

Volume	4	Managing a Company
Chapter	05	You: The CEO
Section	02	Your Role
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WHAT OTHERS THINK

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Quick Summary: Performance consistency, compliance, and longevity are critical elements for meeting all goals.

Abstract:

As the CEO, each internal and external constituent group will expect you to meet their specific goals. Although those goals may be very different, they all share three common elements: consistency, compliance, and longevity. Your role must include establishing an environment in which everyone involved understands that these three elements must be considered in every activity.

The context of the title of this article needs to be considered along with the Section title and read as: “What Others Think of *Your Role*.” For enterprises, the role of the CEO can be simply stated as providing long-term, consistent, and profitable revenue growth with increased market share. However, meeting this goal, which is fundamentally a financial metric, is not enough. As discussed in the article in this series, “*Your Balancing Act*,” and in Chapter Four which discusses Principle Three, “Provide an Acceptable Return to All Investors,” there are four different constituent investor groups that you must accommodate. They are listed below in rank order of their importance:

1. Employees
2. Business Partners
3. Customers
4. Financial Investors

As described in the aforementioned article and chapter, each of these groups will have widely varying views of what they view as an acceptable return on their particular investment. Although the specific goals may be different, they all share a few common threads.

- First, the goals need to be met consistently. Stability and predictability are essential for all investors. Today, we all live in a fast-paced, ever-changing world. Individuals in all four investor categories are constantly exposed to unforeseen events that appear to be mostly disappointing. Providing consistent, positive results will be a welcome relief for all individuals. This process starts with setting and then meeting expectations repeatedly.
- Second, you must ensure that every aspect of the company operates in compliance with the letter and the spirit of the law and business norms. There can be no “look the other way,” “just this once,”

or “it doesn’t apply to us” rationalizations. The beyond-reproach character of the company and every employee must become part of the company’s culture. No exceptions can be tolerated.

- Third, you must ensure the longevity of the company. Although there is always pressure to meet short-term goals, every company needs to establish a long-term vision and have a well-defined plan to meet that goal. Pursuing short-term objectives must, at least, not conflict with the company’s long-term vision and, hopefully, will fully support that vision. This issue is captured in Principle One: Stay in Business. Without meeting that goal, nothing else matters.

Although others, inside and outside the company, will play essential roles in ensuring that these three common elements are met, the CEO is ultimately responsible for them and must, through their actions, insist on across-the-board compliance.