



Opinion: **The Four Levels of Organizational Success**

By Bob Uhler

I'm not really one for reflection. I prefer to look ahead, plan out things and focus on the future. So when I was asked to attend FMI's recent CEO Forum and speak about my time as the CEO of an engineering firm, I hesitated because I do not live in the past. I also know that it is hard to talk to a group of experienced and senior CEOs about what they should be doing, without looking as if you are standing on a podium of superiority. I do not have any right to do that, and I didn't want to come off that way to the group. I was torn on what to do and how I could possibly impart any value without offending my audience, who would undoubtedly be saying to itself, "Who is this guy?" and "Who does this guy think he is?"

After working through these issues, I agreed to do the talk. I jotted down some notes and then spoke from my heart while up on the stage. I was talking to many CEOs who were in their 50s and basically saw me as a senior citizen — someone who they could talk to not about MWH or engineering, but about their careers and how to lead their own enterprises. As a CEO, one thing you quickly find out is that you cannot talk to other CEOs about your weaknesses, even if you doubt yourself. You simply can't share those concerns.

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You also cannot talk to your clients about it because you are trying to project an image of having your stuff together; there are no issues or problems at your organization. Period. Your colleagues and co-workers cannot help in this area either because you really don't want to share your problems and weaknesses with them.

That's when I realized that there was a unique position open for "unpaid" CEO coaches, and I wound up becoming one for about five clients. These clients would ask me philosophical questions about

how I organized my time, managed day-to-day activities and other topics. Some were taken by my philosophies, which included discussion about training my successor. This took place about four years ago and involved a move from the COO position into my position. It doesn't sound like a big jump, but it was. To help him bridge that gap, I started building a vocabulary framework to which we could both relate. My aim was to shorten our discussions by using the vocabulary, which involved four different levels of time and dimension, and actually meant something to both of us.

THE FOUR LEVELS OF CEO ACTIVITY

As I worked through the exercise of developing a vocabulary for my predecessor, I realized that the outcome of this activity would be applicable across many different organizations. After all, as CEOs we face many of the same challenges, regardless of our lines of work. Here's how I broke down the vocabulary into four digestible, understandable chunks:

Level One. This level revolves around operational decisions that, in most cases, are presented to the CEO based on historical issues. For example:

- Someone is leaving the company, so what are we going to do about it?
- Someone filed a claim, so how are we going to handle it?
- We are competing for a big job — how are we going to name a project manager and win the bid?

All of these questions involve momentary, operational decisions that are relevant today. They usually are driven by the past and eat up our time. People initiate these level-one issues for all sorts of reasons. They want to spend time with you so that you know who they are. They ask you to buy into the idea and cover them if they are wrong. These problems fill up your agenda and cut into the time that should be spent working on more strategic areas of the business.

Bob Uhler retired from MWH Global, Inc.'s management team after 36 years and his service included roles as chief strategy officer, president, CEO and chairperson. He acted as MWH's chief business visionary for more than 20 years, and led the MWH business platform from one country to 36 countries and from \$100 million in total revenues to more than \$1.7 billion.

Bob also started MWH's construction practice, which was ranked No. 3 water infrastructure builder in volume by the Engineering News Record in 2011. He has experience in construction activities for federal, state and local governments as well as the commercial sector. MWH Constructors has an international reputation for innovation and success in construction health and safety.

After retiring from MWH Global in 2012, Bob formed his own strategy advisory firm: The UHLER GROUP. Through the UHLER GROUP, Bob provides consulting services to CEOs, investors and boards on strategy and globalization. The firm assists senior executives and corporate teams with the successful execution of technology-enabled strategic and marketing objectives. Services include executive coaching, strategic prioritization, organization design, global market expansion and resource re-allocation to enable future competitive advantage.

Level Two. Here is where we make sure that something does not happen again. What can we do over the next two, four or six months to prevent some problem from ever occurring again? The company screwed up in some way; it had a claim filed against it or it ran into a quality control problem. Whatever the issue, this is the time to get a team on the ground to assess the problem, report back to you and then come up with a way to prevent it from happening again. These are all short-term problems of three to six months in duration and they are corrections of level-one problems. In our industry, most executives are eaten up by level-one and level-two issues. In fact, CEOs are often calling meetings on the level-two issues because they're bothered by the level-one problems. Other people are driving level one, but now, you are starting to say, "I care enough. I want to be involved in level two, so I'll call those meetings."

Level Three. This is where we start thinking out a little further.

- Where is the firm going to be three to five years from now?
- How is its portfolio going to have to change, based on the sources of income, the growers and technological advancements taking place in the world?
- What are we doing to hire the right people who would actually get us there?

As you can see, level three is much more futuristic and it almost takes the full incentive of the CEO or the chief of strategy to get your company to this level. Without that support, the level-three initiatives just do not get off of the ground.

Level Four. Now we're at the enterprise level. Key questions asked at this level include:

- What is this enterprise?
- Should it be public or private?
- What is our capital structure?
- What is our stockholder obligation?
- What is the philosophy of the firm?
- What is the brand of the company?
- Should we be a multisector company or should we be a single-sector company?
- Should we be a Cartier or a Walmart?

Level four is the enterprise design and the very heart of your organization.

DON'T JUST WHITTLE YOUR WAY DOWN

Most business strategy books will tell you to start at level four and then whittle your way down to one. But, from a CEO's standpoint, you can only get to level four if you have the time in your schedule to reach that point. Mired in level-one and two issues, the typical CEO often does not have enough

hours in the day to do any strategic thinking, let alone enterprise-level decision making. As a result, many CEOs who have come up through the ranks of their organizations are very familiar with level-one and level-two problems and they are pretty good at handling them.

The last two levels remain a persistent challenge for them to reach, assess and solve. Most CEOs, for example, are challenged by level three and are not even educated in level four, so they use outside consultants. I'd ask my CEO coaching clients, "How many hours a week are you spending on level four?" Because if you do not spend the time, who will? If you do not do it, nobody else will, and no one is assigned to level-four problems except you. So, you will fail as a CEO if you do not spend enough time making decisions at level four. Many people can do level one, some can do level two, but only one individual can do level four, and that is you.

My clients did not want to hear that, of course, and immediately began asking questions like, "How do I know when level three or four issues need to be addressed?" They would also say things like, "I come into work every day and my schedule is completely full. How do I know whether I'm spending my time wisely and in the areas where it really needs to be spent?"

These are, of course, the million-dollar questions that CEOs ask of themselves every day as they strive to run their day-to-day operations and strategize effectively for the future. My acid test is pretty simple to use. At the end of every week, just look at yourself in the mirror and ask, "How many hours did I spend this week on honest and productive level-four thinking and not tangential level-four thinking?"

If the answer is less than four hours, then you have a problem. You need to rearrange and "own" your time; you cannot let the organization own your time. Yes, you are a tool of the organization. You are the only one who has "CEO" written on your door. You do the interviews and you solve client problems, but you really have to be able to control your time in order to get into level four. Ignore this step and you will continue to spend your time putting out fires while your organization languishes. ■

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