

The Successful CEO:

# What is the most important plan any CEO makes, and how can science help you get it right?

Article 2

Successful CEOs are often said to have certain traits, to behave in a certain way. However, such assertions do not hold up to real world scrutiny.

In the real world, each CEO succeeds, or not, in a unique context. So, there can be no set of general traits or way of working that will lead to his or her success.

In our 'The Successful CEO' series **Christian Nyhlen**, the CEO of **Krinova Incubator & Science Park** and **MU's CEO, Richard Moore**, look at how you, the CEO, can be assured to succeed. To read other articles in the series visit [The Successful CEO](#).

## What is the most important plan any CEO must make?

CEOs make and oversee many plans but one plan stands above all others: the CEOs own onboarding plan. Get this plan wrong, and the Board will need to find another CEO who can get it right.

Alarmingly, for nearly half of new CEOs things go wrong right at the start:



*"Widely cited research indicates that nearly half of new CEOs don't make it past 18 months, and the costs of replacing them are staggering"*  
(AESC 'Minimize Risk', retrieved 2021, para 1)

An effective onboarding plan will significantly impact your probability of success. As **Richard Moore** puts it:

*"Science helps us a great deal with getting a successful start in a new role. Research from the MU Research Institute analysed the decision process leading to CEO termination. A key finding is that decisions to stop a new CEO typically take much more than 12 months to execute. Putting that together with other research into typical length of service for new CEOs, this means decision to stop a new CEO is taking place at around 6 months. Already in the first months, Boards are often concluding that the appointed CEO won't succeed. With odds like this and such a short period to demonstrate effectiveness, planning for a fast start is vital".*

The good news is, as **Christian Nyhlen** goes on to say:

*"The speed of failure in new CEO appointments is alarming. However, a good onboarding plan does dramatically increase the probability of success. Even if every plan is unique, the structure of what you need to include and how you should review and adjust it is simple. As science tells us much about how leaders develop in a new environment, entering a new C-level role successfully can be effectively managed".*

## What does a successful CEO need to achieve in their onboarding period?

**Richard** comments that CEOs must succeed in multiple dimensions:

*"Firstly, they must achieve results. Secondly, they must positively impact the culture – the collective values, beliefs and principles of leaders and colleagues in the organisation. Only by delivering results and making an effective organisational contribution, does a new CEO create the opportunity to succeed in the third dimension – to develop themselves, their team, and their leaders longer-term. Your onboarding plan should focus on specific goals that can be measured – and these goals should encompass result achievement, organisational contribution, and your own learning".*

Even though each CEO role is unique, these three dimensions are always present: business results, organisational contribution, self and team development. **Christian** comments:

*"To get off to a fast start you'll need to demonstrate achievement in all three dimensions quickly – and know that success in one area – at the cost of the other two will not be sufficient. So your plan should be well balanced, result orientated and closely followed up – covering both the action you will take and the stakeholder relationships you will develop".*

## Follow these 3 steps to get the plan right

An effective onboarding plan makes sure these simple – but commonly overlooked steps – take place. As **Christian** comments – "There are no shortcuts to getting it right":

1. Create a precisely tailored 100-Day Plan with clear goals and measures.
2. Create an effective Stakeholder Management Plan.
3. Systematically follow up of your 100-Day Plan and Stakeholder Management Plan.

### 1. Create a precisely tailored 100-Day Plan with clear goals and measures

**Richard** points out that science explains leaders success in a new role is defined to a large extent by the specific role context. Understanding the context is key for any new CEO:

*"The success of CEOs is determined by the specific context in which they operate and the goals they must achieve in the short and long term. Generic advice on how to succeed in a new role is not effective because each situation is unique. Success requires understanding the precise situation and planning accordingly. MU recommends using a checklist to create a tailored 100-day plan for CEO success".*

**Christian** describes the areas covered in such a plan:

*"Consider these questions to structure a solid plan – and consider your own will and capacity to pursue the action required. Your plan should be stretching but achievable!*

- What action(s) are you able, and willing to do?
- When will the action be completed (and what support is needed, if any)? How will the action impact the development result(s) to be measured?
- How can your new work environment be adapted to ensure action success?."

### 2. Create an effective Stakeholder Management Plan

**Christian** remarks that one of the most important aspects of a successful onboarding is to ask stakeholders the best possible questions right at the start. These will help to build your plan effectively and create the basis for a trusting relationship:

*"Ask your stakeholders some powerful questions, beyond regular information gathering ones:*

- What are the most important business objectives in the short-term and longer-term?
- How should your new CEO work (behaviour)?
- How should the new CEO achieve (results)?
- What organisational contribution (within and beyond their role) is required?
- How can the leaders in the organisations develop?"

**Richard** adds, that new CEOs have so much to gain from leveraging a strong stakeholder network:

*"The selection of diverse stakeholders will increase your insight and influence. As a CEO, much of your development should focus on strengthening your network. And a large part of CEOs impact relates to the network 'power' they can bring to bear on problems and opportunities. A strong network also increases your opportunities to get valuable feedback".*

So how should you approach building and pursuing a stakeholder management plan in practice, ponders **Christian**:

*"A good stakeholder plan helps you understand the diverse views and capabilities you will need to harness. It will give insight regarding what to do and how. And it allows you to build trust, manage risks regarding how you are perceived and ensure the work you do is understood. Stakeholder management will ensure you build relationships, learn about the impact you have and how to sharpen and control it".*

Follow this advice to make an effective stakeholder plan

- ✓ List your stakeholders and your plan towards each of them. Review it every week. Make sure the scope is right by asking your Board and leadership team who should be included. Think about colleagues at all levels, including suppliers and partners. Who has the most influence on you, your success and your organisation? (Remember influence is not the same as power, those with the biggest impact are not always found at the top of organisation charts.)
- ✓ Stakeholder plans are not a fixed list, they develop organically. Regularly update the plan with new names and keep a running status of those you have to manage. What is your ultimate goal with each of them? What action do you need to take towards them next, and when?
- ✓ Take a leaf out of any successful C-level salespersons book, they are the most skilful in stakeholder management. In their customer account planning and deal-winning process, they at least consider:
  - Importance: How much influence do they have on your success (high/medium/low)
  - Perception: How does the stakeholder perceive you? (Advocate, supporter, passive, detractor)
  - Closeness: How well do you know their business and personal agenda (very well, well, unclear, no idea)

**Christian** concludes:

*"A good idea is to track information about key stakeholders – how can they be influenced, what help can they give you, what network can they connect you to, what is their expertise and what are their plans? Even for an established CEO – how sure are you about your stakeholders? Your relationships are never stable".*

### 3. Systematically follow up of your 100-Day Plan and Stakeholder Management Plan

With an effective plan in place, it's time to make sure you follow up on progress effectively. **Christian** again:

*"It is simple. Know how you will measure the impact of your onboarding actions: Precisely tailor your action towards specific outcomes. Decide how you will measure your organisational impact and which knowledge gaps you want to close – i.e., what must you learn about your new organisation, yourself, and your team to have the required impact".*

More practically, how should a new CEO describe their onboarding and stakeholder management plans? **Richard** comments:

*"Well as Christian states it is simple to review a plan, but that does not always make it easy in practice. When you actually look at how CEOs follow up on their onboarding plan, it is most often ad hoc, informal or unstructured – even lost from agendas altogether. What is most important is to get into a habit of structured progress review".*

**Richard** and **Christians** advice for following up and reviewing 100-day plans can be summarized as follows:

- ✓ Write the plan with precise actions and times, so you know when things should be done. Review it every week or two. What is done, what must be done next and what result has been achieved. Adjust your plan as needed, based on your own learning and stakeholder input.
- ✓ You should ask for structured, periodic reviews with the Board Chair to ensure alignment and agreement on plans. The Board Chair should support the CEO and place significant effort into making them succeed. If they are unable or unwilling to help, the CEO should find alternate senior advisers who can assist.
- ✓ Share progress with your leadership team – be clear about what is achieved and what needs to be done next. You are the CEO, but especially in the beginning, they will most likely have a clearer idea of how to achieve things than you. New CEOs don't succeed in isolation – you can't succeed if your leadership team doesn't succeed as well. In time you may need to change your leaders, but you also need to release their potential first.

*What you work on matters. Who you work with, and how they work with you, is as important. Your actions and your stakeholders will define your success".*

## Following these three steps will help you beat the odds

Through precisely tailored onboarding, based on clear business impact measures, with a well-organised stakeholder management effort and systematic action plans and follow-up – CEOs can plan a successful start.

And with that plan well executed, long term development of your organisation and team can commence.

### 'The Successful CEO' series

Nearly half of new CEO appointments fail.

For practical advice to succeed as a CEO – Sofia Hjort Lönegård, MU's Head of Communications, interviews **Christian Nyhlen**, the CEO of **Krinova Incubator & Science Park**, and **MU's CEO, Richard Moore**.

As well as being CEOs themselves, Christian and Richard have spent decades working with CEOs from high growth start-ups to global leaders in the private and public sector. They have found that by applying what science tells us about performance at work, more CEOs succeed.

### Simplified MU Experts Onboarding Checklist

- What are the short-term results you must achieve (within 6 months, 12 months, and 18 months)
  - Customers/Client results (e.g., sales performance, customer satisfaction)
  - Organisation and People (e.g., productivity, diversity, restructure)
  - Finance and Governance (e.g., reporting, control, risk management)
- What organisational contribution, beyond specific results must you have:
  - Impact on other leaders (e.g., leadership behaviour, team effectiveness)
  - Impact on culture (e.g., cooperation, innovation)
  - Impact on stakeholders, customers, partners (e.g., clarity of focus, positioning)
- Long term development of your capability and the performance of your team/organisation:
  - Analysing and scenario planning risk and opportunities for the long term; potential transformations (e.g., vision, and interim milestones)
  - More effective business operations and leadership (e.g., efficiency programmes, cost opportunities)
- Your own learning and development, and that of your team and Board (e.g., closing skills gaps, acquiring new capabilities for new needs)

To learn more about self-selecting yourself for a new CEO role, click here:

[The Successful CEO – What is the most important decisions any CEO makes, and how can science help you get it right?](#)

We hope you find this second article in our 'The Successful CEO' series valuable.

Our next article in the series is outlining "How to build a successful strategy, and how can science help you get it right?".