

# A Book Review: What The Best CEOs Know

By Bruce Lee

I've recently read a fantastic book by Jeffrey Krames called *What the Best CEOs Know: Seven Exceptional Leaders and Their Lessons for Transforming any Business* (McGraw-Hill, 2003). This fascinating book looks at seven exceptional company founders and explores the traits common to them that helped make their companies successful. Krames' list is very similar to other lists such as "The Top 10 Most Admired Companies in the US," and even the Global Most Admired. He points out that very successful leaders are not flawless; they make mistakes, but then they *learn* from them. Overall, they are visionary builders of organizations who create great business models. What makes this book so unique is that in addition to exploring what they did and why they did it, he looks at what might have happened if they did things differently. He poses questions like, "What would Michael Dell do in this case?" and then provides an answer based on the leader's operational savvy.

His list of visionary builders consists Michael Dell of **Dell Computers**, Jack Welch of **GE**, Lou Gerstner of **IBM**, Andy Grove of **Intel**, Bill Gates of **Microsoft**, Herb Kelleher of **Southwest Airlines**, and Sam Walton of **Wal-Mart**.

## Their Traits

1. They started with a view of the marketplace and work back to meet customer needs – this is called being *customer-centric, or from the outside – in*. Dell Computers builds each computer to every customer's specification – this is about as customer focused as you can get – and in the process, it has grown to become a \$56 billion dollar company. Wal-Mart made a commitment that every American gets the lowest price on anything - no matter where they lived in the US.

Not in the book, but as an FYI for statistical comparison, Wal-Mart was the largest company in the world from 2002 – 2005 with sales of \$315 billion. Exxon Mobil moved them out of first spot with a huge 25% sales increase in 2005 to finish at \$339 billion. In 2006, Wal-Mart took back the number one spot with sales of \$351 billion - almost a billion a day. The other companies on Krames' list placed well on the Fortune 500 list for 2006:

6	GE	\$168 Billion
15	IBM	92 Billion
34	Dell	56 Billion
49	Microsoft	44 Billion
62	Intel	35 Billion
276	Southwest	9.1 Billion

2. They all had an *evangelic leadership gene*. This is not to be confused with charisma. This trait is described as ardent, crusading enthusiasm for jobs, companies, and their career. They were zealous and did not have magnetic personalities, such as Bill Gates and Lou Gerstner, but could get their people to buy into the future through changes that needed to happen.

3. They understood the *critical role of culture* and how it would take years, not months, to transform the culture to achieve key corporate goals. The example given is how Lou Gerstner

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Toni. Bruce's training focus is on improving corporate employee retention and individual productivity through keynotes, workshops, and timely, unique teleseminars. Toni delivers inspirational singing keynotes, and has just released her new CD "Bloom." Bruce and Toni can be reached at: 403-241-6212, [BruceLeeSpeaker@shaw.ca](mailto:BruceLeeSpeaker@shaw.ca), [www.BruceLeeSpeaker.com](http://www.BruceLeeSpeaker.com), or [www.tonimcmillanlee.com](http://www.tonimcmillanlee.com).

had to move IBM from a complacent culture to one that is competitive and where the customer is listened to. The best CEOs instill a feeling of dedication to winning in the market place. For example, at Southwest Airlines Herb Kelleher wanted a culture of fun so customers would see it and remember their trips as enjoyable experiences from check-in to landing.

4. The best CEOs are ***First Movers***. They see emerging products and ideas and go for it. Examples include Microsoft noticing the need for software on new computers and Wal-Mart noticing the emerging discount store trend.

5. The best CEOs ***implement best ideas*** regardless of where they were first heard of. Krames said the hallmark of learning companies was in knowing that they did not have all the answers. Sam Walton would spend days visiting competitor's stores and copying ideas from them. You can absorb good ideas and improve on them. Jack Welch would say that it was each employee's jobs to borrow ideas and bring them to GE.

6. CEOs ***advance the leadership body of knowledge*** in some fashion and rewrite the playbook. For example, by helping create a system by which information can be easily stored, sent, and retrieved on computer desktops, Bill Gates made almost everyone "Knowledge Workers." Jack Welch said business is simple and there is merit to being informal in how ideas get generated. Business is about building the intellect of the organization – becoming a learning organization.

Overall, this book had lots of great information that anyone can use to consider how they are impacting their organization. What type of legacy are you creating? Do you have a culture of innovation, knowledge-sharing, and enthusiasm? Are you in front of your customers, listening to them, and building an organization that supports them while continuing to reach out to others? The best CEOs know that success does not happen by chance... it is earned through years of dedication and service to the customers and to the people in the organization.