

FIRST-TIME CEOS

The Advice No-one Ever Gives You



Moving into the corner office is something to which many aspire but, in reality, there is little anyone can do to prepare to be a CEO. It is not something that can be taught in school. Even a mentor can only give you certain insight into the role. To lend a hand to those about to take the top job, Criticaleye asked a number of the current and former CEOs in the Community to impart the advice that they wish they had received when they first took on the role.

First, accept that you will not be prepared for what the job feels like when you put it on. **Brendan Hynes**, CEO of Nichols plc, says that “The reality of the role, on paper, is actually very similar to the role I thought it was. The biggest difference when I become CEO was its *feel*. An analogy might be that, having read the book, someone was now asking me to produce the play – it feels quite different.”

You will need to back yourself, too. You aren’t running for election anymore – you’ve got the job already. Now you need to demonstrate your leadership. When you start, you will need to have an agenda and communicate it as quickly as you can (without being rushed). And remember that you will not need to wait for approval for all of your decisions - you can garner support along the way. The world inside the organisation will need to know who you are, what you stand for and what direction you want to take.

Also, you will need to find the right opportunity at the right time to cement your leadership. This will not be to seek approval, but to demonstrate that you are now in charge – you are about to be the visible leader of the company.

You should also get your previous role out of your mind. The difference between being a CEO and a divisional head, for example, is that, in the latter role, you are fighting for resources and recognition for your team, and all the other teams are competition for your share of the pie. At the top of the tree, you can’t afford to have that view – you must be seen to be fair, open and available to everyone. If your previous role was a functional one, then you must step away from that as well.

Helen Alexander, President of the CBI and Former CEO of The Economist Group, confirms this: “One of the main challenges that you have to overcome when becoming a CEO is not to spend time concentrating on your areas of expertise, in my case this was marketing. As CEO, you must concentrate on the less familiar areas.”

Criticaleye asked some of its interviewees for their advice on how best to prepare for the first day in the role as CEO.

Peter Horrocks, Director of BBC Global News and World Service, offered: “The personality that you have and the approach that you convey will be critical in the early days – first impressions count after all. The kind of person that you are, the way

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that you are going to go about the job, how you are going to require people to do whatever you want them to do, must be communicated straightaway.”

Alan Parker, former CEO of Whitbread plc, highlights a mindset to get used to early on: “Remember that a CEO’s job is all about change. Your responsibility is to lead the organisation so that it is able to respond to the trends and opportunities that are out there in the market.”

Darryl Eales, CEO of Lloyds Development Capital, stresses that you should not change as a person, “but bear in mind that the perception of you is likely to change when you start. On the day I took over the role, someone said to me ‘don’t change – it’s you that got you here so why change now?’ Great advice”.

Steve Easterbrook, CEO of McDonalds UK, points out that: “The shadow that you cast as CEO is very long indeed. This is a responsibility that you will need to take very seriously, and to understand it. The implications and repercussions of your actions in the CEO role are likely to be far more than in your previous role[s]”.

So, now that you are mentally prepared, where do you start?

ASSEMBLE THE RIGHT TEAM

The first thing that you need to do is to put the right people in the right place. Be clear and honest with yourself about your strengths and weaknesses and build the team around you with one eye on filling the gaps in your own experience and skill-set. So, be tough early-on and organise a team around you with the people that you need and feel most comfortable with.

Rob Woodward, CEO of stv Group plc, says: “It’s imperative to get the right people around you. You need people you can trust – people that share your vision, that are passionate about delivering that vision and that can work within a team.” He offers the caveat, however, that you should not throw the baby out with the bath water – you need to retain some corporate memory. “We ended up with an amalgamation of people who were here in the past and new people from the outside,” he says “So we benefitted from some corporate memory plus new skills, attitudes and experience from people we recruited from the outside.”

When assessing the existing team, you need to be decisive – don’t rush into decisions but also don’t hesitate. Richard Laing, CEO of CDC Group plc, concedes that, in the course of his career, the mistakes that he

has made have largely been about people. “When you realise that someone doesn’t quite fit, you need to act,” he says. “In the past I have taken too long to make the decision to let them go. I also 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.”

Tim Matthews, CEO of Remploy, Britain’s largest employer of disabled people, said that you must be “tough and resilient. It can be unpleasant when you’re driving change so you’ve got to surround yourself with people who will be both supportive and, personally, you’ve got to be very resilient”.

Meanwhile, as Helen points out, one of the most crucial parts of the CEO’s team may often be overlooked: “a great PA is always essential - in this respect I was very fortunate”.

In addition, a good CEO is also excellent at delegation. You can’t do everything yourself, so make sure you have a team you can rely on.

Next, you need to realise *early* that communication is key.

COMMUNICATE, COMMUNICATE, COMMUNICATE

As an incoming CEO, you simply cannot do enough communicating. Sending signals from the top about ‘how it is done around here’ is critical. You must not only be out there talking to customers and employees, you must also **be seen** out there talking to them. Darryl agrees: “In my first few months in the role, I just made sure that I was visible and approachable.”

Rob offers that, “you must communicate, particularly when going through a period of major change. You must communicate very regularly and very openly in order to be able to bring staff along on the journey – one can never afford to lose the trust and support of the staff. Never let a communication void develop”.

Speaking of trust, bear in mind that, providing that you have the interests of the company at heart, people will generally follow you. If they doubt this, in any way, then they may not trust you. **Paul Barron**, former CEO of NATS, the UK’s air traffic services provider, confirms that “you have to connect with the people who are

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actually doing the job – they must believe in you. You must be clear with them about where you are going and why you are going there. People will follow you if they believe in you and can relate to you. To do this, you need to be visible”.

Indeed, Brendan explains that the role of CEO is much more about people than he had thought: “it’s all about communicating. It feels like being the head cheerleader in our business, keeping it on track. A lot of it is unspoken, but the core is keeping everyone going in the same direction. It’s important to make sure everyone thinks that they are critical to the plan.”

Helen offers that this is not just one-way communication – the role demands a good listener: “as a CEO, you need to keep accessible and keep in touch. You must listen hard in order to interpret what people in the organisation are telling you.”

THE LONELY GOLDFISH BOWL

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 - borne out by comments from the Criticaleye Community.

Paul explains that “the first thing that you realise when you become a CEO is that the buck stops with you. This is a bit scary and a bit liberating. It is also lonely”. **Jon Slatkin**, former CEO of the advertising concern Titan Outdoor, which was recently acquired by JCDcaux, concurs: “Being the CEO is a lonely role. As much as you want to bring the people around you along for the ride, you don’t really have anyone you can open up to about what is going on as, ultimately, you are responsible.” Tim Matthews adds: “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.”

However, not all see it as lonely. **Deanna Oppenheimer**, CEO of Barclays Retail UK, said of her role: “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 about decision-making."

Regardless of the debate over loneliness, perhaps one of the most important differences you will notice when taking up the CEO position is the extent to which people look at you.

Sir Brian Bender, a Criticaleye Associate and Former Permanent Secretary of BERR (Department for Business, Enterprise and Regulatory Reform), explains that "people will pick up on the signals that you give and, when you do something careless, you risk undoing a lot of the positive things. Consider what sort of image you are portraying".

Paul Drechsler, the Chairman & Chief Executive of Wates Group Ltd agrees: "The difference with the CEO role is characterised by behaviours. Your behaviours at the top have an effect that is disproportionate very often to other people in the organisation. So, you have to be aware that, if you make an 'easy' comment about something, it sends a signal to the whole company about your values. The 'lighting' on a CEO is much more intense so, whatever you do, everyone sees. You are *always* visible to everyone in the organisation *every* minute of the day."

So, the way that you need to behave as a CEO is likely to be different to your other roles because, as Brian and Paul point out above, people can be hypersensitive to small changes in behaviour. To deal with this, Brendan has become "a great believer in keeping calm and cheerful, whatever is happening. Always display positive body language – something I underestimated before taking on this role".

Darryl throws in that, as CEO, you also get very little feedback: "The single biggest difference between the CEO role and any other is that you get virtually no feedback. It tends therefore to make the role isolated. And, when you actually ask for feedback, you confuse honest feedback with gratuitous compliments."

Richard adds: "It was a lonelier role than I thought it would be, despite being warned. [To counter this] I found it was important to put in place a support network of people you can talk to, both inside and outside the business."

This brings us neatly to the need for support.

SUPPORT

Brendan mentioned that, as "it's lonely in this role, I wish I'd had (at least when I started), the support of an external mentor to bounce ideas around with. This is an area, incidentally, where a network such as Criticaleye can really help."

The first thing Rob Woodward did was to bring in a long-term senior business partner who immediately became his 'trusted guy' in the organisation. "You need your friends, and you need them extremely close to you." You need to know who your friends are because, as CEO, everyone will want to be your friend and you may not know whom to trust.

You must communicate - never let a communication void develop

David Wild, the CEO of Halfords plc was unfortunate in that "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."

For Tim Matthews, it was someone to feed him the right information: "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.

For **Martin Balaam**, the former CEO of Redstone plc, the simple answer to support was networking: "Pick up the phone and ask people. If I see a company that's doing really well, I will pick up the phone and call the CEO. I will cold call them – and I've never had a CEO refuse to talk to me. It is very flattering for them."

In addition to the advice set out above, the Criticaleye Community offers the following useful points to consider:



KEY TAKEAWAYS FOR FIRST TIME CEOS

- Expect the Unexpected
- Build the Right Team
- Communicate, Communicate, Communicate
- Don't Forget You Are Visible all the Time
- Have a Support Network
- Be Passionate
- Be Decisive
- Make Sure You Can Trust Your Information
- Keep Your Internal Ear to the Ground
- Keep Yourself Grounded
- Be Wary of Advisors
- Keep the Customer and the Employees Front & Centre
- Don't Forget to Enjoy Yourself

Be Passionate – “Believe in what you do with a passion. When you walk in on the first day, everyone observes you including shareholders, the market analysts, the media and the staff. Unless you believe with a passion that you will deliver and transform this company, then don’t bother.”

Be Decisive – “I should perhaps have been more assertive when presenting my ideas to the chairman. There is a time and a place for both approaches but, early on, I probably got the balance wrong. I should have established my role and relationship with everybody as CEO a little sooner than I did.”

Trust Your Information – “It’s important to be able to trust your ‘dashboard’. When you are appointed you are fed a lot of information that is potentially unreliable. When you inherit a situation it’s like driving a car – you don’t know if your instrumentation working or not – so the absolute priority is to know that the information that you’re being fed is reliable and accurate and you need to do whatever it takes, whether it’s changing people or systems etc, in order to ensure you get the proper information to run the company.”

Stay Tuned – “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 saying ‘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 and your shareholders are telling you is crucial.”

Keep Yourself Grounded – “When you start, it is tempting to approach the stakeholders and over promise on what you can deliver. A better approach might be to under-promise and be clear that any transformation may not be a success story over night.”

Be Wary of Advisors – “You’ll absolutely be tempted to take their advice, especially the brokers, but remember that they’re human and not always right. And most of the time, they’ve never run a business.”

Keep the Customer and the Employees Front & Centre – “As CEO, you need to ensure that you keep people, your colleagues and customers, central to your decisions.”

Don’t Forget to Enjoy Yourself – “Make the time to enjoy the journey, and have some fun along the way.”

Featuring commentary from:



Brendan Hynes
CEO, Nichols plc



Helen Alexander
President, CBI



Peter Horrocks
Director, BBC Global News
and World Service



Alan Parker
Former CEO, Whitbread plc



Darryl Eales
CEO, LDC



Steve Easterbrook
CEO, McDonalds UK



Rob Woodward
CEO, stu Group plc



Richard Laing
CEO, CDC Group plc



Tim Matthews
CEO, Remploy



Paul Barron
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Jon Slatkin
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