

Strategy, Relationships, and Communication *Three keys to successfully onboarding a new CEO*

By Amber Seitz

Successful onboarding is a key part of any talent management strategy. With the high cost of recruiting, business leaders must understand that effectively integrating new hires into the organization is an important step to ensure their success. Unfortunately, Gallup's most recent *State of the American Workplace* report* shows only 12 percent of employees strongly agree their organization does a great job of onboarding new employees.



As the captain of the ship, a new bank CEO's onboarding is critical to their success and, therefore, the success of

the bank. A new CEO who is not effectively onboarded—no matter how qualified for the role—is working from

a "knowledge deficit" and may bring in an agenda that doesn't fit the bank's current position, according to

R. David Fritz, Jr., managing partner and director at Executive Benefits Network (EBN). Fortunately, most Wisconsin banks follow well-established succession plans and onboarding strategies. "Banks tend to do a good job of preparing the next leader for the bank," said **Curtis Chrystal**, president and CEO of Wisconsin Bank & Trust, Madison. "I'm privileged to be part of an organization that places high value on development plans, and is always looking for internal candidates that can take the next step."

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On the Lookout for De Novos

Is Wisconsin's first new bank in over a decade on the horizon?

By Amber Seitz



The September 2017 edition of the *Wisconsin Banker* featured an article titled "Where Have All the De Novos Gone?" and 18 months later, we're still asking that question. With a handful

of de novo banks opening in the

Midwest since 2017—but none in

Wisconsin—are we seeing the start of a trend, or just a blip on the radar?

It depends where you look. De novo activity is strongly tied to local market conditions in addition to real and perceived barriers

to entry. Watching for de novos in Wisconsin has been a bit like off-season whale watching for the past decade, but that could be about to change.

Finding Fertile Ground

One of the strongest indicators that an area is ripe for de novo activity is the local market. "It starts with the local market conditions,"

said **Ken Thompson**, president/CEO of Capitol Bank, Madison. "It has to be a growth market, a net attracter of jobs and people. Banks run parallel to their local economies." The strong relationship between a bank and its community is why most de novos are found in more densely populated areas. "A city or town that's attractive for de novos is attractive for other businesses, too," explained **Pete Wilder**, attorney at Godfrey & Kahn, s.c. "That's why many of the de novos you see are in higher-concentration areas." Areas that have seen consolidation of their local community banks can also present an opportunity.

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Onboarding a CEO

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To get a better view of how onboarding a CEO works in practice, WBA interviewed six bankers who took on that role in 2018—either for the first time or at a new organization. Combined with Fritz’ expert perspective, these conversations revealed three keys to successfully onboarding a new CEO: beginning with strategy, building relationships, and strong communication throughout the process.

flexible onboarding is the most effective. This requires a formal process incorporated into the succession plan, combined with the adaptability to adjust that process to fit the bank’s and CEO’s unique needs and leadership style. “We have onboarding plans for different levels of the bank, but not for this specific role,” explained **Brian Spreuer**, president and CEO of River Bank, La Crosse. “It’s very individual.”

For example, the Blackhawk Bank Board began

dual roles as president of the bank holding company and Blackhawk Bank, respectively. “Our succession plan is almost more of a gap analysis and it goes layers deep,” Adkins explained. The bank explores who potential successors to various roles are, and—if they’re internal—what gaps they have, and how the bank can go about filling those gaps. “That flexibility is key to onboarding the CEO,” said James. “The Board had the flexibility and insight to do what was right for our

after six months of working alongside the existing CEO. “At Johnson Financial Group, they were very thoughtful about putting someone in charge of the transition so that all of the information I needed was collected and we were able to walk through it all,” Popp said. “That said, there’s always stuff you learn on the fly. That’s just the nature of it.”

2. Building Relationships

Another key to successful CEO onboarding is building relationships between

Advice for New CEOs

The six executives interviewed for this article also offered advice for their peers based on their experiences stepping into the CEO shoes. In addition to these tips, several of these CEOs mentioned *prioritizing* as a key skill to hone.



“We went through a compliance exam and then a safety and

soundness exam immediately after I took over. Both went well, but you can never be fully prepared for that until you do it. When you’re at the top, they come to you first.”

– **Brian Spreuer**
president and CEO
River Bank, La Crosse



“It’s really about the culture. Focus on that first. A new CEO may have

great initiatives, programs, great ways of doing things... but if the culture of the organization isn’t where it needs to be those things will be difficult to implement. You have to make sure the culture is receptive and reflective of the vision that the CEO has.”

– **David Adkins**
president and CEO
Blackhawk Bank, Beloit



“The biggest thing in my situation is how hard it is to pull yourself out

of some of the things you were doing before. Especially if you’re an internal hire, make sure you get a strong successor for your previous role, and don’t be afraid to let them change things and do things better than you did. I try to learn from the people who work for me rather than thinking I have all the answers.”

– **Todd James**
president and CEO
Blackhawk Bancorp, Beloit

1. Begin with Strategy

An important best practice for both the selection and onboarding of a new bank leader is to begin with a review of the bank’s strategic plan as prepared by the board and senior management, according to Fritz. That ensures that the board and the new CEO are on the same page regarding the priorities and direction of the bank moving forward. That said, there’s no one-size-fits-all approach to onboarding a new CEO. Each bank and incoming chief executive is unique, so

the succession process five years in advance, looking at internal and external candidates, and determined an internal candidate would be more likely to preserve the bank’s strategic direction and culture. “Though there was a plan in place for several years, it was rather fluid and changed over time,” said **Todd James**, president/CEO of Blackhawk Bancorp, Beloit. The idea of a separate CEO for the bank and holding company emerged fairly late in the process. James and **David Adkins** now hold

bank, rather than follow an external model.”

Another common onboarding practice that helps ensure continuity of strategy is an “on the job” transition, especially in retirement situations, where the outgoing CEO stays on for six to nine months to work with the incoming CEO and provide training and advice. For example, **Jim Popp**, CEO of Johnson Financial Group in Racine, started as president of Johnson Bank with a planned transition into the role of CEO

the incoming leader and customers, staff, and other important stakeholders. “It’s very important that the CEO is out meeting the bank’s key customers, including commercial relationships, large retail relationships, and significant depositors, which includes increasing his or her visibility in the community,” Fritz explained.

This early relationship-building is especially important with bank staff, because it

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can be the difference between retaining and losing key talent. “The most important part of that transition was I got together with all the key people early on and we were able to keep everyone on board,” Spreuer said. **Scott Cattanach**, president and CEO of Peoples State Bank, Wausau, spent his first month as CEO meeting one-on-one with key sales, operations, and support staff. He focused on listening and answering

key connections, the CEO can develop a good vision of the bank’s strengths and weaknesses and then use those findings to develop a really solid strategic plan,” he said. Solid peer relationships with other bank leaders are also important. “Develop a peer group of CEOs, including local, state-based, and regional, to provide the CEO with a sounding board and perspective,” Fritz advised. For example, Cattanach joined the WBA CEO Only Network in order to learn from more experienced CEOs.

and customers, according to Fritz. “Explain why they were chosen and why they are the best person to lead the bank to success,” he said. “Open communication and regular updates on the process from the search committee is very important for a seamless transition from searching to onboarding to ‘going live.’ Everyone likes to be in the know.” When this is done well, the new CEO can be easily accepted and trusted by staff, which Chrystal says surprised him. “The willingness of people to

hear directly from you. Communicating effectively with the entire company is one of the most important things you’ll do as CEO.” This is even more important if significant changes are part of the incoming CEO’s strategy. Cattanach recommends summarizing the strategy and its benefits into an “elevator speech” to share with employees. “A leadership change, even to a well-known leader, creates a lot of uncertainty in the minds of employees,” he explained. “Communicating the basic

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“One of the things you are reminded of very quickly when you become CEO is the impact

of the things you say and do. You set the pace and everyone is watching. It’s funny, but a passing remark as you’re walking down the hallway can be misinterpreted as the go-ahead for a new project. The gravity of what you say, when you say it, and how you say it is very strong. It’s like the old E. F. Hutton commercials — when you talk, people listen.”

– **Jim Popp**
CEO
Johnson Financial Group, Racine



“Get to know all your staff. Make yourself visible to everyone. Your

frontline staff have the most interaction with the customers who make up the core of your business. Make sure they know the value of their efforts. Offer praise when things go well, and handle adversity in private. Reward great performance and make sure you celebrate it with all staff.”

– **Curtis Chrystal**
president and CEO
Wisconsin Bank & Trust,
Madison



“My best advice is to listen to other respected leaders, including those

within your bank, and take constructive advice. Seek the advice of bank leaders to learn from their experience, and empower them to provide their own solutions.”

– **Scott Cattanach**
president and CEO
Peoples State Bank,
Wausau

questions, while also keeping track of recurring comments made across department lines. “I tried to follow up on all of the concerns or requests made and visited all our banking locations to meet every employee,” he said.

Other stakeholders who new CEOs should build relationships with include major vendors and/or suppliers, tax auditors, and the bank’s legal counsel; all are good sources of information for a new CEO, according to Fritz. “From talking with those

“I have found our state’s community bankers to be both knowledgeable and helpful,” he said.

3. Consistent Communication

Strong, consistent communication between the board/selection committee, staff, and the new CEO is the final key component to a successful CEO onboarding process. First, after selecting a candidate, the board should “promote and sell” the new CEO to all key constituents, including staff, shareholders,

accept you as a new leader without ‘proving up’ yet was incredible,” he said.

For the incoming CEO, communicating directly with staff provides a broad perspective of the bank while also building relationships and establishing strong communication habits. “Spend the time to go out and talk to people at every level and in all corners of the organization,” Popp advised. “There’s nothing like hearing directly from people and having them

plan and getting buy-in from your senior leadership team and bank staff takes time, but once you earn their trust and staff see the benefits of the strategy or change, everyone begins to pull in the same direction.”

Seitz is WBA operations manager and senior writer.

Executive Benefits Network (EBN) is a WBA Bronze Associate Member.

* www.gallup.com/workplace/238085/state-american-workplace-report-2018.aspx