



EXPECT THE UNEXPECTED

The experiences of first-time CEOs

EXCHANGES16

IN CONVERSATION WITH THE WORLD'S CEOS

EXCHANGES is the annual CEO study by The River Group. It is based on conversations with CEOs from around the world. The 2016 report is entitled *Expect The Unexpected* and is about the experience of becoming CEO for the first time.

THE CHALLENGE OF THE BOARD
THE MASTER AND THE APPRENTICE
ICE PARADOX
THE WEIGHT OF CONSCIENCE
ONE IN A CROWD
THE POWER OF CREATIVE EXPRESSION
THE MYTH OF CONTROL

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INTRODUCTION

by Sandy Lyons, CEO of The River Group LLC

EXCHANGES is the annual CEO study by The River Group. Our research focuses on the role of the CEO, the pinnacle role of leadership in an organization. We recognize the unique characteristics of this role because we draw on years of experience as both CEO and consultants to CEOs. Our intention is to inform, enlighten and inspire those who aspire to lead.

This year, *EXCHANGES16* is about the experience of becoming CEO for the first time.

Our hypothesis was that there would be many common experiences among leaders making that first transition to the role of the CEO. Rooted in my own experiences as CEO, and my colleagues' observations of client CEOs over the years, this study was designed to explore this crucible moment in transitioning to CEO for the first time.

This report summarizes our study, which was based on in-depth conversations with 75 CEOs during 2015. We asked the CEOs: "How prepared were you?" "What were the biggest surprises?" "What are the best and worst parts of the job?" "In what way is the job different from other leadership roles?"

The report is organized under six core themes or 'experiences' of the first-time CEO, as described to us. The findings confirmed our hypothesis, capturing what the CEOs wished they'd known before stepping into the role, while also compiling their advice for those who are preparing for, or aspiring to take on, the role.

As a two-time CEO in our study said: “You are an order of magnitude more prepared the second time you become the CEO.” I also found that to be true and was much more prepared each time I took on the role; there’s no substitute for direct experience.

As noted, there are six sections in this report. Each section describes one experience of first-time CEOs, and each has three parts: first, quotes from the CEO to illustrate and provide color commentary on that experience; second, a summary of that experience; and third, direct advice about how to handle the experience if you are a first-time CEO.

If you are a CEO, we’d love to hear from you about your own experiences when you first became the CEO.

Sandy is a former four-time CEO of multi-national, multi-billion dollar businesses in the US and Europe.

EXECUTIVE SUMMARY

Six months into the job, first time CEOs find they are much less prepared to be the CEO than they thought they were.

The spotlight is sharper, the stress is higher, and the isolation—“being alone in a crowd”—unsettling.

BUT, most days are the most enjoyable of their professional careers. Overall, the majority find it both fulfilling and rewarding—the best job of their lives.

Many surprises lie ahead for the new CEO. The Board will take much more time and attention than expected. The voice of the CEO will take on disproportionate volume and impact. Even the closest of colleagues and friends will behave differently towards them, becoming more guarded and distant. When reflecting about the role, “lonely” is one of the words most often used by CEOs. Unvarnished performance feedback will be rare. And they will learn quickly that the assumed control that comes with the most powerful role in the company is a myth.

From the start others see the new CEO as “complete.” The finished product. Anointed to lead with all the skills and experiences in place. The reality is much different.

For the first time CEO, this is on-the-job training without a text or a teacher. Finding an experienced CEO to be a sounding board, joining a small group of CEOs for joint learning and support, and engaging a trusted advisor/coach are steps experienced CEOs advocate.

Because the CEOs' decisions affect the lives of so many, these decisions will weigh on their conscience. At the same time they have to be the public face of confidence. They will need to lean on family and friends for safe-harbor and emotional support.

Time to think, time to reflect is rare. They are always on 24/7; there is no downtime, the spotlight does not go off, they are the audience in every meeting and the focal point of every conversation—directly or obliquely.

Along with all of this comes the opportunity to lead, to have a vision and to set a course; to express themselves almost like an artist with the organization as their canvas. That, CEOs tell us, is the biggest pleasure, not the power, and it comes from connecting with people and creating a shared purpose. To achieve it they need to engage, engage, engage; to be visible and approachable. They need to communicate at least three times more often than they think necessary—and to never underestimate the impact of a five-minute conversation.

On the following two pages we summarize the findings of the study and the advice of the CEOs who we interviewed.

The challenge of the Board

The unexpected demands and challenges of the Board, collectively and individually, are a big surprise for first-time CEOs.

- ◆ Engage members individually as well as collectively.
 - ◆ Set expectations by “contracting” with the Board early on.
 - ◆ Avoid ugly surprises.
-

The master and apprentice paradox

The role of the first-time CEO requires simultaneous learning and leading.

- ◆ Recognize that others see a “complete” CEO, while learning on the job will be the reality.
 - ◆ Work with peer CEOs who have “been there” and can help see what’s around the corner.
 - ◆ Seek constant feedback, and act on it.
-

The weight on conscience

Decisions made by the CEO affect all stakeholders. But, it is the impact of those decisions on the lives of employees and their families that weigh on them most.

- ◆ Find ways to manage the stress that comes with making really tough decisions.
- ◆ Do not become detached. Communicate clearly and often. Be confident.
- ◆ Be prepared to quickly remove individuals who are ineffective or corrosive.
- ◆ Understand the need for emotional resilience and personal well-being.

Alone in a crowd

CEOs find themselves isolated *and* at the center of attention simultaneously.

- ◆ Be prepared for relationships to change and to be treated differently, even by close colleagues.
 - ◆ Recognize the magnified impact of every action and statement.
 - ◆ Think carefully about what you say and to whom. Know that spontaneity can be the enemy.
 - ◆ Your “title” will impact the behavior of others—do not let it do the same to you—stay true to who you are.
-

The power of creative expression

The freedom to create, to have a vision, to set a course—and then to see it through by working with others—is the best part of the CEO’s job.

- ◆ Use the power of storytelling to build commitment to your vision.
 - ◆ Before moving quickly, take the time to engage others, to listen, to learn.
 - ◆ A clear sense of purpose, well articulated, is a great way to motivate others.
-

The myth of control

The politics and organizational dynamics that strive to influence the CEO are relentless. The CEO’s finite time is in infinite demand.

- ◆ Be prepared to manage the realities of organizational politics through open engagement and healthy debate.
- ◆ Manage the “time vampires” that suck time away from important tasks. Take control of the calendar.
- ◆ Learn to achieve success through influence, rather than control.

DEMOGRAPHICS

75

CEOs

8,000

Average number of employees

5.3

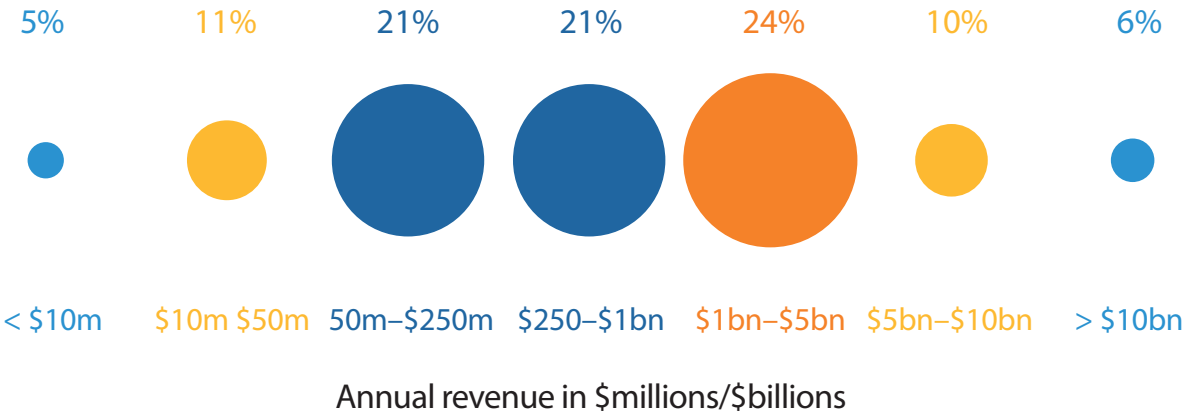
Average tenure in years

Average Revenue

\$3bn

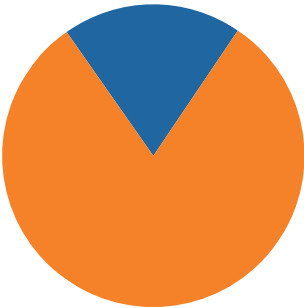
Smallest \$3 million/Largest \$48 billion

Percentage of respondents



Gender

Female 19%

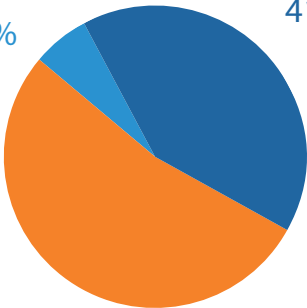


Male 81%

Education

PhD 6%

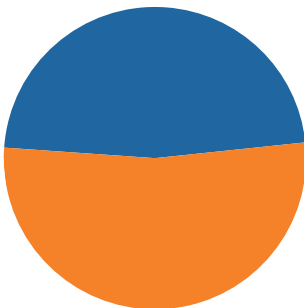
Bachelors 41%



Masters 53%

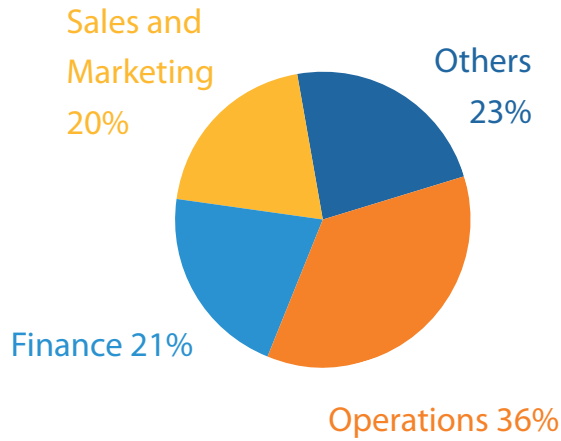
Hire

External 47%

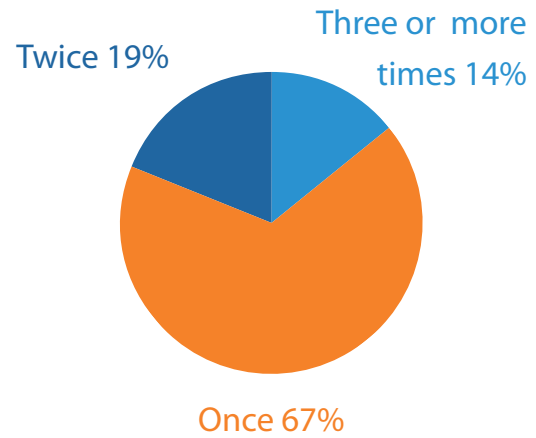


Internal 53%

Career path



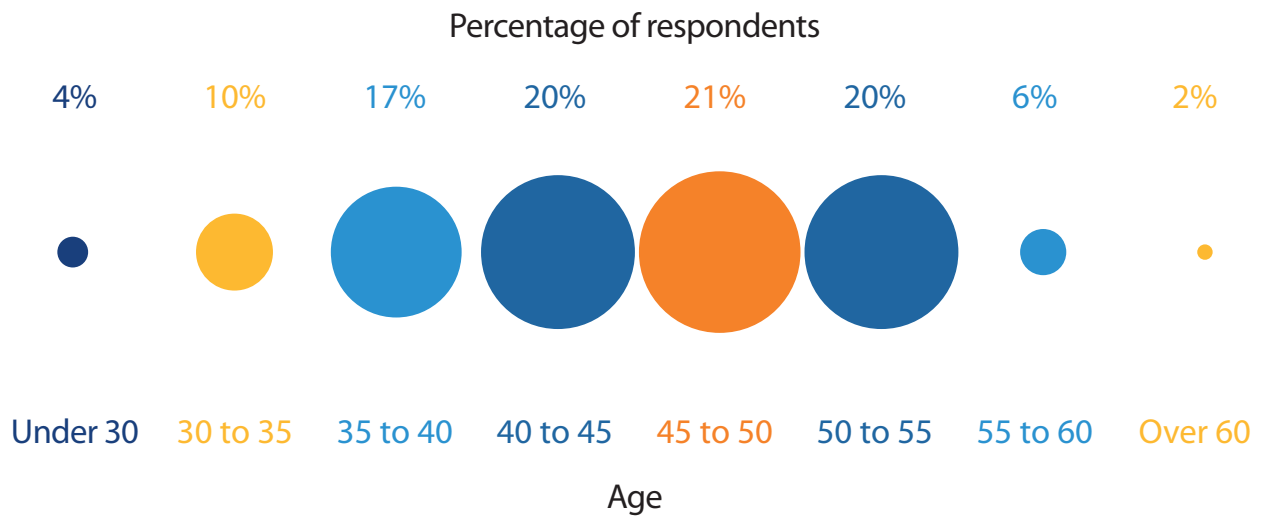
Number of career CEO roles



Average age when appointed

45

Youngest 24/Oldest 61

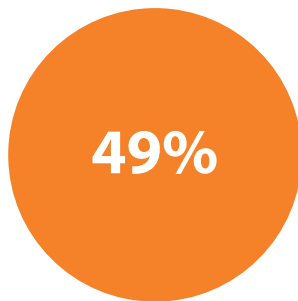


45%
Public companies

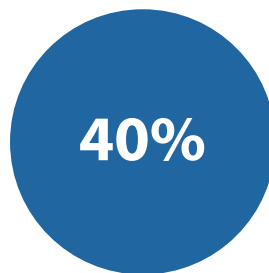
45%
Private companies

10%
Non-profits

Region



North America

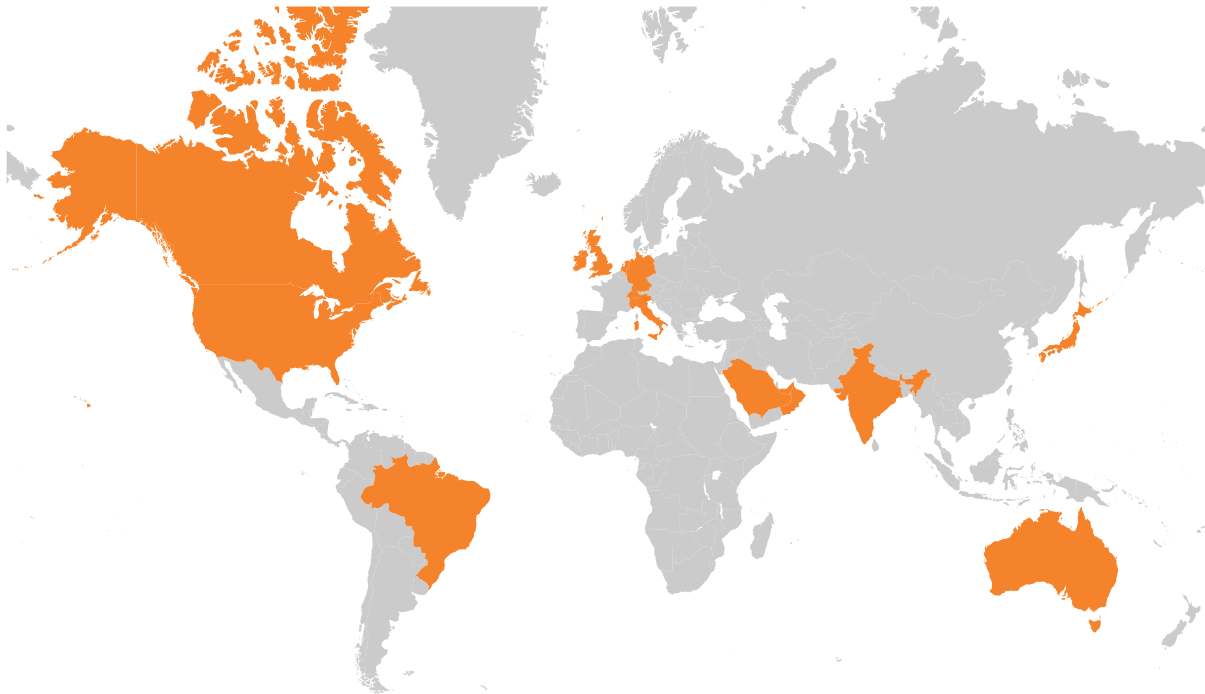


European Union



Other

Company headquarters of CEOs interviewed



Australia • Brazil • Canada • Germany • India • Ireland • Italy • Japan • Oman • Saudi Arabia • Switzerland • The Netherlands • United Arab Emirates • United Kingdom • United States

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PREPAREDNESS

On a scale of 1 to 10, walking into the company on your first day as CEO, how prepared did you feel you were to be the CEO?

Six months later, reflecting back to that first day, how prepared would you say you were, on the same 1 to 10 scale?

DAY ONE



SIX MONTHS LATER



HEALTH

When you consider your mental, emotional and physical health during your tenure as CEO compared to pre-role health and/or post-role health, how would you assess the difference—if any—on a scale of 1 to 10?

BEFORE/AFTER



DURING



ENJOYABLE

On a scale of 1 to 10, with 10 being very enjoyable, how enjoyable is being the CEO?

MOST DAYS—VERY



SOME DAYS—NOT



QUALITY OF PERSONAL FEEDBACK

Regarding your personal performance, on a scale of 1 to 10, how would you rate the quality of honest, unvarnished feedback you receive from your team and the other leaders within the company?

INTERNAL SOURCES



TRUSTED ADVISOR



For those who engaged a coach/trusted advisor (40% of the CEOs in the study engaged a coach/trusted advisor), how would you rate the combined internal and external quality of your performance feedback on the same 1 to 10 scale?

FULFILLMENT

On a scale of 1 to 10, how personally fulfilling is being the CEO?

FULFILLING



COMPENSATION

On a scale of 1 to 10, how important are the financial rewards and perks of the role?

COMPENSATION IMPORTANCE



**THE
CHALLENGE
OF
THE
BOARD**

1 The challenge of the Board

“I really had to get a grip on the relationships among Board members, and between Board members and staff members. I needed to know who was talking to whom.”

“How much time you need to spend with the Board was a surprise to me... You need to be constantly looping back.”

“Dealing with politics is a constant... I had to learn diplomatic skills in the face of some bad behavior.”

“I had always reported to one person. At first, I thought of the Board in that way then realized I was actually reporting to eleven people.”

“I was least prepared for dealing with the Board. There was no way to be prepared. And I had been on the Board!”

Many CEOs were astonished at how time-consuming and energy-sapping dealing with their Board was. They had to engage with the politics of the Board collectively as well as with Board members individually; this set much of the tone for how the Board engaged with the CEO. This constant jockeying ate up much more time, energy and attention than our first-time CEOs ever expected. Sometimes it also created an emotional backwash among senior executives—draining energy from the wider executive team.

Most interviewees wanted to expose their team to the Board to give them recognition, prepare them for potential succession and for their personal development as leaders in the organization. At the same time, they felt an obligation to protect them from the Board, to shield them from demands made by Board members to carry out time-consuming inquiries that, at times, added no value.

Understandably these demands rose dramatically when the going got tough and the leadership team could least afford to be distracted from the job of solving immediate problems and keeping the business going. As a result, CEOs told us they spent even more time with their Board members, which was much more than they had anticipated or planned for.

Boards have personalities made up of personalities. These are demanding and unique, depending on who is on them and their relationship to the firm. Moreover, having owners on the Board creates a particularly difficult situation when it comes to agreeing who has what authority.

It can be hard to know where to draw the line for an inexperienced CEO establishing their right to lead.

Being too accommodating at the start or not marking that line in the sand, stores up trouble for the future—especially when the CEO allows him/herself to be overruled and a course of action taken which they believe to be wrong for the business.

Choosing your battles is hard when you have no direct experience to draw on.



“Treat the Board as a group of individuals, rather than as a single group with a fixed identity.”

- 1** Contracting with the Board, individually and collectively, is an essential activity at the start of your tenure. The Board will have an established way of doing things based on their relationship with your predecessor. Some of these will continue to be useful and fit for purpose; others will need to change.
- 2** Treat the Board as a group of individuals, rather than as a single group with a fixed identity. Spending time with Board members individually, particularly the few who demonstrate strong interest in the business, is a very good use of your time. Your goal is to develop mutual understanding so you know and understand each Board member while they get to know and understand you.
- 3** A key contract to establish between you and the Board is that bad news is acceptable, while ugly surprises are not. Then avoid ugly surprises.

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2 The master and apprentice paradox

“You look in the mirror on your first day, and you see the same person. But everyone else sees someone different. Someone smarter, funnier, better looking... who knows all the answers.”

“It is very difficult to get unvarnished feedback about how I am doing. I ask for it, but I am not sure I ever really get it. 360s help a lot, because they are anonymous. But, I’m not sure even my Board gives me feedback that is their real opinion.”

“When I became CEO I kept doing the things that got me there. I soon realized that what got me there wasn’t going to keep me there. I had a lot of learning to do and I found I was a student without a teacher. That was an awakening.”

“Gather all the advice you can, but understand you can’t understand until you’re in the job.”

“There is no CEO University. It is a test under fire, in the fog, under a microscope. If you’re smart, you seek all the help and advice you can.”

For first-time CEOs, the first few months are paradoxical. They are expected to have the answers—to be the “master” the organization requires. Yet, at the same time they are serving their apprenticeship, not knowing what it is they don’t know or need to know about the role itself.

While others perceive them as the *master*, their own reality is that of being an *apprentice*. The role is new to them, and they have not been able to practice it before starting. So, as a first-time CEO, they have to learn how to be CEO in the moment.

Accelerated learning about the role is a priority; while also showing confidence, decisiveness and judgment from the start.

More than any other role, people see the title of CEO first and the individual behind that title second. They project on to the CEO their expectations of that role, and by extension, the person in the role. The person is seen as all-knowing and all-powerful—someone to go to for the answer.

It is important to be approachable and to break down the barriers that come with the title. Approachability is a vital factor in limiting the ivory tower effect, where the CEO is in danger of becoming cut-off from understanding what’s really going on in the organization.

When someone becomes CEO for the first time, they are surprised by how differently they are treated, however much they ask not to be. The challenge is how to work with this rather than pretend it isn't there. The CEO has to own the reality of being at the top of the organizational tree, while being able to see how the views of others are shaped by where they sit in the hierarchy.



“You have to be the CEO while simultaneously learning to be the CEO.”

1

From the beginning you are the Ship's Master in the eyes of those around you. And, as CEO, you are expected to be the finished article, the complete CEO, from Day One. A critical job for you is not to lose sight of the fact that, regardless of your prior success, you are a beginner when it comes to this specific role. You have to be the CEO while simultaneously learning to be the CEO.

2

To succeed in the role, you have to lead and learn at the same time. While there are no off-the-shelf answers, there are many resources to draw on. There are CEO boot camps to go on, CEO 'playbooks' have been written by those who've gone through it, and there is plenty to read and study about the role. But the consensus is there is no avoiding the reality that learning to be a CEO comes from the ultimate school of hard knocks; learning the role can only, in the end, come from experience in the role.

There are steps, however, that can be taken to learn well and to accelerate the learning. A confidential mentor who has 'been there and done it' is exceptionally valuable in helping to avoid the traps only experience knows are there. And a trusted advisor is essential for getting ideas and advice from someone whose only agenda is helping make the CEO successful.

3

You must try to create an environment that allows others to provide you with honest feedback, both formally and informally. This is one of the hardest things to achieve because, no matter what you say, people will hold back from giving you the unvarnished feedback that you have received throughout your career to date. They think that telling you straight carries a potential risk, and it takes time and patience for people to assess what they can say. How you respond to feedback, and what you do with it, will determine whether you are told what you *need* to hear or what people think they *want* you to hear.

3 The weight of conscience

“Know the tough decisions were made in the best interest of the company. Make peace with your decisions.”

“Maintain high touch. Be visible. Be accessible. Communicate broadly, transparently and often.”

“You are entrusted with people and their careers. It’s an enormous responsibility—and one of the loneliest parts of the job.”

“The most emotionally draining and mentally taxing role I’ve had—in both a good and bad sense. It can be euphoric one day and crushing the next. It is important to find balance for your own well being.”

“You may think that sitting at the top you are in control and can manage your time as you see fit—perhaps rest on your laurels a bit. Not true. The demands of the job are greater than any prior. I found there was no longer time to fit in what most people think of as life. Something has to give—work, family or hobbies.”

“Actively learn how to manage your stress.”

Our study found that for the vast majority of CEOs the best part of the job was their ability to make a positive impact on people's lives.

The worst part was the weight they felt when things didn't go well, and staff and their families were negatively affected. It didn't matter whether the cause of this negative impact was within their control or not, their conscience felt it just the same. And the feeling was significant and enduring.

Overall our interviewees really like being CEO with close to 80% saying it's the best organizational role there is, but it does come at a cost. No one enjoys making hard decisions that hurt people's lives, even when it's the only course of action open for the good of the business. As one CEO said, he 'loses a little bit of [his] soul' every time he's ever had to fire someone.

A few seem able to put emotional distance between their executive decisions and the consequences for the lives of their employees, but the vast majority feel it very intensely. The temptation might be to encourage new CEOs to learn the art of compartmentalization, how to detach themselves from the non-rational aspects of their character. Our data indicates that this would be a dangerous course of action; the capacity to connect with people at all levels of the organization, to really listen to their hopes, fears and insights is an essential skill in being an effective CEO.

Carrying this burden takes a physical toll—however fit people are at the outset, it will take something out of them. Whether it's their pallor which may be compared to something off a paint company's color chart—'Arctic Grey' in the opinion of the spouse of one interviewee, a few months into her husband's tenure—or weight gain from lack of exercise, there will be an impact. They may have to adjust to living off less sleep, because the reality is a CEO is never off the clock.

Our CEOs nearly all spoke of how vital it was for them to recognize the emotional impact of leading their organizations and the need to pay attention to their own emotional resilience and well-being. Finding and holding a balance between the demands of the job and their personal health was a recurring theme.



“Lean on family and friends for safe-harbor and emotional support.”

- 1 It would be understandable and easy for you to turn in on yourself in the face of the burden of responsibility and accountability. The temptation can be for you to become more detached, but you are the leader of the organization and, at your best, its conscience, too. People within the organization need to know that the well being of the company is being taken seriously. They need to see you going about your work, showing confidence even in the face of adversity, communicating honestly, openly and broadly in both good times and bad.
- 2 Know what is going on in the organization. It's about being really attentive to what people say and don't say, and listening with curiosity to have an informed picture of what is going on. It's not about micro-management—which only increases everybody's negative stress levels.
- 3 Lean on family and friends for safe harbor and emotional support. It is unlikely that you can rely solely on your own resources. It is very difficult for you to have a balanced life of family, work and hobbies. You will have to give up something (make sure it's the hobbies).

ALONE

IN

A

CROWD

4 Alone in a crowd

“You walk into a room and the last two seats that anyone will sit in are the ones next to you.”

“Prior to becoming the CEO, colleagues would offer advice that was usually intended to help me. Once I became the CEO, people would offer me advice intended to help them.”

“The first day felt like being in a goldfish bowl... Everything you say and do is being assessed: where you go or don’t, who you speak with or don’t...”

“I had not considered that I would constantly be the center of attention. Every meeting, all meeting, you can’t check out... you are the audience 24/7.”

“You wonder if you are ever in a genuine conversation—unpolished, unvarnished, no agenda, an honest open conversation...”

“There is an immediate distance imposed by those around you.”

There is another paradox about the role of CEO. Interviewees told us that they felt both isolated and the center of attention at the same time.

The sense of isolation is well-known and well-researched. Our interviewees told us that it is partly due to the fact that they can not be sure that the agenda of colleagues is pure and in the best interests of the organization. Who can they trust with information? Who can they confide in?

What's more, when they speak it's a public performance, whether they want it to be or not, and they have to be very careful what they say. Every statement is scrutinized and its importance magnified; everything they do is perceived as bigger, sharper and better. Any nod of the head, smile or frown is interpreted and given a meaning. They can say nothing casually. A relaxed: 'Have you thought about x?' turns into 'The CEO said...' and becomes an instruction to be followed.

Our interviewees say they try to be true to themselves, but they have to be wary about what they reveal, when and to whom. And this can be exhausting.

Conversely, CEOs are always 'on,' 24/7. Their time is in high demand, everyone wants a piece of them and their time is not their own. Even worse, there is no down time. They are constantly in the spotlight, never in the shadows. In a meeting, others can mentally leave the room to do something else. Not the CEO.

And, the trouble is, when there is no ‘off’ switch, the battery runs down fast. The CEOs tell us that health and family time suffers. Because they are always ‘on,’ they find it really tough to find moments of peace and quiet, time to reflect.

This experience of being under constant scrutiny and observation creates an even greater premium on self-awareness and knowing what triggers unhelpful patterns of behavior. The CEO has to learn how to discipline their personal reactions. They have to be mindful that, while it may be personally satisfying to behave in a certain way—and it might even have been historically useful, it is unlikely that their spontaneous, historic responses will be helpful to them in their new role.



“The CEO role is not a coat that can be hung up on going home; it’s a second skin...”

- 1** To counter this experience of permanent isolation, while being under constant public scrutiny, you should identify specific people that you can turn to as sources of personal support. Your spouse and close friends are good places to start. But, valuable as this is, it’s not enough. The CEO role is not a coat that can be hung up on going home. It’s a second skin until the end of the job—which is why establishing or joining a peer network of fellow CEOs will prove invaluable. The unique challenges of the role mean that many who have been a CEO will be able to provide you with counsel or be a sounding board to you—relevant industry expertise is not a requirement!
- 2** You need to remember that spontaneity on your part can prove more disruptive than helpful to the organization. At the same time, remember that authenticity is important and that communication needs to be as clear, open, honest and consistent as it can be. Off-the-cuff comments and casual ‘thinking out loud’ can have unintended consequences that are rarely helpful.

3

You have to think carefully about what you say and whom you say it to. You have to calibrate the expectations of whatever audience you are with, whether it's an audience of 1 or 1,000. You must choose words carefully, and with an ear towards how each specific audience will hear them.

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5 The power of creative expression

“The next chapter of your company’s story is in your hands... It is a collaboration... but, within boundaries, this is your canvas.”

“What is great is that you can shape and influence the organization to your values... Being a CEO is about values and how we work together, the way we treat each other... a reflection of who you are.”

“The best part of the job was changing people’s lives for the better.”

“The organization follows your lead... strategically, culturally... you set the direction and the tone.”

“If you take on the role of CEO because you seek power and money, this job will chew you up and spit you out.”

“From the time I was a little girl I wanted to find a way to change the world. Being the CEO gave me the power to do that.”

(Creator of the automated defibrillator)

Many assume that CEOs love the power of the role, that they enjoy being in charge and wielding their authority. But we found something different; one of the greatest joys about being the CEO, our interviewees said, is being able to express themselves almost like an artist, with the organization as the canvas. It is NOT about the wielding of power, or basking in the perception others have of the CEO being the most powerful player in the business.

The CEO is at the top of the hill and has everything that comes from seeing the world from that vantage point. They have the freedom to create and the vast majority love being the CEO for that reason. They love it because they are in control of the process of creating. That ability to make something, to express an idea and see it all the way through is the single biggest pleasure of being the CEO.

No one pointed to power in itself as a point of satisfaction. In fact they told us that humility, rather than a desire for power, was one of the most critical character traits of successful CEOs. They understood that what they hoped to create and express could only be executed and achieved through others. Hubris, that excess of self-regard, has no place in such a creative formula.

The CEO's expressive power can be very influential, which is why it is so important that a first-time CEO has a rigorous understanding of why they want the job. Simply wanting power and money are no substitutes for values, principles and vision. Before stepping into the role for the first time, it is essential that the new CEO pauses and reminds themselves what their values and vision are, and how these need to be made visible within the day-to-day life of the organization. Once a new CEO is anchored personally, then they can step into exploring what's possible in the context of the wider business.



“A new CEO needs a clear sense of purpose that connects them, as a leader, to the future of the business...”

1

With the canvas of the company in front of you, the temptation as a first-time CEO, is to rush into bringing your vision of the organization to life. Of course, communicate broadly from the very first day on the job; sharing personal values, and what you see as the current state and strengths of the organization.

But, take your time, too. Spend the first three months or so engaging with the executive team, engaging with the wider business, and embedding your identity in the minds of people throughout the company. Earn your position of organizational leadership.

Listen to many points of view, co-opt people into exploring your vision about the future. Give people a chance to get to know you, to connect with you, to have a voice and to align with your vision of the organization.

2

You will need a clear sense of purpose that matches with, and connects you to, the future of the business. You know that people are motivated by meaning much more than money, and your job is to make that meaning explicit by connecting people to a higher purpose.

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- 3 You must be able to express your vision and the sense of purpose by telling great stories. They should both matter to you and they must resonate more widely. You must become more than a name, a title and an image. You do it by being usefully present in the lives of people throughout the organization, engaging with them one conversation at a time, and sharing stories that communicate more deeply.

6 The myth of control

“Politics.

I’ve always hated the politics and believed that once I was CEO I could put a stop to it or at least limit it. Not only did I find that impossible, the politics that swirls around the CEO is even worse. Board politics, group politics, personal agendas, internal competition, the list goes on.”

“The

political dynamics... in the role really took me by surprise. There are multiple interests to serve and the politics involved can be horrible...”

“To be

successful I had to get out of the day-to-day. That was hard for me.”

“You

would think that as the CEO you could put a stop to all the politics, agendas and in-fighting... not only can you not stop it, it seems to intensify... you become the lightning rod.”

“The thing that

surprised me... was how many people wanted access to me. You never seem to be controlling your own time... You need to work really, really hard to find your own time.”

“Rise above

the politics and lead. That said—know it is much easier said than done.”

“It’s hard to stop being the Chief Fire-fighter.”

Those who are not CEOs usually make assumptions about the CEO being in complete control. The CEO is talked of as the boss, the one person in charge. It follows that they are seen as having control over any and all situations. Not so, we were told, for two reasons. Firstly, organizational politics and secondly time vampires.

However much people might agree about the goals of an organization, they frequently disagree vigorously about the best way to achieve them. The CEO is seen as the person who needs to be influenced. Politics is the process through which people work through these different opinions about both current reality and future vision. And they usually do so while being unconsciously blinkered by self-interest, or a belief that they are uniquely *right*.

In a business world that is increasingly unpredictable, the CEO doesn't have the luxury of claiming to have the right answer. There is no single and fixed truth about the future that will lead to inevitable success. Listening to and engaging the collective leadership is vital, which is why politics is an inevitable, and arguably at times healthy, part of organizational dynamics—and why the CEO is at its political epicentre.

Time vampires are those people, groups and constituents who, often unintentionally, suck time away from the CEO. Being at the center of perpetual demand means people will always want slices of the CEO's time—which is why so many lose control of their calendars. Not recognizing and managing the impact of time vampires has the potential to derail any CEO.

How the CEO's time is managed determines his or her priorities, how focused or distracted they become and how deep into the weeds they are dragged. It drives whether they have sufficient time set aside to think and reflect; which is a critical use of the CEO's time. It also determines how much time is dedicated to strategy, customers, competitors, leading indicators and the wider galaxy of other stakeholders.



“Successful CEOs take control of their time.”

- 1** Know that organizational politics is a reality, and you must engage with it. A CEO is part of the politics, not above it. You will need to learn to distinguish between helpful and unhelpful politics. When it's all about an individual's agenda rather than the good of the business, it needs to be addressed. Don't wait—remove 'bad apples' as quickly as possible.
- 2** If you want to be successful, you'll need to take control of your time. Find a skilled Executive Assistant to work with. They can manage the balance between being available and unavailable. When you get the mix right, you will be sufficiently in-touch with the wider conversation in the business, while also having enough time out to do your own thinking. And you will also stay out of the clutches of the time vampires.
- 3** Your role is about enabling others to succeed, not controlling them. You do that by influencing them and inspiring them. Telling them what to do and micro-managing them will quickly reduce your ability to have the influence you need. Step out of their way and let them make decisions. By creating the environment for them to succeed, you will feel much more in control.

SUMMARY AND CONCLUSIONS

The complete findings in this study of first-time CEOs have proven to be a treasure trove of experiences and advice from leaders who have served as CEOs—from once to as many as six times. The diversity of the input reinforces the validity of the findings: revenues ranged from a few million dollars to 40 billion dollars; respondents from five continents with operations in over 100 countries; public, private and non-profit organizations; men and women; young (33) and old (60).

In the months to come, we will delve into each of the major findings in depth. We will explore the experiences of, and the stories told by, the CEOs. The consensus advice will be synthesized and shared. Much of it will be no surprise, but how broadly and deeply it is expressed will be insightful. In the end there will be those pearls of wisdom that will inform and assist those who aspire to lead—well.

In the meantime, here is a synthesis of ten key takeaways from those that have “been there and done it.”

1. **Know from the start that you are not “the CEO.”**

Your job is to serve as CEO. Humility goes a long way.

“Some people become CEO and think it’s all about them. They start to believe they did it all themselves. Hubris sets in. They forget the teams they were a part of and those that helped them along the way. It’s a marvellous formula for failure.”

Four-time CEO of Public and Private Multinationals

2. **On day one your people will expect a message.** Be prepared. Deliver. It will be your first impression to those that matter.

“Immediately, others saw me as the CEO—and I needed to be that CEO for them.”

CEO, Global Distributor with over 25,000 employees

3. **Recognize that you are no longer “you” in the eyes of others.** Accept it. Manage it.

“There is an immediate distance imposed by those around you.”

CEO, billion dollar+ Communications Company

4. **Engage your Board members individually.** Develop a strong working relationship with your Chairman or Lead Director. Establish yourself as the CEO.

“I was least prepared for dealing with the Board. There was no way to be prepared. And I had been on the Board!”

CEO, Leading Fast Food Company

5. **Stay balanced.** Your mental, emotional and physical health will be challenged by the job.

On a scale of 1 to 10, respondents assessed their overall health prior or after serving as CEO, on average, as an 8.2. During, the average dropped to 5.7, a decrease of 30%.

“I allowed the demands of the job to override my personal well-being and that of my family. I burned out twice in the role. It was a major contributor to a divorce.”

Confidential

6. **Form or join a CEO forum.** Not more than 10 to 15 CEOs. No one else in the room. A confidential and “safe” environment to discuss issues of consequence and gain insight and advice. You will be part of an invaluable “go to” team.

“The best help and advice I ever received was from other CEOs.”

CEO, Name Brand Apparel Company

7. **Receiving constructive criticism and unvarnished feedback is very rare.** But it is very, very, necessary to the most powerful leader in the company. Engage a coach/trusted advisor.

Some consider it showing a weakness. Those that are confident and secure know it is not. The average score on a scale of 1 to 10 for quality of feedback the CEOs received was a 4.2. Of those that engaged a coach/trusted advisor the score rose to 8.6. An increase of over 100%.

“Even my best friends and closest confidants in the business would not give me really honest feedback. Two finally did. It took years.”

CEO, Industrial Manufacturing Company

8. **You will not know what you do not know until you spend time in the role.** Accelerate your learning and avoid pitfalls by engaging those who are, or have been, successful CEOs.

Upon being named “CEO” the self-assessment of preparedness to take on the job was a 7.2 on a scale of 1 to 10. After six months “on the job” the rating dropped to 3.5. Less than half of pre-role assessment. Prepare to lead and learn simultaneously.

“Before I became CEO, I was the COO of two globally recognized, publicly traded companies. I had been on Boards for 10 years. Then I became CEO and found out I wasn’t as prepared as I thought.”

CEO, Fortune 100 Retail Company

9. **A highly functional and aligned leadership “team” at the top is critical to success.** The failure to address underperforming or corrosive individuals quickly and decisively is pointed to as one of the most critical mistakes made by new CEOs. As hard as it may be, the consensus is to take action swiftly.

“There is nothing more transparent within a company than a dysfunctional staff at the top of the house.”

CEO, Publicly Traded, Global Medical Device Company

“I was too slow on making the tough people decisions.”

Paraphrased as called out by over three quarters of the study CEOs

10. **Engage. Engage. Engage.** Be visible. Be approachable. From the bottom of the organization up—stay as connected as possible. Stay consistent. Communicate openly, honestly, broadly, transparently and at least three times more often than you think necessary.

“Never underestimate the impact of a five minute conversation.”

*Three time CEO and current CEO of a
Fortune 500 Financial Services Company*

“Telling people what to do is easy. Convincing people of what to do is harder.”

CEO, Rapid Growth, High Tech Company

ABOUT THE RIVER GROUP

The River Group is a leadership consulting firm. We work with CEOs and senior executives on their major organizational and leadership issues.

We support **leaders in transforming their businesses** by helping them to:

- Architect and lead change
- Create a sustainable and fit-for-purpose culture
- Design an organization aligned with the strategy

We support **businesses to transform their leaders** by helping them to identify and develop current and future leaders who excel in:

- Change leadership roles
- Enterprise-wide leadership roles
- Roles of increasing responsibility

We work with organizations all over the world. We harness the best in social science research with proven tools and methods to deliver actionable solutions to our clients.

Our team combines the behavioral know-how of consultants with the concrete experience of the CEO.

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