



WORKING WOMEN MAGAZINE ARTICLE

“WHEN THE HONEYMOON’S OVER: Two who made it through trials by fire show how it’s done and what to look out for.”

The receptions and introductions are over. The press clippings and congratulatory notes have found their way into a file folder. The headiness of making a giant career leap is behind you. Now you have a job to do.

It may be a job whose scope or subject matter is new to you. It may be in a company where you’re an unknown to everyone you’ll be supervising. Even if you’ve been promoted from within and know that part of the job visible from below, now you have to learn the part that *isn’t* – i.e., relating upward and to the world outside your company.

While it’s only human to have private doubts at times about your abilities, you can’t admit them publicly. No one wants to see the boss exhibit a lack of confidence, especially as you’re taking charge. But as the weeks drift into months, you need to assess your performance. Corporate leadership involves thinking for yourself, initiating changes, developing supporters inside and outside the company, managing all constituencies effectively and meeting your goals. With greater authority comes additional pressure: it’s up to you to figure out what the standards are, what the goals are and what it means to do things your way. Even when you’re high enough up so that no one’s writing performance reviews on you, people are watching. And it’s up to you to sink or swim. How can you tell how you’re really doing? Here are guidelines from two people who’ve been there, to help you maneuver through that first year of your seemingly sudden success.

High – Level Career Changing

Janet Colson’s appointment as vice president of human resources for the Restaurant Enterprises Group, Inc. (REG) was a quantum leap. Suddenly she was responsible for 52,000 employees in 650-plus restaurants in 36 states. It was her first job with a major corporation after nearly 20 years in government, public-affairs and nonprofit administration. For years she had been eager to enter the for-profit arena and had prepared herself by earning an MBA.

Her new job followed on the heels of a three-year stint as the only government employee on the Grace Commission on Waste and Inefficiency in the Federal Government, the volunteer corporate task force headed by J. Peter Grace, chairman of W.R.Grace, the chemical conglomerate his great-grandfather started. REG was then a wholly owned subsidiary of W.R.Grace; in 1986 top executives of the restaurant group took it private in a leveraged buy-out.

“Peter Grace’s style is to take people with good raw material and high energy, who are creative thinkers, and throw them into a job and see if they can succeed,” Colson says. In other words, he expected Colson to make her own way in a business – and a field – that were new to her.

In her early months on the job, says Colson, “I was revved up but also scared, because I knew Peter had expectations for me, and I knew there were those who questioned my being there.

Overcoming the Undercurrents

When you’re a newcomer taking a plum position, there usually are several inside people who’ve been passed over and would like to see you fail.

For Jim Simon the move to managing directorship of Douglas Elliman, the prestigious, old line New York brokerage firm for residential real estate, was a leap to the top job in the toughest market in the country. Before he was hired, Simon had been executive vice president of William Raveis, the largest real estate firm in Connecticut; he also spent 11 years as a senior executive with PHH Homequity, a corporate relocation company. Good experience, but now he was the head of

a company that was in chaos when he arrived in October, 1988. Middle and top management had walked out in a public dispute with the owners only two months before, leaving a leadership vacuum he needed to fill at once.

Both Colson and Simon had stepped into visible, high-level positions with a lot of pressure; Colson had to prove she was capable of the job, and Simon had fires to put out.

Follow the Budget Trail

The first step after the hubbub has calmed down is to take control of your budget. To do this you need a clear picture of your financial resources and a sense of how much leeway you will have in spending. “The first thing I did was to get on top of the P&L and determine how much time and breathing room I had to maneuver,” says Simon. “You need to do this immediately because you can’t build a vision and solve problems – unless you know you can meet the immediate financial obligations.”

Any manager in the spotlight needs to understand these crucial elements of both her company and her department:

>The profit-and-loss history, including the year-to-date figures and projections, as well as the expectations of your contribution to the bottom line in the first year;

>The year’s budget and how it was created. If you haven’t inherited a budget, you need to know the guidelines for creating one. Get to know your colleagues on the financial staff—the company’s chief financial officer, business manager, controller, or accounting-department staff. Win their trust, and they will be invaluable.

Listen carefully to what your financial liaison says in conversation. An accountant’s reference to the outrageous expense-account lunch of another department can warn you to keep a tight rein on such expenses at your end. A remark that another department’s spending in this area is so low it’s a wonder they get any business done at all may signal that salespeople are expected to woo clients in expensive settings.

Ask about predictable patterns of spending in your area. If part of your role, however, is to expand a portion of the business, lay the groundwork for ensuring you have the budget to do so when talking to the financial staff. And before you go into your first budget meeting, ask another department or division head what you should expect. Some companies set aggressive profit forecasts and don’t expect you to meet the budget projections every time. In other companies, over spending on any single line item is taboo. The first time you’re raked over the coals, you get the message that it’s up to you to stay within the budget, justify an unavoidable increase, or explain why you had a one-time-only charge.

Grab Them by the Dollar Signs

One of the smartest moves a new top manager can make is to connect her first successful project to the company’s bottom line.

Janet Colson did just that, and in the bargain, she made human resources visible to top management. Her first assignment had been to conduct a complete analysis of the company’s insurance coverage, everything from property and general liability to employee health coverage. She spent six months on the project. At this point in the restaurant company’s history, insurance costs were running some \$40 million to \$45 million a year, and no one had ever conducted a cost-benefit analysis. Colson suspects the job was a testing ground.

“Come up with a way of cutting those costs and you’ve got the attention of senior management,” she says. Her CEO at the time suspected that liability-insurance contracts, negotiated by corporate headquarters in New York, cost more than necessary because the parent company owned oil derricks and coal mines. He was right. Grace’s heavy-industry insurance costs had skewed the coverage for the restaurant division.

At the end of her study, Colson gave a presentation at the annual corporate business-planning meeting in New York. She was the only woman to do so. “They were not interested in me personally. They were interested in what we were going to do to control these costs,” she says. Once she showed them, she was appointed vice president of human resources.

Accelerating Your Learning Curve

In your new job, you may be leading a staff of experts in a field you don’t know yourself. While you’ll want to become expert as soon as possible, remind yourself that you don’t need to know how to do the technical jobs. You’re a coordinator, a motivator, a manager, a buffer and a coach. Count on the managerial skills that got you the job in the first place to carry you while you immerse yourself in an intensive learning process.

When Colson joined REG, she knew nothing about either the restaurant business or the human-resources field, two holes in her background one might consider gaping, given her position. She did have prodigious research skills, having spent several years as a researcher at Stanford University’s Hoover Institute. She also had a well-honed ability to absorb new information and act quickly in a chaotic environment, learned when she worked on the transition team for Ronald Reagan’s presidency. For information about her new job and industry, she looked to her staff and her In Box. “I insisted everything come through my office at first. That way I was going to learn, by asking questions and challenging everything.” She also read every piece of paper that crossed her desk – trade publications, rules and regulations, anything pertaining to human resources or the restaurant industry. “I had to understand where we made our money and what the profit margins are in running restaurants.”

She also had to get a handle on high-level corporate politics. “You have to keep your eyes and ears open and your mouth shut at first, until you feel comfortable and can establish credibility,” she says. As an outsider, Colson needed to gain the respect of those who reported to her, many of whom were loyal to the man she replaced. And she needed to prove herself to an all-male layer of senior management at the corporate level. “I’ve been told that when I was made vice president of human resources, it was a deliberate ploy to make me fail,” she says of that time.

Her political experience, which included four years in the Reagan White House (she stayed on after the transition team disbanded, stood her in good stead. Her new company was structured loosely, and so she was able to adopt some duties that had been falling through the cracks and that she could use to turn skeptical colleagues into supporters. Into the pipeline of internal communications she fed updates on legislative and court decisions as well as community issues that could affect the business. She also worked on outside visibility: “For instance, there were no press releases,” she says. “Once you issue a press release about the new chief financial officer, you’ve made a friend.” Aiding others as well as asking them for help and tutoring enabled Janet Colson to meet the challenge of sudden success.

Use the Honeymoon to Establish Leadership

Jim Simon, too, turned to his staff at Douglas Elliman to help him master a new location and to figure out how to stabilize a company in crisis. During his first month on the job, he talked to many of the firm’s 400-plus employees, asking them such questions as, What would you do if you were in my shoes? What are the major problems you see in the company? He kept a file of detailed notes with names attached, and after a month of face-to-face conversations, he made a flip chart listing every problem that had been mentioned. He classified the problems, made lists of priorities, put together task forces to address the hottest issues, and then shared his conclusions in staff and follow up meetings.

For instance, he heard numerous complaints that the company’s computer system was frustrating; brokers needed better information faster. Within a month he had both hired a computer consultant and approved a task force with the mission of upgrading the software. To learn how the business worked in New York, he turned to people in the real-estate industry there. “I spent about one third of my time recruiting and trying to meet the competition at the broker level. Talking to other people in the business gives you new ideas and new ways of looking at things.”

Simon's other task was to energize a demoralized staff. "Coming in fresh gives you an opportunity to articulate a new vision and foster a spirit of innovation." He warns that you have to use the opportunity afforded in the honeymoon or you will lose it.

Another priority was to change the corporate culture. "Historically, Douglas Elliman was a risk-averse company. I had to make it seem okay to make mistakes." To set the new tone, he told his staff: In our business the pace is changing. The city is changing. We're going to step up the pace here. This company is going to be an exciting place to be; we're going to do more business. Every once in a while we're going to make a mistake; but bear with me. It's the only way we're going to innovate and lead."

For Simon, the learning process involved integrating waves of new information on a regular basis. "I had to force myself to break out and get a block of time with no one around me," he says, "an hour here or there where I could assimilate and be sure I could make logical order of it all and be creative. The easy thing is to react constantly. But you need to step back and remember your job is to create the issues in the first place. Stay reactive and you're not a leader." Simon used his two hours a day of commuting time between Fairfield, Connecticut and Manhattan for quiet thinking time, and kept a notebook by his bed.

Reporting to the Top

One of the changes a leap to the top involves is taking the initiative in your relationship with your new boss. Simon gave himself a month of gathering information before developing a pattern of meeting weekly with his boss, the company chairman. Simon says one easy mistake to make is to take positions too soon on what needs to be done – before you thoroughly grasp the situation. Only when you have should you make certain recommendations on how to solve certain problems. Do it too early, and you may miss a crucial piece of the puzzle.

After four months on the job, Simon had created a document he call "Directions," a model of organization in notebook form. It includes the following: situation analysis, staff organizational charts with reporting structure, goals and strategies in 12 key areas including rebuilt infrastructure, support and technology, floor plans/ capacity, recruiting, productivity, service excellence plans, broker management, international division startup plans, new acquisitions, marketing, advertising and corporate image programs – all supported by action plans, time frames, responsible individuals, budgets and projections.

Once the chairman approved it, Simon had a definite game plan, as well as a clear understanding of his budget, resources and financial goals both for his first two years and for the long term. "Without a comprehensive plan, long-term investments don't get made," he says.

What Expert Help Do You Need?

When you take charge, especially if you're changing fields, you have to identify what gaps you have in skill or knowledge and find the help you need, whether from within the company or from outside consultants. Janet Colson found help in the company. One was a director of financial reporting and analysis, a woman with an analytical mind who understood the W. R. Grace spreadsheet. She gave Colson the financial analysis she needed to hold her own with her financial counterparts. Another was a benefits-and- compensation expert who knew the fine points of dealing with the IRS and Department of Labor. He had been the staff VP of personnel for the two operating companies based in southern California; Colson made him VP of benefits and compensation for the group.

Another strategy, especially when you're shifting to another company or department, is to bring along a trusted deputy. Among the common combinations: You're the CEO; she's the chief financial officer. You're the marketing whiz; she's the technician who backs you up with statistics and production figures. You're Ms. Inside, setting policy, creating strategies and taking responsibility for the overall goals; she's Ms. Outside, the saleswoman who keeps the clients happy.

Colson found tutors both within the Irvine office and at the parent headquarters in New York, some of whom she knew through her work on the Grace Commission. “I’m not afraid to ask for help,” she says. By doing so, she found allies. Colson says she determined whom to trust mainly by gut feeling. And while she says she wasn’t undermined directly, she sometimes felt people would not give her the information she needed if she wasn’t specific and careful how she dealt with them. “If you don’t ask the right questions, you might not get the right answer,” she notes.

For coaching in the early months, Jim Simon turned to a man he calls The Legend – a senior consultant who had owned one of the firms acquired by Douglas Elliman, “He was an individual I could trust, because he had no vested interest,” says Simon.

Managing External Constituencies

One part of any top job is being on the front line with the public as well as with others outside the company. In the past, your boss played that role. Now you find yourself managing the press, the competition, employees, brokers, clients, customers, suppliers -even though you’re brand new.

“Once you head up a company, those publics are much more unforgiving than when you were in a supporting role,” says Simon.” At the top, every decision you make is under a microscope.

One of the first issues Simon addressed when he took the helm at Douglas Elliman was building confidence in the company. “I needed to ensure that other people in the industry knew we were prosperous and thriving,” he says. “That’s especially important after a public crisis.”

He made a point of circulating within the industry, asking people to arrange introductions, or calling people cold and suggesting they get together. As the company’s chief, he made himself accessible to the press not only to deal with his own organization but to address key industry issues as well.

If you find yourself on the firing line for the first time, ask your public relations department or outside agency, or whoever handles press inquiries, to screen requests for interviews and coach you beforehand to prevent a misstep. In one sense, you are the company. Be discreet, and weigh your words and actions.

Assessing Your Progress

Whenever you change jobs, you leave behind a support structure you know. You don’t have the comfortable interpersonal relationships that ease the day’s pressure. And when you make a leap in scope or field, this loss can be accentuated.

Enjoying it is Simon’s barometer of how things are going. He was four months into his new position before he could step back for the first time and see that relationships were jelling and his team was working well together. “At some point it has to be fun – even if it’s painful fun,” he says.

Several months in, stop and ask yourself, Is this becoming successful? Am I fitting in? Am I enjoying this? It’s normal to experience tremendous pressure, but if on some level you’re not having fun, something may be wrong.

If you’re in a company where the bottom line is dependent on the steady motivation of the sales force, Simon recommends that you ask people at different organizational levels below you, “How are *you* doing? How do you feel about the new regime?” If you acknowledge your own mistakes and allow others to make them, your team won’t let you fail. “You have to create an environment where they’ll be honest with you and feel you can be approached,” he says. To get at the truth, Simon will tell people, “I guess I blew it.” “In the first few months, if you’ve made a mistake you can write it off to being new. When the honeymoon is over, it’s tougher,” he adds.

While during your first few months – or year – in a big new job you certainly will have moments of trepidation and days of uncertainty, remember that it’s always like that when you’re on a learning curve. It was that way in the first grade; it’s

that way all through life. Don't fight it and don't be too harsh on yourself. Comfortable circumstances are hardly the road to the top, concludes a study of how successful executives develop. Morgan W. McCall, Jr., Michael M. Lombardo and Ann M. Morrison concluded the study and reported their findings in their book, *The Lessons of Experience*. "The more dramatic the change in skill demands, the more severe the personnel problems, the more the bottom line pressure, and the more sinuous and unexpected the turns in the road, the more opportunity there is for learning," they wrote. "Unappealing as they may seem, being shocked and pressured and having problems with other people teach most."

In short, the tougher your trial by fire, the more you'll learn. Put the lesson to use, and you'll end up having fun.

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