

Hello, everyone. This is Wayne Rivers at The Family Business Institute. Thanks for tuning in. This week, I want to talk about the one essential for CEOs facing the worst.

Boy, when this link came across my desktop, I jumped on it quickly. It comes from a daily news digest I get called ChiefExecutive.net, and it's by Ram Charan, who is a world-famous business consultant. He's a notoriously hard worker. He works 365 days a year. He charges what we consider outrageous rates. He works with all of the Fortune 500 big wigs and their teams and just considered today's modern business guru about what works and what doesn't. He's talking about, of course, the COVID and all the other fallout that we've had in the last year with the economy up and down and all that stuff.

The one essential think about that, the one essential for CEOs facing the worst. I grabbed this thing. I mean, this was a big deal. So, when everything's going well, we tend to rely on our teams and rely on our own energy and our own wits. But then things can quickly change, can't they? So, you have a death or an injury on a job site. That's, "Stop the presses. We got to go." A lawsuit happens. It's all too frequent in today's world. You have a project going sideways, an unhappy owner. You've got problems with a sub or a GC default or a trade partner's not doing what they're supposed to do on time, on schedule, on budget, all those kinds of things. Cyber attacks, we've heard about that lately.

So, when things are going well, you don't need that much help. When things get sideways, and boy they can get sideways quickly in today's world, that's when you need help.

Ram Charan says this is what you need. When you get bad news, this is what happens. This is what happens to the human body. First, your heart, your respiration, et cetera, increases, and you have the fight or flight reaction. This is a normal human reaction, fight or flight. I think it's true. I can identify. Your objective thinking becomes, well, less effective. Your capability to think objectively decreases. You're caught up in a fog of emotion. Your brain isn't working as it normally would in a calm, peaceful situation. Fear comes up. "What if this happens? What if that happens?" You start to imagine negative outcomes, and that crowds out rational thinking. Then you've got all these alternatives juggling around in your mind. "If this, then that. But if this, then that." Now, things start to go really haywire.

So, what's his prescription? What does he say in this article is the one essential? He calls it a personal board of directors, a personal board of directors. He says there are four key elements for people that you might want on your personal board of directors.

The first, wisdom and curiosity to ask great questions. Having people ask you questions helps you re-establish rational thinking and get out of that fog of emotion and begin to pare away the potential negative outcomes that fear creates in our brains.

The second thing is trust. When you're in a really tight spot, you need people that you can trust.

The third thing is you need people who will be honest with you to the point of bluntness, people that will give you the straight skinny. No matter how they think it might sound, people that are going to be brutally truthful and honest with you.

Then finally, people that genuinely have your best interests at heart. They don't have conflicts of interest and things like that.

Now, when do you need these people? Ram Charan says you need to find these people and establish this personal board of directors before a crisis. Obviously, after a crisis descends upon you, well, it's too late. It's too late. You've already had to deal with it; and potentially you've had to deal with it all by your lonesome, which is no good. There's the old saying, it's lonely at the top; and it's never more lonely than when you have to make difficult, even life-changing, decisions under pressure.

Now, what do we call a personal board of directors? Well, we call it peer groups. We call it, in our case, the CEO Performance Roundtable. If you're a commercial contractor and you haven't inquired about the CEO Performance Roundtable, you need to do it. I mean, it is a life changer. It's a game changer. It really is.

If you're not a commercial contractor, there could be a vertical, there could be a personal board of directors or peer group in your industry. You should look for that. I have a few in my peer group. I'm in a peer group of peer group providers. If you want to know who's available, then maybe I can direct you. At the very least, look into YPO, WPO, Vistage in your local cities or towns. That's where you will find the people that are wise, ask questions, brutally honest, and have your best interests at heart. So, we call it a peer group, Ram Charan calls it a personal board of directors.

I'd like to hear from you, especially those of you that are in Vistage and other kinds, what kind of a difference has it made? We know for our members what happens. But what difference has it made in your life to be able to have a personal board of directors that you can call on? This is Wayne Rivers at The Family Business Institute. Thank you.