Course Overview

Top Management Processes (TMP) is about the job of the Chief Executive Officer (CEO)/General Manager, the leader of an organization who is ultimately responsible for the organization (design & success), strategy (development & execution), operations (P&L responsibility) and results. This job is quite different from an individual producer's job, such as a trader, or the head of a function such as marketing or finance, or the head of a business unit. All the functions report directly or indirectly to the CEO/GM (hereinafter referred to for simplicity sake as “CEO”). It is the CEO’s job to ensure that these interdependent units are coordinated and integrated and executing a common strategy that is continually responsive to a continuously changing market place.

CEOs succeed or fail based upon their ability to develop and articulate a beneficial strategy and on how well they are able to design organizations, lead people within the organization, influence parties outside of the organization and make effective business decisions to operationalize strategy. How are people selected, developed and appraised? How do CEO’s provide leadership? How are good working relationships promoted? How is strategy actually decided? And then how is it executed? How are budgets set? How are these decisions made in a world that is continuously changing, where multiple forces are at work and interacting with each other, where data is often woefully incomplete, or just plain wrong, and executives’ prior experience with the issues their organization faces is often limited? The challenges are daunting. The course is one in which you will have a chance to study the challenges that confront CEOs and to formulate approaches to those challenges so that you will not be as daunted when you face them.

Good decisions (whether with regard to strategy, organization, operations or people) are more likely if CEO’s appreciate that everything is connected to, and affects everything else (“system”). And, people, events, issues and situations evolve and interrelate over time in complex ways (“process”). In this latter regard, in TMP we will study three kinds of process: leadership, organizational and group, and how they interact. This diagram below illustrates how these three interact.
Leadership Process: Leadership is a process because it is a series of choices, actions and decisions over time that shapes the organization in which people work. It is about how CEO’s bring people together and influence them to align efforts for the collective good of the organization.

Of particular import is the relationship between a CEO and his/her leadership team because they are connected in a reciprocal way: they influence each other’s feelings, thoughts and actions. A hallmark of leadership is the ability of CEO’s to calmly encourage trust, participation, and collaboration, and maintain good relationships in order to help their organization work through tough issues and situations.

Organizational Processes: Much of a CEO’s decision-making is accomplished through organizational processes such as strategic planning, performance reviews, business development, programming of operations and budgeting. These organizational processes are sequences of activities and tasks that unfold throughout the year and that are always interacting with each other and on-going events. Every company uses these organizational processes to plan what they are going to do, link all the different departments together in, hopefully, common action, and, monitor progress. They are the principle ways through which organizations do their work.
**Group Process:** The CEO’s top team needs to be involved in these organizational processes. Increasingly, as markets and organizations have become more complex and dynamic, successful CEO’s work with and through their top team. They have learned that no one person can possibly possess the experience and expertise needed to create and implement strategy, lead people and coordinate operations alone. When their team works well, CEO’s gain diversity of viewpoint and perspective. Realizing these benefits though is not easy. Group process is about the multitude of ways in which people interact with each other and the quality of their working relationships when they are working on company challenges.

Getting these three processes right is in fact quite difficult. It’s not just that markets are difficult to read and unpredictable. Organizations, made up of people, are also unpredictable. Anxiety is more commonplace in our organizations then we typically like to think. While anxiety can motivate people, it can lead to stress and impaired functioning. Work relationships can break down. Inter and intra group conflict can break out. Information may not get to the right people. Functional and business silos can develop and impede discussion and coordination. Decision-making deteriorates. The interaction of these processes, in light of the above, makes leading a complex organization among the most challenging of callings.

The objective of TMP is to improve your capabilities to lead complex organizations at the highest levels. The course is organized into six modules, of which the first two focus on values based leadership, what it “takes” to become a CEO and transition issues; the next three modules each study a specific general management responsibility and the last provides time for self-reflection and analysis regarding your personal values and leadership style. In each of these modules we study, simultaneously, the leadership process, the organizational process and the group process. Our discussions illustrate, however, that organizational processes and group process can only be as effective as the leadership process and the resulting work environment that the CEO has created. In other words, leadership process is primary.

- Module 1: Values based CEO leadership and desired attributes and experiences to be CEO
- Module 2: Making the transition to CEO
- Module 3: Systemic thinking and the process mindset
- Module 4: Decision-making processes, resource allocation processes and people processes
- Module 5: Strategic processes
- Module 6: Personal reflections of personal values and leadership philosophy
In Module I we will first explore the whole concept of “values” and the importance values have in becoming a successful CEO. We will explore the use of values to navigate to success (including the creation of your own values tree hierarchy) and discuss both the Operation Tomodachi case and the Man Jit Singh case. We will then set the stage for the balance of the course and discuss what organizations are looking for when they select a CEO.

In Module II, we will discuss the challenges in making the transition from an individual producer to a CEO. Almost one in two CEO’s fail, usually within the first 18 months. The major “derailers” are poor working relationships, inability to build and lead a team and difficulty in adapting to the broad scope of the job. We will explore the challenges of succeeding as CEO through discussing, the experiences of Silvio Napoli—a former corporate planner in his first assignment as a CEO and, Paul Levy emphasizing the challenges he faced in the turnaround situation he found himself in. We will also discuss the “CEO interview” which will be assigned before our first session of the semester. The focus will be on the challenges, opportunities and potential pitfalls of making the CEO transition.

In Module III we will introduce systemic thinking and the process mindset and explore how they can help new CEO’s handle the challenges of their job. Systemic thinking helps CEO’s start with the total situation and learn all the many factors at work in a situation and how they might be influencing each other. It lessens the tendency to focus only on an individual or a single department to understand poor performance. Systemic thinking also helps CEO’s move from largely a technical orientation to a leadership orientation.

The process mindset facilitates systems thinking. Process is inherently dynamic and comprehensive—it helps identify interactions, how situations are evolving and the broad scope of action needed for effective operations. We will discuss the Friendly Fire and Challenger launch cases.

In Module IV, we study decision-making processes. These processes deal with how CEOs and their top team create and consider alternatives, handle conflict, build on different viewpoints and decide. Usually, decisions at the level of a CEO, such as future strategy, people or technology choices, are important and controversial. Members can get over-invested in their opinions. Anxiety can rise which leads members into protective behavior. Power struggles can emerge. Top teams can become polarized. “Win-lose” behavior erupts. Alternatively, particularly if the CEO’s approach to leadership is unilateral, members get intimidated, refrain from speaking-up and go into a state known as “group think.”
Either way, leaders and members don’t see that their working relationships have in fact broken down. Their communication with each other is not open, honest and trusting. Their differences are not explored. They don’t actually understand the situation enough to make a good decision. What’s worse is that leaders and members are often unaware (or unwilling to admit to themselves) that their relationships have broken down and impaired their decision-making.

We will discuss how CEO’s can design and lead decision-making processes so that relationships within their top team enable open, honest, candid discussion. Topics include how CEO’s can access the talent in their top team, surface conflict, help members build on each other’s experience and change attitudes and behaviors, including their own. We will discuss the Mount Everest case, the Columbia Final Mission case and the Bay of Pigs/Cuban Missile Crisis. In Module V we focus on strategic processes. It’s through these processes that the decisions are made on the company’s future direction and goals, how it will satisfy customers better than competitors, how all the functions, geographic units and levels will be aligned to implement the strategy and how progress will be monitored. We will discuss the design and leadership of strategic planning processes, scenario planning, and new business creation.

We will study, first, the challenges in resource allocation processes. Here is where companies identify and budget specific actions and projects that are needed to execute the strategy. Budgeting surfaces conflicts which is useful. It can also deteriorate into a zero sum game in the absence of good relationships and leadership process. We will experience the challenges of budgeting, and discuss ways of handling them.

Then we will turn to the important responsibility of developing people and building organizational culture. Many strategic and performance failures come from people and teams not being led in a way that helps to actualize the company’s strategy. Part of our discussion here will be on the role of HR in helping to build appropriate organizational capability. We will discuss the parameters of an effective review process and how to tailor development opportunities to groups, teams and people at different stages of development.

In this module we will discuss The Deloitte University case, strategic planning at UPS, engage in a role play around the BCPC Internet strategy, and, discuss the Chocolate Cordon Rouge case.

Finally, in Module VI we will focus on preparing you to navigate the path from where you are now to the leader you aspire to be. We will focus on your own leadership values and emphasize what you leverage after this course, and what you need to rethink, and instill in what you do to improve your qualifications to become CEO. We will review the journal entries you prepared throughout the course and provide a classroom opportunity to summarize the most significant of them.
Throughout the course, we will invite guest speakers to share experiences with you on the topics we are discussing. Most often these Individuals will be CEOs or Board Chairman, but we might have other titled individuals as well.

**Course pedagogy**
Classroom discussion is the primary pedagogy. So it will be key that you thoroughly prepare the cases, watch the videos and movies, as appropriate, and engage in frequent and high quality participation in class discussion. This also means staying off electronic distractions, participating with enthusiasm in simulations and exercises, and avoiding any comments or behaviors that take away from the learning environment. Participation will be judged in each class, and it is quality over quantity that I am looking for. However, there are two written assignments, and you will be using a learning journal to document contemporaneously some of your learnings. There will be a final paper as well.

The graded components of your final grade is as follows:

- Class participation 40%
- Individual assignment #1 on values 15%
- Individual assignment #2-CEO interview 10%
- Group reflections (on BCPC and Chocolate Cordon Rouge experiences) 10%
- Learning Journal entries 10%
- Individual assignment #3 15%