

TY WIGGINS, Ph.D.

Russell Reynolds Associates

The New

CEO

Lessons from CEOs on How to

Start Well and **Perform Quickly**

(Minus the Common Mistakes)

with Justus O'Brien, Laura Sanderson, Margot McShane,

Rusty O'Kelley and Stephen Langton

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*For my children Taj, Ash, Aja, and Mataya.
I love you more than can be expressed by all the words,
in all the books, in all the world.*

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Foreword

Your first year as CEO is arguably the most decisive period in your entire CEO journey. It is when you make your mark as a leader—signaling to your organization and the market that you were not only the right choice, but that you have what it takes to lead the business to even greater heights.

It is a time when you showcase your intentions as CEO and set the stage for the bold moves that you will ultimately be remembered for—and will shape your legacy for years to come. A fast and impactful start is critical.

Yet, as I know from my own experience becoming CEO of Wolters Kluwer 21 years ago and as a board member witnessing other CEOs in transition, your first year is also a time when your resilience and adaptability is truly put to the test.

If you can quickly get to a point of strength, navigating your organization's complex dynamics and earning the trust of your many stakeholders, you will prove your mettle and rise above. If you can't, you may find that you spend the rest of your tenure trying to recover.

When I became CEO, my burning platform was clear: to reverse Wolter Kluwer's poor performance and lead the company forward in the digital age. I was excited by the challenge ahead. And having already run Wolter Kluwer's American division for a few years, I was clear on where we needed to go. I knew, however, that rallying the organization would not be so straightforward.

There were, of course, skeptics who didn't believe in my vision and doubted that Wolters Kluwer could be

transformed. But I knew two things to be true: First, I had been given a chance. And second, I didn't have long to prove I could do it.

One of my biggest pieces of advice is to surround yourself with the right people. Know your strengths and the strengths of those around you. Find people who have skills that you don't. And bring people together to make sure they function as a team. Communicate clearly—and often. The mantra of “*Say it and say it again*” is mission-critical for every CEO in transition.

And always remember that no matter what you think before becoming CEO, you'll never be 100% ready. Be humble enough to acknowledge that and commit to becoming a life-long learner. However successful you are, there will always be something new to discover.

Since I began as CEO, the world has changed significantly. Navigating this complex moment in history will require transformational CEOs who have the vision and passion to make an immediate impact. I cannot think of a better moment for Russell Reynolds Associates (RRA) to share the inside track on how to get off to a strong start as a new CEO and set up yourself for long-term success.

Ty Wiggins has made it his career to help new CEOs deliver a strong start. He distills his rich experience in this trusted step-by-step guide that will help you tackle the issues you face during your transition. Whatever your situation, his advice works. This is a critical book for all new CEOs—and those who work with them—and it could not have come at a more important time.

A CEO transition is not for the faint of heart. But those who are willing, and able, to embrace both the opportunities and challenges that lay before them will leave an

indelible mark on their organizations. So, step boldly into this transformative journey. Although it will be demanding, the rewards will be immeasurable—for you, your team, and your business.

*Nancy McKinstry, CEO and Chairman of the
Executive Board, Wolters Kluwer*

Introduction

If you are reading this book as a newly announced or appointed CEO, congratulations!

You are about to embark on something that only a very small percentage of the population ever gets to experience—to lead an organization and all of the people who call it theirs.

Perhaps you're already in the role. Perhaps you're getting ready to start. It may be your first time being a CEO. It may be your third. But whatever your circumstances, this is a time of great celebration.

This moment is about recognizing years of hard work and ambition (and, I'm sure, a fair bit of sacrifice along the way). It's a time when you are at your most energized to execute your vision of a brighter future for your organization. And, of course, for you and your family, too.

Enjoy this feeling. You've earned it. And the reality is that you'll need to keep returning to this place when times get tough. Commonly, that is a *when*, not an *if*.

Much of what they say about the CEO role is true: it's complex, confusing, and often exhausting. This is the most challenging and loneliest role in business (just how lonely is often what takes CEOs by surprise). The scope, gravity, responsibility, accountability, and exposure of the CEO role are unparalleled.

I probably don't need to remind you that, as CEO, you're not only responsible for your organization's strategy, but also for its financial viability, and long-term sustainability. You're also responsible for the livelihood of its employees

(and their families), and in many cases, your suppliers and partners (and their families, too).

You have no doubt read that CEO turnover is at an all-time high. Our research shows CEOs across the S&P 500 and FTSE 350 lasted an average of 7.6 years in their role in 2022, compared to 9.2 years in 2018.¹ And you're no doubt familiar with the numerous stories of CEOs who didn't make it past the two-year mark at organizations like HSBC, Procter & Gamble, Apple, Boeing, and Hewlett-Packard.

If CEOs fail, especially early in their tenure, the consequences can be vast. When Fiona Hick, the CEO of Fortescue Metals, one of Australia's largest companies, stepped down after six months in the role, it immediately wiped off 4% of the share price (approximately \$1.5 billion at the time).²

The tremendous amount of pressure and enormous responsibility is why so many people don't seek the role, and are happy to stay as a key contributor to someone else's strategic vision—and that's fine. We can't all be in charge.

If the responsibility of the role scares you, that's normal. If it didn't, I would be concerned.

The trick is to now walk the tightrope over the complex web of feelings and experiences you'll inevitably face as a new CEO, nimbly stepping between decisiveness, confidence, self-awareness, and empathy to execute your vision and unlock the most life-affirming move of your career.

Why I Wrote This Book

As cliché as it will sound . . . because people told me I should.

I have one of the best jobs. As a leadership advisor and global lead for the CEO & Executive Transition practice at Russell Reynolds Associates (RRA), my job is to guide

CEOs the world over through their first 12–18 months in their new role. Sometimes I’m their coach; sometimes, their cheerleader. Often, I’m their venting partner. More often, I am their challenger and sounding board. I am always their trusted advisor.

The work I do—and the stories I’m privy to—is a true privilege. Having the opportunity to gain a backstage pass to so many CEO transitions, talking with leaders who are at the top of their game at a time when they’re at their most vulnerable, has given me a unique vantage point into the good, bad, and ugly of CEO transitions. That’s what I aim to share in this book.

Why? Because for all the attention given to CEOs, there is very little advice on how to actually land well in the early days and set yourself up for success. Walk past any airport bookstore and you’ll find countless books about what it means to be a leader or a CEO, or how to nail your first 90 days as a general executive. What you won’t find is a book that specifically covers the challenge you face now: the CEO transition (a period that, for the purpose of the book, covers your first 12–18 months in the role).

Successfully navigating your first weeks and months as CEO sets the tone for how you’ll be perceived for years to come. Yet, until now, few CEOs have shared their stories on what worked, what didn’t, and what they wish they’d done differently.

For years, I’d entertained the idea of writing a book to compile the rich experiences I’d gleaned advising CEOs in transition. It wasn’t until one of my CEO clients stressed the point so emphatically that I was kick-started into action.

We’d been working together for a little over 14 months, navigating everything from an organizational restructure to a significant business sale. It had turned out to be a very

challenging first year as CEO, and through the process, we'd developed a relationship that was honest, trusting, and at times, frank.

As we finished up our last session together, he said, "The way you have supported and challenged my thinking, added insights and examples at just the right time, and on more than a couple of occasions, told me I was flat out wrong has been invaluable. You should share all of this in a book."

I'd heard this a few times already over the years and told him so.

He waited all of 0.05 seconds and said in slightly richer language: "So, get off your backside and do it."

So, I did.

What You'll Find in This Book

This book is a combination of CEO experiences, observations, and research. It is written to give you a wide and disparate view of the transition from the perspectives of the CEOs who have done it before you *and* from my perspective as an advisor, having worked intimately with 50-plus CEOs across the world to ensure their success in real time.

Over the following pages, you will find the rich stories—warts and all—of global CEOs who have successfully managed their transitions—and who have graciously agreed to be featured in this book. CEOs like Whirlpool's Marc Bitzer, who shared the memorable piece of advice he'd received early on that "you'll have 10 really bad days as CEO—you just don't know when they happen." Or Carol Tomé, the CEO of UPS, who said as CEO you stand at the crossroads of multiple

contradictions. “You rarely get a clean shot at things. More often, you face a paradox, or a series of decisions and judgment calls where you are picking the ‘least worst option.’” Or André Lacroix, CEO of Intertek, who told me that “there are very few leaders who can really improvise on the spot effectively, so the rest of us have to be very well prepared.”

To supplement this experience, and solve for any confirmation bias I may have, I also completed detailed interviews with 35 CEOs across public, private, and private equity (PE) organizations in 2023. A concerted effort was made to ensure these interviews were a mix of internal and external appointments, from a range of industry sectors (13), and with backgrounds across seven functional disciplines. A third of the CEOs I spoke with were women. All CEOs were interviewed between 12 and 18 months in the role, so they had both the benefit of currency and hindsight. Interviewing them at such a critical juncture in their respective CEO journeys forced them to truly reflect on their approach, actions, and decisions during their transitions, and most importantly, answer off the cuff. These are some of the unnamed stories you will read in the book. We also surveyed almost 200 CEOs globally about their experiences transitioning into the role.

When I think about how to summarize a CEO transition, the mental picture that often comes to mind is a parachutist flying through a tight canyon. Parachuting is not like driving a car. When you toggle left and right in a parachute, it doesn't create an instant or neat reaction. It creates a pendulum effect—and you need to work hard to keep adjusting to find the right momentum. This, to me, feels like the most apt description of what it means to be a CEO in transition.

6 Introduction

A constant process of fine-tuning to avoid hitting the walls, until you finally emerge in open skies, where you can really perform and deliver.

The nature of CEO transitions makes it hard to have a one-size-fits-all, clear, repeatable roadmap for success. Instead, what I do with clients (and what I aim to replicate in this book) is work through the key expectations, decisions, challenges, risks, and opportunities that commonly arise.

I have distilled this into 10 components that, in my experience, make for a successful CEO transition (see Figure I.1).



FIGURE I.1 CEO transition success, Russell Reynolds Associates, 2024.

These 10 components inform the chapters that follow. While the ideas are presented linearly, the reality is that some clearly overlap, and others may resolve only to return again. My recommendation is to read the book from start to finish to get a feel for the learnings in their entirety, and then dip in and out to refresh on certain sections as challenges arise during your transition. The book has been structured to allow for this to happen.

Chapter 1 looks at why the complexity and scope of the CEO role can make your transition feel like an Everest-scale challenge. In that chapter, you learn how you will feel out of your comfort zone at the exact moment you need to be performing at your best and why, regardless of what you believe going in, you will feel lonelier than you've ever been. You'll also read stories that speak to the weight of the responsibility you now face as CEO and how the demands of the role are always more than you expect. As PepsiCo's CEO Ramon Laguarta told me, "When you're running a business unit or region, you can always ask your boss to carry the ball the last mile. But now *you* are the one who has to make the final call."

Engaging in robust transition planning will set you up for success, but no two transitions are exactly the same. So, what should your plan cover? In Chapter 2, you'll find how different factors can influence your early approach and success, including the influence of your predecessor (or ghost), the pros and cons of being an internal successor versus an external hire, and the state the business is in when you arrive. You also hear from Sanjiv Lamba, CEO of Linde plc, who had to throw away his meticulously crafted 100-day plan just days into the role, on why flexibility and agility is critical.

As a new CEO, you will never have complete visibility over what's happening—nor will everyone always tell you the truth. You'll need to work quickly to plug the gaps you have in context and detail. Chapter 3 looks at how to burst the CEO Bubble that you will find yourself in, including the benefit of being curious over being right, watching out for your biases, and some more obvious but overlooked aspects of your ability and willingness to really listen.

Next, the book takes a look at how to strike the right balance between patience and action. This is something that many new CEOs struggle with. You will face considerable pressure to move fast. While there is no formulaic answer to how quickly you should move, there are some aspects to strongly consider. I raise these in Chapter 4, which looks at why it can help to find early wins or common pain points to address (or as Stephanie Tully at Jetstar Airways called them, the symbolic acts). And why you need to be deliberate about your bigger moves.

What you say and how you say it sets the tone for much of your transition. Take time to get your messaging right. As Doug Mack, former CEO of Fanatics, said: “The CEO title has an unbelievable ability to move teams and organizations—it has to be taken with great humility and care.” Many have referred to CEOs as being, among so many other things, the Chief Communications Officer. This is true in part. What you say during your transition and how you say it will either be an accelerator of your success or the complete opposite—as discussed in Chapter 5.

Such is the pressure of the role and the challenge of the transition that it is common for new CEOs to experience a crash during their first 12 months. They face a knock in confidence or a series of challenges that make them think

hard about what they have gotten into. In Chapter 6, Alan Beacham, CEO of Toll Group, shares ways you can reach out for support to find your way to the other side. As the new CEO for your organization, the sheer number of tasks can be daunting. Your to-do list likely includes hundreds of items. So, here I also help you work out what to do first, second, third, tenth, and eighty-third.

The top regret I hear from new CEOs is that they wish they had moved faster on their teams. Chapters 7 and 8 explore how to do this as quickly (and safely) as possible. In these chapters, you discover how you can get a good read on your Senior Leadership Team (SLT)—or executive committee—through both gut instinct, as well as assessment data; why you will need “wide T-shaped leaders”; and why establishing a “first-team” mentality is so important. I also discuss the potential challenges in managing people with different thinking styles and the implications of consensus leadership.

Chapter 9 covers how to engage the board and investors in detail. The headline message is that you'll need to engage both the board and your investors early and often in your transition. A key learning is that this will take up much more time than you probably expect. In fact, the second-most common regret from CEOs, behind wishing they had moved faster on their teams, was wishing they had better engaged their board earlier. How you approach and work with the board is one of the markers of your success in transition and in the longer term. I discuss ways to do this, the common pitfalls to watch out for, and the areas where boards worry about you—their new CEO.

Cultural change is hard and takes a long time. Every culture has a positive side and a dark side. In your transition, you need to take the time to really understand whether the

organizational culture will help you achieve your vision or work against it. In Chapter 10, Mark Clouse, Campbell's President and CEO, and others share how to come to grips with your culture—how you should assess it, work to shift it, and ensure it does not derail your transition.

Finally, Chapter 11 includes answers from the named CEOs featured in the book to the questions: “What do you wish you had done differently?” and “What advice would you give someone about to go through a CEO transition?”

Over the coming pages, you gain rare insight into the experience and voices of your peers (named and unnamed) and the benefit of (almost) everything I have found to be highly relevant to CEOs in this most challenging time.

What you *won't* find is a chapter titled “Strategy” or “Vision.” While these are high (and critical) priorities for new CEOs, the intent of this book is not to be a guide on what you should do strategically (there are, fortunately, more than an ample supply of books on that topic). Where I can add the most value to you is to share the experiences of CEOs on *when* and *how* they approached this crucial topic during their transition, rather than *what* they did.

* * *

I realize that I am writing to an exclusive club that many never get the membership card to. Yet, it's a group that has a disproportionate influence on so many lives. The reality is that while the CEO role is unique, many of the transition and leadership lessons enclosed are also applicable to other senior executives, who sit one or two levels below the CEO, including first-time and returning C-suite executives and/or those who one day aspire to take the top job. The lessons and advice will also be helpful to founders and entrepreneurs and family-owned businesses, as well as those who

work regularly with CEOs during their transition, including board chairs, directors, Chief Human Resources Officers, in-house counsel, and private equity teams.

My hope is that every new CEO, their board, and the team around them, will learn from this book—whether it's their first, second, third, or fourth time in the role. But more than that, I hope that every new CEO will be generous in sharing its lessons and their experiences to leave open the door for the next generation of CEOs behind them.

From the work I do every day, I know that the role of CEO is so demanding that you cannot do it on your own. You need help and you need support. Make sure that you have plenty of both.

It's an experience that I am lucky enough to guide others through—and now I aim to provide some of the same help to you. I hope to improve your success, and as a direct result, the positive influence that you will have on the lives of the people in your care, and the rest of us who need you to be successful.

And we all want you to succeed. We certainly don't want you to fail before you get that chance. My hope is that this book helps you in some small way with your success.

What It Means to Be a CEO By Constantine G.

Alexandrakis, CEO at RRA

It's never easy being a CEO. But those at the helm of organizations today have it tougher than most. This is something I had seen time and again when advising CEOs the world over during the past two decades with RRA. I knew how important transitions were and the challenges that many faced. Now, I've experienced this firsthand.

(continued)

I have been CEO of RRA for two years—an experience that has been rewarding and challenging, particularly as the world spins faster than ever before.

The reality is that the to-do list for any CEO is now much larger than it was before. On top of the perennial tasks of leading an organization—to set the vision, coalesce the organization around a new or refreshed strategy, and manage the financials—you must contend with a growing list of external risks, from economic jitters to geopolitical flare ups, and racial and social injustices.

Managing these immediate priorities comes at a time when you must also deliver on growing expectations to position your organization for long-term growth. Every CEO today knows *why* they need to embrace tech transformation and sustainability. What is less clear is *how* to do it. These are complex issues, for which there is no playbook and for which everyone is looking to you for answers.

At the same time, in a world of multiple stakeholders, media, and social media scrutiny, CEOs can no longer only focus on what they do; they also need to focus on how it will be perceived. This can create a considerable tax on time, constraining your ability to properly solve issues and drawing away much-needed mental capacity for long-term decision-making.

Yet, despite all the challenges, there is a dearth of information on how to get it right. From our vantage point as a world-leading leadership advisory firm, we know that these issues *can* be overcome as well as *how* to overcome them. Within the following pages, you will find exactly how to land well as a new CEO so you can build the strongest platform possible to deliver on the ever-growing expectations of the people you now serve. If you are a new CEO, or about to be, I highly recommend that you add this book to your reading list.

PART I

So, You're a CEO