

Hi, everyone. This is Wayne Rivers at FBI where *We Build Better Contractors*.

This week, I want to talk about how to find your next CEO, give you seven steps there. Now, why are we even talking about this? I mean, because all of our member companies have CEOs right now. You've heard me say this before, the average age of a construction leader today is 61 years old. And 90%, I mean, it's a mind-boggling figure, 90% expect to be changing their roles dramatically in their company within the next five years. Now, what about this is important to you? Leadership is vitally important, you obviously know that, and getting the wrong CEO is quite a blow to any company. In fact, you can look at some public companies like Disney and Starbucks that made poor CEO selections only to find themselves sliding backwards and losing ground.

The greatest legacy that any CEO can leave behind is a company well-positioned for the future. And so that's what we need to be thinking about going forward. And we need to be thinking about this. The next CEO needs to be ready to lead a different company for a different future. It's that old saying that you've heard me leave behind before, "What got you here won't get you there." A \$50 million contractor is very different from \$100 million contractor. New skills, talent, scale, technology, systems, all that stuff has to be in place to make that leap from 50 to 100, or 100 to 200, or 200 to 400. So be thinking about the future needs.

The seven steps. First, you want to have a timeline. So, the current CEO needs a timeline. Why? It's all too common for leaders, just like athletes, to stay on beyond their sell by date, if you know what I mean. I mean, look at so many great athletes, Muhammad Ali, et cetera, et cetera. They obviously stayed on beyond their prime. And that took away from their legacies and their brands. They didn't end well. On the other hand, look at someone like Stan Musial who left kind of at the peak of his powers, before his descent began. That's the ideal place. Leave at the peak, not once your descent is clearly visible.

The second thing, look for a great cultural fit. For really smart people, they can learn about companies, they can learn about systems and processes, they can learn about history and all that stuff. Bright people can learn, they're capable of growing. I think what you want mostly is a CEO who fits great with your culture. Sure, he or she needs to be capable of leading a different company in a different future, but a great cultural fit has to be near the very top of your list.

The third thing, don't anoint Jimmy, or Sally, or Bobby. Cast a wide net, see what's out there. You never know what you might be able to find. So, saying, "This person is the next leader of the company," why wouldn't you do a really, really thorough search and absolutely make sure that you have the best talent possible for this key leader in your organization?

The fourth thing, assess, assess, assess. I think the biggest mistake that contractors make in hiring is they trust their gut and they believe that interview is the way, interviewing is the way to find great people. "I don't want to trust my gut. I'm not from Missouri, but show me, show me. Let me see these assessments. Let see what you can do. Show me. Don't tell me. Show me the kind of strategic plans that you've developed in leadership positions for other organizations. Show me how you've developed your next generation of leaders or your next line of leaders that work with you. Show me these things. Demonstrate these things." Furthermore, use psychometric assessments, and everybody's heard of DISC and Myers-Briggs, all that stuff is out there. And it's a cheap way to kind of corroborate what you think you're seeing from a person.

Get multiple stakeholders involved too. I think that's another mistake that people make. They have one person or maybe two people interviewing candidates. Why not get 10 people or 15 people, especially with Zoom and Teams? Why not get the benefit of the thinking from all the best thinkers in your organization to assess fit and cultural fit and what they think of this person? Construction is the kind of industry where everybody kind of knows everybody else in a given area. So again, cast your net wide internally and make sure you're getting the opinions and the value of other people in your organization.

The fifth thing, be transparent. There's got to be that timeline, and everybody should know the timeline, people should know the succession criteria. What are we looking for in our next senior most leader? And you want to develop trust in the process that we're going to go to immense links to find the kind of leader worthy of this organization. So, transparency is a key.

The sixth thing, think about the future. Think about the needs of the future organization versus the current organization. There again, you're looking for a different leader for a different future. What does that future look like in terms of your organization?

And then finally, the seventh thing. It ain't just CEOs, is it? It's CFOs, it's general superintendents. It's terrific, talented project managers, and superintendents, and foreman. What about equipment operators, people that just seem to be able to get two or three times as much out of their workday and their equipment as other people on the job sites? It's got to be throughout the organization. People come and people go. That is a fact of life. Always be looking to build your bench strength, and especially your bench strength near the top of the organization where the critical decisions are made.

So, what works for you? Share with us in the comments below. And don't forget Boot Camp, if it's not too late, Denver in August and Raleigh in November this year. Get your folks signed up for bootcamp and let us hear from you in the comments. This is Wayne Rivers at FBI where *We Build Better Contractors*.