



Retaining Perspective as a CEO

Pressure from internal and external stakeholders means a CEO can be pulled in many directions. **Criticleye** looks at how leaders can keep their eye on the prize

A CEO is constantly being pulled in different directions by the competing demands of internal and external stakeholders. There is incessant pressure from employees and the Board, customers and suppliers, regulators and investors, to act in a way that may not always be consistent with what the CEO believes is right for the business.

At Criticleye's [Private Equity & AIM Retreat 2019](#), held in association with [Brewin Dolphin](#), the focus was on how to retain a sense of perspective as a CEO so that those competing pressures can be adequately managed. **Ruby McGregor-Smith**, Senior Advisor at Mace Group, told the audience that "one of the challenges you have, whether you're

a public or private company, is that you have an investor-base that is going to be more short term than you would want them to be".

Mark Silver, Chair of fleet-management SaaS provider Cordic and a Board Mentor at Criticleye, has experience of operating with both listed and private >



companies. He said: "The reality is, when things are going well you can afford to be strategic, but as soon as things get a bit tough you are expected to be much more operational."

"You have to be brave as a business leader and keep your eyes on the prize. Try to remain looking towards the long-term future and understand where you're going as a business. If you're being tactical all the time, and you're only focusing on the day to day, then you will either miss opportunities or you'll be hit from the side by a competitor."

According to **Mark**, private equity investors shouldn't automatically be bracketed as more short-termist than Plc ones. "I have been working under PE for a number of years now; we've taken brave decisions when things weren't going well and stuck to our course. We had a business in a cyclical downturn but, rather than cut costs or put everything on hold, we were courageous. Taking advantage of the environment, we bought other businesses cheaply – so that when we came through the period we were in a much stronger position."

He continued: "In some senses, if you have the right PE house as a partner, and you're not too burdened with debt, then you can take a slightly more medium-term view. On the markets, if you have a bad quarter, that's almost it for a year; you have to hunker down and prove you're doing the right things again before going back with any strategic plans."

A Strong Team

A key theme to emerge from the various interviews and panel debates on Day 1 of the Retreat was that it's easy for a Chief

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Executive to fall into the trap of trying to do everything. "One of the big battles most CEOs have is about how you stay out of the detail," commented **Ruby**.

"The only way is to have a brilliant management team around you. But it's probably one of the hardest things you have to do."

Jerzy Nagorski, Relationship Manager at Criticleye, agreed that leadership team capability was an ongoing issue for CEOs. "Whether you're in a Plc or PE environment, every ExCo and Board will naturally pay close attention to hitting their numbers. To be successful, a CEO needs confidence in their top team to deliver those results, so they can then have the freedom to step back, engage with stakeholders and take a strategic view."

"Things start to unravel when every decision must be run past the CEO and they hold all of the key relationships. It's not a recipe for sustainable, long-term growth."

Mark Bartlett, CEO of the kettle controls company Strix, has been keen to improve the flow of information within the organisation since he took over as Chief Exec in 2015. He explained: "We constantly do things to encourage greater insights into the Plc Board, so we'll invite members from the management team or the company to come and present on a particular part of the business. They, in turn, get exposure to the Plc Board."

The fundamental point, which all the speakers agreed on, is that the team around the CEO can only perform at the highest level if they respect one another and are open in expressing what they think. When you have that mix of a strong culture, held together by clear values, plus the requisite technical skills, then a business can achieve great things. ■

[Click here](#) for more information on this year's Growth Company Retreat, which is being held on 19th and 20th March 2020.

Featuring Commentary From:



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