

## In business, 100-day plans are a mistake



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Journalists love milestones. A hundred days from now, we will be asking whether US president Barack Obama has been a success or not. It will not be fair, but Mr Obama knows the way the world works and has been scrutinising Franklin Roosevelt's first 100 days.

Mr Obama enters office facing some tough choices, as do many chief executives, which is why they, too, often have 100-day action plans.

Incoming business chiefs often face pressure from the press, markets and employees, but 100-day plans are usually a mistake. Unless the company faces bankruptcy, it is a bad idea to do much in the first 100 days.

There are others urging new chief executives to get cracking. In *The New Leader's 100-Day Action Plan*, US "transition consultants" George Bradt, Jayme Check and Jorge Pedraza say that "in today's environment, almost all leadership transitions are 'hot landings' where you must hit the ground running".

The book concedes immediate action is not always necessary. In most cases, leaders do not have to act on the first day. How much time do they have? "At least a few days," the authors say. Leaders must announce a new strategy within 30 days and have a fresh top team in 70 days.

Before discussing how wrong this is, let us rehearse the arguments in favour of swift action, if only because they are so widely held. When there is a change of leadership, employees are unsettled, particularly if the previous chief executive left abruptly or was fired. They talk to each other about what might happen, and are open to change in a way they may not be months later.

If the new leader waits too long, the argument goes, opponents of change have time to regroup. Worse, if you do not reshuffle your top people, "at about 100 days you own the team. Once you own the team, the problem children become your problem children. You can't blame them on your predecessor any more", *The New Leader's 100-Day Action Plan* says,

Against this is an even stronger argument: new leaders just do not know enough in the first 100 days. Of course, in this economic environment, there may be issues that cannot wait. If the company's bank is refusing to extend credit, the new chief executive has to find an alternative.

But once emergencies have been dealt with, leaders need to think. Most corporate change requires time and, on most issues, new leaders have more time than they realise.

New chief executives do not know what the business requires until they have spoken to the customers. They do not know what the organisation needs until they have talked to employees at every level. And they do not know who should be in the senior team until they have watched the top people in action.

New chief executives do not even know, when they start, who the top people are. They are not necessarily those with the most senior titles.

As *The New Leader's 100-Day Action Plan* rightly observes: "There is always, *always*, a shadow organisation. And often, that shadow organisation is how things really get communicated and happen."

It takes time to locate that shadow organisation, to work out who is going to be an ally and who a resister. Even chief executives promoted from within can get this wrong; yesterday's friends can turn nasty when they sense where the new chief executive is going.

I am not suggesting that new leaders do nothing in the first 100 days. There is plenty to do. Indeed, as the book suggests, work should start even before the first 100 days. New chief executives should start trying to grasp the situation before they formally take over, talking to former employees, customers and competitors. (*The New Leader's 100-Day Action Plan* is not, it must be said, a bad book. It is full of practical advice and is commendably low on jargon.)

First impressions do matter and it is quite true that everyone watches new chief executives for signs of what they

are going to do. But that does not mean the new leader already has to know.

There are alternatives to a Day One speech laying out your plans. You can say that you will spend the early months going around listening and learning.

Purposefully and publicly doing that creates its own positive expectations. Objectors can use this time to prepare their resistance, but they can do it far more easily with an ignorant chief executive. Once new leaders understand the organisation, they have a better idea which levers to pull and who will welcome change and who will resist it.

Advocates of early "shock and awe" may object that the financial markets do not give new leaders this sort of time, but investors, like employees, respond to being listened to.

New leaders have an asset - people generally wish them well, whether they are heading the US or a 20-person company. That goodwill is an asset to be conserved for the days when it is needed.

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