

SUSTAINING HIGHER AMBITION ACROSS GENERATIONS OF CEO LEADERSHIP

To kick off this CEO panel discussion Jeannie Diefenderfer, CEO of the Higher Ambition Leadership Alliance, shared highlights from research and Alliance interviews on the topic of succession planning and sustaining culture through CEO transitions.

**SUSTAINING
HIGHER
AMBITION
ACROSS
GENERATIONS
OF CEO
LEADERSHIP**

JAMES DAVIS

CEO-ELECT, QUEST DIAGNOSTICS

JEANNIE DIEFENDERFER

CEO, HIGHER AMBITION LEADERSHIP ALLIANCE

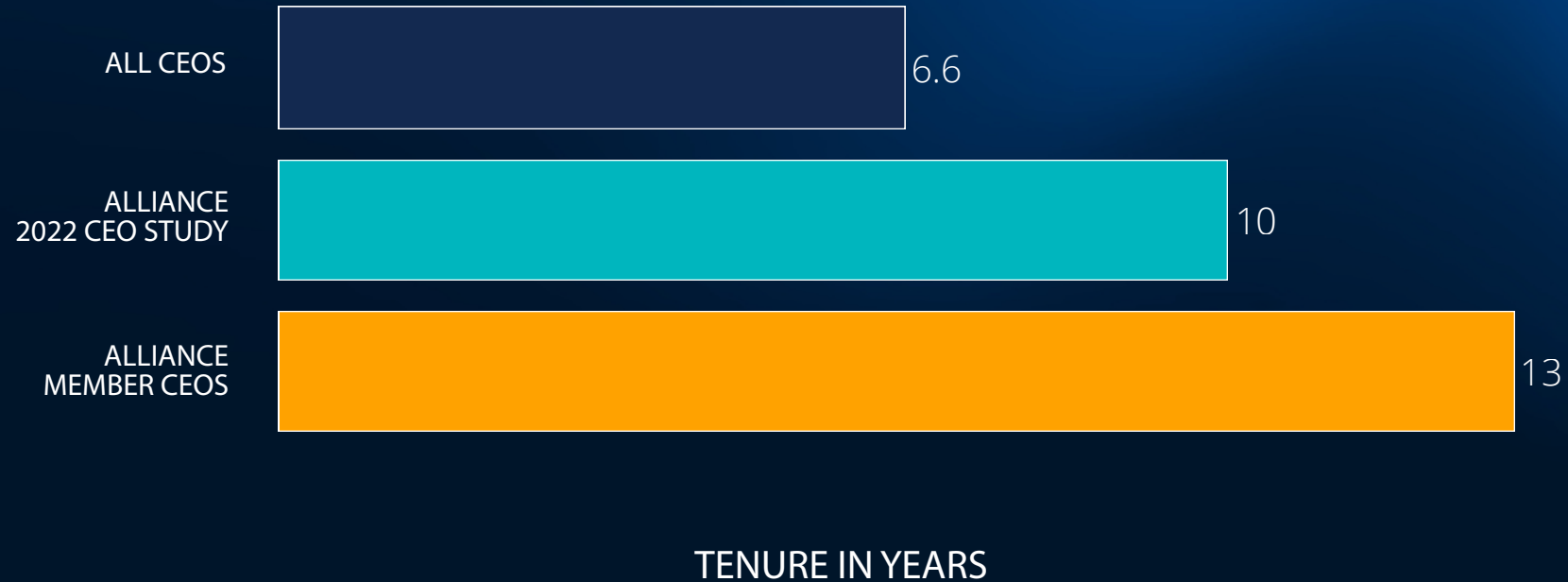
VINCE FORLENZA

FORMER CHAIRMAN & CEO, BD
ALLIANCE CHAIR ADVISORY COUNCIL

STEPHEN RUSCKOWSKI

RETIRING CHAIRMAN & CEO, QUEST DIAGNOSTICS

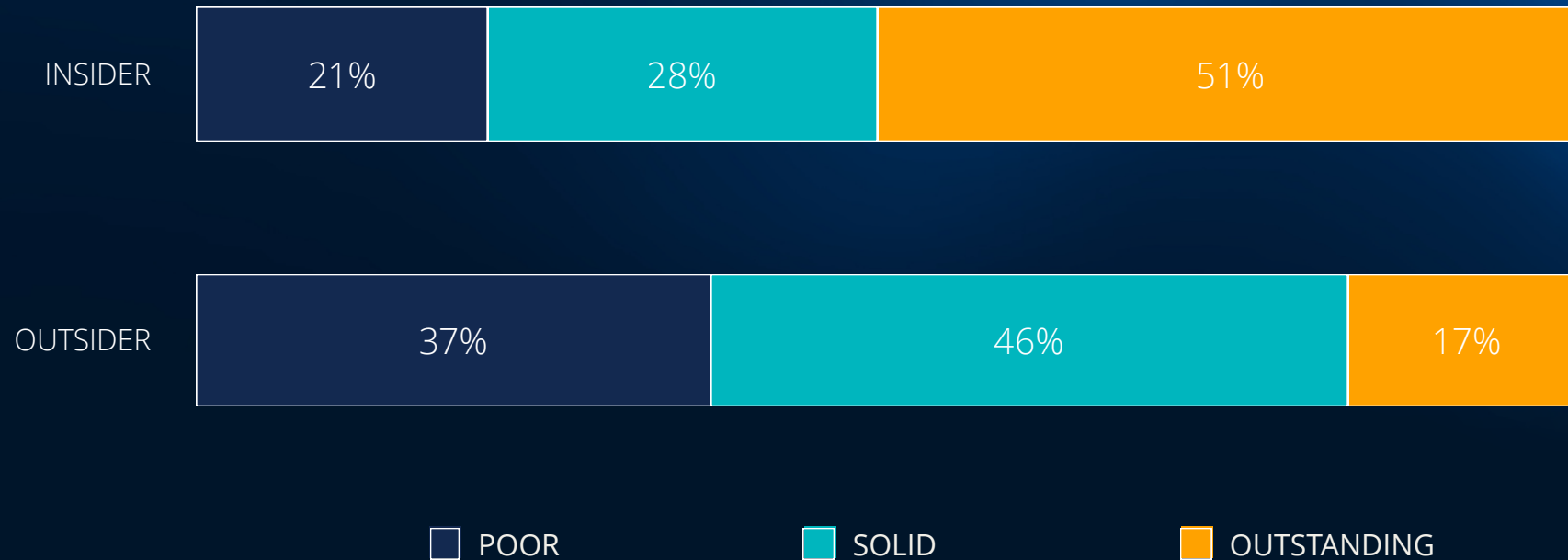
HIGHER AMBITION CEOS **HAVE LONG TENURE**



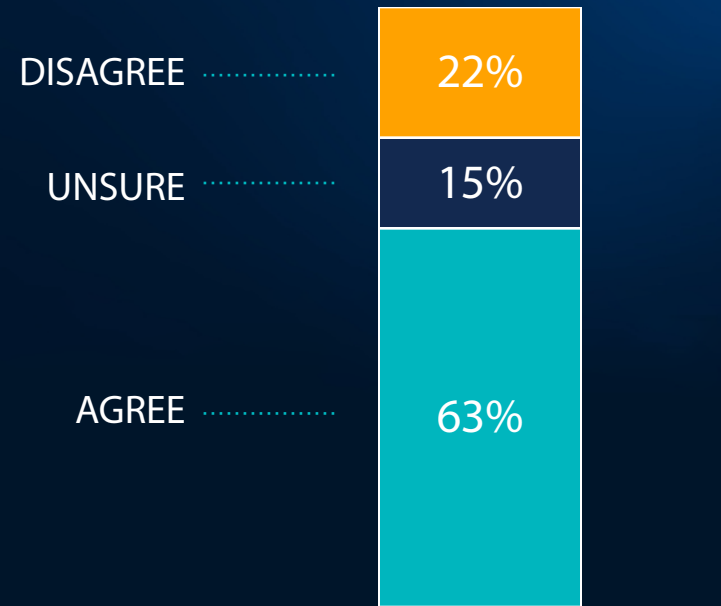
PERCENTAGE OF CEOS WHO **LEAVE IN LESS THAN 3 YEARS**



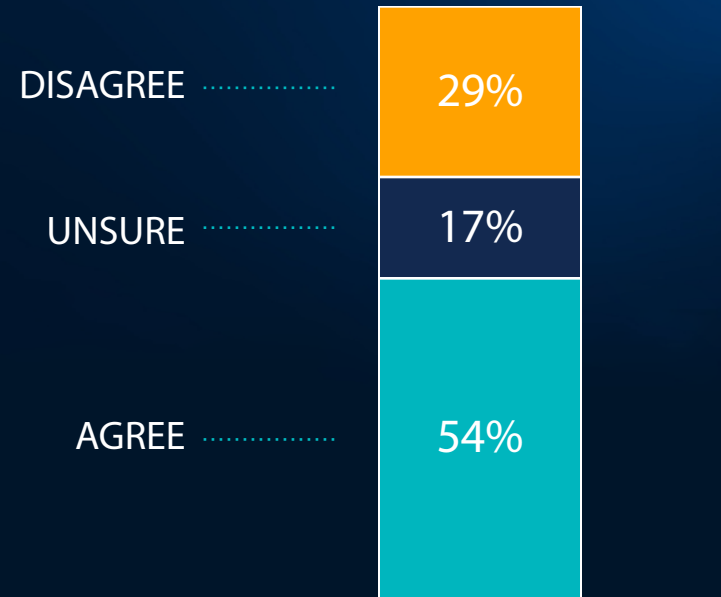
INSIDE CEOS OUTPERFORM AT HEALTHY ORGANIZATIONS



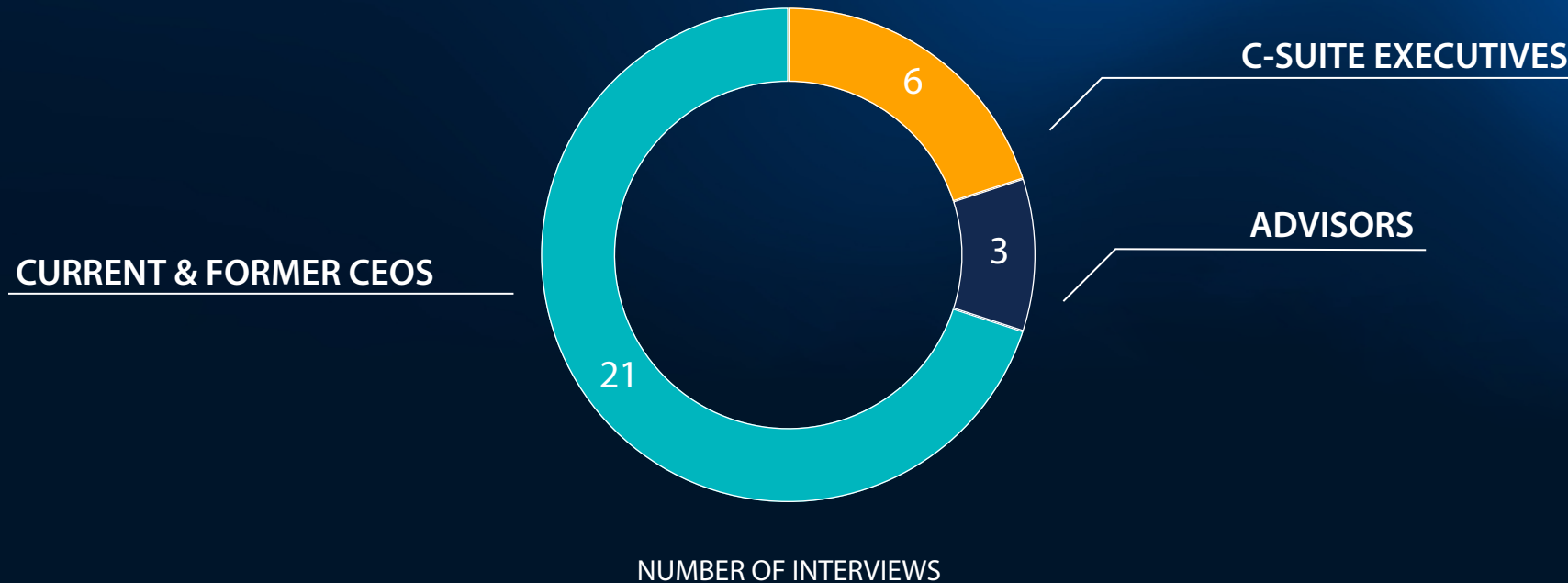
THE BOARD HAS A WELL-DEFINED PROCESS FOR SEARCHING AND SELECTING MY SUCCESSOR



WE HAVE A STRONG BENCH OF VIABLE/QUALIFIED CANDIDATES



SUSTAINING HIGHER AMBITION ACROSS GENERATIONS OF CEO LEADERSHIP: A DEEPER LOOK



KEY HEADLINES FROM OUR RESEARCH

DESIGN A **ROBUST, EVERGREEN PROCESS** THAT **BALANCES CONTINUITY WITH OPENNESS** FOR CHANGE

Succession is a robust, institutionalized process

CEO transition process (before, during – not waiting until after) is used as a time for rethinking strategy and for evolving the leadership team

Executive assessments are used to evaluate candidates required for the NEXT CEO, to delve deeper into HA values and mindset

External coaches and advisors are engaged for either one or both CEOs

In some cases, progression of roles – e.g., COO/ President to CEO, and CEO to Exec Chairman – are used to signal and support the transition

KEY HEADLINES FROM OUR RESEARCH

APPROACH **EXECUTIVE DEVELOPMENT** AS A **LONG-TERM STRATEGY**

Succession planning is most effective with robust leadership and executive development approaches

Performance management process evaluates HA leadership behaviors – for both performance AND values

Self-selection is intentionally enabled

KEY HEADLINES FROM OUR RESEARCH

STAY OPEN TO **DIFFERENT LEADERSHIP STYLES** BUILT ON **TRUST**

Shared values around HA culture are the foundation

Explicit pursuit of diversity

Courage to have difficult conversations during the transition

Coaches/advisors used to navigate differences

KEY HEADLINES FROM OUR RESEARCH

INFUSE **HIGHER AMBITION VALUES** AT THE **BOARD LEVEL**

Board candidates (and members) evaluated for shared HA values. Some CEOs see individual commitment to HA as critical – while others see collective commitment as a Board is enough

Board members intentionally engaged to understand and value your distinctive HA culture

HA metrics reported and monitored at the Board level as part of its governance cadence

Robust and thoughtful involvement of the board in the transition process (individually and collectively)