KC CONSULTING®

Advising Leaders | Driving Change

15 Years of Advising CEOs: 12 Lessons That Stand Out

Over the past 15 years, KC Consulting has partnered with **38 CEOs** across multiple industries, ownership structures and business stages—from start-ups and turnarounds to integrations, spin-offs and high-growth companies.

Here are my top observations:

Strategic Priorities

1. **Ownership Structure: Define It Clearly**
   Be clear about ownership, decision rights and who has the authority to make which decisions.

2. **Board of Directors: Relationship Matters**
   - The CEO must proactively build and maintain strong relationships with the Board while also understanding the dynamics among individual Board members. A dysfunctional Board can quickly derail a CEO's success.
   - Keep the Board informed in a timely manner and establish a communication cadence that works well for both the Board and the Executive Team.
   - Clearly define the roles and accountabilities of each Board member. Establish what decisions require Board approval and which fall under the CEO's authority—and, perhaps most importantly, clarify these expectations **before** critical decisions need to be made.

3. **Purpose & Strategy: Keep It Simple**
   - Purpose is your "what" and strategy is your "how."
   - Strategy often becomes diluted by focusing on the trivial many initiatives instead of the vital few.

4. **Acquisitions & Integrations: Do the Work**
   - Acquisitions are often pursued with too little due diligence and too much adrenaline.
   - Successful integrations require focus, accountability and strong functional leadership.

5. **Scaling for Growth: Build for Repeatability**
   Growth requires simple, repeatable processes—and the right infrastructure to support them.

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Leadership Priorities

6. **Depth of Expertise: Invest Across All Functions**
   You cannot scale without strong functional leadership—especially in **Finance, Human Resources and Technology.** These areas are often underestimated until growth exposes the gaps.

7. **Change & Ambiguity: Get Comfortable With Both**
   “What got you here won’t get you there” is easy to say but difficult to live.
   - Are you willing to move a trusted founder or longtime colleague out of a role they have outgrown?
   - Do you know when it is time to pivot your strategy, pricing, product, sales channels or organizational structure?
   - Leadership requires being comfortable with uncertainty. You will rarely have 100% of the information you want before making an important decision. Review the facts, analyze the data, trust your instincts—and make the call. Getting stuck in analysis paralysis or avoiding a decision is still a decision, and often a costly one.

8. **Tough Decisions: Make Them Faster**
   Waiting rarely makes difficult people decisions easier.
   - The accountant who helped build the business may not be the CFO needed for the next stage.
   - Your college buddy or founding colleague may not be the right leader as the business scales.
   - Are you better suited to transition to founder/owner and hire a CEO to lead the business?

9. **Conflict: Deal With It**
   Leaders must address unresolved conflict. If executives cannot or will not work through issues with peers, it is the CEO’s responsibility to intervene.

HR Processes

10. **Organization Design: Right People, Right Roles, Right Time**
    Timing matters. One experienced hire at $100,000 can be far more valuable than two inexperienced $50,000 hires. **You get what you pay for—and you cannot scale without expertise.**

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“Great employees leave when individual performance is not differentiated.”

11. Performance Management: Keep It Simple—and Real

Too many companies get this wrong because CEOs either condone or ignore poor performance management.

- Align the process to the fiscal year, not individual anniversary dates.
- Differentiate rewards based on performance.
- Performance reviews are not the end game; calibration, accountability and facing reality are critical.
- Ongoing feedback does not replace an annual performance review, and an annual performance review does not replace ongoing feedback.

12. Competitive Compensation: Expertise Matters

Annual Bonus

- Keep plans simple and understandable.
- Compensation design is an expertise—not simply a reflection of what leaders experienced in their own careers.
- Company performance alone is not enough; great employees leave when individual performance is not differentiated.
- A weighted formula, such as 50% company results and 50% individual performance, can also reward the wrong behaviors.
- Business performance—such as EBITDA attainment—should trigger the bonus pool. Individual performance should then determine each person's payout.

Equity & LTIP

- There is no single right answer on whether to offer equity or what form it should take—Long Term Incentive Plans (LTIP), profits interest, stock appreciation rights (SARs), phantom stock or other approaches.
- The design should align with the business model and end-game strategy.
- For privately held companies, stock-based plans can be complex because valuations are difficult and often disputed. They can be powerful for companies with aggressive growth plans or a defined exit strategy.
- A well-designed cash-based LTIP can be an excellent way to recruit, retain and incentivize executives while driving long-term growth.

In summary, after 15 years and 38 CEO partnerships, it's clear that successful growth is rarely about adding more complexity. It is about strategic focus, discipline and having the courage to make difficult decisions at the right time. The right strategy, the right people, the right expertise and the willingness to face reality can make all the difference between simply growing and building a business that can truly scale.

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