



Stanford eCorner

The Danger of Inaction

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Video URL: <http://ecorner.stanford.edu/videos/3034/The-Danger-of-Inaction>

CEOs that freeze in decision making quickly cause politics in their teams, says venture capitalist Peter Fenton. Here Fenton talks with Polyvore CEO Jess Lee about the need for leaders to make timely decisions to provide necessary direction and the dangers of CEO inaction.



Transcript

The other thing, I think, you need to start with the assumption that it is better to move in a direction versus not to move at all, right? So, if you have one vector, one person wants to go this way, other vector this way, and you're not moving, that is the worst state to be in, like a state of inaction. At least, it's better to go in that direction somehow - so I think we have that understanding. So, when we get into a gridlock, it's like 'okay, we have to solve this because the worst possible thing is to continue to be arguing about it forever.' This thing, Jess, one of the traits of successful first-time CEOs and actually the - one of the death knells is decision-making. And, a lot of times people come to the role CEO because they are smart. Everyone in this room is smart, does well, likes to think about complex problem. Making a decision is something different. And, intelligence can at times be an enemy for decision-making because there is always 'what if?'. And, CEOs that freeze in decision-making very quickly create politics on their team because, if they can't decide, the team says "well, I have to use different means of influence because I'm not getting any direction from the CEO." And, at times, you need to say "look, I'm the CEO, I don't know if I want to pick" but it turns out, just as Jess says, if you don't make a decision and give direction then those problems will bloom into something much worse. And so, it's the old - those comments from field generals and generals at war saying "better to make 100 decisions and have 51 be right and 49 wrong than to make 1 decision a day." And, I think that... Yeah, absolutely true.

...absolutely is true for a CEO because you just never have enough information. You need to move. Yeah and you move really fast.