



Prepare Your Exit From the Start

For many executives walking away can be the hardest part of the job.

It is a matter of weeks before we know the identity of the next President of the United States. Until the moment he or she is sworn in, a cadre of nearly 900 people at the White House will work their way towards a leadership transition. When President Barack Obama's helicopter lifts off on January 20th taking him into retirement, 1600 Pennsylvania Avenue will be populated with hordes of neophytes, doubling down for the next four years in service to a brand new boss, such is the regularity and predictability of that political process.

Obama, unlike most leaders, knew his departure date four years in advance, as did his staffers. Building a legacy around the cadence of political life is just another day at the office for politicians. The pulse of organisations, however, runs rather more arrhythmically. As CEO tenure diminishes (currently averaging six years, 20 percent less than a decade ago), senior executives have both limited time and certainty to create and deploy winning strategies, cultivate relationships and plan their eventual exit.

No fixed term

In my work as an executive coach at INSEAD, I often ask a newly minted CEO what his next job will be. The question is usually met with a blank stare or an incredulous look implying: "Didn't I just arrive in Shangri-La?" However, just as Shangri-La is not only mystical but mythical, the illusion of having reached

a destination is fanciful in professional life. A better representation might be purgatory, between heaven and hell. As Steve Jobs said in his brilliant Stanford commencement speech, "Death is the destination we all share. No one has ever escaped it." And so it is for the big beasts in the executive office: At some point, sooner than one imagines, it is over.

Take Leo Apotheker. He was surely delighted, summarily released by SAP after serving less than two years as CEO, to be given a another chance at the C-suite, leading Hewlett Packard. He probably did not count on being fired again 10 months later. Organisations can be whimsical. For many, the accession to a senior position represents the crowning moment and an inner sigh of relief: Immortality beckons, "I made it!" to a musical backdrop of *The Arrival of the Queen of Sheba*. If Narcissus is inside you, at this point he will surely emerge.

Paradoxically, this is the moment when the hard work begins. The temptation to snap right into action, get operational, manage budgets, start a change programme, cut some costs and fully arm yourself for battles ahead, can be highly compelling and focus on bench development may take a diminished role. But, as Jim Collins advised in his book **Good to Great** it is the new CEO's role to ensure the "right people are on the bus". It is these "right people" – if one is doing the job optimally –

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who should be occupying your seat in a few years' time. While visualising this may be an unpalatable notion, the error of omission can be fatal to a career.

Start with an eye on the end

Authoritarian types often surround themselves with liars, flatterers and incompetents as a way of maintaining control, unconscious or otherwise. Affiliative types try to work passively with what they inherit. Afraid to upset the status quo and release prior favourites, underperformers or those misaligned with their plans, they tend to remain frozen and muddle on. Pacesetter types accelerate into the distance only to look over their shoulder mid-battle and see acres of empty space behind them, their demoralised troops languishing in the middle distance.

The optimal strategy is the coaching approach. Once a new strategic vision has been established, those who do not fall into line after some leadership coaching should be displaced. The rest should be actively developed as a balanced and talented cohort who will represent the future, well beyond the end of one's tenure. Like a garden they need nurturing, given individual attention, tailored development and stretch assignments to foster learning. After all, if we started to prepare our teenage children for life outside the home at 17 years old they would soon be derelict. Similarly, the job of preparing executives for their next big position starts on day one.

Transitioning out

As if transitioning in is not difficult enough, transitioning out is freighted with emotion. The road from onboarding to departure will have had its potholes and bumps. Some executives, of course, will be prematurely forced out: As one chairman once put it when his superstar CEO flamed out spectacularly, "He left as he arrived, fired with enthusiasm!" When the process is disorderly, a psychological mess will ensue. Exit transitions need to be managed carefully.

People, since time immemorial, have idealised leaders. Many people go through a mourning process as the day approaches for a popular senior executive to depart. One executive I recently interviewed from a finance house told me that in order to circumvent mourning he omitted to tell anyone he was leaving! He just didn't show up one day. The stink went intercontinental and he left behind a well of anger.

The opposite temptation is to undertake a prolonged lap of honour. A CEO I worked with in Germany, one who admittedly had driven enormous growth, decided that he would do a world tour at the

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company's expense to say goodbye to all his "disciples". He was fully entitled to do so, but it made the job of the new CEO immeasurably harder. By the time he arrived in his comfortable corner office, the organisation was in a full-blown depression.

The right way to transition is a combination of both the above: Goodbye rituals have their place but there is a prerogative to stand shoulder to shoulder with your successor and talk about the company story beyond the current chapter. Moreover, you might want to set the new incumbent up well, by not only expressing your own honest emotions about leaving but also the sterling reason why she is set up for success. If your feelings about leaving are mixed, say so. Allow and cue the release of authentic emotions as a platform for the next leader.

Who you leave behind

Woody Allen once said that he didn't want to become immortal through his movies, he wanted to become immortal through not dying. Organisations are evolving organisms, and the executives that inhabit them like all organic life, ebb and flow on an unpredictable tide. As a leader you need to focus on your successors early in the game. Who does not remember a sponsor, mentor or coach? Doing so will not only underpin the long-term sustainability of your enterprise, it may give you a shot at immortality.

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