

How to Evaluate a CEO

The proper evaluation of the CEO and the Executive Team is critical to the company's performance. According to a best practices study conducted by International Institute of Management (IIM), the CEO's key challenge in formulating and executing the right strategy is not in finding answers to the tough questions, the challenge is in asking the right questions, or in not missing some of the critical questions, thus resulting in skewed operational and strategic plans.

International Institute of Management developed a list of the top 20 CEO/CXO questions called the IIM20 Framework. These questions provide a 360 degree view of the business and the executive abilities.

Top 10 questions every board must ask its CEO

1. Are we in the right business/market segment(s)? What are the growth areas to invest in and loss areas to divest?
2. What market data supports our strategy?
3. What are our strengths, weaknesses, opportunities and threats (SWOTs)?
4. What are we doing to address each one of the SWOTs?
5. What are our core competencies? How we can leverage them better?
6. What are the business key risks, and how do you manage them?
7. What are our key performance targets?
8. How do you plan to achieve those targets?
9. How can we build a sustainable competitive advantage?
10. How can we communicate our plans better to our stakeholders in order to win their support and achieve our goals?

Top 10 questions every CEO must ask her/his executive team

1. Do we have a big growth idea?
2. Do we have the right growth engine (business model, infrastructure, and network)?
3. Does our operation management efficiently and effectively support our performance targets? How do we know?
4. Which vendors, partners, clients and employees are delivering the real value? How do we get more out of the rest?
5. How can we build a sustainable competitive advantage through each function (Marketing, R&D, SCM, IT, etc)?
6. What initiatives/programmes/projects are needed to execute our strategy? How do we ensure that they are aligned and executed with the right quality, on time, and within budget?
7. What are the key performance targets for each function (CMO, CFO, COO, CIO, and CHRO)?
8. What are the key SWOTs in each function, and how do you manage them?
9. Do we have the appropriate organisation in place to meet those targets? (IIM's 5D strategy framework: budget, tools, products,

processes and people)

10. How can we improve governance, control and reporting functions?

Every CEO/CXO must be able to provide specific answers to the preceding questions, readily and clearly. The executive team members must be able to qualify and quantify their answers. Additionally, the IIM's 20 questions can also be used as a framework for evaluating potential candidates for the succession planning and selection process.

If the CEO or the executive team is not able to answer all of the above questions, then the leadership team suffers from a management blind spot or a potential weakness.

IIM developed strategic executive retreat and coaching programmes to help CEOs in answering these questions. The strategic retreat sessions are facilitated by executive leadership and strategy experts. The goal of the strategic retreat programme is to provide cross-functional executive collaboration to ensure a 360 degree management view and formulate a 360 degree business action plan. The role of the expert is to facilitate the planning sessions and provide an external point of view to objectively validate the answers to each question. The strategic planning programme can be followed by custom corporate action learning and coaching programmes to help the CEOs and their teams in executing and aligning the formulated strategies.

The benefits of such two-phase executive development model are substantial. As one of the clients puts it "It's like getting Big 5 consulting services at a fractional training cost. Instead of having a team of overpaid management consultants spending months to analyse the problem and come up with their own recommendations, the action-learning facilitation allowed us to solve the problem on our own, faster and at much less cost. Even better, rather than giving us fish, we learned how to fish".

Unlike traditional MBA and management education programmes that are rooted in academic theory and text books, IIM designed an experiential CEO/CXO development programme built around an advanced set of CEO toolkits for hiring, evaluating, developing and coaching the executive team. These management tools are designed by seasoned Fortune 500 management consultants and are used to help the Board of Directors and the CEOs in better managing their businesses and developing their own performance. 

About the Author:

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