

## Great Expectations

By Sander Flaum, managing partner, Flaum Partners



When the General Motors board of directors ousted Fritz Henderson from his new job as CEO in December, he had not yet been on the job eight full months. But it took no more time than that for GM's board to judge and dismiss Henderson and install Chairman Ed Whitacre as the interim CEO. (Whitacre has since been named Henderson's permanent replacement.)

Mr. Henderson's experience isn't uncommon these days. Just as the pressures of the economic downturn have forced more companies to make many more quick cuts, they have also led to a lot more early beheadings. The turnover rate for chief executives "doubles in bad times," Dirk Jenter, assistant finance professor at Stanford University's business school, told *The Wall Street Journal* last year.

What's going wrong for these newly placed leaders? What separates the ones who can navigate the tough times from those who find themselves looking for their next new gig? In many cases, the answer is easy. Unwittingly, many new executives do not respond to the wants and needs of their superiors; in the case of CEOs, their board. And in a remarkable number of cases, they don't even think to ask.

"In my experience as both a CIO and IT consultant, I have often seen good plans fizzle because the CIO did not understand the boss's priorities and the organization's culture and politics," Thomas L. Pettibone, the founder and managing partner of the IT management company Transition Partners, wrote in a recent issue of *Baseline*. "As a result, the CIO could not effectively evaluate whether his or her plan could work in that specific enterprise and therefore couldn't 'sell' the plan or get support for it."

A Korn/Ferry survey asked business leaders in North and South America, Europe, and Asia, "What one thing – above all else – must a senior executive do in their first 100 days in order to succeed?" Nearly one in six said, "Identify and address what's most important to the CEO, board of directors, and other key executives."

It's a lesson that extends beyond the business world. At the Four Seasons, one of New York City's landmark restaurants, executive chef Fabio Trabocchi was dismissed earlier this year – just three months into his tenure – not because of his work ethic or his inability to execute, but for what management described as "philosophical differences."

Mr. Trabocchi appears to have misunderstood what was being asked of him when he was hired.

Many boards will offer telltale signs of their unhappiness. “There are a number of classic warning signs that a CEO’s firing is imminent, experts say,” J. Johnsson wrote in the journal *Hospitals*. “Chief among these: when the board or a board component begins meeting without the CEO; or when unhappy trustees redirect the administrator to change policy or reconsider decisions.”

Of course, these danger signals apply equally to CEOs and anyone newly appointed to a leadership position. The solution is: keep your boss [or board] happy from the start. Be proactive about addressing their wishes by adhering to the following guidelines during your first 100 days on the job.

As a new unit chief, your first step must be to determine the expectations of the person to whom you report and the time frame in which you are expected to meet them. Following that, you will need to prioritize those expectations so that you can focus on the 100-day goal that will most make an impact. This is an instance in which you would be wise to go after the low-hanging fruit and assign your top people the task of grabbing it. If you are CEO, from time to time, be sure to call – not e-mail – your directors to check in. A phone call is vastly more personal, commands greater honesty, and fosters a stronger business relationship. Next, seek to make the board members personal friends. Find time for lunch with them and inquire about your progress. Are you meeting your goals? Have those goals changed?

With those clarified objectives in mind, you can continue with your first-100-day agenda. Decide who your A+ players are. Work up a special bonus system for them, and part ways with the B and C players immediately. They are only holding the early mission back. After that, formulate your plan for the next 100 days.

GM CEO Ed Whitacre is settling into his newly permanent role at the company. Because he’s also the chairman, he’s positioned to know precisely what the board wants and expects. It’s up to him to deliver. And in today’s environment, that means the clock is already ticking!

*Editor’s note: The Leader’s Edge is a series of guest articles written by Sander Flaum, managing partner of Flaum Partners and chairman of Fordham Graduate School of Business Leadership Forum. Sander also hosts a weekly radio show on WHDD FM. He can be reached at [sflaum@flaumpartners.com](mailto:sflaum@flaumpartners.com).*