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Group CEOs: Learning to Lead

Taking charge of a vast international enterprise will be a test of leadership skills that few will have experienced before. Criticleye speaks to those with intimate knowledge of what it really takes to make the move to Group CEO

Becoming Group CEO is the pinnacle of an executive career, but those with ambitions of taking the helm of a global business should be careful what they wish for. From managing the board and marshalling the views of divisional heads, to communicating with the media, analysts and shareholders, it's a 24/7 responsibility which provides the ultimate test of a person's ability to lead.

"The biggest impact for me was recognising the demands of the City and shareholders," says **Mike Turner**, Non-executive Chairman at engineering concern GKN and formerly Group CEO of BAE Systems. "What surprised me at first was that at the half-yearly or yearly presentation the shareholders and analysts weren't interested in the results, they really wanted to know

about the future growth prospects of the company. That brought home to me the need to be able to articulate a clear, long-term growth strategy."

Pim Vervaat, who became Group CEO of plastic manufacturing company RPC following five-and-a-half-years as CFO, comments: "Being good at governance, numbers, talking to banks; this alone ►

is not enough to make the transition to CEO. You really need to have an interest in the people and the key strategic drivers of the business.”

A change of mindset will be needed by those who’ve stepped up from a divisional CEO or regional MD role. **Leslie Van de Walle**, Chairman at building material company SIG, who made the transition from Divisional CEO to Group CEO at United Biscuits, says: “Divisional heads often underestimate the difficulty of always getting the right compromise between the various stakeholder objectives. When you get to group level you have to balance decisions against the needs of the business, the shareholders, the wishes of the board... and the interests of suppliers and customers.”

Carl-Peter Forster, Non-executive Director at engineering company IMI and formerly Group CEO at Tata Motors, says: “You have to move on from being very operationally focused, which most divisional CEOs are, to becoming much more strategic. Leading a group calls for a more indirect way of influencing and motivating people.”

IN FOCUS

The pressure of being the public face of the business can come as a shock to the uninitiated. **Judith Nicol**, Director at executive and non-executive recruitment specialist Warren Partners, says: “Most people at the very top of organisations are absolutely gobsmacked by how much everyone scrutinises them on a daily basis.

“You become the cultural compass and people take in everything from how you’re walking around the building,

“ *Leading a group calls for a more indirect way of influencing and motivating people* ”

how you look, your mood... It all becomes so much more important when you’re a chief executive.”

Mike comments: “The UK press is pretty demanding, and that was a challenge, but the biggest struggle I had was in dealing with the government... In the end I had to talk with then Prime Minister Tony Blair to try and get him to understand that this country’s defence equipment base would just disappear unless he adopted a defence industrial strategy.

“In business, you’ve got to look to the long term. I’m afraid a lot of politicians just look to the next election.”

To make it as a Group CEO, you need experience across a range of functions and situations to understand how a business operates. **Pim** comments: “As CFO you have got to deal with shareholders, the board, and all the stakeholders quite closely already... Working closely alongside the chief executive in a public company for five years has helped me immensely.”

Likewise, taking on a NED role as an executive will certainly give you valuable insights. **Carl-Peter** says: “Dealing with the board was certainly something I

found to be a bit of a challenge and it was the one area I wasn’t particularly well prepared for... An external NED role would have helped massively because it puts you in a position where you can observe things objectively.”

The real differentiator for the best CEOs is the ability to see the bigger picture, showing superb leadership skills and possessing the strength of character to handle the constant pressure of being in the spotlight. **Leslie** says: “You have to be clear not only about the attraction of the role and the power associated with it but also the downside, which is the fact that you are alone and that you are ultimately responsible and accountable for whatever your team and the group does. ■

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Featuring Commentary From:



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