

MINDSET OF THE CEO

The CEO is a mysterious beast. Inspiring and communicative, yet guarded and thoughtful, he or she must keep a captive audience while making vital business decisions in a rapidly changing world. This article comes out of a joint project between **Criticaleye** and global HR consultant, **Penna**, launched in order to gain an understanding of the chief executive's mindset. In this article, six CEOs were interviewed in order to gather thoughts and insight into this role.

Children rarely grow up with the ambition to run a company. ‘CEO’ certainly does not rank as high as fireman, astronaut or cowboy. But as children grow up, life’s path often takes them on an unexpected journey with many entering the business world where there are greater opportunities to earn a good living, stretch themselves as professionals and make a significant and lasting contribution.

There is little one can do to prepare to be a CEO, it is not taught in school and even a mentor can only give you certain insight into the role.

The adage ‘it’s lonely at the top’, although often overused, proves too true for many business leaders. Once at the top, few individuals can truly be used as a sounding board. Becoming CEO means becoming the public face of an organisation and managing people that potentially were once your peers. All this comes with immense pressure.

Yet for some the position is highly coveted. As part of a project between Criticaleye and Penna, Andrew Minton, Darren Robson and Jonathan Perks spoke to current and retired CEOs from the public and private sector, to gain an understanding of the mindset of the CEO, what led to their appointment as chief executive and what advice they would give aspiring CEOs.

The individuals interviewed included:

- **David Wild**, Halfords
- **Tim Matthews**, Remploy
- **Edward Fitzmaurice**, Hastings Direct
- **Richard Laing**, CDC
- **Deanna Oppenheimer**, Barclays Retail UK
- **Ian Harley**, Criticaleye

The group agreed that, although you don’t always plan to become CEO, it is important to take advantage of every opportunity you are given if you want the role.

DID YOU ASPIRE TO BECOME A CEO?

Edward Fitzmaurice: I suppose I never sat down and said I wanted to be a CEO. The things that really made me want to do it were both a desire to be in control of my destiny and the belief that I could do things better than other people. Also, I’m much more comfortable giving direction than following it. And although I’ve worked for many people who I think are great, I’ve never looked at anyone and said, “God, he’s the best CEO in the world, and he’s the guy I’m going to model myself on.”

Richard Laing: I’m the sort of individual that gets bored easily and always needs a challenge. Therefore, throughout my

career, I’ve always been looking forward and asking myself, ‘What am I going to do next? Where is this role going?’

I don’t think people should be at all shy about jumping at opportunities when they come. It doesn’t all have to be terribly planned; when an opportunity arises, just go for it.

Deanna Oppenheimer: The reason I’m a CEO is most likely because I never aspired to be one. I always wanted to be able to contribute and make a difference. What I found out early on is that I was a good leader, good at multitasking, able to balance a lot of things and a good problem solver. When I became CEO of Barclays Retail, I had a particular skill set and track record in retail banking that they wanted.

Ian Harley: There are at least two bits. First, there’s a personality issue, in my case, there was an innate desire to win. I am a typical alpha male - show me a competition and I’ll compete.

But in terms of organisational inspiration, certainly potential CEOs fall into at least two camps: those who want to be the boss of something and those who want to be the boss of a particular organisation. I was the latter case. I got to the point where I’d been in the organisation for quite some time, I liked what it did, I liked the organisation and I wanted to run it.

WHAT CRITICAL CAREER STEPS DID YOU TAKE THAT LED TO BECOMING A CEO?

David: The key moment was when I got the chance, with Tesco, to be a general manager of the company’s businesses in continental Europe. Once I had done that, there was no going back.

Tim: My critical career step was moving out of a government position and into a role where there were opportunities for leadership. In terms of my personal preparation, I think the crucial factor was the people with which I worked. The CEO(s) with whom I worked alongside were significant both in terms of inspiring me about the role, but also in the way I watched and observed how they operated.

I was fortunate in being able to move into a relatively senior position early on and working alongside a couple of strong leaders. They took time, as part of their leadership role, to coach and help me develop, and provided great opportunities to learn.

Edward: I’ve been privileged with having good mentors. When I was at

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Dixons, I was Managing Director of one of their businesses. That was my first mini-CEO role. I got into that mainly by being in the right place at the right time, but also by having a view as to how the business could run differently.

Moving companies has broadened my skill sets and given me the opportunity to do bigger and more CEO type roles.

Ian: I worked for an organisation that was very focused on development of its people so I got a lot of training opportunities including management and job-specific guidance. We had formal succession planning in the organisation at all levels, down to middle-management level. You were expected to be planning the careers of your team but also you knew (or hoped) you were part of somebody else’s plans as well.

Be patient and politically savvy

WHAT WERE THE KEY DECISIONS YOU TOOK IN THE FIRST 100 DAYS?

David: I was given great advice when I joined Halfords and that was don’t move too quickly and don’t feel that you have to make an immediate impression.

The first hundred days is about understanding the business. You do this by taking a view of all stakeholders, whether it’s customers, colleagues, investors or the media.

You have to take the time to understand their perspective and then form your view. If you react too quickly and start making changes quickly, you’ll make mistakes. Take time to formulate a clear plan and communicate it.



THE CHANGING ROLE OF THE CEO

THOUGHTS FROM RETIRED
CEO, IAN HARLEY

The big question that I have about corporate life is how it is going to change? Will things like the recession, global warming, climate change, international terrorism, pandemics and globalisation cause corporations to unravel? Those sorts of issues are interesting topics - but they're just so large and I'm not sure that any board or any organisation should spend too much time wrestling with them because you sure as hell can't change them.

On the other hand, if we don't undergo incremental change on some of these issues then we'll never have any change. Getting that balance right and what the organisation is there to achieve is going to be a huge challenge.

It was easy in my day - you just went gangbusters for growth, you just tried to crush the opposition. The measures were simple: most profit, most assets and the biggest market capitalisation.

It may be that those sorts of baseball measures will come back into vogue once we get through this current crisis, but I'm not sure. There are some big pressures out there not least more regulation and more government interference, which will try to make organisations behave in a slightly different fashion.

Rampant capitalism may in fact not be quite the same as it was before. That makes it a much more subtle and complex role for your private sector companies and it may be there's a whole different skill set that people will have to acquire in terms of dealing with government, regulators, the third sector and the interface with the voluntary and charitable sectors.

All these things have always been there, I'm not saying they're brand new but they may appear much larger in the responsibility of CEOs going forward.

Richard: The first and most important thing I did was to agree the strategy with my chairman, so there would be absolutely no ambiguity about what we were setting out to do. It is important to make sure you've got the right chairman and, if you don't, either do something about it or somehow forge a good working relationship. Choose the right top management team and think very early on who the team should be.

Ian: Assuming the organisation is on a relatively even keel, I think the only thing you have to do in those first hundred days is make clear who you are, what you

want for the organisation and what other people can do to help deliver that.

Spend a lot of time talking to people face-to-face and have very open question and answer sessions. Also, make clear your value set and what you think is important for the organisation.

IN HINDSIGHT, WHAT SUPPORT DO YOU WISH YOU HAD?

David: Three weeks after I arrived in this job, the chairman resigned, so I had no boss and I did miss that.

One mistake I made was to take about six months to hire a personal coach, somebody with whom I could talk things through. I operated in isolation for too long. It took me about nine months to find a new chairman. I was very happy we took the time and we found the right person. But I think I should have thought a bit more about what support I needed in those first few months.

Tim: What I needed was organisational ability around me, somebody who could very quickly pick up how I liked to operate and who would feed me the right information and briefings.

Richard: I wish I'd done more thinking about the top management team – its structure and the personalities within it. Had I thought more about it, I might have done things differently. There were some tough decisions to make and I'm not sure I made the right ones.

HOW DOES THE REALITY OF THE JOB DIFFER FROM THE IDEA?

Tim: I had the benefit of working alongside a couple of really good CEOs who were friends so I probably had relatively good insight into what it was like in terms of the issues CEOs have to deal with.

I guess something that confronts you when you walk in on day one, or get told you've got the job, is the gap that suddenly opens up between you and the rest of the organisation. Suddenly, in many ways, you are on your own. The organisation, your stakeholders and customers then look to you as the personification of the organisation.

Edward: Before I took on these roles, I always thought the buck stopped with the CEO. In reality, there are shareholders, stakeholders and boards you've got to worry about.

Deanna: I thought I would be making key decisions all the time and getting things done and implemented. I soon realised that, yes, you can make key decisions but if you want them implemented, you better get the buy-in from your staff. You learn to influence, as well as develop directive skills and when to apply them best.

A CEO of a major division within a company like Barclays means that you are doing the decision-making, selling that decision and getting support above and for the board, as well as across the organisation. Many say that it's lonely at the top, but I don't think it's lonely. I think it's just lots of activities where you have to be very nimble and flexible in how you go in about decision-making.

WHAT ARE THE VITAL TALENTS, STRENGTHS AND VALUES NECESSARY TO BE A SUCCESSFUL CEO?

David: As CEO you have to be able to inspire confidence in the people, whether it's your team, the board or the investors. Financial acumen is also very important. Honesty and integrity are also important. It's crucial that a CEO can communicate to all individuals, be it with colleagues, customers, journalists or suppliers.

*Be visible – and
on the radar of
anyone who
matters*

Tim: A CEO needs a strong values base. Demonstrating those values and driving them through the organisation is one of the critical talents. You've got to be fast and ever faster on your feet; the pace of life, change, technology and expectations continues to grow at an exponential rate.

You've also got to be tough and resilient - it can be unpleasant when you're driving change - you've got to surround yourself with people who will be both supportive and, personally, you've got to be very resilient.

Richard: The ability to see how the larger picture affects the smaller one, ie, the global impact on your business – is important.

TOP TIPS FOR ASPIRING CEOS

Once appointed CEO, it can feel a little like drowning, the group of experienced CEOs offered their tips to aspirant chief executives.

- Do a tremendous job at whatever you're doing now, because people don't get to be CEOs by being mediocre in their careers. People get to be CEOs by being great performers, being innovative and communicating their successes.
- Work on your communication skills. CEOs need to be great communicators.
- Have a breadth of knowledge and interests. Show a hunger and appetite for new knowledge, responsibilities and roles.
- Be patient and politically savvy.
- Do not shy away from opportunities when they are presented. You have to be analytical in your approach to becoming a CEO but you also have to be flexible with the ability to grab any opportunity that arises.
- Volunteer for general management roles. If you are in a particular discipline, volunteer for projects that take you out of your comfort zone into different areas.
- Learn, listen and network with CEOs. Talk to them about the challenges they face and the issues with which they deal.
- It won't fall into your lap - you're going to have to work at it. You're going to need sponsorship and support from everyone around you - your bosses, your peers and subordinates - don't piss anybody off.
- Visibility is critical. You have got to be on the radar of anyone in the organisation that matters.
- If you want to become a leader of an organisation, get into a business that is growing, because you get opportunities.
- You've got to go into roles that build expertise and a track record. It is better to have experiences that demonstrate leadership, expertise and performance.

Another important point is attracting, motivating and retaining a top rate team. The most successful CEOs are usually the ones who've got the best teams around them.

If you want to stay a CEO, you've got to be really well attuned to the messages you're getting from the chairman, board members and shareholders. 'I'm always

amazed when you hear chief executives who are fired say "I was surprised."

They shouldn't be surprised because it means they weren't reading the messages clearly. I think being sensitive to what your board is telling you, being sensitive to what your shareholders are telling you is crucial.

AS A CEO, WHAT KEEPS/KEPT YOU AWAKE AT NIGHT? WHAT WORRIES YOU?

David: I actually sleep quite well (laughs). The things that I do think about are the finely balanced decisions, and how I'm going to sway on them. My instinct is always to try and get data and to make a decision an easy decision, rather than, have to make a subjective judgement or an instinctive reaction.

Tim: I think the things that tend to really nag away at me (and have persistently over my career) are questions around how we're operating; are we doing the right things? Do I have the right people? Etc.

I am however, most consumed with how we are inspiring people, within our organisation, to want to commit to us, to commit their energy and inspiration to help them to move forward, and helping the very best quality of service delivered.

Are we pushing ourselves hard enough as an organisation? Are we setting ourselves challenging goals? How can we demonstrate through a recession (the like of which a lot of the younger people in this organisation have not seen before)? Do we have the agility and innovation that will keep people both inspired and motivated through tough times? But how can we also demonstrate to our customers and our clients that, we are a smart organisation that will come out of this in good shape?

Ed: I suppose to some extent, I'm a bit of a pessimist, so I always see the problems in things, which then create opportunities. What keeps me awake at night is knowing that things are wrong and knowing they can be better.

Richard: Currently, it's the impact of the financial crisis on the business. But frankly, I've been working since the 70s; we've seen financial crises before, some have been worse than others have. This one, clearly, is very bad. That's a constant theme that you've got to be aware of what's going on in the overall business environment.

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Edward Fitzmaurice
CEO, Hastings Direct



Ian Harley
Associate, Criticaleye



Richard Laing
CEO, CDC



Tim Matthews
CEO, Remploy



Deanna Oppenheimer
CEO, Barclays Retail



David Wild
CEO, Halfords plc