

# **“What the Best CEO’s Know” - 7 Exceptional Leaders and Their Lessons for Transforming any Business.**

**By Jeffrey A. Krames**

This book looks at 7 exceptional company founders and explores the traits common to them that helped make their companies successful. Jeffrey’s 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, that 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 had done it differently. He poses questions like, “What would Michael Dell do in this case?”

His final list is made up of 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 start with a view of the marketplace and work back to meet customer

needs – called being customer centric, or from the outside in. Dell Computers builds each computer to each customer’s specifications – this is about as customer focused as you can get – and created a \$56 billion dollar company. Wal-Mart made a commitment that every American get the lowest price on anything - no matter where they lived in the US.

Not in the book, but as an FYI, Wal-Mart was the largest company in the world from 2002 – 2005 with sales last year of \$315 billion – moving close to a billion a day. (Exxon Mobil moved them out of first spot with a huge 25% sales increase over the past year to finish at \$339 billion.) The rest on the Fortune 500 list are:

7 GE 157 Billion  
10 IBM 91 Billion  
25 Dell 56 Billion  
48 Microsoft 40 Billion  
49 Intel 39 Billion  
300 Southwest 7.5 Billion

2. They all had an evangelistic leadership gene. This is not to be confused with charisma. This trait is described as an ardent crusading enthusiasm for jobs, companies, and their career. They were zealous but did not have magnetic personalities (such as Bill Gates and Lou Gerstner) They could, however, 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. A good example of this is with Lou and how he had to move IBM from a complacent culture to one that is competitive where the customer was listened to. They instill a feeling of dedication to winning in the market place. Herb at Southwest Airlines wanted a culture of fun that was represented by his staff so customers would see it and remember it as a fun experience from check- in to landing.
4. They are a “First Move”. They would see emerging products and ideas and got in on it. Examples would be Microsoft for new computers that needed software and Wal-Mart for the emerging discount store trend.
5. They would implement best ideas regardless of where they were first heard of. He said the hallmark of learning companies was knowing that they did not have all the answers. Sam Walton would spend up to half of the time he spent in stores actually in competitor’s stores and copying ideas from them. You can absorb good ideas and improve on them. Jack Welch would say that it was the employees responsibility to borrow ideas and bring them to GE
6. They would advance the leadership body of knowledge in some fashion, rewriting the playbook. As a result of helping create the ease of putting information on computer desk tops, Bill Gates saw that anyone could move it from person to person, which 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.