



Robert Eckert



### The New Director's Chair

Conversations with business leaders about changing board dynamics in an age of disruption.

# How To Assess Senior Leaders: "There Are Some For Show And Some For Go."

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**Robert Eckert** has deep leadership experience as the former CEO of Mattel and Kraft Foods, and he is now a director at McDonald's, Uber, Levi Strauss and Amgen, and is an operating partner at private equity firm FFL Partners. Eckert recently shared his insights with me and my colleague, **David Reimer**, the CEO of The ExCo Group.

**Reimer: Like most directors, I'm sure you've had a busy schedule of board sessions of late. Do you see any long-term impacts of the crisis on how boards operate?**

Eckert: I believe that things are going to be different for a long period of time. When I went to board meetings before this crisis started, they typically were two-day affairs, including travel. But the other day, I was in three board meetings in one day via video and we got an incredible amount done in a short period of time.

My guess is that the new normal will mean maybe a third of board meetings will be done using video technology instead of face-to-face meetings. We still need to have in-person meetings, particularly if the company is facing challenges. You need to see everyone's body language for those meetings.

**Reimer: What is the board's role in helping management during this time?**

Eckert: One is being informed and the other is providing advice. We have a duty to be informed as directors, and we are having more

frequent calls now — a week doesn't go by without some communication with every company with which I am affiliated. It is a crisis for every company in the world, and directors need to know what's going on.

The second thing is that we can provide advice. I work with some small family health companies and some large companies that literally have millions of employees, and so I have a breadth of real-time experience across industries that the leadership team might not have.

**Bryant: What is the most common piece of advice you're giving leaders right now?**

Eckert: What I say most often is that this too shall pass. Remember that the last time we had challenges in the economy was a dozen years ago. You've got leaders in companies today who have never really experienced a crisis, or certainly they weren't in the position they are today when the last crisis hit.

*"You've got leaders in companies today who have never really experienced a crisis."*

When the 2008 global meltdown hit, many of them were managers and today they are senior vice presidents, and so they've never really led through tough times. Everyone needs to see this crisis as an

opportunity. What are the things they can be doing now to emerge in a strong position?

**Bryant: Has this driven any evolution in succession planning?**

Eckert: One change I've seen during two decades of serving on boards is that succession has become a process, not an event. In all the companies I'm involved with, we're using a five- to ten-year time horizon as we think about CEO succession. Just like there is a financial plan and an HR plan, there is a succession plan for the top of the company. I've seen that change a lot and it's for the good of everybody.

Despite all the hard work that we have done around succession, I've learned from experience that a great No. 2 doesn't necessarily make a great No. 1. There is always risk in the decision to choose one candidate over another. We're trying to improve the odds by thinking about it more deliberately and getting more input over a longer period of time and moving people around into different roles, but there is still risk involved.

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opportunity for people to  
shine."*

The third point I always make is that a crisis like this is an opportunity for people to shine. When I was CEO at Mattel, we had to recall nearly

a million toys in 2007 because a manufacturer in China had used lead paint. If you had asked me, as we went into the crisis, to rank the twelve people who reported to me, I can tell you that by the end of the year, that list had completely flipped. A person who was not in the top tier of my direct reports really stood out and had a huge impact on how we got the company through that crisis.

**Reimer: As a director, how do you get a sense of succession candidates, beyond hearing about them or seeing their board presentations?**

Eckert: It's hard, and you need to spend a lot of time trying to get beyond the impressions you get from the once-a-year PowerPoint presentation. You have to find opportunities to engage with people. There's an old saying that "there are some for show and some for go," and some people show incredibly well in their 20 minutes in front of the board, and a board can get seduced into thinking that person is going to be really good.

You need to work hard to get beyond those first impressions, because my experience suggests that sometimes the quieter, less showy person in the big crowd can be the best future CEO in the group.

**Reimer: In all the years you spent hiring people, how did you get beyond those first impressions?**

Eckert: I want to know how they treat people. One of my favorite venues for any kind of interaction is in a restaurant, because I want to

see how they treat the help over a meal. I also love having his or her spouse or partner there because I want to see how they interact.

When you're sitting in a restaurant and the waiter or waitress comes up to you, how do you engage with them? I watch those interactions very carefully, because at the end of the day, this is someone who I may want to lead people. How they relate to people in those informal settings is the true test.

**Bryant: What advice do you give to someone who's about to become a CEO for the first time?**

Eckert: The headline is it's a harder job to get than it is to do, so be yourself. Remember where you came from and enjoy the role. Not everybody gets this opportunity, and it is going to end. So think about the three or four or five things that you want to focus on that are going to make a real difference in your time in the job. Those are the things you want to look back on and feel good about.