JASON JENNINGS

HIT THE GROUND RUNNING

TAKING CHARGE HAS NEVER BEEN EASY.

New leaders are expected to diagnose correctly, land on a brilliant strategy, pull together a powerful team, and inspire everyone to execute. Unfortunately, long lead times are gone. The months that leaders used to get for pondering, debating, or hiring outside consultants has shrunk to days.

Now, leaders are expected to stop the bleeding, decide who's in and who's out, make the strategic choices, and start racking up their wins right away. Shareholders, employees, customers, and communities believe that, if you're tapped to lead, you'd better be able to hit the ground running from day one.

I started looking for a database of dos and don'ts for new leaders learned the hard way—through years of trial and error—and discovered there's virtually no reliable data available. Ninety-three percent of executives admit that their organization has never kept any records of the steps that led to their best or worst management decisions.

So I started from scratch.

Talking with an incredibly successful new CEO of a major energy company I asked how he learned his strategy for taking charge quickly and outperforming his peers. "I had front row seats during two CEO transitions watching two men who became very successful," he told me, "and I paid very close attention." The light went on then and, from that moment, "get a front row seat" has been my mantra.

I eventually got that front row seat with America's ten best new CEOs. Each had taken charge and then outperformed (by a very wide margin) the hundreds of other new chiefs of publicly traded companies. Since each took the reins after 2000, every challenge, every situation, every competitive pressure they faced was current and relevant, and their strategies have been tested under the same difficult circumstances that all of us are likely to face.

Here are three deadly mistakes and three of the invaluable leadership lessons we discovered that you'll need in order to hit the ground running.

DOS AND DON'TS OF AMERICA'S BEST NEW CEOs

THE DON'TS

→ **Don't study the competition.**

Managers are fascinated with figuring out what the competition has up their sleeve. Most of the time, though, studying of the competition isn't really justified. It's simply an exercise in saying "See, we don't suck as much as they do."

According to the best new CEOs, studying the competition won't help you to hit the ground running.

Jeff Lorberbaum has led Mohawk Industries to $8 billion dollars in revenues since he took over in the hyper-competitive flooring industry. He says, "We quit reacting to competitors," adding, "Leaders need to decide what they're going to do well and go after it instead of reacting to the competition."

Keith Rattie, CEO of Questar, says creating strategy with your eye on the competition is frequently disastrous. "One of the biggest causes of failure is emulating somebody else's strategy," he said. "Business is notorious for its stampede mentality. Many companies are no longer with us because they got trampled believing that if everybody else was doing it, they should be doing it too."

All of America's best performing CEOs—in industries from high-tech metals, aerospace, consumer goods, even uber-retailer Ron Sargent at Staples—never obsess over what the competition has up their sleeves. "I told everyone when I became CEO," says Sargent, "that I didn't want energy or effort wasted on what the competition was doing. I wanted all our time and talent dedicated to us, our stores and our customer experience."

→ **Don't keep your strategy secret.**

One of my favorite front row seats was on Strawberry Lane in tiny Orrville, Ohio, where J.M. Smucker is the rarest of outperforming big public companies—a $5 billion dollar state-of-the-art consumer goods company that is still led by the family that started it all. Family businesses mostly flail and fail after the founder passes. Almost none make it past the grandson. But the fourth generation of Smucker leaders just keeps on amazing us. The list of their accomplishments and accolades is long.

Openness, transparency, accountability and out-performance go hand in hand.

I asked Tim and Richard Smucker about their strategy going forward and, perhaps because I'd recently been ushered out of a corporate summit I'd just finished addressing with a hushed, "We're going to talk about our strategy and it's a secret," I volunteered to sign a non-disclosure agreement. The Co-CEOs at Smucker's said that was completely unnecessary. "Here's a copy,' said Tim, smiling. "It's available for anyone and everyone to see."

Leaders with secret strategies won't hit the ground running for three well documented reasons:

- Secret strategies leave workers feeling detached and disengaged.
- Secret strategies open the door for corners to be cut and unethical tactics to be employed.
- Secret strategies are completely unaccountable.

Openness, transparency, accountability and out-performance go hand in hand. Organizations hit the ground running by communicating their strategy to everyone at every level.

→ **Don't fire the existing leadership team.**

Many of the dos and don'ts I got from the best performing new CEOs made me shake my head, doing a double take to be sure I was hearing them right. And none was more of a headshaker than this emphatic don't from CEO Howard Lance of Harris.

Lance was an outsider when he first became CEO, the only outsider ever brought in to take charge at the global communications and equipment manufacturer in 107 years. His was the always-challenging assignment to turn a good company into a great company. But beyond that big challenge Lance was taking charge at an insular company full of skeptical engineers and scientists. To top it off he got the job instead of a popular internal candidate who was a Harris lifer. The odds were against him.

Conventional thinking says new CEOs need to bring in a cadre of trusted lieutenants—people who'll be blindly loyal and watch the CEO's back. And getting rid of insiders to bring in your own team is considered especially critical for outsiders about to jump into a pool full of sharks that don't want change and don't want you there.

But, Lance stood the conventional on its head. "Everyone assumed I'd come in and clean house," Lance told me, "But I had no intention of doing that. There were a lot of very talented people here." Lance continued by emphatically justifying his rationale: "They [the existing leadership team] had the tribal knowledge of the place."

Tribal knowledge is an often underappreciated and undervalued asset, especially by outsiders. It includes the unauthorized history of an organization, the complex relationships between people and divisions, and the hard feelings that can derail good ideas. People with the tribal knowledge have the gut understanding of how to get things done, the workarounds, the location of landmines, and the maneuvers to get around obstacles. All the best performing CEOs believe that having a tribal knowledge is a key ingredient for hitting the ground running.

Lance started by winning over the guy who'd been turned down for the CEO position. "Bob was an expert in government markets and had tons of tribal knowledge. I made it my goal to forge a great relationship with him. Today we are great friends and terrific colleagues."

Mike McCallister, CEO of Humana, recognized early in his career that tribal knowledge always helped him hit the ground running. So, today he says, "I play the players I have. I'm not one of these people that come into these things and think I have to sweep through and completely change everybody."

> "I play the players I have. I'm not one of these people that come into these things and think I have to sweep through and completely change everybody." *Mike McCallister, CEO of Humana*

THE DOS

→ Do gain belief.

Eighty percent of Americans say they wouldn't trust a CEO as far as they could throw one.

Okay, I'm exaggerating… but just a bit. The Edelman 2008 Trust survey actually reports that eighty percent of Americans "don't trust CEOs to do the right thing." (In my defense, Edelman did their survey before the latest round of shenanigans from the banking and Wall Street CEOs.)

This total lack of trust is another huge challenge for new bosses. You show up with the very best intentions, but find yourself facing a group of workers who've been disappointed, disillusioned, and even deceived for a decade or more.

Eighty percent of Americans say they wouldn't trust a CEO as far as they could throw one.

You need their trust and some early buy-in to have a prayer of turning the business around. But eighty percent of people are either skeptical or cynical, many rolling their eyes after hearing your voice and whispering "How long will this guy last?"

You didn't cause the problem, but you have to accept responsibility for and do something about it.

What should you do?

Here are two of the tactics used by the best performing CEOs to quickly get past the cynicism and get enough belief to hit the ground running:

1} **They made a great first impression by showing they were different.**

When Fred Eppinger took charge at Hanover Insurance, employees were so disillusioned that they wouldn't even tell neighbors where they worked. Fred told them he was one of them (he was born in town and his parents were local chicken farmers) and he going to make them proud again. And, before even one of them could start rolling his eyes, Eppinger proved that he was different—he got rid of all the trappings of the previous imperial CEO.

> "We were not going to be about the trappings of executive privilege. We were going to be about getting the job done and building something special together." *Fred Eppinger, CEO of Hanover*

Out went the floral displays, the private bar, the elevator marked "CEO only," the 24/7 chauffeurs, and all the fancy furniture. In came a big white board and a long conference table. "The executive office, which previously was off limits for most employees, very quickly became an open, accessible and a very busy working space for a virtually non-stop schedule of roll-up-your-sleeves meetings," Eppinger explains. "I made a very clear statement about the shared responsibility and accountability. We were not going to be about the trappings of executive privilege. We were going to be about getting the job done and building something special together."

2 } They surrounded themselves with others who could gain belief.

How would you choose a top lieutenant? Experience? IQ? Track record?

"Hire character before credentials," say outperforming new CEOs Tim and Richard Smucker, "and attitude before aptitude."

The reasons are simple. In a world where trust is critical, and where others before you have betrayed that trust, you can't afford a top leadership team who can't and won't be believed.

During a recent round of layoffs, a high-tech marketing chief had to tell a dozen direct reports that their jobs were being eliminated and offered her sincerest sympathies as she delivered the news. But when staffers checked her My Space page they saw how she was really feeling. "Just another manic Monday after a sublime weekend," she'd posted, adding, "Can you say SUNNY LA?" Next, she informed her friends she was off to party at Sundance.

Another of our CEOs had a VP who didn't have a picture on the wall or a keepsake on her desk even through she'd been with the company for two years. "It was just too weird," he said. It was like she already had one foot out the door, so the CEO let her go. "Leaders are only leaders to the degree that others choose to follow them," he told me and asked, "Who was going to follow Ms. Lack of Commitment?"

"You can judge a man by the company he keeps" is one piece of conventional wisdom any new leader is a fool to ignore.

→ **Do ask for help.**

"Wall Street likes a man who charges in on a white horse," a renowned sage of the investment community told me. "This is the era of the great heroic figure, and investors are encouraged to look for the man of great talent and splendor who can singlehandedly turnaround a multi-billion dollar enterprise." Of course, he told me, this is the stuff of fairy tales.

Still, the average candidate for CEO is happy to oblige this outlandish fantasy. Average new bosses go to great lengths to keep up appearances—they act large and in charge, never asking for help—all too often to a tragic end for themselves and the stakeholders.

Garret Keizer, author of Help: The Original Human Dilemma, explains: "There's a tendency in business to act as if a request for help is a deficiency … there's an understandable fear that if you let your guard down, you'll be hurt, or that the information you don't know will be used against you. That's so shortsighted," Keizer says, "Most individuals want and need to help others and derive pleasure from doing so."

All of the best performing CEOs ask for help. They reach out to their boards, their leadership circles, their front line employees, and their families. Not one sees this as a sign of weakness. Not one buys into the fantasy of that any CEO can singlehandedly turn around a multi-billion dollar enterprise.

Pat Hassey of ATI explained, "I don't believe I'm better than anybody else here. I don't believe that I have every idea for this company. I believe in God-given talents, that people have talents. I want to find those talents exercising in the business."

→ Do become a fish out of water

While I sitting in front row seat and busy listening to America's best new CEOs the news was full of the terrible tales about thoroughly disgraced and utterly failed CEOs. You read the same stories. I found them both ironic and sad.

Ironic because most every name on the 2008-2009 "Disgraced CEO List" was of someone who'd been celebrated in those same news outlets for years.

Sad, not just for the money lost and lives ruined by these failed CEOs, but for the rest of us, who for years have been told over and over about these super-successful CEOs who are imperious, secretive, ruthless, headstrong and self-serving. Many people had been led to believe that you must unleash your inner jerk if you aspire to be a high performing boss.

At the same time I was in the front row listening to the best performing CEOs, my researchers did a little 360 degree digging. They contacted competitors, customers, consultants, board members and associates to begin drawing a mental image of their personalities and leadership styles. They asked them what their take was on the CEOs we'd identified, and asked for their unvarnished (and anonymous) opinions.

According to the people we spoke with, the bosses on the list didn't fit the mold of the CEO's we knew from the media. People kept referring to them as, "humble, authentic, accessible, highly ethical, compassionate listeners and truly, believably committed to doing the right thing for all stakeholders."

It became obvious through the stories and the interviews that the best performing CEOs in America are an unusual breed—so unusual that we started calling them fish out water.

When Marshall Larsen (CEO of Goodrich) was a cadet at West Point, he made a promise to himself that he wouldn't let harassment by upper classmen get in the way—or become his style of leading others when he became an upperclassman or CEO. When Pat Hassey was moved from one bad boss to another he began building a list of the ways he'd never treat people. His list was prophetic when you look behind the facade at the careers of the disgraced CEOs. And, when Keith Rattie found himself in the middle of a merger and a business model he seriously questioned, he chose to leave rather than go along. (Yes, the model was similar to the one then wildly famous at Enron.)

The leaders who have created the greatest amount of economic value are a new breed. They are good stewards, committed to meeting and exceeding the expectations of all stakeholders, wisely addressing the short term with an eye on the long term and making everyone proud that they chose to follow them.

Still, it's not obvious to many people that the way to hit the ground running as a new leader is to become a fish out of water. We've got decades of bad examples and their bad theories to get out of our heads. And, due to self interest and fear of change, you can expect to encounter a lot of naysayers who will urge you to get along by going along with the old ways.

I suggest you search your heart for the answer. As Pat Hassey put it, "If you're doing the right thing, have a good heart, are good to humanity; the ideas will come and the markets will open up." Or, as they practice in everything they do at the J.M. Smucker Company, "As you sow, so shall you reap."

"As you sow, so shall you reap."

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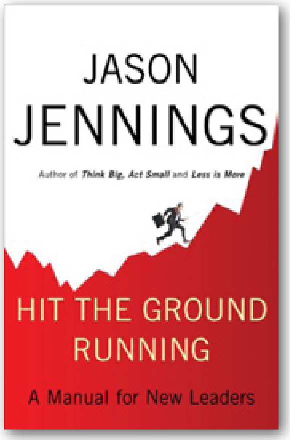

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Jason Jennings is the bestselling author of the new book *Hit The Ground Running: A Manual For New Leaders* published by Portfolio, an imprint of Penguin Group (USA). He is also the author of *Less Is More: How Great Companies Use Productivity, Think BIG, Act Small: How America's Best Performing Companies Keep the Start-Up Spirit Alive* and co-author, with Laurence Haughton, of *It's Not The Big That Eat The Small…It's The Fast That Eat The Slow. USA Today* has named Jennings one of the three most in-demand business speakers in the nation.

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