenue and that person is still trying to be the top salesperson, then no one is being the CEO and thinking about strategy, talent, processes, or what's next.

***What's a healthy balance between an assertive leader and one that takes sound advice from his executive team?***

This is why CEOs get paid well. Sometimes the voice inside your head is telling you what the right answer is and you have a high degree of certainty despite your management team telling you something different, but you just go with your thought. Most of the time, if you have exceptional people, it'll behoove you to listen to them. But once in a while you'll make that call that goes against the grain and that's what you get paid to do.

***You're going to have all of the attendees at your Inc. 5000 session fill out scorecards about their business's performance. Are CEOs good self-evaluators?***

Good CEOs are self-aware. But most are above average about looking into themselves and being objective about how they're doing and what they're not doing.

