



Executive onboarding

That tricky first 100 days

NEW YORK

The business of helping executives get off to a good start is booming

BEING boss of an American firm may be fabulously well paid, but never has the position of top banana been harder to cling on to. According to Challenger, Gray & Christmas, a consultancy, 728 chief executives left their jobs in the first half of this year—some willingly, many not. That was 6.9% more than during the same period in 2005, a year with an all-time record high of 1,322 departures. Many of these changes were at smaller firms, but there have recently been several sudden, high-profile exits at firms including Kraft, Novell and Williams-Sonoma.

With increased turnover comes reduced tenure in the top job—and, indeed, in other senior positions. Executives are now being judged more quickly than ever, it seems. This trend has spawned a business designed to help newly appointed corporate leaders to hit the ground running. “The average CEO is in the job for under four years now,” says Rich Rosen of Heidrick & Struggles, a recruitment firm. “So firms are looking for a new CEO to make a quicker impact, and are prepared to invest in making sure it happens.” Reflecting the management industry’s addiction to jargon, this process has been named “onboarding” (that is, helping a new executive successfully climb on board).

Among those offering onboarding are the big recruitment firms, including Heidrick, which in the past two years has added several “accelerated transition” experts to its leadership practice, and various management consultancies, including McKinsey. Heidrick sometimes works with Michael Watkins, a management professor at INSEAD, an international business school, who is the author of the onboarding bible, “The First 90 Days”. (Political leaders may be afforded the luxury of 100 days, but not corporate bosses, he reckons.) There are even onboarding specialists, such as PrimeGenesis—named to evoke good beginnings, despite sounding like a Bond villain’s front company.

Heidrick tried to buy PrimeGenesis before deciding to build its own onboarding practice, which it regards as a sensible extension of its recruitment business: pick the right person and then help that person to succeed. This combined approach might help to ease growing concerns in America’s boardrooms about the quality of the bosses provided by recruitment firms. Academic studies have found that, on average, outside hires tend to perform far

worse as chief executives than internal candidates do. Similarly, McKinsey may be hoping that helping a new boss to make a good start will make him more inclined to award consultancy work to the firm later in his tenure.

Onboarding focuses on three areas that can cause a new executive to fail: getting up to speed, forging effective relationships and accomplishing what is expected. “The era when a chief executive could come in, take a couple of years to get to know the business then formulate a long-term strategic plan, is over,” says George Bradt, the founder of PrimeGenesis. Instead, a new boss should ideally have picked his new team and have a communications strategy—in place on his first day in the job. To this end, PrimeGenesis particularly emphasises making the most of “pre-boarding”—the period between an executive accepting the job and officially starting it.

Unlike executive coaching, which focuses on the career-development of an individual executive, onboarding firms concentrate more on establishing teams. New bosses often fail to work out which relationships matter. They should have two priorities, says Mr Bradt. First, identify the “shadow board”—that is, who is really pulling the strings upstairs: a member of the real board, perhaps, a former senior executive, or a big shareholder. “It’s usually the shadow board that does in a new chief executive,” says Mr Bradt.

Second, new executives should single out the executives who could undermine

them, such as those with strong relations with members of the “shadow board”, or those who were passed over for the top job. Particularly in “hot landings” (when a new executive needs to bring about big changes fast), if others who wanted the top job do not make it clear that they are both loyal and enthusiastic within the first two months, they should be removed, says Mr. Bradt. New bosses “tend to move too slowly on people like that, but you don’t have time for insubordinate subordinates,” he says.

As for accomplishments, the secret is, first, to ensure that what is expected of the new executive is clear and agreed on; and, second, for the executive to notch up some quick, unarguable victories. A couple of triumphs early on can do wonders for the credibility of the new boss and the motivation of his team.

At LexisNexis, a business-information firm that is a client of PrimeGenesis, Mike Walsh went through what he calls a “fascinating and essential” onboarding process. Before starting as head of its big legal division, he and PrimeGenesis sorted through his web of relationships to work out “who my main stakeholders were and what I needed to achieve with them, which, frankly, I wouldn’t have thought about,” he says. A plan was drawn up covering everything from schedules for initial and follow-up meetings, team formation and setting achievable milestones. This was so successful that Mr Walsh was recently promoted, and has hired PrimeGenesis to work with his new team.

Onboarding may not always work so well, of course. Nor is it cheap: PrimeGenesis charges \$50,000 for each executive, for instance, and the firm is not on-site much of the time. (An executive coach, by comparison, might charge anything from \$200 per hour to \$15,000 a day.) Still, it is cheap when compared with the costs that arise when a new boss goes overboard—perhaps after being made to walk the plank.

