

The First 100 Days

Insights from 35+
Search CEO's

Spring 2024



What does "Day 1" look like?

Time with founders **Quick speech**

Signing offer letters

Town hall meeting **Bank account admin work**

Company-wide email

All hands meeting

Company lunch

Setting up meetings with key customers

Reviewing and understanding financial controls

Open conversation

Calming nerves

Listening

Most Search CEO's Mentioned...

 **Meeting** all team members

 **One-on-one's**

 Finalize **reemployment** of all employees

 **Listen & learn**

 Spending as much time as possible "outside their office" **meeting** the team



Mitch Allen,
President, Foster Heating & Cooling

“ 1st Day Announcement + One-on-One's + Calming Nerves ”

Emphasize STABILITY

Great quotes on messaging that worked best...

- “ **Same** Manager, **Same** Benefits, **Same** Customers, **Same** Job Descriptions. ”
- “ Most employees only care about a few things, including i) **is my job safe**, ii) **is my job changing**, iii) **is my pay or benefits changing**. Company vision, values, etc. are all much less important than these items during the first few months of ownership. ”
- “ **Keep it simple** (should fit on a 3x5 card) and repeat the same message over and over. ”
- “ Possess a goal of **generating excitement** and **alleviating fears**. ”
- “ We bought this company because we love it. I am excited to **learn** from all of you on how we can make it even better. ”
- “ Voicing **permanence** of employment was key, as well as letting people know that we were focused on seeing this company grow. ”
- “ We're here because we love what the business is doing - **keep doing it!** ”
- “ I'm here to **learn** from you ”

Collaboration **Continuity** Honesty

Appreciation No immediate changes

Business as usual

Partnership **Vision**

Transparency **Stability** Opportunities

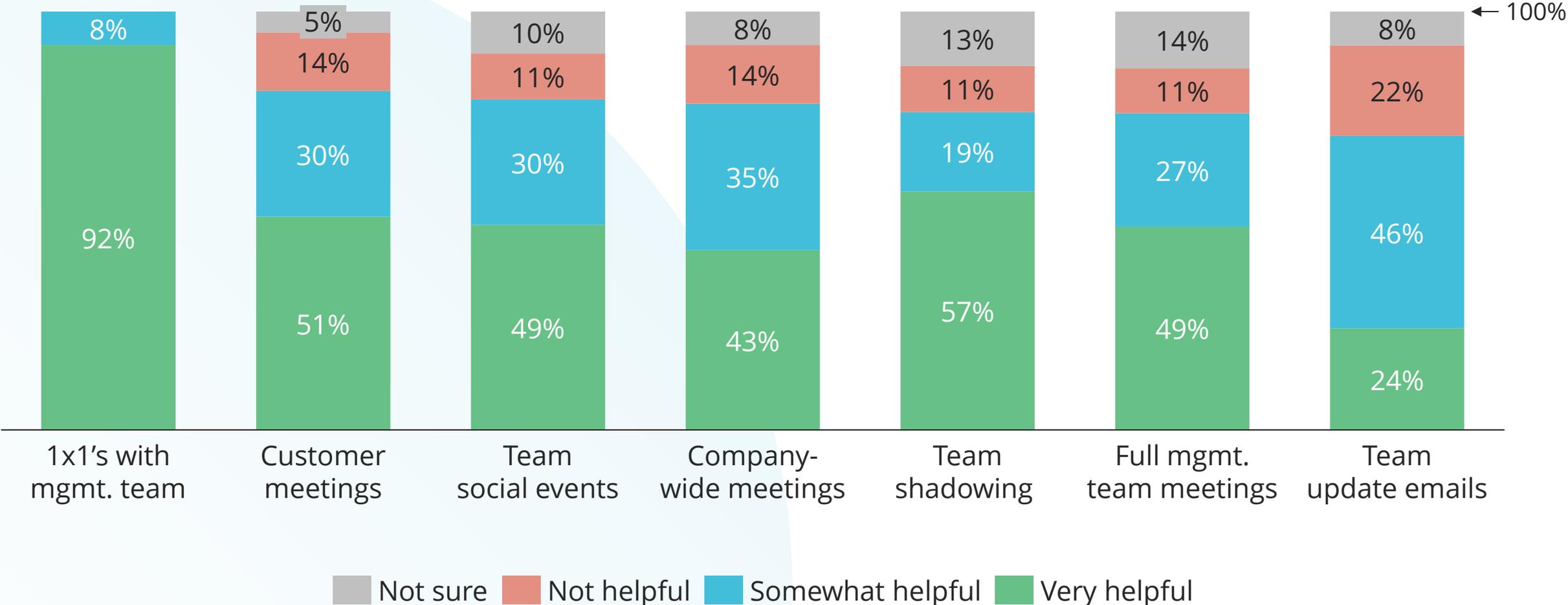


Clayton Collins,
CEO, Housing Wire Media

- “ After going through a sale process, employees are looking for **consistency** and a **forward-looking** leader. The message that ‘**I believe in you** and **recognize** your contributions to the success of this business. My family and I are picking up our lives and moving here to put all of our energy into taking this business and team to the next level,’ works. ”

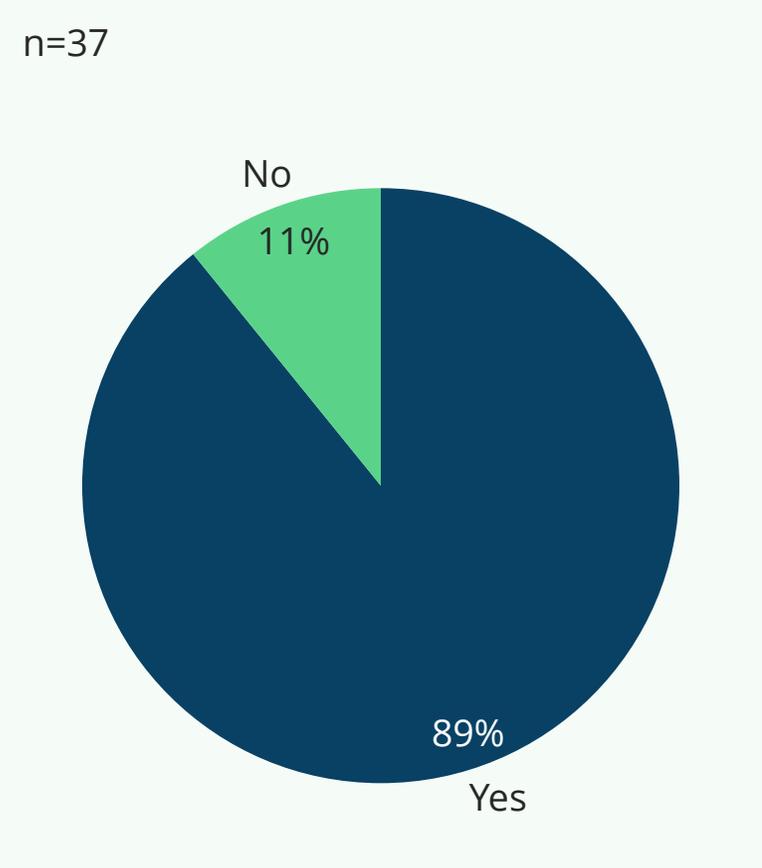
Vast majority of CEOs found 1x1 meetings most helpful

n=37

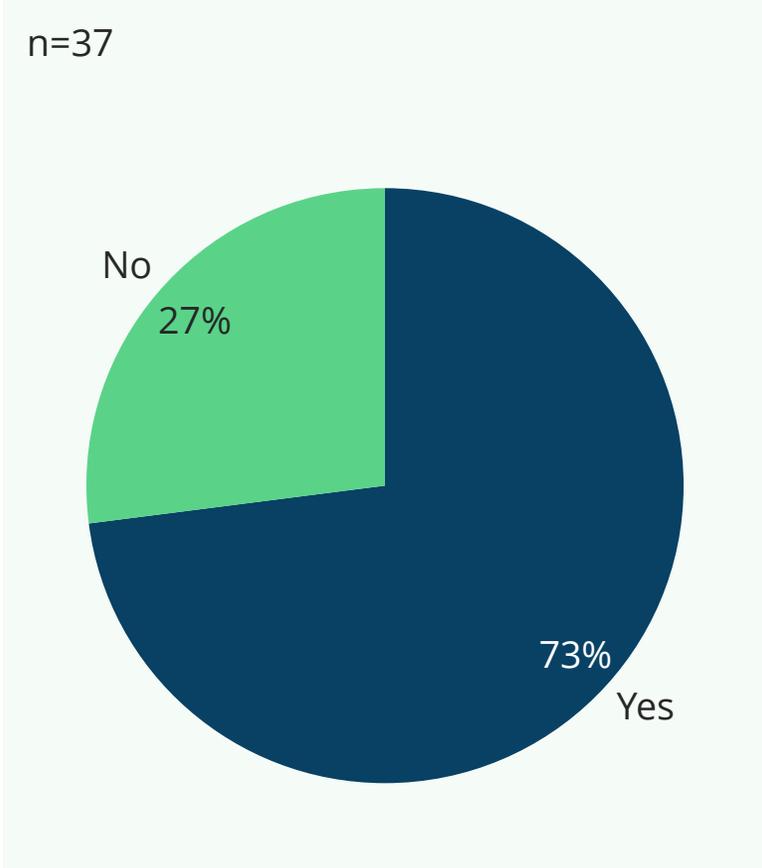


Management systems & tools: Have a checklist, set-up a meeting cadence and maybe KPI's

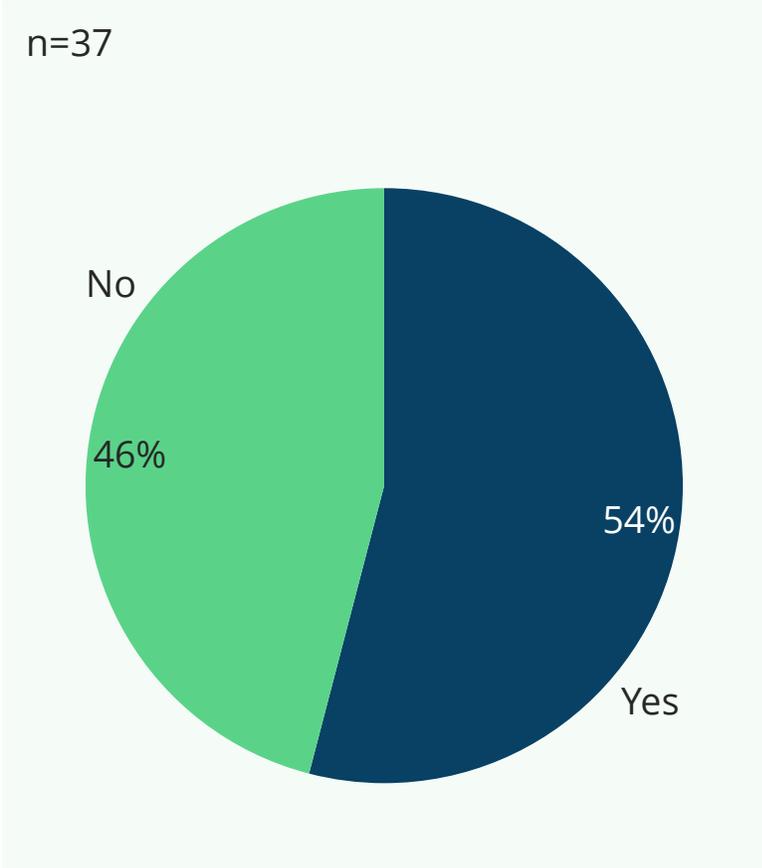
Did you create or use a 100 Day Plan in your first 100 days?



Did you establish/refine a management team meeting schedule?



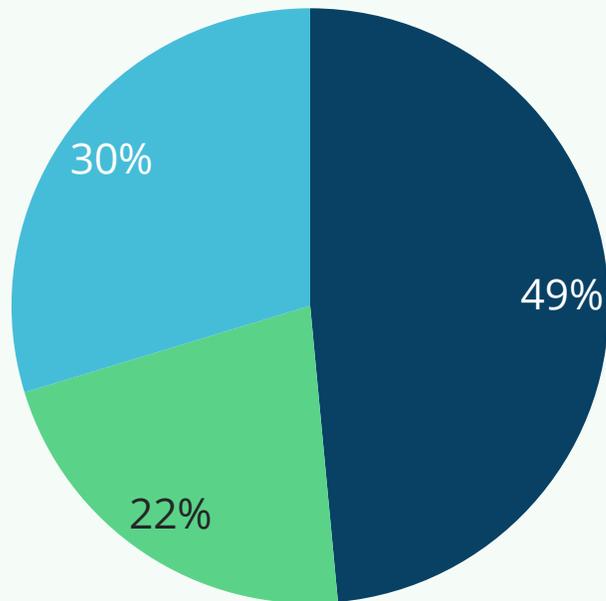
Did you establish/refine a dashboard/KPI's in your first 100 days?



Sellers helpful in most companies, particularly in handing off “goodwill” with employees and customers

Helpfulness of the Seller

n=37



- Very Helpful
- Somewhat Helpful
- Not Helpful

Where the Seller can be most helpful



Providing **historical context** around employees, customers, and vendors



Introducing to and **setting the tone** with customers



Building **credibility** and **trust** in the search CEO with employees



Making sure “little things” don’t **fall through the cracks**



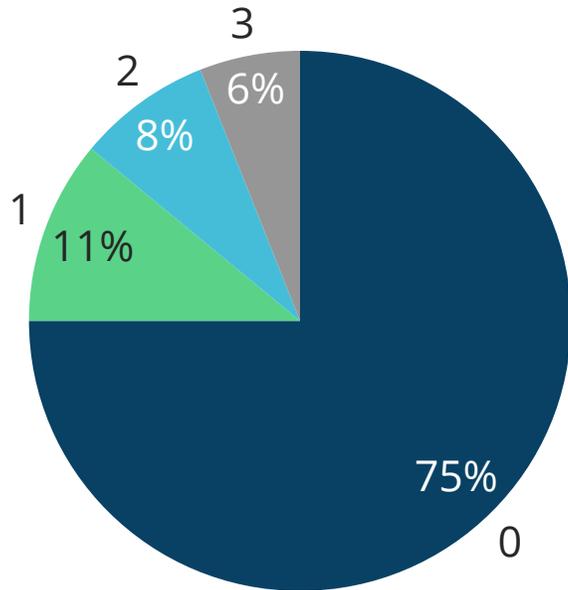
Our seller was outstanding. If I remember correctly, he **met with us twice weekly**, and also continued to **join** a few internal meetings where we knew it would take us a few weeks to have **sufficient context** for a **full handoff**.



Post-close surprises: Most (75%) avoided management team turnover; those with turnover pointed to some disruption but mostly upsides

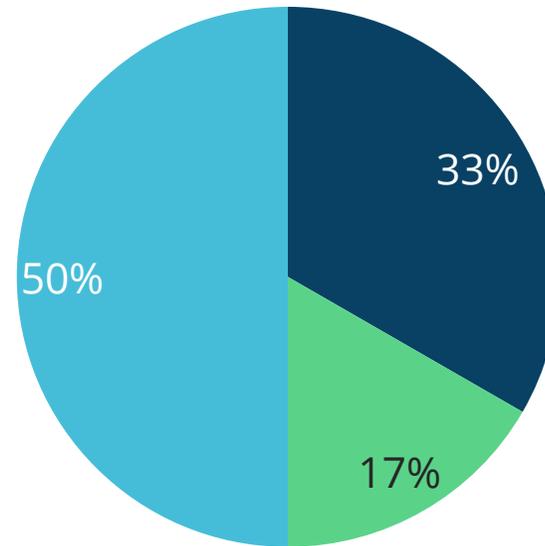
Number of mgmt. team turnover in the first 100 days

n=36



How impactful was turnover?

n=12



Very Impactful
Somewhat
Not Impactful

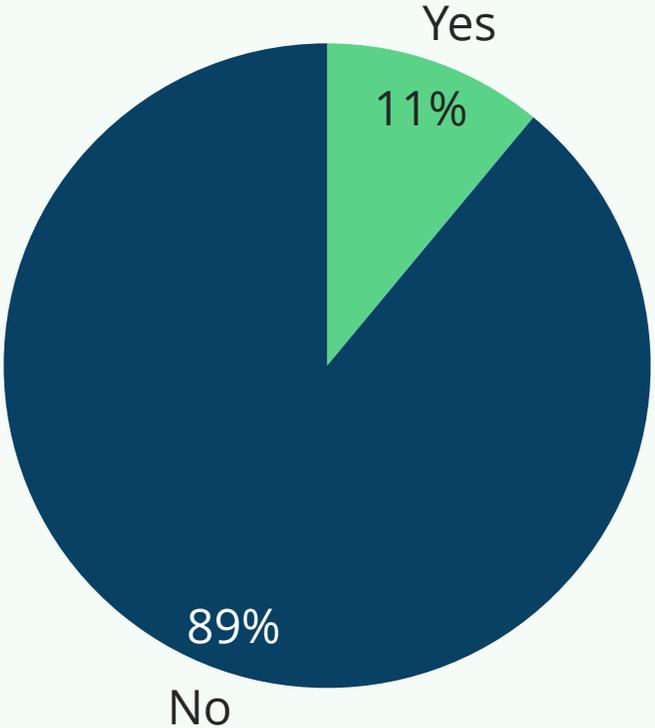
What CEOs shared about turnover...

- “ Management team turnover created **opportunity** for hiring the right people. ”
- “ We went too quick with the pre-installed ‘leadership team’. By the end of the first 100 days, we knew there were people on the team that were **poison pills**. ”
- “ Very material impact, but **all positive**. No one on my team turned over as quickly as 100 days, but four of five were terminated at some point. ”
- “ The timing is a **balance** of **speed to action** (you're never fast enough) and knowing what you're talking about (<100 days seems fast unless it's glaring). In the end, my biggest learning was **trust your gut**, as it's almost always right on these matters. ”

Other disruptions rare, including losing key customers and revenue producing employees

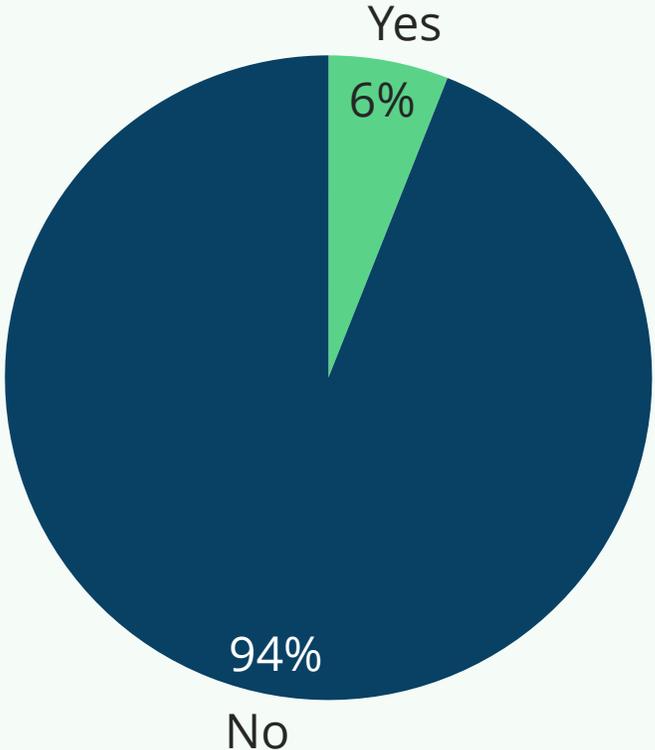
CEOs who lost key customers in the First 100 Days

n=36



CEOs who lost key revenue producing employees in the First 100 Days

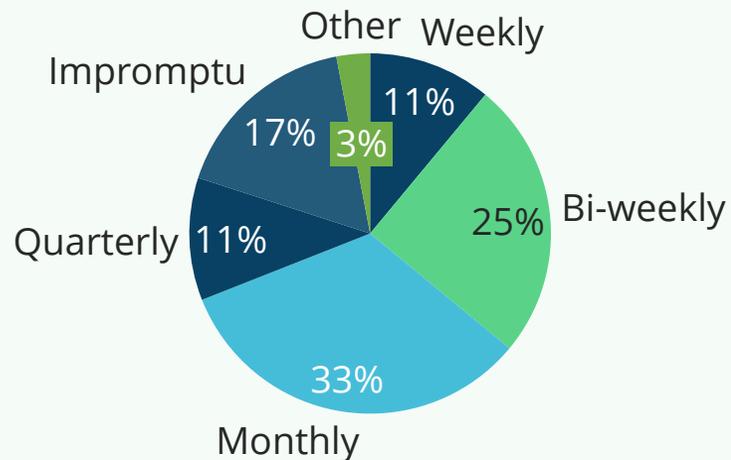
n=36



Governance: ~70% of CEOs spoke with their Board at least monthly

Frequency CEOs found most helpful for having calls with their Board

n=37



Areas where Boards are most helpful



Ensuring **proper focus** on the right priorities



Connecting to **service providers** – marketing firms, recruiters, outsourced accountants, etc.



Troubleshooting, especially around employee and customer issues



Ensuring proper financial **controls** and **cash management**



Grounding: “Reminding me that it will all be okay. The sun will rise tomorrow.”

Types of Board engagement CEOs found most helpful

n=37



We were **drinking from a fire hose**, and it was helpful to be able to talk informally to our Board members about what we were seeing, how to **interpret** it, and how to **prioritize** the (immediately rapidly growing) list of ‘to-dos.

Learnings on how best to deal with the stress of being CEO

Exercise

Maintaining some work/life balance

Constant communication

Gym and sleep

Setting boundaries

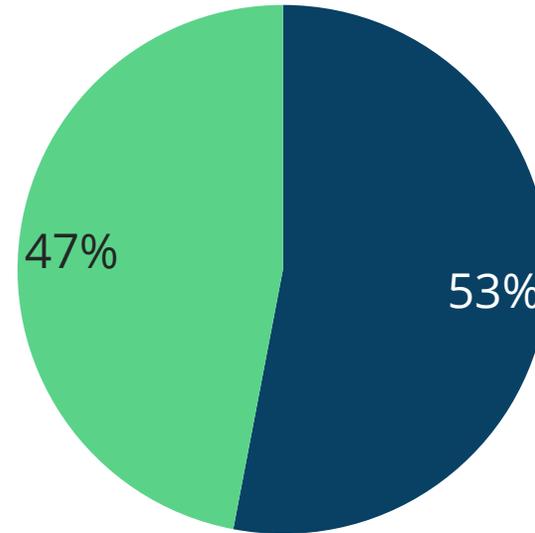
Talking with your Spouse/partner

Prioritization

Sticking to a routine

How prepared CEOs felt for becoming a CEO

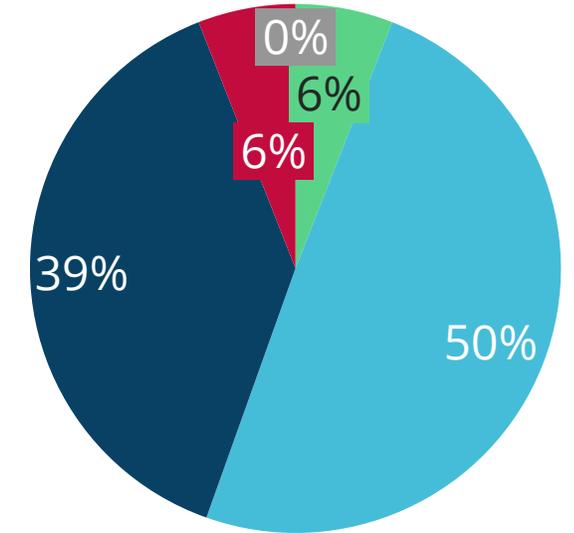
n=36



■ Somewhat prepared
■ Well prepared

Stress during the First 100 Days

n=36



■ None ■ High
■ Limited ■ Very high
■ Moderate

“ Focus on what needs to get done. Remember it’s a **long journey**. ”

Best thing I did in the first 100 days: “Show Up”; “Be Humble”; “Listen & Learn”

“ Showed up. **Listened. Listened. Learned.** Treated the team with respect

“ **Prioritize meetings in person.** Met the seller in his hometown as well as some customers and vendors. That helped a ton

“ **Listen**

“ **Reset cultural expectations** that we were now a ‘growth company

“ Spoke with as many prospects and **customers** as possible

“ **Survive**

“ Get the bank accounts set-up so I could **monitor the \$ in and \$ out**

“ **1-1s** with employees and **shadowing/field days** with the team

“ **Rolled up my sleeves** and did *every* job for at least a day, so I could learn the processes and the people. Literally every single job

“ **Be humble.** Learn the business. Assume others at the business knew everything and that I knew nothing. Don't flaunt my "MBA" or anything like that. No one cares about that. Be Humble

If CEOs had regrets, it was mostly wishing they had spent more time with employees and customers and gone slower, except on HR/personnel issues

If you were to go back and do your first 100 days over again, what one or two things would you have done differently?

“

Moved **slower** and learned deeper

“

Made **no decisions** unless something was on fire

“

Made plans to **hire** key employees **earlier**

“

Fire sooner

“

I would have been **MUCH more market facing** and communicated more broadly with customers and users

“

Invested more time **shadowing** team members to both build **relationship** and understand the smaller nuances of the business

“

Slept more. Tried to control less. Remembered that this business has a **heartbeat** and a **rhythm**, and it has enough momentum to continue without my being part of every decision

“

Build a **KPI Dashboard** --even if you don't have the right data yet, need to agree on what's most important and what's going to move the ship forward

“

Don't be afraid to **ask stupid questions.** I was worried I'd meet with a client and say something stupid or answer some important question incorrectly that would cost us. Don't do that - this is your one time to dive in and ask whatever you want

Best advice to future search CEOs



Adan Sierra

co-CEO, Mudshare

I really wish I had spent more time trying to **actively avoid the urge to do things**. This has been the hardest part of this gig.



Clayton Collins

CEO, Housing Wire Media

As CEO, you very quickly are the person with the most information and knowledge. **Be the leader**. Lead from the front. **Listen** to advice, but **own the decisions**.



Jeff Brewer

CEO, Cornerstone Support

Way over do it in **time with the team**. 80%+ should be **shadowing** and **relationship building** with the team. The more time with them, the more they **trust** you and the faster you'll **learn** the business.



Brian Williams

CEO, FIMC

One, that everyone has a plan until they get punched in the mouth. - Mike Tyson. Two, that you are wholly unprepared, but you can **figure it out**.



Brittany Collins

CEO, PFC Management

That you'll get pulled in 1000 different directions but you need to stay **focused** on a **few priorities**. Also, half the team will come to you saying they are underpaid and need a raise (we didn't give any and didn't lose anyone we didn't want to lose).



Eddy Zakes

CEO, Earth Development

To **relax** and enjoy it a little more. Just **lean into the chaos**. You'll figure it out.