Executive Leadership Consulting

STARTING STRONG

4 KEYS TO SUCCESS IN YOUR NEW EXECUTIVE POSITION

Whether you're new to leadership or have a new position, establishing a strong personal brand and creating **One Vision** is critical to growing your influence as you lead the organization in **One Direction**. This insights paper brings together the latest research on the challenges of starting a new executive position, the impacts of the transition, what your boss or board wants from you, and Executive Leadership Consulting's recommendations on the **4 Keys to Starting Strong.** Our objective is to give you insights and direction so you can proactively beat the obstacles and successfully lead your new team.

THE DANGERS & CHALLENGES OF STARTING A NEW EXECUTIVE POSITION

Few organizations are able to report that they have sufficient leadership to support their most pressing business needs, according to a study by DDI on "Leaders in Transition." This comes as a result of flattening organizations and less experienced leaders being asked to make bigger leaps in scope.

In addition, today's business environment is more complex with fiercer competition, scarce resources and higher workforce expectations. Leadership isn't getting easier, it's getting more challenging.

Whenever you start a new position, you want to start strong. You can find lots of advice and research available for the first 90 or 100 days of your executive position. Yet, according to The Corporate Executive Board (2013), "46% of transitioning leaders underperform." While these executives may survive the transition, they fall short of effective performance.

A study from the Center of Creative Leadership found that more than 40% to 50% of outside senior-level hires fail to achieve the desired results. According to Matt Paese and Richard Wellins, DDI's Leadership Forecast 2005-2006 found that internally sourced leaders are failing a third of the time. And at best, only a third of leaders overall found themselves to be very effective at overcoming transitional challenges.

One of the obstacles to overcoming transitional challenges is that many executives come into a new position without a plan to start strong right from the beginning. Michael Watkins writes in The First 90 Days: “Some leaders do derail (and when they do, their problems can almost always be traced to vicious cycles that developed in the first few months on the job). But for every leader who fails outright, there are many others who survive but do not realize their full potential.”

So why do so many executives struggle with starting strong? Jeff Killeen of GlobalSpec says, “The most universal trap for a new leader is wanting to do so much so fast that you overpromise and overcommit.” (Neff & Citrin, 2005). The DDI leadership study reported that navigating organizational politics was the number-one challenge. Most executives feel jarred by the changing political dynamics and the complexity of their roles. The assumption that what worked before will work again is perhaps the quickest route to failure. Each successive leadership transition creates a more demanding and ambiguous environment. Because you face multiple competing agendas, it’s imperative that you become an influencer who stands above the fray and enables success.

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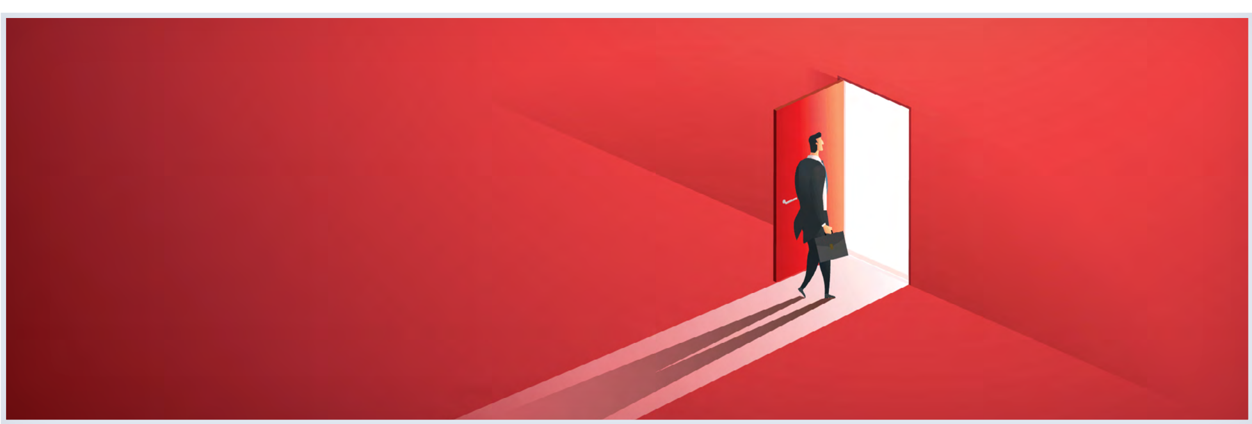
Unfortunately, organizations often don’t make it a priority to support leadership transitions, especially beyond the first few months. The Corporate Executive Board reports that leaders receive limited support beyond the first 100 days. While the first 100 days does represent a critical adjustment period, transitioning senior leaders and the organizations they manage often hit a “stall point” at the six to nine-month mark of their transition. When DDI asked leaders how well their companies provide support to prepare them for a new transition, just 27.8% of American leaders indicated their organizations were doing a good job overall. Among the essential factors in successful transitions, only 17% to 36% of leaders think organizations effectively manage the key aspects of leadership transitions.

It’s vital to your success to recognize the dangers and challenges of starting a new position and to understand what it takes to start strong.



THE IMPACT OF EXECUTIVE TRANSITIONS

Executive transitions can be challenging from every perspective. A new executive position almost always requires significantly more time and energy from the leader and may also involve a change in location. These impacts can add stress both for the executive and his or her family. In addition, the transition has significant impacts to the organization.

According to DDI's research, one out of every five people leaders rank a transition to a new position as one of the most challenging life events, and at the executive level, almost one-third put it as number one on their list.

"The organization is sitting there trying to assess you," says Paul Pressler, former CEO of Gap, Inc. (Neff & Citrin, 2005). "They're evaluating your every move and every word you say. In the first hundred days, you set a strong tone about how you want to run the business. I'm not sure that if you stumble in the first hundred days it's fatal, but it's going to take you a lot of time to recover."

Overall, 50% of CEOs interviewed for RHR International's CEO transition study (2011) described their transition to the role as challenging and even chaotic. The remaining 50% described the process as smooth, but no one described the transition as easy.

According to a 2010 FD/Forbes Insights Strategic Initiatives Study, executives are concerned about the impact of failure more than ever before. The reported reasons for failure range from misalignment of existing strategy with existing resources to a lack of buy-in from the people most responsible for making a strategy succeed. This is a critical challenge to solve, especially for executives who want to start strong in a new position.

The impact of an executive transition goes far beyond the individual executive. The Corporate Executive Board reports that nearly one-half of a typical organization's workforce will feel the direct impact of leaders undergoing transitions each year. The direct reports of a struggling transitioning leader perform an average of 15% worse and those direct reports are 20% more likely to leave the organization or be disengaged. The productivity of the executive's colleagues also suffers because they depend on the struggling transitioning leader. According to RHR International's CEO transition research study, a CEO transition is one of the most critical and potentially disruptive events in the lifestyle of an organization.

Clearly an executive transition can also have an impact on business results. Challenges with an executive transition could also lead to missed business opportunities and stalls in critical new strategies or business launches.

Depending on the scale and scope of an executive's role in the organization, one ineffective transition can result in costs of tens of millions of dollars or more per year.

The CEO transition research study by RHR International states: "From the persistently high CEO turnover rate to the declining tenure of those at the top, we are continually reminded that company performance is not the only factor that plays a role in failed transitions. In addition, failed CEO transitions are costly. Share prices can decline sharply in response to unplanned CEO turnover, let alone the considerable costs associated with replacement, business disruption and damage to the reputation of the company."

Executive transitions at other levels of the organization can be costly as well. Brad Smart, author of Topgrading, conducted a study that estimated the cost of a failed hire to be 24 times that hire's base compensation.

WHAT YOUR BOSS OR YOUR BOARD WANTS FROM YOU

The two critical factors in a smooth transfer of leadership are a well-planned transition and strategic alignment between the CEO and Board of Directors, according to the RHR International CEO Transition Research Study. Other executive level moves will need the same strategic alignment. These factors are reported as key to helping to maintain and even build business momentum.

So what does your boss or Board want from you in your new position? The Conference Board's 2014 CEO Challenge study reported that in every global region and virtually every country, the top business challenges are Human Capital, Operational Excellence, Innovation and Customer Relationships. In addition to being the top-ranked challenge globally, Human Capital is closely linked to the next three top challenges -- Customer Relationships, Innovation and Operational Excellence -- since a talented, engaged and motivated workforce is critical to success and forms the basis for strategic action. Because of its importance, the Conference Board asked CEOs to identify leadership attributes and behaviors they believe are critical to future success in their organizations. The top five global attributes are: integrity, leading change, managing complexity, entrepreneurial mindset and retaining and developing talent. In Europe and the U.S. another key attribute was articulating a vision. In the U.S., 4 of the top 10 Human Capital strategies focused on improving leadership performance.

For a CEO's transition, RHR International's study reports that the Board of Directors want a more planned process for the executive's transition prior to the role change. They also want a better planning process once the CEO is in the role rather than having a transition that was "baptism by fire."

The key to solving each of the challenges described in the research is to create an aligned organization with One Vision, One Voice and One Direction. This can ensure you align everyone and everything you do to meet and exceed the expectations of your boss or Board well beyond your transition.

THE 4 KEYS TO STARTING STRONG

While the research shows that starting strong in a new executive position has its challenges, you can beat the odds and transition into your new role smoothly and effectively while meeting the expectations of your boss or Board. But you need a plan that starts immediately and continues beyond the typical 90 to 100 days many experts use. At Executive Leadership Consulting, we have developed a 4A process based on our extensive research and use it to partner with executives on a "Starting Strong Strategy: Assessment, Alignment, Action and Accountability."

ASSESSMENT

Listen, Establish Credibility and Win Trust

This step is often skipped or rushed through in an effort to get to the action, but it is critical to your success in a new position. You need to start out by taking the time to go through an assessment process and spend the bulk of your time listening. "Everything isolates you in this job," says Kevin Sharer, former Chairman and CEO of Amgen and Board Member of Northrup-Grumman. "You're surrounded by people who want to make you happy. The people who work for you at least partially got there because they're really great at managing their bosses. And you often don't get the nuance of what's going on." (Neff & Citrin, 2005).
Many executives "hover above" the work to build and communicate plans, and/or establish a team to execute them in order to ensure the results (states the DDI study on leaders transition). To be successful, you need to ensure that what is planned, communicated and implemented is in alignment with customer and

stakeholder needs, but often the demands of the transition limit your time with these stakeholders. While many executives focus on assessing key staff, it's critical that you build in time to assess all of your stakeholders and make them an important part of your Assessment plan.

Once they were in the role, 65% of CEOs interviewed in the RHR International study said they needed to make a substantial change to the company's strategic direction. To start strong and ensure that strategic direction is effective, you need to take the time to do an Assessment. Key activities include sharing your expectations as a leader, establishing initial ways of working with your team through the transition and gathering information.

ALIGNMENT

Start With Your Team and Key Stakeholders

Once you have gathered the information in your Assessment, the next step is Alignment. In the FD/Forbes Insights Strategic Initiatives Study, respondents said strategies fail due to a lack of understanding and follow-through by the organization and its employees. Nearly 50% reported that employees — including senior management down to front-line workers — are the least convinced of the viability of strategic initiatives. One-fifth of respondents believe initiatives fail due to a lack of buy-in and understanding from key stakeholders.

Of those, nearly half say these stakeholders are employees, including senior management, middle management and front-line employees.

In the RHR International study, CEOs shared that one of the most challenging aspects facing them relates to how to get the executive team up and running with the right talent to execute the strategy. Board members also said that getting the CEO's team up and running was the most problematic area, more than any other factor.

The key activities in Alignment include sharing your discoveries from your Assessment and conducting a leadership alignment session within the first 3 months. This helps to establish agreed upon ways of working and decision-making as a team. Then, the focus shifts to collaboration within your team to set the initial priorities, get some quick wins and create a plan for developing One Vision for the organization. Communicate plans to key stakeholders and set up a regular communications cadence to share progress and next steps.

ACTION

Lead the Change

RHR International asked CEOs what they would change about their integration if they had the opportunity. Almost all said they would have acted sooner. Once you have Alignment, you need to take decisive Action and lead the change. Dealing with change and leading others through it can be challenging, and no matter what business you're in, your ability to lead your organization through change can make or break your success. This goes for every change you want to implement in your organization.

Part of taking action is working with key influencers to help manage resistance and implement your quick

wins. Your organization wants you to have a vision and to know where you want to go. As you're taking action on your quick wins, it's also time to create a shared vision. Take every opportunity to paint a clear picture of the vision, why your organization is the one to achieve it (based on what you learned in the Assessment phase) and why you want to start now.

Once your organization sees their own interests and aspirations align with the vision, they will wholeheartedly commit to making it happen. With One Vision, you can start to create One Voice and One Direction in your organization to ensure your success.

ACCOUNTABILITY

Leading a High-Performing Team

The CEO Transition Study by FTI Consulting reported that 60% of investors view the expectations set and communicated by the CEO as the primary barometer for assessing their progress, and only 8% of investors measure CEO success on financial performance. A total of 86% of investors measure CEO success based on the specific milestones the CEO established. This shows us that to be successful in any executive position, even if you're not the CEO, you need to hold your team accountable to the expectations you have set and communicated. You are being evaluated on the performance of your whole organization so it's up to you to enable their success.

Great leaders unleash the leader within each person in their organizations, liberating them to use their own greatness. We become more powerful when we empower others. According to a Gallup study, when an organization focuses on individual strengths, employee engagement increases from 9% to 73%.

When your team is empowered to leverage their strengths, they require less oversight from you. In other words, when you empower them, you increase your own effectiveness in the process.

When you make high-performing employees accountable for success, they want to perform well and deliver results. They can collaborate with others and should be expected to do so. However, when you are clear about overall accountability and assign one person to an outcome, you will see much better results.

SUPPORT LEADS TO SUCCESS

More and more companies recognize that leaders commonly need assistance in managing their transition into a new role. The RHR study on CEO transitions reported that companies who provide resources for executive transitions most frequently use an executive coach or mentor. This kind of support can also positively impact the bottom line. In addition, Harvard Business Review states that companies that spend aggressively on employee development outperformed the S&P 500 by 17-35%.

Research by MetrixGlobal showed that coaching produced a 529% return oninvestment with tangible benefits, along with significant intangible benefits to the business. Additionally, the Manchester Review reported that coaching delivers an average return of 5.7 times the initial investment. High achievers understand the importance of of having a coach or mentor to receive honest, straightforward feedback and insights so they can continue to grow. In today's business environment, it's no longer a luxury to have a coach, it's a necessity. Studies have proven that leaders and their teams perform better with coaching, and this performance translates into business results.

Whether you're new to leadership or have a new position, establishing a strong personal brand and creating One Vision and One Voice is critical to growing your influence as you lead the organization in One Direction. At Executive Leadership Consulting, we partner with you to create a plan to identify key issues, ensure you have the right people in the right place and partner with you to develop your vision.

Contact us today for an initial consultation at (818) 473-5323 or schedule an appointment at www.ExecutiveLeader.com.

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