
IDEABRIDGE



The IdeaBridge White Paper Series:
Vital Success Plan for
New CEOs and Entrepreneurs



VITAL SUCCESS PLAN FOR NEW CEOs AND ENTREPRENEURS

1

Summary

Expectations are extremely high for the Chief Executive to quickly chart a new course and to make things happen. But no one can succeed in a vacuum and for a CEO to successfully launch their initiatives, they must quickly build strong coalitions of support. This document will serve both new and seasoned CEOs and will also prove highly-valuable to Entrepreneurs.

Building Credibility, Trust and Coalitions in Support of your new Role

- You must establish productive working relationships and build credibility as soon as possible. These relationships are essential for getting things done and getting support.
- You must take the time to take the organizational pulse, what will work, what won't. Before you come out with new, sweeping initiatives, first understand if the culture is ready for these changes. It's too much, too soon. *Watch out!* You must build a supportive coalition that is capable of overcoming resistance to the cultural changes that you will be demanding within the first 100 days and beyond.
- You must adapt your style to what the company is ready for and can take. For example, they may not be ready for the Rubber Chicken, or the Battlefield Pep Talk or the halftime locker room chew-out session. Tailor the approach to suit the audience, the culture and the situation.
- The support of the Chairman and Board, even in combination with the formal authority to allocate resources and make decisions, is not enough to make change happen. You must build an internal and external coalition of political support for your change initiatives.
- The secret to most turnaround successes is the ability to get people focused and working as a team toward common objectives. You also have to have the strength to persevere in defining the right thing to do, and people have to believe in you. That takes credibility, sincerity and the ability to earn respect while executing the tough calls.
- New leaders must quickly create momentum for change by tailoring their approaches to fit the technical, political, and cultural situations they enter. Momentum is created by securing early wins and building strong personal credibility and supportive coalitions.
- It's important for the leader to solidify the support of subordinates early on, because they understand the company and hold the keys to making the changes happen quickly.
- Despite your talent and proven record of consistent success at other companies, if you cannot earn the support, loyalty and respect of your subordinates and senior team, you will be FIRED by the board. It's a simple as that. *Any Questions?*
- Don't try and sell people. Build relationships first!
- You must work incredibly hard to quickly build internal and external coalitions of support that will rally behind your change initiatives.
- The right to lead the company must be earned from key subordinates.



VITAL SUCCESS PLAN FOR NEW CEOs AND ENTREPRENEURS

2

- Gaining acceptance for big changes can be a huge challenge. Further, every move, action, speech, conversation, meeting and initiative will be carefully analyzed for hidden meaning or ulterior motive. People won't take you at face value until you have proven to be trustworthy.
- Personal credibility emerges from a myriad of decisions, actions, interactions, memos, reactions to emergencies and unexpected problems...like it or not, you are always on display and they pick up on the most subtle of nuances. Credibility is the result of a slow process of accretion as your conduct is observed over time.
- Say to your senior team, "I want you in front of your people to show public support for these plans now. You had your chance to change the plans and give me input. Now it's time for you to step up and lead your people, not just sit there like one more member of the audience. You are the leaders of this company and you have to stand up and start taking that leadership role. Beginning right now."
- You must show the people that you've inherited that you have some respect for their judgment, thoughts and ideas. You've got to show them that you will give them a shot of being on your team.
- Criticizing past efforts or programs can easily come across as self-serving and can cause the people to become angry adversaries looking for the first opportunity to sabotage whatever you are trying to do. Watch out!
- Never make sweeping changes without first running them by the major internal and external constituencies...pre-sell them on your ideas. If they don't like the plans, maybe they can help you make them better.
- The process of building credibility tends to be incremental; you will build it an inch at a time.
- The leader's actions will be widely communicated, told and retold, becoming stories and legends within the company. These stories will powerfully shape the beliefs of people within the company...either positively or negatively.
- Credibility is essential to mobilize the energy of the staff. But it's hard to build, easy to lose and difficult to regain once lost. To build credibility, you must come to be seen as having the judgment, values, energy and wisdom to take people to unfamiliar territory. Leadership is not a right, it is a gift that is given to you by those who trust you to lead them.
- Some people in the company will just naturally have more influence over the staff. People just tend to go to them for answers, support, opinions, etc. Find those natural thought leaders and deputize them.
- Your goal should be to build winning coalitions and prevent the formation of blocking coalitions. Managing cultural change involves the hard work of building winning coalitions with the power to take action and the robustness to survive the inevitable opposition and crises. Leaders must also forestall the formation of blocking coalitions by those seeking to protect the status quo. All these challenges require figuring out who will offer support and who will raise opposition.
- The leader must analyze the various political arenas: top management, middle management, the Board and the workforce. The leader must cultivate and retain the confidence of these key groups, and with his boss. The support of one or two of the most influential senior managers can make a



VITAL SUCCESS PLAN FOR NEW CEOs AND ENTREPRENEURS

3

huge difference, and this support may be enhanced if the leader helps them to promote cause or projects that are important to them.

- Assessing pivotal people's sources of power involves assessing the resources at their command and the nature of the people who follow them. Does she have a monopoly over the flow of information? Do others take cues from him? Does he have the power to distribute or withhold desirable rewards, or does he control resources that others need? Does he control large or important sectors of the company? Has she built up a reservoir of loyalty or indebtedness by protecting others and helping them? Does this person have an "in" with the Board and therefore is untouchable? Before you start cutting people, first ask the Board about anyone who may be protected. When you go to meetings and you see the same people answering the questions, and then you see other people defer to them, you've got yourself a pivotal player!
- People who have reasons to resist change don't necessarily do so openly or directly. Your efforts can be seriously jeopardized if others can prevent you from learning, securing early wins, laying a foundation and building credibility. Key people may withhold support or resources by not providing the best talent and full information. More subtly, they may express alarm or concern in private meetings with their peers and subordinates about the risks inherent in your proposal; this is called "subtle sabotage." These campaigns may be waged against you by individuals or by established coalitions.
- Resistance may arise later when you begin to articulate a vision and initiate deeper changes for the company. A standoff may force you to use blunt power of position to squash resistance, and perhaps ultimately to fire those who persist to be stubbornly opposed. The leader should seek to avoid such a no-win confrontation by building these powerful coalitions. However, it is rare for any company to undergo cultural change without senior-level people getting fired or pushed aside...this is just the reality. But using aggressive tactics against those who disagree with you will label you as a tyrant and a bully.
- When you face political opposition, it usually means that your solution or proposal has negative implications for someone in the company. "Politics" is really just people acting in their own self-protective interests. To work through the politics, you must think about how your solution affects the players in the company. Then you must build a consensus for change that takes into account all of the factors driving the politics. Consensus building may require you to change your solutions to make it acceptable. If so, do it. Remember that politics is the art of the possible, and it's no good creating the perfect plan or the ideal solution if the rank and file refuses to execute the changes.