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**welcome
to the club!**

**INSIDE THE BIG IDEAS
THE CEO NEXT DOOR**
Elena Botelho & Kim Powell



KIM POWELL

grew up in Atlanta, Georgia, and earned a BA from the University of Notre Dame and an MBA from the Kellogg School of Management. For nearly twenty years, Kim has applied her passion for helping people to her role as a trusted advisor to CEOs and high-potential leaders, first at the Boston Consulting Group and now at ghSMART.

ELENA BOTELHO

grew up in Azerbaijan and Russia in a family of mathematicians and earned her MBA from Wharton. She has advised more than 200 CEOs and boards over nearly two decades, first as a strategy consultant at McKinsey and currently as a partner at ghSMART.

Dear Friends,

You might take a look at the title of this book and assume that it's only for CEOs, or for those who aspire to become one. But really, it's for anyone who takes some sort of leadership role in life—which is to say, all of us.

I'm a big fan of this book because it rethinks what a “natural” leader is, and even the very idea of “natural leadership.” Some great leaders are grown-up versions of the children who effortlessly organized their peers into elaborate playground games; some great leaders are tall, white, male, highly educated charismatic extroverts.


But many more are not.

Great leaders do have other traits in common, though—traits that we can all learn. Are you, or could you be, reliable? Adaptable? A decent decision-maker? Someone who knows how, or could learn, to bring people around to your ideas? Of course you could!

Elena Botelho and Kim Powell have conducted a massive amount of research to bring you these insights—17,000 leadership assessments that they analyzed via their “CEO Genome Project.” Their findings have the power to change the way you work, the ambitions you have for yourself, and, of course, the way you lead.

I hope you enjoy, and I look forward to hearing your thoughts about this book!

Yours truly,

Susan Cain 



OVERVIEW

Picture a CEO in your mind. Now, wipe that image away. Natural leaders are not all gray flannel suit-wearing characters in *Mad Men*. Successful CEOs are a much more diverse group than we perceive them to be, and more united by their behaviors than by their common demographics. And that's good news for everyone.

In their CEO Genome Project, Elena Botelho and Kim Powell embarked on a 10-year study to identify the specific attributes that differentiate high-performing CEOs from the rest. *The CEO Next Door* is the result of this massive project, a data-driven play-book of tried-and-true, repeatable practices for success that anyone can use—whether you're angling to become a CEO, or just starting your first job.

So what separates the best from the rest? From the results of the CEO Genome Project came four distinct behaviors that all of the best leaders use to drive themselves—and their organizations—forward.

1. Decisiveness
2. Adapting Boldly
3. Relentless Reliability
4. Engaging for Impact

Throughout the reading guide, we'll explore these four habits for success. We'll also introduce additional data-backed strategies that you may want to integrate into your day-to-day life, and the rest of your successful career.

Read on for 8 Big Ideas from The CEO Next Door: The 4 Behaviors that Transform Ordinary People Into World Class Leaders. And be sure to visit nextbigideclub.com to view exclusive video insights featuring co-author Elena Botelho.

8 BIG IDEAS FROM “THE CEO NEXT DOOR”

1. Ordinary people can DARE to have extraordinary success

Many people assume that since they don't have an Ivy League pedigree, a top company name on their résumé, or an extroverted and charismatic personality, they'll never be picked for the top job. Yet when leadership advisors Elena Botelho and Kim Powell assessed over 17,000 C-suite executives, they discovered that most of these common CEO beliefs are nothing more than myths.

8 BIG IDEAS FROM “THE CEO NEXT DOOR” (CONTINUED)

The truth is, the right qualities for success are not what we think. Only 7 percent of the CEOs reviewed graduated from an Ivy League university, over 70 percent didn't set out to become a CEO until later in life, and over a third of the CEOs identified themselves as introverts—and self-described introverts were even slightly more likely to exceed boards' expectations than extroverts!

So what do you need to make your way all the way to the top?

Guided by their extensive research, Botelho and Powell decoded the “behavioral genomes” of great leaders in their CEO Genome Project. They isolated the four key behaviors that everyone can use, every day, to change the course of their career for the better.

1. Decisiveness
2. Adapting Boldly
3. Relentless Reliability
4. Engaging for Impact

Whether you're aiming to become CEO one day, or just want to improve your work performance right now, you can learn to embody Botelho and Powell's “DARE”—the four behaviors that make a world-class leader.

2. Become more decisive

In Botelho and Powell's study, decisive CEOs were “twelve times more likely to be high performers,” and 94% of the executives who were rated poorly on the “decisiveness” competency made key decisions too slowly—not too quickly. Jeff Bezos of Amazon notably credits the massive success of his company to the velocity—not necessarily the quality—of his decision making. **Perfectionism is not your friend when trying to succeed.** This applies if you're a current leader in your organization, or if you're at entry or mid-level and aiming to fast-track your career.

So how, exactly, do you become more decisive? Start by focusing on three things:

1. Make decisions *faster*

To make faster decisions, try using a framework. When mulling over a decision, legendary GE CEO Jack Welch would ask, “Can we become number one or number two in that sector?” In the same way, you can learn to cut through complexity by zeroing in on what matters the most.



8 BIG IDEAS FROM “THE CEO NEXT DOOR” (CONTINUED)

2. Make fewer decisions

Your job as CEO is to decide on the what and empower others to decide the how. In addition, resist the urge to step in when the decision should reside with others in the organization.

3. Put in place practices to get better at decision making every time

Decisive leaders don't belabor the decision in search of evasive perfection. They move forward and continually improve. As LinkedIn founder Reid Hoffman is famous for saying: “If you aren't embarrassed by the first version of your product, you shipped too late.”

3. Ride the changing tides

In today's business climate, things change quickly. The average lifespan of a leading company in the U.S. has fallen from sixty-five years to just twenty-three years. Given this trend, in business (and anywhere else), we cannot be afraid of change. To encourage adaptability on a day-to-day basis, seek out novelty, new skills, and learning opportunities—and don't get too discouraged when you fail. This bias towards newness helps condition that adaptability muscle and build an awareness of developing trends—how to align your business goals with them.

An easy and thoughtful way to seek out new and diverse ideas is to assemble what Botelho and Powell call an “Inspiration Cabinet”—a group of people outside your organization with whom you can share your challenges and new ideas. Let them guide you outside your bubble for some pie-in-the-sky brainstorming. You might be surprised by what you learn.

4. Excellence is a habit

Reliability is a fundamental part of success. Things as small as being on time to meetings and checking items off your to-do list are just as monumental as upholding organizational values.

While it may seem like the most basic rule in the book, **do what you say you're going to do**. It can go a surprisingly long way: CEOs who are known for being reliable are fifteen times more likely to be high-performing, and their odds of getting hired are twice that of others. The people around you do notice—consistency is a great foundation for the relationships that are so important in moving upwards in business.

While it may seem counterintuitive, a big part of making excellence a habit is making mistakes. You will make mistakes, and so will the people you lead, so make **mistakes safe**, not a matter of personal embarrassment or potential punishment. The more that

mistakes are shared, the faster conditions improve. And once a culture of sharing mistakes and troubleshooting is established, it builds on itself (as most good habits do).

5. Stop being so nice

As a leader, think of yourself as an orchestra conductor. You're the only one not directly producing music—you're depending entirely on those you're conducting to create results.

And you're not just leading the people under you—you're interconnected with everyone from entry-level employees, to board members, clients, the media, and customers. Managing all of these stakeholders, and their often-conflicting agendas, without upsetting too many people requires a high level of likeability... Or does it?

A recent study revealed there's a bell-shaped curve to the impact of likability on business performance. Being agreeable (i.e. “nice”) is helpful—up to a point. Being too agreeable, however, can backfire, as leaders may hesitate to make tough calls and upset people. Great leaders manage to hit that sweet spot of being nice, but without being dismissive or pandering.



6. Engage for impact

Investors want returns. Employees want to move up. Customers want better products at cheaper prices. As a leader, you have to engage with each of these groups, with maximum impact. In their CEO Genome Project, Botelho and Powell found three crucial principles that successful CEOs follow to effectively engage with everyone from the janitor to the largest client—and unite them toward a common goal.

1. Lead with intent

As a leader, you have to answer to the *what* and the *why* for everyone in the organization. *What are we doing here, and why are we doing it?* This value- and goal-driven question looks different in practice for each of the groups you're interacting with, but it is actually (and critically) united around a common purpose.



8 BIG IDEAS FROM “THE CEO NEXT DOOR” (CONTINUED)

2. Understand your players

This is all about knowing your different audiences well, and being able to translate that common purpose into a strategy that aligns with their expectations and goals. “Speaking the language” of different groups can involve some detective work to understand their perspective, so be observant and empathetic in all of your interactions with these constituencies. (This is an area where introverted leaders, especially, tend to excel.)

3. Build routines

A leader’s ability to engage for impact is tested in the little moments of day-to-day interaction, so building habits and routines around engaging effectively can be supremely helpful. The first habit of highly engaged leaders? *Communicate*. And communicate *frequently*. In every conference call, one-on-one, or team meeting, give a status update on the big picture, no matter where you are in your progress. And truly listen to everyone’s day-to-day celebrations and pain points. Keeping a clear line of back-and-forth communication between you and the group will build invaluable trust and, ultimately, an incredible organization.

7. Fast-track your future in 3 stages

No career path is without its twists, turns, and moments of confusion. But there are ways to orient your focus during different stages of your career to strategically hone your skills and seize the right opportunities with CEO-worthy results.

Stage 1: Go Broad

In the first 8 years of your career, explore. Try different roles and different industries, move to different cities, do a rotational program in a company you love. Build up a foundation of skills you need and a virtual Rolodex of contacts you trust. Above all else, *learn*.

Stage 2: Go Deep

Years 9–16 are all about getting results. Hone in on your specialty in an industry you care deeply about, and find opportunities to make your mark on it. In the CEO Genome Project, Stage 2 was where future CEOs demonstrated that they could take on leadership roles to produce results and lead new initiatives for their organizations.

Stage 3: Go High

During years 17–24, establish yourself as an enterprise leader, someone who can think more broadly about the industry and the climate you’re in, while still maintaining an expertise in a particular area. At this stage, industry leaders start to look

like future CEOs when they demonstrate initiative beyond the formal authority of their given role, driving the vision of their organization forward.

8. The six “Safe” bets that put you in peril

A comprehensive look at leadership wouldn’t be complete without looking at mistakes. The most common mistake—made by 75% of the CEOs in Botelho and Powell’s study—is betting on the wrong people. The quality of the people on a team will make or break its success, so when you have an opportunity to put your own team together, take into account these common pitfalls:

- 1. Maintaining the status quo.** Don’t cling to the safety blanket of a pre-existing team. Make sure that everyone you choose for your team has a reason for being there, and will add specific value to the group.
- 2. Favoring name brands over expertise.** Fancy schools and prestigious organizations are alluring—and sometimes justifiably so when building your team. But don’t get too caught up in the flash of credentials—instead, judiciously match your candidates’ previous accomplishments to your future needs.
- 3. Letting in the “shoo-ins” from higher-ups.** Board members or outgoing CEOs often have recommendations on talent, but don’t assume that you’re stuck with those options. Take a fully objective approach—what would you do if this candidate didn’t already come with a stamp of approval?
- 4. Over-relying on people who helped land you the job.** Gratitude is great, but don’t let overzealous loyalty cloud hiring decisions. The people on your team will be the ones you rely on for months and years to come, so their skills and ability to contribute should come first.
- 5. Hiring a clone.** We all like people who remind us of ourselves. But your organization already has you and, as wonderful as you are, it doesn’t need another you. When putting together a team, seek out diverse voices and backgrounds to round out your group’s talent portfolio, not carbon copies of your experience and skill set.
- 6. Avoiding competition.** When putting together a team, a leader will often settle for people who are just “good enough,” people who don’t seem to threaten their own position. But this comes at the cost of results.



TELL YOUR FRIENDS

Here are some of our favorite stories, facts, and statistics from *The CEO Next Door*—intriguing moments and ideas that we couldn't wait to share with you, and that you can share with everyone!

- **You have a 1 in 50 chance of becoming a CEO in your lifetime.** Think you'll never be a CEO? Think again. While leading a Fortune 500 company may not be everyone's future, there are over two million companies with at least 5 employees in the US—that means two million CEOs.
- **Mistakes will not be the end of your career.** But how you handle them can make or break it. The first common mistake when talking about mistakes? Calling them failures. CEO candidates who talk about a blowup as a “failure” are half as likely to be a strong performer as compared to leaders who see setbacks as learning opportunities. A second common mistake is shirking responsibility. CEO Genome data show that “candidates who blamed others reduced their chances of being hired by a third.” Owning up to your shortcomings as soon as they happen is critical for success—and learning from them even more so.
- **Create conflict—productively.** Hacking into your own company's servers to prove a point seems like a good way to get fired—and it was for one CEO candidate at a telecom company in Texas. But it also got her rehired and promoted, once higher-ups realized that she was using a unique skill set to tell them about weak links in their network security. Moral of the story? Rock the boat, but only if you've got your organization's best interest at heart.
- **Evolve or die.** When most organizations fail to adapt, it's because their leaders don't want to let go of whatever made them successful in the past—even if it's no longer serving them. For instance, an engineer at Kodak invented the world's first digital camera in 1975, way before digital cameras reached mass-market popularity in the early 1990s. But what did Kodak do? Company executives threw the digital camera into the proverbial broom closet for nearly eighteen years, shutting away a golden opportunity to become a revolutionary leader in their industry. Similarly, in 2000, Blockbuster had the chance to buy Netflix at a mere \$50 million. Today, Netflix is worth over a \$100 billion, and Blockbuster no longer exists. These botched decisions came down to the same underlying impulse—to stick with what you know. But, culture and time don't do that, so neither should you.

QUIZ

Quiz time! Studies show that tests and quizzes can boost your recall of what you've studied. Get ready to lock in your learning about rising to the top!

1. The *CEO Next Door* debunks a lot of common myths about CEOs. But which of the following myths actually *is* true?
 - a. To become a CEO, you need a flawless résumé
 - b. CEOs usually shoot for the C-suite from an early age
 - c. Good CEOs always have an eye on the future
 - d. CEOs can hear frequencies otherwise undetectable by the human ear
2. Botelho and Powell emphasize the importance of what Chicago Business School professor Nicholas Epley calls “perspective getting.” What is perspective getting?
 - a. The same thing as empathy—imagining how someone else feels
 - b. Asking the right questions and listening intently
 - c. Climbing the tallest tree and squinting into the distance
 - d. Projecting your own helpful perspective onto others
3. Believe it or not, being “too nice” as a CEO can get you fired. According to Botelho and Powell's research, CEOs who are “too nice” _____.
 - a. struggle to say “no,” leading to too many priorities and not enough focus
 - b. focus on preserving their likeability, rather than driving results
 - c. miss important board meetings to nurse stray kittens back to health
 - d. A and B
4. Selecting a CEO is stressful work for board members—the company's future rests on them and their decision. That being the case, they are looking for _____.
 - a. the candidate who seems like a safe choice
 - b. the candidate with the most experience
 - c. the candidate who cares most about the company
 - d. the candidate with the most elaborate facial hair



QUIZ (CONTINUED)

5. Which of the following is a “hidden handicap” that, when shown in an interview, negatively affects your likelihood of being hired as CEO?
- Talking about your past mistakes
 - Seeming too excited
 - Using generic management platitudes
 - Not taking enough credit for your own accomplishments
6. There’s some truth to the saying, “Dress for the job you want, not the job you have.” What is another good way to get recognized?
- Rock the boat
 - Take credit for others’ work
 - Find excuses to chat with the current CEO
 - Refer to yourself in third person at all times
7. While a project is in progress, Botelho and Powell recommend imagining a possible future in which the project has failed, and then figuring out how to avoid any missteps that could lead to that future. What is this exercise called? (Hint: Daniel Pink also writes about it in *When: The Scientific Secrets of Perfect Timing!*)
- A postmortem
 - A premortem
 - Corporate divination
 - Sad daydreaming
8. A great way to accelerate your career is to find a sponsor—a senior member of your organization who has the influence and access to open doors and introduce you to valuable opportunities. Which of the following is a good way to proactively create a sponsor?
- Ask a potential sponsor for advice on a topic relevant to her
 - Offer new, unique, needed skills
 - Create a Craigslist ad
 - A and B
9. What percentage of the CEO candidates that the authors studied have had at least one major career blowup?
- 5%
 - 24%
 - 45%
 - All the ones named Patrick
10. Of the four CEO Genome Behaviors, which is the only one that both increases a candidate’s odds of getting hired *and* his or her odds of excelling in the role?
- Deciding quickly and with conviction
 - Engaging for impact
 - Staying relentlessly reliable
 - Adapting boldly



INSIDE THE BIG IDEAS
 THE CEO NEXT DOOR
 ELENA BOTELHO & KIM POWELL

INTERACTIVE

What's your CEO Genome?

After the results of their CEO Genome Project were published in the *Harvard Business Review*, Botelho and Powell developed a diagnostic quiz so that readers can see how they stack up with their peers on the four behaviors that make great leaders really great—decisiveness, reliability, engagement, and adaptability.

Take the quiz here <http://ceogenome.com/quiz/>, and fill in your results below:
 Who are your connected connectors? Write down some ideas below.

My CEO Genome:

	My Score	Peer Average
Architect Reliable Results		
Adapt Proactively		
Decide		
Relate For Impact		

Highlight your strongest behavior. Is this a competency that comes naturally to you? Or have you consciously worked to develop it in your work (and maybe personal) life? Why is this behavior important to you?

Highlight your weakest behavior. Did your weakest behavior surprise you? Or has it been an Achilles heel in your career for a while now? Based on the advice in the book, video insights, and this reading guide, how can you target and improve this behavior in your day-to-day work?

