

What this “CEO Thing” is All About

Jack Welch, *Straight from the Gut*
Warner Business Books, 2001

CEO Ideas From Jack Welch

- Integrity: “I never had two agendas. There is only one way—the straight way—never waver.”
- The Corporation and the Community: “I believe that social responsibility begins with a strong, competitive company. Only a healthy (strong) enterprise can improve and enrich the lives of people and their communities.”
- Setting a Tone: “Every day, I tried to get into the skin of every person in the place. I wanted them to feel my presence.”
- Maximizing an Organization’s Intellect: “Taking everyone’s best ideas and transferring them to others is the secret.”
- People First, Strategy Second: “Getting the right people in the right jobs is more important than developing a strategy.”
- Informality: “Passion, chemistry, and idea flow from any level at any place are what matter. Everybody’s welcome and expected to go at it.”
- Self Confidence: “The true test of self-confidence is the courage to be open—welcome to any change and new ideas regardless of the source. Self-confident people aren’t afraid to have their views challenged.”
- Passion: “If there is one characteristic that all winner’s share , it’s that they care more than anyone else.”

CEO Ideas From Jack Welch (Cont'd)

- Stretch: “We’ve never made a ‘stretch operating plan.’ Yet we’ve always done a helluva lot better than we ever thought we’d do.”
- Celebrations: “I was always looking for ways to celebrate even the smallest of victories. Your job is to make sure your team is having fun—while being productive.”
- Aligning Rewards with Measurements: “What you measure is what you get—what you reward is what you get. By not aligning measurements and rewards, you often get what you are not looking for.”
- Differentiation Develops Great Organizations: “Year after year forcing managers to weed out their worst performers was the best antidote for bureaucracy.”
- Owning the People: You own the business. You’re renting the people... Our boundaryless culture changed the game from hoarding your best people to sharing your best.”
- Appraisals All the Time: “Appraisals to me were like breathing. In a meritocracy, nothing is more important.”

CEO Ideas From Jack Welch (Cont'd)

- Culture Counts: “An organization that truly believes in maximizing intellect can’t have multiple cultures... When it comes to style and pay, our culture will bend, but we won’t break it.”
- Strategy: “Business strategy is less a function of grandiose predictions than it is a result of being able to respond rapidly to real changes as they occur. That’s why strategy has to be dynamic and anticipatory.”
- Competitors: “It was tough, but we tried like hell to look at every new product plan in the context of what the smartest competitor could do to trump us.”
- The Field: “Headquarters doesn’t make or sell anything. Banging around the field was my best shot at getting some idea about what was really going on.”
- Markets vs. Mindsets: “Markets aren’t mature. Sometimes minds are... Looking at the same business from a slightly different perspective changed our mindset.”
- Initiatives vs. Tactics: “Initiatives live forever... Understanding the difference between the fundamental and the quick fix helps an organization stay focused.”

CEO Ideas From Jack Welch (Cont'd)

- The Communicator: “Whenever I had an idea or message I wanted to drive into the organization, I could never say it enough. I repeated it over and over, at every meeting and review, for years, until I could almost gag on the words.”
- Employee Surveys: “Knowing *and* confronting what was on the minds of our employees was a key part of our success.”
- Upgrading a Function: “Whenever I thought a corporate function wasn’t as strong as it should have been, I would appoint myself the unofficial head of it.”
- The Advertising Manager: “Managing image and company reputation is one of the more obvious jobs of the CEO... Image mattered. I was convinced it was part of my job.”
- Managing Loose, Managing Tight: “I managed tight when I sensed I could make a difference. I managed loose when I knew I had little if anything to offer.”
- Chart Maker: “I have always thought that chart making clarified my thinking better than anything else. Reducing a complex problem to a simple chart excited the hell out of me.”

CEO Ideas From Jack Welch (Cont'd)

- Wallowing: “*Let’s wallow in this* was a phrase I often used. It meant getting people together, often spontaneously, to wrestle through a complex issue. The sole ticket of admission was know-how, not titles or positions.”
- Your Back Room is Somebody Else’s Front Room: “Don’t own a cafeteria: Let a food company do it. Back rooms by definition will never attract your best. We converted ours into someone else’s front room and insisted on getting their best.”
- Speed: “I could scarcely remember a time when I said, *I wish I had taken six more months to study something before making a decision.*”
- Forget the Zeros: “As businesses and companies grow, their size can become an inhibitor rather than an enabler... I came to the CEO job knowing that isolating small projects and keeping them out of the mainstream was the way to grow. We’ve had a great many successes by breaking these projects out—and focusing on them—as separate smaller businesses in larger entities.”