



How to Manage Your Board as a First-Time CEO

The board can be an unknown quantity for a new chief executive. **Robert Leeming** finds out how to ensure the relationship is strong, transparent and focused on what's best for the business

A first-time CEO can be tempted to think the board is a distraction from the real work of driving performance. It's a trap they should avoid at all costs, as the reality is that their position will be stronger if they have forged a robust relationship with their board.

Both parties want an organisation to be successful. **Camilla Perselli**, a

Relationship Manager at Criticaleye who has supported a number of first-time chief executives, comments: "At the start of your tenure as a CEO, you should have the full backing of your board. However, rather than take this for granted, you should think about building the best possible working relationship with your chairman so expectations are clear on both sides."

"You also need to set out how you want your executives to communicate with the board more generally. If you are communicating in a way that is structured, open and transparent, you will be off to a good start."

We asked a range of business leaders about their experiences and advice on how to manage a board as a newbie chief executive. >



Chris Brayne
CEO, Wessex Archaeology

Results Build Confidence

The board invited me to be caretaker CEO at a point when the board was in serious danger of being forced to wind up the organisation. I've now been in the post for four years; the company has been in the black for two, and we are doing well.

I had come through the business as a technical specialist, so communication at board level was something I had to learn.

This is a charitable company so board members are also trustees and have even greater responsibilities than directors have under the Companies Act. That level of legal and ethical responsibility meant that, until they really understood how I operated, they kept a very close eye on things. In those early days, there were a couple of occasions when the board and executives needed to work out where the boundaries were. There was a bit of conflict about that.

Perhaps the hardest thing was that I had to find ways to communicate with the broad range of personalities that our board contains, in a situation where my actions really

exposed them to jeopardy. My role at that point was to reassure and persuade. I knew I had won their trust when we produced a turnaround plan and they accepted our assurances that we could manage the cashflow.

It was never my plan to be a CEO, but now I'm actually surprised how much I enjoy the role. It is stressful and it is relentless and, on occasion, it's quite frightening. As a fairly introverted person, I did not expect to relish being the centre of attention, but you get used to it and, in time, you learn to assert yourself.

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Mike Regnier
CEO, Yorkshire Building Society

Assume Positive Intent

I was an internal appointment, so I had an advantage in some ways as I already knew the dynamics of how the board operated and the characters involved. In the early months, though, I underestimated how much of my time I would spend managing the interface between the business and the board.

As an executive, you see the business as a movie and you know every frame and how the organisation is constantly evolving. But as a non-executive, you come in once a month and you only get to see a snapshot. I underestimated how much colour you have to provide to support that snapshot.

Of course, a good relationship between the CEO and the chairman is absolutely essential. The chairman has a lot invested in you as a new CEO as you're their appointment, and you need to assume positive intent right from the start.

We agreed in the early days that we wanted to spend a lot of time getting to know each other; we are still building on that relationship today.

After six months in the job I asked all the non-executives for formal feedback on what they had seen from me so far. They were quite surprised at being asked I think, but it helped me as it really gave me a temperature check on how well the initial phase had gone and what they believed I needed to work on.

When I came in I also changed the format of how the CEO reported to the board. I used a report to provide a stronger signal on which items on the agenda were more important and which were more perfunctory – this helped to reduce the amount of lower value debate we had on some topics.



Nigel Howell
CEO, FirstPort

Learn the Art of 'Board-craft'

As a new CEO, you have to be yourself. You are now the leader and you have to accept that you attained the position because your instincts are sound and people trust you. Therefore, set a course that you believe in, reflecting both your company's position and your own personality.

The CEO should expect the board to show a keen interest in performance. As a PE-backed company, our investors are very engaged. I meet them monthly at the formal board meeting and at the half-month interval for an informal catch-up.

My chairman is a very engaging, energetic and helpful person. For example, he advised me to never give the board surprises. As a result, I keep the board informed if I am encountering a business problem or challenge, as well as explaining what I intend to do – the 'no surprises' approach is even required for good news.

There is a certain amount of 'board-craft' required from the CEO. It is sometimes difficult to judge how much information to give, and sometimes it's difficult to predict

which topic will draw the most debate. After a while, you begin to learn what topics the board is likely to dive into and you arrange your material accordingly.

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David Harding
Chairman, Growthdeck

Identify Where a CEO Needs Support

When you recruit a CEO you have the opportunity to set expectations from the start, including the initial agenda and priorities.

Chairmen are there to help, which is why CEOs need to be open, honest and factual. I tend to have a weekly meeting with my CEO in order to keep on top of issues.

If you haven't established a trusting relationship within the first few months, then it probably isn't going to happen. I'm not sure that an intense relationship between the two is

healthy, because there has to be a degree of separation. A chairman is supposed to be objective, as ultimately it is their responsibility to replace the CEO if the relationship is not working – after all, there is a reason why the two roles have been created.

When a CEO comes from a more functional position, you have to get them out of their comfort zone and cajole them into viewing the bigger picture. Part of the chairman's job is to identify the limitations of a CEO, and then to strategically place expertise around them to help.

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