

CMO Briefing :9

desperately seeking digital?

How to Recruit Great Digital Executives Without Taking Great Leaps of Faith

By Dick Patton and Michelle Summers

You can find plenty of digital-savvy executives working in smaller, more entrepreneurial companies, but do they have what it takes to lead your big company's charge into the digital age? To find out, you must look beyond past experience to assess future potential.

Picture a senior executive... In your C-suite... Who has barely a decade of management experience... If that image seems odd to you, you are not alone.

Many big companies in traditional industries now urgently seek senior leaders with “expertise in leveraging digital, social, and new media to engage key constituents and transform brand and customer experience,” as one Consumer company recently phrased it. However, digital executives often look quite different – on paper and in person – than is typical for senior leaders in blue chip, global Consumer companies.

Environment plays a major part. Historically, traditional industries like FMCG/CPG have not been great breeding grounds for digital innovators, so as digital expertise grows ever more vital, traditional companies are increasingly compelled to look outside, particularly to entrepreneurial environments, to find the talent they need. Yet many of the digital-savvy executives one encounters there have never managed more than a hundred people, lack global experience, have never led or worked within a complex matrixed organization, have changed jobs three or four times in the past decade, and are less seasoned than their traditional company counterparts – all of which can make a large company very uneasy. The dilemma is compounded by the fact that companies cannot hide a tech-savvy executive off in a corner. The digital strategy must be pervasive to have real business value. That means senior digital leaders must possess the leadership strengths needed to drive major change across large, complex organizations.

Elements of Executive Potential

FUTURE (Potential) Traits that predict magnitude and speed of development	Curiosity	Learning and change, reaching out for new information, ideas, experience and constantly refreshing oneself on an intellectual, experiential and personal level
	Insight	Making sense of complex information, discovering new insights that transform past views or set new directions
	Engagement	Empathy, understanding the impact on others, self-awareness and the ability to channel emotions to inspire mutual commitment with others
	Determination	Driving to achieve goals of substantial scope and difficulty despite challenges

This is where a big Consumer company can easily get stuck. Since so few digital experts have big company experience, larger enterprises in urgent need of senior digital leadership face a major leap of faith. It seems their only option is to fill a crucial senior role with an executive who lacks the customary breadth of management credentials. Understandably, for some, the risks associated with this choice stall the process.

Assessing Leadership Potential

Companies can substantially mitigate those risks by assessing a digital executive's *potential* in areas where he or she lacks a proven track record. It is now possible to assess with remarkable accuracy whether executives possess the latent leadership strengths needed to succeed in roles that range well beyond what they have had opportunity to demonstrate thus far in their career. Understanding an executive's potential can give companies in Consumer and other traditional industries the confidence of knowing that the digitally expert

candidate who has always worked in smaller companies, is ten years younger than originally envisioned, has changed jobs often, and is a different breed of executive than anyone else in your C-suite, is nevertheless very likely to excel in leading a major corporation's comprehensive digital strategy.

When assessing executives' leadership potential, we focus on four fundamentals: *Curiosity*, *Insight*, *Engagement*, and *Determination*. All four elements are always relevant, but when assessing the potential of a digital executive to effectively lead major, transformational efforts in a traditional Consumer company, we pay particular attention to *Curiosity* and *Engagement*. Why?

Insight and *Determination* tend to be table stakes when assessing the latent strengths and capabilities of digital executives. Usually, one can quickly glean from past accomplishments that successful digital executives are both insightful and determined.

However, an executive moving from a relatively small, pure play digital enterprise to a very large, matrixed, global Consumer company will face the unprecedented challenge of engaging many different kinds of people whose perspectives and agendas may differ quite markedly from the executive's own. Does the candidate have the *Engagement* strengths to inspire an entire Consumer company to share in his or her insightful strategy and determination to succeed? That sort of buy-in can be especially hard to earn when you are new to both the company and the industry. Even when the incoming executive is personally sponsored by the CEO, many people will resist moving in the very new direction a truly comprehensive digital strategy demands. To achieve transformational change in a major Consumer company, digital executives must be prepared to invest themselves fully in winning people over to their cause.

Curiosity is also key because an executive moving into a completely different environment must have a significant measure of innate, curious agility to want such a change in the first place. Many digital executives have experienced the thrill of *building* something as a digital entrepreneur. But as the leader of an established Consumer company's

digital strategy, an executive's main task will be *changing* something that is very well formed and has long been successful. Therefore, *Curiosity* about the traditional company – how it thinks and works, and why – is needed to guide the new executive's *Determination* to realize transformational change. Sound assessment of executive potential can actually tell a Consumer company whether a digital executive who has never changed a company so profoundly can – and very likely will – do that for them.

Conclusion

To bring about the kind of digital revolution big Consumer companies seek and need today, you must have senior leaders who are expert in digital *and* able to systematically overhaul how a company interacts with the marketplace. Consumer companies need digital leaders who can not only point the way, but make people (customers and employees alike) want to go places they have never gone before. Such leaders are scarce, but they can be found. By objectively assessing each candidate's future potential as well as past performance, big companies can recruit great digital executives without taking great leaps of faith.

Dick Patton leads Egon Zehnder's North American Consumer Practice and Global Chief Marketing Officer Practice. Michelle Summers is a Senior Research Analyst in Egon Zehnder's North American Consumer Practice.