

The major decisions facing CEOs

Evaluating the decisions around growth

Good decision-making is an effective CEO's stock in trade. They make decisions daily about the path forward for their businesses, carefully considering the needs of employees, stakeholders, customers and fellow key executives. In a recent survey of its small and midsize business leaders, Vistage Research asked, "What are the major decisions you'll have to make regarding your business in 2017?"

The top major decisions had a crucial common element: growth. In the Q2 Vistage CEO Confidence Index, **60% of CEOs said they expect to increase profits in the year ahead.** Such expectations for growth demand strong strategic decisions and precise execution.

Research shows that the key decisions CEOs are making largely fall into three categories:



Talent planning



Sales, marketing and customer service



Acquisition and accessing capital

1. Talent planning

CEOs point to talent planning as a perennial area of significance. The issue is fraught with decisions: identifying, recruiting, and hiring top talent, getting 'the right people in the right seats,' providing workers the skills they require to succeed, and planning ahead for the future leaders of the organization.

In small and midsize businesses, employee hiring and development represent the greatest opportunity and threat to growth. **Survey results also showed 62% of CEOs indicate they are having trouble finding and hiring workers in this tight labor market.** High-performing companies employ a solid review process to anticipate hiring and career development needs. **Talent review and employee retention plans** provide perspective on turnover risks and future talent needs, especially in a competitive hiring climate.



61% of CEOs plan to expand their workforce in the year ahead.

– Q2 Vistage CEO Confidence Index

Beyond hiring and retaining great people, **CEOs must constantly develop the people they have and ensure they are fully engaged.** Historically, fully engaged employees are more productive and less likely to leave. But employee engagement is more than ping pong tables and company picnics. Engagement involves a comprehensive approach to the training, development and career-path navigation of managers, leaders and other employees. **Consider an employee's ability to grow into the job of the future;** not everyone can take the next step. Hiring outside talent for senior roles over long-term employees may be necessary, but know that they often rock the boat for those left behind, particularly in family business situations.



“Historically, fully engaged employees are more productive and less likely to leave.”

– Joe Galvin
Vistage Chief Research Officer

i For more insight: [A framework for talent planning – How the fastest-growing and best-performing companies approach talent planning](#)

2. Sales, marketing and customer engagement

The need to connect with customers is more critical than ever. Strategic decisions, such as the evolution of the sales function, customer coverage model and sales structure are on the agenda as small businesses become larger. Fresh product lines require marketing support, new messages, and training for the salespeople as they call on potential customers or buying centers and encounter competitors.

Buyer behaviors have radically changed since the Great Recession. The internet, social platforms and increased competition provide customers with more opportunities to connect with potential providers. Marketing efforts should focus on broadcasting an omni-channel message to connect customers with products, and sales efforts must meet the customer where they are in their knowledge access. But never forget that prospective customers will rely more on the voice of happy customers echoed through the social media sphere than the marketing message that is broadcast. **The fastest path to growth is through existing customers.** Tune into their needs and particularly to how value is provided. Customer service must be finely tuned in order to elicit greater loyalty.

i For insight on allocating your marketing budget, read [How much should you spend on marketing in 2017.](#)

3. Acquisition and accessing capital

About 48% of CEOs said they expect to increase investment expenditures in the next year, according to the Q2 Vistage Confidence Index survey. Investing in your company means deciding among options for accessing the capital for new facilities, equipment or more staff. Sometimes it means acquiring and incorporating another business. Regardless, the decisions surrounding this type of growth demand a solid understanding of the options and a determination to turn them into opportunities.

The markets have rarely been more open than right now for SMB CEOs to acquire competitors and adjacent capabilities or to expand facilities. **With interest rates currently hovering near record lows, many SMBs are taking advantage of the economic conditions to invest in their business.** Others are using the current climate as leverage to sell their business. While the economic conditions may not last, the opportunity to access capital to acquire assets, invest in the growth of the business or for others to invest in your business is ripe for the picking. Ignoring this window of opportunity may lead to increased pressure in the future to invest when conditions are not as favorable.

i For more insight: [Economic Decision Factors for H2 2017 — Learn strategies for accessing capital](#)

i For more insight: [Growing Through Acquisition: A CEO's Guide to Buying Other Companies](#)

Interconnected decisions

Navigating the perennial decisions related to growth is at the core of any CEO's skill set. How can we grow? Who should we hire? Where should we invest? They are all interconnected and the growth of your business depends on all of them equally. Decisions surrounding investment and access to capital foster decisions about adding or galvanizing departments, projects and initiatives, which naturally stimulate decisions surrounding sales and marketing of the new products and services. Such advances encourage hiring and adding talent to support new functions.

The key decisions are the same, but the considerations vary with the size of the business.

| Key decision | Small business | Midsize business |
|--|--|---|
| Talent planning | Basic HR functions, formalized job descriptions and talent reviews, hiring generalists, compensation | HR systems, retention plans, hiring specialists and leadership, succession planning |
| Sales, marketing and customer engagement | Finding new customers, customer fulfillment, customer retention | Customer expansion and segmentation, client success, customer data and metrics |
| Acquisition and accessing capital | Add sales personnel, management team, equipment, funding basic marketing | Acquiring mature companies, expansion, new facilities, technology and automation |

The bottom line

These decisions move the business toward its growth goals and ultimately define not only the company, but the CEO.

How does an entrepreneur evaluate growth decisions?

How do management teams make the excruciatingly difficult decisions about how and where to grow? For more insight on the entrepreneur's point of view, read [How to approach decisions about the growth of your business.](#)



Contributors



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As Chief Research Officer for Vistage, Joe Galvin is responsible for providing Vistage members with the most current, compelling and actionable thought leadership on the strategic issues of small and midsize business. Joe is an established thought leader and analyst who has researched and presented to business leaders around the world on customer management, world-class sales performance and CRM-SFA technology.

About Vistage Worldwide

Vistage Worldwide is an organization designed exclusively for high-integrity CEOs and executive leaders who are looking to drive better decisions and better results for their companies. Our members — 21,000 strong in 20 countries — gather in trusted, confidential peer advisory boards where they tackle their toughest challenges and biggest opportunities. CEOs who joined Vistage in the past five years grew their companies 2.2 times faster than average small and midsize U.S. companies, according to a 2017 analysis of Dun & Bradstreet data.

Learn more at vistage.com.

About Vistage Research

Vistage Research curates subject matter from the Vistage community and collaborates with top thought leaders to create unique content. Vistage executives access actionable, thought-provoking insights from the Wall Street Journal/ Vistage Small Business CEO Survey and Vistage CEO Confidence Index results, as well as national and local economic trends. Since it began in 2003, the Vistage CEO Confidence Index has been a proven predictor of GDP, two quarters in advance. Vistage Research provides the data and expert perspectives to help you make better decisions.

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