

AdviSoar



*Developing
Executive
Relationships*

By

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Introduction

The success of an executive can be directly linked to the quality and strength of their relationships with all stakeholders. The executive builds a complex web of relationships to help advance the vision and mission of the organization. Executives are under great pressure to effect change, relentlessly increase profit and provide innovations that advance competitive superiority. The quality of their leadership and their ability to harness resources from the *best sources possible* are critical success factors to the viability and success of the organization.

Because of the executive's focus and scope of responsibilities, relationships with executives are typically initiated by others. The purpose of this paper is to describe the current executive environment, and to understand how a different skill set and intent are required to develop relationships that provide value at the executive level. We will examine the current realities, the "executive neighborhood", and the high level process by which the relationship is strengthened and leveraged for the purpose of realizing mutual and measurable value.

Current Reality – Executive Suite

In many companies over the past decade, the greatest career volatility has been observed at the very bottom of the enterprise, and at the very top. The average tenure of the corporate CEO in the United States is currently less than 3 years, and 40% of chief executives were terminated by their boards in 2002, up from 25% in 2001. Today, analyst and shareholder expectations, and the above time reality, are such that executive leadership teams have precious little time to generate results. Often in opposition to this time-sensitive imperative, is the realization that character and a personal long-term intent are becoming significant criteria by which senior executives are recruited, retained and rewarded. In this post-Enron business climate, it is rare indeed to find corporate boards looking for the charismatic and often self-isolating "big gun" personality that was so popular in the 90's. Research by such academics as Roderick Kramer of the Stanford University's Graduate School of Business, indicates that new qualities are being sought for today's CEO's. For example, Mr. Kramer identified "humility" as one of the five major sociological qualities needed to create the corporate environments required for predictable growth and stability. This is also supported by the research results of Jim Collins in his book, *Good to Great*, where he discusses humility of "level five" leaders as a key requirement for great organizations. It is this humility, this realization that the executive cannot do it alone that drives the opportunities for forming and leveraging relationships that bring value to the business.

Executive staffing teams are now trying to find leaders who can develop, communicate and drive an organization towards achieving a compelling vision, who can lead, develop and motivate people to achieve superior results, and who can leverage resources from all internal and external sources. Executives are needed who can transform and reenergize their companies into stable and viable organizations that make significant and *sustained*



impact for shareholders, employees, customers, suppliers and their communities. They cannot do this alone, and therefore must be willing and able to develop relationships with those who can bring measurable impact to their agendas.

Current Reality – Workplace

In the current Darwinian workplace, which has been repeatedly “right-sized”, relentlessly reorganized, and routinely demoralized, employees are expectedly cautious. The cultures of most companies have radically changed over the past two decades or so. People are more skeptical about the stated motivations of their leaders, and typically the investment in people development at all levels has been significantly reduced. In their book, *Values Shift*, authors John B. Izzo and Pam Withers state that 87% of North American companies downsized between 1986 and 1996, while similarly, 86% of companies abroad downsized. This combination of increased turbulence, reduced investment in people, and increased focus on individual survival, has resulted in considerable turnover of talent. And, with so much of big business’ top performers having left in frustration for other companies or to have formed their own businesses, corporate executives need to be engaged with “outside” organizations more than ever. We at AdviSoar espouse a basic truth about the intent of senior executives, and that intent is even more critical today.

Executives are constantly searching for any way possible to help bring impact and clarity to their corporate vision and mission, and in so doing, to further their business as well as personal agendas.

Since no company possesses all the skills, knowledge, ideas and resources it needs, that search must be extended beyond the walls of their enterprise.

While executives do not have the time or interest to engage with every company with whom their enterprise does business, their involvement in the decision-making process for much of their required products and services is increasing, for several reasons:

- Junior executives are often unprepared and therefore hesitant to accept full responsibility for significant purchases - *trust* has been the first casualty of today’s survival-focused corporate environment
- Senior executives are being held to higher levels of accountability by their boards and regulatory bodies, and they are expected to have more understanding and involvement in the significant operations decisions of the business.
- With the advent of the “big gun” personality at the top of the company, they are attributed greater amounts of wisdom and influence. Staffers want to ensure that the final decisions are supported and endorsed at the senior executive level
- Spending authority by individual executives has been reduced, coincidental with the consolidation of most procurement into fewer large and strategic purchase agreements that require senior executive or board level approval

Executive Relationship Defined

It is important here to define “executive relationship” as we will use the term. Developing an executive relationship is not developing a friendship. Executives generally don’t need more friends as they likely do not have enough time to spend with the friends they currently have. An executive relationship, as AdviSoar proposes, is characterized by conditional trust and the mutual exchange of value. Conditional trust is based on shared insight into the agendas of the executive, combined with a positive intent to bring value to those agendas. As long as there is value being exchanged, a relationship can exist. There is also an expectation of a positive “natural death” of the relationship whenever one or both parties are no longer receiving value. When value is continually exchanged, the relationship continues through a process of building the relationship, quantifying business impact, and serving the executive agendas. Since the intent should be to continually discover ways to contribute measurable value, the relationship process forms a continuum as in Figure 1.

EXECUTIVE RELATIONSHIP CONTINUUM



Figure 1

In addition to the need for resources, executives must also routinely engage in relationships with third parties to generate and refine ideas and innovation, to get broader perspectives of changing market dynamics, and to gain insight into the activities of their competitors. Often, this is information and value which cannot easily be purchased or contracted for, and is often a “value-add” of their preferred affiliate and supplier relationships.



The Executive Neighborhood

When seeking to develop relationship with senior executives, one must consider how their world is different than that of the other employees. It demands a non-traditional relationship approach, from a number of aspects:

1. **Time** It should be obvious to most people that when meeting with someone who is likely paid hundreds and even thousands of dollars per hour to drive results, that providing impact quickly is a given. Yet most third party representatives who meet with executives do so with very little preparation and with an obvious self-serving intent to promote themselves and their wares. Executives are accustomed to speed and clarity in most of their tasks, and typically experience sales or other types of calls as interruptions at best. It is rare indeed for an executive to experience a meeting with a third party representative that creates value during the first meeting. AdviSoar believes that delivering value, even within the first ten minutes of a meeting, should become a realization of both parties.
2. **Focus** The executive is primarily concerned about their personal and corporate agenda. This is reasonable considering the performance expectations and metrics against which they are judged. They will have no interest in any products or services unless and until they can see how measurable business impact can be achieved towards the vision, mission and business initiatives of their enterprise. The representative seeking the meeting must be prepared to first understand, and then bring value to, the executive's agendas.
3. **Value** Although one of the most misrepresented words in use in business today, especially by sales professionals, *value* is very specific to an executive. First, value must be significant enough to hit their "radar screen". Approaching an executive with a value proposition that may reduce costs by 10%, on something that represents only a couple percent of the corporation's cost base, is not likely significant enough to be within the purview of a "C" level executive. Second, value must be specific and tied to impact on traditional financial measures such as EBITDA, ROA, stock price, etc. When someone uses the term "value", they must be able to answer the three key value questions: "How much value", "How soon will I measure the impact", and "How sure are you that I will see the value you proposed?" In the absence of measurable value, there is no value to the executive.
4. **Intent** This is the most challenging and yet most powerful of the aspects to consider when meeting with an executive. If the intent of the person requesting the meeting is anything other than serving the agendas of the executive, it will be very apparent. After all, how quickly can you as an average consumer discern the true intent of a company representative who speaks with you? When calling on an executive, genuine intent to serve the executive's agenda will always overcome shortcomings in "selling techniques". Remember that executives are looking for anyway possible to advance their vision and mission. While the executive knows representatives have products and services to provide, they will only be interested in those offerings if and when the executive believes the offerings will provide measurable impact against their business objectives. That impact can only be quantified and proposed after the agendas of the executive are fully understood.



The Element of Risk

Having highlighted the differences in how relationships are to be developed with executives, there are also elements that are in common with those of any relationship. The relationship must have a foundation of trust or it cannot be developed. Trust is best established when there is true intent towards shared understanding of the agendas of the executive. Trust is further enhanced when there is shared risk in providing the exchange of value. All business propositions have risk. When the executive is specifically aware of the representative's risk, the executive is not only more likely to be involved in the success of the proposal, the executive's risk is mitigated as well simply by the presence of risk for the representative. The intent is not to eliminate risk, but to work together to mitigate its potential effects.

Executive relationships are built one to one and therefore can not be transferred. AdviSoar believes relationships are truly made only when personal agendas are shared. These agendas are typically only shared between people with positive intent to help further those agendas, and are deemed confidential unless specifically shared with others by the executive.

It is AdviSoar's experience that the best executive relationships exist where there is a strong genuine intent to have agendas identified and served. The subsequent mutual exchange of value is the substantive bond in most successful business relationships, while an open discussion of risk mitigation helps to ensure the value is realized.

Confirming Executive Value

Once a relationship with an executive has been started through the insight into their business and personal agenda, it survives and thrives in the exchange of measurable impact to those agendas. The value is two-way in that you are expected to provide value and receive payment for at least a portion of it. The challenge however, is in creating your value proposition in terms of executive level business impact. This cannot be "fuzzy" or undefined. The business impact must be in hard currency that answers the three key questions of value. Although AdviSoar coaches professionals on how to get insight into the complete agenda of an executive, it is expected that you will be able to, at best, serve only a portion of it with your offering. Therefore, it is necessary to gather evidence and impact data from various sources within the client's organization for the purpose of creating your specific value proposition.

There is skill, knowledge and perseverance required to assemble all the evidence received from various sources to understand the total impact of the executive's business agenda. Once that step is completed, it is necessary to discern which parts of the agenda can be served by your product or service, and what amount of impact can specifically be attributed to your offering. This is a combination of real evidence gathered, and your experience with applications at other clients. Your assumptions will need to be validated by people within the client organization, and then supported by your own organization. After all, you will be proposing a solution to a portion of the executive's agenda which must be substantiated and sometimes even guaranteed by your company. The end result is a proposal that will be presented to the executive using business impact language in line

with the business and personal agendas of the executive, and which answers the three key questions of value.

The proposal is first presented verbally to the executive, and linked to their agendas using business impact language. Generally if this step is executed properly, the discussion with the executive will summarize with a dialog on how to mitigate risk to the executive personally, the executive's company, to the representative personally, and to the representative's company. When all barriers have been discussed and risk jointly mitigated, commitment can be sought for the value proposition.

Summary

It is AdviSoar's experience that developing a relationship with an executive is the fastest way to providing measurable impact and earning the opportunity to generate revenue for your organization. In addition, meeting with executives is the fastest way to confirm when a prospect client *will not* value and prioritize what you offer. In those instances where opportunity does not currently exist, a benefit is gained for the executive in that they have likely shared their agenda in an encounter that in itself provided value, and have experienced a meeting that is unlike the majority of those in which the executive engages. Either way, some value is exchanged in the dialog, the insight, skills and knowledge of one or both parties are increased, and reputations of both parties are ideally advanced. A genuine intent to serve executive agendas changes everything.

Developing executive relationships is a skill and talent that all of us can improve upon, and an investment that has significant rewards for all parties. The key success factors are a genuine intent to understand and serve the executive's agendas, the ability to truly listen to what the executive is communicating, and the discernment and skill to align your value with the executive's agendas.

Relationship superiority is a distinguishing factor in the longevity of success - for both the executive and the initiator of the relationship. There is gold in mastering these fundamental executive relationship success factors as they significantly differentiate individual professionals and companies.