

Are You CEO Material?

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Ask yourself...

Sooner or later, every growing company reaches a point at which the entrepreneur behind it should start wondering whether he or she is the right person to be CEO. The answer has a lot to do with the company's stage of development. The person who's right for the start-up phase may not be right when the business reaches the management stage. Veteran entrepreneur Norm Brodsky found out the hard way that he was a terrible manager.

So how do you know...

Brodsky suggests there's no tried-and-true formula for evaluating a prospective CEO. Ultimately, of course, the proof is in the pudding: How does the company perform? By the time you see the results, however it may be too late. That said, here are the five criteria Brodsky uses in evaluating a person's ability to handle the responsibilities of a CEO.

Are you a leader?

First, a CEO has to be a leader, not simply a pied piper. Entrepreneurs are pied pipers. We play seductive melodies, conjure up wonderful images, and entice people into following us. Leadership is different. It calls for keeping a watchful eye on the business and making sure everyone understands what must get done. You need to create a sense of urgency about that.

Do you possess foresight?

Second, a CEO should have the ability to see around corners—that is, to recognize well in advance what has to be done for the good of the business—so that the company is always leading the industry rather than trying to catch up.

Do you love solving problems?

Third, a CEO needs a passion for problem solving. You have to be able to figure out quickly which problems require your attention and which don't, and then focus relentlessly on getting the big ones solved. It helps to be sort of a person who feels acutely unhappy until a problem is fixed.

Is your ego too big?

Fourth, a CEO has to be able to put the company ahead of his or her ego gratification. Entrepreneurs enjoy the spotlight. That's fine when the company is establishing itself in the marketplace, but it can become a problem later on. You need to be willing to do what's best for the company at any given moment, which may include staying out of the spotlight.

Are you financially savvy?

Finally, a CEO must be financially literate in a way that goes beyond accounting. As CEO, you need to be able to use the numbers, not just to understand what has happened but to help you spot trends, identify problems, and head off trouble before it hits you.