



Tips for the Top Spot

New CEOs may feel as if they have a mountain to climb when taking on the role. **Mary-Anne Baldwin** speaks to those who have reached the top of the executive ladder and what they've learnt

The learning curve for a rookie chief executive is notoriously steep. A new CEO will have to adjust to an unprecedented level of accountability as they assess the talent within the organisation, build strong relationships with the board and articulate a strategy that captures stakeholders' imaginations.

Conventional wisdom focuses on making your mark in the first three months, but many CEOs will tell you

it's not so simple in practice. In most cases, the job is never quite as advertised, even if you are promoted from within.

Matthew Blagg, CEO at Criticaleye, says: "There is a lot to accomplish as a new CEO. While you should go in with a strong understanding of the business and what you hope to achieve, you will also have to spend a lot of time uncovering hidden truths and evaluating your team. You will need a strong network around you, including

a leadership team that you can trust and collaborate with, and external confidants whose experience and knowledge you respect. Never hope to go it alone."

Here, we share advice from a range of business leaders on the skills and actions new CEOs need to address. >

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Debbie Hewitt

Chair
Moss Bros Group

Listen Before You Act

Debbie Hewitt, Chair at Moss Bros Group, advises new CEOs to spend time reflecting and listening to the board before taking decisive action.

Usually first-time CEOs have worked in the business before, which can bring its own challenges. They have a track record, style and approach that was conducive to a different role. As a chair, I always advise people to spend time thinking about how they will adjust.

Most new CEOs were previously commentators on what their predecessor didn't do well. The natural inclination is to go in and fill the gaps as they see it, so I encourage new CEOs to think about the business, not what their diagnosis was under the previous leader.

It's also common to want to jump in and make new hires or lose people they don't think are right for the

business, but I urge them to think first about the strategy and the build the team around it.

NEDs are an invaluable source of input – I recommend asking a lot of questions as it's essential to get feedback on the leadership team from the board. Far too often new CEOs want to illustrate that they know the business and its problems, but actually once you've got the job it's really important just to listen because the board has an impartial view of the business, your team and your predecessor.

When a new CEO is not used to working with NEDs they need to balance how much information to give versus drowning them in detail. Some CEOs worry that information will be used as a stick to beat them, but the board doesn't need to hear about what's going perfectly.



Matthew Dearden

Former President for Europe
Clear Channel

Get Your Team 'On The Bus'

Matthew Dearden, former President for Europe at Clear Channel, reveals how he got his team on side.

You need to be very clear on your expectations for performance, as well as the behaviour and values that will get you there. As a leader you will have some non-negotiable requirements – make sure people understand them and then bring in the team to agree the rest.

A polished appearance doesn't necessarily equate to underlying talent. You have to figure out exactly who you need and show patience to those who possess real ability but are rough around the edges.

I found it useful to bring in a small number of external hires – partly because of what they brought to the team and partly because of the signal their appointments sent to the rest of the organisation.

Over the first year, about half of my senior leadership team changed. It was important to do that with respect and humanity. You need to have clear, honest conversations about the direction you're going in. That will usually excite those who fit your needs, and those who don't appreciate it will decide they should move on. That's better for everyone.

I talked a lot about emotional commitment and used the question: 'Are you on the bus?' It became a motto, so when I took the top team away for an off-site trip, I hired a double-decker bus to take them to dinner. I acted as conductor handing out tickets for those committing to coming aboard. Some thought it a bit cheesy, but five years later they still talk about that magic moment of accepting the ticket and getting on the bus. It built a sense of drama and that's critically important if you're going to get people to come with you on a tough journey.



Peter Sephton
CEO
The Parts Alliance

Create a Culture of Ownership

Peter Sephton, CEO of The Parts Alliance, discusses the dynamics of being a new CEO under private equity backing, and how he created a culture of ownership.

One of the first things we did was to create a founder mentality by involving a wide group of people in defining and building our strategy. We branded it the '10 steps' as it was designed to keep us 10 steps ahead of the competition.

We broke our business into divisions and introduced new performance management metrics with real-time updates throughout the day. Regional directors were assessed against those metrics so performance was highly visible. This was an important aspect of building a founder mentality.

I also took the opportunity to distribute sweet equity widely. One of the key advantages of being a PE-backed CEO is the ability to do this. Through this, behaviour changed as people realised they were in effect running their own business.

We kept a sense of ownership at a local level by deciding not to change the operating brands of the businesses we acquired. Local branding is critically important to your buy and build strategy – too many opportunities go wrong because of corporate arrogance and the 'conqueror syndrome'.

“Some of the individual team members may resent you as the newcomer, a few may even have applied for the top job”



John Goddard
Partner and Member, Global Leadership Team
L.E.K. Consulting

Prepare Early For The Role

John Goddard, Partner and Member of the Global Leadership Team at L.E.K. Consulting, explains that CEOs typically have only six months to really make an impact, so early preparation is vital.

The CEO's chair can be an uncomfortable place to sit. As well as more scrutiny and higher expectations, you will have limited time to make your mark in shaping the business.

It's popular to say that the first 100 days are make or break for new CEOs, but we have a different metric: you have six months to fail and two years to succeed. In other words, you need to make significant progress in your first 180 days. If you do this convincingly, you'll be given more time.

There are four very [practical steps](#) you can take before your first day: identify and address any gaps in your

industry knowledge and how the business competes; start developing some strong relationships with the board – you will need them; find a confidant outside the business who can provide a broader perspective, such as a fellow CEO or a trusted advisor.

Finally, begin to formulate a high-level narrative, which you will need to inspire confidence both internally and externally.

Some of the individual team members may resent you as the newcomer, a few may even have applied for the top job. They may be waiting for you to make your first mistake. A quick way to assess the team is to commission an external executive audit, but there is no substitute for spending time with them yourself.