



# GLOBAL CEO

EXECUTIVE SEARCH CASE STUDY



## Global CEO: Recruiting Across Six Continents

For one 55-year-old company, which had never appointed a Chief Executive Officer from outside its own ranks, the stakes were exceedingly high as the global organization began its search for a CEO successor. Worldwide the company generated more than \$1 billion in annual revenue, with approximately 8,000 employees across six continents. Not surprisingly, the care and due diligence in vetting and partnering with an executive search firm was of vital importance.

The company was regarded as a global leader within their service offerings. It had experienced strong top and bottom line growth in the early 2000s, but by 2014 that pace had slowed dramatically. The incumbent CEO was a 30-year veteran of the company, who had been in the role for five years. With the business lagging, all parties agreed it was time for a fresh leadership approach.

TRANSEARCH International was known to the company's Board of Directors. Despite the

urgency, it took time for the organization to be comfortable with the idea of hiring an outside candidate as CEO. Once the decision was made however, a screening committee, comprised of Board members, was assembled and TRANSEARCH was invited to present as a potential search partner. Among the six finalist search firms considered, TRANSEARCH was retained for a global search to recruit and evaluate both internal and external candidates for the CEO role.

This highly confidential, global CEO search was concluded within four months. Over one hundred prospective candidates around the world were targeted and contacted. More than one hundred additional individuals were approached on the basis of referrals and market intelligence. Choosing from more than a dozen long-list candidates, who spanned six continents, the company selected five executives for final interviews. The new CEO was hired away from a much larger business at a prestigious firm.

Having initiated the process of assessment and revitalization, this individual has already generated considerable industry buzz.

### **Understand the Culture, Build a Scorecard**

In addition to industry experience and a measurement-driven recruiting process, TRANSEARCH was selected due to its methodology for understanding the culture of an organization and articulating “fit.” Called the TRANSEARCH Orxestra™ Method, it was the linchpin in defining the scope, strategy, and candidate evaluation criteria throughout the global search. TRANSEARCH was also able to provide specialized consulting services related to the needs of closely held firms, executive compensation and industry trends.

To commence the search, TRANSEARCH team members met with the Board’s hiring committee. Chris Swan – the Global Practice Leader of Construction, Design and Real Estate for TRANSEARCH – led conversations around business performance and the industry landscape. Dirk Stauthamer – a longtime industry HR Executive turned leadership consultant with TRANSEARCH – chaired dialogue around culture fit and team dynamics. Bridget Papanicholas – one of TRANSEARCH’s most accomplished team leaders – stewarded discussions around recruiting strategy and search milestones. Martin Lawless in London and Bill Sakellaris in Melbourne rounded out TRANSEARCH’s global project leadership. In addition, another half dozen team members collaborated on the search.

Prior to the kick-off meeting, TRANSEARCH issued several web-based assessments for each Board member to complete. One centered on

culture, another concerned team. The third was a Hogan Assessment, which would help to compare the personalities of current Board members with each finalist CEO candidate during the search. Once all together, TRANSEARCH melded group feedback with one-on-one sessions.

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### **Sample Criteria: Create and Deliver a Winning Vision**

*Competes successfully for people’s dreams. Anticipates how tomorrow will unfold. Identifies the emerging patterns. Possesses the language and imagery skills needed to describe tomorrow’s success in compelling terms. Makes the vision live. Builds a team capable of delivering the vision.*

- TRANSEARCH Orxestra™ Method

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Adding greater context around the client’s advantages, as well as blind spots, TRANSEARCH conducted Orxestra™ with the Board’s hiring committee. First, TRANSEARCH established the performance scorecard as a list of eight critical leadership competencies, and articulated the definition of success for each. Second, TRANSEARCH determined the cultural framework of the organization by eliciting a number of shared experiences, articulated in the form of stories. Lastly, TRANSEARCH defined the critical elements of team fit that would be crucial for success in the CEO role.

## The Challenge Ahead

Running a multinational technical services company under a decentralized model had impaired the management team's efficacy in taking coordinated action. Ownership of the company is widely distributed amongst veteran employees, which helped to build organizational loyalty but also set unreasonable expectations. At times, this broad ownership model caused gridlock amongst decision-makers; fostering a cautious, risk-averse attitude in a marketplace where increasingly bold action was required.



Yet, in many ways, the company was poised for success. More than a dozen of its customers rank among the Fortune 100, more than one listed in the Top 10. Beginning in 2010, the company had positioned itself as a leader in two segments undergoing rampant growth, although breakout success had yet to materialize. In order to win and conduct larger multi-discipline projects, a plan was underway to grow organizational expertise and implement an enterprise-wide system for conducting consistent work processes, which would make routine the high-quality delivery of these services.

Still, the right CEO would be a key driver to establish and refresh a unique vision, build and grow the right team, manage a complex business model, and unify the culture across the many geographies. A new short and long-term strategy would need to be developed. The new chief executive would need to inspire the firm's leaders and employees to take measured risks and pursue expanding markets, as well as hire best-in-class talent to help motivate excellence. He or she would need to drive culture change to support greater accountability, responsibility, and even authority. The company's global business necessitated a highly credible, engaging, and adaptable leader, with strong business skills and operational know-how able to grapple with the evolving needs of customers and employees alike.

## Leveraging a Global Talent Base

With a validated recruiting strategy in hand, and a compelling sense of what fit meant for this organization, the global search got off to a fast start. Within days, the global database was populated with targeted candidates. Within weeks, the project leaders were interviewing dozens of the world's most capable and relevant executives across the technical services domain. Nearly all of the individuals were passive candidates directly from the industry sector. The talent pool encompassed more than 20 countries across six continents.

The Orxestra™ tool and job scorecards established a clear baseline by which all prospective candidates were evaluated. Prior CEO experience was welcomed, but not required. Global leadership and management experience was a must, as was merger and acquisitions expertise. A key factor was

successful experience with a relevant scope of profit and loss, as well as sustainable business expansion. Finally, it was not only important to exhibit an ability to manage international teams, but to manage leaders across a diverse range of disciplines, geographies and cultures.



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### **Sample Results: Leadership Potential**

*Compared to other leaders, you think quickly on your feet, generate lots of ideas, and are curious about how things work. You understand the big picture and can be creative and even visionary. Others will see you as original and imaginative, but easily bored, especially with the details of implementation.*

- Hogan Assessments

TRANSEARCH's team of consultants quickly generated a long-list of more than a dozen fully vetted external candidates. As important, was delicately evaluating the candidacy of eight leaders already employed with the company. These individuals ranged from Global Region Presidents, to other C-level Officers, as well as Heads of Business Development. Each internal candidate experienced a screening process identical to that of external candidates. The TRANSEARCH team took great care to respect the engagement, interests, and reputation of each internal candidate. Throughout the search, all candidates both internal and external received timely updates and were given

constructive feedback if they were not selected to proceed.

Using a combination of reference inquiries, written question responses and the Hogan Assessment tool, TRANSEARCH helped the client sort the long-list of candidates down to a short-list of five finalists. Resumes, full profiles, compensation details, and more were packaged into candidate binders and delivered to the Board. In addition, TRANSEARCH provided a custom framework for interviewing candidates, including: highlight accomplishments, career motivations, and topics needing further discussion. Chris Swan and Dirk Stauthamer attended all in-person meetings, helping to guide the dialogue as well as brief candidates before and after interviews.

### **The Right CEO**

Although the accomplishments and leadership caliber of each candidate were very competitive, one individual emerged as the consensus choice. This individual exhibited a powerful story of success and achievement in turning around multiple struggling businesses, assessing potential acquisition targets, and stewarding the complexity of merging cultures. This leader possessed more than 25 years of experience in the immediate sector and, due to a track record of doubling and in some cases tripling revenues, had become one of the most highly sought after executives in the industry. Among other highlights, this new CEO had shepherded more than a dozen mergers and recently managed a multi-billion dollar global business.

Chris and Dirk collaborated in close confidence with the Board's hiring committee. As the discussion progressed into the details of

compensation, TRANSEARCH leveraged its market intelligence as well as data points accumulated during the search in order to advise on salary, bonus, and long-term incentives. In terms of structuring and articulating points within the employment contract, TRANSEARCH supplied perspective from the market and best practices as to Do's and Don'ts.

Finally, as a capstone to the global recruiting initiative, TRANSEARCH delivered a complete report listing all targeted candidates along with pertinent market data. To ease the resignation process and de-risk the potential for a counteroffer situation, TRANSEARCH provided a document listing frequently asked questions and answers, as well as thoughtfully worded responses for the candidate. For TRANSEARCH, as well as its clients and candidates, it is vital to steward the separation process in a diligent and conscientious manner. A contentious separation negatively affects all involved. To this, the selected candidate's plan for transitioning out of the incumbent company was well designed and articulated.

To each, the new CEO and the Board's hiring committee, TRANSEARCH furnished a copy of Without Breaking Stride – its onboarding and integration workbook, a core component of the TRANSEARCH Orxestra™ Method. In conjunction, Dirk remained available to the Chairman and the new CEO to provide support to the onboarding process over the first 90 days. The intent was balancing time to learn and integrate, with decisive action and quick wins. TRANSEARCH also provided feedback to the new CEO based on the Hogan Assessment, which had been completed during the interview phase.

## **Onward and Upward**

To further refine its performance and customer service – and foster innovation – upon the completion of every executive search, TRANSEARCH issues a web-based satisfaction survey to its client. In this case, as with other clients, TRANSEARCH's global team earned high marks. Moreover, TRANSEARCH issues a web-based satisfaction survey to its “second customers” – the candidates. The survey was opened to all short-list candidates, as well as every internal candidate. All candidates who were engaged during the search received a closeout update from TRANSEARCH.

Once this global chief executive had been with the company for three months, Chris and Dirk checked in with the CEO and the Board's hiring committee. As expected, everybody has been elated with the progress of the new CEO and the organization.

Ultimately, the value of executive search is best measured by how long a newly hired leader “sticks” with the organization, as well as how he or she grows the value they contribute. With this in mind, TRANSEARCH helps organizations think about the ROI (return on investment) of their approach to leadership talent. Given the impact of this global CEO search, one of the other finalist candidates – now COO with another global company – has retained TRANSEARCH on a similar executive search assignment.

TRANSEARCH looks forward to the partnership and innovation alongside these individuals for years to come. ■