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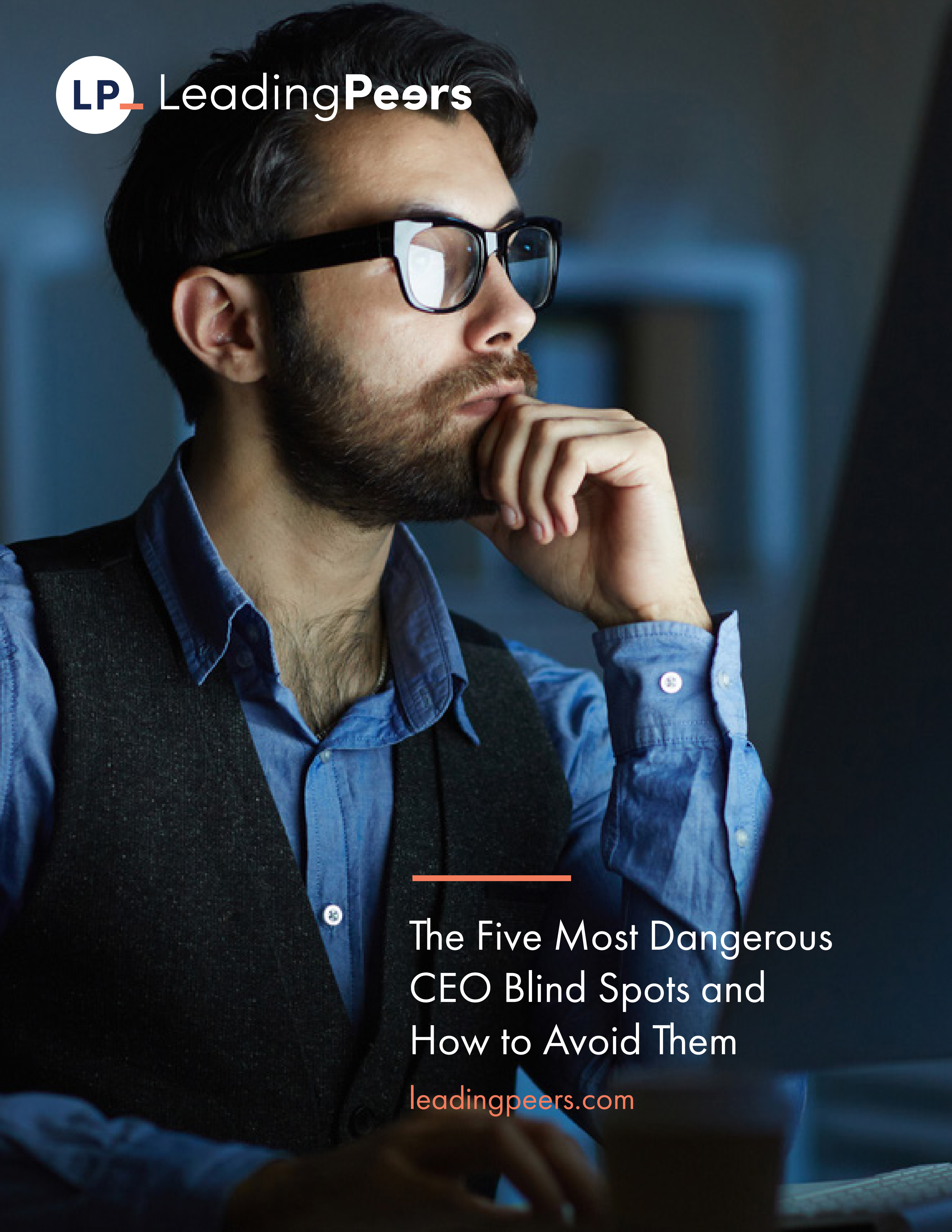

The Five Most Dangerous CEO Blind Spots and How to Avoid Them

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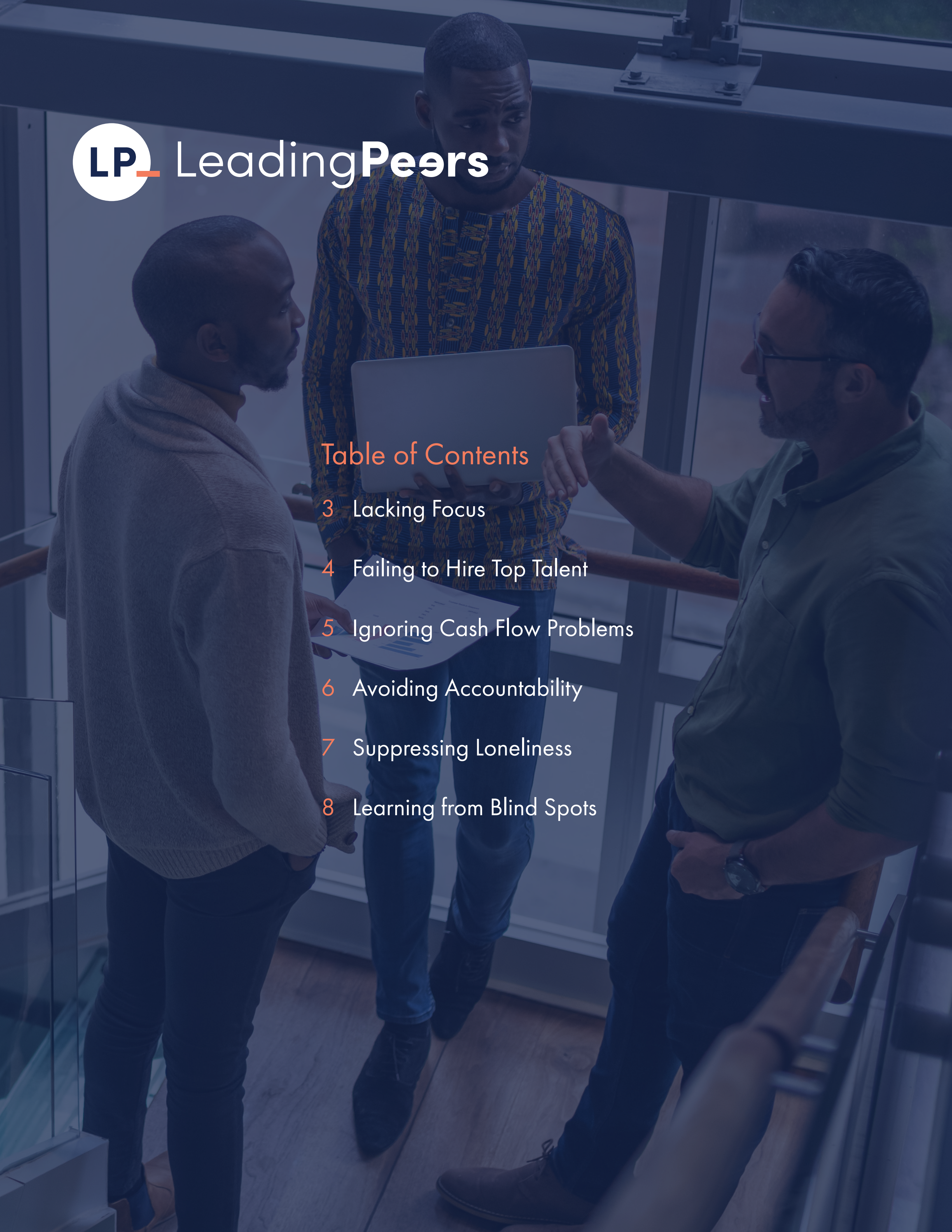

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CEO professional development is crucial for the success of the companies they lead. Positive leadership traits can be learned just as negative traits can be reformed. Strong business leaders are born out of a pursuit of excellence, a genuine desire to help others grow, and a drive for lifelong learning. Making leadership mistakes is okay if CEOs can turn them into learning opportunities. Here are the five most common leadership blind spots, how to avoid them, and what to do if you've run into trouble.

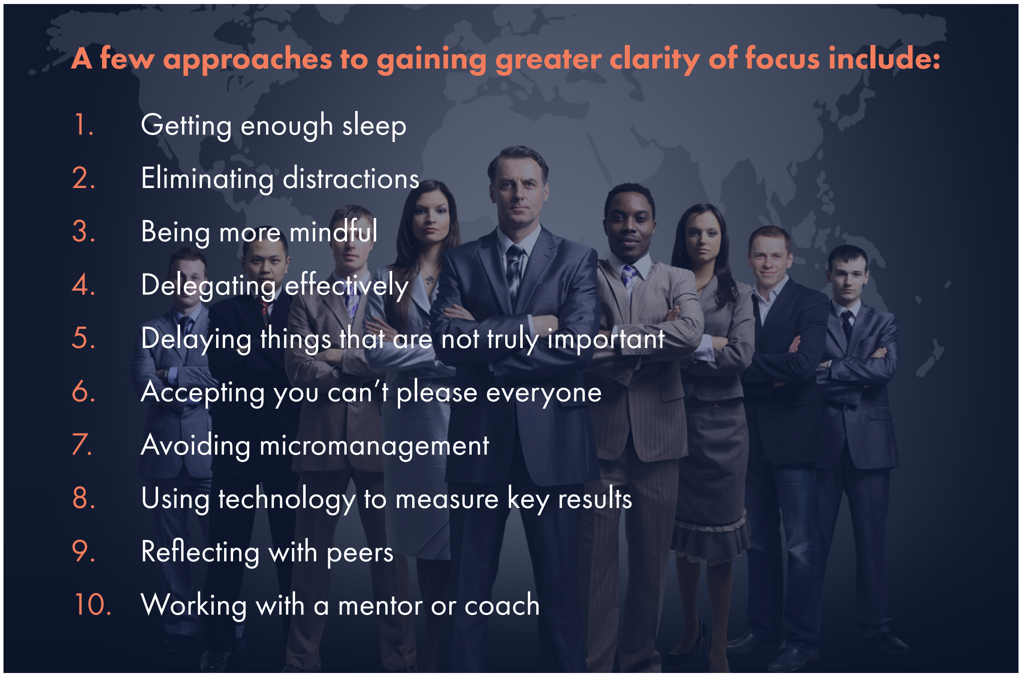
1. Lacking Focus

When everything is important, nothing is important. A lack of focus at the leadership level causes constant disruption that can be detrimental to organizational success. Leadership focus is not about task completion (i.e., getting things done without distraction); it's about allocating attention for critical decision-making. It's the ability to recognize and prioritize what truly matters most.

> When everything is important, nothing is important.

Lack of focus at the leadership level results in systemic company problems. Teams feel lost when leaders are unable to communicate clear objectives and goals, and they become reactive instead of proactive. Employees who struggle to meet everyday tasks grow increasingly unproductive, while those who are self-motivators find — or create — new things to focus on. This develops silos within the organization, drains resources, strays from strategic company goals, and leads to frustration and miscommunication among teams. Ultimately, a lack of focus results in extinguishing fires, creating new problems, and eroding company culture.

Strong leaders who possess the ability to balance attention and prioritize can delegate with clear objectives and goals. They communicate with transparency and forge stronger relationships. They connect current events to map future outcomes and opportunities, and they deliver well-constructed strategies for organizational sustainability and growth.



2. Failing to Hire Top Talent

Some business leaders fail to hire the best person for each leadership role in their company. The first mistake some CEOs make is hiring from the gut: They hire quickly based on first impressions. But gut instincts favor style over substance. Quick decisions often lead to short tenure and high turnover. Hiring right takes precision and evidence of required skills.

Quick decisions often lead to short tenure and high turnover.

The second hiring mistake is not having a well-crafted job description. Finding top talent for each role begins with clearly defining the role itself. Objectives should be included in the job description to help candidates understand what is expected of them and how their contributions will impact organizational goals.

Lack of transparency is the third most common mistake in the hiring process. Transparency is a two-way street when interviewing candidates. Expectations on key results and how they will be measured need to be clearly articulated. This provides interviewees an opportunity to assess whether they have the required skillsets and expertise to deliver upon those objectives and key results.

The final failure is not involving others in the interview process. Potential candidates should be interviewed by critical members of the organization's upper management and their direct reports. Sometimes the CEO interviews with a motive: not wanting to be outshined by a new senior team member. Other times, the CEO interviews with a blind spot: considering herself to have similar qualities as the candidate and dismissing the candidate for not bringing a complimentary skillset to hers when, in fact, the CEO needs people on the team with similar strengths to handle roles and tasks that she will need to delegate as the company grows.

3. Ignoring Cash Flow Problems

Many CEOs fear running out of money or having cash flow problems — and for good reason: Lack of finances is one of the biggest reasons why SMBs fail. Every successful business needs a steady income to pay bills and make payroll, but here's how many fall into cash flow trouble.

Overly focused on sales and not enough on profit. As sales grow, companies need to increase expenditures to fulfill the growth in sales orders, sometimes resulting in diminished profits or actual losses. CEOs who equate success solely with sales numbers are in trouble.

Cash flow projections are the best way to avoid this pitfall. Business leaders should work with a mentor or advisor to create a projected cash flow that reflects the most realistic scenario, as well as an optimistic and a pessimistic one. While it's never easy to consider the possibility of a pessimistic scenario, failure to do so can lead to the demise of the company in the near future.

Lacking cash reserves. Businesses that do not accumulate enough cash reserves to endure bad times face survival-threatening cash flow problems. A baseline goal is to have enough cash stored to cover at least six months of expenses. For businesses that derive all their revenue from recurring monthly fees and that have a highly stable revenue level, the baseline goal is to have enough cash to cover at least three months of expenses.

Amassing too much debt. Borrowing with the assumption that growing sales will offset debt is wrong (and also known as selling your way out of a crisis). Debt payments can cause problems when a business can't afford to cover the repayment of the principal and interest. It is essential to avoid or minimize the total amount of debt contracted, and to ensure that the interest on that debt is low. In today's US economy, an interest rate of over 5% is very burdensome for a business, and anything above 10% will likely create significant problems for the organization in the future. Debt eradication only happens when businesses pay their debts, not when they grow and gradually reduce the ratio between debt and sales.

Nobody likes talking about cashflow problems. That's why it's imperative to find a trusted forum, mentor, or group who can share previous experience and insight on how to avoid these pitfalls.

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4. Avoiding Accountability

Measurements of business success typically focus on profits and sales metrics, while key performance indicators (KPIs) from other organizational areas may not be factored into business strategy and goals. The most often overlooked are employee engagement and customer satisfaction. Only when a valued employee leaves or a major account is lost does leadership start to question why.

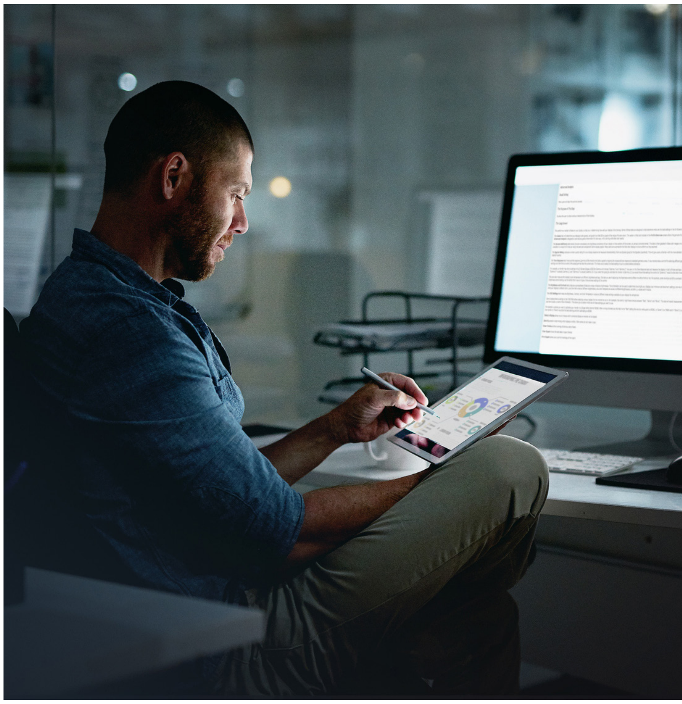
Great leaders understand that failure triggers growth, learning and the opportunity to do something better.

Developing meaningful KPIs is not easy. Many organizations seek consultants, advisors, and experts, because working with an objective external perspective leads to greater accountability. Many CEOs are surprised when advisors place emphasis on measuring employee engagement.

What leaders learn is that taking responsibility for the professional success and personal growth of employees places significant accountability on the actions and decisions made by CEOs and their leadership teams. While some CEOs avoid goalsetting for fear of failure, great leaders understand that failure triggers growth, learning, and the opportunity to do something better. At its core, accountability is accepting responsibility for your decisions, actions, and results.

Accountability gets results, which include:

- Improved performance
- Increased customer loyalty
- More positive customer reviews and referrals
- Greater employee engagement
- Increased feelings of competency
- Higher levels of innovation and creativity
- More satisfaction at work



5. Suppressing Loneliness

CEOs carry a tremendous burden in managing organizations, employee wellbeing, business outcomes, customer satisfaction, and company brand and reputation, which creates strong feelings of loneliness.

But business leaders are not alone in feeling loneliness. More than half of all CEOs report feeling loneliness in their roles, which negatively impacts their leadership performance.

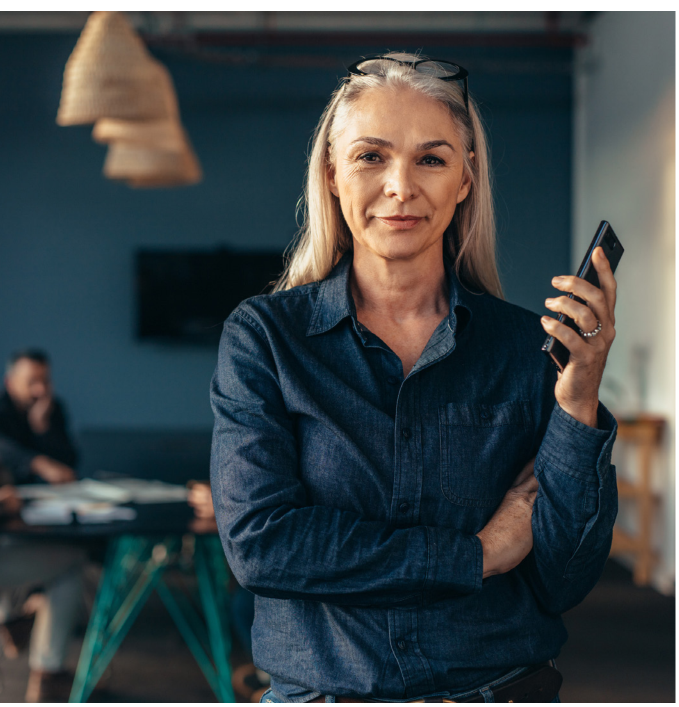
The first step in navigating loneliness is exercising emotional intelligence (EQ) to acknowledge these feelings of isolation and overwhelm and to process them in a healthy manner.

Business leaders are not alone in feelling loneliness.

Emotional intelligence sets high performers apart from their peers with similar technical skills and knowledge. It is the ability to manage your own emotions as well as recognize and influence the emotions of others. Emotional intelligence is also the strongest predictor of performance. Leaders with strong emotional intelligence handle interpersonal relationships with greater empathy.

The second step is talking to a trusted confidant. This could be a peer, mentor, or advisory board with insight and experience in dealing with leadership loneliness.

The objective is to create a safe space where you can share these feelings and learn strategies for exercising the four core competencies of EQ:



1. Self-awareness
2. Self-management
3. Social awareness
4. Relationship management

Learning from Blind Spots

Recognizing and addressing blind spots leads to personal growth, learning, and performance improvement. The best way to resolve blind spots is to solicit insights and engage in idea exchange with diverse business leaders. Leading Peers provides a space to bring your full self — a place to share your most difficult struggles and biggest goals, a safe environment to test ideas and strategies, and a foundation to build deep, meaningful, enduring relationships.

What You Get

Five Impactful Programs

Peer Advisory Board
A trusted group of CEOs advising and supporting each other.

One-to-One Coaching
Gain valuable insights from your peers.

Expert Workshops
Ongoing CEO education from subject-matter experts.

Networking Events
In-person events to connect with peers.

Chatrooms
Collaborate with peers anytime, anywhere.

What You Give

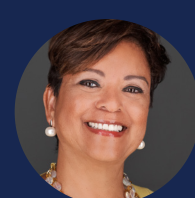
- Active participation in monthly meetings
- Sharing of insights to fellow members
- Open and honest communications
- Meaningful relationships

TESTIMONIALS

Hear what our members are saying:

"The diverse perspectives have opened my mind to new opportunities and new ways of implementing change."

— Matt Silvers, CEO, Simplistack



"The insights I get from my peers help me to be a better leader at every level."

— Mercedes Martin, President, Mercedes Martin & Co.

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