

Pave the Way to CEO Success

The challenges faced as a first-time CEO mustn't be underestimated. Criticaleye speaks to leaders who have survived those first 100 days and gone on to become instrumental in their organisation



All eyes are on you as a first-time CEO. No matter how experienced you think you are, there will be aspects of the role that take you by surprise. It's why many new CEOs take the opportunity to assess the business, looking to build an accurate picture of performance by meeting different stakeholders. Once you've got to grips with the various realities, the pressure will be on to act decisively.

"On my first day, I was very conscious that when I walked into the office everybody

was looking at me thinking, 'Well, who is this guy?'" comments **Howard Kerr**, Chief Executive of standards and training provider BSI Group. "They were saying, 'We've seen the company announcement and we've seen his CV, yet, from what we can tell, he's got no obvious credentials for this job.'"

Mike Turner, Chairman of engineering concern GKN and former Group CEO of BAE Systems, comments: "What was new to me and surprised me the most was the rigour of the external

communications with the shareholders. I thought you just went along with your finance director and that the focus would be on your earnings.

"Frankly, they're not that interested in the past, they want to know about the future: where's the growth coming from, do you have a clear strategy and, above all, are you delivering that strategy successfully?"

Often an adjustment period is needed to deal with the greater visibility and ►

profile. **Tony Cocker**, Chief Executive of energy concern E.ON UK, says: “I’d been working for the company in Germany and it was completely out of the public spotlight. So, when I came back to the UK I was intellectually but not emotionally prepared for the pressure of dealing with the... perception of mistrust of energy companies from the media, some politicians, consumer organisations and many customers.”

Sarah Boyd, CEO of retail chain Guardian Health & Beauty, Singapore, which is owned by Asian retail group Dairy Farm, comments: “I was surprised by the sheer number of decisions that I was faced with. But it was more about the fact that the majority of those decisions were being made based on gut feel, rather than using good quality data and analytics.

“I was absolutely terrified because people were asking me to make decisions on things for which I had no frame of reference, and I found that incredibly uncomfortable for a while.”

FIRST IMPRESSIONS

So, what should be on the agenda for those who are new to the role in those first 100 days? The most common pieces of advice fall into three areas:

- Spend time assessing the business internally in order to separate fact from fiction;
- Meet external stakeholders, such as customers, suppliers, analysts and advisors, to get an idea of how the company is perceived;
- Once the period of assessment is over, be decisive.

“You can’t start adding value at a more senior level until you really understand what’s happening”

A good starting point will be to sit down with the chairman. **Lord Stuart Rose**, Chairman of online grocer Ocado Group and former CEO and Chairman at retailer M&S, says: “The relationship between a CEO and Chairman is absolutely built on trust and mutual understanding. For example, when discussing my recovery plan for Marks & Spencer with the Chairman, he just said, ‘Right, well I’m backing you’.

“It was about giving me time and keeping the board and the shareholders off my back, while I focused on getting the job done. Every chief executive must crave a hugely supportive chairman and every chief executive who is any good deserves one, until he proves [otherwise].”

Greg Morgan, Director at search firm Warren Partners, comments: “I think, crucially, you need to agree with the Chair on what your objectives for the first 100 days are going to be. [You then need to] establish, again, in consultation with the Chair and the board, what your strategic and operational priorities are... and work to define them so that everyone is [in agreement].”

Don’t underestimate the value of talking to people in the business during these early days. **Sarah** comments: “For a retail CEO, certainly, it’s about working in-store for a period of time and spending as much time as you can with the people on the ground who are actually delivering the results for you. After all, you can’t start adding value at a more senior level until you really understand what’s happening.

“If I’d come into this business and said, ‘Tell me how our stores are run,’ and I just sat in my office... I would have been so far from the truth of what actually happens in-store.”

Matthew Blagg, CEO of Criticaleye, says: “The importance of listening to all interested parties shouldn’t be underestimated because you have to build a picture of what you have in order to ascertain what you can become. That is a key trait of all great CEOs.”

Understanding external stakeholders is increasingly a key part of the CEO’s role. **Greg** comments: “Going the extra mile in terms of your due diligence is probably the distinguishing feature of people that do it well. The incoming CEO must talk to advisors to the business, people that are no longer with the company and, of course, customers, investors and analysts.”

Howard says that he did “an awful lot of travelling around” to make a concerted effort to speak with those on the frontline and to deal with customers: “In my case, because I was coming into a business and a new industry, I didn’t come with any preconceptions, so I came in being genuinely curious.”

It’s about absorbing as much information as possible and carefully choosing how ▶

to relay the messages you think will have the biggest impact.

“You’ve got to prioritise listening to colleagues but then also listen to customers and other external stakeholders,” says **Tony**. “I remember the first newspaper I sat down with was The Sun [the UK’s most popular tabloid], which was a deliberate decision because many more of our customers read The Sun than the Financial Times.”

LIGHTS, CAMERA, ACTION

Once a CEO has developed their own view on strategy, it’s time to ring the changes. **Mike** says: “Get your direct reports, your team right, and have your head of communications in attendance at your executive committee [meetings]. He or she has to know what’s going on in the business and [likewise] you can make sure the key messages are getting out to all employees, especially around the company strategy. It’s a real failure when employees say, ‘I don’t know what the company strategy is.’”

One of the biggest challenges will be quickly establishing a real purpose and chemistry across your new team. **Matthew** says: “Usually you inherit elements of high performance but rarely do you inherit a cohesive and collaborative executive committee... All too often CEOs are slow to establish a clear executive culture; they often focus

“It’s a real failure when employees say, ‘I don’t know what the company strategy is’”

on tangible outcomes rather than the softer, but critical, leadership values.”

Howard comments: “[In my case] the executive team was, to a large extent, not really fit for purpose, so I had to replace the HRD, the legal director and the FD. I also had to move a couple of regional directors around, so there was quite a lot of change required...

“Basically, I didn’t have enough evangelists on my team to support me on the messages I wanted to convey and to help me execute the strategy.”

When speaking to former CEOs, a familiar refrain is that, in retrospect, decisions could have been made at a greater pace. **Lord Rose** says: “When I look back and assess the mistakes I’ve made, it’s always about not acting quickly enough. Whether that’s not firing

somebody or not pushing a plan through forcefully enough, there’s always the question: could I have gone faster?”

Put simply, the spotlight will be on a new CEO to show real leadership. “You’ve really got to energise yourself, but triply energise the team who are working for you, because if you don’t [motivate] the team, you don’t get the job done,” adds **Lord Rose**. ■

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Criticaleye’s CEO Accelerator Programme

Criticaleye’s CEO Accelerator Programme is designed for the first-time CEO who wants to build a high-performing, strategically aligned executive team. To explore how Criticaleye can impact your legacy and contribute to your success within the new role of CEO, contact Matthew Blagg, CEO of Criticaleye, at mb@criticaleye.net