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LEADERSHIP SOLUTIONS
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# Helping New Executives Hit the Ground Running: The Business Case for Transition Plans

What would it be worth to your organization to have new leaders at all levels become fully productive sooner, even one month earlier? What would it be worth to you as one of those new leaders?

Organizations routinely spend thousands of dollars in recruitment / executive search fees, intent upon finding the perfect candidate. Yet far fewer do enough, if anything, to maximize the return on that investment by thoughtfully planning for a successful transition. Best practice organizations address this issue and create competitive advantage with transition plans designed to quickly and efficiently ramp up new leaders to full productivity.

The stakes are high and the odds are uninspiring. A commonly cited statistic is that turnover among newly hired executives within the first three years of taking a new job is as high as 50%.[1] Reducing that rate even by half is fertile ground when you consider the costs of filling an executive position, often cited as at least a full year's salary. In his highly acclaimed book, *"The First 90 Days,"* Michael Watkins introduces the concept of a **breakeven point**, the point at which new leaders have contributed as much value to their new organizations as they have consumed from it. Initially, new leaders are net consumers of value; as they learn and begin to take action, they begin to create value. Hopefully, from the breakeven point forward, they are net contributors of value to the organization.[2]

The good news is that it's not so hard to get some traction on this issue. Since the goal is to reach the breakeven point as rapidly as possible, it will be important for the new leader to act and learn as effectively and efficiently as possible. To do so <u>effectively</u>, s/he must define what to learn ensuring a focus on the right things. To do it <u>efficiently</u>, s/he must identify the best available sources for learning and then figure out how to extract maximum insight quickly.[3] Whether you yourself are the leader in transition, or you are supporting someone who is, here are some elements to include in a strong transition plan:

1. Schedule a facilitated "Ease-in Session" for the new executive and his / her team. The goal is to help the executive become a value-added contributor more quickly by providing a forum to surface issues that typically wouldn't be discussed until a problem arose. Discussion topics can include things like communication styles, hot buttons, definitions of success, what the team wants the new leader to know, etc. A successful session ends with a series of written commitments from the new leader to the team as well as from the team to the leader.
2. Develop an interview protocol for the leader to use with key stakeholders. The output should help the leader efficiently understand important history, identify

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landmines, biases, and the all-important "how things work around here." Be sure to include customers, both internal and external.

3. Help the new leader to diagnose the business situation s/he is entering. Watkins has identified four different situations and organized them into what he calls the $ST_ARS$ model: Start-ups, turnarounds, realignments and sustaining successes. He argues persuasively that the appropriate leader behaviors will vary based on the diagnosis. For example, start-ups and turnarounds require people to move quickly and take early risks. In sharp contrast, it is much more important to use subtle influence skills and focus on understanding the culture and politics of an organization when dealing with realignments and sustaining successes.[4]
4. Help the new leader to understand expectations for the leadership level s/he is assuming. Far too many leaders fail as a result of continuing to do exactly what worked for them in the past when the new situation calls for something very different. In their book, *"The Leadership Pipeline,"* Ram Charan, Stephen Drotter and James Noel identify a series of hierarchical career passages or pipeline turns. Each represents a change in organizational level and complexity of leadership. Each successive turn also represents significant behavioral change related to new job requirements which demand new skills, time applications and work values.[5] Help the new leader determine what adjustments will be needed in terms of skills, time and values.
5. Commit the plan to writing, building in checkpoints to ensure that the new leader gets feedback early and often.

There is no "one size fits all" in this arena. Figure out what you can make work in your environment and get started. Go with one or two steps or commit to all of them. Get outside help or inside help, or go it alone. Provide newly hired and promoted leaders with Watkins' *"The First 90 Days"* and make it required reading; that alone can have an impact.

Finally, remember that when the stakes are high and the odds are not impressive, some planning trumps no planning any day. As our friends at Nike counsel, "just do it."

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Footnotes

[1]Kates, Ann and Downey, Diane, "The Challenges of General Manager Transitions," in "Filling the Leadership Pipeline," edited by Robert B. Kaiser, Center for Creative Leadership, 2005, pg. 45.

[2]Watkins, Michael, "The First 90 Days," Harvard Business School Press, 2003, pgs. 2-3.

[3]Ibid., Watkins, pg. 37.

[4]Ibid., Watkins, pgs. 61-62

[5]Charan, Ram, Drotter, Stephen, and Noel, James, "The Leadership Pipeline: How to Build the Leadership Powered Company, Jossey-Bass, 2001, pgs. 15-31.