

Hello, this is Wayne Rivers at The Family Business Institute, thanks for tuning in. We'd love to have your comments, we always like to hear what you're thinking about our blogs, and of course click on our social media and follow us that way as well.

All right, so this week I want to talk about what's the best type of CEO? So, I mean, why is that important? Well, that's kind of obvious really, everybody wants to be an effective leader in their family business, whether they're the current senior leadership or whether they aspire to future leadership, everybody wants to be an effective leader.

So, this week I want to talk about a nugget of information, a gold nugget, valuable information I got from the book *Who*. I know you're tired of hearing me talk about that book, but if you haven't bought it yet, you really should, you'd be doing yourself a favor. It's a great book, the author is Geoff Smart, and it should be in every family business library. So, this was also talked about in the Wall Street Journal, and what Smart and his team did, ironically, he's named Smart, but anyway, so what did Smart and his team do? They interviewed 313 CEOs that were backed by private equity, so these were companies like mine or yours that private equity had thought so much of they invested in, and so they interviewed these particular CEOs.

So, these were already successful people. If venture capital comes into your company and they find it attractive as an investment, that means you're already successful. Their goal of course is to make even more successful, but that's a different story. And so, they divided the CEOs into two categories: lambs and cheetahs. Now lambs isn't derogatory, it makes sense that they call them that.

So, what they found was that lambs, and so let's define lambs: they were open to feedback, they have great listening skills, they're respectful of others, they emphasize EQ, emotional intelligence, in their businesses, and they really are strong with soft skills. So, this is what in 2019 you think of with a successful CEO, a good business person but also really, really, really a master of the soft skills. So, these were the lambs, they found that the lambs had a success rate of about 57%. That is, that they brought returns to their investors, and 57% of them were successful.

The second group of CEOs was called the cheetahs, and they are people that move quickly, act aggressively, demonstrate persistence, set high standards, hold people accountable, maybe a little edgier than what you might think of with the lambs. That's kind of how you think of CEOs 20 years ago, not how you think of CEOs in 2019. They found that the cheetahs had a success rate of 100%. You heard that right: 100% of cheetahs provided profits for their investors. Now emotional intelligence is important, and they found also, the cheetahs didn't lack emotional intelligence. They had it, some more than others of course, but they got things done, and that's the most important piece.

So often we see family businesses and their leaders want harmony in the family, harmony among the management team, and they decide not to decide. Because a decision of importance, any decision of importance, is going to have supporters and detractors. And some CEOs are so desirous of harmony in their teams that they won't make decisions that could even a little bit ripple the harmony. What the cheetahs prove is that you've got to make decisions, you've got to take action, you've got to execute, you've got to hold your people accountable. If you do those things, and, oh by the way, operate with some level of emotional intelligence, you're going to be super successful. So, they simply get things done.

So, along these lines, I was watching, my son gave me the DVDs from the HBO television show *Band of Brothers*. It's really good, if you haven't seen it, World War II, all that. And it's kind of semi-historical, historical fiction you might call it. It's

really good, and there was one commander, he got bogged down all the time, and the top brass replaced him. And they made a comment that just is burned into my brain: they were talking about this guy after he'd been removed from the ranks, and they said "He wasn't a bad commander because he made bad decisions. He was a bad leader because he made no decisions."

And that's my message to you this week. Whether you're a lamb or a cheetah or you're somewhere in between, you've got to make decisions. Leaders make decisions, and then they find ways to execute on them. So just like my Band of Brothers example, find ways, no matter how enlightened you are in terms of emotional intelligence, you've still got to find ways to make decisions, drive action, and hold people accountable in your business, if you want to be successful in the long term. I'd like to have your thoughts on this subject as well, this is Wayne Rivers at The Family Business Institute.