

# Distinguishing traits of elite performers

Here is what separates the world's best from their second-place contenders.

BY DAVID WANETICK

**A**S IN ANY PURSUIT, the differentiating factors separating the most highly compensated business leaders from the mediocre performers are marginal in nature. An executive who earns an annual \$10 million compensation package is not 100 times more intelligent — and certainly cannot work 100 times more assiduously — than an executive who earns \$100,000 a year.

In my newly released book, *The Power of Incremental Advantage*, I documented dozens of examples of how incremental advantages produce dramatically disproportionate results. In fact, one bullet, one vote, one second, one word, and one inch have shaped history and changed the world. To wit:

- In the summer of 1930 — over two years before his seizure of power in Germany — a car in which Hitler was riding in the right front passenger seat collided with a heavy trailer truck. The truck braked just in time to avoid running over Hitler's car and crushing him. Because of the degree to which Hitler's psychopathology determined Nazi policy and success, World War II and the resulting reshaping of Europe would probably have been quite different if the truck driver had braked one second later.

- Congress reauthorized pre-World War II military conscription by a single vote. Without the 12 million American men and women in uniform, it is difficult to see how the Allied Powers could have prevailed over the Axis forces.

- In the 2000 Presidential Election, President Bush's margin of victory over Al Gore was 154 votes

in Florida, which enabled the former to edge out the latter with four electoral votes. In the waning months of 2000, the fate of the nation, if not the world, literally hung on a few dangling chads.

- If the bullet that struck Ronald Reagan on March 30, 1981, was just one inch closer to his heart, the Berlin Wall might not have fallen and the Soviet Empire may not have collapsed.

So too, in the business world, seemingly small differences have a major impact on commercial success (see box).

For the past 15 years, we have interviewed hundreds of highly successful executives representing industries ranging from advertising to water utilities. We have conducted extensive surveys of people who have reached the zenith of success in a wide range of pursuits. The mission of this research has been to determine the common traits that separate the world's best performers from the second-place contenders.

Our research indicates that second-place contenders share many of the common denominators with the world's most successful people. The elite professionals in most endeavors focus on their key area of expertise, delegate their responsibilities, and are consummate managers of their time. The differentiating factors that determine the rank of the top participants are more a matter of degree and the dedication to executing the principles outlined below. Aristotle said, "We are what we repeatedly do. Excellence, then, is not an act but a habit." More recently, Charles R. Walgreen concurred when he said, "Success is doing a thousand little things the right way — doing many of them over and over again." The process of building a successful career is step by step, and is similar to compounding interest. In a career, success must be measured by the positive actions taken, not the

---

**David Wanetick** is managing director of InceMental Advantage, a think tank based in Princeton, N.J., dedicated to helping successful professionals reach the pinnacle of success in their respective fields ([www.incrementaladvantage.com](http://www.incrementaladvantage.com)).

immediate results. Even in the world of innovation, success is less about being an inventor with an occasional flash of creativity and more about being consistently innovative in your decision-making.

The following are among the denominators common to many of the world's most successful people. Executives seeking to elevate their performance should embrace the following conclusions.

### 1. Focus on what you do best

You should continue improving and defining your strengths so that you can become the best in the world at your chosen area of expertise. Trying to strengthen your weaknesses will require huge resources and will not be sufficient to dislodge your entrenched competitors. Even if you are successful in improving your weaknesses, your performance will just rise from terrible to very bad.

The more you practice a discipline, the more your body and brain adjusts to enable you to pursue that activity more efficiently. Scientists long have noticed the phenomenon of the "athlete's heart": Athletes who train hard in aerobic sports, such as cycling, running, or swimming, tend to have a bigger heart that pumps more blood throughout the body. Similarly, one's brain is wired to excel in different pursuits, and the synapses in one's brain are fused as a result of repeated activity. The more frequently you practice karate moves, lay-up shots in basketball, neurosurgery, completing tax returns, and orchestrating advertising campaigns, the more effectively your brain will function because the synapses will be better calibrated. Therefore, you can leverage and further refine the activities that you do best by focusing on those same activities.

You should measure your progress in becoming a world leader in your field by utilizing a few metrics to track your success. Today, there are many alluring software programs that allow you to slice and dice information into a dizzying array of data with just a few mouse clicks. The resulting data overload will, at best, cause you to lose sight of the key value drivers and, at worst, cause you to make destructive decisions. Albert Einstein said, "Not everything that can be counted counts, and not everything that counts can be counted."

### 2. Be where your chances of success are greatest

You must maximize the time you spend in the places where your expertise will be most appreciated by the people who are most likely to retain your services. You should spend considerable time in the places where fortuitous events are more likely to occur. If you are an aspiring actress waiting tables, it is better to work in Hollywood, Calif., than in Hollywood, Fla. Your chances of being noticed by movie producers are higher in the former city. If you are launching a software start-up, there are substantial advantages to doing so in areas such as Silicon Valley where there are already successful software companies. There is more access to capital, a larger talented labor pool and the existence of potential acquirers. It is still difficult to earn Western compensation packages working in many formerly Communist countries despite how talented or intelligent one might be.

## One step ... then 'lift off'

- On February 14, 1876, Alexander Graham Bell filed an application covering "the method of, and apparatus for, transmitting vocal sounds telegraphically" with the U.S. Patent Office. Two hours later that same day, Elisha Gray filed a patent on a device that would send speech by wire. By that two-hour gap, Bell became the first person to register a claim for a patent on the telephone. U.S. Patent No. 174,465 eventually became known as "the single most valuable patent ever issued in the history of the world."

- In Microsoft's early days, Bill Gates inserted a novel clause in its licensing agreements for its Windows operating system with computer manufacturers. This provision required the computer manufacturers to pay Microsoft a royalty for each computer they manufactured, regardless of whether they installed Windows as the operating system. Since it made no sense to pay Microsoft a royalty for Windows and another company for the use of its operating system, computer manufacturers adopted Windows as the de facto standard.

- The decision by Howard Hughes Sr. to lease his drill bits rather than sell them became the foundation of the Hughes family fortune. Oil explorers were prevented from buying Hughes' drill bits; rather, they had to

lease them for \$30,000 per well. Despite the glowing reputation and frenetic business pursuits of his son, Howard Hughes Jr., the younger Hughes would have earned a higher return on his inheritance if he would have merely deposited his inheritance in a passbook savings account than engage in all of his business activities.

- Small gains in efficiency can have a dramatic cumulative affect. Henry Ford calculated that if each of the 12,000 factory workers on his assembly line could save 10 steps a day, a collective 50 miles in wasted energy and misdirected physical exertion would be eliminated.

- Key patents are bought for a song. In 1872 Levi Strauss was approached by a tailor who was inundated with orders for pants made from the cloth that Strauss was selling. The tailor could not afford the \$68 necessary to file for a patent. Strauss saw a great opportunity and received 50 percent of the ensuing partnership for his financing of the patent.

- Had the Wright Brother's plane flown one mile an hour slower at Kitty Hawk, it would never have achieved lift off.

— David Wanetick

Barnett Helzberg could not have sold his business to Warren Buffett had he not been in New York City at the right time. By 1994 Helzberg had built up a chain of highly successful American jewelry stores with annual revenue of roughly \$300 million. One day he was walking past the Plaza Hotel in New York when he heard a woman call out “Mr. Buffett” to the man next to him. Helzberg wondered whether the man might be Warren Buffett, one of the most successful investors in America. Helzberg had never met Buffett but had read about the financial criteria that Buffett used when buying a company. Helzberg

*Intelligence is the most telling variable in determining an executive's success.*

had recently turned 60, was thinking of selling his company, and realized that his might be the type of company that would interest Buffett. Helzberg seized the opportunity, walked over to the legendary investor, and introduced himself. The man did indeed turn out to be Warren Buffett, and the chance meeting

turned out to be highly fortuitous because about a year later Buffett agreed to buy Helzberg's chain of stores. And all because Helzberg just happened to be walking by as a woman called out Buffett's name on a street corner of New York.

### **3. Treat your brain as a microprocessor, not as random access memory**

The most successful people do not regard their brains as receptacles of trivia. It is more important to know how to get information than to retain every piece of information. When Henry Ford sued the *Chicago Tribune* for defamation, the *Tribune* tried to prove that Ford was indeed an ignoramus by asking him questions such as “When did America win its independence?” and “Who was Benedict Arnold?” Ford responded by saying, “I don't need to know the answers to these questions. I have a row of buttons hanging over my desk. I can press a button and one of 50 men will be summoned to my office who can tell me everything I need to know about any subject that you ask me.”

As Plutarch said, “The mind is not a vessel to be filled, but a fire to be kindled.” Albert Einstein concurred when he said that imagination is more important than knowledge. The most successful people focus their mental energies on devising plans to actualize their imaginations.

Research suggests that the more information the brain retains, the slower it will function, similar to a computer. When memory is flooded with details it becomes difficult for such people to understand basic storylines.

Nevertheless, to excel requires examining what you are retaining. You should ask yourself, at the end of each day, what lessons you learned. Conducting such post-mortem analysis is a practice embraced by top athletes, investors, and other professionals. You might say to yourself, “I know my business. I have built a successful career over the past 10 years doing exactly what I am doing now.” This is an early warning sign of complacency and the beginning in the decay of any competitive advantage you might have.

### **4. Be confident**

Leaders must be confident. You can't convince people to follow your lead if you don't believe in your mission. In any role in life, there is a direct correlation between our self-image and our performance. Our world was built by men and women of high self-esteem.

### **5. Be decisive about the easy decisions**

If we aren't confident, we begin to postpone easy decisions, and this leads to a destructive cycle of anxiety and time pressure. Overthinking numbs our instincts and turns what should be a quick decision into a mental committee meeting. The inability to make easy decisions quickly undermines your colleagues' confidence in you and may signal that you are considering placating the hidden agendas others are harboring. Persistent inability to make easy decisions creates a backlog that paralyzes your colleagues in terms of them executing their responsibilities because of the logjam that you are creating.

However, you should resist being manipulated (usually by internal forces) into making hasty major decisions. Many bad decisions come from wanting to just get the process over to escape the pressure of having to make the decision. This is the worst type of haste — an unforced error. As Margaret Thatcher put it, “I've learned one thing in politics. You don't make a decision until you have to.”

### **6. Paying attention to detail gives confidence**

Knowing your area of expertise extremely well enables you to address any issue that will arise and provides you with the ammunition to answer any question that is addressed to you.

No attention to detail is too insignificant for the best managed companies. UPS has conducted extensive time-motion studies and puts its drivers through intense training. Every part of the driver's day has been assessed for maximizing efficiency and time savings. UPS trucks have rounded seats so that the drivers can swivel out of their trucks faster and the doors are left open to spare the drivers of the

time it would otherwise take to open and shut the doors. Drivers are instructed to land on their right feet when exiting the trucks, take three steps every two seconds when walking, hold their key rings on their pinkies, and count change with the face side of bills up.

At the distribution centers that UPS runs for IBM, UPS industrial engineers installed chutes so IBM technicians picking up parts and the UPS shipping clerk handing them out would not spend three, five, or 10 seconds in conversation during handoffs. UPS's operations research team continually works on ways to optimize driver routes and minimize the number of left-hand turns a driver makes, because left-hand turns mean wasted time at intersections.

### **7. Assemble, leverage, and motivate your team**

You must assemble, leverage, and motivate a high-caliber team to succeed. Even seemingly solitary endeavors such as bicycle racing and playing chess require teams to reach the heights of success. Both Lance Armstrong and Garry Kasparov lauded their teams in their books. Extraordinary success is achieved by making those around you successful. Top performers are almost always surrounded by other top performers. It is no coincidence that a flock of geese flies faster in formation than when they fly alone.

### **8. When hiring, go for intelligence**

Intelligence is the most telling variable in determining an executive's success. I mean the old-fashioned, politically incorrect, high SAT-scoring kind of intelligence. It is intelligence that will equip an executive to make decisions when no precedents exist. It is intelligence that can maximize opportunity and avoid obstacles. It is intelligence that enables an executive to defuse a tense situation. It is intelligence that will enable superiors to delegate authority and responsibility.

The best way to evaluate an executive's intelligence is to ask them to recommend a solution to a problem that the business confronts. The articulation of the recommendation will reveal their thought process and therefore their strengths and weaknesses. It is more important that executives can express themselves verbally than in writing. Crises require immediate response, which can only be delivered through verbal communication. You can't spend an afternoon writing a memo to address a crisis. Also, verbal communication can better motivate the troops than memos and communiqués.

### **9. Be careful about hiring superstars**

Raw intelligence is an extremely important factor to consider in making hiring decisions. However, there are some drawbacks to hiring high IQ superstars. People who have been pegged as highly intelligent often worry more about acting smart than learning new things. Many highly intelligent people serve up plenty of ideas but deliver few tangible results. There is a big difference between having great credentials and being a great contributor. Pedigree is less important than embracing Winston Churchill's dictum that it is not enough that we do our best — sometimes we have to do what's required.

Many companies that cultivate star talent have crashed. Examples include Enron, Arthur Andersen, and Drexel Burnham Lambert. Nick Leeson, a young trader, single-handedly caused Barings Bank to collapse. Not only was Barings Bank acquired for a symbolic 1£ by ING Group but ING even dropped the Barings name after one year, as the new Dutch owners believed that the Barings name was a liability. As *The Tipping Point* author Malcolm Gladwell pointed out, "The organizations that are most successful are the ones where the system is the star." These typically are organizations that have built-in redundancies and are not overly reliant on a few key employees.

I would like to offer one more piece of advice along these lines. When interviewing a potential employee, ask yourself: Where is the logic in this applicant's career path? Is the job a natural progression or is the applicant just looking for an income?

### **Small advantages are crucial**

In the final analysis, small advantages are crucial. Incremental achievements build your confidence, put you in a better frame of mind, attract people and capital to you, and accelerate momentum. Every rung that you can ascend on the ladder of success provides you with more opportunities. Managing your career even marginally better at every opportunity on a consistent basis is what separates the world's most successful people from the second-place finishers. ■

The author can be contacted at [dwanetick@incremental-advantage.com](mailto:dwanetick@incremental-advantage.com).

*You should spend considerable time in the places where fortuitous events are more likely to occur.*

Copyright of Directors & Boards is the property of MLR Holdings LLC d/b/a Directors & Boards and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.