

FEBRUARY 20, 2018

Is Yours a Wartime or a Peacetime C-Suite?

It has been said that “to everything, there is a season.” Truer words were never spoken regarding the cycles a business will go through. Growth happens, chaos occurs. Wash. Rinse. Repeat. It is unavoidable.

As businesses look to sustain growth, inevitably the notion of M&A – or at least some form of integration – will occur. For those companies that walk this path, they will find that the successful integration of two entities has the potential to grind the gears of a company’s well oiled-machine to a halt if not executed correctly. Integration and/or transformation require a fundamentally different set of skills, views and personas than what is required during more “peaceful” seasons.

However, in a corporate environment full of consolidation where the “merge-or-perish” mindset thrives, many chief executives are increasingly taking inventory of the skillsets of their leadership teams to determine which members are equipped to help guide the company through more turbulent times.

This should not be read as a criticism of a disciplined and well-trained leadership team that has helped a company achieve sustained organic growth over time. On the contrary, companies make enormous investments in cultivating employees’ professional and leadership skills that are routinely applied to roles like marketing, customer service, supply chain management and human resources that typically rely on solid interpersonal skills as part of their functions.

Problem is – those skills are most reliable and repeatable when a company is in a “peacetime” growth mode – acquiring customers, establishing networks, creating a partner ecosystem, etc.

Once the potential for a more acquisitive style of growth occurs, however, many top leaders find that their most successful “peacetime” leaders are not equipped to develop an effective integration strategy and execution plan. The “wartime” skills required during these seasons are seldom possessed by the same executives that grew the business organically. In a 2011 book, VC guru Ben Horowitz clearly defined his ideal [Wartime CEO](#) (complete with essential *Godfather* references); in a transformative situation the remainder of the C-suite will inevitably face that same level of scrutiny.

To be clear: the solution is not to replace your leadership team if/when you get involved in corporate transformation. That’s simply inviting chaos and is likely not needed. For many companies the season of integration is much shorter, and their need for wartime leaders is seldom permanent – but rather more lumpy. And, to be fair, it’s important to recognize that it’s nearly impossible for individuals to successfully focus on the day-to-day operations of a company while also sufficiently planning and executing a merger or integration.

It therefore makes sense for chief executives to assess their C-Suite to determine on which side of the aisle their top leaders reside. Armed with an accurate view, leaders can consider if it makes sense to re-write roles and responsibilities within a team, and focus people on what they do best – if even for a short period of time.

From more than 30 years of experience ensuring successful integrations, we believe there are a few important traits leaders should look for from the “wartime” team. These include:

- **Microtasking:** Wartime executives cannot afford the luxury of big-picture thinking or collaborative strategizing. Instead, every detail needs to be carefully managed and every decision made with confidence and deliberation. If business is chess, a wartime exec views the whole board, not just one move ahead.
- **Decisiveness:** When M&A is on the table, executives are often asked to make hard decisions that impact lives and families. It’s not for the faint of heart and once decisions are made, there is no time for wavering. Big choices need to be made, and moved on with no looking back. The ability to focus and maintain resolve are skills that don’t come easily to everyone, but they can be honed with experience and knowledge.
- **Clarity:** During a transformative period, any confusion regarding the strategy and action plan will inevitably lead to discontent and disruption. Leadership teams need to know the *what*, the *why* and the *how* of the strategy and buy into it, and help ensure that employees have similar clarity of purpose. Even the most consistent and productive executives sometimes have difficulty acting as change agents, but the wartime leader sets a clear path, embraces transition and approaches change objectively.

It is, of course, much easier to write about a reassessment of a company’s leadership team than to actually execute a changeover. Again, the priority for CEOs should always be to keep their company’s operations running at full capacity, with minimal disruption. So while it makes sense to identify the best internal resources to execute a transformation, it’s also worth exploring third-parties that can act as a *de facto* wartime C-suite. M&A integration specialists provide independent and practical perspective. Assuming they have the expertise that comes with repeated exposure to M&A activity, the right consultant can execute a transformation with focus, clarity and subjectivity that is often impossible for an internal legacy team to manage.

—By Mark Newhall, ESG Founder and CEO