

## LESSON 5: Business Performance

# The Four Pillars of Relentless Reliability

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### BUILDING THE CASE FOR RELIABILITY

Bill was the President of a five-branch region for a large banking system. This region was the most profitable within the system, so when Rick became his number two person, he was anxious to learn the secrets of Bill's success.

An important fact about Bill was that he loved the game of golf. Early on, Bill determined that he needed reliable and consistent employees, so he had the freedom to do what he loved. Rick was amazed to see how infrequent his boss was present at the bank, yet how effective he was when he was there.

Rick observed that Bill was very disciplined and consistent at work and could identify the most important issues that needed to be addressed. He then would call the executive team in one at a time to delegate responsibilities, whereby a stack of files would be handed to each one.

As Bill went through Rick's assigned files, he would ask the same questions. "Rick, do you understand the assignment? What day/time will the project be complete?" Bill would then write down in his calendar Rick's commitment. Rick knew he would be held accountable to complete the project on or ahead of that date. One by one, each department head would go through the same exercise.

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*Bill's success was the result of his consistency and reliability in addition to holding his team accountable to the same standards.*

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In the book, *The CEO Next Door*, the authors Elena Botelho and Kim Powell unpack powerful research findings from their study of more than nine-thousand leaders. Using their self-developed diagnostic tool, "CEO Genome Behaviors," they uncovered the best quality indicator of a CEO's success—the ability to be reliable. More compelling was their finding that CEOs

known for being reliable were *fifteen times* more likely to be high performing. Yet, reliability was the lowest overall score for the CEOs in the test group of nine-thousand.

It is interesting to note that the Bible, through the Apostle Paul, not only speaks about the importance of reliability in leaders, but also the wise understanding that reliability is rooted in self-control and discipline. In Titus 1:8 Paul speaks to the qualities of “overseers” when he writes, “*Rather, he must be hospitable, one who loves what is good, who is self-controlled, upright, holy and disciplined.*” The takeaway for us is that being self-controlled and disciplined will lead to reliable results.

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## DISCUSSION QUESTIONS

1. On a scale of 1-10, with 10 being always reliable, how reliable would your customers, employees, or peers say you are personally?

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2. How do you feel about that score?

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3. Using the same 10-point scale, how do you believe your customers would rate the reliability of your company? Explain the reason(s) for your rating.

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## THE FOUR PILLARS

Botelho and Powell realized that a hallmark of reliability is following through on commitments. Their study revealed that 94% of the strongest CEO candidates followed through consistently on their commitments. The result of this research led them to identify “The Four Pillars” of reliability.

**Personal Consistency** ▶ Botelho and Powell discovered that most boards prefer to choose a predictable performer over an erratic superstar, saying further, “In the boardroom, reliability consistently trumps exceptionalism as an individual character trait.”

A CEO is a more effective leader when their people know that the leader is consistent in their performance and expectations. Consequently, for our companies to become reliable we, as individual leaders, need to demonstrate personal consistency. Desired personal habits that exhibit consistency, and that are applied to all aspects of our life, will help us to better lead our teams.

The authors of *The CEO Next Door* discovered the following list of personal habits typically demonstrated in the CEOs who were most successful:

- They are **on time** for meetings, for planes, and for phone calls.
- They **make clear assignments** to specific individuals in group meetings—who is taking what actions and by when.
- They **follow-up** on agreed-upon actions regularly.
- They **make lists**—to do, to read, mistakes, people to keep in touch with, useful resources, etc.—and put those lists into action.
- They are **aware of the impact of their mood, words, and actions** in their interactions with their teams. That is, are their actions and words having the desired effect?
- They **keep** the appropriate **people in the loop**, so that no one drops the ball because of a lack of information.

**Setting Realistic Expectations** ▶ Reliability in the eyes of others is only going to be as good as the expectations you set. The authors of *The CEO Next Door* studied the best CEOs and discovered that they proactively shape their commitments to create a situation where they can reliably deliver. In business we sometimes overpromise to land the contract or customer that will fuel growth, then those we lead are sorely disappointed when we can't meet expectations.

The best CEOs take very seriously their commitments, making sure that optimism doesn't push them towards setting unrealistic expectations. Early on in business or in a customer relationship, it is important to show reliability to build trust. If you learn that you tend to be overly optimistic, back your promises down to a level you know you can deliver. Meeting customer and staff expectations is much more important than making someone feel excited on the front end.

It's also important to note that you need to look out for *implicit* expectations. You may set a specific expectation, but if your results consistently exceed that level, others may begin to expect what you have produced in the past, rather than what you told them. They can then feel

blindsided even though you met your commitment. Setting realistic expectations is an art, but one worthy of being mastered, if you want to be known for persistent reliability.

**Practicing Radical Personal Accountability** ▶ The best CEOs earn the right to hold others accountable by holding themselves accountable. The authors of *The CEO Next Door* shared a story of Mary, the former CEO of Reader's Digest. She knew she needed to embed personal accountability into the organization if they were going to survive the bankruptcy she was hired to steer them through.

Mary took the unprecedented action of allowing each employee to grade her performance every six months. Then she allowed those grades and comments to be posted on the company intranet unfiltered. **Because she was allowing herself to be accountable to her own staff, she was also able to demand each of her employees to be personally accountable.**

The authors discovered that the top performing CEOs truly desired to be someone upon whom others can authentically depend. Their care and compassion for others gave them the courage to be personally accountable, but also drove them to assure that the culture of their organization was one laced with accountability.

**Embedding Consistency in Your Organization** ▶ Reliability will not happen in an organization unless it permeates the entire culture. This requires that there are systems and processes in place that allows each person to know what is expected, but also sets the stage for consistent results. Botelho and Powell identified four keys to embedding consistency.

1. **Make mistakes safe** | Without mistakes, and some failures, your team will not learn and grow. Great CEOs "create an environment in which employees willingly draw attention to mistakes instead of sweeping them under the rug."
2. **Level the playing field** | Great CEOs empower all their employees to speak up when there are problems. Knocking down hierarchy's so that all employees feel open to share issues or concerns levels the playing field and enables the organization to improve and be more trusted and reliable.
3. **Create a precise shared vocabulary** | Communication is critical in any business, but especially when you desire consistent and reliable results. Every industry has its own lexicon and it can be confusing, especially for someone new. Determining what the critical factors are in your business and establishing the words and language you desire for each of those will help you and your team to understand what is being discussed and expected.
4. **Build the machinery of consistent process** | Reliable processes and systems are crucial for reliable performance. McDonald's mastered this early on. A big part of their success was due to developing systems and processes so consistent and easy that a 16-year-old could run it.

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## DISCUSSION QUESTIONS

1. Review the bullet-point list in the “Personal Consistency” section. Discuss which, if any, of those items may be a struggle for you.

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- a. Which of those items would you like to incorporate into your own personal habits?

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2. When you set expectations for a customer or an employee, do they tend to be overly optimistic, intentionally pessimistic, or consistently realistic? How might you improve?

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3. Many leaders are quick to hold others accountable but are less willing to give others permission to hold them accountable. To whom are you accountable? Have you given them stated permission to hold you accountable?

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- a. How might you build more accountability into your life?

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- b. How might this group better hold you accountable?

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4. How would you rate the depth and consistency of systems and processes in your organization?

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a. If you passed away or became disabled, how hard would it be for someone to take over?

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b. What portion of your responsibilities could be handled by others if better procedures and systems were put in place?

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5. What take-away items do you have from this lesson that you would like to implement?

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a. Are you willing to share them with the group and be asked about your progress next month?

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