

The journey of the chief decision maker

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It was a tumultuous time in the business, when I took my first CEO position. The dot-com bubble had just burst, impacting our bottom line. I needed to hire a new division head, and received the same referral by several sources. They were selling this candidate hard. He had the big-name credentials and knew our business; everybody loved this person.

In addition to improving results, I was eager to create alignment and instill team spirit, so I short-circuited my vetting process. I'd started with a number of candidates, but I only interviewed this one. Everybody was excited about this hire.

However, within a week, I realized I'd made a mistake. My hire had 100% popular support, but was also 100% wrong. He turned out to be toxic to our firm and could have ruined the company.

This experience taught me a big lesson: the importance of developing and staying true to a decision-making process. A survey by McKinsey Quarterly found that 60 percent of executives make bad decisions as frequently as good ones. That stat shows that there's room for improvement. I would argue that if you want to be a high-performing CEO, you must develop a core competency in decision-making. I believe that all CEOs need to experience this shift, recognizing that *how* they arrive at a decision is just as important as *what* decision they make.

The four drivers in evolving decision-making as a discipline

Today, as an experienced CEO, I approach decisions differently. I treat decision-making as a discipline and consciously apply a structured framework when making choices. My experience has revealed four drivers that influence the evolution of the chief decision-maker: purpose, mindset, rigor, and time and space. The new CEO and seasoned CEO tend to respond differently to these drivers. It took many years to develop and refine my approach, but it allows me to make better decisions, faster.

1. Ground yourself in purpose

If you're a new CEO, you may have developed a form of tunnel vision, focusing on only your department's goals instead of the big picture. When you step in to the CEO role, you have to think about what benefits the company as a whole. That's one of the big distinctions that comes with moving up into the CEO role. The complexity makes decision-making more challenging, regardless of company size.

It's also difficult to make decisions if you're unclear what your company stands for. Having that filter is vital for me. When I'm evaluating a decision, I always ask myself: Does this decision align with my company's mission, vision and purpose? Will it benefit the organization as a whole? Does it accurately reflect our values and beliefs? If I can answer "yes" to these questions, I know I'm on the right track.

2. Shift your mindset

A less-experienced CEO might hold a limiting belief that there's only one right answer to any given situation. Experience tends to show that good choices come from thoughtful processes, and that there's more than one right answer. It's liberating to realize there are many options, and the best one is the one in which you've invested the time, energy and commitment.

Putting ego aside is also important. Over time I've developed the awareness to check my ego and make decisions based on their impact on my company. A company-first mentality provides the clarity and honesty to approach problem-solving effectively.

If I need to pivot or change a decision, I no longer worry how this will make me look, as I'm doing what's best for the company. That's operating with integrity, and decisions that you make with integrity are the ones you can sleep with.

3. Apply rigor

You know you're off track when every decision feels like starting over. When you treat decision-making as a discipline and apply rigor, you won't feel like you're starting from scratch each time. Rigor has allowed me to make decisions faster and with more accuracy.

Part of the rigor is seeking input from others — especially those who think differently from you — while understanding how to filter and synthesize the insights you receive.

“Rigorously apply a conscious process that leads to better decisions — and better results for your firm.”

Your tendency may be to talk to as many people as possible about the situation and then make a decision based on what the majority says. My disastrous hire reveals a potential pitfall in relying on majority opinion. In my approach now, I listen to other people's opinions but process them differently than I did as a young CEO. I treat them as inputs instead of instruction and make sure that every decision I make is uniquely mine.

I also ensure that I have enough context to make an informed decision. You have to understand at least some of the details; otherwise, you run the risk of relying too much on assumptions. Applying rigor to outside input makes the decision-making process easier because it gives me clarity and direction.

4. Allow for time and space

A high-pressure work environment, coupled with the scarcity of time, can cause a new CEO to make decisions in a hasty or haphazard way. As a newcomer to the C-Suite, I didn't allow myself the time and space to tune out the noise and fully process a decision.

I have since learned to slow down and designate time to process decisions without interruption. I treat decision-making as a marathon instead of a sprint. I set aside a chunk of time every day to engage in quiet reflection and work through decisions. Don't be afraid to tell people, "This decision is going to take some time."

Developing your decision-making process

When I'm making a decision, I apply a process that's based on three core principles:

- I pay attention to my **instincts**, listening to my gut without over-indexing.
- I exercise **judgment** in my choices, drawing on data and experiences to reach conclusions.
- The **perspectives** of my peers, mentors and employees inform—but do not dictate—my decisions.

This is not a sequential process but rather a fluid one, where the three principles work in tandem with each other. I know I've reached a good decision when it passes the "MVP test": It aligns with the mission, vision and purpose of my company.

Let me share an anecdote that stands in contrast to the first story. Years ago, after talking through some business challenges with my CEO peers,



I started to think about whether it made sense to create a CFO position. I talked to colleagues about my dilemma, thought about the financial implications of the hire, and listened to my gut when reviewing my options. I stuck to my vetting process. Ultimately, I decided to make the hire. It turned out to be one of the best decisions of my career. The CFO who I chose was worth his weight in gold. He made changes to the company that increased its value exponentially.

Just like every other CEO, I'm a work in progress. I still make mistakes, but fewer than I used to, because I invest time and energy in my decision-making process.

The process outlined here works for me, but is by no means the only way to make a good decision. Take my drivers as inputs to developing your own. Decision-making is a process that's unique to the individual, so it's important to develop a model that feels authentic to you. After all, it's not the model that matters most. What counts is that you rigorously apply a conscious process that leads to better decisions — and better results for your firm.



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