

# Work & Money

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## Aiming for the top? CEOs offer advice

By GRACE UENG  
CORRESPONDENT

John Replogle, CEO of Durham-based Burt's Bees, was 25 and attending Harvard Business School when he decided his career goal was to be a CEO by 40.

Jim Whitehurst, CEO of Red Hat, on the other hand, says he never really thought about whether he wanted to be a CEO.

Kip Frey, a serial CEO whose companies include Accipiter, OpenSite and now Zenph Studios, always wanted to run a movie studio and even graduated from the School of Cinematic Arts at the University of Southern California.

Bob Young, the founder of two Raleigh companies, Red Hat and Lulu, doesn't consider himself a CEO but rather an entrepreneur "who ends up as CEO, a title that comes with



John Replogle, Burt's Bees



Jim Whitehurst, Red Hat



Kip Frey, Zenph Studios



Bob Young, Red Hat, Lulu

the job." He prefers the title on his office nameplate "coffee mug washer."

These four executives represent some of the Triangle's most innovative and successful companies. They talked to Grace Ueng, teacher, consultant and CEO of Savvy Marketing, about what it takes to be a CEO.

### How to prepare

After graduating from Duke Law School, Frey had the opportunity to work closely with dozens of CEOs and see them "in action and under pressure."

His advice to anyone who wants to become a CEO is to find "ways to interact with the person who has

that responsibility and watch everything they do — how they act at dinner, how they deal with everything they do ... how they present themselves and communicate. The more opportunities one has to be an observer, the richer the wellspring of resources will be."

Replogle recommends finding mentors. He attributes his success at reaching his goal to absolutely great people "who mentor, grow and challenge you."

Whitehurst added that while skill is required, "a lot of luck — being at the right place at the right time" is also part of the equation.

After receiving his undergraduate degree in computer science, Whitehurst decided he wanted to explore the business side. He went into his

## CEO

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interviews with Boston Consulting Group, a global adviser on business strategy, without knowing what consulting and case study interviews were.

His belief is "do what you love to do and the right things will happen." Whitehurst was 32 when he was named partner at BCG, one of the youngest to achieve that position.

His largest client at BCG was Delta, and he joined the airline as acting treasurer at noon on Sept. 11, 2001. He took on the role of chief operating officer just six weeks before the airline filed for bankruptcy, then helped lead it through its bankruptcy and restructuring.

With that experience, Whitehurst became sought-after for turnaround CEO roles, the least upbeat of scenarios to lead. When the call to lead Red Hat came, he saw it as a positive opportunity, and as a bonus, a fit with his early interest in computer science.

He encourages those aspiring to be CEO to make their own luck: Excel in what you do and do work that you love so you will inspire people. Look around for opportunities. Ensure that you are the needle in the haystack that sticks out just a bit more, so you will be grabbed. Work on cross-functional projects — know everything about your business, not just your function.

He believes that intellectual curiosity and visibility are key contributors that have made him successful.

### Where to focus

Frey suggests focusing on talent and judging how "individuals will relate to teams that you are building."

Whitehurst agrees that when hiring, he looks for those that "complement the existing team." He rarely hires for direct skills in that position. Instead, he looks for credibility and different perspectives to make the team stronger. He would rather have a really good team than strong individuals. He looks

for those who possess innate curiosity.

Replogle focuses on three things:

- Setting the right strategy and ensuring the organization is aligned to make the right tradeoffs between resources and investment.

- Executing and operating against the annual plan.

- Developing the right talent to build a team that can nurture and develop the company's long-standing culture.

Replogle said that the culture at Burt's Bees was more important than at any other place he had worked, and as such it was important for him to retain that culture.

Frey and Whitehurst both agreed that maintaining a company's positive culture was important.

"Culture of the company determines its fate," Frey said. "A lot of people don't realize how important small things are and how they contribute to the culture."

### Stay or go?

It is rare for a founder to be CEO of a company for more than 10 years.

Often as companies grow past their entrepreneurial stages, founders transition to the role of chairman to handle more visionary roles, and bring in more of an operational CEO with larger company experience, before leaving to recharge and rethink.

Frey believes he is always best positioned in tandem with a visionary founder. "I never had an original idea in my life. I consider myself a plumber who extends the skill set of the organization."

Red Hat was founded 1993 and Bob Young left in 1999. Current CEO Whitehurst knows that he wouldn't have been the one "to take company zero to \$5 million."

He is the leader who has big company experience, a different skill set. In his 12 years at BCG, he did a lot of valuation work and consulting to corporate boards. His management style is big company. He works to build a company where others make the decisions, since he cannot be the gatekeeper. Whitehurst points out the distinction between being a leader and

### Become an effective CEO

1. Hone the life skill of learning how to learn. Plug away with on-the-job training. Seek life-long learning.
2. Find mentors from those who want to see you grow and find opportunities to watch CEOs in action.
3. No one is prepared to be CEO. Remember you have to be a CEO to be prepared to be a CEO.

### Traits of an effective CEO

1. Focus on the long term while balancing short-term priorities.
2. Know where big rocks are - think big about your opportunity.
3. While execution is key, don't get lost in tactics.
4. Set the culture and espouse a vision for company.
5. Know your blind spots and hire to compensate.
6. Set direction and then empower others to run with it.
7. Harness creativity from staff by motivating enthusiasm and hire those who add to the team.
8. Retain genuine enthusiasm for customers and a strong customer focus.
9. Embrace failure and focus on learning new things.
10. Communicate clearly and concisely to external constituencies.

being a manager. At a company the size of Red Hat, he must lead by setting the vision, inspiring and ensuring that employees have the right resources. It's creating an environment to win.

Young said that after Red Hat became a public company, he realized he was no longer the appropriate CEO and handed the reins to Matthew Szulik, calling him "a brilliant CEO for Red Hat." Szulik stepped down as CEO two years ago and recently retired as chairman.

Red Hat's strong board insured a smooth transition between Bob and Matthew and Matthew and Jim.

Roxanne Quimby, who founded Burt's Bees in 1984 and incorporated the company in 1991, was remarkably talented at setting the vision and what the brand stood for. This worked well when she knew every employee. Replogle joined as CEO in 2006 after Burt's was purchased by private equity fund AEA in 2004. He cited from "The Tipping Point" by Malcolm Gladwell "that at around 150 employees knowing each on a personal level breaks down."

### What it takes

One executive of a North Carolina Fortune 500 company described her CEO as always "on" with endless energy going from one speaking engagement to the next. Being CEO means serving as the

### ABOUT THE AUTHOR

An author, consultant, speaker and teacher, Grace Ueng is the founder and CEO of Savvy Marketing Group, a management consulting firm in Research Triangle Park that offers Resolute Ventures and Chief and Crew for Hire services. She and her team work with new ventures within Fortune 500 companies. Ueng has served on adjunct faculty at UNC Kenan Flagler and in the international MBA program at Fudan in Shanghai, a venture with MIT Sloan School.

Read her blog Resolute Ventures at [www.resoluteventures.typepad.com](http://www.resoluteventures.typepad.com). Follow her on Twitter, [www.twitter.com/savvygrace](http://www.twitter.com/savvygrace).

2002, spends his time worrying about the health of the business several years out. He also says he spends most of his days distracting his staff by asking them to gaze years out as well. Knowing that he may be reducing productivity, he makes it a habit to go into the break room and wash the dishes before he leaves each day he

is in the office to ensure that he has added tangible value that day.

Whitehurst said that being CEO requires a "dose of extrovert skills" and being "half politician." As CEO of a public company, he deals with external constituents from government relations and investors to board and media issues, all of which take a lot of time.

His biggest surprise upon taking the helm of Red Hat in 2008 was the whole set of constituents that he had to address. As CEO, he views his role as pulling out the important things, those that really merit his attention.

Learning to say no is critical but difficult, he said. "Very few companies get into trouble for executing too few things," he said.

"Everyone watches where you spend your time," explains Whitehurst. "Define what you think is important by where you spend your time. Set the tone to do the right thing. Spend time against it."