

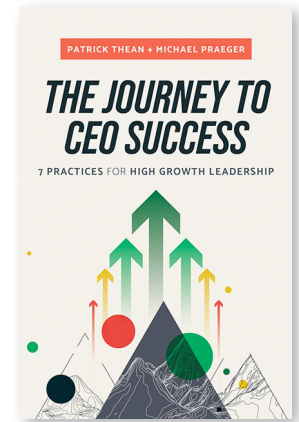


Executive Book Summaries[®]

The Journey to CEO Success

7 Practices for High Growth Leadership

by **Patrick Thean and Michael Praeger**



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THE SUMMARY IN BRIEF

The intricacies of leading a fast-growing organization are numerous. From negotiating to turning corporate culture into the organization's biggest asset, leadership requires good intuition, expertise, and a strategic approach.

The Journey to CEO Success: 7 Practices for High Growth Leadership is designed to help CEOs identify emerging problems and nip them in the bud. The book has been called “a masterclass in leadership and growth,” as well as “a must-read for leaders wishing to enhance their journey with proven methods that have already paved the way to success for numerous C-level executives.”

Authors Patrick Thean and Michael Praeger have distilled more than 20 years of experience coaching visionary leaders and transforming corporate organizations. The book brings together compelling real-world stories with tested tactics to equip entrepreneurs and CEOs with the tools needed to thrive.

IN THIS EXECUTIVE BOOK SUMMARY:

- Everything you should know about the seven practices of effective leadership
- Sustainable ways to level up your business game
- How to identify issues early on and resolve them effectively
- The secret of building a strong people ecosystem to support and develop your business

Chapter 1: Introduction

Every CEO faces challenges and career-defining moments that will result either in a major success or a complete fiasco. In those instances, a CEO needs coaching and some guidance to uncover the tools and skills essential for coming up with a resolution. I went on this journey with Richard Giordanella, my first coach.

The best coaches are capable of accomplishing the following:

- Encouraging CEOs to move forward when they feel hopeless
- Inspiring them by opening their eyes to the positive things already achieved and the possibilities of the future
- Teaching leaders how to calm down and solve critical problems instead of doing it for them
- Holding them accountable to do what they promised
- Assessing the team and showing CEOs how to lead with empathy and demand performance at the same time

When I recalled my time with Richard, it filled me with gratitude and respect. CEOs have a tough job, one of the toughest in the world. It's not always fun, and it can be lonely at times. I was in a desperate and vulnerable place. He could have taken advantage of me, but he did not. Instead, he gave me empathy, coached me, and helped me to get back up to recapture the joy and excitement of running my company. I realized that this is my true calling, my purpose: To help CEOs not fail but instead succeed, build great companies, and achieve their dreams.

My True Calling, My Purpose: To help CEOs not fail but instead succeed, build great companies, and achieve their dreams.

Chapter 2: Michael Praeger

“I need help,” my friend Michael Praeger told me. “I know the smartest person in technology, but he’s too busy and too far away to help me. So, I’m asking you, the second smartest person I know in technology. How about it?”

Who could predict that twenty years later, I would introduce Michael to people as “the smartest and most successful financial technology (FinTech) entrepreneur and public company CEO whom I know personally”?

Michael was the first entrepreneur and CEO whom I helped. Thanks to him, without realizing it, I had started

my journey as a coach to CEOs and leaders of companies.

Early in our relationship, I could already see that Michael had the makings of a great leader. He had an insatiable appetite to learn and a humility that disguised his successful track record. He had already grown and sold three companies, yet he continues to seek personal growth and development. The best leaders do not allow their success to turn them into someone who is proud and unapproachable. Instead, they maintain their humility and their hunger to learn.

In a relationship as long and fruitful as ours, we have walked through numerous high points and low points together. AvidXchange has gone through many pivotal moments during its successful journey from startup to Unicorn (privately held company valued at more than US\$1 billion) to public company on the Nasdaq stock exchange.

Chapter 3: Why You Need This Book

The journey of a CEO or any senior leader is tough. I have had the privilege of walking with and coaching CEOs for over twenty years. During this journey, I have learned that leading and making the right decisions are hard. I have witnessed many leaders make poor decisions without realizing it or considering the opportunity costs.

Your journey as a leader will be filled with challenging yet exhilarating twists and turns. I am not suggesting that mistakes are all bad. In fact, I applaud the speed and courage necessary to make decisions that might end up being mistakes. However, we all need the right practices to identify these wrong decisions and correct them quickly.

This book is meant to help you make smarter decisions, be a better leader, and make corrections faster. You are on a special path. Michael and I want to help you have a more fulfilled and successful journey.

This book is for leaders and aspiring leaders. Yes, the title of the book specifically calls out CEOs. Yet, these seven practices apply to the journeys of all leaders. More specifically:

- You are the CEO of a growth company, and you need to lead your various stakeholders (employees, customers, board members, investors) and inspire them with hope and vision. You need to drive execution and achieve breakthroughs to achieve results and be successful.
- You are a senior executive experiencing change that might feel unsettling, and you need to lead your team

We need humility to learn and improve ourselves continuously.

by making the right decisions to give them confidence in the future of the company.

- You are a manager who needs to understand how decisions are made by the senior executives in your company and equip yourself to support these decisions.
- You are an aspiring leader who wants to learn more by understanding how decisions are made to level up for future leadership opportunities.
- You are a consultant who coaches CEOs or senior executives, and you want to gain more insight and expertise to help your clients achieve success.

Chapter 4: The Seven Practices

These practices encompass elements of leadership, personal development, strategic thinking, and execution abilities. In the chapters that follow, we will delve into each practice and learn from the real-life experiences of CEOs who have used these practices to achieve success.

The first two practices help us lay a strong foundation for success by working on ourselves as leaders:

1. **Be Curious:** We start with the circle of curiosity. Curiosity should encompass everything we do. We will explore the difference between BEING curious and DOING curious.
2. **Level Up:** We need humility to learn and improve ourselves continuously. Whenever we find ourselves blaming someone else or unfortunate circumstances, we are missing an opportunity to learn and grow.

Then we need to improve how we get the work done:

3. **Establish Your Early Warning System:** If we can't see it, we can't avoid it. We need an early warning system to alert us before we get smacked on the side of the head.
4. **Achieve Full Alignment:** Work gets done and delivered in teams. If we are still operating in silos, we are in for a world of hurt! We need to get the most out of our teams in a joyful way.

Next, we need to make sure we have created the right environment for our teams to be successful:

5. **Make Culture Your Competitive Advantage:** This is the practical side of culture. Our working culture sets the right environment for us and our teams to succeed. When we do culture right, we significantly improve our Return on Payroll (ROP). When we do culture wrong, we are helping our competition beat us every day.
6. **Build a Strong People Ecosystem:** This is one of the toughest practices—to continually grow and renew our teams' skills. Handled right, our people are our greatest assets. Ignored, our people become our heaviest anchors.

Finally, we need to fine-tune our strategy to focus on our core customer:

7. **Focus on Serving Your Core Customer:** Not all customers are equal. Some are more important than others—our core customers. We need to figure out who our core customers are and build our businesses to serve them and care a little less about the other customers.

Chapter 5: Be Curious

All of us are born curious, but the world extinguishes our curiosity. This starts with most of our teachers and parents, who encourage us to conform to societal norms. Our parents did the best they could with what they knew. They didn't realize that by quieting a curious child, they were discouraging us from being curious.

It gets worse when we start working in the corporate world. Now our world is filled with people on a tight schedule, with little patience for reflection and downtime. Those who are more ambitious have even less time to ask questions, be curious, and play.

Knowledge and experience also play a part in dampening our curiosity. When we do not understand something, we seek to learn. We ask questions. We explore. This is being curious.

As we become knowledgeable and more experienced in our fields of study and work, we gradually become experts. We begin to naturally ask less questions and dispense more advice. As we become more knowledgeable, unless we choose to be curious with intention, we lose curiosity over time.

I stated earlier that all of us are born curious. Let's talk about how to activate your curiosity gene and be a better leader:

- Become a good listener and accelerate learning
- Go from unintentional to intentional curiosity
- Start with one question: "What is it about this topic that I don't know yet?"
- Be curious and be interested in others (and your relationships will improve)
- Be a better boss by owning your mistakes and growing from them
- Identify and solve the right problems
- Replace fear with curiosity

Chapter 6: Level Up

Michael derives true delight from improving himself. He loves to find ways to level up! Over the last twenty-four years, Michael has taken all feedback, no matter how tough, as part of the reward of being on his company-building journey.

Michael realizes that he needs to solve the problems of today and simultaneously prepare himself for the challenges of tomorrow. "Patrick, if my company is growing at 30 percent, then I must grow at the same rate or faster, or my company will outgrow me."

If you are a leader, your company or team will be limited by your leadership capabilities. If you get stuck on Mount Startup, your whole team will be stuck at the same spot.

Therefore, leveling up is not a onetime exercise. It needs to happen repeatedly, even continuously. To do that, you need the right habits. This chapter will share five habits you need to intentionally and consistently develop to level up:

- Habit 1: Delegate to Level Up
- Habit 2: Reflect Regularly to Build Self-Awareness
- Habit 3: Seek and Diffuse Blind Spots
- Habit 4: Learn to Ask for and Receive Feedback

- Habit 5: Work with a Coach

You'll also need to understand the things that keep you from leveling up:

- Not prioritizing tomorrow
- A failure to invest in your own growth and learning
- Ego and lack of self-awareness

Chapter 7: Establish Your Early Warning System

An early warning system saved my first company. Most of us do not think about having one until something goes wrong. Then we wake up and "close the barn door after the horse ran out," finally building our early warning system long after it should have been up and running. We should all build an early warning system as soon as we can in order to avoid the train wrecks and failures that are waiting for us along our journeys.

Most of us have multiple excuses for the failure to build an early warning system. The main ones are:

- We don't have time for it
- The business has seen predominantly successful results up to that point
- You start believing your own hype

To establish a successful early warning system, you need to protect your blind side. Avoid potential issues by using leading indicators that can predict and alert you to a possible train wreck. Keep the future focused and predictive.

Begin with clear success criteria. Avoid rework and wasted resources. Don't start any project until you can describe what success looks like.

Be transparent and engage all available brains. Share candidly what the real problems are while allowing teammates to engage their abilities to solve the problems.

Finally, remember to tackle problems, not people. Keep your team out of the foxhole of self-preservation with a focus on the problem, not whose fault it is. Get in the habit of always rewarding results, not effort. Avoid the common mistake of rewarding long hours and superhuman effort. Reward team members for achieving agreed-upon success criteria, and celebrate accomplishing stretch goals.

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Chapter 8: Achieve Full Alignment

A common mistake is getting aligned only on the final outcome while believing that how the team executes toward that final outcome is not important. You may also believe that the different tasks and projects leading to execution can be easily delegated without much discussion.

Aligning only on the desired results or final outcomes often leads to misunderstandings along the way.

I've seen this happen often with senior leaders. They agree on the result or destination and therefore believe that they are aligned and can move on to something else, expecting their teams from different departments to work in alignment. A month or two later, they realize that different teams were not in synchronization in their work.

Full alignment is about how we get things done, not just what we want to get done. And needless to say, we make mistakes along the way. Some of the common issues that cause misalignment include:

- Mistaking abdication for delegation
- Not agreeing on process
- Failing to communicate your vision frequently
- To become aligned and stay aligned, you'll need to:
- Make sure everyone understands the work and the purpose behind the work
- Visualize the journey together
- Commit to a rhythm of communication
- Use weekly meetings to sync up and adjust
- Run towards conflicts instead of avoiding them
- Engage in active realignment for high-challenge situations
- Plan with other departments and teams to align horizontally

Chapter 9: Make Culture Your Competitive Advantage

Your employees' behavior and how they relate and work with one another is the practical working culture of your company. Core values are part of it, but limiting the discussion to only core values does not give you the full picture of your company's culture.

Core values are the unchanging, fundamental principles that define the heart of your organization. Mindsets are the ways you think about and approach a situation or problem.

Think about how the values (core values) that you hold combined with how you approach situations (mindsets) determine how you react to situations at work (behavior). The practical side of culture comes down to how a company's employees behave and work with one another. Core values and mindsets collectively shape behavior.

Virtually every CEO now understands that culture is important, but many don't yet understand it from a competitive standpoint. Times have changed. Culture is finally truly a competitive advantage. Leaders who do not understand this will make terribly expensive mistakes.

For over twenty years, Michael and I have collaborated to make AvidXchange a great place to work. We've noticed some huge changes in that time, especially in how employees choose where to spend their careers. We have observed some emerging trends.

- **Passion and interests:** The younger generation of workers are courageous enough to follow their passions and interests instead of being funneled into jobs they're "expected" to do. Focusing on the joy of the work itself, rather than maximizing their compensation package, means they're less willing to work in unpleasant environments.
- **Flexibility to work from home:** The COVID-19 pandemic caused many people to rethink why they go to work and to gain a new appreciation for working from home.

- **Prioritizing life over work:** A new prioritization seems to be taking hold. People are seeing work as just one element of their lives, and they are thinking very intentionally about the work they want to do. It's less common for employees to consider sacrificing their personal preferences—family, hobbies, travel—to secure the job they want.
- **Empowered decision-making:** Employees are becoming more empowered, better informed, and motivated to make good moral choices, which also enhance their communities. They want to be part of something bigger than themselves. They do not want to choose between a good job and an impactful life. They are beginning to realize that they can have both.
- **Making a difference:** Employees have become increasingly interested in finding the company that fits them best. They want to connect to the mission and purpose of the company and contribute to the firm's success using their skill set. It's not just about a paycheck but about making a difference.
- **Compensation beyond salary:** While still important, salary is only one part of the compensation system. We need to view compensation more holistically. Time off, flexibility, and contributing to social causes can also be viewed as compensation.

Chapter 10: Build a Strong People Ecosystem

Great execution comes from having great focus, alignment, and accountability to achieve your commitments. The work is done by people. If your team is not well led or equipped with the right skills, then you are already failing right out of the gate! When your team is well led and well equipped, commitments get achieved with less stress and drama. Life is good!

On the flip side, when your people are not up to the task, there is much drama and emotional pain. The work just seems harder. Life sucks!

The difference is people. This chapter will explore why it is important to prioritize having the right team in place. Most companies make the mistake of prioritizing team improvements after important work. That's like choosing to chop wood with a blunt ax. It is going to take more energy and time, and you will end up chopping less wood. Instead, you should stop chopping wood and take the time to sharpen

your ax. You might be slower to start, but you will have more output and end up with more chopped wood.

Solving people problems is challenging and may be emotionally draining. Your ability to reach a resolution depends heavily on the relationship that you have built with the employee. Michael, for example, likes to spend focused one-on-one time with all of his key leaders outside of the office environment over breakfasts, lunches, and dinners in order to be both fully present and to be able to connect with his team on a more personal level. Michael finds that having these deeper connections pays dividends when trying to navigate future roles and organizational changes. He is depositing into their emotional bank accounts.

It takes intentional work to recruit and develop A-Players. C-Players may actually be sucking your energy and dragging your company down. To develop a strong people ecosystem, you'll have to:

- Build an organization of A-players
- Invest in your A-players first
- Develop your future organization
- Continue investing in your great team and removing obstacles

Chapter 11: Focus on Serving Your Core Customer

To play off George Orwell: All customers are created equal, but some customers are more equal than others. Your core customer is the most important customer you have. This final chapter is about designing and fine-tuning your strategy to serve your core customer.

Your core customer will fit the following descriptions:

- They are a good fit for your products and services today.
- They also provide a road map for you to build a successful business for the future.
- Because of the good product fit, they are easy to serve without much friction.
- Because of the good product fit, your team typically enjoys providing for these customers. Your team feels fulfilled as they are also living their purpose when servicing these customers.
- They need you. Your offerings fall into the category of “must have” and not “nice to have.” They would miss you if you did not exist.

Your core customer definition should be short, no more than twenty-five words. Avoid corporate jargon. Make it simple, easy to read, and understandable, and then communicate it to everyone in your company. If you have to read it off a sheet in order to remember it, then you've already messed up.

The core customer definition should describe a real person with real needs. Here's how to create that definition:

1. Make a short list of the customers you love to serve (not necessarily your largest customers) and discuss:
 - Who is the primary user of your product or service?
 - What do they value about your product or service?
 - What are their dreams and desires?
 - What do they truly need?
 - How might you uniquely offer what they truly need?
2. Make a short list of the customers that are the most challenging to serve and discuss:
 - Why is it challenging to give them what they need?
 - Learn about the characteristics of customers that you do not serve well, and consider avoiding these characteristics in your core customer definition.
3. Discuss, debate, and decide on the following:
 - Who is our primary user?
 - What do they really need?
 - What do we provide that is unique to us that solves this need?
4. Develop your core customer definition, and limit it to twenty-five words or less:
 - Avoid corporate jargon. Use simple words.
 - Remove any “fluff” (marketing words).
 - Use language that conveys feelings and experiences.

Chapter 12: Our Journey Continues

Many founders dream of taking their company from start-up to IPO as a step toward building a great business that endures as a legacy beyond themselves. These seven practices have helped Michael and many other CEOs and senior leaders achieve success in leading their companies and teams.

On October 13, 2021, AvidXchange successfully completed their IPO. They currently trade on NASDAQ under the symbol AVDX. This is an incredible accomplishment as less than one percent of all startups go on to achieve an IPO. Only a fraction of those that make it remain led by founder CEOs.



Patrick Thean is an international speaker, CEO coach, and serial entrepreneur. He is a USA Today and Wall Street Journal bestselling author. His work has been seen on NBC, CBS, and Fox. He is focused on helping CEOs and their teams experience breakthroughs to achieve their dreams and goals.

Michael Praeger is AvidXchange's Co-Founder and Chief Executive Officer. Since starting AvidXchange more than 20 years ago, he has led AvidXchange's growth to more than 1,600 employees, 8,800+ customers and over 965,000 suppliers nationwide.



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