

Now you're in charge: the first 100 days

The first 100 days is a crucial period for a new CEO, whether promoted internally or recruited from outside a firm. Senior partners Thomas J Neff and James M Citrin of executive search firm Spencer Stuart recognise that it is in this period that a new CEO can lay the foundation for long-term success.



The first 100 days is a crucial period for a new CEO, in terms of learning, adjustment and setting the agenda

From long experience in the world of executive recruitment, we have seen that a new CEO can go a long way to defining his or her long-term success in the new role within the first 100 days. That is just three months – a short time by any standards. If this sounds like too short a time, there are plenty of examples that show this analysis to be true. Take A G Lafley, who took over

as the third chief executive of Procter & Gamble in the space of two years. Knowing that he had to get the struggling consumer goods manufacturer back on track as soon as possible, after three months he had already refocused the firm around its ten best-selling brands, cut 9600 jobs and laid the foundations of a strategy that boosted both the firm's bottom line and its share

price in the middle of a global economic slowdown.

This is a positive. For a negative, we could consider Norman Blake, an experienced corporate executive who was brought in to streamline the US Olympic Committee. After the end of his first three months in the job he had realised that he could not succeed with the mindset of the all-volunteer

Athletes Advisory Committee and resigned five months later.

The short timeframe in which long-term success is defined means that a new CEO must hit the ground running and the pressure is most certainly on from day one. In fact, the race really starts even earlier and it is vital that a CEO should take advantage of what we call 'the countdown process'. In the run

up to assuming the leadership of a company, there is a limited timeframe in which to get as smart as possible about the new position.

Before the job even starts

Taking executive control of a company involves a lot of preparation. This does not simply mean understanding the business, its goals and its assets. It also means preparing yourself mentally, physically and emotionally for the rigours of the new job. Many new CEOs report that they were not truly ready for the toll of their new job on mind and body. Hiring

consultants, personal coaches or physical trainers can help a new CEO prepare on all levels for the considerable task awaiting. Getting oneself in the right shape, mentally and physically, prepares a new chief executive to address the challenges of the business world. Put in place your personal support infrastructure and make sure that you prepare your family for what is to come in those first three months. This is a time when you will need strong support and for most of that initial period you will find yourself constantly relying on those close to you.

Alongside that, there is a considerable amount of preparation that can be done that is specific to the firm. It is vital that a new CEO carries out thorough due diligence prior to assuming his or her new role. Know the key business issues, opportunities and challenges before setting foot in your new office. Also of key importance in the preparation phase is taking on a wide range of views from people who have a key interest in the business and who know how it works. Talk to as many stakeholders as possible, especially board members, to get insight into the culture, as well as the challenges and opportunities. Seek out knowledgeable external constituents as well, such as industry analysts and consultants. Take views on the management team. With this kind of preparation, you will be in a position to show that you understand the role that you have taken on, and you will have gone a long way towards ensuring that the right support mechanisms are in place to help you through a challenging time.

Common faux pas

However, there are a number of common mistakes that are often made in the first three months. The first mistake to avoid, despite all the preparation and pressure, is falling into the trap of feeling that you have to have all the answers right from the start, particularly if you have been recruited from outside the company. It might be tempting to feel this way, but almost by definition you will not have the basis for judgments that enable you to come up with the right answers about how to address the problems. Even if your answers are right, you need to get confirmation from listening,

which helps ensure the critical buy-in that is essential for any new CEO.

The second potentially major pitfall that awaits the new CEO is creating unrealistic expectations about what you can accomplish and in what timeframe. If this happens and you achieve the intoxicating feedback of quick and measurable results, you risk getting onto a treadmill of unsustainable expectations. This simply piles on the pressure and can easily lead to a downward spiral, in which you push the organisation too hard to achieve promised results.

Another action to be avoided is the temptation to openly criticise the previous regime in terms of its leadership and strategy. Though your approach may be very different to what went before it is up to you to prove the value of your new strategy and approach in a positive way. You never know when discrediting your predecessors will create ill will among the employees and managers that were loyal to them.

Bearing these potential pitfalls in mind, you will soon come to your first meeting, which is where you really sell yourself to the company and the executives on your team. It is important to establish immediate credibility, without succumbing to the temptation to make it appear that you have all the answers already.

Selling yourself is as much about listening as it is about talking. Listen 'aggressively' while gathering critical input, all the time assessing the competency of the top team. It is at this stage that you start to make decisions about whom you should keep, and prepare for the tough decisions about who you may need to let go. You can only do this if

Company profile

Spencer Stuart is the foremost privately held, global executive search firm, spanning over 50 offices in 25 countries. For more than 45 years, we have been providing select clients with a range of human capital solutions, including senior-level executive search, board director appointments, strategic leadership services and middle-management recruiting. We conduct nearly 4000 assignments each year, partnering effectively with clients ranging from the Fortune 500, to mid-cap, to emerging growth companies, across a broad range of industries and sectors.

Founded in 1956, Spencer Stuart remains privately held, which enables us to concentrate exclusively on our clients' needs and to provide the highest quality service. We employ nearly 300 consultants globally with backgrounds in senior leadership roles at top companies.

We are the pre-eminent firm for CEO, board director and other senior-level assignments around the world. The majority of our search assignments focus on CEOs, general managers, vice-presidents and board directors.

For the past 20 years, Spencer Stuart's Board Services Practice has helped boards around the world identify and recruit outside directors and provided advice to chairmen, CEOs and nominating committees on important governance issues. We regularly partner with a diverse group of clients to help them strengthen their board structure and performance. In addition to our work with clients, we have long played an active role in the corporate governance debate by exploring – both on our own and with prestigious institutions – key concerns of boards and innovative solutions to the challenges they face. These initiatives include:

- **Spencer Stuart board indexes.** Published annually in the US, UK and many other European countries, these board indexes provide a unique picture of board practices and governance issues at leading companies.
- **The Directors' Institute and Directors' Forum with the Wharton School at the University of Pennsylvania, held in the US and the UK, respectively.**
- **The annual Corporate Governance Conference at Northwestern University's Kellogg School of Management.**

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you are receptive, so the first meetings are not all about voicing your opinions and forcing yourself on the team around you.

Before new leaders even think about developing a strategic plan, they should begin to determine whether they have the right people who share the same values and who will be able to implement whatever plan is created.

Once you have a clearer idea of who your team might consist of, you will then be in a position, with their help, to face the challenge of setting the strategic agenda that will carry you and the company forward. This agenda will allow you to focus management activity and resources. It is just as important to determine what you and the organisation will *not* spend time on, as it is to determine what you will focus on.

Setting the agenda

So, in the first 100 days you need to develop an accurate reading of the corporate culture and determine what to keep, change or adapt. At this stage it is important not to focus too much on the views and reactions of the financial community. You must recognise that they are generally focused on short-term results and movements in the stock price, whereas you should have your eyes fixed on long-term performance.

Taking these steps will put you in a good position to implement your strategy, but it is also important that you establish your authority. This is achieved in large measure by creating the right first impression with all those connected to the company – employees, the board, customers and shareholders. This requires preparation, tireless effort and a willingness to listen and learn.

The perception of your authority will stem from your efforts to create your own agenda, and to do this you must remember that the board appointed you because it has confidence in your leadership and your ability to set the direction of the firm. Building a wider constituency around this direction is dependent on the effectiveness of your internal communications. Remember at this stage to focus on the important issues, not the minutiae, and show that you take great care in making formal decisions, informal behaviour and symbolic acts. In the early days the organisation will be watching your every move for signals of what is to come.

In your early days, the challenge of establishing your own regime may be hampered by resistance to change that emerges from within the company. Your best means of tackling this resistance effectively – which you will need to do, and quickly – is to have a clear communication plan that can be implemented effectively. Take advantage of the window of opportunity afforded you in the first 100 days, and remember that many people within the organisation will expect a new leader to bring change. After all, this may be one of the main reasons that the firm has sought a new CEO.

Unpopular decisions

If you are forced to make unpopular decisions, remember that if you act with integrity at all times, set the agenda for change publicly and relate all decisions to that agenda, then the process will become easier. It might also help to remember that achieving popularity for its own sake should not be a key

motivator. In fact, this can sow the seeds of disaster.

Set your agenda, which should be based on extensive preparation and knowledge of the fundamental issues that affect the business. Prioritising the creation of efficient, upbeat internal communications mechanisms means you will be able to make sure that this agenda will be communicated effectively throughout the company. This will help your strategy to gain traction quickly and establish your character and authority. Getting feedback you can trust on how this strategy is being received and how well it is working is important, and the first step in getting this feedback is simply to be open to it. Listen genuinely to what you are being told by management and other sources within the company, and balance this with external assessments.

What we have discussed here is just a fraction of what is important for a new CEO to consider, but if adhered to, it will go a long way towards building a strong platform from which to achieve long-term results. If you remember only one thing, however, it should be that the first 100 days is the timeframe that can make or break a new chief executive. There is no time to waste.

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About the authors

Thomas J Neff and James M Citrin are senior partners of the executive search firm Spencer Stuart, which has more experience placing CEOs than anyone else in the world (according to market data from the US-based Executive Search Information Exchange). Through their professional experience, it has become clear that when a new leader takes over a company, whether promoted from inside or recruited from the outside, he or she has a unique window of opportunity to lay the foundation for long-term success. Moreover, building on their experience, they have spent the past two years performing additional research by studying 100 top CEO transitions as part of a forthcoming book on what new leaders should do to take maximum advantage of the organisation's readiness for change when a new CEO takes over.