



## The Accountable Executive

**Two of our LeadershipOne business writers, Hal Johnson and Ed Street, expect to have their new book, *The Accountable Executive*, released in the Spring of 2009. This is the first in a series of five articles based on material from their book. They have observed this is a meaningful area of struggle in many mid-market companies and they address what they observe are major contributors to low accountability cultures – and the antidote.**

In the mid-market business arena (under \$1 billion) there are countless senior executives who have come to their jobs through high performance in their “industrial specialties.” They have been very good engineers, architects, sales and marketing execs, attorneys, and even general business practitioners. Along the way they have been elevated to more increasingly responsible managerial positions. Some have arrived as founders, others as family obligations. Regardless of the path, very often it is the “momentum of institutional evolution” that has progressed their careers. By that we mean they:

- Perpetuated what had gone on before.
- Followed what their predecessors did and were supported by their peers.
- Followed their intuition.

Yet, they received no formal executive level development or coaching for the senior, or even chief, executive position.

Okay, let’s examine briefly what the upper echelon of most mid-market companies looks like. The board of directors is usually comprised of family members and/or close friends. It exists to meet legal requirements, not assist in corporate governance. Therefore, the board seldom establishes clarity of performance expectations with strong accountability.

This is not always the case. We are aware of a few mid-market companies that have established small advisory boards (not an official board of directors in order to avoid liability issues) comprised of outside, experienced business practitioners that do try to guide and support accountable executive performance. But

for sake of this treatise, let’s assume many, if not most, do not have boards that establish clarity of the executive leadership function with accountability.

We believe every senior executive in mid-market companies could benefit from some systematic application of accountability from an outside review process and the development of a system of management. We start with a framework that identifies the core function of the chief executive, and then we fill it in with what we believe to be the fundamental business practices that will successfully perpetuate the business. In effect, the material in our book is an accountability job description for the chief executive as well as members of the executive team.

Here’s what we see happening at an alarming rate: senior executives are not keeping up with the demand that change is placing on their businesses. When times were good, this deficiency was covered over, but now it can be a major distraction. A lot of their leadership and business knowledge is either dated or dangerously low. As business crises arise, the search usually then starts for the fix. Accountable executives are working diligently well in advance of the next crisis to either avoid or at least be better prepared to address it.

Our current economic downturn is creating an abundance of wake-up calls. Business success in this environment is a hard battle. You need all the training, armament, knowledge and skill you can muster. Our hope is this material will bring to mind – and to practice – those processes and practices that will serve to enable you to become an *accountable executive* who brings robust leadership and management performance to your organization.

We have organized the material that follows around the five functions we believe are foundational to executive leadership.

1. Effective Direction
2. An Effective Leadership Team
3. Peak Performance Culture and Chemistry
4. Systematic Performance Management
5. Change Management / Continuous Improvement



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Constantly tending these functions is the executive's job. Sure, there is a lot more involved in being a successful executive, but the health and welfare of the business is dependent on the above functions being well tended. We believe the material presented in the following series of articles will assist those of you who have under-developed management performance to give your business a lift. Injecting high accountability in your culture has high impact on performance. We can't have too much of that.

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*Hal Johnson and Ed Street have been senior level as well as chief executives of several companies. They sit on boards, teach, coach and consult regarding best practices, including accountability concepts, to executive management.*

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