

AN EXECUTIVE BRIEFING

EXECUTIVE LEADERSHIP INTELLIGENCE | VOLUME 01

THE FIVE LEADERSHIP DECISIONS THAT DEFINE WHETHER YOUR COMPANY WINS

Observations from twenty-five years of advising chief executives on the decisions that separate enduring companies from the rest.

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Written for chief executives, founders, and investors who want a candid assessment rather than a comfortable one.

A NOTE BEFORE YOU READ THIS

Most leadership writing tells executives what they want to hear.

This briefing does not.

Over the past twenty-five years, I have led thousands of executive searches and counseled hundreds of chief executives at moments of consequence. In nearly every case I can recall, the decision that mattered most was not strategic, operational, or financial. It was a decision about people.

Brilliant strategies have failed in front of me because the wrong person was in the room. Average strategies have succeeded because the right team executed with conviction. And I have watched chief executives meet every operational benchmark in their plan and still lose, because they got the five decisions in this briefing wrong.

The pattern is consistent. The leaders who get these right tend to win. The leaders who avoid them tend to plateau. There is rarely a third outcome.

What follows is what I would tell you across the table over the course of ninety minutes. If even one of these observations lands the right way, it will save you a year of momentum, and quite possibly your company.

Read it slowly. The questions at the end of each section matter more than the answers.

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THE DIAGNOSTIC

Before reading further, sit with the five questions below. Answer them honestly. If you cannot, you already know which decision requires your attention first.

01	Who on your leadership team would you not hire today, knowing what you know now, and what is keeping you from acting on that answer?
02	Is your top revenue leader a builder of revenue engines, or a brilliant salesperson with a title?
03	When did you last truly benchmark your top three leadership roles against what those people could earn elsewhere this week?
04	If you wrote down the organizational chart you will need eighteen months from now, how many of those people are already in the building today?
05	Are you leading at your peak right now? If not, what is the actual cost of that to your company, your team, and your life?

"Chief executives who get all five of these decisions right do not do so by accident. They do so by holding themselves to a standard of honesty most leaders are unwilling to attempt."

01

DECISION

WHO IS IN THE ROOM, AND WHO SHOULD NOT BE

Most chief executives recognize within six months that a member of their team is wrong for the next stage. They wait eighteen. The twelve months in between are typically the most expensive period in the life of the company.

THE PATTERN

The most consistent failure mode in growth-stage companies is neither strategic nor financial. It is a leader who has known for months that a member of the team is wrong for what comes next, and has not acted on it.

I refer to the cost of that delay as **the Twelve-Month Tax**. In my experience, companies do not fully recover from paying it.

WHAT THE TWELVE-MONTH TAX ACTUALLY COSTS

The person who should already have been replaced is, in the meantime, shaping the culture you will inherit. Their standards become the team's standards. Their pace becomes the company's pace.

The bench beneath them calibrates to a bar you are about to abandon. The candidates you should be recruiting take offers from competitors who decided faster.

Your own credibility with the rest of the team (the people who already see the situation clearly) quietly erodes each week the conversation is postponed.

THE FRAMEWORK · THE LOYALTY AND CAPABILITY MATRIX

Most chief executives evaluate their leadership team along a single axis: loyalty. The more useful axis is capability for the next stage of the company. The two are not correlated.

LOYALTY AND CAPABILITY ARE NOT THE SAME THING. EVALUATE THEM SEPARATELY.

	LOW CAPABILITY	HIGH CAPABILITY
HIGH LOYALTY	<p>THE HARD CONVERSATION</p> <p>Honor what they built. Redeploy or transition them with grace. Loyalty without capability becomes a tax on every other person in the company.</p>	<p>BUILD WITH THEM</p> <p>These are the people you scale with. Invest in them, develop them, protect them. Ensure that equity, compensation, and ownership reflect their value.</p>
LOW LOYALTY	<p>WHY ARE THEY HERE?</p> <p>Low loyalty combined with low capability is not a coaching problem. It is a decision you have already made and not yet acted on.</p>	<p>ADDRESS IT NOW</p> <p>Capable but disengaged. Either re-recruit them with directness (around equity, purpose, and future), or accept the risk that they leave at the worst possible moment.</p>

THE HARD TRUTH

- **The team that gets you to \$50M** is almost never the team that gets you to \$200M.
- **Skill, risk tolerance, and leadership style** must evolve, or the company cannot.
- **The question is not whether you will need to make changes.** It is whether you will make them before the market forces your hand.
- **Every month of delay compounds.** The talent you want most has the most options.

THE CONVERSATION YOU ARE AVOIDING

Somewhere on your leadership team right now is a person you have thought about replacing for months. You have rehearsed the conversation. You have postponed it. You have told yourself it is a busy quarter, that they are loyal, that the timing is not right.

The timing is never right. And the conversation is the job.

REFLECTION

Who on your leadership team would you not hire today, knowing what you know now?
What is keeping you from acting on that answer?

02

DECISION

THE REVENUE LEADERSHIP TRAP

The single most expensive hiring mistake I observe, across industries and across stages, is the promotion of a best-in-class individual contributor into a leadership role for which they were never designed.

THE PATTERN

The error appears most often in sales. It also appears in product, engineering, marketing, and customer success. The mechanics are identical in each case: a brilliant individual contributor is rewarded with a job that requires an entirely different set of skills.

These are not the same job.

A great salesperson wins deals. A great revenue leader builds the system, the culture, and the team that win deals at scale, without the leader in the room. The first requires individual brilliance. The second requires the ability to transfer brilliance to others.

THE FRAMEWORK · PRODUCER VERSUS OPERATOR

Every leadership seat is one of two jobs. Producers extend your reach. Operators extend your capability. Both are valuable. They are not interchangeable.

GREAT SALESPERSON (PRODUCER)	GREAT REVENUE LEADER (OPERATOR)
Wins deals individually	Builds systems that win at scale
Driven by personal performance	Architects team performance
Closes through brilliance	Hires brilliance and removes obstacles
Present in every key sale	Creates wins without being in the room
Optimizes for the next quarter	Builds what compounds across years
Carries quota	Carries the team's quota
Plays to win	Builds a team that plays to win without them

THE REAL COST

This is not an academic problem. A single mistake in this seat routinely costs companies between ten and twenty million dollars, and sometimes considerably more. The arithmetic is consistent.

EIGHTEEN-MONTH GAP	\$5M to \$15M in missed quota and lost market position while the wrong leader is figuring out the role.
TEAM ATTRITION	\$2M to \$5M in rehiring and ramping the talented people who leave once they realize their leader is not capable.
MARKET POSITION	Incalculable. The year you should have been pulling away becomes the year a competitor did instead.
COMPOUND DECISIONS	Multi-year. Every flawed decision the wrong leader makes ripples into the next two years of execution.

THE FIX

The remedy is not an organizational debate. It is a decision about whether the seat requires a producer or an operator, and the willingness to acknowledge that the person who earned the title may not be the right person to hold it.

Producers extend your reach. Operators extend your capability. Both deserve a path. They are rarely the same person.

REFLECTION

Is your top revenue leader a builder of revenue engines, or a brilliant salesperson with a title? Could you describe their system in a single sentence?

03

DECISION

THE LEADERSHIP COMPENSATION DELUSION

Most chief executives are underpaying for the talent that would meaningfully change the trajectory of the company. The market has moved faster than the compensation framework, and the people you want most can see it within minutes.

THE PATTERN

This is the conversation most chief executives do not want to have, because the answer is uncomfortable and the corrective action is expensive.

The issue is not frugality. The benchmarks in use are typically three years stale. The role remembered as a \$200,000 position is being filled today at a \$300,000 base with meaningful equity. Often more.

THE MARKET REALITY

The chief executive who calls in search of a great VP of Sales at a \$250,000 base is operating on data accurate in 2022. The current market is closer to a \$325,000 base, a \$325,000 target variable, and equity worth between \$2M and \$6M over four years.

The candidate you want most is already underpaid by roughly \$75,000 relative to what they could earn this week elsewhere. They know it. They can tell within ten minutes whether you do.

THE FRAMEWORK · THE THREE COSTS OF GETTING THIS WRONG

THE HIRE LOST

Six to twelve months of search. Momentum forfeited in the seat. Decisions made by an interim. Trust the team places in your judgment.

THE WRONG HIRE

A B player in an A role. The cost compounds for years. Every decision they make is one your A player would have made better.

THE SIGNAL

When your compensation framework lags the market, your A players price you accordingly. The ones with the most options leave first.

THE REAL NUMBER

When chief executives ask me what an executive is worth, I redirect the question. The correct framing is: what does it cost to win that person away from the alternative they would otherwise take?

The number always involves three components. Getting any one of them wrong does not merely cost you the candidate. It results in hiring the candidate who could not secure the better offer elsewhere.

THE THREE COMPONENTS OF AN OFFER ELITE TALENT WILL ACCEPT

- **Cash that signals seriousness.** Base and bonus that do not require them to justify the move to their spouse.
- **Equity that signals belief.** Real upside, real vesting, real meaning. Not a gesture.
- **Story that signals direction.** What you are building, why now, and why them. The narrative is part of the offer.

REFLECTION

When did you last benchmark your top three leadership roles against what those people could earn elsewhere this week? Not last year. This week.

04

DECISION

BUILDING FOR WHERE YOU ARE INSTEAD OF WHERE YOU ARE GOING

An organizational structure that works perfectly at your current stage will actively fight you at the next one. The leaders who scale cleanly hire toward the company they are building, not the company they have.

THE PATTERN

This is the most predictable and most frequently ignored leadership trap. Chief executives design organizations for the company they currently operate, and then express surprise when growth stalls at precisely the moment they expected to accelerate.

The structure is not broken. It is calibrated to the wrong stage.

THE FRAMEWORK · THE THREE HORIZONS OF ORGANIZATIONAL DESIGN

Most chief executives design their organization on a single horizon: now. The leaders who scale cleanly hold three horizons in mind simultaneously. The third horizon is where the bet gets placed. The first two are hygiene.

HORIZON 01 · NOW

0 to 6 months. What does this team need to execute this quarter? Who is missing for the next board meeting? This horizon is operational, and most chief executives live here.

HORIZON 02 · TRANSITIONAL

6 to 18 months. What capabilities are missing for the next stage? What will break first if we grow at plan? This horizon is where most leaders should be spending more of their time.

HORIZON 03 · FUTURE

18 to 36 months. Who is on this organizational chart that does not yet exist? What does the structure need to look like at the next inflection point? This is where elite leaders place their bets.

THE EIGHTEEN-MONTH MIRROR

The leaders who scale companies cleanly tend to share a single habit. They look at their organizational chart and ask: ***what does this need to look like eighteen months from now?***

They then hire toward that picture. Not toward today's gap. Toward tomorrow's structure.

This is uncomfortable. It requires accepting that the structure you built, the one that worked, the one you are proud of, must change. Not because it failed, but because you succeeded.

WHAT FORWARD-THINKING LEADERS DO

- Hire for the company they are building, not the company they have.
- Recognize that a structure must evolve once the business outgrows it, not once it has failed.
- Anticipate inflection points 18 to 24 months before they arrive.
- Treat organizational design as a strategic asset, not an administrative function.
- Make leadership decisions in calm conditions, not under crisis pressure.

REFLECTION

If you wrote down the organizational chart you will need eighteen months from now, how many of those people are already in the building today? What is your plan to close the gap?

05

DECISION

NEGLECTING YOUR OWN PERFORMANCE

A high-performance company cannot be led from a state of low personal performance. It can be managed. It can be run. It cannot be led at the level the business actually requires.

THE PATTERN

This is the decision nobody talks about, and it may be the most important.

Chief executives pour enormous energy into building high-performance teams. They obsess over talent, structure, and culture. They then neglect the single variable that exerts more influence over those outcomes than any other: themselves.

Brilliant strategists run on empty. Founders with world-class teams arrive at their own quarterly reviews operating at a fraction of their capacity. Chief executives scale companies while quietly losing themselves in the process.

"A high-performance company cannot be led from a state of low personal performance. It can be managed. It cannot be led."

THE FRAMEWORK · THE CEO OPERATING SYSTEM

Elite performance is not an accident. It is a system. The chief executives who sustain it over decades treat their own performance with the same rigor they apply to their business. Across thousands of executives I have observed through ZRG, through Executive Athletes, and through twenty-five years of being in the rooms where these decisions get made, the pattern is consistent.

They build a system around four pillars.

01 · PHYSICAL	Train. Move. Eat in a way that fuels the work, not the moment. Sleep is not optional. The body is the platform on which every other decision runs.
02 · COGNITIVE	Protect time for deep thinking. The hardest decisions get made in unstructured space, not in back-to-back meetings. The calendar is a strategic document.
03 · RECOVERY	Schedule it as you would schedule earnings. The cost of not recovering is invisible until the day it is not, by which point it is too late.
04 · DIRECTION	Build a life that fuels the leader you need to be, rather than one that slowly drains it. The people, places, and commitments around you are part of the system.

THE TRUTH MOST CHIEF EXECUTIVES DO NOT WANT TO HEAR

Your team is not capped by your strategy. It is capped by you.

Strategic clarity, decision quality, patience under pressure, and the ability to hold the room when the news is bad are all functions of how you are actually operating.

Leaders who win at the highest level (in business, in sport, in any domain that demands sustained excellence) figured out early that personal performance is not a vanity project. It is a prerequisite.

REFLECTION

Are you operating at your peak right now? If not, what is the actual cost to your company, your team, your family, and your life?

THE SYNTHESIS · WHY THESE FIVE WORK AS A SYSTEM

These are not five separate decisions. They are five expressions of the same underlying capacity: the capacity to see clearly and act decisively on questions of people.

Decision 01 (who is in the room) is not possible without **Decision 05** (your own performance). The clarity required to make hard decisions about people requires a leader who is operating at full capacity. Exhausted leaders avoid hard conversations.

Decision 02 (producer versus operator) is not possible without **Decision 04** (building for where you are going). You cannot identify the right operator if you do not yet know what stage of company you are actually building toward.

Decision 03 (compensation) is the most public statement you make about all four of the others. Your compensation framework tells the team, and the market, exactly what you believe leadership talent is worth. It cannot lie for long.

THE PRINCIPLE

Chief executives who win get all five right. Not because they are smarter. Because they decided to.

This is the work behind the work. It does not appear in a board deck until two years later, when the company has either pulled away from its peers or quietly fallen behind them.

THE OPERATING CADENCE · WHAT ELITE CHIEF EXECUTIVES ACTUALLY DO

The leaders who execute on these five decisions do not do so through willpower. They do so through cadence. They put the work on the calendar.

DAILY

Protect time for deep thinking. The most important work is not in the inbox. Move the body. Sleep is part of the job.

WEEKLY

Hold one developmental conversation with a member of the leadership team. Not a status update. A development conversation.

MONTHLY	Calibrate the organizational chart you are building toward against the one you have today. Identify the three biggest gaps.
QUARTERLY	Reassess every leadership role through the lens of loyalty and capability. Be honest. Make the call you have been postponing.
ANNUALLY	Benchmark your top three leadership roles against the current market, not last year's market. Update compensation frameworks. Re-recruit your A players.
ALWAYS	Hold yourself to the standard you expect of others. The team is watching. The team always knows.

THE BOTTOM LINE

The five decisions that determine whether a company wins are not strategy decisions. They are leadership decisions, and they are almost always made (or avoided) in the quiet moments when nobody is watching.

In the conversation that keeps getting delayed. In the organizational chart that keeps getting deferred. In the compensation framework that keeps getting set aside. In the workout that got skipped. In the moment a B player was accepted because the search had run long.

The chief executives who get them right do not do so by accident. They do so by being consistently honest with themselves, by surrounding themselves with people who will tell them the truth, and by holding themselves to a standard most leaders are unwilling to attempt.

That is the standard I hold myself to every day. It is the standard I bring to every conversation with the leaders I advise. And it is the standard I would hold you to if we were sitting across the table right now.

*"The question is not whether these five decisions matter.
The question is which one you are going to act on this week."*

ABOUT KEN LUBIN

Ken Lubin is a leadership advisor and executive search strategist. He is Employee No. 1 and Managing Director at ZRG Partners, now a top-ten global executive search firm, where he has spent twenty-five years counseling chief executives, founders, and investors on the leadership decisions that determine company outcomes.

He is the founder of Executive Athletes, a community of more than 18,000 executives who compete at an elite level, and the creator of The Ultimate Hire, a leadership intelligence platform for chief executives and senior leaders.

Co-winner of the Death Race · Olympic Cycling Trials competitor · World Champion Spartan team

He advises leaders on three things: **building the teams that win, leading at their personal peak, and ensuring their own career trajectory matches the company they are building.**

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