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LAST 100 DAYS

THEY SHAPE YOUR LEGACY. THEY MAKE OR MAR THE PROSPECTS OF YOUR SUCCESSOR. THEY IMPACT ORGANISATIONAL MORALE. BE CAREFUL HOW YOU SPEND THEM

REALITY check

PRIYANKA SANGANI

After leading Infosys BPO for six years, when Amitabh Chaudhry announced his intention to leave the company, it was the beginning of a hectic 100 days for him. His first task: finding an appropriate successor. After hunting for six weeks, Chaudhry and the Infosys management selected Swaminathan D. Alongside, Chaudhry was in the thick of things trying to close a $38 million takeover of McCamish Systems. The buyout was completed just weeks before his tenure ended. This was in addition to what he anyway had to do during his last 100 days - share his perspective and strategies with his successor. Looking back, Chaudhry, now MD & CEO HDFC Standard Life Insurance says that the best advice he can give outgoing CEOs is to make a list of everything you need to pass on. "Most CEOs tend to focus on their upcoming assignment and don't do a great job of handing over. You have to make sure that you gradually pull back. Don't reflect on the good times in the organisation. It only adds to your anxiety about joining the new place," he says.

The last few months have seen corner office occupants change in several of India's biggest companies. While this means a time of transition and perhaps even turmoil for the companies and the new man in charge, the outgoing CEO is often ignored in the pandemonium. There is enough literature to fill a library on how the incoming CEO should handle the transition process and the do's and don'ts for his first 100 days. But spare a thought for the outgoing boss. He may be moving to a more lucrative job, but still, saying goodbye isn't easy. Are his last 100 days in the organisation as crucial as the first 100?

Ninad Karpe, who spent 11 years at CA, of which six were as MD, moved to take charge at Aptech in 2009. "It is a critical time and all the good work you've done can get vitiated if the last 100 days are not carefully managed," he says. The last 100 days are important in the context of both, ensuring you leave behind a legacy you would be proud of, and more important, ensuring that the short term goals of the organisation aren't impacted during this transition period.

A McKinsey report recommends that CEOs continue to act like they are in charge until their very last day at work so that the new guy can hit the ground running. The reasoning behind this is that it takes the new CEO a few months to find his feet and make sense of the business. If the outgoing CEO loses interest in the transition period, it can severely impact the business. However, even if most CEOs gradually start distancing themselves from the business, if required, they won't shy away from taking tough decisions.

Pramod Gothi, former managing director of Morarjee Textiles recalls how he decided to order raw material for the next 18 months during his last few months at work. "I certainly didn't need to do that, but I knew that cotton prices were rising." That decision paid off for the company as since then, cotton prices almost trebled.

There is consensus though that any decisions that would have a medium or long term impact on the business are best avoided. If something critical comes up, consult the promoters or board, the senior management team and if there is an incumbent CEO in place, involve him in the decision making as well. Similarly, organisational changes are a big no-no, whether it is structural or people, says Egon Zehnder's Govind Iyer: "During the last few months, the emphasis is on the way the outgoing CEO brings in the new guy."

When after 33 years at Johnson & Johnson Narendra Ambwani was retiring as Managing Director, he made sure it was a smooth transition. Three months before he was due to leave, the new MD was

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brought in and given complete charge. "I moved out of my office and pulled out of all active decision making, though I was there in case he needed any advice. It is important to send a clear message to the organisation - there is only one MD," he says.

As CEOs step closer to retirement, their approach to the transition changes. Most times the outgoing CEO is concerned with finding a balance between tying up loose ends at work and preparing himself to take charge of another organisation. During retirement though, the priorities are different. The prospect of not knowing what to do with your time after having worked for almost 40 years in the corporate world can be daunting. Gothi, who is now a CEO Coach, is a classic case of how best to handle retirement. Two years before he was due to retire, he informed the chairman, Ajay Piramal, that he wouldn't be seeking an extension. "I started planning my exit and what I would do after retirement right then," he says. The successor was identified six months before his exit, but since there would be no overlap in their tenures, Gothi ensured that the rest of the team was brought up to speed. "I spoke to customers, introduced them to other people from the team so that there would be continuity," he says.

This knowledge transfer is perhaps the most crucial thing the outgoing CEO must focus on. As the big boss, he is privy to a lot of information which may not be available to anyone else within the company. Irrespective of who is taking over, a critical part of what he does during these last three months is to ensure that he passes on all this latent knowledge to the other person. R Suresh, MD, Stanton Chase International, India, says that it's not uncommon now for the outgoing CEO to prepare a docket for the new CEO before he leaves. "This confidential report will detail all on-going projects replete with decisions taken and pending. This will even go to an extent of skills inventory along with reports on each of the direct reportee," he says.

The job does get easier if the new person is from within the organisation. Ananda Mukerji, who after leading Firstsource for nine years since its inception moved to Bharti Airtel as director business development, agrees. His replacement Matthew Vallance was from within the company, and was already a board member who knew exactly what was going on in the business. He says the trick lies in finding a balance between planning your exit and ensuring business is unaffected. To give him time to reorient himself to the new role, the company sent Vallance off on a six-week management development programme. As a result, Mukerji continued to run the business through his last three months at Firstsource. "There were some big decisions, but they were all ongoing ones. I didn't take any new decisions on my own during this period," he says.

Instances abound of CEOs and MDs with multinationals who have been elevated to a similar position either at a regional level or in another country. Here again, the concerns and processes are drastically different. For Rajiv Vij, who first moved from being regional head for India and west Asia, to managing director for Asia at Franklin Templeton, it has been an interesting journey. He quit the organisation at the age of 39 and says, "When I got promoted to the regional role, my greatest focus was on helping my successor prepare for the role of the country manager. The crucial bit for me was learning to step out of the country manager's role and in the process, create sufficient space and autonomy for the future leader. When I was leaving the firm, my key focus was on sharing all my experience and business knowledge with the next set of leaders to ensure a smoother transition and the maximum continuity," he says.

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Emotional Turmoil

Santrupt Misra

Amitabh Chaudhary

Narendra Ambwani

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LAST 100 DAYS

When Peter Scrivener, country head, ANZ, was leaving India, the focus was on communicating the proposed changes and then sharing decision making and responsibility in the last 60 days or so," he says. Moving within the same company but across geographies tends to make things harder as people assume you to hit the ground running from the very beginning.

Mukerji cautions that the people aspect of the business shouldn't be underestimated. The employees often come to associate the company with their boss, and his leaving can be a tumultuous experience. Santrupt Misra, director, group HR & CEO, carbon black business. AV Birla Group says, "If the CEO is a popular person, it will lead to emotional turmoil." Often, this finds a vent in the elaborate farewells that are organised for the CEO. Almost without fail, they tend to be emotional affairs for both parties involved. HDFC Standard Life's Chaudhry adds that it is important to speak to all stakeholders when leaving. "You have to assure them that you are leaving for professional reasons and not abandoning a sinking ship."

The human mind isn't perfect. The last days can easily enhance or dilute the quality of lasting impression people carry of the leader, says Vij. Misra reluctantly agrees that the CEO's last 100 days are important for the person, although it is sad if people choose to judge his entire tenure on the basis of these last few months. For the organisation, a lot depends on whether it has a succession plan in place and the state the business is in.

Eventually of course, it all comes down to the reasons behind the move. When Rahul Khanna moved from Clearstone Venture Partners to Canaan Partners as managing director, it was a completely different process. "Given the nature of the business, we are directly involved in the investee companies. It's important to make sure that the relationship between the fund and the company is seamlessly transferred to another person within the fund. The teams tend be small, with 5 to 7 people, so the transition process is completely unlike what you'd see in any other company," he says. Of course, very little of this is likely to apply if the CEO is quitting to join competition. Under those circumstances, it is best for him to wrap up his duties and exit as early as possible.

It wouldn't be wrong to say that while the CEO's first 100 days in office would influence his effectiveness and business success, the last 100 shape his legacy and are a reflection of the leader's character and highlight their true commitment, loyalty and sense of purpose.

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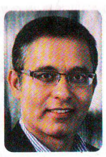
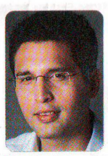
Govind Iyer



Rajiv Vij



Rahul Khanna

Pramod Gothi

DURING THE LAST 100 DAYS

Do:

- Have a succession plan in place.
- Share as much knowledge about the business as possible with the incumbent CEO as well as the senior management team.
- Make sure that you gradually withdraw from active decision making.
- When you hand over, actually hand over.
- Communicate with all stakeholders.

Do Not:

- Keep talking about your past achievements
- Take major decisions on your own.
- Try to undermine your successor in public
- Reflect on the good times you had in the organisation