

CEO Mistake Book

It was from Robert Townsend's book "Up The Organization" that I learned being a CEO is like batting in baseball. You can strike out seven out of ten times and still be batting 300 – which if you don't know baseball is a damn good score. (Townsend was the guy who put Avis Car Rental on the map in the 1960's.)

The key to being a successful CEO is mistakes. Make a lot of them, because if you aren't making any you aren't really doing anything. But don't make stupid mistakes (obviously), and correct them fast. One more thing: don't make the same mistake twice.

If you're going to do all that, a couple of things need to happen. First of all you need to be unattached to mistakes. This is an emotional step most people find hard to take. It helps if your company culture supports mistakes. Secondly you need to revisit and correct mistakes often and quickly. Unlike striking out in baseball, quick correction can sometimes let you avoid any painful ramifications at all.

To those ends (a culture that's supportive of mistakes plus easy review and correction) I've developed this mistake book. The last page is a template you can duplicate as often as you need.

Step One: A Potential Mistake

A potential mistake is otherwise known as a decision. It's an action you decide to take (or decide not to take) without knowing for sure what the outcome will be.

Write it down:

Write down the date and the decision you made – including times you decided not to do anything. Here are some examples.

On 10/15/2008 I decided to buy our gonculators from a new supplier: ABC Gonc Inc.

On 8/12/2007 I hired Jessica to be VP of Sales.

On 2/8/2009 I decided not to fire Bill and kept him in his position of IT director

(Side note: be sure to write the year any time you write a date. You'd be surprised how long some of this stuff hangs around)

Step Two: What Were You Thinking?

Obviously you don't **intend** to make a mistake – that would be too easy. You intend to hit a home run. So write down what you think will happen because of your decision. And most importantly write down **why** you thought this would happen; even if your reason is no more specific than "I had a hunch". If you don't write it down it's much harder to learn from. Also write down **when** you expect the results to occur.

What, Why, When

Sometimes the results you expect are measurable, sometimes they involve things that won't happen.

For example:

I expect the price of our gonculators will not go up as fast with a new suppliers because they will want to earn a chance to bid on our other products. I'll recheck prices in six months.

I expect Jessica will improve the sales by 3% in the first quarter because her history with the company shows she'd good at hitting sales goals and she'd good at managing people.

I expect Bill will respond to the situation positively and will have no more problems because of the discussions we've had about his past situation. I'll revisit with monthly meetings one-on-one.

Step Three: How Did it Turn Out?

The third step is to review your decisions when you said you would. Write down what happened, how it compared to your expectations and what you learned.

You can use the following page as a guide. Copy it for every decision you make. Keep them in a notebook and review. You can even track your batting score after you've gotten a few reviews under your belt.

Decision Name	Decision Date
What I decided:	
Results I expect:	
Why I think this decision should produce these results:	
Alternate Options I rejected (and why):	
Review Date:	
Results:	
What I learned:	
Score: Mistake? Home Run? Something else?	