

Preparing for Leadership Transition: Strategic Planning for Broadened Responsibilities

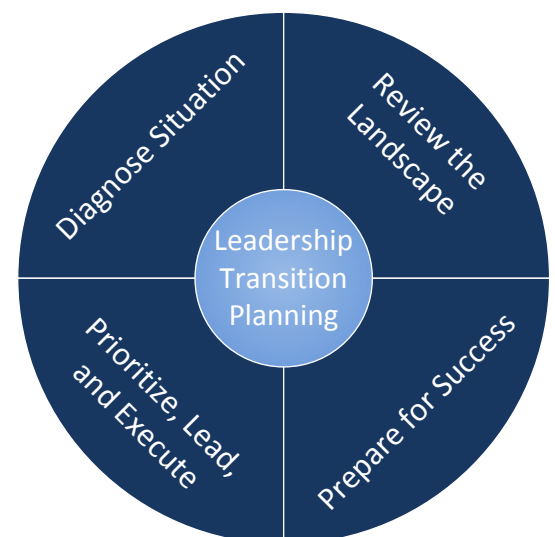
Overview and Approach

Whether in the C-suite or at the divisional level, periods of leadership transition often are among the most volatile in an organization's lifecycle. According to a study published by the Strategic Management Journal, "announcements of CEO changes are typically associated with a reduction in the value of the firm, as reflected in the perceptions of the stock market."¹ During these transitional periods new leaders introduce substantive changes into the operating environment and thus also inject risk, uncertainty, and even fear. Your challenge as the new leader is to navigate your team through the choppy waters of change and find ways to deliver value.

It sounds simple enough, but why do some leadership transitions take teams to new heights, while other transitions fail? We know that at least **one driving factor towards successful leadership transitions is a disciplined and methodical approach in preparing for (and later executing against) new or broadened responsibilities.**

At Acquis we have seen certain truths revealed to newly appointed leadership time and again. We understand the importance of preparation and have developed and refined a proven approach to priming executives for their new roles. At a high level, the following steps are imperative for any new executive:

- **Diagnose Situation** – Every transition is different. Consider where the organization is in its lifecycle and the rationale for the transition, both of which will guide your recommendations.
- **Review the Landscape** – There are organizational norms, historical pitfalls, and political landmines peppering your path. Mitigate the danger zones and capitalize on your opportunities.
- **Prepare for Success** – With a map of the landscape in front of you, check and double-check that you have the supplies and resources you need for your journey. Ensure you have the right team, the right friends to protect you, and a clear sense of where you are headed.



¹ Beatty, Randolph P. and Edward J. Zajac. "CEO Change and Firm Performance in Large Corporations: Succession Effects and Manager Effects." Strategic Management Journal, Vol. 8, 305-317. 1987.

- **Prioritize, Lead, and Execute** – Executives often want to jump to this step and figure everything else out along the way. This is a mistake; 70% of organizational transformations fail, usually because the work has not been done up front to secure the team’s commitment.² Having approached the transition in a pragmatic and measured way, you will be equipped to install the right business processes, or make the necessary changes to your organization. You will claim victory early and often, and equally importantly, you will communicate those successes to show your leadership is working.

The Transition Roadmap

Consistent with our four-phase approach, Acquis has developed a roadmap to aid in the process.



The roadmap may be deployed iteratively, but in most cases executives do not have the benefit of unlimited time. Your leadership will expect you to contribute immediately. Therefore it will likely be appropriate to conduct multiple phases concurrently.

Diagnose Situation

Each transition is distinctive and predicated on a variety of situational factors – the timing and sequencing of events leading up to the transition are new, the stakeholders are different, and the rationale for the change is unique. These factors are often complicated, intertwined, and correlated, but they are also important clues to understanding your own transition and how best to proceed. According to research by Boris Groysberg and Robin Abrahams of the Harvard Business School, the most common mistake in executive career transitions is not doing

² de Lima, Jayme Alexandre. “Managing Change: Winning Hearts and Minds.” Harvard Business Publishing Newsletter. January 16, 2009.

enough research – of the company, the culture, or the position’s expectations.³ Your transition should begin with a situational analysis that helps to untangle the variables, diagnose your situation, and then develop a customized approach for proceeding.

Lifecycle of the Organization

Many management experts have authored papers on the organizational lifecycle, and while they may debate the appropriate nomenclature, the general cadence is widely accepted. In short, after beginning with modest growth during inception and early adoption, the business may move to a burst of accelerated growth, followed by the challenge of sustaining earlier success, and later a fight against fatigue and eventual expiration.

The duration of each phase will differ for each organization, and some organizations may even reinvent themselves sufficiently to counter the effects of aging (at least temporarily). How you will manage your transition will depend on where the organization is in its lifecycle. Very simply, if the organization is in a period of explosive growth, your goals and expectations will be necessarily different than if the company is fighting a retreat against market share. A key to your success will be aligning your behaviors and priorities to be consistent with that of the organization.

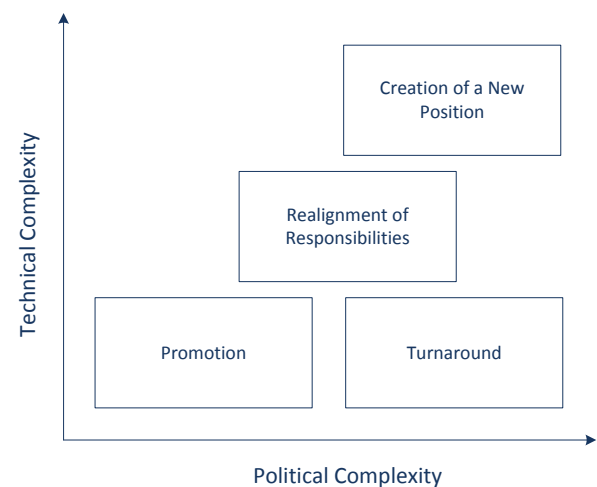


Genesis of the New Role

Why has the organization elected to make a change now and what were the factors that led to that decision? Even more importantly, why did they select you? Understanding the genesis of your new role is equally important to your success, because embedded in the answers to these questions are expectations for what you and your team will deliver.

Sometimes the transition process is transparent and obvious, in which case you will be able to answer these questions rather easily. Still, in almost all cases there are underlying (and perhaps unspoken) reasons that led to the transition, and these items could portend hazards for you to avoid, or opportunities for you to pursue.

It is important to uncover the composition of the leadership’s decision to transition responsibilities to you. Based on the components of that decision, you can navigate the technical and political complexities of your transition. Focus on gaining momentum, securing early wins, earning buy-in, and establishing your credibility as the new leader.



³ Groysberg, Boris and Robin Abrahams. “Five Ways to Bungle a Job Change.” Harvard Business Review. January 2010.

Review Landscape

The goal of the landscape review is to capture and codify key organizational characteristics that can and will affect your ability to be effective in your new role.

Organizational Culture, Norms, and Mechanics

At the core of the landscape review is an analysis of the organizational culture – more precisely, its norms and mechanics. Culture is the bedrock of a company's performance, so much so that the famed management expert, Peter Drucker, once quipped, "Culture eats strategy for breakfast." In some cases, norms become so ingrained in a company's culture that they could be used as an excuse for not moving forward. You need to uncover these unique norms as quickly as possible, and adjust your behavior and leadership style to align to the company's core values.

The Leadership Team

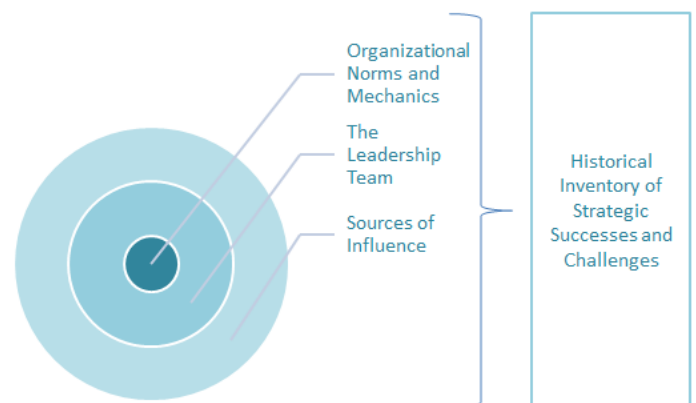
The next layer of the landscape that directly impacts your ability to be successful is the leadership team. This team will be your set of peers and depending on your situation, inserting yourself into the leadership team may prove challenging. You may find it helpful to have a surrogate help you (1) understand the leadership team's expectations of you, (2) identify their preferences for interacting with your role, and (3) forecast any territorial issues you may experience.

Sources of Influence

Influence is not the same thing as power, and often there is a divergence between the two. Create an influence map that identifies those team members with the ability to persuade a debate or move an initiative forward. This will be an iterative tool that will evolve with your greater understanding of those around you. Your influence map will inform your thought process on who is critical to build alliances with, and who has baggage that may prove a distraction or a deterrent to your objectives.

Historical Inventory of Strategic Successes and Challenges

The inventory is a useful method for collecting valuable intelligence on your peers, your direct reports, and your superiors. Developing a repository of successes and challenges will reveal common threads through both, and will offer invaluable insight into best practices for your particular organization, while also highlighting behaviors to avoid as you embark on your own transitory initiatives.



Prepare for Success

Define Success – Establish Personal and Team Goals

It is imperative that you begin with a strong understanding of your desired end state. Without this understanding, your efforts may be misguided and resources will be used inefficiently.

Facilitate the development of your team's goals to ensure they align with corporate strategies. Conduct a current state analysis to determine the feasibility of desired goals, and identify gaps in your team's abilities to achieve these goals. Once team goals are set, establish your personal goals to support your team. This activity is essential at the outset of your transition, but is also very helpful as your team progresses and its focus evolves.

Build Your Team

Your situation will dictate your ability and desire to modify your team immediately, but regardless of the horizon, at some point you will need to consider its structure and composition. Not only must you choose colleagues with the right skill sets, you must also choose individuals whose personalities will fit well together (naturally facilitating alignment). Striking the right blend can be daunting and is highly dependent on the team's mission.

Below is a checklist of questions/items you should consider to help guide you with (1) selecting the individuals you need today, (2) developing your hiring plan for future needs, and (3) preparing you as your business grows and evolves. These sample questions will help to evaluate multiple teaming dimensions:

- What skills do I need to accomplish my goals today?
- What type of tone do I need to set? Do I want to spur competition, collaboration, or both?
- How will the team's personality types affect the working environment?
- What skills will I need to accomplish my goals in the future?

Achieve Alignment

Aligning your team's behaviors to the organization's goals will allow the team to maximize its abilities and realize new levels of performance. Indeed, according to Booz's Global Innovation 1000, "companies with both highly aligned cultures and highly aligned innovation strategies have 30% higher enterprise value growth and 17% higher profit growth than companies with low degrees of alignment."⁴

The team must clearly understand its mission and know the consequences of success and failure. We work in a dynamic world in which priorities are constantly changing. Thus, alignment is not a destination, but more of a state of being requiring continuous effort to ensure that goals are understood and courses of action are clear.

To understand how well your team is currently aligned, employ a metrics-based assessment approach that determines exactly what is working and what is not. Accomplish this by identifying the key alignment factors, and rating them on a Likert Scale (1-5 rating). It is also prudent to appropriately weight the factors to reflect their level of significance to the accomplishment of strategic goals. This allows you to quantify how well your team functions together and how well it understands its mission. In addition, a metrics-based approach

⁴ Jaruzelski, Barry and John Loehr and Richard Holman. "The Global Innovation 1000: Why Culture is Key." Strategy + Business, Issue 65. Winter 2011.

"Companies with both highly aligned cultures and highly aligned innovation strategies have 30% higher enterprise value growth and 17% higher profit growth than companies with low degrees of alignment."

- Global Innovation 1000

provides you with a baseline to measure future assessments against, providing insightful trending analysis. After the initial (or subsequent) assessment is complete, you will have a pragmatic and actionable roadmap that builds upon your team's strengths and proactively addresses identified weaknesses.

Create Supportive Alliances and Partnerships

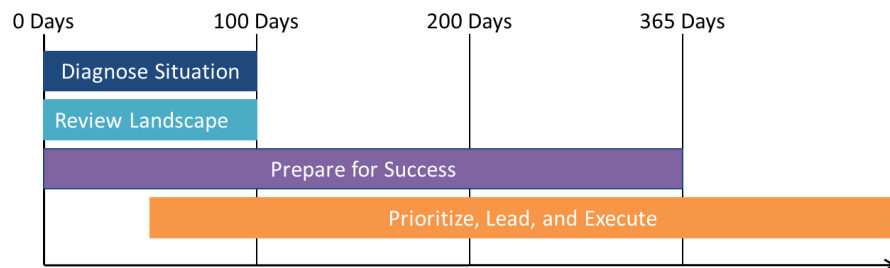
Ensuring success goes beyond your sphere of control. Undoubtedly you will need to build influential alliances within the organization and partnerships external to the organization to realize success. The success of your team is constantly influenced by the direction your organization is moving and the environment that external partners influence.

As you determine which alliances and partners will strategically yield the best return on your efforts (both from an economic perspective and from a political perspective), you will discover "win-win" opportunities that you can share with your alliances and partners to encourage them to help you accomplish your goals.

Prioritize, Lead, and Execute

100 Day Plan

Your first 100 days should be focused on discovery. Through greater understanding of where your business sits in its lifecycle and the context surrounding your promotion you will begin to formulate your plan of attack. It is critical that your approach considers your organizational landscape to avoid common pitfalls.



One-Year Plan

Your One-Year Plan is one of action. With the understanding of the tasks at hand, you will build a team that has the right skills and personality to execute your plan. Your One-Year Plan will guide you to achieving alignment both internal and external to your organization. To accomplish this, it is crucial that you score quick wins. Significant strategic wins are always achieved through prioritization, communication, and execution of a well-conceived plan.

Maintaining Momentum

Your One-Year Plan will put you on the path for success. Many of the tools used during this initial period can be leveraged for future accomplishments. By continuously evaluating and evolving with your situation, building and strengthening alliances and partnerships, and focusing your team on what matters most to achieve your strategic goals, you will maintain the positive momentum gained over your first year.

We believe that what gets measured is what gets accomplished. Define key performance metrics and develop solutions to track, analyze, and improve their results.

Communicate Successes, Attack Challenges

It is not enough to merely accomplish your early wins; you have to communicate your successes in a humble (especially external to your team) yet effective manner. The tone of your communications will be dictated by your environment. (Internal team congratulations should be passionate, communications to the rest of the organization or outside of the company should be appropriate to the given audience). This will provide you the political capital you need to attack new challenges. This cycle of generating wins, thereby creating the political capital that allows you to attack new challenges, will set your team apart within in your organization and set you up for additional opportunities in the future.

About Acquis Consulting Group

Acquis Consulting Group is a boutique management consulting firm that focuses on the alignment of business and operational strategy. Acquis was founded in 1998 and is based in New York City.

We have partnered with companies in the Life Sciences, Financial, Education, Consumer Products, and Not-for-Profit industries and have helped our clients execute pragmatic solutions to strengthen their position in their respective markets. Acquis possesses expertise in Change Management, Communications Strategy, Project Management, Risk Mitigation Planning, and Business Intelligence Strategy. Please contact us to discuss any questions you may have about this article or to discuss yours or your company's specific needs.

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