

# CEO Transitions: Points to Consider

*By Harvey Bergholz, Jeslen Corporation*

The transition from one senior executive to another can be a smooth, productive process or it can be a bumpy ride for all concerned. This is particularly true of CEO transitions. The occasion can be as simple and predictable as an announced and scheduled retirement or as complicated as a surprise departure. Such transitions are especially delicate operations when the outgoing CEO has been in place a long time and is leaving a personal and indelible imprint on the organization. It is important that these transitions leave all concerned with a good feeling about the people and the company. If not handled properly, the organization can suffer and the new executive's path can be strewn with obstacles. Facilitating these transitions requires considerable expertise rarely found on staff. Here, based on years of experience in assisting with CEO and other senior executive transitions, are ten points to consider.

1. **Tailored design.** Every organization is different, even within the same industry or segment. Good transitions are tailored to suit the distinctive culture, structure, priorities, and personality of the organization and of the key players involved (departing and incoming executives, a senior management team (SMT) and external constituencies such as customers and shareholders). In brief, there is no cookie-cutter approach that works across the board.
2. **Rituals and legends.** How outgoing executives are treated and how they respond to the transition-period events and people will never be forgotten internally. Words and behaviors during this time easily become instant legends - either extremely positive or negative - for employees and others. Coaching, rehearsals, visioning, orchestration - one or more of these is usually helpful for both the incoming and the outgoing executives.

3. **Employee preparation.** Employees at all levels, but certainly at an SMT level want and need to be prepared for the inquisitiveness of a new executive (which will seem like an inquisition to some). In some instances I've prepared guides, or outlines for these groups so they can pull together a useful picture of their area's current state, near-term priorities, and projected needs or plans. This provides them with a jumping off point for one-to-one discussions with the new executive.
4. **Orientation strategies.** Designing and orchestrating a series of orientation sessions with a new exec and the key groups is a useful activity. Poorly planned, these are wasteful, if not dangerous to participants' careers (first impressions last forever). Properly planned, these group orientation sessions can be an efficient means of sharing information, getting a sense for one another, breaking the ice, creating the right mix of formality and informality, etc.
5. **Briefing book.** Another useful technique is pulling together a briefing book. This takes some real planning and editing to ensure usefulness. Envision the process you've probably read or heard about that is typically done for an incoming U.S. President by the departing administration, or by the heads of major departments who don't depart. Supply participants with a template to follow.
  - a. The trick here is identifying an effective format and content set, and then rigorously editing to keep it uniform and readable.
  - b. At a minimum, it should include sections related to the organization's growth history, financials, organization structure, array of services, products, capabilities, core strategies, long-term goals, near-term priorities and projects, and potential threats. Biographies of key team members are often part of this package.
6. **Interview guides.** Offer the incoming executive (optional) help with focus areas for his/her initial interviews. This might include biographies, current issues/problems in each area, and a suggested sequence/timetable.
7. **Communications plan.** Work with the new exec to develop and publish a communications plan for the first 60-90 days so everyone knows roughly what to expect: "When will we hear from her/him about priorities, potential changes, what they think after being here awhile?" "Will

there be group meetings, or just individual?" The plan should address media, format, location(s), participants, etc.

8. **History and culture.** Some small group with long experience ought to share the history and legends. How did we get to this point? What were the major inflection points? And from that history, where are we now in terms of organizational DNA – what’s the culture here – what’s distinctive about us versus other organizations.
9. **Personal action plan.** “Push” or require the incoming exec to produce an organization assessment and proposed action plan (what he/she sees as the priorities to be tackled).
  - a. A board would typically expect this within 3-6 months depending upon the organization’s size and complexity. It can be the primary vehicle for initial strategic discussions between the CEO and the board.
  - b. When I work with boards on transition issues, I often get them to start that ball rolling by providing their own view as a starting point – the straw man to which the incoming executive can react. If you do this, just be sure to keep it at a high level, not “granular.”
10. **Outgoing executive.** This may be the issue that needs the most tailoring. In considering the “events,” communications, timeline, and continuing involvement of the departing executive, it’s easy to go overboard as well as undershoot here, and the employee and constituent populations will watch to see that there’s a good balance.

### About the Author

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