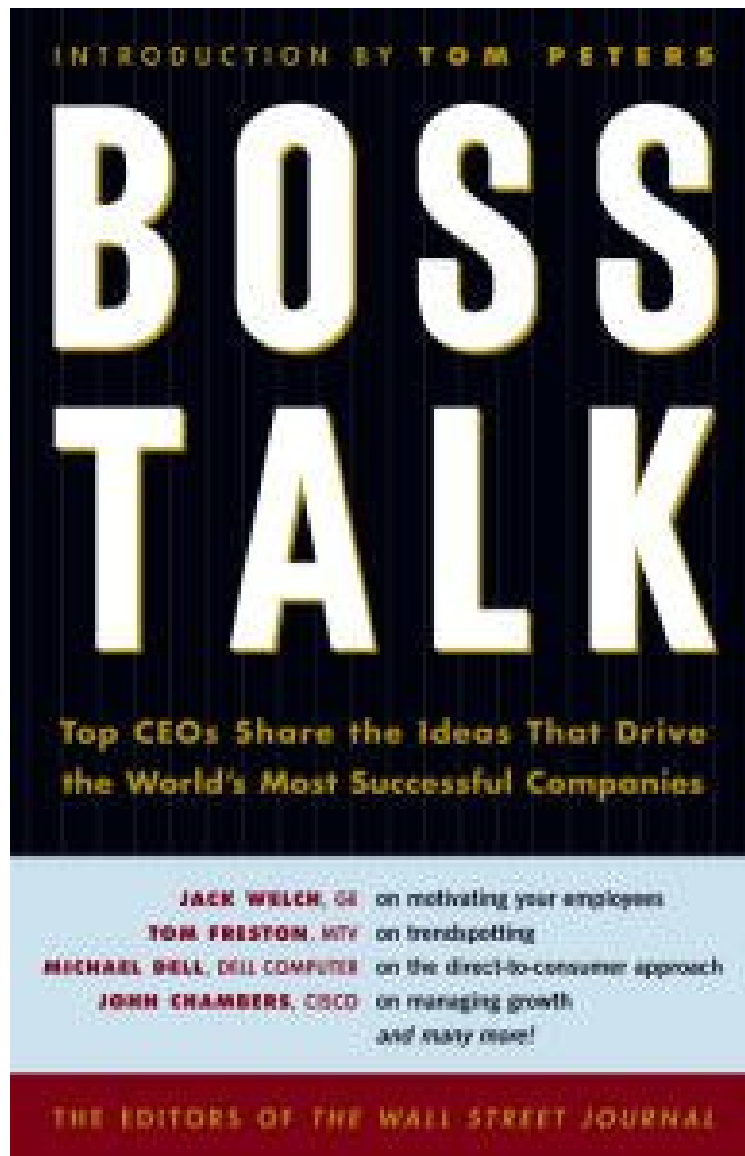


# Boss Talk: Top CEOs Share the Ideas That Drive the World's Most Successful Companies

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**Wall Street Journal : Boss Talk: Top CEOs Share the Ideas That Drive the World's Most Successful Companies** before purchasing it in order to gauge whether or not it would be worth my time, and all praised Boss Talk: Top CEOs Share the Ideas That Drive the World's Most Successful Companies:

0 of 0 people found the following review helpful. A GREAT BOOK FOR LEARNING FROM OUR EXECUTIVES. PLEASE READ IT!By alfonsoGreat real examples and vivid comments. It's a good and practical way how bosses'

minds works and how to start up to understand them better. I strongly recommend that book to any project or program manager. Alfonso Bucero 1 of 1 people found the following review helpful. Ok, I guess By Paula Beth Alexander Book is ok, but I prefer more in depth accounts of the lives experiences of those published in it.

Timeless and effective business lessons from twenty-one top CEOs Every business leader—from manager to entrepreneur—wants to know the ideas that motivate and inspire the world's most successful CEOs. Boss Talk presents twenty-one CEOs who give expert advice on issues important to today's businessperson. The topics include: Motivating Your Employees; Managing Growth; Building a Brand; Learning from the New Economy; Trendspotting; Beating the Competition; Leading a Successful Turnaround or Transition Here's what some bosses are talking about: "You have to get rewarded in the soul and in the wallet. The money isn't enough, but a plaque isn't enough either."—Jack Welch, General Electric Co. "Lead by example. If you do that as CEO, your style will filter down through your team."—John Chambers, Cisco Systems "We do a lot of quantitative stuff. But coupled with that is having an employee staff and culture that is inherently interested in what we do."—Tom Freston, MTV Networks "Surround yourself with people you trust. You can't run a business over a certain size and sign off on everything."—Emily Woods, J.Crew From the Trade Paperback edition.

From Booklist Drawing from their newspaper's popular "Boss Talk" column, the Wall Street Journal's editors present management advice gained from in-depth interviews of notable leaders in a variety of industries, including Jack Welch (former CEO) of General Electric, John Chambers of Cisco Systems, Juergen Schrempp of DaimlerChrysler, Kevin Roberts of Saatchi and Saatchi, Sanford Weill (now sole CEO) of Citigroup, Michael Dell of Dell Computer, Jeff Bezos of .com, and Leslie Wexner of The Limited. The book is organized into seven areas of executive challenge: motivating employees, managing growth, building a brand, learning from the new economy, trendspotting, beating the competition, and leading a successful turnaround or transition. Although this book provides insight from accomplished corporate leaders and is excellent advertising for the newspaper, most of the interviews and subsequent articles appeared two or three years ago; and although one could argue that business acumen is never outdated, the addition of more timely material would have increased the book's value. Mary Whaley Copyright copy; American Library Association. All rights reserved From the Inside Flap Timeless and effective business lessons from twenty-one top CEOs Every business leader—from manager to entrepreneur—wants to know the ideas that motivate and inspire the world's most successful CEOs. Boss Talk presents twenty-one CEOs who give expert advice on issues important to today's businessperson. The topics include: "Motivating Your Employees" "Managing Growth" "Building a Brand" "Learning from the New Economy" "Trendspotting" "Beating the Competition" "Leading a Successful Turnaround or Transition Here's what some bosses are talking about: "You have to get rewarded in the soul and in the wallet. The money isn't enough, but a plaque isn't enough either." "Jack Welch, General Electric Co." "Lead by example. If you do that as CEO, your style will filter down through your team." "John Chambers, Cisco Systems" "We do a lot of quantitative stuff. But coupled with that is having an employee staff and culture that is inherently interested in what we do." "Tom Freston, MTV Networks" "Surround yourself with people you trust. You can't run a business over a certain size and sign off on everything." "Emily Woods, J.Crew Excerpt. copy; Reprinted by permission. All rights reserved. Jack Welch Former Chairman and Chief Executive of General Electric Co. As chairman and chief executive of General Electric Co. for nearly two decades, Jack Welch has reshaped the company through more than six hundred acquisitions and achieved one earnings record after another. Yet he says his most important job—the one he devotes more time to than any other—is motivating and assessing GE's employees. "You have to go along with a can of fertilizer in one hand and water in the other and constantly throw both on the flowers," he says. "If they grow, you have a beautiful garden. If they don't, you cut them out. That's what management is all about." WSJ: What did you learn about motivating people from your first management job? Welch: I had the luxury of starting as the first employee of a new plastics operation at General Electric. When I hired my first person, we were a team of two. I didn't see myself as a boss but as a peer. The two of us hired a third employee, and then more. We had all of the things you have in a small start-up. We went to my house for dinner. We met on the weekends. We socialized. We worked Saturdays. We didn't have any pomp and circumstance, and we didn't have any memos. It was like the family grocery store, which is what we always called [our business]. I think ideally that is how a company works. It becomes a place of ideas, not a place of position. WSJ: Is it still a grocery store? Welch: As any business matures, it runs into problems of hierarchy. But there is still spirit and a party atmosphere. When you win, you celebrate. We used to have the Hundred-Pound-Order Club. Whenever we got to a hundred pounds, we would ring a bell and stop [the assembly line] and everyone would go bonkers. I see elements of that today in different businesses at GE. WSJ: Did you have a particular boss who inspired you? Welch: In my first sixteen years at GE, I never worked in the same town as my boss, so in some ways I never had a boss. But my first job was in Pittsfield, Mass., and I had a disaster once when a plant blew up. I had to go down to Connecticut to see my bosses and explain what had happened, and they couldn't have been more supportive and encouraging. I clearly learned you have to make mistakes. Here I'd blown up a plant and I

wasn't fired. I wasn't yelled at or even criticized. WSJ: How did the frustrations you felt as an up-and-comer shape your management style? Welch: Initially, I was part of a workplace where the reward system was incredibly level. I was on a small project, like several other GE newcomers. At the end of the year, we all got the exact same thousand-dollar raise. I said, "This isn't for me, I have to get out of here." But my boss asked me to stay, and I never had that problem again. That experience made me aware of what the frustrations can be for others in a large company like GE. You drive into the big parking lot, put your car among rows and rows of other cars, go into the office, and some horse's ass tells you what to do and how to do it. And this isn't what you expected out of life. If you don't get recognized and you have the wrong boss, it can be awful. WSJ: What do you advise employees to do? Welch: I tell people to never allow themselves to become victims in an institution. Because many people end up feeling like victims. They are in the wrong job, or they have plateaued, or they don't want to rock the boat. I encourage them to raise their hands, to be seen, to make a statement. I tell them, "If GE can't be the place where you can get rid of that victim feeling, go somewhere else." And we try to weed out the managers who make employees feel like victims, the managers who lose staff all the time. WSJ: How much time do you spend on people issues? Welch: At least 50 percent of my time. I'll show you. [He pulls out a huge notebook filled with charts that rate each professional in one unit.] Here would be the vitality rating. Everyone knows where they are. 1's are the top 10 percent. These are the top people. 2's are the next-strongest 15 percent. 3's are the middle 50 percent. The ones in the middle have a real future. Then 4's are the caution 15 percent. They can move to the left. 5's are the least effective 10 percent. We've got to get rid of them. We don't want to see these people again. On every performance appraisal they are being told you are at 1, 2, 3, 4, or 5. So no one will ever come in with any chance to say, "I was always told I was great. And now you are telling me I am not great." WSJ: And your rating affects your chance at stock options, right? Welch: All the 1's will get options. About 90 percent-plus of the 2's will get options. About half of the 3's will get options. And the 4's get no stock options. See, there's an option chart in here. Who got options? Who didn't? Here it says what happens. . . . Are they out? How did you reward these people? Do you want to love and hug these people? Kiss them? Nurture them? Give them everything? WSJ: What is that like for them? In a sense, they are all up against each other then. Doesn't that put a lot of stress on them? Welch: No. There is plenty of room. See, 3's are okay. This is not punishing 3's. This is not at all that. I don't know if this is more rigorous than other companies. But I think it is our product. WSJ: In this example, it's broken down evenly: 10 percent are 1, 15 percent are 2, 50 percent are 3, 15 percent are 4 and 10 percent are 5. Do you always grade on a curve? Welch: We demand it of every group. Because every group will fight like hell to say, I have all 1's. If I get ten people, one is a 1 and one is a 5. WSJ: How do you know when to cut somebody loose? Welch: With the 5's it is clear as a bell. I think they know it. And you know it. It isn't even a hard conversation. It is better for everyone. They go on to a new place, a new life, a new start. The decision is harder with the 4's. The difference between a 1 and a 3, though, is not that little a jump. It is 10 people. It is 15 people. When you get the top 10 percent performers, their output and energizing impact is overwhelming compared to 4's. WSJ: How do you motivate those average employees? Welch: By telling them they can get to be 2's and 1's, and telling them they are eligible for options. But only the best of them will get options. WSJ: How many actually get options? Welch: We have about 85,000 professionals. And we give options to 10,000 to 12,000 a year--but not always to the same people. So about one third of our people, about 29,000, have gotten options, although not all in any one year. WSJ: Do you give people goals to improve their performance? Welch: I think goals are less helpful than knowing they are not at a dead end. We want to grow this company as fast as we can. I think that is about as specific a goal as I ought to be setting. Because I want to let them think up a zillion ways to grow. If I know what to do, what do I need them for? Some companies have contracts with their employees. I hate those. If you and I are making a contract, and I am the boss, what are you likely to do for the week before we meet? You are going to work out fifty charts to prove to me that you can't do too much. And I am going to try to pull you higher. And in the end we will compromise. On the other hand, if I turn to you and say I want every growth idea you have in your body--and I ask, "What do you need, do you need more people, do you need more research and development?"--you will come in with all kinds of things that I have never thought about. Then I can say, "I don't like that idea, I don't want to do that one, but I would like to do that one." The dialogue between us is so much richer. WSJ: How do you encourage risk-taking and mistakes when you also require results? Welch: I talked before about the disadvantage of working in a big company, the numbing feeling you can have in the parking lot. But there's also an advantage to being huge. Last year we made 108 acquisitions for \$21 billion. That's 108 swings. Every one of those acquisitions had a perfect plan. But we know 20 percent or 30 percent will blow up in our face. A small company can only make one or two bets or they go out of business. But we can afford to make lots more mistakes, and in fact we have to throw more things at the wall. The big companies that get into trouble are those that try to manage their size instead of experimenting with it. WSJ: How do you get your message down through the ranks? Welch: I would never want to run this company without Crotonville [GE's management training center in Crotonville, New York]. About five thousand people go through there each year. I will see about a thousand myself for four hours, plus another two hours at the bar. WSJ: Aren't you also known for sending personal notes to managers? Welch: I just became an e-mail person. And one executive I e-mailed wrote back saying he couldn't stand my new skill. He said, "How will I know without that big black scribble across the top of the page--with the width of the scribble determining the angst with

which you are writing--how you feel?"WSJ: How involved do you get in GE's distinct businesses?Welch: My job is not to know everything about each business. It is to pick the people who will run the business and to decide how much money Business A versus Business B or C gets--and how to transfer people, dollars, and ideas across those businesses. I don't get into the how. So I get into trouble when I get on the golf course with someone from a particular industry who wants to know how the widget is built. I am out of gas then.WSJ: When it comes to recognizing employees, what counts more, financial rewards or the personal touch?Welch: I think showering rewards on people for excellence is an important part of..