**What It Takes To Be a Great CEO**

CUES Podcast #164

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You're listening to CUES podcast episode 164, and we're glad you're here. I'm Carla Kalogeridis, and I will be your host for today's discussion on what does it take to be a great CEO.

The CUES podcast gives you access to the most dynamic thinkers in the credit union space, and today I am welcoming two of the very best thought leaders on this topic, Dee. Dee Myers, CEO of DDJ, Myers, and Peter Myers, Senior Vice President at DDJ Myers, welcome to you both.

**Deedee Myers, Ph.D.** 00:36

Hi, Carla, thanks for having us.

**Peter Myers** 00:38

Yeah, excited to be here. Thanks, Carla.

00:42

We've got a lot to get to today, so let's jump right in. I'd like to start by giving our listeners a foundation for this discussion. Could you guys share with us what does it take to become a CEO in the first place?

**Peter Myers** 00:59

That's great. Yeah, thanks, Carla, good level setting question. So let's be clear about some of the data's about 4,600 credit unions out there, and you know about half of those are in this under $100 million in assets. When we looked at research for 250 million and above over the last 11 years, only about seven and a half percent of those individuals that took a CEO job had prior credit union CEO experience. Another way to say that is, what does it take to become a CEO. You don't have to be a CEO to get a CEO gig. The overwhelming majority of leaders that are accepted into the CEO role are coming from non CEO positions. There are CEOs, I'm sorry, there's CFOs, CEOs, chief marketing officers, chief information officers. What this allows for, and this gives the listeners, those that are aspiring to be CEOs, some hope is okay, great. Like, no matter where I'm coming from, within the organization, I've got a shot. What we're going to talk about today is, well, what are the characteristics of the person, the strategic mindset, the preparation, the strategic acumen, the leadership capability. We're going to hit some of those tenants today, but I'll start off by saying one of the things that I'll say to boards, and I'll say to CEOs that are a part of our intensive CEO coaching program, is anyone can get the CEO job, kind of, right? You know, there's in I'll say it as nicely as I can. We've seen anyone get the CEO job before, right? Like, oh, well, they got it. Oh, okay, good for them. Good for them, right? And what we're trying to really distinguish, as you said at the top Carla, is like, but what does it take to be great, right? How do we get the exceptional out of individuals, because if the organization wants to go to new levels of impact, member impact and capabilities, we absolutely believe the primary determining variable is the quality of the CEO leadership.

**Deedee Myers, Ph.D.** 03:16

Yeah, I'd say the quality of the CEO leadership comes from interweaving factors. To me, emotional intelligence is super important. We can have the right resume with right expertise. We can have the education, but being able to land it and be emotionally intelligent is super important right now. We also want to look at the range and depth of experience we've kind of moved away from we just need a CFO, or just need an IT, or just need a digital person to yes, if we hire a CFO or promote a CFO, what is their range across the enterprise, how they influence and impacted the organization from their role, instead of just being a leader in a functional area or in a silo, time is important. I think that's one of our biggest things right now that we're looking at Carla is, have they been around the block? Have they led in an environment where there was an issue like the great recession or the pandemic, or Black Lives Matters, or the economic environment we have going on right now that's different than coming out of school for four or five years and stepping into a CEO role, and then executive and leadership presence is super important. The relationships with the board are critical. Relationships with the executive team, stakeholders, the staff. All of that needs to be blended together. So those are things that we'll probably talk about today.

**Peter Myers** 04:43

I'll throw just one more on there, just because it's so fresh. Just half an hour ago, got done with a coaching call, Chief Marketing Officer a large organization. And you know, this individual has aspirations for a CEO job, and we were talking about is we just got to find that right fit. It right? The qualifications that you might have as a base level is one thing, but having a match with an organization that has a strategic need, that might need marketing view as a discipline, well, that's that might make you an exceptional organ CEO for that organization. Them going into another organization that doesn't have that need, might not be the best match. And so what we want to find is, hey, you can have the great qualifications in organization a, but not organization B. So we want to find that particular match that will help you become a CEO in the first place.

05:39

So that perfect match that you talk about that could come from an external search, or it might come from an internal search. What can go wrong for an internal candidate? You know, you think they might have it in the bag because they're on the inside. But what are some of the things that can go wrong when an internal candidate is trying to put their hat in the ring to be the next CEO.

**Deedee Myers, Ph.D.** 06:04

Well, I wonder if we should talk first about where that could go right, and it would be in the boardroom, Carla, the board, getting together, being in rigorous conversation, way in advance on what they believe is going to be needed in the next CEO. Where it can go wrong is if they wait six months before their CEO is going to retire. That's not as set up for success. So what could go right is if they're starting the conversation 2345, years in advance and taking a strategic perspective, what might the world look like in that two to five year time frame. What do we need in terms of competencies and characteristics, and then setting up the internal candidate process so it's rigorous and meaningful? So where should we go from there?

**Peter Myers** 06:55

Yeah, another you know, where it can go wrong or go awry. I'll talk about this is maybe internal candidates believing their maybe their headlines too strongly, right? Like, oh yeah, you know what? Like the CEO says, I'm the guy, but that's not their decision. And boards are more and more flexing into their responsibilities and accountabilities. And what I mean by that is, there are CEOs that have been let go over the last number of years, whereas in the prior decade they were not those boards would have just let those individuals stay in those positions. Another way to say that is, if you're an internal candidate, as Didi said, You got to push into that. You got to work harder. You got to really ensure that you are the right person for that job. And there's a whole process through them. We'll talk through some of that as we go through here, but I guess where it can go awry is maybe just getting a little too comfortable.

**Deedee Myers, Ph.D.** 07:58

Yeah, we're here in Carla. I've been here for 10 years, so therefore I should be CEO. Or three years ago, my CEO mentioned in a performance review that I should be preparing myself to be a CEO. Therefore I'm ready. So it's that follow through, it's that rigor that's missing, and it can go awry in the internal candidate can't get disillusioned, and there is a trigger point in the process where the board does need to declare they're going to do an external search as well.

08:33

Okay, so we've talked about the fact that finding a great CEO is a process. What's that process like today, and how has it changed in light of some of the recent things that have gone on in our world, like the pandemic, how has that process of finding a great CEO changed?

**Deedee Myers, Ph.D.** 08:51

Yeah, well, I'll start on that. One of the people that I read a lot on it's he's spoken at CUES conferences, is Ram Sharon, and he has a wonderful article on CEO selection, what boards need to be aware of. And one of the things that he says, Carla, I think, is super important. And we've done this as well. As we go away, we've moved away from a laundry list of competencies. They have to have finance experience. They have to know what a derivative is. They have to believe in digital or understand M and A like a laundry list. What we're looking for, really, is what are the three to four, five different characteristics and competencies that we need as a foundation and then be able to witness how the candidate, internal candidate, particularly here, has interwoven these so they could be able to pivot the organization. And that's a challenge to think in that kind of way, you know. So it's spending time up front. It starts with about a three hour conversation using a rubric or heuristic to go. Through this process, coming back and going through it again. What I believe is, you know, if your CEO is going to transition in five years, the board should do an update on this. This document. We call it the CEO, star performer every year up until two years, two years out, refresh it every quarter. One year out, visit it every month. So it is a commitment, and that what we're seeing more lately, which I really appreciate, is a lot of boards will have what we call a CEO search committee, and they're focused on the logistics and administrating the search. It's not their job Carla to hire the CEO. It's their job to manage the process, to bring forward the best candidates and to partner with people like us in the industry to bring forward those candidates. We're also seeing which I super appreciate, a separate committee just on compensation and CEO evaluation process. And of course, those two processes have to dovetail. So what we're seeing that's going right is more structure up front, demonstrating the board's commitment to understanding what they really need, getting alignment on it, and putting a timeline together, and getting rigor with the internal candidate process. I can add more there, but Peter, what do you want? Yeah,

**Peter Myers** 11:14

so boards, you know, as I reflect back, you know, 10 years ago, boards were the feedback when we would outline the process, the comprehensive nature of the process, they would go, Oh, that sounds like a lot of work. I'm just a volunteer. Peter, right? And so we go, Well, look, you don't like you want the best talent. You got to have a comprehensive process, right? So those things match. And they go, Okay, we get it. We get it. Now. Boards are less and less surprised about the trials and tribulations that they're going to have to go through as directors. They got to go through these. They got to do that, start performer process. They got to have this compensation conversation. They got to put the performance evaluation expectations out there. We got to have the employment agreement. We got to work through all these things on the front there are less surprised about all these tactics, blocking and tackling that they have to do because they're seeing the criticality of this search process right. They don't want to get it wrong. And that's what we say. Then to you, we can't get this wrong. We don't want to get this wrong. You don't want to get this wrong. Let's do the work. And they go, Yep, that makes a lot of sense. Maybe Didi, can you talk about, sorry, Carl, Didi, can you talk about the candidates perspective, about the process today versus what it was 10 years ago? Because, you know, you and I were just discussing because we had one this last weekend. No, this, it's, it's a process for the candidates. Yeah,

**Deedee Myers, Ph.D.** 12:38

I'll go to the two extremes. There's internal candidates that are so excited, the board's getting it together, and they're going to have a process, whether it's 234, years, they're love it. They love it when they get that CEO star performer from the board, and the board says, based upon what we now know, these are our hopes and our desires for the competencies and characteristics for the next CEO. They love that Carly, because they go now I can breathe. Now I know what the board wants, and I can start assessing myself, using a third party to assess myself and look at like, where, where do I have the overlap and where do I need to develop? So that's a very strategic approach. The other side of it is, is like, Why do I have to do this?

**Peter Myers** 13:24

I entitlement approach, right? The entitlement to do this. Why

**Deedee Myers, Ph.D.** 13:28

do I have to meet with an interviewer? Why do I have to take these assessments and a little bit of complaining to the board about the process? What can happen? There is a board will say, or the chair say, this is what we're doing. Do you want to engage or not? Or the board could get anxious and come to us and say, hey, the candidates really, really don't think they need to do all this work. So what I look at is, how are the candidates, the internal candidates, approaching the process? Is it from a generative perspective? Okay, I see this. It is a lot of work. Give me an idea of what all this means. Or I see this is a lot of work. Why do I have to do it two different perspectives, and both of those actually are an indicator of how this person will be a good CEO. So we're seeing that right away, but, but we're also seeing is helping the internal candidate. This is helping us organize Carla more effectively. Is like, here's the process. Here are the three big parts of it. Step one, there's this. Step two, there's that. Step three, there's this. We're going to stay with you through the interview process. We'll help you get ready for that. We'll give you guidance or feedback on your project. You will take leadership assessments. You'll have feedback from an internal certified coach on how your leadership assessments overlay and what the board's looking like. We'll help you update your resume, because it's you're a CFO, so it's a CFO ready resume, and you really want a CEO ready resume, or it's an IT resume. You. Want a strategic CEO resume. So when we start early Carla, it's really cool for the internal candidate, because they start to look at, well, I really have had more impact on the organization than I thought I did, and they have the space with us to process that, and we start to look at where have they really impacted and influenced the organization that they might have forgotten about. So it's kind of exciting in that perspective.

15:25

So that's great background on what the selection process should look like. What about when it's time to sit down for the interview with the board? How does that conversation or meeting differ from an internal versus an external candidates position?

**Deedee Myers, Ph.D.** 15:43

Yeah, really good topic there. One of the board's concerns before we actually get to the interview is, how many candidates should we look at? Is there a certain number? And of course, we want to strive for quality. And so when we're doing both an internal and external search, Carla our threshold is the internal candidate. We're coming in orienting that they are quality candidates, and anybody we bring in from the external perspective has to meet or exceed the baseline or threshold of the internal candidate. So that's a barometer we use. So when we are doing interviews, we may bring in three or four or five externals, and there may be one or two internals. So it is a heavy lift for the board. There's about a 20 page packet on each candidate after review, and it's a lot of work. And, you know, they do really, really well at it, and they love it more than they thought they were going to. So orienting is one of the questions boards have. Carla is like, Who do we start with? Do we start with an internal candidate? Do we start with an external candidate? And sometimes they want to start with an internal candidate, because they know that person from a certain perspective, so they feel like they can get into the groove. And then lately, what I'm seeing is they want to look at all the external candidates first, then the internal candidates, either way, it's all going to come out the same, and they're doing a great job. So the orientation of the internal candidate, again, like we said this in our first podcast, is pretend they don't know you. I mean, yes, but they do know you, but they don't really know you. Because maybe it's been a two way shield. The board may only see a lot of the CEO. You may be brought into the board meeting only when you're doing special reports, some kind of two way shield there. So we suggest introduce yourself, ask each board member about themselves, ask them what they're most concerned about so they go through this process in the beginning of the meeting, so everybody can breathe into the interview, and it's really interesting, like I saw this week with the internal candidates. Is the internal candidates got to share things about themselves. Carla if the board had no idea about them, and that actually helped the board lean more into the internal candidates than they thought they were going to. The other thing is that they have an opportunity where they can provide a meaningful context on their work and the enterprise that the board can resonate with, because they can actually see the outcomes of projects, outcome of strategic initiatives, and relate to that more than if it was an external Candidate. Third be dance, that fine line of what you say about your existing CEO and what you would do differently. Don't throw any CEO under the bus your legacy CEO. Don't do that. You can say moving forward based upon our strategy or strategic trajectory. These are places I want to look at and I want to explore with you board, but you've got to be really careful about how you talk about the current CEO, regardless of performance or not, that that can be a big blind spot for internal candidates. Those are three things that for the internal for the external. They we often hear from boards that the external candidate seems to know more about the organization than the internal candidate. The external candidate doesn't have the advantage of knowing everything or having the background of assumptions of being an internal candidate in their everyday so they do a lot of research. Carla, they look at a number of different things that we won't get into today, and they walk in with a fresh perspective, not a lot of assumptions, but saying this is what the situation is, from what we're seeing, we have some questions on why this? Why that is that where you want to go and then moving forward, getting into more of a visionary kind of conversation, basically clean and unbiased view of the organization which helps the board actually be a higher level thinker in the whole process. External candidates, what I appreciate there is, oftentimes they've come from two or three or maybe four organizations, Carla, which give them a wide range of experiences and different. Points, whereas sometimes our internal candidates are in the same organization for 10 or 15 years. Might have had another organization in there too, but the smaller number of transformative situations. Peter, what do you want to add there?

**Peter Myers** 20:16

Yeah, so you know that walking that fine line, as you mentioned, it's, you know, it's difficult. It's challenging. It's you want. You know, your objective is to make a name for yourself. This is who I am. You're hiring me as an individual. You're not hiring, you know, the current CEOs mini me. And so there are things you likely would do differently. And so how do you say I don't like our decision over you know that so and so made without really saying that, right? And there's ways to posture that appropriately. Look, I think XYZ is very important. I probably wouldn't put ABC is up high on the priority list, because XYZ will help us in this other strategic kind of way, my perspective, etc, etc. And that's, you know, that's a very simple but yet apparently forgotten way that internal candidates will speak sometimes. And then I like what you said, you know, Didi about the clean and unbiased view about the external candidate, like you have a fresh look, right? You know, have all the background context, blinding you in a particular way, right? Creating blind spots. You just got this clean, objective view and that can really excite board members. They walk away going, well, I've never thought about that, or I forgot about that, or all those things. And as you said, all they know so much about the organization. So that's where external candidates can shine is a clean, fresh, strategic look at the organization from a financial and operational perspective picking up

**Deedee Myers, Ph.D.** 21:49

on that operational perspective. Peter, what I would, I intend, to advise internal candidates more in the future, is manage the line between operational and visionary, they tend to get more operational and tactical. And I think it's an opportunity in the interview process to express a vision for the future and ground it by exemplary execution and initiatives. So lots of times, I'm hearing internal candidates will go into tasks and projects versus like, here's where we're going, here's how we're going to get there, and this is why it's important. So I think that's something that we're going to be working on more in the future.

22:30

We'll be right back after this short message, acquiring new members is essential for long term growth, and vericast can help by integrating your financial institution's first party data with vericast extensive third party data and expertise in marketing, finance and media, vericast crafts tailored strategies that drive growth at the branch level. These strategies focus on acquiring low cost, poor deposits, lucrative loans and high yield customers. Vericast enhances your institution's success by boosting account acquisitions, deepening customer relationships and strengthening your balance sheet using proprietary data analytics and advanced modeling, vericast identifies prospects who match your ideal member profile and engages them through personalized, compelling offers and proven messaging in the channels they prefer. Vericast is the performance partner for financial institutions, helping banks and credit unions drive growth, improve efficiency, increase engagement and navigate change through the power of data technology and people with advanced analytics, data driven insights and integrated solutions. Vericast enables better execution with agility, precision and scale. That's why 1000s of financial institutions trust veracast and its 150 years of expertise to help them achieve more. You can learn more@vericast.com

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so obviously this is a very robust, complicated process, but let's say you get through it. You signed someone on the dotted line. You got the job done. You're feeling good. And I'm sure many of our listeners are wondering, what's next? What's next in this process? And of course, the answer is onboarding. But onboarding a CEO is quite different from onboarding any other staff member. Can you share a little bit of insight on that process?

**Deedee Myers, Ph.D.** 24:44

Sure, there's three parts there. One is, how does the legacy CEO off board Carla, and what is the legacy CEO leave for the new CEO? Right? What are the big decisions that they just made? And why? What information is there available? On strategic initiatives, on key personnel, on board governance. So there's this whole administrative piece that needs to be put in place, in terms of legacy CEO offboarding. And there's a whole list on that. Moving into general onboarding, most CEO candidates will put together a 90 to 100 day plan, and they don't differ much from each other. Where I would say that they need to pay attention to is managing the anxiety in the organization. People are so afraid about losing their jobs, getting reassigned, and unless the organization's in a triage mode, you have to take a good 90 100 days to get to know people. I love a candidate that we placed at a plus Eric. A while ago, first day on the job, he stood outside the building and said hello to every employee walking in the door. So he got to meet everybody went to all the branches. Started building relationships. So relationships are so important. Be visible and cultrate yourself with the organization values. Don't rush in and start changing things because you don't know everything. Even in 100 days, you're not going to know everything. So there is an onboarding plan. What do you do the first week, two weeks, month, 60 days, 90 days, in the organization with key staff and your executive team. The next piece Carla is, how do I on board with my board members and my committee members, and building relationships there, lunches, work, coffees, work, conversations, work. You're building those relationships in the boardroom. It works talking to the chair about the agenda. How's that working? How do you want me to present myself during the first board meeting? What has been the experience of the executive team in the board meeting in terms of community, the legacy CEO can be very helpful there. Some of the legacy CEOs volunteer to be available for 30 days to help do introductions to key community leaders or said group employer group leadership there as well. So you've got your board, you've got your internal staff and executive team. You've got your community. It's also important to introduce yourself to your strategic partners, who are the external strategic thought partners that are helping you run your organization. Could be your it, your Q seals, your digitals, your leadership development resources, your HR, whatever that is, introduce yourself there. You want to embrace relationship with them, so they can give you their perspective of the organization that might be different from your internal research, introduce yourself to your external audit, your accountants, your examiners and regulators. There's this whole process that's going to keep you super busy for 90 to 100 days. And then you can guide to a 90 or 100 day state of the credit union address to the board. Carla, you know, 90 days might be soon, depending on the size of the organization, but for sure, 120 days. And just say, here's what I've learned. Board, I don't have recommendations now, but this is what I've learned, or this is what I've learned, and I do have some recommendations or changes I'm going to make. Lastly, I think it's really important to have a four month pulse check with the board. How am I doing? Part of what we include in our CEO searches is a four to six month pulse check, short, quick evaluation, two way valuation between the board and the CEO. How am I doing in these different areas of leadership that you said are needed? And here's what I need from you board moving forward, instead of waiting for a year, Carla, I get that done up front so you can adjust and pivot as you need. So you're right. Onboarding is super critical.

**Peter Myers** 29:05

Yeah, you know, one of the things you're saying, dee, dee, clearly, is communicate, listen, listen, listen, right and going around, and it's really just building relationships and putting people at ease like that's one of the primary ways to think about it, because unless it is, as you said, a triage situation, and those are, there are some organizations like that triage situations where they absolutely need a paradigm shift of how they operate. And that is, it's, it's jolting, but maybe it's jolting to those triage situations. Another way to say that is, if there's nothing, there's no burning platform, then we you want to leave a very positive taste in everyone's mouth. Oh, so and so. Okay, gosh, they listened to me. It seemed genuine that they cared. They asked me questions. They remembered those details when I saw them again in the hallway, when a CEO room. Remember someone's name, even if they've been there for 10 years. It, you know, a staff level, large organization, it means something. They will, they will forward that, did you know so and so knew my name? And it's like, Oh, wow. Like, I've heard that a number of times, and I think it matters if we start transitioning though, like, Okay, let's get the meat and potatoes done with the executive team. I think it's important to meet with them, you know, as a team overall, and then individually, because they're anxious too, right? If they were, regardless, if you're an internal or external candidate, there's a certain level of anxiety that they might have, because it's the fear of the unknown. What are you going to do? Where are you going to take us? Probably less so if it's an internal candidate, and it's a high functioning, well oiled team, if it's a team where there's a lot of friction, then you're an internal promotion, then people are probably even more, a little bit kind of afraid, like, what's so and so going to do? So what we say is, all right, as a team. You know, you get together and you say they're going to want to hear your vision for the orchestra, what's different, what's not and I think it's a good opportunity to be again appropriately. So you got to judge it here. But share with them your vision. Share with them why the board hired you, why you I was charged with taking the organization to achieve one, two and three, those are my mission objectives, right? And we're going to do this as a team. You don't have to lay out all the cards. You don't have to tell them all the gory details of what might be there, but they want to know what's your leadership style? Are you someone that likes to dig down in the details? Are you a micromanager? Are you someone that is likes to delegate? I think it's clear to work through that. The CEO I was chatting with just this morning, they've got some new executives on the team, new to the executive role, and they're not, you know what? We were talking about, this CEO. And I was like, those executives have to earn being not micromanaged, because things need to get done faster, sooner, better than they are currently. And so the CEO does not want to micromanage. But those that relationship, they got to earn that, you know, so you're just setting the tone right. Is like, where are we trying to go? Tell me how the team operates. Tell me how you think we should operate. What worked well about our executive team meeting? Did you meet every week? Do you mean every other week? Me, once a month? What do we need? A shift? And then, of course, you just take that as information. Then you overlay your expectations what you want to do. Maybe it's you meet them in the middle. I think it's okay to also say, and again, this is stylistic thing, but I think it's okay to say, hey, look, today I don't have all the answers. I'm not going to pretend like I do, right? If I don't have all the answers, it means I got to work with you to come up with the answers. I'm depending on you to make us all look good. I think that'll help people feel like, oh, okay, we're in this together, right?

33:00

And this relationship building that we're talking about, it doesn't just last the first 90 120 days, right? It's something that you've got to keep working at, working at,

**Peter Myers** 33:12

yeah, it and they'll always remember how you first LED that first that you led that first meeting, right? It'll be a tone or a taste that's in their mouth, but you have to keep as to your point here, Carla, you got to keep, you know, building, building that relationship. Sit down with them. Hey, tell me. Tell me about what's important to you. Carla, where are you trying to go and follow up that conversation? You don't, probably, you don't have to do all of that in one meeting with the executive team, especially, it's probably a series of meetings, right? Hey, first meeting. You know, I've had CEOs do this, where they go, Hey, let's just all just be informal, right? Everything's working well, the organization's got great numbers. Carla, tell me about what's important to you where, you know, tell me about this. You got kids or whatever. I mean, you know, some people have different kind of crossing those boundaries views, but do what's authentically you so they can settle into that. But do it over time. Don't just do one and done.

34:08

How? How often are we seeing these internal processes now versus, say, two or three years ago? Yeah,

**Deedee Myers, Ph.D.** 34:17

quite frequently. I would say a third of our portfolio right now, Carla is just internal, and it's really exciting because the board and the CEO are teaming up to do deep dive on their bench strength, and so looking, looking at 2345, years in the future, and doing just some really good work with their internal bench string. So I'm super excited about that. And seeing clear successes, where they can maintain the consistency of the culture, they can develop internal candidates. We've seen some strong traction and development. It's very, very exciting. So we're seeing just internal searches, I would say, to about. A third of our portfolio. There is another third that starts internal, and then at a trigger point, usually about a year before the legacy CEO is contract is terming, they the board will decide, let's also do an external search. And then the rest is, there's nobody ready. Nobody internally ready. We do need to go outside. So those are the three combinations that we're seeing. I would also like to say more about the development piece from a strategic perspective, because once there's a new CEO in place, expect that you're going to have, within two or three years, two or three of your executive team members also turn they're going to retire. We're getting at least a couple retirees within two years after a new CEO, or they might get recruited out. We're also seeing 30 to 40% of board members changing over a three year time period too. So this whole piece about leadership understanding, if I'm really ready, what have I done to get ready? How can I manage chaos? How can I stay? You know, present, opening connected is super important right now, but it's the dynamics are changing, and it's very exciting.

36:15

That's an interesting point about managing the process as the players might be changing.

**Deedee Myers, Ph.D.** 36:21

I know we're seeing some board members say, Well, I'm going to retire, but I'm not going to do it till I know who our next CEO is, and I'm going to be part of that process. Then we go, okay, you're going to hire the CEO, and then somebody else is going to come in on the board. May have a totally different perspective. So that's a nuance that needs to be managed there, because there's a saying among CEOs, the CEO that hires me is not the one that's sorry, the board that hires me is not the one that's going to fire me, because there's such turnover so but it's all part of part of being a leader.

36:53

Excellent. Point. Is there any thing else that you would like to sum up with any last piece of advice, any observations, anything at all that would kind of wrap up this discussion for our listeners. Okay, we've covered some really great topics here, but I think we should circle back to that main question, because there are probably some people listening in today that are CEO hopefuls, right? So what? What are the differences you guys have engaged with a lot of CEOs and CEO candidates over the years? What are the differences that you noticed between a good CEO and a truly great one?

**Peter Myers** 37:38

Yeah, it's exciting, as I said, somewhat flipping me at the top of the podcast, like anyone can be a CEO. And, you know, so. But what does it take? As you're saying here. So I'm going to talk about five different things here. I'll highlight five different things. There's a lot, but these are five that really bubble up to the top. First CEO has to have a clear and compelling, practical vision for the future. Number two, they have to lead the executive team, and I'm going to fold in the mid level talent to that, not just the executive team. Number three, they have to recognize and honor the historic nature of the organization, what worked, what didn't work, and not prevent an evolution of where things need to change. Like, we're not beholden to the past. Number four, instill and model best practices. You have to be credible as a leader. You got to demonstrate what you're talking about. Number five, and this is where, you know, put your money, where your mouth is. And like, I like to say it's like, you got to put points on the board. You got to demonstrate that what you're saying and preaching will matter. So those are the five pieces, and I'll go into those. Each of those that sound about right go into a little bit further in some of them. So okay, there's head nodding. That's happening for all the podcast listeners on here. So the clear and the CEO has to have a clear and compelling, practical vision for the future, right? Like, there's too often where executive teams will, you know, confidentially share with us, hey, it seems like we're chasing squirrels right, or a pivoting left, or a pivoting right, or, you know, one of the jokes we have is like a CEO comes back from a conference. We'll ask the executive team. We'll ask this with the CEO in the room, how often does your CEO come back from a conference and go, Hey, I got the best idea. We should do this thing. And then it becomes priority number one, right? And then there's an uncomfortable chuckle That happens in the room, right? So having a compelling and practical vision is important. So this is where we could go as an organization. And when I say practical, it's not like we're gonna dominate everything tomorrow. And the story always comes to mind. There was one CEO I was working with, and he was new to the job and in the first all management meeting, you know, it was kind of. Like this listening session, as dee, dee was mentioning earlier, and then the CEO at the end of the meeting, and I didn't know he was going to say this, but he goes, I think we can be the best credit union in the entire world. And it was a really subpar organization to begin with, and we just got done talking about that for the day, like, Hey, we're not hitting all of our marks, but we need to. And then he had this really, what seems like unrealistic expectation, and it just fell flat, right? Like it was like, Oh, we just had a grounded conversation. I feel good about it, and now you're saying we're shooting from the moon. It was just not the right timing for that. The second piece is, you know, you have to lead the executive team in midwell talent. So when a CEO doesn't know who you know, the names of people that are one or two layers down from their executive team, that tells us that, hey, you might not have a sense of what's happening operationally, culturally, in the organization. So you got to get in there and lead them. You got to you got to be that presence. That is the strategy. I, as we say, as a CEO, I am the strategic vision of the organization. The strategy and the CEO's vision have to be one in the same. You can't, unfortunately, as much as some CEOs want, you can't delegate compelling leadership. You just can't do that. Then the position necessitates that. So you got to work through some of that. The third one here has to recognize and on their historic nature of the organization. When there's team members that go, Oh, they're going to change everything. And, you know, the stuff that we have in the background is great. Why? Why are we shunning all of this stuff or, you know, killing it off. There's some balance of, hey, what's worked for us before might work for us in the future, and we got to change some of these things. But let's talk about it. Let's do it together, right? Instill number four, instill and model best practices. So you know, as CEO, it's great to get out there and network with your peers, learn from others. I mean, we talked about this with external candidates on the top of this podcast, they're bringing fresh and unbiased views. Get that feedback from other organization leaders. Go to those conferences and see what's happening, instill some fresh ideas that is exciting to do, but then modeling the best practices. So if you're holding your team to a particular standard about writing and drafting content, then you should do that as well. Right? Set the standard. It's too often we'll see leaders say, Hey, you guys got to perform at the next level. This content is not exceptional. It's like, well, they they're keying off of someone. And then lastly, put points on the board, right? The results have to be there. Like, it's hard to argue with results and sustained results. So if we're growing assets, growing members, and we're investing all these resources in those, those particular ways, then we want to see those, those results start to pan out, because then it gives a lot of validation to all the change that's happening. People start the resistors will start to go, well, all right, it's working. So if we're not putting another way to say it is, if you're not putting points on the board, there's something about the leadership you got to think differently about.

43:25

So that is some great advice about how CEOs can move from good to great. But there are also things that happen on an on a regular basis, right? Just a regular part of the job that some CEOs or prospective CEOs may be missing. What are some of those things that a good, very good CEO does on an annual or semi annual basis?

**Peter Myers** 43:49

Yeah, so, you know, like the focus we had is, like starting the job with the strong cadence, right? And then, as you said, Here go from good to great. Like they're CEOs that have been CEOs for 10 years and we still give them some coaching about, hey, here's how you can go, as you said, from good to great. So I'm just going to hit some kind of checkpoints here, like, what they what we think are exceptional characteristics of CEOs. Semi annually, have development conversations with the executives, concentrated feedback and professional development conversations this, where do you want to go? How do you think you're stacking up against this benchmark? And here's my feedback. And let's talk about some resources or action items you're going to do for the next six months. Encourage. And then I would say, if it doesn't happen, encourage those executives to do that same process with their direct reports, right? The exact the C levels, C suite, if they are truly bought into their own professional development path, they're probably going to do the same thing for those that report to them, right? Like. Having those semi annual conversations, and then I would say, at least annually, or before, or maybe after, you know, some major strategic events. It really just depends, like, if you're doing a card conversion, or some kind of core conversion, or whatever measure the pulse of the organization, operationally, culturally, strategically measure it, quantify it. Don't just walk around and ask what people think like. Get some hard, anonymous data to look at that we have an organization alignment assessment is one of the things to think about. However you do that. Get some benchmark data points that will inform how you are progressing as an organization because a CEO only has a they have a limited viewpoint, right? They can only see so much that will help on as you plan and attack the next operational thing. Semi annually, check in with your board on your performance, right? Your board or your board chair, hey, look, this is where I mean. Boards love it when a CEO will go, Hey, look, this is where I think I missed the mark over the last six months. This is where I think I'm winning board or boards, board, chair. Can I get your feedback? I those conversations very front loaded, accountable conversations will then invite, and I'll say nine out of 10 times the board to go, well, CEO, well, how do you think we're doing? Right? And I CEOs love it when boards ask that question. High performing boards, so whole other podcasts, high performing boards will ask that question of their CEO, because it's a partnership. How can we do better as a board? Because they're a customer, in a way, a partner customer. We'll say quarterly, do a deep dive on strategy with the executive team. Deep Dive does not mean two hours. It means like a day, sometimes maybe even a day and a half. Semi annually, do a deep dive a strategy with the board. Hey, these are where we are strategically. In these particular strategies, maybe you don't have to hit all the strategies every six months, because if you're going to do that, it means you're probably only going surface level into those dialogs. But you need to talk about those on a you need to dive deep in a semi annual fashion there, which then allows for the board on a monthly basis during the board meeting, to not have to feel like we have to have every board meeting be super strategic, right? If we can do semi annual deep dives, it kind of relieves a little bit of pressure, and frankly, it can shorten some board meetings then, right? So we can get through those blocking and tackling governance things, I would say, at least annually. Get out there in the market. We talked earlier, like, get out there to conferences, learn about their struggles, what's happening there. Get tuned up on the regulatory side. And then, you know, Dede mentioned, you know, get out there in your field of membership, the community. You got to stay on top what's happening and what's happened. What are the factors that are affecting your field of membership, so that what I just laid out there, that's a whole lot of work, but that should be scheduled and prioritized on a CEO's calendar, right? If you do those things, the claim is you're going to be more exceptional as a CEO.

48:19

All right, dee, dee and Peter, I know our listeners have really enjoyed this insightful discussion on the process of finding and then onboarding a CEO, and then the follow up discussion on what it takes to be a great CEO. Any final words of wisdom.

**Deedee Myers, Ph.D.** 48:37

Appreciate everything here. Peter and Carla, I would just say, never stop. Never stop learning. Always be curious. Be open. Be hungry. Be careful. Be aware of when you start to become somewhat complacent or tired. Keep yourself refreshed. Take care of yourself. This whole piece about hanging out with those who truly challenge you versus those who will go along with what you're saying. So you have to have some good, good thought partners out there who will challenge you and poke at you for once in a while. And then a lot of CEOs start out new, and they've got a little bit of hero complex, or hero syndrome, where they're going to do it all, you know, and use resources and bring people along with you. It's a great journey, but I would just say never, never stop, never stop learning and never stop asking. Thanks. Carla,

**Peter Myers** 49:33

yeah, I don't have anything different to say. Dee. Dee said it right, but you can get a sense of CEOs when they've stopped learning, right? And other people can get a sense of it. Once you stop learning and growing, it starts to affect the organization. They can see it right. And we want to stay ahead of the curve on that right. We want to go out on a high note right, go out hungry some CEOs, and maybe I'll give this kind of words of wisdom the. They're targeting, feeling complete, like they got all these things done. But what we found is the highest performing CEOs don't ever have a to do list that ever gets completed, right? There's always another couple of years worth of work that they wish they could do right? Just as do it right. Do it well, do it with your team, and you'll know it's time to transition.

50:25

Thanks again everyone for tuning in to the CUES podcast. You can connect with Dee, dee and Peter and learn more about DDJ Myers at DDJ myers.com that's DDJ, m, y, E, R, s.com you can also access a full transcript of this podcast episode at cumanagement.com/podcast CUES is an international credit union association that champions and delivers effective talent development solutions for executives staff and boards that drive organizational success, thanks for joining us. You.