

## WORKING WITH A CEO COACH

### A sign of confidence

Eric Schmidt, then CEO of Google, said his best advice to new CEOs was, *“Have a coach.”*

Schmidt went on to say, *“Once I realized I could trust him [the coach] and that he could help me with perspective, I decided this was a great idea...”*

Using a coach is a sign of self-confidence by the CEO, and it is a clear signal to the rest of the organization that the CEO is open to learning.

### The role of the CEO

As one former CEO points out, *“You are not the CEO. You are occupying the role of the CEO for now.”* This is an important distinction. If you think of yourself as the CEO, power becomes important to you. If you think of yourself as occupying the role of the CEO, you will have the humility to see yourself as the steward of the organization.

But how does one prepare and learn to be the CEO?

There are some experiences in a career that can help. There is enterprise-wide leadership development that can be enjoyed on the way to the top. But, there is only one CEO. There are things only the CEO can and should do. And you don't get a chance to practice being the CEO before you do it. Unlike other roles in the organization.

What's more, once in the role there is a feeling of isolation. The old adage that “it's lonely at the top” is true. We are told by incumbents that they often feel isolated as well as burdened by an overwhelming sense of responsibility that they tend to shoulder alone.

A CEO has no peers. He may have a Chairman or Board member from whom he can seek advice from time-to-time. He may have a kitchen cabinet with whom he can discuss some things, some of the time. But the bottom line is the CEO can feel alone.

So, at the same time he is finding his feet he is expected to know all the answers and to present a confident, knowing face to the company.

### Why a coach?

More than 200 CEOs, board directors, and senior executives of North American public and private companies were polled in the 2013 *Executive Coaching Survey* of Stanford University and The Miles Group. The research found nearly two-thirds of CEOs do NOT receive outside leadership advice.

But nearly all want it.

And it is not getting any easier. In the past two decades 30% of Fortune 500 CEOs have lasted fewer than 3 years. The reality is CEOs are dealing with rapidly changing markets, technologies and workforces while also facing increased financial and legal scrutiny.

Of course, often CEOs choose to go it alone which at best is healthy self-doubt, but at worst can produce anxiety and fear. As Roger Jones discovered in his survey of more than one hundred CEOs in 2014 (*HBR* February 2015), CEOs admitted to five fears ranging from being found to be incompetent to losing their reputation.

In some cases, these fears lead to dysfunctional behavior and poor decision-making that in turn can produce anxiety and physical illness.

According to Ray Williams in *Psychology Today*, *“Top executives who feel that they can handle it all by themselves are more likely to burn out, make poor decisions or make no decisions—potentially resulting in significant loss of opportunities, human resources and financial resources.”*

In the past, coaching has sometimes been confused with therapy or personal counselling. In this context it is perceived as remedial rather than developmental. And CEOs, for obvious reasons, have chosen to steer clear of it.

But one can liken a CEO to an elite athlete; both need to build and sustain peak performance. And great athletes have great coaches.

The CEO coach can help leaders grow and improve performance by reducing or eliminating their blind spots, giving constructive feedback, and reducing the likelihood of failure and premature burnout.

Self-awareness is the foundation of good leadership. Whatever a CEO says and the way he acts is scrutinized to the smallest detail. And all this at a time when he may well be experiencing a good dose of healthy self-doubt.

At times like this, a coach can create a safe atmosphere in which the CEO can express concerns, fears, dilemmas, and dreams; while being offered great ideas and suggestions.

## The role of the CEO coach

A CEO coach is not a mentor. A mentor would be someone who has been a CEO in the past and has “been there, done that.” Someone who can give advice because he has been in the role before. A mentor typically offers specific advice, but is only called upon occasionally.

Coaching has higher intensity. It is about being a trusted advisor. The role of the coach is to facilitate learning—to accelerate learning. The coach is concerned with the trajectory of the CEO. The coach is concerned with the performance of the CEO—the success of the CEO.

For some executives, their preferred approach is for coaching as inquiry. The coach asks great questions. But he leaves it to the executive to figure out the solution. In our view, that is not the right method for a CEO coach. CEO coaches are advisors with a point of view. CEOs want the coach to have an opinion. They want options. They often do not use those opinions or options. But they want them anyway.

Yes, the coach is a sounding board and a haven of reflection for the CEO. A mirror to the CEO's behavior. A confidante and someone the CEO can trust to tell the truth. But CEOs want more; they want to be better CEOs. And that requires a coach who has worked with CEOs before and who understands the system that the CEO is operating in.

What's more, the CEO coach should not have a deficit mind set—a view to fixing a problem. Rather, a

CEO coach is concerned with building on strengths in the specific context of being the CEO.

A great CEO needs a great coach.

What is the coaching objective? It depends on the context: the type of organization, the style of the CEO, and situation of her appointment. However, it is always about accelerating the learning in the specific role of the CEO.

We have seen all kinds of CEO coaching assignments: building a stronger executive team, planning and executing the first 100 days in the role, building confidence, leading through a merger for the first time, moving from subject matter expert to CEO.

We have seen CEOs use coaches “out of the gate” as well as after three years of being the CEO. It is always situational.

## The impact

The much asked question about coaching is, **what's the impact?** A global survey of coaching clients by PwC and the International Coach Federation concluded that the mean return on investment for companies investing in coaching was seven times the initial investment; with over a quarter reporting a return on investment of 10 to 49 times.

The impact of CEO Coaching can be exponentially higher because the CEO is such a leveraged role.

Perhaps return on investment is really **return on talent**. Jonathan Schwartz, former CEO of Sun Microsystems, who had an executive coach himself said, *“If you have a new perspective, if you feel better with your team, the board and the marketplace, then you have received real value.”*

Fifty percent of CEOs are in the bottom half of CEO performance. If you think of the role in that way, the importance of learning comes sharply into focus. And the use of an outside advisor becomes the easy thing to do.

**The River Group was formed by clients for clients.** The founders met over 15 years ago as CEO client and consultant. Over the years, we have worked on many successful transformations together.

This track record of success and fruitful collaboration led us to form The River Group as specialist leadership advisors.

With the client/consultant perspective, The River Group is a different kind of

consulting firm. We combine years of experience leading change ourselves or advising others on leading change.

We have the behavioral know-how of consultants and the focus and pragmatism of the CEO.

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