

A low-angle, black and white photograph of several skyscrapers reaching towards the sky. The buildings are arranged in a circular pattern, creating a sense of depth and height. The sky is a light, hazy grey.

# PASS IT ON

Advice from Current CEOs  
to Future CEOs

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J<sup>G</sup> R<sup>O</sup> C<sup>U</sup> P<sup>A</sup>

## KEY MESSAGES

1

The CEO is a very big “badge”, with it comes great responsibility, privilege and rewards

2

As much as you think you are ready, there is an awful lot of what a PLC CEO does that you don't understand or see the full breadth of, until you are in the job

3

Public scrutiny is intense and this can be amplified by the pressure of being the ultimate decision maker

4

Being able to act decisively and make the tough decisions is critical, this can require bravery and an ability to take calculated risks

5

As a leader you need to move from being operational to inspirational with the ability to “steer the boat from the shore”

6

The quality and diversity of team that surrounds you as CEO is vital to success

7

Investing time building a high functioning relationship with the Chairman and Board brings considerable value

8

The external facing elements of the CEO role are huge

9

Both mental and physical stamina are required

10

Hard work and some good luck along the way are what count

## INTRODUCTION

*PASS IT ON - Advice from Current CEOs to Future CEOs* is designed to disseminate knowledge and experience from today's Chief Executives to the next and future generations of leaders.

We spoke to a select group of PLC CEOs, predominantly in FTSE 100 and 250 companies and asked them to share their "Top Tips" for being a successful CEO.

Our report is largely comprised of a series of quotes to capture their voices authentically.

We are enormously grateful to each contributor for taking the time to talk to us and we hope the insights that follow offer stimulating reading for all.

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# 1. WHAT IS IT LIKE TO BE A CEO?

As Churchill put it, “the price of greatness is responsibility” and although this was keenly felt by all we spoke to, there was also agreement that it is a real privilege to be a CEO. The role is not for everyone however and the public scrutiny and accountability at this level are intense.

## 1.1 TAKING ON THE TOP JOB

- Being a CEO is like being a conductor of a 100 piece orchestra. You are the only one without an instrument but you have to hold it together and get them to play as a team
- You have to move from being an operator to an inspirer, you cannot dictate, you have to let go
- You’ve got to master active listening and not always give your opinion
- The job of the CEO in today’s age of scrutiny, transparency and visibility is to be across the detail of the entire business whilst also keeping a strategic eye on the future
- It is everyone’s responsibility to make sure the company does well today but it is your job as the CEO to make sure the company does well tomorrow
- It is incredibly important that everyone believes that the CEO gives credit to everyone else when things are going well and takes all the pressure when things go wrong

## 1.2 OPERATING AT THE TOP

- It is really lonely, you do feel the weight of the world on your shoulders. This is a good thing, because if you don’t, you’re probably mad or not taking enough risk!
- It is a strange role, you have to be an extrovert externally but operate in an introvert manner as there are very few people you can talk to about the big things
- Ultimately, as a CEO, once the discussion is finished, the decision falls to you and this can be a lonely place to be
- Learn to recognise your default behaviour (e.g. getting involved in the detail) and force yourself out of it. Crossing the rubicon is pretty liberating!
- It’s not as lonely at the top as expected, particularly if you have the right Chairman, team and external network

## 1.3 MAKING DECISIONS

- Learning how to make good decisions is a skill. They need to be considered and timely, with left and right brain, with rationality and distinctiveness
- It is important to act decisively, make big and bold decisions you can bet your tenure on
- To be effective as a CEO, you have to lead and that means having a point of view
- The job is not to be popular but to make tough decisions that are right for the company
- You need to be adaptable and demonstrate you can change your mind
- Be incredibly clear about what you are going to back, be brutal and ruthless around resource allocation

## 1.4 MANAGING YOUR IMPACT

- Understand the shadow you cast and ensure you maximise it as an opportunity
- People watch and listen to everything you do, consider how you conduct yourself and be aware of your impact
- Everything you do in your business is observed and judged externally
- Think really carefully about your amplification as a CEO. You can have a casual conversation and throw out an idea, by the time the meeting is over, that idea has become an instruction and by the time it reaches the people who will execute it, it has become the “most important thing that has to be done”
- People are not interested in you, they are interested in the job, don't delude yourself!
- You have to spend your whole time trying to work out what people really think because too many people try to tell you what they think you want to hear
- A degree of humility is required
- Beware the seduction of profile, never believe your good PR because you will never believe your bad PR
- As a CEO, you are always on duty, whether you're at work, at a conference or even going out with friends and family!

## 1.5 COPING WITH VOLATILITY

- There are always surprises, at a certain scale, you don't and can't know everything, it requires resilience and an equanimity of spirit
- The current level of geo-political instability is huge and the shocks to the system are set to continue, the ability to manage this is key
- At any one time there are multiple things that can distract you. It can be the little things that explode. You need to be able to smell a problem and work out if it will become an explosion or whether you can ride it out and it will go away
- The external volatility of the world can create unexpected shocks. You have to take brave decisions that may have a short term negative impact but ultimately make the business stronger
- On your third down cycle you learn to be slightly more sanguine on the short term and more measured on what is right for the business longer term

## 1.6 EMBRACING THE CHALLENGE OF IT AND TECHNOLOGY

- The “Fourth Industrial Revolution” (technological innovations and use of data) will transform the way customers buy and businesses deliver to them. This together with legacy IT and business models, as well as cyber security, will heavily influence the strategic choices you face
- You need to think through how to get specialist advice and input but also how to get your top team to truly embrace IT and technology

## 1. WHAT IS IT LIKE TO BE A CEO? (continued)

- The biggest challenge is the pace of technological development and what it is doing and crucially will do to business models across the world
- It's gone from the battleground to guerrilla warfare because of technology, it's door to door urban warfare when you don't know who your enemies are. CEOs have to embrace this and have the agility to compete in this new world
- The speed of increase of machine learning is huge, the implications of this for business and society as a whole are massive

### 1.7 RIDING THE WAVE

- Understand the context in which you are operating, one type of leadership is great in one situation and terrible in another
- If you are having a lucky run, then ride it! The key is recognising when your luck changes and you have to hunker down. Don't overplay your hand
- Everything goes in cycles, as Herbert Stein said "if something can't go on forever it won't"

## 2. WHAT MAKES A SUCCESSFUL CEO?

Core skills for a CEO emanate from an ability to lead and inspire their chosen team to outperform (optimising both individual and collective performance). Managing relationships, encouraging challenge and risk taking are fundamental. However, without the right culture, none of this is possible and the CEO is instrumental in establishing the tone by leading from the front.

### 2.1 SETTING AN EXAMPLE

- It's all about inspiration, only then do you get the best from people
- You will be at your best when you are “engaging” rather than “telling”
- The organisation will not do as you tell them to do, but will do what they see you are doing, leading by example, demonstrated on a daily basis, is key
- People want to feel personal loyalty to you as a CEO as well as company loyalty
- Share your deepest hopes and dreams and enjoy each other's company

### 2.2 BEING A LEADER

- The more responsibility you have, the more human you need to be (as well as needing to be good at all those things you have to be able to do). As a leader, if you do not show that you are human too, you cannot connect with people, and to be a great CEO you have to do this
- Treat your team like adults, not children
- You have to learn not to be afraid to step back
- Give people room, senior people find that empowering, but at the same time be prepared to dive into the detail when necessary, don't do it too often or they will feel disenfranchised
- Give everyone ample space to articulate what the company should do on a difficult issue
- Be clear about performance expectations but know instinctively when the team needs support
- Involve them, challenge them, create a common direction, try to understand them – your contribution should vary as people need different things from you
- Let people know they aren't going to win every time and failure is ok
- Senior people can be hard on themselves, you need to put your arm around them sometimes

### 2.3 HAVING THE RIGHT VALUES

- Trust and openness is critical
- Create a culture where it is cool to talk and where people feel 100% comfortable saying what they really think
- Instil a culture, so people know how to act without constant direction
- In a big complex business there's always something going wrong somewhere. Having the right culture, where people are open in sharing problems and work together to fix them is critical

## 2. WHAT MAKES A SUCCESSFUL CEO? (continued)

- You need to be really clear about values and they need to be brave! Values drive culture and the CEO and Executive Board have to be seen to be the personification of the values
- 360 degree feedback is really important

### 2.4 MANAGING THE TEAM

- Deeply personal relationships with your Executive team are key, put a lot of time into them. If it is a relationship of “like” then it will survive the tough conversations that are inevitable
- Invest in spending time with your team all together (not just having one on ones)
- Constant dialogue with the Executive team is critical
- Not having favourites is important
- Success breeds success, give people confidence in their own ability
- Be straightforward and direct, people will know where they stand (don't leave people in ambiguous situations)
- Some element of remuneration has to be based on individual performance
- Invest time into business problem solving away from the business

### 2.5 TAKING RISKS

- Don't be afraid to make mistakes (but not twice)
- If you want to outperform, you have to push boundaries
- You must always have a Plan B and be prepared to walk away from Plan A
- Your instincts are normally 80% right
- If you don't move forward you fall back
- Find the hard way to solve problems, it creates a bigger, longer term barrier to entry
- Constantly keep trying to create challenge
- The rules and structures around you should not be sacred cows – if you push out beyond those boundaries with integrity you can change things for the better

### 2.6 EXECUTING WELL

- Get people to understand there's a problem in the first place
- Have an agreed and shared plan and stick to it
- Work as a team focused on a shared purpose

- Do what you say you are going to do with the team, the business and investors
- Give clarity to direction and path, be clear about performance expectations. Budget is budget!
- The important thing is not what you say you are going to do but what you actually do, it's 90% about implementation

## 2.7 RETAINING A POSITIVE MIND-SET AND KEEPING CALM!

- It's hard when things are going badly and you need to keep the morale of the troops high
- Positivity is essential. You need a positive mind-set otherwise you get dragged down, keep looking for opportunities and remind yourself to look at the highs
- Negative momentum is hard to reverse, make sure you lift people up when results don't come in or you get a disappointment
- Big pressure points include the lead up to results presentations and major investment decisions. It is really important that you remain calm at times of greatest pressure and you need to have the courage to do the right thing rather than try and please people
- It is key you remain clear about what you are trying to achieve, if it means going backwards in order to go forwards that is ok, stick to your guns

## 2.8 MANAGING YOUR TIME EFFECTIVELY

- The ambassadorial element of the role is very easy to underestimate, 60% of your time will be external and you need to manage your time accordingly to accommodate it
- It is incredibly easy to get distracted, don't be a busy fool, focus on the key things that will make a difference
- Do only what you can do, and don't let your diary run you!
- You need to get involved but also to protect time to think
- You have to say to yourself, there are only so many hours in a day, you are there for your leadership and brain, not your time

## 2.9 KEEPING HEALTHY AND GROUNDED

- Coping with stress is deeply personal, but having interests outside of work is important, whether it is hobbies, keeping fit or importantly simply spending time with family and friends
- It's essential to find ways to switch off, to get an external grounding and to completely get away, getting this balance right is important
- Energy and stamina are critical
- It is important to have a fantastic support network at home
- Ensure you and your team really look after themselves, health really matters

## 3. THE REWARDS

The CEO is in a privileged position and many felt that the role enabled them to unleash the potential of people and businesses which is extremely gratifying. There was a consensus that you genuinely can make a difference, influencing and at times, when required, even dictating what happens.

### 3.1 UNLEASHING THE POTENTIAL

- Seeing the team deliver and winning business is hugely satisfying
- Watching individuals grow and develop, particularly when they were a gamble is rewarding
- Harnessing the talents of a group of people, who largely don't think it is possible, is exciting
- Being exposed to the underlying talent and high potentials in the business and enabling them to fulfil their potential is wonderful

### 3.2 BUILDING A BUSINESS

- It is extraordinary that you can "create" from a blank sheet of paper, and then deploy millions of pounds and make something happen. The opportunity is given to very few people
- Creating jobs is brilliant
- You get to experiment and also be very wisely advised
- Knowing the decisions you make have a real impact and can shape the future direction of the company is really fulfilling

### 3.3 SEEING THE BOLD DECISIONS PAY OFF

- It's great when you have had the courage to make some big calls and take huge bets on refocusing the business and they pay off
- You can make a big difference by creating the conditions for change, you can move the dial massively
- The intellectual challenge of the job means that every day brings a new problem and it's really satisfying to work with your team to solve these problems in an intelligent way
- You can see the fruits of your labour, not that you are uniquely responsible, but you can direct the business. It is a privilege to be given the keys

### 3.4 MAKING A DIFFERENCE

- The job is more important than the money. You should love what you do and the fact that you are able to make a difference and have the potential to leave a legacy
- You can do simple things that make a difference to people's lives, like replying to their emails personally
- Some books say CEOs are psychopaths – some love the fame, power and salary, but for many it's about contributing to a better world

### 3.5 ENJOYING THE ACCESS AND PROFILE

- Spending time with customers and competitors can be very energising as you learn a huge amount
- You can get a real buzz from being out in the field with colleagues talking about products, services and customers
- The salesmanship part of the role, the PR, IR, roadshows can be really enjoyable
- Meeting really interesting people and doing interesting things, it's not only fun but also really does help provide a broader context for your own thinking
- Having access to people you would never have dreamt of having access to connects you to a richness in life that you should treasure

## 4. STARTING AS A CEO

Becoming a CEO is harder than many expected and therefore taking on the role should be a considered decision. Quickly establishing yourself in the role requires confidence and authenticity. It is important not to act as the COO but to step up, make the decisions and enjoy it!

### 4.1 BEFORE BECOMING A CEO

- Think long and hard before you take on a CEO role
- Make sure the job suits you. Don't do it for the title, money or status
- Be willing to work extremely hard. You need to put the hours in
- It's a constant journey of learning, if you're unable to deal with that emotionally, physically or intellectually, it will be really tough
- Past success is no guarantee for future success (don't get complacent) and what got you here won't get you there
- No one who is remotely sane should be a CEO! It is a relentless and all-consuming job

### 4.2 TRANSITIONING

- Leaving your job to become CEO for the first time, and losing operational control, can be a bit like a bereavement, but the act of letting go is an important one
- No matter how much due diligence you do on a role / company, it is always remarkably different when you are on the inside
- There is real pressure when you join a new company. It is difficult to try to in parallel work out a strategy, deliver performance and judge the people when you don't have a gut feel or instinctively know what drives the business

### 4.3 IN THE EARLY DAYS

- Be respectful of the past but don't be in awe of it, be honest about the present and optimistic about the future
- Understand very clearly where your start point is, for good and bad
- When you are new to a company, don't trust your instinct, challenge it
- Keep your eyes and ears wide open, listen and learn for six months
- Remember to "sweep the stable" when you arrive and make people decisions early on
- Be visible and make yourself accessible
- Go and look at what is good and praise what is good
- If you know what needs to be done, get on and do it

- Recognise there are different solutions to the same problem – be open minded
- Pick up the performance driving processes within the company and measure what matters
- Under promise and over deliver
- Give yourself flexibility

#### 4.4 FOCUSING

- Focus on only the things you can do
- Pick the big interventions and think them through carefully
- You only make a few key decisions a year, make them wisely
- Don't hold on to assets you are not going to add value to – sell them!
- Having a simple vision that is not about making money can be very effective

#### 4.5 BEING BRAVE

- If you're going to make a big change, you have one chance to do it
- Don't duck the tough calls
- The capacity for an organisation to do better is much larger than anyone thinks
- Be open to being challenged
- Information is power, but socialisation of information is more powerful
- It is important for the organisation to see you take the challenges head on, not overreact yet be decisive and make a call

#### 4.6 NOT BEING RUSHED

- Don't commit to delivering too early
- Take your time, you have more time than you think, don't feel compelled to make decisions you are not ready to make, use your Chairman as a sounding board
- Spend time to understand the business and form your own views, don't just take for granted what has gone on before, make sure you are comfortable with the team
- Evolution not revolution, be ready to change, but change at the right pace

#### 4.7 MANAGING EXTERNAL ADVICE

- There is no shortage of advice, in fact you are inundated with people giving opinions
- You will get buffeted around with lots of advice, from interested parties and stakeholders, have the courage of your convictions and stick to them

## 4. STARTING AS A CEO (continued)

- Look out for too much advice, it comes from all sides with different viewpoints and sometimes you just have to say enough is enough and you have to call it
- Take in the inputs from others but you have to steer the course – the ultimate responsibility is with you

### 4.8 REMAINING YOURSELF

- As soon as you become the CEO all your jokes get funnier ... be careful!
- Don't take any of it personally (either the praise or the criticism)
- There is no one CEO style that works, you need to be authentic, not just copy the person before. People are quite perceptive, they will see you as insincere
- Don't put the clothes and armour on of a CEO and forget to be you
- You have everything you need, just breathe. Fall back on your past learning
- If you're going to be fired, make sure it's for your own decisions

## 5. PEOPLE, PEOPLE, PEOPLE

There was universal agreement that people are one of the key drivers for why CEOs do what they do. The strength of the team can make or break success and getting it right is paramount. Many stated they had never regretted moving too quickly on a people decision, but had regretted moving too slowly (true for hiring, promoting and firing someone). Investing in people is seen as critical.

### 5.1 GETTING THE RIGHT INDIVIDUALS

- If you don't have the right leadership in place in the first year, the next three years won't be productive
- You can spend hours in assembling, inspiring and motivating the right bunch of people, if you don't put the work in it can be challenging
- Getting the team right is a pressure point. Find as many A players as you can. Sufficient experience is necessary but intellect and values are critical
- Sort out your top team fast and trust your instincts
- People make things happen and people mess things up – having the right people for the right stage of the company is crucial

### 5.2 BUILDING THE TEAM

- Be rigorous in getting the right leaders in the top positions who will inspire their people (not managers who won't). Every seat you get right at the top means less damage further down the tree
- A team can become a reflection of you, so you need counterbalance – for example you may need reflective people if you are less so
- Consider the size of the team, and particularly the Executive Committee, sort this early on
- Breadth of talent is important, having a really good professional in HR and IT is equally as important as Finance and Legal
- It can be a good shock to the system to bring in someone really good from outside
- If your stars can't see a way through you have to accept people will leave and the only ones to stay will be people who are happy to work for blockers and those are not the people you want
- Try to combine the individuals so that you get more as a whole team than the sum of the individuals
- As well as getting the top person right, also make sure, where appropriate, that there is genuine succession underneath
- Rotating the squad can be a really good way of broadening the team and keeping people motivated

## 5. PEOPLE, PEOPLE, PEOPLE (continued)

### 5.3 BRINGING PEOPLE ALONG

- In modern business, all your colleagues are volunteers (with their own opinions and views), you have to be extremely collegiate in order to win their trust
- Bringing people with you is hugely important, you have to have the IQ and EQ piece, both internally and externally
- Getting the best out of a team involves humour (it is a door opener to get people to do things)
- When you run a large organisation, you are managing very senior people who are themselves running big businesses, they have strong views, personalities and attitudes. Managing those beasts can be challenging and emotionally draining. Train yourself, potentially with the help of a coach, not to become emotionally involved in other peoples' debates

### 5.4 DEALING WITH UNDER-PERFORMERS

- No one is indispensable
- If someone in your team is in the last chance saloon tell them, don't fluff it, have really honest conversations
- You need to exit the people who do not have the right value set early on as well as those who are not smart enough or are not able to handle the complexity at the top of a large company
- Don't become compromised by individual relationships and not do what needs to be done. Taking one or two tough decisions can be difficult when you have worked with people for a long time, but is worth it for the greater good
- With the right development, encouragement and training you can get the best out of everybody, but if it does not work out you have to take the difficult decision
- Having to fire people you are friendly with is difficult, however, if you do this fairly you can maintain your friendship afterwards
- Doing symbolic things, such as taking out some of the highest performing people in the organisation if they don't share the values can be very powerful

## 6. THE BOARD AND OTHER STAKEHOLDERS

There was resounding agreement that it is really important to have a Board in which you have confidence. Investing in a strong relationship with your Chairman and Board does pay dividends and can be a key differentiator but it can also be time consuming and can even on occasion be frustrating.

### 6.1 ESTABLISHING A RELATIONSHIP WITH THE CHAIRMAN

- A great Chairman makes a real difference as they are always on hand to help and provide advice
- You need to invest significant effort and build an adult to adult relationship with your Chairman. This is one of the best investments to make, but it isn't always easy and you can't just breeze through
- Have a relationship with your Chairman where you can talk about the big issues
- A Chairman who knows what "bad" is can put your pressure into perspective
- A Chairman is not like having a boss, it is a different dynamic and you need to get used to that
- You need to be prepared to spend more time on governance and administrative issues than you anticipate
- The Board takes a disproportionate amount of effort, particularly today because of the governance and paranoia of some Non-Executive Directors

### 6.2 MAXIMISING VALUE FROM YOUR BOARD

- Learn to use your Board rather than just inform them, because when you do, everyone will benefit
- You need to engage your Board. If you do this well they are a relatively free and affordable source of advice, experience and support
- It is best to be transparent with your Board so they don't become a pressure point
- Look upon Board members as colleagues and treat them how you want to be treated yourself
- Externally with your investors and with your Chairman, play it long
- You cannot under communicate to your Board
- Sometimes it can take time to land messages with your Board and you may have to persevere to get their support
- In a turnaround situation, make sure you have got the real support of your Board
- A strong Board can be a huge competitive advantage

### 6.3 GETTING THE RIGHT BOARD COMPOSITION

- Members of your Board need to have a genuine ability to challenge your thinking
- It's important to have someone on your Board who understands the operational side of your business, otherwise you're constantly having to educate them

## 6. THE BOARD AND OTHER STAKEHOLDERS (continued)

- Board composition is really important. When members of your Board aren't up to it, you don't get the value
- The sheer scale, force and speed of changes in technology are pretty terrifying, you need to ensure your Board can grasp these changes

### 6.4 DEALING WITH THE CITY

- Get out and meet investors early
- With investors, you need to sow the seeds ahead of time, they don't like surprises and you must be transparent and tell the good, the bad and the ugly
- With investors, be really honest about the issues and then they realise you are more likely to fix them
- Analysts are difficult to manage as they are the most fickle but whilst you do not have to talk to the press, you do have to talk to analysts
- Analysts and shareholders are often not as sophisticated as you expect them to be
- Investment is much more sophisticated today, you need to understand the motivations of your shareholders and ensure your strategy is a match
- The City is often looking for a simple solution to a complex set of challenges
- The market is fundamentally driven by sentiment rather than fact the world over
- Everyone thinks the market is much more sophisticated than it is
- The share price can have a life of its own

### 6.5 ENGAGING WITH THE MEDIA AND REGULATORS

- The job has become more difficult as there is less trust of public companies than before and a less respectful and more hostile public environment
- You need a thick skin for some of the attacks on social media
- The quality of journalism is worse and worse and the data is often wrong
- You should recognise early on that if you want to influence Government, you need to use the media. People still believe what they read in the media
- Regulation is excessive, but they have a job to do and you have to help work out how to regulate a modern fast changing economy and how to work with the regulators (you won't beat them)

### 6.6 COMMUNICATING EFFECTIVELY

- Make things simple and easy to understand
- Always prepare, be clear in your mind what the key message is you want to get across
- You need to be really consistent in order to bring the front line with you

- Language is very important, you need to work on your language because things can be interpreted in different ways
- Talk in short, punchy sentences (so the press can't take long sentences and misconstrue them)
- Give the organisation tremendous clarity on what matters to you early on
- Dealing with bad news which hits you out of nowhere can be difficult. You need to deal with it proactively in a manner that gets results, you don't want to be a passive victim
- Handling bad news is really important, if you don't do it well, you won't be told the bad news and that is a dangerous place to be

## 6.7 HAVING STRONG EXTERNAL RELATIONSHIPS

- Build relationships with key stakeholders long before you need them, because when you need them it's too late
- It's important to have a few people whose advice you trust and who can give advice without fear or favour
- Networking is essential, you have to have the inner strength to do it and the support from others to make it happen
- It's really important to get out there and find out what is going on first hand as it is all too easy to live in an isolated world as a CEO and you do get fed distorted information
- Maintain a direct relationship with all types of customer so that there is a feedback loop
- Being part of a CEO roundtable group that meets regularly where you discuss issues you are facing can be very useful

## 7. SOME CHALLENGES AND REGRETS

Many CEOs cited the sheer volume of work to be a challenge and this requires resilience. No one wished they had gone slower, but many felt they should have been more confident. Balancing the short term against the long term and being prepared (for almost anything) is also key.

### 7.1 DEALING WITH CHALLENGING SITUATIONS

- You need to be resilient. On occasion, it can get very personal
- The politics (e.g. in a big merger) can be dispiriting and debilitating
- You have to be prepared for almost anything, in your career you can encounter everything from national strikes to death threats!
- Facing up to the unions and the strikes and vitriol that comes with that can be difficult
- Extracting yourself from a bad acquisition is ten times more difficult than you think

### 7.2 DELIVERING THE BUSINESS FOR TODAY AND TOMORROW

- Balancing the short term against the long term is always a challenge
- You've got to build the next pillar of growth whilst you are succeeding
- Getting everyone behind a unique M&A opportunity can be difficult, but be hard on yourself, see the risk as well as the prize

### 7.3 REMAINING MOTIVATED

- There may be moments in the early days when it is not obvious the job can be done
- A PLC with a low share price can be tricky to attract talent as initially not everyone can share your view of the future prospects for the business
- Growing a business in a shrinking market and meeting customer expectations when everyone is looking for a discount is hard
- One of the things that can be difficult is how to excite yourself and your employees about the future when it clearly does not look so good!

### 7.4 AVOIDING PITFALLS

- Don't try to please everyone, you will always disappoint so accept it and get on with things
- Don't confuse luck with genius and surround yourself with yes-men or allow a culture of fear
- It is a terrible day when you start to believe your own PR
- No one admires people who put themselves above the company
- Cultural assumptions can be dangerous to make
- You can never run a business by remote control

- Never underestimate the competition or become complacent as market leader
- Too many people get caught in the fear and greed cycle, they try to move too quickly and don't look at risk well enough
- It's dangerous to form a view, then follow it in a dogmatic way and not look to see the world has changed
- The worst people are those who don't listen to the answers

## 7.5 GETTING ON WITH IT

- If you believe in something you need to carry it through, do your analysis, do what you believe in and don't be deflected
- Never look back, you shouldn't have regrets. You have got to learn to sleep, if you can't sleep you need to get out
- If you do something wrong, it's about how you respond, the ability to say sorry is important
- One rarely gets fired for failure – it is one of those myths in management. You get fired for being evasive, dishonest, not communicating and bad cultural habits
- You should address people, strategy adjustments, under performance and executional issues quickly
- You should avoid becoming more cautious and don't restrain the good decision on a Monday for a perfect decision on Friday
- If you were to ever do this again, you would feel much more sure in your judgements and be less questioning of yourself!
- Don't forget it always ends badly, just be prepared!

## 8. WHAT CEOs ADMIRE

Unsurprisingly, CEOs admire other CEOs and Chairman who succeed in doing what they would like to do and what they would like to become themselves!

### 8.1 BEING AN INSPIRATIONAL LEADER

- A leader who is agreeable and affable, with a good set of moral values, but is still very good at spotting where the money is
- People who create harmony and team spirit
- The more “modern” leaders who are successful are open, more approachable, part of a team rather than being a single leader from the front
- Those who can remain calm under pressure have a real strength
- People who spend time on and are really brutal about which decisions really matter
- Being good in defeat, those who play the long game and are gracious and thoughtful are often much under rated

### 8.2 DELIVERING GROWTH

- People who are able to profitably grow a business
- Those who drive organic growth by taking market share from competitors
- CEOs who can grow a company, but keep entrepreneurship that allows innovation to flourish
- Companies that do their strategic thinking out of the box, but get their execution spot on are impressive

### 8.3 HAVING COURAGE

- Those who have the courage to do the right thing even if it puts you in a worse place in the short term
- A leader who stays purposeful in what they are doing even when the available evidence would suggest it is wrong
- The ultimate test of a leader is the one who can hold his/her nerve when all those around are losing theirs
- People who stand up for what they truly believe are always impressive to see
- CEOs who genuinely walk towards a problem, who pick up something ugly and deal with it have got to be respected

### 8.4 SEIZING OPPORTUNITIES AND BEING INNOVATIVE

- Being able to execute well and quickly is a real competitive advantage
- Really bright people who just get on with it
- Those who grab the bull by the horns and lead the rate of change (even if it means cannibalising your own business)

- Companies that move quickly and comprehensively, that can do five things at once and are very clear about what they stand for
- The ability of firms to adapt to the pace of change and seize opportunities
- Businesses that just do things quicker and more effectively and have smarter people

## 8.5 EFFECTIVE CHAIRMEN

- A Chairman who is subtle, has vision and is open, who is able to challenge and stretch your thinking, but never tells you what to do
- A Chairman who has humility, is supportive and hardworking
- A Chairman who has run a huge company, has confidence, with very good judgment on people and is prepared to back them
- A Chairman who is not concerned about being a figure head, who has a low ego with high contact and high support

## 8.5 CREATING A LEGACY

- People who have built organisations with values and cultures that sustain themselves (after the CEO and key executives have gone)
- Those who define a culture where if you take away the building, people, technology etc. and the culture is still sustainable create true legacy
- Those who create or build businesses that drive long term success

## 9. THE NEXT GENERATION

The corporate world is becoming more egalitarian, international and data focused, CEOs will need to embrace this. There is already a new breed of CEOs who are comfortable being ambidextrous, able to play several roles, are open to feedback and more accepting of and able to learn from their mistakes. This trend will continue, however, the next generation will also deal with even greater complexity, pace and accountability.

### 9.1 A MORE COMPLEX EXTERNAL ARENA

- CEOs will need to be ever more sensitive to a wider range of issues (pressure from Government, the media, activist shareholders, technology and social changes)
- It will be a challenge for the next generation to rebuild the public perception of business (which is damaged)
- Geopolitical factors are going to continue to have a much bigger impact
- The business culture and growing regulation and governance will take away some of the real entrepreneurial spirit in businesses
- It will be harder to run big companies as customers value being individuals, companies will have to be multi-faceted and personalised whilst recognising their services can be easily switched

### 9.2 A CHANGING WORK ENVIRONMENT

- Hierarchical barriers and corporate structures will be less prevalent for future generations
- There will be an expectation of more humanity, a more collegiate atmosphere with more transparency
- Increased internationalism will result in more blending of culture
- The next generation has a different attitude to working and what they want from an employer
- There will be a broader spectrum of ambition (it won't all be about fast promotion and money)
- The newer generation are much more entrepreneurial and will set up their own businesses
- Talented people may be less mobile if their partner has a good job and they are committed to a two career family

### 9.3 INCREASING GLOBALISATION

- It will become more and more important to take a global view and not be seduced by your own local market
- Convergence is impacting every industry, global markets are developing and it is harder and harder to stand out, business will get more complex and competitive
- The West will be less dominant
- Being multi-lingual and speaking English and Mandarin will be useful!
- You will be less likely to become CEO unless you have lived and worked abroad

## 9.4 WIDER SOCIAL RESPONSIBILITY

- Corporate social responsibility will increase
- CEOs will be held more responsible for society in general
- Societal change is massive and we are moving from an individual to a sharing society. CEOs will need to think about the mega trends and how they will affect business

## 9.5 AN INCREASING RATE OF CHANGE

- The next generation will deal with an even faster changing world, CEOs need to constantly ask “have I got the right business model?”
- We live in an increasingly complex world, dealing with change and swiftness of decision making will be key
- The stability and constancy of the last 30 years is quickly becoming a thing of the past
- Obsolescence will occur far more quickly

## 9.6 THE IMPACT ON CEOs

- CEOs will need to be even more emotionally intelligent, accountable and purposeful
- Increasing diversity will mean leading people who are very different and this is not easy
- Even now it is very difficult to be a successful CEO if you don't have a good grasp of finance, this is set to continue as the balance sheet becomes ever more complex
- An ability to adapt will be a critical piece of the mind-set for the leaders of the next generation
- There will be less of the cult of the personality and more the captain of the team
- The “because I said so” approach does not work today and will not work tomorrow
- CEOs today are much more closely involved with the business and less detached than in the past, this trend will continue
- Over time CEOs will be less well remunerated, still well paid by normal standards, but society will become less tolerant
- The shift in speed of change will require fast learners, who are curious, able to listen and gather input
- Some things won't change – the best CEOs will be the ones who are values centric, strong leaders with real judgment and are good developers of talent

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## ABOUT US

The Partners of JCA Group are delighted to have joined the Heidrick & Struggles Group.

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J G R C O U P A

*“Many receive advice,  
only the wise profit from it”*

Harper Lee

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