

Truth. It takes a team.

Action.

Get Aligned

Decide what kind of leader to be and collect followers.



Case of the Overrun CTO

Overrun CTO

- You are the CEO who was brought in by one of the world's most prestigious investment companies to work with the management team of a \$15M, 100-person firm with 23% EBITDA margins with the explicit mission to double its size, increase profitability to the mid 30% range, and sell in 5 years to generate a 3-4X return on their \$20M investment while paying down \$30M in debt. Everything has to go well to pull this off.
- 5 Days after taking the helm of the 23-year old organization, its venerable 36-year old CTO, who is the person around whom the firm is built, comes to see you at the point of tears and says that she feels it may be best for her to quit and move on to another company because the new 34-year old COO (who created the opportunity for a change in ownership) is inserting himself in work matters that everyone knows are her purview even though the new COO is not the least bit technical (though he *is* an engineer with an MBA from Dartmouth). She says what he is doing is embarrassing, disempowering, and that she may just not be needed in the new era.
- You cannot afford to lose the CTO. **What do you do?**

- Possible answers:
 - Comfort the CTO express sympathy.
 - Meet with each of them separately to draw them out and to figure out a good solution.
 - Bring the COO in and meet with them both now.
 - Meet with both later.
 - Gather more information.
 - Tell the COO to shape up.
 - Tell the CTO that you really need her.
 - Tell the COO and CTO more clearly what you expect from each of them.

- Problem with possible answers:
 - Puts the onus for a solution at the feet of the leader
 - Temptation is for leader to step in to drive, broker, or otherwise provide a solution as it makes him/her feel powerful, useful, and important.
 - Risk is, though, that COO and CTO become dependent upon the leader from then on.

- Another approach:
 - Offer a tissue but do not mention tears; consider them data to suggest that the situation is serious and involves anger (see this on tears in the workplace).
 - Ask the CTO:
 - If she has expressed her concerns directly to the CTO. Likely she has not.
 - If she thinks she will run into a similar circumstance in any future role.
 - How she thinks an executive she admires would handle the situation.

Explain that she is likely to run into this circumstance again and will be a better executive going forward if she learns now how to deal with it powerfully...starting by discussing it with the COO directly and stating what she wants.
 - When she leaves your office, immediately call or go see the COO to advise him that it is imperative he hear out the CTO and work out clear roles and responsibilities between them.
 - Follow up with each and both together to be sure they have sorted out who is responsible for what going forward and that they are working well together.
 - Invite them both to share their experience with others in the organization to use it as a learning opportunity for all.