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## On The Mind

### FIVE APPROACHES OF SUCCESSFUL CEOs

Carol Pine, *Special to the Pioneer Press*

**A survey of insightful writing, research and opinions from the worlds of business and academia.**

For those who aspire to CEO status, you'll have to go it alone.

On-the-job training is all there is. Within five years, 35 percent to 50 percent of all CEOs are replaced.

Hoping to find successful patterns to guide these leaders, Charles Farkas, a director of Boston-based Bain & Co. and his two colleagues, Philippe De Backer and Suzy Wetlaufer, interviewed 160 chief executives running major companies around the world in a variety of industries.

Their research appears in "Maximum Leadership: The World's Leading CEOs Share Their Five Strategies for Success," published last year by Henry Holt Co. and previewed in the Harvard Business Review (May-June, 1996).

While these approaches are not solutions for success, the authors say, their research offers a framework for understanding how CEOs can identify their leading style:

**The strategy approach.** This CEO focuses on creating, testing and implementing long-term strategies. Open this CEO's appointment book and you'll find a majority of time allotted to collection, cultivation and analysis of data that will yield strategic decisions. Less than 20 percent of the CEOs polled used this approach.

**The human-assets approach.** In marked contrast to the strategist, this person believes strategy formation should be left to the company's business units. Instead, the focus is on preserving the values and best practices of the company by closely managing the growth and development of people. These CEOs communicate and demonstrate what they want in person. They're out of the office 90 percent of the time. This was the second most prevalent approach among the CEOs polled.

**The expertise approach.** These people focus on improving the company's competitive advantage by studying new technologies and analyzing competitors. In their daily activities, these CEOs cover more organizational territory than others because they don't become involved in operational details. They focus on policies that will strengthen their company's expertise. Less than 15 percent of the CEOs polled identified themselves this way.

**The change approach.** This CEO tries to create an environment of continual reinvention. Unlike the strategy CEOs, these people focus not on where their organizations will end up, but on how they will get there: "They

cultivate an environment of constant questioning and risk taking with frequent reinvention of business practices and products" the researchers report. About 15 percent of the CEOs polled fit this category.

**The box approach.** Thirty percent of the CEOs said they focus on creating, communicating and monitoring an explicit set of controls – financial, cultural or both – that ensure uniform and predictable results and experiences for customers and employees. These CEOs spend much of their time dealing with exceptions and standards, such as missed deadlines, unexpected losses or below-average performance.

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