

Hello, this is Wayne Rivers at The Family Business Institute. This week in our blog, we want to discuss how successful CEOs spend their days. We've been on this tirade for years about how our clients can be more effective in their jobs, and the only way to be more effective as the leader of a closely held or family business is to simplify. Instead of taking on more and more and more and working harder and harder and harder, the way to really be effective in your business is to simplify and cut back.

I've got in my hand a Harvard Business Review study. Now, these studies are always flawed. They're never perfect. They never precisely give you the advice that you want. But still, you can draw some pretty good conclusions. Harvard researched 1,000 CEOs. They tried to slice and dice the data, and tried to come up with some conclusions about what the most successful CEOs do that less successful CEOs don't do. They came up, ultimately, and they divided the CEOs into two categories, managers and leaders. Which do you think was determined to be the most successful? We're going to come back to that.

How did the CEOs spend their days? First of all, this is interesting, 25% of their time they spent alone. That included doing correspondence and returning emails and phone calls and things like that. 10% of their time they spent on personal stuff. We try to be as effective as possible at work, but if your investment guy calls, or your banker calls, or you've got to go bail your kids out of jail or whatever, personal stuff does intrude into our business lives from time to time. 8% of their time was spent on travel, which I thought was really, that was kind of shockingly low, to tell you the truth. 56% of their time, I hope all this adds up, 56% of their time they said was spent with other people. One third of that time was spent one-on-one with just one other executive perhaps, two thirds of the time they were in meetings with more than one person. The meetings with more than one person were always planned. They weren't just spontaneous, let's just go in the conference room and powwow. These were planned meetings with agendas and specific desired outcomes and things like that.

They spent, changing the subject a little bit, this won't add up to a perfect number, they spent about a fifth of their time on marketing, about a third of their time on production, about a fifth of their time on finance, and about a tenth of their time with clients. Interesting pieces of data. I would say when I look at our family business universe, it just seems like 80 or 90% of our clients' time gets spent on operations. Getting out on the plant floor, or going to job sites, or managing a particular production or operation within the business, and they don't spend nearly enough time with their internal people, leading, coaching, developing, and they don't spend nearly enough time doing business development with customers. I would say those two things would add more impact to our clients' success than just about anything else.

But back to the Harvard Study. They divided the two cohorts into managers and leaders. Which do you think was determined to be the most successful? Well, it was the leaders. What they determined is that leaders manage people, and managers manage tasks, if that makes sense. I think that is a big jump for our clients, because our clients just work so hard, and they were trained by their parents and their grandparents to do that. It's kind of the only way they know. They just, any task that's out there, no matter how small, boy, they roll up their sleeves and they jump into it. I think the big inflection point when I look at our clients, The Family Business Institute clients, the people that learn that it's more important to focus on other people in the organization go

farther. They quit managing tasks. They quit managing projects. They quit managing equipment. They quit managing processes, internal processes within the business. They start focusing on getting the right team in place, and leading people. That allows their success to catapult into a totally different realm.

To the degree you believe in these academic studies, I kind of like them to tell you the truth, I read these things so you don't have to, and to the degree you believe in them, that's fine. I tend to agree here, that when I look at The Family Business Institute universe, leaders are more successful, and have better balanced lives, than our managers.

This is Wayne Rivers at The Family Business Institute. As always, we would welcome your comments below. Thank you.