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The IdeaBridge White Paper Series:
Special Report: Advice for New CEOs



SPECIAL REPORT: ADVICE FOR NEW CEOs

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Summary

New CEOs generally are bombarded with so many issues that they tend to have a tough time getting much accomplished in the first few months. However, the first 100-Days are generally the most critical. This Special Report outlines important information that will help the New CEO, or the CEO in Crisis, to stay calm and remain focused on results.

Building Credibility, Trust and Coalitions in Support of Change

- 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 which 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. 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 allocated resources and make decision, 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.



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- The right to lead the company must be earned from key subordinates.
- 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. Try to find those natural thought leaders and influencers. They are not always in leadership positions.
- 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.



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- 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 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? Who in the company is "untouchable" better ask the Board! 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 other 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 in private meetings with their peers and subordinates about the risks inherent in your proposal; this is called "subtle sabotage." These campaigns may be wages against you by individuals or by established coalitions.
- Resistance may arise later when the leader begins to articulate a vision and initiate deeper changes for the company. A standoff may force the leader 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. So politics is 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 devising the ideal solution if the rank and file refuse to execute the changes.

The First 100 Days

- Leaders must balance an intense, single-minded focus on only a few vital priorities with flexibility about when and how they are implemented. The leader must determine what the three or four key strategic priorities must be.
- Within 100 days, you must decide the composition of the new management team and decide if structural and personnel changes are necessary. Remember, you inherited what you got from day



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one, but after 100 days, you have bought into everything that's still going on. Regardless of whether it's good, bad, or ugly, after 100 days, you have bought in and you own it. Now it's yours!

- Early wins energize people and focus attention on needed change. If you can't get some major wins within 100 days, you are a dead duck. It's over. So think very carefully about what you will get done in the first 100 days.
- When trying to boost profits, first look at where you are currently making money. When you have your data, put it on a spreadsheet or into a database and sort it in various ways. Play with the numbers and you will begin to see patterns, clumps that stand out. Those patterns will highlight aspects of your business that you probably did not realize. They may mean problems, but they may also mean opportunities. Find the opportunities and make the most of them.
- You must be relentless in prioritizing and focusing your efforts and must quickly develop a compact set of objectives which are used to keep everyone focused.
- Ask your employee about her goals: What are you shooting for in your current role? Where do you see your career heading? What personal goals would you feel comfortable sharing with me? How often do you want to meet to talk about your progress?
- Great managers give performance reviews that focus on the future rather than simply harping on the past. They discuss what could be, rather than allowing the conversation to descend into the past. "What do you want to accomplish in the next few months?" "What measuring sticks will we use?" "What is your most efficient route toward those goals? How can I help?"
- Ask the Board: Tell me how you would define in one year, three years and in five whether or not I have been successful in this role? Further, what are the must-do's in your view? What do you want done and what are my local limits, when do you and the board want to be contacted? What kinds of decisions?
- The new leader must identify the core objectives or goals, explain why these are the goals and must constantly articulate them over and over again in order to get everyone on the same page within the first 100 days.
- You will find that there are usually just a handful of people that will make all the difference. Your job is to search-out and find those people. Find out who those people are by announcing that you know this to be true and that you are looking to find those people. Announce that once you find them, you will work to remove all roadblocks and impediments so that they can be even more successful.
- The company is never what you thought it would be once you get inside, it's always worse!
- Be rigorous about implementation and execution. Making change happen takes a lot of work. Be rigorous and thorough. Make sure someone takes personal responsibility for getting the job done. You must have a plan of execution with timelines, objectives and goals. State what needs to be done, and when it needs to be done by, at such a level of detail and clarity that a sixth-grader can readily carry it out. To implement major change and stick to an aggressive timetable, pick someone who can kick tail and take names. Every two weeks the team should meet for detailed updates. Anyone who is behind plan must explain to the team why they are behind and what specific action steps that they will undergo in order to catch up by the next meeting. Tough love works.



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- When making recommendations, stick to the three most important—the ones with the biggest payoffs. Don't worry about the supporting data: you can always give that later when you have more time. When thinking of solutions, think of the elevator speech: the solution should be so crisp and clear that you could explain it to someone in a 30 second elevator ride.
- When developing a list of the core issues, objectives or contributing factors, you should generally come up with three to five “drivers” and everything else will tend to logically fall under one of the key drivers. (Note: keep it 3 – 5). When trying to figure out if you are really looking at the core problem, dig deeper. Gather more facts. Ask questions. Get up and walk around.
- Learn everybody's full names, and know something about them. Their kid's names, their hobbies, their backgrounds. Find out what they do and why their job is important. Be sure to call them by name and recognize their efforts in helping build the company, service customers or just make it a better place to work.
- You must figure out what's important, who the decision makers are, who has the customer contacts, who the opinion-makers are and whose support you must have.
- Learn as much as you can about the politics and culture of the company.
- You must quickly learn about and understand the “shadow organization” which is really the behind the scenes politics and the people who can undermine your change efforts, or support them.
- People will want to see you, talk to you, spend time with you; do not isolate yourself behind a desk. Be visible.
- A lot of people will want to try to influence the new guy, and they will be watching to see how you react. Be very careful and deliberate.
- You must understand as much as possible about the company's strategy, its strengths and weaknesses. What are the really tough issues that you are going to have to deal with right out of the gate?
- Learning, planning and action are inextricably linked during the first 100 days.
- When interviewing existing staff for the first time and trying to get to know them, ask them some of these kinds of questions: How would you describe success in your current role? Can you measure it? What do you actually do that makes you as good as you are? What are your natural talents and skills? Are you using those skills in your current role, or is there another role that may be more suited to your natural skills and style? Where are struggling in your current role? What don't you like about your current role? What would be the perfect role for you at the company?
- Leaders should often ask the following: How can I help you and how can I make your job easier? What am I doing that is making your job difficult, and what is it about my style or decisions that really bothers you? Do you feel that I am being consistent in supporting the priorities which I have established, or am I constantly confusing and frustrating you with new agendas and initiatives?



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- Some leaders will decide on the core objectives and put them onto charts, demanding that all senior managers carry the charts and track progress daily toward the shared objectives.
- You should have fairly detailed plans within four to six weeks.
- Figure out what momentum building actions are most like to succeed and give you the greatest lift; focus on those.
- Say this: “Here’s the way I do things and how I understand things and how we’ll get on well as we work together. Here are the things that will drive me crazy and cause me to get frustrated and angry with you.” Lay out the ground rules early on. (Make a couple of charts: “How I like to Work” “What will make me angry”)
- Assess your team within the first two weeks...max.
- Within 90 days, you should have thoroughly assessed your competitors the needs of the customers, your senior team and your entire company. You should have established a compelling vision and created detailed plans for achieving your 2 –3 year goals.
- During the early transition period, you should develop a clear vision of how the company will ultimately work, you should extend and build upon your political base so you will have the support for change, and you should begin to modify the culture of the company by introducing new operating norms, expectations and standards.
- Some early projects should include: Changing the way performance is measured. Also, identifying where are strengths are and building on those. Do we have a particularly profitable niche that we can further exploit? And also work at ways to improve the culture to more of a results-oriented team of winners.
- What is the image of the company in the community, among employees, customers, suppliers, etc.? How does this reality compare to the perceptions of the board and employees?
- Is their a proper focus on external and internal customers?
- You can quickly assess the health of an organization based on the attitude of the staff. Look at attitudes first. Are there a lot of interested, engaged people? Are they encouraged to speak-up and come forward with ideas? Do they care? Do they have a sense of urgency? Do they have a winning attitude?
- Senior staff in Finance and HR and Credit are very important sources of insight into the way the organization really works. Also look to those engaged board members who are getting information from sources on the line. Start by pulling each of them aside separately and asking them about the strategy, the business, the issues, their concerns etc. You should be looking to see any patterns and also if they are on the same page.
- During the first 100 Days, put together a little book where you jot-down your thoughts, ideas, observations and key learnings of each day. This will be an invaluable tool as you go back and review your notes for ideas.



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- Within the first month or so, you should write a Philosophy Letter which outlines how you do business, what you and the company stand for. This letter should be circulated in draft form ahead of time so that your key lieutenants can be comfortable with what they will be expected to support and emulate.
- Start your transition process with a frank evaluation of the major personnel problems and a candid analysis of people who need counseling. A new leader must understand about all of the “skeletons in the closet” and other problems not readily known. What is the year 2000 situation? Get a run-down of the strengths and weaknesses of each of your top people. Read the personnel files ahead of time, if possible.
- Early impressions are extremely difficult to reverse. Initial impressions can easily become self-fulfilling prophecies that block out contrary evidence: some onlookers will tend to judge your behavior selectively so as to confirm or reinforce their own early appraisals.
- Early impressions are extremely difficult to reverse. Initial impressions can easily become self-fulfilling prophecies that block out contrary evidence: some onlookers will tend to judge your behavior selectively so as to confirm or reinforce their own early appraisals.
- The early transition period is a time when impressions carry more weight than deeds and when interpersonal skills and maturity matter greatly. In nearly every case where CEOs are FIRED early-on, it is because they lacked interpersonal skills, not technical skills. As you move up in your career, the interpersonal skills will matter more than your technical skills. Some CEOs lose sight of this in their extreme efforts to cut costs and get quick results.
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- Map-out the likely opposition to your change initiatives. Who is likely to not like this idea? Who does it impact? Who will have more work to do because of this initiative? Identify likely allies and opponents and those who may be on the fence. Then craft a strategy for consolidating support and overcoming resistance.
- CORE TASKS in the first 100 Days:
 - **Create Momentum:** rapidly getting employees moving so that their energy is targeted in the most profitable ways and they become confident that they are on a winning team with a bright future.
 - **Build supportive coalitions:** build the foundation for support and deeper cultural change by building credibility with bosses, subordinates, the senior team, the line staff, the customers, etc.
 - **Managing yourself and your time:** Exercise clear-headed thinking because you are well rested, healthy and energetic.

Fact-Finding Methods and Analyzing Data

- Develop an aggressive attitude toward fact finding and gathering. Facts will compensate for lack of gut instinct in a particular area. But despite the power of facts, many leaders fear them. Perhaps they are afraid that if they look too closely at the facts, they might not like what they see. But hiding



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from the facts is always a prescription for failure. You must not ever fear the facts. Hunt the down with a vengeance. Get the facts out into the open.

- Fact-based analysis requires hard proof before any recommendations can be made to the Board.
- Require decision making that is driven by hard data, providing structures for group problems solving, bringing in new analytical frameworks to existing problems and the wide sharing of information. You have to be very clear from the very beginning: “Show me the facts, let me see the analysis.” You will profoundly influence decision making by introducing a rigorous framework from which decisions are made and problems are analyzed.
- Require that decisions making be supported by hard data. Encourage this by demanding that people show you the facts that were used to arrive at the decision. The new leader can profoundly influence the decision making capability of the company by introducing new decision making frameworks and requirements.
- Focusing on the key drivers means drilling down to the core of the problem, rather than picking the whole problem apart piece by piece. Then you can apply thorough, fact-based analysis where it will do the most good and avoid going down blind alleys. Focus on the 80/20 rule.

Avoiding Cronyism and Favorites

- Like it or not, a judgment will be made of the leader based on who influences him, who he spends time with and whose counsel he seeks. New leaders get in trouble by creating a little inner-circle of advisors that nobody can penetrate.
- The most precious and difficult thing for a CEO to obtain is a clear view of his world. People may wish to flatter him, spare him unpleasantness or hide a failure of their own. Their intentions are not always disingenuous. It’s just that his power as a CEO tends to cause people to distort their message by bending their words and actions to earn favors. CEOs that don’t recognize this fact are doomed to failure.
- The most successful CEOs display a relentless desire to make certain that they are provided information that is balanced and of the highest quality. At their companies, no one is ever shot for bearing bad news; that risk is reserved for those who knowingly bring false cheer or no news at all, or repeatedly fail to measure up to a high and uniformly applied standard of competence.
- Be very careful not to fall into the trap of cronyism. Any leader who pushes “his boys” often causes morale problems within the ranks. Practicing cronyism also can hurt the very people you are trying to help, especially if you push someone into a position before they are ready for the promotion.
- The handling of flatterers and bootlickers is an issue related to cronyism. In all companies, there are people who are very skillful in pleasing the boss by bearing good news and by stroking the boss’s ego. They are always looking for ways to make the boss happy, worrying about getting a lot of “face time” and serving their personal agendas and ambitions. Watch Out!
- Leaders should avoid bringing a substantial number of former colleagues with them when they move to a new position. A leader who drags “his guys” along with him is likely to undermine the morale of



the new company. It also will be very difficult to develop good rapport with new associates and communication channels will be harder to establish. Further, you will gain more credibility as a person of self confidence and independent thought if you do not drag along with you a group of cronies as you move from job to job.

Making Good Decisions

- A classic mistake is simply to not make any personnel changes during the honeymoon period. Sticking with direct reports that are not up to the task will squander precious time and energy. You must set a time limit by when you will make your staffing decisions...six months at most.
- The more you drive for decisions, and find yourself making those decisions instead of your senior team, the less powerful they will feel and the more frustrated you will become. You must drive them to decisions. Lay out the values and business philosophy of the company and demand that all decisions be made within that context. Then, let them make decisions; those who can't, or won't, must go.
- "There's a time for input and a time for execution. I will expect your input on major decisions and will carefully listen to your opinion. But once a decision has been made, we all must support it 100% and intensely focus on its execution."
- At some point you will have to call your team in and say, "This is what we're going to do. The debating and challenging is now over. We're now going to execute and get there as fast as we can. And you're responsible and wholly accountable for making this happen in record time."
- The first step in solving a problem is determining whose problem it really is.
- You must work hard to avoid "group think" – a situation in which there is too much compatibility and a consensus is found too quickly without serious debate.
- Problems need to be reported immediately. In fact, you should usually know that something may become a problem before it actually does. Further, just reporting the problem is not acceptable. A solution, or solutions, must be presented at the same time.
- It's not enough for your decision to be the "right" decision. Oftentimes, even the "right" decision will not get the necessary support and you will be killed-off by the hidden or shadow politics of the organization. Build support early on for your initiatives before you announce or launch them publicly. Look for your lead-blockers to help build support and buy-in.

Being Approachable, Open, Honest and Genuine

- What you must value most is candor. "Tell me the bad news and I won't bite your head off." Tell me the bad news and I won't start looking for someone to blame. The biggest risk you run as the CEO of any company is that you'll never hear the truth again if the word gets out that you shot the messenger.



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- You have to establish authority while concurrently encouraging input and consultation. People should say, "He really listened to me and asked good question. I didn't persuade him this time, but I know he's flexible and really listens to all sides."
- Be friendly and approachable. Make people feel safe to express their opinions to you.
- Keep all interviews low key, fun and upbeat, do not run them like interrogation sessions. It should be a free flow of information, a two way conversation.
- Be curious. Do not conduct interviews as interrogation sessions. Get to know people, their family and interests and hobbies. This will help you develop better rapport.
- You expect the CEO to be incredibly energetic and to bring a sense of vitality and life to a problem. They are very clear thinkers, so they make decisions and they instill in people a sense that failure is not something to be afraid of.
- When having discussions in their offices, leaders should never sit behind their desks. Instead, they should go to a couch or a sofa, thus avoiding an imposing position that is often intimidating to associates. Visitors are more comfortable, and therefore more candid, when leaders sit in the more sociable areas of their offices.
- Leaders must be willing to say, "I was wrong," "I made a mistake," "I accept responsibility for our failure and am willing to accept the full consequences of that failure."
- It's very important to restore the confidence inside the company. Give people a goal, give a target. Go to the people and say, "Look, here's my plan, I have every reason to believe that it will work, but you know I could be wrong, so look it over and give me some feedback."
- Say, "You can make a mistake, that's the way we all learn. The only thing is always come back to me the moment you've made a mistake so we can quickly sort it out. Just don't ever give me a big surprise, never cover up bad news. Never. You must come to me quickly, while there still may be time to do something."
- People should be frank with you. They should not be afraid of you. There has to be a bit of irreverence, so that not only is someone allowed to tell you that you're wrong, but that there's a culture where it's better to say we disagree than we agree. In the end they have to have the respect, that when you say, okay, I've heard all of you and I think we have to do this, and nobody will second guess you. That's leadership!

Be Patient, Calm, Cool and Collected

- The leader's true colors will come through in unguarded moments and in spontaneous reactions to unexpected events.
- Be careful to not be seen as overly directive, dogmatic or demanding. Check your ego. It's critical that you appear approachable and open to ideas. There is a very fine line between getting things moving and overwhelming the company. You must be active without being perceived as going off in all directions wrecking havoc at every turn.



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- People are curious about the new leader's judgment, value, strategy, energy, style, etc. They will be watching you very closely to pick up any signs at all. You send signal through all of your small decisions, actions, interactions, emails, tone of your meetings, etc.
- It is crucial to set the right pace; if there is too little momentum, the leader can accelerate the pace by inaugurating new initiatives or changing key players. Conversely, he can also ensure that things don't get too crazy, too soon.
- It's very easy to get into trouble by appearing impulsive and making moves without thinking through all of the potential implications of your decisions.
- Sometimes by moving too quickly, you open a Pandora's Box of problems that were not present before the changes. This is very important to understand. These are sometimes called the "unintended consequences" of decisions.
- If you can make the jobs of others a lot of fun, they will work harder and more creatively and feel more satisfied with their careers and lives. The manager who is able to maintain a sense of humor and to lighten the mental load of his colleagues will always have a motivated, happy team. A sense of humor is a mark of intelligence and is a quality that is desired in corporate presidents.
- Don't come in with the solution or claim that you have all the answers, even if you do. Be slow and deliberate in structuring solutions and remember to carefully think about the unintended consequences of your decisions.
- A need to appear decisive can cause you trouble. Some new leaders believe that they must prove themselves by projecting a confident, take-charge attitude. The danger with this is that the leader may appear too swift and irrational, lacking the critical leadership element of patience and calm in the face of a stressful situation.
- Leaders must remain cool and levelheaded at all times. Nothing gives one so much advantage over another as to remain cool and unruffled under all circumstances. Temper tantrums, snap decisions, finger pointing, yelling and blaming are all signs of panic. Good presidents don't panic. They don't throw tantrums. They keep themselves in control so that they can keep control of the situation. Do not get angry, even if anger is justified. Tell yourself; force yourself, to stay calm, cool and collected. Do not be rash.
- Leaders must be decisive-patiently decisive – and not jump as soon as the first individual makes a recommendation for a decision. They should listen to all sides before deciding. In fact, on occasion, it is good practice for a leader to postpone an important decision for a day or two, or even a week or two, while collecting additional information. Leaders must be comfortable soliciting contrasting views, and if possible, to sleep on important issues.
- Listening is the most important skill for leaders. If a leader is a good listener, he can accept ideas, criticism and other feedback that can improve the company.
- You want people to say, "Wow, he's decisive, but he just hasn't made his mind up yet." You see, you want people to see that you are decisive on the matters where you can afford to be. But on the much



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larger issues, you need the decisive reputation to carry you for a while in order to buy yourself some time to really evaluate the problem.

- New leaders get into big trouble when they believe that they must appear decisive and establish a directive tone. If the leader is seen as dealing superficially with deep problems, the resulting cynicism makes it difficult to rally support for change because people may not trust him.
- It is the mature leader who accepts even unfair criticism with equanimity, calmness and grace. Criticism can provide the very useful “reality check” that all leaders need in order to maintain perspective. Leaders must be brutally honest with themselves or they will slip into the terrible habit of self-deception. Even the best leaders make mistakes. By listening to criticism and quickly catching, acknowledging, and correcting mistakes, good leaders can become superb leaders.
- Regarding decision making: Although there may appear to be some urgency involved and you do not want to appear indecisive, exercise extreme caution and patience. In many cases, a fast decision leads to bad results that will come back to haunt you.
- You will lack the insider’s detailed knowledge of the Bank, its structure and systems, its policies and culture. Therefore you must take the time to understand it before you make any key decisions or moves.

General Advice for Leaders in Transition

- Avoid these Traps:
 - Getting behind the learning curve
 - Being isolated and not out learning and mixing with the troops
 - Coming up with the answer all the time.
 - Sticking with the incumbent team for too long, hoping they’ll get better
 - Attempting to do too much
 - Being ragged, tired, out of shape, stressed-out, too rushed and harried
 - Failing to understand the true objectives of the Chairman and Board
 - Failure to build a strong coalition of support
 - Failure to maintain a personal equilibrium or balance
 - Failure to carefully examine one’s style
 - Failure to recognize the predecessor’s internal supporters
 - Failure to understand the shadow company and culture.
 - Be firm on goals, but flexible on the methods or means.
- Leaders should laugh at themselves rather than at others. Good leaders demonstrate that life is not so important that you can’t sit back occasionally and be amused by what’s happening. Humor is important in leaders.
- One of the great success formulas of the best leaders is the building and nurturing of a brain trust. Leaders should be in close contact with two to three hundred brilliant and quick-thinking people outside of their immediate organizations.
- Spend at least one uninterrupted hour every day in hard planning and focus. Dream, ponder, plan, tinker, scheme, calculate, devise, consider all options, and strategize. Take mental stock and figure



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out how to do things better and get things done. Further, one good, uninterrupted workday in a quiet library will enable you to accomplish ten times more than you could with the same number of hours in your office. The feeling of getting so much done will embolden you, give you a sense of being ahead, in control, and will motivate you to work hard on your regular responsibilities.

- Do not become overconfident or smug because you have been promoted to a leadership role. Assume nothing. Earn your job title daily. Never underestimate an opponent's intelligence, stamina, skill or cunning. Never underestimate their capacity for good or evil, duplicity and dishonesty.

Setting Standards and Expectations

- Describe very specifically the kinds of behaviors that are expected. Put these expectations in writing.
- Instill a sense of urgency. Instill a sense of enthusiasm and a can-do attitude.
- Setting and managing expectations and shaping the behavior of subordinates and employees are among the most important early tasks of the new leader.
- This should characterize your style:
 - Demanding, but certainly able to be satisfied
 - Accessible, but not too familiar
 - Decisive, but willing to hear all sides first
 - Focused and intense, but flexible and understanding
 - Active and urgent, but not causing a commotion everywhere you go
 - Willing to make the tough calls, but humane and caring
- A very low tolerance for failure to meet commitments will encourage people to be more realistic in what they promise to deliver.
- Talk to people about the kind of behavior you expect from people. Describe exactly what that behavior looks like, give solid examples. Also tell people how you prefer to work and lay out your exact expectations.
- Rampant office politics is symptomatic of a weak leader. Don't waste your time, or permit others to waste their time in building fiefdoms and boundaries. Spend your time creating, planning and accomplishing. Let your actions be your politics. Be the last to know about rumors and juicy gossip. Don't get sucked in with the tantalizing details. Don't ask, don't answer, don't tell, don't agree. Just say you need to focus on work. Just work.
- He was relentless. He gave his sales force huge quotas and there was simply no acceptable excuse for falling short.

Advice for Managers

- Resist the temptation to tweak your presentations or reports right up to the last minute. Weigh the value of a change against a good night's sleep. At some point, usually well before the actual presentation, nitpicking changes no longer add value. Learn to recognize that point and draw the line



- A good business presentation should contain nothing new for the audience. Walk all the players through the recommendations well before your formal presentation. If they are not supportive, it's best to find out beforehand and to take corrective action then. You must get support at all levels. Don't neglect the people on the line. The changes you propose may have the greatest effect on them, so their buy-in is vital to a successful implementation.
- Show empathy for the person you are succeeding.
- Don't ever forget that the Chairman and the Board are your bosses
- Great managers take the time to understand the unique abilities of each of their employees and then they capitalize on them. They do not focus on the weaknesses, they build on their strengths. Great managers do not believe that everyone has unlimited potential, that's why they do not help people fix all of their weaknesses. They focus on building on their strengths and they put them into positions where they can consistently add-value and win.
- The most important difference between a great manager and a great leader is one of focus. Great managers look inward. They look inside the company, into each individual, into the differences in style, goals, needs and motivations of each person. These differences are small, subtle, but great managers need to pay attention to them. The subtle differences guide them toward the right way to release each person's unique talents into performance. Great leaders, by contrast, look outward. They look out at the competition, out at the future, out at alternative routes ahead. They focus on broad patterns, finding connections, cracks and then press home their advantage where the resistance is weakest. They must be visionaries, strategic thinkers, activators.
- The core activities of a manager and a leader are simply different. It is entirely possible for a person to be a brilliant manager and a terrible leader. But it is just as possible for a person to excel as a leader and fail as a manager. Few people can ever excel at both because each requires fundamentally different skillsets.
- Great managers define the right outcomes, not the right steps. When motivating someone, focus on strengths, not on weaknesses. Don't ever try to change people. Great managers build on strengths and have the following mantra: "People don't change that much. Don't waste time trying to put in what was left out. Try to draw out what was left in. That is hard enough." Great managers are adept at spotting a glimpse of a talent in someone and then repositioning him so that he can play to that talent more effectively. The best way to help an employee cultivate his talents is to find him a role that plays well to his inherent and natural skills. A manager's basic responsibility is to turn natural talent into sustained performance.
- Try this exercise. On the left side of a sheet of paper, write down the names of people who report to you in descending order of productivity, the most productive at the top, least productive on the bottom. Then on the right hand side, write down the same names, but this time in descending order of "time you spend with them," the most time consuming at the top of the page, the least time consuming at the bottom. Now, draw straight lines joining the same names. If the lines cross, you are spending too much time with your least productive people and not enough with your most



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productive. Investing lots of time with your laggards and strugglers appears shrewd, yet the most effective managers do the complete opposite. The great managers know that the less attention they pay to the productive behaviors of their superstars, the less of those behaviors they will get.

- Ask your people daily at first, and always at least weekly, what they are doing to increase market share and the value of the company. When an employee consistently refuses to take any risks to increase market share, demote that person. A single demotion sends a crystal clear message that the safe, traditional route is no longer acceptable.
- Leaders should facilitate problem solving, but should let associates solve most problems. It builds self-esteem and enhances their ability to solve problems in the future. Even though leaders often can solve the problems more quickly than other, it is poor practice to be the company's problem solver.
- Poor performance must be confronted head-on, if it is not to degenerate into a dangerously unproductive situation. Great managers will first ask themselves if this sub-par performance is trainable. If so, they will get them the training. If it's not a matter of training, it could very well be the fact that you have the wrong person in the job. You could have a person whose natural skills do not mesh with the job requirements. If that's the case, move the person to where they can be successful. If it is an attitudinal issue, there may not be much hope.
- When somebody comes to you with a good idea, you should challenge them, because there's a real good change that they haven't challenged themselves enough, that they aren't yet at the height of their thinking. If you ask them questions and you push them, they will make the idea even better.

Employee Survey Questionnaire

- The only way to generate enduring profits is to begin by building the kind of work environment that attracts, focuses, and keeps talented employees. This kind of environment is a place where performance levels are consistently high, where turnover levels are low, and where a growing number of loyal customers seek-out the company. Measuring the strength of a workplace has been simplified to twelve questions through a comprehensive survey by the Gallup organization. These questions measure the core elements needed to attract, focus and keep the most talented employees. So here is the survey we should use, and use the questions in the exact same order!
 1. Do you know exactly what is expected of you in your current job?
 2. Do you have the materials and equipment you need to do your work right?
 3. At work, do you have the opportunity to do what you do best, everyday?
 4. In the last seven days, have you received adequate recognition or praise for good work?
 5. Does your supervisor, or someone at work, seem to care about you as a person?
 6. Is there someone at work who encourages your development?
 7. At work, do your opinions and ideas seem to count?



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8. Does the mission/purpose of the bank make you feel like your work is important?
 9. Are your co-workers committed to doing quality work?
 10. Do you have a best friend at work?
 11. In the last six months, have you talked with someone about your progress?
 12. At work, have you had opportunities to learn and grow?
- These twelve questions are the simplest and most accurate way to measure the strengths of any workplace. If you can create the kind of environment where employees answer positively to all twelve questions, then you will have built a great place to work. Ask employees to respond to each of the twelve questions on a scale of 1 – 5, with 1 being strongly disagree, 5 being strongly agree. After over 100,000 people took this test it was found that the people who responded more positively to the questions also worked in business units with higher levels of productivity, profit, retention and customer satisfaction.
 - For the most part, these questions relate to the success of the immediate supervisor. They discovered that the manager-not pay, benefits, perks or a charismatic leader- was the critical player in building a strong workplace. As a manager, if you want to know what you should do to build a strong and productive workplace, focus on trying to lead and manage in a way that earns you solid 5's on at least the first six questions. Also, try linking the manager's performance evaluations to the answers on these questions by their subordinates.
 - It is a good idea to compare one business unit against the other by summarizing the scores as follows:
 1. Know what is expected of me
 2. Materials and equipment
 3. Do what I do best every day
 4. Recognition last seven days
 5. Supervisor/someone at work cares
 6. Encourages development
 7. Progress in last six months
 8. My opinions count
 9. Mission/purpose of company is clear
 10. Co-workers committed to quality
 11. Best Friend at work



12. Opportunity to learn and grow.

- Rank and compare the various managers/business units based on the percentage of survey respondents that scored a “5” on each of the questions. The great managers know that the core of a strong and vibrant workplace can be found in the first six questions, in order, of the survey. Securing 5’s to these first six questions is one of your most important responsibilities, but it is far from easy! To warrant positive answers to these questions, a manager must be able to do four activities extremely well: select/hire, set expectations, motivate and develop his people. These four activities are the manager’s most important responsibilities. If you cannot perform these four activities well, you will never excel as a manager.

The Kind of Environment We Intend to Create

- We are composed of bright, type-A overachievers desperate to prove that they are the best, not just by beating the competition, but by destroying it.
- When you walk into our offices or talk to any one of our staff, you can feel the energy and their sense of passion. We are vibrant and energized.
- You want to be happy to go to work every morning. You need to develop a spirit of openness, trust, teamwork. That is the most constructive and creative environment. That’s when people give their best.
- Associates who do not concur with decisions being made in meeting must understand that they have a responsibility to speak up. By remaining silent during meetings, they do the leader a grave disservice. You must create a decision-making environment in which people feel free to express concerns, raise new concerns or just flatly disagree.
- When a job absolutely needs five people to complete it, four should be assigned. The philosophy behind this limitation is that only by choking-back resources to the barely survivable level will work be limited to only those critical things that absolutely must occur.
- Employees must have no worries about disagreeing with a manager. The simple act of disagreement, with valid reasons, is expected. When disagreeing, an employee is expected to have concrete, valid reasons supporting his or her viewpoint and must provide a superior alternative. Stating that you just don’t like something is not acceptable.
- You have to be very open to criticism and create an environment that encourages the aggressive challenging to new ideas. Just don’t shoot the messenger. Create a very open environment where it is safe to challenge any idea or program.
- To stay on the “rested edge” new leaders must learn to manage their emotions under pressure, get enough sleep at night and try to leave work problems at the office. Also, the better your physical condition, the greater your capacity for productive, unrelenting work. Ninety percent of all people climbing the corporate ladder are out of shape. You will be able to start earlier, pause less often and end your day with a wind sprint if you eat right, stay fit and get the proper amount of rest.



- It's very easy to let your business career monopolize all of your time and energy. But to force your spouse and children into second place is a mistake. You need the support of your family. You need an enthusiastic spouse who understands that some sacrifice is necessary in your new role. Your family must be an ally in your new role and future plans. Put your family on your calendar. Schedule as many kid's events as possible. Leave work early if you are taking your children trick-or-treating. Give yourself a few extra days to unwind before the holidays hit, so that you will be well-rested to enjoy this time with your family. When your family members speak to you, put down the paper or book and mute the TV, and turn and look at them while they are speaking. Respond to your family with at least the same level of attention that you devote to sustaining and nurturing your best customers.

Hiring Advice

- The single most important contributor to productivity is the quality of the employees. Everything else is secondary. We must hire the very best people. No management system in the world can make up for having less than the best talent. Every new hire we make should raise the mean level of performance of the team, not detract from it.
- You are only as good as the people that report to you. If you do not insist on hiring absolutely the best, then you are consciously deciding that employees of average or worse quality are acceptable.
- Hiring the right person is the most critical decision a manager makes. Determine the criteria for the perfect employee and hire only people who fall into the top 5 percent of your criteria. Now matter how desperate you are to fill a position, no matter what the consequences, do not compromise. Spend the time necessary to make the right selection. The quality of your employees directly determines your ultimate level of success. Period.
- The top priority in any company should be to hire type-A people who are driven by conquest rather than by security. It is critical that we have a core set of people who naturally gravitate and understand conquest.

Building Motivation and Momentum/Sense of Urgency

- Esprit de corps is an essential component of a start-up and most turnaround situations. Esprit de corps results in people who are all charged up to accomplish the near impossible and who are all focused on achieving the same goal. But a cold, sterile, humorless workplace fraught with onerous regulations and policy can never develop esprit de corps. Running around shooting Nerf Arrows at each other in the halls may not seem like a productive use of time. However, something very interesting is happening during the Nerf wars. People at work are having fun. Not just a little fun, but rather, an absolute blast. The office becomes a place where you have fun. The fact that you can do this at work is itself critically important. It tells employees that the company is supportive of them enjoying themselves in the workplace. And that as long as the job is getting done, that's all that matters. This esprit de corps will help you take market share away from your competitors and they won't even know how or why.
- Work to solve those certain vexing problems that have hindered the company's progress in the past.



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- Being new to the bank, the leader lacks a reservoir of support and obligation on which to draw. He must accumulate political capital before he can hope to secure support for his key initiatives. One does so in part by achieving some early wins and channeling the resulting support into broader initiatives. Another necessary step is to help others in strategic positions advance their own agendas in exchange for their support of yours.
- In the first 100 days, the leader must energize people and focus them on solving the most vexing problems of the business. This is a time to lay the foundation for substantial growth and change. It's critical that the employees perceive momentum building during the first 100 days. Seeing tangible improvements in how work is performed boots motivation and encourages further support for your initiatives.
- You must get some early victories, some wins! People must begin to think of themselves as winners and part of a winning organization. Team building or improvements in meetings or minor processes do not qualify as early wins! Early wins should create models of behavior consistent with the leader's vision of how the company should function.
- Look for early wins where broad operational areas and processes could be changed to result in quick and substantial improvements with a minimum of effort. Maximum bang for the buck.
- You must constantly seek to build personal credibility, political influence and business momentum. People must start seeing some early wins. You must promote the perception that the company is going in promising directions.
- Every meeting, every memo, every policy and every interaction is driven by the same core objective: to advance the ball daily. To build profitable marketshare and to increase the value of the company daily. And we will fight as hard for the last 1 percent of the market as we fought for the first 10 percent. In every review, the first and most important question should be, "What have you done to increase our marketshare and build the value of our company?" Then we drill-down deeper and ask, "What else could be done? How can we be more effective? What other markets can we attack? How can we be better? Where are we weak? Where are we strong and where are our competitors vulnerable?"

Developing a Mission and Vision

- Mission, vision, etc.: People must readily see how the vision, mission, objectives, values and strategy are all linked together.
 - A mission is what the leader wants the company to do and be known for.
 - Core Objectives specify the key targets we will achieve in pursuit of our mission. These A-item priorities should flow directly from the strategy and the expectations of the Chairman and the Board.
 - Our strategy lays out the broad path by which the mission and core objectives will be achieved.
- A vision is a compelling, widely shared mental picture of how the bank will look and function once our strategy is fully realized. A vision is must be attractive, meaningful and attainable. Given what we have to do (our "mission"), our priorities ("A-item tasks"), and how we expect to move forward (our "strategy"), a vision is what this place will look like once we've arrived.



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- A vision is a picture of the future distilled down to its crystalline, simplest and clearest form. If effective, the vision will generate passion in the new leader that is contagious and motivates others.
- A mission is what we want the bank to do and to be known for. Our core objectives, or A-items, specify the targets in pursuit of the mission and are reflected in key organizational objectives. Our strategy lays out the broad path by which the mission and core objectives will be realized. People must be able to say, "Oh, I see how all this (vision, mission, core objectives, and strategy) fit together and support our vision."
- A shared vision helps to align people's actions by defining what the future should look like and spelling out the behaviors consistent with obtaining that desirable future.

Setting Performance Standards

- You may want to consider including some of these attributes into the required skillset of your managers: Manage change, establish plans, execute plans, compelling vision, inspiration, strategic ability, troop rallying, risk taking, taking charge, business practices and controls, results orientation, manages diversity, broad perspective, calm under fire, interpersonally sensitive, people skills. Add more based on your specific culture.
- The best managers want a routine that asks each employee to keep track of their own performance. Each employee becomes excited and involved in keeping track of their own progress toward their goals.
- Superior Performance is the key to independence of action. If you consistently put the numbers on the board and do the right things, then you earn the right to call your shots. If you don't perform, somebody has the right, the obligation, to make serious inquiries as to why you are behind plan and exactly what you intend to do about it.
- First, promote the people who are focused on increasing market share and who are willing to take risks to do so. This means that we will promote those who make mistakes and not promote the overly careful employees who prefer to take the traditional route of non-action. This both moves up the people who want to conquer their markets and forces security-minded people who want to be promoted, to take risks to advance their career.
- Stretch goals must be at least a 50% increase over expectation.
- Everyone is focused on the goals, and excuses just slow down achievement. When success is the only measure, then excuses become irrelevant. Success is what we measure things by. Everyone must recognize that some problems are harder than others, some markets are tougher and back luck will ultimately occur. But these are all irrelevant. All the excuses in the world, will not make up for a failed goal. The critical question is: What are doing to fix this problem and meet your commitment? Now some people will claim that this is unfair. Yes, it is. But our competitors are not concerned about fairness and our stockholders are not concerned with fairness. We are only concerned with success. This success-oriented environment self-selects employees. The most successful will be the ones promoted, and the least successful are generally those who leave or are never hired in the first place.



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- It's performance that matters and it's performance that people concentrate on. Since no one will pay any attention to excuses, then no one will put much effort into formulating them and will instead concentrate on performance or immediately fixing problems.
- Carrying non-productive employees because they once did something useful is a reckless and damaging luxury that no company can afford. If an employee is no longer needed, then regardless of what they've accomplished or what they are capable of, they must be set free. People, no matter how good, should not be kept on the payroll if they are not adding value. Most managers end up failing when they avoid making these tough calls.