



Seniors Leading Well

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**Being over eighty years old
does not have to be an impediment
to exercising management tasks**

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Contents |

Preface

Introduction

1. Teachers in their eighties and beyond

2. Fit beyond eighty

3. Mandatory retirement

4. Expectations of senior executives

The top ranks

Industry knowledge

5. To focus or to diversify

6. Knowing the company

Knowing its people

Financial matters

Regulations

The market

7. Relations with customers and suppliers

8. Networking

9. Planning the succession

10. The future

Preface

After many years of experience in international business management and with a number of works already published on important aspects of business, including entrepreneurial initiative and internationalisation, I thought it fitting to delve a little deeper into what, for many executives, is the concluding stage of their business life and to look at how this is changing as healthy life expectancy increases.

As with most of my books, the methodology closely follows the lines of the 'case method': the detailed study of different cases to try and put together a deeper understanding of them through data collection and interviews.

The idea of working past the age of eighty is one that we are seeing more and more, and which will continue to grow. People are reaching this age in better physical and mental shape than ever before. But the idea has met with a frosty reception at the lower levels of business in particular (low-level workers and managers), so it is preferable not to mention by name the executives that I have interviewed, most of whom have been good acquaintances of mine for

many years; some of them also hail from other countries, such as the United States, the rest of Europe and even China.

The management and governance of a company must be well organised. The best way to do this in matters relating to their presence on the board and in the senior ranks is to establish a series of evaluation criteria for directors and senior executives, with an evaluation model that sets out who does the evaluating and what actions should be recommended and implemented. If a CEO over the age of eighty scores highly in the evaluation, then it may be appropriate to keep them in that position. The same applies to members of the board. Rules may be established to limit the time for which a person can sit on a board.

It is indeed true that age affects a person's capabilities, but this can vary greatly. Being active in matters of our interest helps us to stay in better shape and extend the use of our abilities. However, it can be very difficult to assess the decline that we experience in these abilities ourselves, which is why it is good to delegate the responsibility for their assessment to senior executives and board members.

We will take a detailed look at all these areas, for which there are still no effective rules in widespread use.

Before moving on, I would like to thank all the senior executives with whom I have shared agreeable moments in interview, when they confided in me not only on business matters but also with their personal feelings. I have, of course, discussed these issues with numerous colleagues,

teachers at IESE and Harvard Business School, from whom I have always learned so much. And I must thank Denise Clerc, whom I see more as a colleague than a secretary, for her help in collating all the information and presenting it coherently. Lastly, my thanks go out once again to the prestigious *The New Yorker* magazine for allowing us to add a dose of humour to a serious topic with the work of its collaborators who have produced these interesting messages with their accompanying drawings.

Introduction

All over the world, we see people over the age of eighty running top companies. Yet, the age of retirement, which in many countries is established by the state, is usually between the ages of sixty and seventy, although it is often possible to lower it (early retirement) or extend it through negotiation and agreement.

Nonetheless, we are also seeing an increase in life expectancy driven by advances in health and quality of life, so after retirement there are many years ahead that must, theoretically, be financed by savings and the collection of pensions appropriate to living costs. But if someone retires at age sixty-five and then goes on to live to one hundred and five, can they be collecting their pension for forty years? How many years can their savings cover?

In some countries, like the United States, there is no health care or state pension. People must set up their own health-care and pension plans with insurance companies. Although some companies do organise and pay these things for their employees, in many cases, it is up to the individual to organise their plan. However long we may live, it is often