

Jeff Rodek, CEO and Chairman of Hyperion Solutions Addresses Alliance of Chief Executives

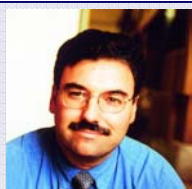
Three comments triggered deeper thinking about

Summary

Jeff Rodek talked about many leadership topics. Three of them hit a chord and triggered some deeper thinking.

Facts

- **Company:** Hyperion Systems.
- **Person:** Jeff Rodek, CEO and Chairman
- **Revenues:** 750 million
- **Product/Service:** Data Analysis Software



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Jeff Rodek

Jeff Rodek, CEO and Chairman of Hyperion Solutions was the keynote speaker at the Alliance of Chief Executives East Bay meeting in Oakland, on February 17th, 2006.

Hyperion is a 750 million dollar revenue firm that makes specialized software to slice and dice data, so it is ready for analysis. The systems also provide a “dashboard” for CEO’s to keep track of their business metrics at a glance. Mr. Rodek held a top position at FedEx for a number of years as well.

His talk highlighted a number of critical times in his career and how he handled them. He touched on merger matters, methods of dealing with hard times, communication with his employees, and dealing with

high turnover during the go-go IT bubble times in the late 90’s. Time was spent on the issues of being a new leader of Hyperion during trying times. The group had many questions, and some conversation was aimed at issues related to Hyperion’s business – dealing with the inappropriate use of Excel, versus a decision support system that carefully houses and protects data.

Mr. Rodek gave away a book to all attendees, “On the Up and Up, Achieving Breakthrough Performance through Insight”, and the

foreword, written by Mr. Rodek has many of the same themes discussed at the speech. The remainder of the 284 page book is a compendium of articles on management.

As a CEO listening to Mr. Rodek, three comments triggered deeper thinking about the task of being CEO. Details of his comments

1. Identifying a competitor or two as an “enemy” to beat is a powerful leadership tool that CEO’s should use to galvanize business improvement at every level. See page 2 for my thoughts on this topic.

2. Regular communication from the CEO is essential to motivating everyone in the company. I’ve written a process and guidelines on page 3.

3. The process of making good decisions is critical. Some firms/teams are bad at decision making, and the results can be ugly. Four decision making illnesses are discussed along with some suggestions about improvement. See page 5.

CEO to CEO: A Common Enemy

Summary

Identifying a competitor or two as an “enemy” to beat is a powerful leadership tool that CEO’s should use to galvanize business improvement at every level.

Takeaways

- Identify a competitor or three that you want to “beat.”
- Have each department in your company study the respective department in the other team, and develop methods to measure performance – both theirs and yours.
- Craft organization-wide action plans that insure that you will not lose, and that you will win.

“Every business needs one company to beat. Pick an enemy!”

It’s really out of fashion to think about business as war. We’re civilized now, and we want a win-win everywhere. Yes, yes, tea anyone? **NOT!**

Maybe someday we’ll be that civilized. But human evolution is quite slow, and even if you are convinced that we are evolving toward a more peaceful state of consciousness, it will take a few billion years to really get there. Right now, just like 5000 years ago, nothing moves us toward teamwork like a common enemy.

Pick an Enemy

At the Alliance of Chief Executives’ February 2006 East Bay meeting, keynote speaker Jeff Rodek, Chairman and CEO of Hyperion Solutions said, “Every business needs one company to beat. Pick an enemy!” He recounted his FedEx days where everyone in the company was told, “Every time you see a brown truck (UPS), they’re taking food from your children.” It was a quick comment, but worthy of deeper thought. Many CEOs are extraordinarily developed people who can drive themselves forward for the sake of being the best they can be. They don’t need a

benchmark, or an enemy to beat – they just want to be all they can be (stealing a phrase from the Marines). But the teams that work for those CEOs may see them as overly demanding, with standards that are not justified by the marketplace. But even one competitor that is outperforming you in even one area instantly legitimizes your demands.

If they can do it, why can’t we?

I agree with Mr. Rodek. Picking a competitor to beat is an excellent leadership tech-

department in your firm should be studying the same team in the enemy’s business to identify strengths and weaknesses. For example, how do they market and advertise? Is that better or worse than our company? Should our strategy and tactics adopt some of their practices? If we think we are better, how can we collect evidence to be sure? Think of it as one to one benchmarking.

Every “soldier” has his battle

Take it all the way down to the individual employee level. I wonder if the FedEx drivers

asked customers about the UPS driver and their performance and relationship with each customer. I’ll bet Mr. Rodek would have wanted his

*If they can do it,
why can’t we?*

drivers to be more friendly and efficient than their “enemy” on the same route. Make sure that your employees know what to do each day to triumph over the “enemy”. Having an enemy is a fast track to having your whole company study a competitor in depth, and a fast track to everyone wanting to beat them. I’ll guarantee you that even the pacifists on your team don’t want to be the “loser.” Tap into those primal competitive urges.

Having your team’s blood pressure soar at an enemy sighting isn’t enough. Each

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CEO to CEO: Getting Employees to *Act more like a CEO*

Summary

Regular communication from the CEO is essential to motivating everyone in the company. A process and guidelines for CEOs are discussed.

Takeaways

- Employees that don't know what is going on will not go beyond the lowest level of "doing their job."
- Communication must be often, repeated, and multi-channel.
- Ask for feedback each time, and listen.

Why don't employees think like you? Care like you?

It's because it's just a job for them. They come for eight hours, do what they are told, get their pay and, then, go home. Hey, there are some days that I wish it were like that for me. They don't have to worry about competitors, or making payroll, or board meetings, or sales growth.

Rather than wish for the "blissful ignorance" that most employees have, why not share your real-

ity with them? Sharing information about the context in which your business functions can shift employees from passive

to active participants. The difference can be amazing.

At the Alliance of Chief Executives' February 2006 East Bay meeting, keynote speaker Jeff Rodek, Chairman and CEO of Hyperion Solutions talked about his regular e-mailed message to all employees called, "Drumbeats." He would dictate it to

Most CEOs of mid-sized businesses spend a lot of time DOING things. Things like making deals, selling, developing products. I can't argue that those things are important.

But CEOs must carve out time to communicate regularly to their teams. Well informed teams can do much more than most CEOs

realize. Spending the time to communicate is a great way to leverage

why not share your reality with them?

his PR person to draft, and he would do the final edit. He said, "I tried to communicate realistic goals honestly."

the CEOs power.

Communication must be often, repeated, and multi-channel. My advice:

1. Decide a frequency of communication, and stick with it. Every two weeks is good.

2. Plan out how you will communicate each time. Mix it up. Some of the ways are: e-mail, a company wide speech, talk at departmental meetings, a letter mailed to the home address, streaming video on the intranet, the PA system, conference calls, signs and banners, and more.

3. Think about the message. While it should always be honest, it should be planned to have a specific effect on the audience. Of course, there are some things you should not say or disclose –

use your judgment. It can be as simple as information about

what's going on (i.e. how the trade show went).

4. Don't worry about repeating yourself. Actually, it's a

good thing.

Get help with the writing if you need it. If, like Mr. Rodek, you suffer from writer's block, find someone

Communication must be often, repeated, and multi-channel.

Don't be the CEO that whines about their team's lack of vision and passion, but never shares with them the business environment and its challenges.

else to write based on what you tell them, then edit. Or



CEO to CEO: Decision Making Illnesses



Summary

The process of making good decisions is critical. Some firms/teams are bad at decision making, and the results can be ugly. Four decision making illnesses are discussed along with some suggestions about improvement.

Takeaways

- Think about how your company makes decisions.
- Decisions should be timely, well analyzed, planned and hold up over time. If not, modify your decision-making processes.
- Be sure that you don't overly penalize people who make good decisions that end up as mistakes.

The process of decision making can be every bit as important..

After Hyperion and Arbor Software merged, the group had, "lots of pent up decisions," says Jeff Rodek, who was the new CEO and Chairman. Everybody was frozen, waiting for other decisions to be made, so they would know what to do.

While making good decisions is always

wise, Mr. Rodek knew that making any reasonable decisions to get the merged firms in motion again was imperative.

As I sat at the Alliance of Chief Executives East Bay meeting lis-

tening to Mr. Rodek's comments, what flashed through my head was that *the process of decision making can be every bit as important as the decisions themselves*. I remember well in the four acquisitions I've made that they each brought a pile of decisions.

I flashed through all the decision making illnesses I've seen in my career.

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Frozen with Inaction (too slow)

Making decisions

means making mistakes. But that is terrifying for some. They either overanalyze or just get stuck, and decisions never get made. Sometimes this is caused by a company culture that punishes mistakes too harshly. Other times it is caused by inadequate training in how to make that level of

decisions. Sometimes it is caused by lack of self-confidence.

Nonetheless, the result is missed opportunities, because nothing waits forever.

Decision of the Day

(Continued on page 6)

(Continued from page 5)

(too fast)

Most often seen with impetuous entrepreneurs, they get in a mood and make a big decision, sending everyone off scurrying. A week or a month later, they are in a different mood, change the decision (or make another one) and everyone scurries off in a different direction. This pattern repeats, and they wonder why, a year later, nothing has really been accomplished. This illness can be seen at lower levels too, with people who don't plan carefully, then stick to the plans.

Decisions based on guesswork disguised as fact (false information)

"It's got to be true" are famous last words. Rather than take some time to find and study the facts, some jump to conclusions and pretend they are facts. Sometimes it is because the company doesn't have a good information management system (Hyperion did not pay me for this comment). Sometimes it is because the team doesn't have the analytical skills to know how to prove their case. At other times, it is executive

ego digging up justifications for what they want. Careful distinction between assumptions, beliefs, and facts is crucial.

Alter-

"It's got to be true" are famous last words.

natives Not Compared

If only it were as simple as good versus bad. What about good versus better versus best? If your firm chooses good, and the competition chooses best, you're in trouble. I agree that it takes a lot longer to review all the available options, but it's

Focus in on the process itself, and create some rules/structure that improves the

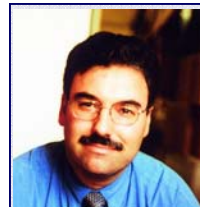
worth the time. Remember that you don't have to work out all the scenarios to the penny. The moment you can show that certain alternatives are inferior, move on to greener pastures.

Do any of these "illnesses" ring a chord in your company? If so, don't just try harder next

time. Focus in on the process itself, and create some rules/structure that improves the process. That might mean time constraints, minimum proof levels or requiring written due diligence.

I had a small client that lacked disciplined decision making. I introduced them to Jim Horan's one page business plan concept, but tweaked it slightly to be a one page *anything* plan. It was quite handy in making sure they had really thought about the who, why, when, how & what for any item worth doing. (www.onepagebusinessplan.com)

Ultimately, the litmus test for any decision is, "Did you make the best decision you could have made given the constraints at the time?" If the answer is yes, good job --- even if the decision itself turned out ugly.



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