Four Moves to the C-Suite

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What sort of preparation does it take to convince others you are ready to lead in a company? There is no shortage of recommendations for individuals who are interested in preparing themselves to be CEO. A quick perusal of bestselling titles reveals an emphasis on how to “think and to act like a CEO;” critical personality traits leaders must demonstrate are noted, the importance of “executive presence” is touted, and so on. The predominant focus on who you are – or more aptly who you appear to be – quickly becomes apparent. There is little doubt that we hold stereotypes about the way leaders should look and act. It is easy to poke fun at many of them: “executive-style hair” is a recurring theme in the Dilbert cartoon strip, for example. And it is easy to find examples of individuals who are successful in spite of displaying characteristics quite the opposite of our preconceptions. In the end, these stereotypes about appearances and personality are not particularly useful predictors of ability. Our view is that much better conclusions about leader potential can be reached through a focus on the developmental experiences an executive has had. Too little attention has been paid to understanding the kinds of experiences that best build the mettle it takes to be an effective leader. We have come to believe that success in three specific roles is a strong predictor of an executive’s leadership capability.

We recently completed a research project designed to understand what it was that successful executives had done to prepare themselves for leadership positions. We framed our research by viewing careers as made up of a series of moves in a complex, multi-player game. During the project, we interviewed dozens of executives who were remarkable for the career progress they demonstrated. From our interviews, we have identified the three moves that are critical to the development of an executive capable of leading at the highest levels in a company. Effective execution of these three moves demonstrates your readiness to make the fourth – to the C-suite. Below we discuss each of the moves and illustrate their connection to the case one could make that the experience has prepared them for the top job.

Your First Key Career Move: Find Something Important to Fix

It can be difficult to distinguish yourself early in your career, particularly in a large company. One way to make a mark is to find something that undeniably is broken and to fix it. These positions aren’t usually hard to get because the competition for them is typically low. Should you fail, many will understand the difficulty of what you took on and consequently be quite forgiving. The risk in these turnaround opportunities is usually less than one might suspect. As an example, consider Ted Mathas, President and CEO of New York Life. Early in his career he was offered a job “no one else wanted,” running NYLIFE Securities and Eagle Strategies. These businesses were small and effectively self-contained as businesses far removed from the core activities of New York Life. The fact that the business was a bit off the radar – and had been struggling – meant that Mathas had a great opportunity to try ideas, to experiment, and to learn. He hired his own team, he developed a strategy, and he turned the operation around. Because he was successful, his role was visible at the highest levels of the company.

Similarly, Alex Vanselow was hired away from Andersen by one of its clients, BHP, for a finance role. Now the company’s CFO, he reflected on his first position at the company. BHP gave him three choices for a first assignment and he intentionally picked the worst. He describes the opportunity as challenging for a number of reasons. Professionally, the group had not had a finance manager for a year and a half. Further, the group leader was vocally opposed to the creation of a finance manager position and was dismissive of Vanselow during the brief interview process. It was going to be a challenge personally,
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too, because the location was not particularly desirable. Rather than bringing his wife to see things for herself, he made a video to play for her. As he noted, you can’t feel the heat on a video. His logic was that he would have a difficult time quickly making a visible contribution at a location where things were working well. He quickly succeeded at winning over his new boss, and it wasn’t long before his efforts earned him the next in a series of promotions.

What is it about these opportunities to fix something that make it such a valuable experience? There are several ways that leading a turnaround develops executive capability:

- It requires the executive to deeply understand the way an operation works, as well as the most critical levers to pull to recover performance.
- Speed is nearly always of the essence; learning to make good, quick decisions is a result.
- The context places a premium on the ability to develop, articulate, and build commitment to a strategy so that the team is motivated to follow.
- Personnel decisions matter a great deal; it forces executives to be honest about who is an asset and who is a liability and to then manage accordingly.
- The lack of slack means incredible discipline around operational efficiencies must be honed.
- The executive has to be comfortable working without a lot of support and to be entrepreneurial in the way resources are acquired.

Your Second Key Career Move: Show You Can Make a Healthy Business Better

While turnarounds can provide dramatic stories about an executive’s capabilities, readiness for the C-suite requires a demonstrated ability to further improve something that is already healthy. After all, few companies are in a constant state of turnaround. The “burning platform” that can help leaders engage followers is less available to leaders in a healthy company. Issues with complacency abound – if nothing is broken, there is nothing to fix. And, unlike a turnaround where it might seem any move makes progress, incremental improvements to a healthy system are harder to identify. Psychologically, there may be a fear of making a move that upsets the current successful equilibrium. To be effective improving a thriving business, leaders have to develop different capabilities. In short, they have to find ways to innovate and improve without rocking the boat? If an executive wants to be trusted with a C-suite position they have to be able to point to proof they can manage a steady ship. Improving a healthy business helps executives develop and demonstrate a number of important capabilities:

- It positions you as a true general manager with final P&L responsibility.
- It provides exposure to the CEO and board.
- It requires you to develop the ability to negotiate with the C-suite as you look to balance the interests of your business unit with those of the leaders of other business units.
- It requires you to think broadly about the business and its industry in terms of positioning, go to market strategies, the competition, and future sources of revenue.
- It demands that you learn to use functional experts (legal, human resources) both in your business and from corporate.

Your Third Key Career Move: Spend Time in a Staff Role

We hold that a career move many executives dismiss may actually be one of the most instrumental in efforts to prepare for an opportunity to be part of the C-suite: Serving a rotation in a corporate staff role. Too often, executives assume that being offered a staff role is like being offered a ticket watch from the sidelines. This couldn’t be further from the truth. What does a staff rotation do for someone’s career development? The most obvious benefit is the exposure – both to the board and top management team members and for you, to everything going on at the company. As Ted Mathas shared, based on his time in such a role, you have tremendous access to everything that comes across the desk of the executive you work for. You attend the majority of senior level meetings and have a front row seat to understanding how the business is run, how the
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members of the top management team interact, and the interpersonal relationships among them. That’s a powerful learning experience, but the position provides even more. First, many executives – particularly those who are rapidly promoted – are in that position because they are being noticed and rewarded for their ability to drive results. The emphasis on the word “drive” is intentional. Rapidly promoted individuals are, more often than not, very directive in style and narrow in their exposure to the company. For such an executive, the staff role is a tremendous place from which to develop tools to address these gaps – soft management skills and an understanding of the “big picture”. Specifically, the staff role teaches how to lead with force of personal influence rather than from force of position. This skill allows an executive to manage rather than direct an outcome.

Next, a corporate staff role teaches executives how the headquarters office works. In doing so, the value that can be created at the HQ level becomes clear. When people miss this rotation and become the CEO they often discount the HQ functional staff and create an unproductive rift between HQ and the field and distract everyone from a focus on the business. If a new CEO discounts the value of corporate functions they typically do not recruit the best into these roles and the failure to add value becomes a self-fulfilling prophecy. They also don’t even learn how to use the corporate staff as true trusted advisors to them on the business—that is a lost opportunity and decreases their overall effectiveness as a leader. Knowing how to be effective in an HQ environment makes you even better when you return to the field.

The Next Move

These experiences – finding something to fix, making a healthy business better, and serving in a staff role – are instrumental in providing the experiences, development opportunities, and exposure necessary for an executive to present a strong case as to their readiness to join the C-suite. While the moves do not need to come in a particular order, we advocate finding something to fix be an early career focus. These opportunities do have some risk; this risk is much easier to take early in a career because should something go wrong, there is time to recover. The first two opportunities allow executives to develop and demonstrate their abilities as a “field general.” By this we mean the leader is closely embedded with the people doing the work; the mission is more clearly defined; the time horizon under which results are required is shorter term; and the leader more likely has their hands on the financial and operational levers that direct the enterprise. The last opportunity provides the chance to exercise abilities as a “Pentagon general.”

Here, much of the leader’s attention is focused further in to the future; a greater emphasis is necessary on engaging field generals, through participation and inspiration, to execute towards longer term, more abstract goals. The ability to influence without direct authority is tested regularly in these sorts of roles.

In all, our observation is that success in each of these three specific types of experiences provides a strong body of work with which to consider for an executive. Individuals who have demonstrated the ability to effectively execute each of these roles become lower risk choices in succession planning because of what they have seen, experienced, learned, and demonstrated. For boards, the implications of our research are useful as candidates in succession planning are evaluated. For executives themselves, these recommendations can help in personal career planning. Individuals who have as a career goal a place in the C-suite are advised to seek and then excel in these three roles. By doing so, they will create a strong narrative as to why they are ready to lead. This narrative is critical: as is true of the other experiences on a resume, the enthusiasm with which an executive’s candidacy is perceived is directly proportional to the degree to which a candidate crafts and communicates a compelling narrative about the preparation received in these positions.
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