



Second Quarter 2016

CEO Test

Do you have a CEO position in your future? Would you like to start a business, buy a business, or run a business for yourself or for investors? If so, you need a broad array of skills and experience, probably at a very high level, to be successful.

Take this test to see where you score on the road to the corner office. Use it to identify what you still need to learn to be successful in the top job. Use it to identify skill and career development needs and to plot your learning path to future success. If you take the test and realize the top job isn't in your future, you can build realistic alternative career plans. If you would like to take the test online, go to the CEOpyramid.com "Take the CEO Test" section. Be honest!

Rate yourself on each of the following skills:

0 to 4

GENERAL MANAGEMENT

- 1 **Investor Results:** No experience (0), Student of value creation (1), Contribute to operating performance (2), Contribute to investment performance (3), Deliver superior investment return (4) _____
- 2 **General Management:** No experience (0), Work in line department (1), Work for general manager (2), General management experience (3), Run full P&L (4) _____
- 3 **Mission:** Not aware of mission (0), Understand mission (1), Contribute to/set segment mission (2), Contribute to enterprise mission (3), Set and communicate enterprise mission (4) _____
- 4 **Strategy:** No experience (0), Understand business strategy (1), Contribute to dept. strategy development (2), Contribute to enterprise strategy (3), Lead and execute strategy (4) _____

KEY RELATIONSHIPS

- 5 **Board:** No board exposure (0), Follow board activities (1), Support board material preparations (2), Attend/present at board meetings (3), On/lead board (4) _____
- 6 **Investor Relations:** No exposure (0), Follow company I.R. actions (1), Contribute to I.R. efforts (2), Participate in I.R. communications (3), Set/lead/manage I.R. activities (4) _____
- 7 **External Relations:** Completely internal focus (0), Follow company activities (1), Contribute to/participate in activities (2), Build external relationships (3), Lead/spokesperson for external relations (4) _____

REVENUE DEVELOPMENT

- 8 **Marketing:** No exposure (0), Aware of/support marketing (1), Contribute to marketing/product development (2), Experience in marketing (3), Lead marketing strategy and manage CMO (4) _____
- 9 **Sales:** No experience (0), Sales experience (1), Sales management experience (2), Lead sales organization(3), Full responsibility for revenue line (4) _____
- 10 **Mergers and Acquisitions:** No exposure (0), Aware of company/industry activities (1), Contribute to diligence/integration (2), Seat at the table (3), Executed acquisitions/sales (4) _____
- 11 **Global Management:** All experience in one country (0), Company is international (1), Participate in international (2), Lead international components (3), Lead/manage all international/global (4) _____

OPERATIONS/ADMINISTRATION

- 12 **Operations:** No experience (0), In operations (1), Manage part of operations (2), Manage all operations (3), Integrate operations with total business/manage COO/VP, Ops.(4) _____
- 13 **Accounting:** No training (0), Trained/coursework (1), Contribute to budgets/variance analysis (2), Responsible for key numbers/cash (3), Manage CFO, SOX financial expert (4) _____
- 14 **Finance:** No exposure (0), Aware of financing activities (1), Support financing efforts (2), Participate in fundraising (3), Lead/spokesperson in finance (4) _____
- 15 **Risk Management:** Aware of operational risks (0), Contribute to risk identification (1), Manage dept. risk (2), Lead risk/crisis planning (3), Oversee all risk planning/mitigation (4) _____
- 16 **Legal:** No legal exposure (0), Basic business legal training (1), Work with legal department on issues (2), Understand/deal with core business legal issues (3), Set legal strategy/manage counsel (4) _____
- 17 **Ethics/Compliance:** Personal ethical behavior (0), Built conscious personal ethics/compliance framework (1), Know compliance requirements (2), Contribute to company ethics/compliance efforts (3), Set and enforce ethics standards for company (4) _____
- 18 **Human Resources:** Read the employee handbook (0), Understand company HR policies (1), Work with HR representative in hiring and employee relations (2), Contribute to company people strategy (3), Set HR strategy, oversee execution, manage HR function (4) _____
- 19 **Information Technology:** Basic IT knowledge (0), Power user (1), Work with IT on projects /implementations (2), Oversee IT for function (3), Set/Integrate IT strategy, manage CIO (4) _____
- 20 **Engineering:** No exposure (0), Work with/in engineering (1), Manage/guide engineering (2), Direct engineering contribution (3), Set total engineering budget/manage contribution (4) _____
- 21 **Turnarounds:** No exposure (0), Participate in operational turnaround (1), Lead operational turnaround (2), Contribute to business turnaround (3), Lead/manage business turnaround (4) _____

UNDERLYING SKILLS

- 22 **Leadership:** No leadership experience (0), HS, college, volunteer leadership experience (1), Department/regional leadership experience (2), Major function/business unit leadership experience (3), Lead entire enterprise team (4) _____
- 23 **Management:** Manage own job (0), Organize/manage department (1), Organize/manage multiple functions (2), Improve functional/organizational performance (3) _____
Drive total business performance/cost improvement (4)
- 24 **Culture:** Haven't thought about it (0), Aware of company culture and culture fit (1), Contribute to department/function culture development (2), Set/model culture for organization (3) _____
Set/model/change culture enterprise-wide (4)
- 25 **Innovation:** Just do my job (0), Propose innovative solutions to problems (1), Multiple innovations for the department (2), Set innovation culture/processes for organization (3), Build enterprise-wide competitive innovation strategy/results (4) _____
- 26 **Communications:** Get your point across (0), Articulate, oral and written (1), Strong, trained speaker/writer (2), Persuasive champion for part of business (3), Effective company spokesperson (4) _____
- 27 **Interpersonal:** Play nicely with others (0), Good understanding of individual and group behavior (1), Build strong productive relationships (2), Build high level relationships/executive interactions (3), Effective at executive/board level interactions (4) _____
- 28 **Negotiations:** No exposure (0), One-on-one level negotiations/some training (1), Participate in/support broader business negotiations (2), Lead important negotiations (3), Final arbiter/deal sealer for company (4) _____
- 29 **Urgency:** Need pushing (0), Good personal urgency (1), Set pace for others (2), Build across-organizational urgency (3), Drive total business urgency level (4) _____
- 30 **Discipline:** Undisciplined (0), Strong personal discipline (1), Build disciplined department (2), Set high level of discipline for organization (3), Built highly disciplined company (4) _____
- 31 **Confidence:** Little self-confidence (0), Confidence in some skill areas (1), Overall business confidence (2), Have survived crucible experience (3), Fully confident to run a business (4) _____
- 32 **Energy:** Average energy level (0), Relatively strong energy level (1), High personal energy level (2), Energize the organization (3), Exceptional energy level, energize the business (4) _____
- 33 **Decision Making:** Don't make/delay decisions (0), Some procrastination/some decisions (1), Tackle decisions immediately (2), Sophisticated decision making skills (3), Successfully made "bet the business" decisions (4) _____
- 34 **Business Judgment:** Limited exposure (0), Good innate judgement (1), Learned from broad experience (2), Key contributor to business success (3), Led successful business (4) _____

TOTAL SCORE: _____

YOUR RESULTS

0-50: Start your journey, you have much to learn and experience to build

51-75: You are underway toward the top. Do a master plan and take control of your career

76-110: You are probably in or rapidly approaching the executive level. Think carefully about your next career moves to fill in the gaps

111+: With minor additions to your skill set you are ready for the CEO opportunity

To rapidly improve your score, consider working with a consultant at MDL Partners and reading **CEO Mastering the Corporate Pyramid**

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Once you have taken the test, and if you are serious about your career, consider reviewing the results with people who know your work and with your mentors (you do have mentors, don't you?) You might want to share the test with other career-minded people.

If you would like to share your score, have a professional review of your results, or if you would like assistance with your career plan or work situation, please contact me, jdecker@mdlpartners.com

I would be very interested in your thoughts, results, and suggestions.

The 11 Doors to the Corner Office, Part 2

In the last newsletter I talked about the first seven doors to the corner office. Here, I will continue with the other four.

Marketing In the past, marketing hired the ad agencies and approved the jingles or developed the “new improved” product, not a promising career path to the top. Now, marketing is a sophisticated mix of quantitative analysis, strategy, managing the customer journey, competitive analysis, and analyzing ROI. It is a bridge between engineering, sales and the customer, and is often intimately involved in product development and launch. This is particularly true of the product management function within the broader marketing organization. In the past, marketing has not been a particularly viable CEO career path, but as it evolves, it is becoming more so. Product management, in particular, is now a very hot target job for new MBA graduates because of its skill and career building potential.

General Counsel Because of the impact of Sarbanes-Oxley and Dodd-Frank, and the growing emphasis at the board level on corporate governance, the General Counsel (GC) has probably the greatest access to the board or investors of anyone in the company, often including the CEO. GCs are required to be aware of and involved in virtually every major board level discussion and decision, particularly in more regulated industries. They have the opportunity to develop close relationships and demonstrate their capabilities across the organization and the board. For these reasons, when a board is considering potential CEO candidates, the General Counsel's name often comes up. This is particularly true if she/he has some operating experience and has

demonstrated leadership and management skills. If you are in the legal department and aspire to the top job, build and demonstrate these capabilities in your career planning.

CFO Like the General Counsel, the CFO has excellent access to the board, usually attending every meeting, presenting to the Audit Committee, and participating in investor relations activities among others, building a level of trust across the organization. Boards and investors are very interested in revenue (see Sales in the previous newsletter) and possibly even more interested in the financials, so the CFO is often the center of attention and involved in virtually every significant business decision. If the CFO can be trusted to manage the money, they are often entrusted with the whole business. This is particularly true if the CFO can become a true business partner and can also build some operating experience—taking on purchasing, technology, contracts, other line departments, or a P&L role.

Investor Investors want a return *of* their money, then, they want a return *on* their money. If you can deliver both, have a record of putting money in investor’s pockets, and can build a network of trusted and trusting investors, they may call you to tackle the CEO position in a portfolio company. This is particularly true if you have the other qualifications outlined in the CEO Pyramid (see CEOpyramid.com) and “[CEO: Mastering the Corporate Pyramid](#)”). Many executives are proactive and identify potential acquisition targets or startup ideas, or management buyout opportunities. They present them to the investors they know, close the deal, and become CEO.

As you can see there are multiple paths to the corner office from virtually anywhere in the organization. Identify where you are and which path you want to take, what your current skill and experience profile looks like, and get started on your journey to the corner office. Remember the importance of building cross-functional experience and the critical importance of building your network. Then personally take charge of your career. No one else will do it for you!

Trap Doors

As I mentioned before there are eleven doors to the corner office. To refresh, these doors include: Inheriting the business, General Management, Operations, Buying the Business, Starting a Business, Sales, the Board, Marketing, General Counsel, CFO, and Investor, all doors that many have used to attain a CEO position.

Be forewarned, however, that once you are in the corner office there are many trap doors hidden in the floor. Everyone who has gotten to the door has found many surprises when they stepped over the threshold. You can never be fully prepared for the challenges and learning requirements you will find. I have worked with a number of people who have successfully made the transition and all have told me it is an “invigorating” experience, often a crucible that has changed them at their core.

Two people come to mind as almost prototypical. The first is an executive who was a board member of a \$75 million education business. He was COO of a similar but smaller non-profit, and was solicited by the other board members when the former CEO of the larger company left. He had no initial interest and in fact had some serious trepidation. After much discussion with other board members, both individually and in group meetings, he decided to take the position, with a number of conditions. They all agreed to a six month to one year learning curve with extra support, coaching, and face time with board members, outside training activities, and some “accident forgiveness”. This plus the nearly unbridled enthusiasm of the board convinced him he could do the job. Very quickly he found himself nearly over his head, and like every other CEO,

he found that he was responsible for everything, including his own learning curve. The board's enthusiasm remained but everything else vaporized except for what he himself could initiate and muster (while still having to deliver the numbers). Fortunately, he rose to the challenges, didn't suffer any significant setbacks, and put the company on a path to future growth. He described it as one of the greatest personal growth opportunities of his life.

Another executive entered the corner office by way of the CFO door, not an uncommon experience. She quickly discovered that the CEO's job was not by any means an extension of the CFO's job. She found that she only spent about 15% of her time in her comfort zone dealing with the financials. The rest of her time was a stretch devoted to non-financial responsibilities including new (and somewhat foreign) activities such as managing sales and marketing, dealing with inventory, customer service and CRM, dealing with key customers, the media, and the board, and managing a large, diverse, and sometimes unruly team.

Her second learning was the relationship between the numbers and operations. As CFO, she could move the numbers around and the business would react. Cut the advertising line and customers would disappear. She quickly learned how changing business operations would affect the numbers, sometimes in unanticipated or unpredictable ways. She learned the delicate *pas de deux* of operations and financials.

I could tell many other similar stories, most with a happy ending. If you have experienced or observed a transition to the corner office and would like to share your experience, please contact me directly. I would be delighted to hear from you.

Client Profile – Paul Hartzell

We are pleased to introduce Paul Hartzell, a new client with a record of success starting in college and professional baseball where he was a major league pitcher for nine years. He has taken the energy and discipline necessary to be a world-class athlete and applied it to his business career where he has held very senior sales leadership and general management positions at companies including RR Donnelley, Merrill Corporation, and most recently as Head of Asia Pacific for Seagate International Cloud Systems and Solutions Business. He grew the partner distribution organization from \$14M to \$75M including IBM, Fujitsu, Recall, Iron Mountain and Microsoft, and grew revenue more than 400% in two years.

He is currently looking for a position as CEO, President, or Chief Revenue Officer of a company looking to expand internationally or drive very rapid revenue growth. He is looking for introductions in the private equity world and to companies in the SAAS, education, internet of things, and security sectors.

If you have possible connections or know of a company with the potential for explosive growth, please contact me (jdecker@mdlpartners.com) or Paul directly at paul.hartzell1976@gmail.com.

Thank you very much for your assistance.

Client Profile – Sue Hayden

We are pleased to introduce Sue Hayden who has been a client of MDL Partners for over five years. After leaving Monster.com as SVP, Global Product Marketing, she became Executive Vice President reporting to the CEO of Polycom. More recently, she has taken her business and

leadership skills into the world of executive coaching. She is now a certified coach with Breakthrough Consulting, a results-driven executive coaching company serving top leadership in multibillion dollar global corporations. She brings a unique combination of sound business acumen, excellent communications and persuasion skills, a high-energy leadership style and pragmatic coaching skills to break-through clients including Oracle, Accenture, Allstate, Verizon, American Express, KPMG, McKinsey, among others. If your company is interested in providing executives with coaching services, please contact her directly at suehayden@msn.com.

Success Stories

Michael Butera is now Consultant, Organizational Development in the Washington, DC area.

Jaime Ignacio Muñoz Delporte is Co-Founder at Washington DC-based TODO BLU.

John Donaldson is now Management Consultant at MUSE Consulting LLC in the Washington DC area.

Peter Schauf is VP International at Craft Brew Alliance in the Washington, DC area.

Robert Kosier's new employer is HealthyCT, Healthcare Co-Op, where he is CFO.

Robert Kantor is with DeltaEdge Management Group as Portfolio Manager.

Steve Lennon joined Scotiabank as Director.

Don Grauer is with Nelnet as Regional Sales Director, East.

Stephen Rocomboli is now the Chief Business Officer for Advantagene, Inc. which is developing a tumor-specific vaccine that yields a systemic anti-tumor response based on a highly-innovative technology platform.

Lalit Shinde has joined Seceon Networks as Vice President, Business Development and Strategy.

Also in the medical field, **Michael Ursu, MD** is now Associate Director of Professional Relations at Zimmer Biomet.

Nick Splagounias has taken a position as Executive Vice President, Business Development for BNB trading.

Michael LaFrance is now Chief Operating Officer at Advance Signing.

Thought for the Day:

“My new thesaurus is terrible!”

“How bad is it?”

“It’s terrible!”

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