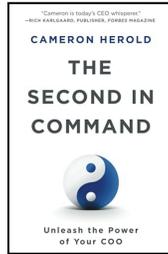


Your Kindle Notes For:



The Second in Command: Unleash the Power of Your COO

Cameron Herold

70 Highlight(s) | 0 Note(s)

Location: 240

can help you turn the Great Resignation into a positive force. It's about time employees quit shitty jobs at shitty companies where they have to drive forty minutes each way for the privilege of being treated poorly or working in uninspiring roles.

Location: 244

There's an old saying that if the rate of change outside your business is greater than the rate of change inside your business, you're out of business.

Location: 259

There are COOs who are marketing or franchising ninjas. There are COOs who would fall on their face at both but are fantastic at finance. As Harley Finkelstein, COO of Shopify, told me on our Second in Command podcast, "No two COOs on the planet have the same job."

Location: 395

Being a startup or scaling COO is not about doing stuff; it's about getting stuff done.

Location: 405

A devil's advocate causes upheaval. For that reason, they have to combine their ideas with outstanding people skills and an ability to defuse conflict. They need to be able to build consensus by challenging the CEO's ideas rather than simply disrupting the company and board through constant arguing for its own sake.

Location: 448

It doesn't make business sense for a CEO to vest tiebreaking decisions in a COO.

Location: 456

As a company scales to medium or enterprise level, the leadership team should be able to hold themselves accountable. Rather than holding people accountable, the COO hires accountable people.

Location: 463

Wickman sees the role of the COO to serve as the glue in an organization. I see it slightly differently. I see culture as the glue that holds the organization together, and the CEO and COO as the source of that culture—through their vision, obsession with core values, and motivation toward goals. Collective alignment promotes cohesion, rather than a single individual.

Location: 483

Good COOs have the ability to slow down, think strategically, grow and align people, and focus on the critical few things rather than the important many. The true power of two in a box comes when the COO matches those traits with the unique personality of the CEO, and sometimes also with industry-specific expertise.

Location: 517

COO Alliance member Rachel Pachivas, of Annmarie Skin Care, likens the COO role to being a quarterback. All she does is call the plays and pass the ball—and trust that everyone else is fulfilling their own roles.

Location: 525

COOs have to be chameleons who understand everyone. They don't have to be experts; they just need to know how to hire experts.

Location: 527

The Head of IT is likely the smartest person in IT, and the CFO is likely the smartest person in finance. The only disciplines the COO is likely the smartest person in are communications, people skills, and leadership. They need the competence to ask the right questions from a leadership perspective: which systems are missing or broken, and how can the company change to collaborate better or to remove obstacles?

Location: 537

A COO must understand how every department speaks and translate between them. That's how they ensure alignment, collaboration, and necessary cross-departmental discussions in advance

of taking action. The COO is part matchmaker and part cheerleader, and ensures people in different departments have the necessary facts about what others are doing.

Blue highlight | Location: 556

A COO who gets involved in every decision for every business area will soon be overwhelmed.

Location: 565

It's easy sometimes to forget that the COO isn't just an execution expert. They're also a people expert. All COOs possess this unique skill set: processes and people, the nuts and bolts of getting shit done combined with EQ and soft skills that most shitkickers don't begin to understand.

Location: 578

A good COO knows the value of the old business saying by Michael Gerber, who wrote *The E-Myth*: "People don't fail—systems fail."

Location: 604

COOs need the same perspective on business systems: they need an integrated, efficiency-minded, and scalable vision. They need to know when there might be an easier way to achieve the same goal.

Blue highlight | Location: 605

They need constructive laziness.

Location: 649

Some people who say they have thirty years' experience actually have five years' experience, six times in a row. There's no reason a twenty-seven-year-old with five years of experience and more technological knowledge couldn't be a better hire.

Location: 651

The key to experience is nothing to do with years; it's to do with the maturity and wisdom that come from having seen situations before, from having hired and fired, built teams, been to board meetings, and whatever else. Everything we've done before makes us better, but some people gain maturity and wisdom quicker.

Location: 692

The first, not surprisingly, is adaptability. The COO needs to tailor their approach based on the culture of the organization, rather than trying to adapt the culture to suit them. They need to absorb, project, and become the guardian of that culture. They're the keeper of the flame.

Location: 702

A COO has to be likable as a person, because that will give them a platform to facilitate the whole leadership team and steer the culture of the organization.

Location: 714

said: “Listen before you talk, always. It’s number one.” It’s not as simple as being able to communicate well. A COO needs to be able to write messages or pass on verbal instructions that are easily accessible and that no one can misunderstand, of course, but they also have to inspire people. Every word they write or say should help raise the energy throughout the business at all times.

Location: 727

A COO shouldn’t share that same crazy energy. They should avoid it at all times. They need to keep on an even keel. So what if that makes people think they’re a little boring? In reality, they’re just more focused.

Location: 737

The COO needs discipline without sacrificing flexibility or losing sight of their mandate to grow the confidence and skills of the people. Work needs to get done while growing confidence along the way.

Location: 751

so you need to hire someone who can command respect within the company with a Level 5 leadership style—as a humble cultural cheerleader and internal champion who will help grow people. They need to have experience but also to check their ego at the door.

Location: 805

Remember: your to-do list doesn’t mean you have to do it.

Location: 837

No matter how invincible a CEO might feel, they should never underestimate the value of having a partner.

Location: 968

There’s no point in hiring a COO unless they will add more value than the cost of their salary. As a rule of thumb, you should be looking for every employee to return a minimum of 2X—and preferably 4X—on their pay because you’ll need that increase in gross margin the company makes to pay for them and break even.

Location: 971

There are four main reasons to bring in a COO: to increase efficiency to make employees or customers happier to grow the economic value of the company to grow profitability

Location: 1,019

There's almost no part of the business you can't assign to a COO: legal, finance, engineering, culture. The division of labor is entirely driven by UAs and personality—although the CEO obviously still needs to attend board meetings and planning meetings that require top-level input.

Location: 1,027

A COO is a supporter as much as a leader—which

Location: 1,041

“If you don't know where you're going, any road will take you there.”

Location: 1,088

It's far easier to recruit someone who already lives by the same core values than it is to take someone on who doesn't and then persuade them to fall in line.

Location: 1,103

When you draw up your job description of the right COO, you're not creating a list of “nice to haves.” You're listing the essentials that are 100 percent required. A candidate without all of them need not bother to apply. You're looking for trust, core values, behavioral traits, skillset, strengths, and desires that complement yours, all in a package that comes with a personal chemistry that might grow into a deep friendship.

Location: 1,128

In addition, the top-level people you need are rarely unemployed—only 5 percent of them are ever out of work—and they're likely not looking for a new post. That means you'll have to poach them.

Location: 1,143

There's data that shows that the cost of hiring the wrong person is 15X their annual salary. So if you're paying them \$250,000 a year, it's going to cost you \$3 to \$4 million per year to have them there in terms of other employees not joining you, opportunity costs, time lag, misinformation, bad decisions being made by the wrong person, a board that won't invest because they don't trust that person, and relationship issues between you and them that everyone else in the company is seeing.

Location: 1,155

In the past, you used to hear the adage, “Hire for attitude; train for skill.” That approach won’t work anymore. Now you have to hire for both cultural fit and skill.

Location: 1,205

Don’t get married to someone else’s idea of a perfect spouse.

Location: 1,206

Base the scorecard on asking yourself: what are the top five things the COO would have to get done in their first year for the hire to be a success?

Location: 1,228

You need a copywriter to write your job description so that the right people will look at it and go, “Hell yeah, I want that role”—and the wrong people will look at it and think, “Not if it was the last job on Earth.”

Location: 1,239

Medium (50 to 200 employees). These firms generally need someone who can build a strong leadership team, recognize the different needs between a leadership team and a management team, and bring domain expertise. They can think strategically, but this role may be the biggest thing they’ve ever done. They must be good at developing people and growing the skills of the team, and they probably need strong financial acumen the bigger the business gets.

Location: 1,250

Qualified search firms know where those good people are and can reach out to see if they’re interested.

Location: 1,252

Many A-players don’t have résumés, either, because they don’t need them. Don’t focus on what’s on paper; focus on what candidates say and how they say it. Just talk to them about what they’ve been doing, their experience, how their current company poached them, and why they left the company they were with before that. Understand their motivators and incentives—not just so you can bring them on board but also so that you can prevent them from leaving in the future.

Location: 1,266

I also have a firm that only recruits Virtual Assistants and Executive Assistants, if you’re not yet ready for a second-in-command and want to buy some time and free up some of yours.

Location: 1,282

Making a decision based on their assessment alone is like picking someone to marry from three possible blind dates lined up by a stranger.

Location: 1,332

I'm keenly aware that the best people probably already have jobs, of course, but I'm okay with taking them away from an average company and bringing them to a great one. In my mind, it's no different from taking a great soccer player and moving them to a better team. The best teams are always trying to recruit players—and the best players are always trying to play for the best teams.

Location: 1,362

By screening the videos for culture fit before reviewing résumés, you'll interview fewer people and in a more thorough way, because you already know they're solid. You end up with a high-quality short list with whom you can do a deep dive on actual skills and experience.

Location: 1,398

Some CEOs—too many—tell me that it takes thirty to ninety days after a person starts working for them to know if they made the right decision. I tell them, "That's because you suck at interviewing."

Location: 1,421

If that complete, implicit trust isn't there, then don't make an offer. It's as simple as that.

Location: 1,435

Compensation that's poorly thought out really pisses people off. As it should.

Location: 1,566

Can you imagine if everyone on the team created their own operating manual so that they all knew how to work with each other?

Location: 1,576

We shouldn't be teaching the CEO how to grow the business, build teams, run meetings, plan, and market. As a CEO, you should know about those areas; but the COO should receive the training and build the skills needed to actually handle them for you. Entrepreneurial CEOs tend to tune out after five minutes, whereas the COO will stay engaged for an entire training course. They actually give a shit. And they need to.

Location: 1,624

The COO doesn't have to know how to do everything, but they do have to know how to find the answers they need—and the best place to start is with a dedicated sharing community.

Location: 1,683

COO Alliance members are active participants with a strong desire to learn, a willingness to share, and the vulnerability to never be the smartest person in the room.

Location: 1,769

In most companies, it's common for the CEO to delegate hiring to the COO, and the COO must do the hiring for roles within the business areas reporting to them.

Location: 1,772

Cross-departmental interviews can facilitate hiring better people.

Location: 1,797

The goal of any leader is to grow their people. The more we focus on growing people, the more they'll grow the company.

Location: 1,823

Because the COO role is company-specific, everything must be spelled out, including how you'll measure the COO's success.

Location: 1,830

You need to have explicit discussions about who deals with what.

Location: 1,968

However, I learned it was important to balance short-term speed with long-term efficiency.

Location: 1,976

It's about getting shit done, not about doing it yourself.

Location: 1,990

The COO needs to remember that their job is to grow people so that they can solve their own problems and make their own decisions. Getting sucked into doing the work instead of growing people to do the work means a COO will never have a life.

Location: 1,994

As Michael Gerber puts it, they need to work more on the business than in it. It's particularly toxic when both the CEO and COO are workaholics.

Location: 2,040

Because he was able to slow down and think, he probably de-stressed the organization by 10X. They no longer needed to worry about random responsibilities of little value. Now they could focus on the critical few.

Location: 2,067

Delegate everything except genius.

Location: 2,080

To build Unique Ability teams, the COO should start with having every key leader do the activity inventory, making a spreadsheet of every task they do over the course of a normal month.

Location: 2,190

Most senior people can only take a business through two doubles in revenue. The third double makes it hard for them to continue doing the job. A COO could enter a \$10 million company that goes to \$20 million and then \$40 million, but it's unlikely they'll do well running it as an \$80 million company.

Location: 2,228

Erik says the role of the COO is "providing a vision...for what the growth of the individual means." He's been one of the all-time best hires Brian has ever made.

Location: 2,232

If the COO stops buying into your Vivid Vision, they should leave.