So you want to be the chief executive?

- views and advice from some of the UK’s top current and former CEOs on what it takes to get to, and stay, at the top

“I think everybody getting their first CEO gig has the terror and the immediate weight of responsibility around being in charge of the ship as – no matter the size of the ship – it is scary.”
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Thanks to...  
- those interviewed
Introduction

So you want to be the chief executive?

In an increasingly connected and fast-paced world, the chief executive officer (CEO) has never been under as much scrutiny as today. There is nowhere to hide. Whether it is employees, customers, shareholders, analysts, the media, regulators, the board or other stakeholders, everyone is looking to the CEO to deliver strong, decisive leadership and steer the organisation towards success—against an increasingly short term and demanding dashboard of expectations.

It is against this challenging backdrop that Europe’s leading executive coach firm—The Alexander Partnership—conducted dozens of interviews with some of the UK’s top CEOs, to shine a light on these unusual people and help aspiring CEOs to understand more about what it takes to be a CEO.

Those who have been there and done it

What jobs qualify an individual to become the CEO? What is the mindset of today’s CEO? What mistakes have CEOs made in the early days of taking on the role? What advice would they give those about to take on a CEO role?

If you aspire to be a CEO—or simply want to understand more about what it takes to be a top CEO—it’s an invaluable source of advice from those who have been there and done it.

A list of many of the CEOs who took part in our research is listed at the back of this report and The Alexander Partnership would like to thank each of them for both their time, and their candid reflections on taking on the toughest job in the corporate world.

“Take your time to work out where you best spend your time/energy and what the big decisions are for the organisation.”
Executive summary

Don’t play the ‘celebrity CEO’

A newly installed CEO has many calls on their time – detracting from their ability to think strategically about their new role and what they want to achieve for the business. Taking time to ‘listen, travel, talk, ask questions and learn’ is one of the main findings from The Alexander Partnership’s in-depth research amongst dozens of top current and former UK CEOs, which also found that CEOs must control their ego and not be tempted to play the ‘celebrity CEO’.

“The biggest danger is ego. We are not here to be a god, we are here to make the organisation a god.”

Other findings include:

• **Experience counts** – a variety of experience across functional roles and those with profit and loss responsibilities was seen as critical for the ‘would-be CEO’. Those with aspirations for the top job shouldn’t rule out horizontal moves or gaining further experience by chairing industry bodies, or working as an external consultant for example. But, be warned, ‘there is no school for becoming a CEO’.

• **Be authentic** – staying true to yourself came out strongly amongst those CEOs interviewed although there was recognition that a CEO is ‘always on show’ and must be aware of the ‘ripple effect’ that their mood has on the people around them.

• **Don’t sweat the small stuff** - CEOs felt that, in reality, they probably only take one or two critical decisions a year so it is important not to agonise over lots of smaller decisions and leave these to their team to handle.

• **Never stop learning** – staying curious and inquisitive whether about industry developments or current thinking on leadership and people skills was seen as key.
**Make key people decisions quickly**

When it comes to things that CEOs wish they had known before they took on the top job, making the key people decisions more quickly was frequently mentioned. Deferring those tough decisions was rarely seen as helpful in the longer term and only hinders the new CEO’s ability to get the right team in place who will be ‘on board’ with the strategy and direction.

Other failings identified include:

- **Don’t become isolated** – it can be easy to become separated from the business at an early stage. Some CEOs even advised not going to their desk for the first week but instead taking the chance to get out and see the business from their ‘customers’ point of view’.

- **Don’t neglect external advice** – the nature of the role means it can be difficult to confide in people within the business which further emphasises the need for a strong external support network which can include other CEOs or trusted advisers.

**Managing the early days**

In particular, the early days of a CEO’s new role are seen as critical with the advice offered by the CEOs interviewed ranging from getting personal clarity on what you see are the priorities for the business, to the need for regular and consistent communication directly with the business. However, no one should be persuaded that the job of the CEO isn’t tough.

“It is meant to be tough and hard, or you are not on top of it – you have to be special.”

Above all however, be clear about your motivation for taking the job. Why do you want it? It’s not enough, says the research, to take on the CEO role simply because you believe you have the right skills, or because someone else thinks you would be good at it.

Ask yourself the question ‘do you really want the job?’, because this isn’t a role for those who ‘need to be loved’.
Before I was CEO

What work experience does it take to be a CEO?

A word of caution

For those with aspirations to one day lead an organisation as CEO and looking to equip themselves with the necessary skills and experience, the interviewees offered cautionary advice. Some believe that you can never really be fully prepared for the demands of the CEO job and that the step up from any previous role is bigger than anything they had experienced before.

“There is no school for becoming CEO.”

Adding to that, one CEO said that most new CEOs didn’t really know what the role entailed until they actually took on the job.

“People don’t realise the step change that it represents and the scale.”

A variety of experience counts

There was widespread consensus around the career experiences that can help prepare someone for the top job. Building a CV with a wide variety of differing accountabilities, including functional roles and positions with profit and loss responsibilities was seen as important to becoming equipped to ask the right questions and build a deep understanding of the business.

Without doubt one of the biggest parts of the CEO role, whether the business is quoted, private or a mutual, is understanding and being able to clearly communicate the financial drivers. As such, many suggested a finance role or previous P&L responsibility was good preparation. Others spoke about the need to have built broad people leadership skills through their career.

“I think it is important to have run (even a small) business end-to-end before you take on a CEO role so you know how the different components should work together.”
Heading up divisions and taking on more responsibility was regarded as key, as was the value in taking horizontal moves where necessary – proving that the route to the top does not always need to be relentlessly upwards.

“The step from functional director, to managing director, to CEO was good preparation. Without that it would have been even harder. A good preparation for a CEO is having that full responsibility.”

That variety of experience also applies to knowledge acquired outside the four walls of the office. Chairing industry bodies for example was mentioned by some of the CEOs as valuable, as was taking on consulting roles which one CEO mentioned helped them quickly understand the key levers of business.

“The CEO role is, in many ways, the ‘uber-generalist’. I was fortunate to have done a variety of functional roles so had a broad understanding of different parts of the end-to-end business model.”

A lesson in being the boss

Further education with a prestigious business school programme was mentioned as valuable, not only in terms of the direct learning experience but by offering time out from the corporate world to reflect and help develop a more strategic mindset. External coaching was also seen as important, as was finding a good coach or mentor – in many ways the role a chair might have performed in the past but is now expected to be more challenging and distant from the CEO/executive team.

“Everything you have done has prepared you for being CEO, and yet nothing you have ever done has prepared you to be CEO.”

Of course, there are many examples of entrepreneurs who have set up a business and grown it to size without decades of business experience – so it can be possible to circumvent the more traditional CEO route.
Softer skills required

Acquiring direct experience is one thing prior to taking on the CEO role, but the personal qualities required are also critical. The characteristics mentioned in the research included passion, focus, humility, drive, curiosity, resilience, interest in people, ability to listen and empathy.

“Giving time to people, listening to people and really hearing what they are saying is important. People do look to you to demonstrate the highest standards of personal and professional conduct.”

As a CEO it is easy to cast a long shadow and difficult to shine a light – the impact a leader has on the people and organisation around them demands not only a force of personality but also hard work.

“As CEO you leave a snail trail wherever you go. Leave a store without visiting customer services and 200 stores hear it is no longer important to you. A dark shadow without effort. Bringing a bright light requires effort and hard work – having all correspondence on a store when visiting – a really bright light with impact unknown, that has a power beyond that simple moment.”

It was felt that for a CEO, emotional intelligence or emotional quotient (EQ), is more important than IQ and taking time to really understand others and who they are as a person is key. Some respondents felt that the true strength of a CEO also comes from demonstrating weakness; those who say ‘I don’t know’ and look to leverage the expertise of the team to solve problems collaboratively.

Control the ego

It can be easy to fall into ‘celebrity CEO’ mode, finds the research, when surrounded by flattery – whether being invited to sit on industry bodies, speak at conferences or talk to the media. It’s all the more important to not let egos become inflated.

“I’ve never understood the celebrity CEO stuff – why any CEO would think that was important. To me it’s an ego trip that is easy to resist – I value my privacy and home life and my role is about making the business better not getting my picture in the tabloids.”

If the motivation to become a CEO isn’t dosed with a high degree of humility, then some of the respondents thought that the tenure as a CEO will be limited.

“Humility is really important, not necessarily on day one, but keeping track of one’s own humility and what others think of you and your actions is important. Some extremely arrogant people have led organisations very successfully, but I am not sure that is sustainable, or has the best impact on people.”
**Being authentic**

One of the strongest themes to come across for CEOs was authenticity. Many of the interviewed CEOs said that you can only really prosper in the role if you stay true to your real self and don’t try to be something you’re not.

“I think authenticity matters and I think people can smell a lack of authenticity a mile off.”

The CEO is always ‘on show’ and sometimes authenticity needs to be supplemented with an acting skill; every nuance of the CEO’s behaviour and moods are analysed for insight into what is really going on in the firm and what the CEO thinks of the individual. As well as being authentic, the CEO might need to project an aura of positivity that they don’t always feel.

“You are front of house all the time and the ripple effect of my moods being sensed by others is frightening.”

One CEO mentioned how even non-verbal signals are noticed by their team all the time. Even when you’re feeling concerned or worried, you have to project considered confidence and be the ‘best version of you that you can be’.

“Whilst trying to be authentic, it’s incredibly important to remember that people are looking to you and they do not want [to see] a miserable and depressed leader.”

**Loneliness comes with the territory**

It’s clear that if you crave popularity and need to be loved or are not comfortable with your own counsel, a CEO role might not be for you. A number of interviewees talked about the loneliness of the role, particularly after transitioning from another role in the company.

“Everyone talks about the loneliness – it’s true – my former colleagues were now my direct reports and I couldn’t talk to them in as open a way as I had previously, or would have liked to.”

Having an emotional resilience to cope and the ability to be happy with your own company or counsel is cited as an important factor. Even so, as one CEO said, the shock that he could no longer confide ‘totally and openly’ with anyone, even the chair or board, can be very isolating. One solution preferred was to confide in others but only sharing one issue with each person as opposed to the whole picture with one individual.

That said, one CEO thought you should resist the ‘temptation to lock the door and use the formality of the position to protect yourself’.

“I made my office a meeting room and sat in the open plan. It is not lonely unless you choose it to be.”

There was a certain cynicism from one of the CEOs that an emphasis on the loneliness and the complexity of the role was all about the business community building up an ‘aura and story around how CEO roles are tough and unique’ simply to justify the remuneration and add to the exclusivity of the club.
So you want to be the chief executive?

Alexander Partnership

What I wish I’d known

What would I have done differently when I took on the CEO role?

Made people decisions more quickly

Relationships are a recurring theme when it comes to CEOs in their early tenure and, in particular, their relationship with the board and top management. The danger of avoiding tough people decisions at the outset is mentioned by a number of the CEOs interviewed who, in hindsight, wished they had acted more quickly.

In particular, one CEO mentioned that the risk of not taking action is generally greater than the real risk of leaving underperforming people in place. Another sees a ‘ritual hanging’ early on as a clear signal about behaviours and not just competence in the top team. Aside from quickly being clear on people’s capabilities/skills and making changes on that basis, it is also important to work out who in your senior team is really on board with the strategy and culture, and who’s not. An attitude of ‘lead, follow or get out of my way’ will help nullify the risk of ‘internal terrorists’ who could undermine the effectiveness of the CEO’s vision.

“One CEO said that some people decisions were delayed because a member of his team had been a competitor for the CEO role and he felt he had not yet built the relationship with the board to ensure they would support him in the changes he wanted to make. Others said that they wished they had spent more time in the early days building relationships with the board.

“I didn’t invest enough time in building relationships with the board. I sensed (real or imagined) that not all were supportive of my promotion and kept my distance in many ways.”

It is important to have a good level of self-awareness; knowing your own strengths and limitations and choosing those around you to complement your strengths, resisting the temptation to surround yourself with those of a similar mindset.

“No football team full of attackers is going to win the game – you need defenders too. In business, getting the right mix of action-focused and reflectors will strengthen the overall team.”

“I would have changed members of the senior team earlier – you have got to make sure you have confidence in the people around you, people you can trust and you think are capable of going on a leadership journey with you. Give them the opportunity and give them the support, but if they are not prepared to go on that journey, change them.”
Guarding my time

Time management was another reported issue. A tendency, said a number of the CEOs when they took on the roles, was to let their diary fill up – accepting every invitation that drops into the mailbox – which can make it difficult to prioritise and think strategically. Some reported that it is easy to be subsumed by the ‘urgent things’ rather than the more important thinking about what they want the organisation to be.

“It’s important in the early days (I probably left it too long), to work out what you’re not going to do as a CEO. You need to make space in your diary and in your head for thinking things through.”

This process was described by one CEO as doing ‘less management and more leadership’. Learning to delegate quicker was a common theme amongst the interviewed CEOs as well as setting boundaries around time reserved for family/personal life.

“I initially started out thinking – partly because of the problems the business was facing – that I needed to control everything...to run it from head office. It took me a while to realise that was neither practical nor desirable.”

Another failing reported was the delay in getting advice and how building a support network of other CEOs or trusted advisers would have helped. One thought that a professional mentor – perhaps a former CEO - would have been very useful in those early days.

“Seeking the counsel of wise and experienced people I probably would have done more of earlier. Like a lot of people, I was doing some of that but was even more focused on understanding the new challenges I was taking on.”

Do not become isolated

Another lesson learnt, said a number of interviewed CEOs, was a failure to get out to understand the business from the customers’ point of view.

“I would probably have spent more time in advance getting a greater understanding of the business from the customers’ perspective and out in the business experiencing some of it and its people – once you start, your feet don’t hit the ground, you get carried away in the whirlwind, and your perspective of the business from the customers’ point of view will be biased.”

It’s not all introspection though; a couple of respondents thought that they would not have done anything differently. And another prefers to see it as lessons learnt along the way rather than things they wish they had known.
So you want to be the chief executive?

Be clear about your motivation

It’s not enough, argued an interviewee, to take on the CEO role simply because you believe you have the right skills, or because someone else thinks you would be good at it. Look in the mirror and ask yourself the question ‘do you really want the job?’ said one CEO.

“If you need to be loved, this isn’t the role for you. The world is not in love with big business.”

How do you see your role? Are you the steward of the business or are you taking charge to steer it in a different direction? Be clear what you want to achieve in your time in the role and work hard to keep that front of mind. There’ll be plenty of day-to-day urgent issues that could consume you, so staying clear about your role and ambition for the organisation is critical.

“It’s a huge step, commitment, and responsibility, and it is very lonely. You have to be clear in yourself that this is something you want to do and are prepared to invest your heart and soul into, otherwise you are not going to be successful.”

Understanding whether you want the role often comes down to a gut feeling according to one respondent but, whatever you do, keep the ego in check.

“Don’t do this role if you want to be the most important person in the business, you are here to serve the business.”

If you’ve come up through the organisation it is also, finds the research, critical that you’re not overly protective of the business, division or function you were previously responsible for. People will watch for signs that you are open to undoing what you previously put in place in the light of a different perspective.

Also, consider how the role fits in with the longer term career plan. Is this the first of two or three CEO roles?
Take your time

Many of those interviewed thought that there is a tendency to try and do too much from the start. The short term business pressures such as quarterly earnings for example, can easily dominate those early days as can invitations to events and media demands to play the celebrity CEO.

One CEO counselled that the initial settling in period provides the perfect opportunity to do nothing but ‘listen, travel, talk, ask questions and learn’, with another advising a three month period to ‘jot down your reflections as you go around the business’ because you will ‘never have that luxury again’.

“My biggest advice is take your time to think about the strategy, which cannot be about market share. It has to be about how you and your team can build for success.”

In the same vein, it is inadvisable to lock yourself away and emerge months later with the ‘tablets of stone’ as to what needs doing. There is also a danger when spending time out in the business in the early days to find a whole host of things that need to be sorted; be selective and try to talk about the good stuff you’ve seen too.

A temptation could be to announce a major strategy review as soon as a CEO starts - resist it, found the research, for fear of becoming a hostage to fortune in terms of early deadlines.

Similarly, be less responsive in those early days than you would otherwise be – don’t respond to emails immediately for example - for fear of setting in stone expectations around your ‘always on’ availability.

“You can very quickly get immersed in so much stuff that you cannot see what is going on around you.”
Have an external support network

Looking externally for support and counsel was frequently mentioned by the CEOs interviewed. This can come from many sources such as through a network of CEOs or an external coach.

“Get a coach particularly someone who has seen and experienced the transition to CEO – perhaps someone outside your business. External ideas from good consultants is really helpful”

Other sources of trusted advisers mentioned could include bankers, public relations consultants, strategy consultants or investor relations. One idea put forward was to find a non-executive directorship to help maintain that external perspective and bring new insights and perspectives back to the organisation.

“Build your own trusted external network for advice and references, someone that knows you and can give you a perspective.”

Reverse mentoring was also seen as a positive way of remaining grounded and in touch with the business. Be open and consider mutual mentoring; bring in a bright, high potential person. In return for the development you are offering them, ensure that they will give you honest feedback and insight.

Another way of looking at it is to talk about the ‘board of me’ and create your own advisory board – a combination of external advisers, mentor, coach, plus some internal ‘truth tellers’.

“Develop a Praetorian Guard; people outside of the line management of the business with no axe to grind.”

Play to your strengths

You don’t need to be an expert at everything and CEOs should play to their strengths, said one interviewee, and not try to do it all. The importance of delegation and getting your senior management to ‘do the heavy lifting’ was a common theme.

“Using open questioning in delegation so that you have the confidence in that delegation to achieve what is required and allow others to understand what good looks like.”

In reality, as CEO, you probably only take one or two critical decisions a year so don’t agonise over lots of smaller ones. Let your team do their job and you will know when a major decision really does need your involvement.
Find a work/life balance

An often mentioned theme from the research was how important it is to protect a sustainable work/life balance. Being the public face of the business can mean a significant loss of privacy.

“It’s as if the media feel it is your duty and they can be very flattering and persuasive – you have to be prepared for that temptation and resist it from the start as once you have relented, it’s as if you have made a pact with the devil.”

Becoming ‘swamped’ with paperwork is an issue, with some CEOs even suggesting that colleagues can take a certain schadenfreude from watching the new incumbent ‘drown under a mountain of work’.

“The job can consume you if you let it. It is very important for anyone in a CEO role to balance their responsibilities...with quality time away from the role. Find an interest which is not about the day-to-day business.”

Continuous development as a leader was also cited as critical – staying curious and inquisitive whether about industry developments or current thinking on leadership and people skills. Industry conferences were seen as a useful way of staying in touch but with the emphasis on selectivity over which ones to attend.

“You never stop learning. It’s about having a heads-up versus head down attitude and avoiding becoming totally pre-occupied with your own company’s issues.”

Curiosity came up regularly as a key competency required by a CEO and the need to make it routine and part of your daily regime.

“It’s our role to go over the horizon and have a look, then steward the organisation forward effectively in that knowledge...so curiosity is key.”

Create an environment of trust

• Role model the right behaviours
• Have the right relationships and conversations
• Don’t second guess everyone
• Trust the experts in the team
Get the right team and communicate
Building a good team as early as possible was a key theme. This includes quickly 'making the old team your team' and swiftly parting ways with anyone who doesn’t buy into your vision. Also, taking the opportunity to communicate directly to the business should be grasped said a number of CEOs.

“You cannot communicate enough to employees, however much you try. You have just got to do more and more of it.”

Strike the right relationship with the chair
In the top team, the critical relationships mentioned were with the chief financial officer – setting the financial climate in which the business is operating; and the chief people officer – setting the culture for the business. Striking the right relationship with the chair was also seen as essential as someone who has been there before and can offer a unique experience. Some saw this as the critical relationship outside the top team.

“Overshare with your chair rather than under sharing, is the most productive approach.”

Be situational
Being responsive to the situation was also mentioned as an important part of a new CEO’s approach. A CEO’s priorities and focus will be situational, dependent on the state of the business and whether it’s business as usual or whether a new strategic direction is required.

“Was the last CEO fired? Did they retire in an orderly transition or something else? What is the state of the business? Is it healthy and growing or in trouble? All of these factors will require different styles and 100 day game plans...be situational.”

A CEO however should only play their ‘joker card’ – where the card dictates the answer to a business problem – two or three times a year for fear of it losing impact over the longer term. Many felt however that a CEO must play that card from time to time as they are the only person to see the business in a truly holistic way.
Your early days

So, you have been offered the CEO role. How should you approach that critical early period after you join? Here’s a summary of what the CEOs interviewed advised:

- Listen, travel, talk, ask questions – get to know the business
- Try not to go to your desk in the head office for at least a week – sends out a very strong signal and prevents you being drawn into decisions/debates that don’t need you
- Take the key people decisions early
- Take a few symbolic actions – key hire/dismissal
- Get your top team in place, including trusted external advisers
- Set out your aspiration early on for the business as a ‘straw man’ for five years’ time. Then put it in your top drawer for the first 100 days before you firm it up and communicate it internally
- Take control of your diary and don’t let it control you – if there is no white space you have no thinking time
- Meet as many of the top two levels as you can; engage them in your vision as well as skipping down the organisation to talk to those closer to the customers
- Decide who else you need to influence (board, politicians, regulator, key shareholders, press) and meet with them
- Communicate regularly with the business but only when you have something to say and keep the messages simple – less is more, and consistent (resist the temptation to keep refining the message)
- Build confidence in delivery as soon as possible, both in terms of the organisation feeling confident in its capabilities and the board feeling confident in yours
- Meet the board and get to know them as people – they will be invaluable to you later
- Build the relationship with the chair and make sure you are aligned on strategy and direction but also recognise that they are not your co-pilot.

“Create a 100 day plan and communicate it to the organisation, tell them what you are going to do – be humble and be clear about what you don’t know.”

Enjoy it

As acknowledged by one former CEO, it’s meant to be a ‘tough and hard’ role. And if it’s not, then ‘you’re not on top of it’. That said, none of the CEOs interviewed regretted taking on the role and all relished the responsibility and the opportunity.

“It’s an amazing job and you are very lucky so enjoy it – really, really enjoy it.”
Thanks to...

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Justin King – Deputy Chairman Terra Firma (formerly CEO Sainsbury’s)
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“Alexander is committed to helping leaders, their teams and their organisations, to grow, change and renew themselves in order to fully realise their potential within the new and emerging environment.”