A few years ago a highly respected and accomplished CEO retired. His name would be familiar to you: He went on to write a management best seller and now sits on the faculty of a prestigious business school. Executives routinely seek out his wisdom as they face their own strategic and organizational challenges. But in the months following his long and carefully planned retirement from the company, one person notably failed to call on him: his successor. This retired leader told us that he had offered his help, sincerely promised to make himself available whenever his counsel was needed—and then, after some time, was surprised to realize that the call had never come.

Granted, the new CEO in that situation had probably already soaked up a great deal of mentoring from his old boss. Yes, the business may have moved on, so not all of the former leader’s experience would still apply. And yes, the new guy had to prove he was his own man, capable of stepping out of the shadow of his predecessor. But was there never a time when this former CEO’s perspective would have helped?

The worst thing about this anecdote is that it is more the rule than the exception. Successors to the CEO and other prominent executives rarely tap their predecessors for information, insight, or advice. If that were a pity only for the departing
executives—a blow to their pride or their sense of purpose—this article would be unnecessary. We think the problem is bigger: It ill serves the organization and its shareholders.

Over the past year we conducted many interviews with people who had experienced this transition, and often we spoke to both parties. (One of us has been through it himself: In addition to helping many companies execute CEO transitions, Tom Friel served as CEO of one of the world’s largest executive search firms.) We now have greater insight into how organizations can draw on the unique knowledge of an outgoing chief executive, why they should, and why it doesn’t happen as a matter of course. The opportunity they are missing is not for the executive to say whether a change proposed by the new CEO is right or wrong but for him or her to suggest where it might get into trouble. As Victor E. Millar, a veteran CEO of several consulting firms, said to us: “The former CEO can tell you which are the load-bearing walls.”

As one veteran chief executive told us, “The former CEO can tell you which are the load-bearing walls.”

**Don’t Let the Door Hit You**

In early 2008 George David handed over the reins of United Technologies, where he had gained renown during a 14-year stint as CEO. In June of that year Susan Lyne stepped down after three and a half years as CEO at Martha Stewart Living Omnimedia, having led a model recovery of a company rocked by its founder’s legal problems. In June 2009 Nicholas Chabraja will leave the helm of General Dynamics after 11 years of steady growth in revenue and net income. Isn’t it safe to assume that those companies would benefit from continued access to their former leaders’ hard-won insights?
It is difficult to imagine a richer source of information and advice for a new CEO, even on a purely personal level. Being successful as the chief executive of a major enterprise is hardly a straightforward matter; the right combination of style, skill, and focus can vary dramatically depending on the context. One CEO we interviewed put it simply: “You can’t really understand this position until you’re in it.” At the very least, the departing executive has a unique and relevant point of view on the dynamics of the board of directors and the executive team. Often he or she has the most strategic and current understanding of the issues the company faces.

In fact, as our interviews showed, much insight and information might well be lost without candid, in-depth discussions between outgoing and incoming CEOs, including the various expectations of high-ranking employees and what representations have been made to them; short-term opportunities that are ripe for harvesting by a new CEO looking to make a positive impression quickly; how the board and others perceive the new CEO’s reputation or personal brand; the strengths and foibles of internal allies and external partners; organizational bench strength; and the wisdom that comes from experience well reflected upon.

As a shareholder in an organization, would you want intellectual capital like this to simply evaporate? Of course not. That’s why nearly every multinational corporation puts into severance contracts a requirement that the CEO remain available for consultation for some period of time. The departing executive is typically compensated handsomely during that period, so the knowledge transfer has been bought and paid for. What a loss if the incoming CEO never takes delivery.

In our interviews we heard only one demurral on this point. A former CEO of a global professional services firm mused that objective knowledge is practically nonexistent, because everyone’s opinions are colored to some extent. Noting that “we become fixed in our viewpoints after a time,” he voiced doubts that he or any other CEO
would be worth consulting after retirement. But every other executive we talked to believes that the knowledge of departing CEOs has more real value than is currently being extracted.

**The King Is Dead**

Sometimes transitions are marked by thorough debriefings between the once and future leaders. We looked closely at a company where succession is taken very seriously: the computer chip maker Intel. In the past two decades or so, that organization has had four CEOs and three orderly successions: The baton passed from Gordon Moore to Andy Grove to Craig Barrett to Paul Otellini. In what has become a core process, each transition date was announced well in advance and each outgoing CEO served for a time as chairman. Craig Barrett described that time as including regular mentoring of his successor. When we asked how the process got started, he told us, “I learned this from Andy Grove. It was natural that I would do the same with Paul. I have no doubt that he will do the same with his successor.” Barrett’s comment reveals two things: First, it has become a cultural norm at Intel that the old and new CEOs will confer meaningfully. Second, the departing CEO is responsible for making it happen. Both points are problematic for most other companies.

The issue is usually not the willingness of outgoing executives, who tend to be eager to share their thoughts—out of a sense of duty and because they have a financial stake (through stock or options) in the continued success of the company. Surely Hank Greenberg, after almost four decades at AIG, was motivated by both factors to try to advise his former company. Despite his unceremonious ouster in the wake of an accounting scandal, he agreed to meet when a later CEO, Robert Willumstad, reached out to him. And in the fall of 2008, as the company succumbed to the meltdown in the financial sector, Greenberg pressed (unsuccessfully) for further meetings. (The *Wall Street Journal* reported this overture under the headline “Ex-CEO Greenberg’s Offer Got AIG Cold Shoulder.”)
But even in less fraught circumstances an ex-CEO can’t mandate such conversations. The ball is in the incoming CEO’s court. In our conversations with dozens of new CEOs, however, not one volunteered that talking to his or her immediate predecessor had been a priority. When we asked why not, some cited an explicit desire for a clean break with the past. “There is inevitable tension about strategy,” David Dougherty, the president and CEO of Convergys, explained—even though his was one of the smoothest and best transitions we found and he is in regular contact with his predecessor. Another incoming CEO put the point baldly: “I have to set my own agenda.”

More often the reason given was a shortage of time or difficulty in matching schedules. An incoming CEO is acutely aware of what must be accomplished in the first months on the job. Typically, he or she faces a lot of travel, the need to meet personally with key constituencies, and a strong sense that every minute taken away from building those bridges is costly.

To be sure, some ex-chiefs, even in friendly transitions, have no interest in continuing to advise on corporate matters. We heard a fascinating analysis of such cases from Doug Clark, a New York City psychologist whose clientele includes business leaders. He pointed out that narcissism is common in the ranks of CEOs, and a narcissist sees himself as the sole protagonist in the story unfolding around him. So if a new person moves into the CEO’s seat, to the narcissist that can only mean the story has moved on. In Clark’s words, “The klieg lights travel with him.” The business he is leaving no longer interests him because it’s not where the action is.

For departing CEOs who aren’t full-blown narcissists, pride can get in the way. The experience of losing power, feeling cast aside, and perhaps being struck hard by the fact of aging is enough to bruise even the most durable ego. One ex-CEO we interviewed made a wry comment on his experience: “The first day after I left, I sat in
the back seat of the Mercedes and it didn’t go anywhere.” It may be only natural that a person feeling such loss would hesitate to be of assistance—particularly if the new CEO had somehow hastened things along. It has no doubt occurred to many departing executives that the worse the new one performs, the better the old one looks in retrospect. Perhaps this is why the CEO coach Bob Mintz has complained that executives in these situations act like “little boys on the playground.” Reflecting on a long career of mentoring, he said, “I’ve been involved in three dozen transitions and never seen a good one.” Our interviews suggest, however, that such emotions are not absolute barriers. Merely by being conscious of them, a leader with emotional intelligence can work through them. Nevertheless, exiting CEOs should be forgiven for not initiating the discussions themselves.

Nor is it common for a board of directors to encourage consultations between the old and new CEOs. The board may see the search committee or a lead director as a more natural resource for the incoming executive. In fact, it may be disinclined to let the departing CEO influence the new one’s thinking; depending on the reason for the transition, the board’s esteem for the ex-CEO’s wisdom may be at a low point. Then again, the directors may simply want to signal confidence in their new choice. Either way, we found no examples of a board member’s having been involved in stimulating a conversation.

All this helps to explain why most companies don’t have what Intel does: the tradition and expectation that a departing CEO will reach out to his or her successor. There are two ways to make up for that. An organization, through its leadership development function, can create formal mechanisms to encourage the interaction. Or the two CEOs can personally recognize the value and make it happen less formally.

**What the Organization Can Do**
All businesses are better off when transitions in their top ranks go smoothly, and continuity depends in large part on information sharing. If discussions between an outgoing and an incoming leader tend not to occur naturally, it makes sense to institute policies to facilitate them. In particular, we would advise companies to do the following:

**Give the process the force of law.**
The easiest and most obvious measure is to make ongoing consultation a requirement for opening or continuing a compensation package. Even CEOs leaving under a cloud often get golden parachutes. Collecting them should be contingent on having debriefing conversations. Ironically, we found several examples of ex-CEOs being well paid by other companies for their advice while being ignored by former employers who still had them on the payroll.

Collecting golden parachutes should be contingent on having debriefing conversations.

**Arrange the meetings.**
Most businesses have defined departure processes, such as exit interviews, for even relatively junior employees—but we have rarely heard of a formal interview with an outgoing CEO. It would not be difficult to establish exit interviews for senior executives in order to garner insights, achieve continuity, and alert the business to any emerging problems. Ideally, these meetings would take place between the departing and arriving CEOs and would have the tone of engaged conversation, not empty bureaucratic procedure. If they were set up by human resources managers, any awkwardness around who should reach out to whom would be dispelled.

**Create a debriefing outline.**
Even if the two executives know each other—in fact, especially if they do—a thorough agenda for their meeting will be valuable. It can be in the form of questions, such as: What in-progress initiatives are most vital? Why? What should or could be done on them? What initiatives or programs could be halted without harm to the core? Executives who don’t already have an easy rapport would be best served by sharing factual information (such as what representations have been made to whom) before moving gradually into matters of opinion and judgment.

**Articulate the contributions of the departing leader.**
In some companies and for some leaders it might even be appropriate to create a named library or conference center. Recognizing what the former CEO achieved serves several purposes, one of which is to increase his or her willingness to be of help. Another is to signal the issues on which the veteran’s advice will be most valued, leaving aside those on which the two executives may agree to differ. As they communicate messages to the outside world, they can simultaneously protect the reputation of the old CEO and herald changes that the new CEO will usher in.

**Carve out a legacy project.**
When the departing CEO is retiring, assigning him or her some official duties, to commence immediately after the new leader takes office, is a solid way to ease the transition and ensure continued goodwill. To the extent possible, these duties should align with the retiree’s legacy. For example, an outgoing CEO who is renowned for talent management might take charge of creating a mentoring program. What the exiting CEO will do and for how long should be made explicit.

**Throw the switch decisively.**
Regardless of how useful the departing CEO may be, it is essential that he or she rapidly yield the stage both internally and externally. The successor must become the company’s public persona. According to Craig Barrett, the former Intel CEO, “The day Paul [Otellini] was appointed, I took a sabbatical. I wanted to be away for a while so
people wouldn’t come to me and would need to go to Paul immediately. When I came back, Paul and I worked out a list of things for me to do, and we began to meet regularly.” Several of the incoming CEOs we interviewed had had, and appreciated, similar experiences. Candid discussions in private won’t keep a new CEO from holding the limelight.

**What the Two Executives Should Do**

Measures like the ones just outlined will make knowledge transfers from former to current CEOs the norm rather than the exception. They will give structure and purpose to those interactions. But they can’t ensure that the conversations are conducted in the right spirit. Personal dynamics are the key, and both executives must begin with at least the conviction that a full and frank exchange will benefit the organization.

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**How to Ace Your Last 100 Days**

With adept planning, the months leading up to a leadership transition can enable both the new and the exiting CEO—as well as the business—to move forward successfully. If you are the departing executive, you’ll want to...

_Yield the stage_. Let your successor be the public persona of the enterprise.

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**Make the first move.**

In the absence of any protocol compelling the two CEOs to meet, it is up to them to agree to talk. A gracious incoming CEO will initiate the conversation, in a gesture of respect. But he or she probably has the busier schedule. Rather than stand on ceremony, a departing CEO who hasn’t been approached should make contact.

**Meet as equals.**

Each executive should put himself or herself in the other’s shoes. Jeffrey Sonnenfeld, who wrote eloquently about CEO departures in his book *The Hero’s*
Keep a few projects. Carve out some specific areas, preferably not involving line responsibilities, where your leadership will make a difference.

Leave your ego behind. You are no longer obliged to comment on everything.

Close the complaint department. Don’t provide a back channel for criticizing the new leader’s decisions.

Take some heat. Be willing to accept responsibility for the challenges your successor faces.

Endorse change. Acknowledge that your successor must do some things differently.

Offer advice carefully and privately. Suggestions shouldn’t have strings attached or require debate.

Support your successor. Silence is condemnation. Be public with support and ask others to do the same.

Take a vacation. You probably need it, and the company will be better off if you’re out of sight for a while.

Set a time to go. Agree on a specific timetable for your departure and stick to it.

Farewell, described the end of an illustrious career as “a plunge into the abyss of insignificance, a kind of mortality.” We heard echoes of this in the most mundane details of life after office. The spouse of one retired executive told us that her husband kept calling IT to see if the computer servers were malfunctioning; he had trouble believing his e-mail inbox could be so empty.

Meanwhile, new CEOs often have anxieties about their own readiness. Bradford Malt, the chairman of the management committee at the global law firm Ropes & Gray, affirmed what many new leaders are told: “What got you to where you are is different from what will make you a great CEO.” That is why coaches often advise successors to visibly alter themselves—perhaps in something as simple as hair or clothing—when they ascend to the highest rung. This sends a subtle message that the executive is now a different kind of leader. In any case, it is likely that during the transition both parties are less than perfectly comfortable. They should understand that and behave generously toward each other.

Share the “first 90 days” plan.
Any well-prepared newcomer in the CEO’s office knows that the clock starts running as soon as his or her tenure begins. It is vital in the earliest days to make moves that have a positive impact and signal the key themes of the change agenda. Some experts refer to this as establishing one’s voice; they advise launching a few initiatives to mark a clear departure from the past. All our interviewees acknowledged that the successor simply has to reject at least one major element of the predecessor’s strategy. Naturally, that can create tension between the two executives. Our advice is to get the short-term plan on the table as early as possible. It is important that the new CEO hear which initiatives or capabilities the outgoing CEO thinks are foundational and would be dismantled at the company’s peril. Previewing initiatives can also spur helpful advice on how to usher them in. The veteran executive may even point out some low-hanging fruit that the new one hasn’t yet spotted. If the former CEO is tempted to engage in any undermining activity, this process may help to bring him or her inside the tent.

**Talk about the big picture.**

Conversation between the old and new CEOs should not be restricted to short-term initiatives. Rather, the agenda should include any matter on which an experienced CEO would have a unique and useful perspective—for example, the workings of the board, the characteristics of its individual members, the strengths and weaknesses of the managerial team in the C-suite and beyond.

**Keep the grain of salt at hand.**

When a new CEO sits down with her predecessor, she should respect the fact that the person sitting across from her is the only one in the world who has shared so many of her concerns. She should assume that he has thought about those issues deeply. This does not imply that the two of them must reach agreement. She should evaluate the
opinions and perspectives of the exiting CEO based on her knowledge of him. In comments that she is inclined to dismiss, she should look for the grain of truth. In insights that she rushes to embrace, she should look for the grain of salt.

**Sing from the same hymnal.**

In the weeks surrounding a transition of power, both CEOs have many willing listeners, not least in the media. Although total candor is rarely advisable or possible, both want to be perceived as honest. Too often leaders are unnaturally and uniformly positive during a changeover—which damages credibility later, when the new CEO clearly repudiates aspects of the old regime. Gaffes are far less likely if the two leaders have reached consensus on the major accomplishments (and, perhaps, a few failures) of the departing CEO’s reign. Both should also speak consistently about ongoing initiatives. If they have reached common ground, official company communications can feature authentic praise for the exiting CEO and true statements of his or her support for the new agenda. The greater honesty and harmony will be welcomed by employees and other stakeholders and will make ongoing consultation between the CEOs more productive.

**A Word to the Wise**

Many readers of HBR will have heard the old joke about succession in which a newly hired CEO passes the departing CEO in the hallway, asks for advice, and is told that as crises arise, he should consult the three envelopes left in his desk drawer. Six months later he is hit with a resounding product failure. Uncertain how to respond, he opens the first envelope and sees the advice: “Blame your predecessor.” A year later he has occasion to grab for the second envelope, and its advice saves him again: “Reorganize.” Another year later he opens the last: “Prepare three envelopes.”
Like all jokes with staying power, this one hits a nerve. Many of us recognize the truth that an incoming CEO steps into a world of peril and gets precious little guidance from those who have gone before. Most exiting CEOs are quickly dispatched from the scene. The two people most closely involved in a CEO transition rarely have even one long and frank discussion.

There is no logic to this state of affairs and no reason that it must continue. Your company can do things differently, and the first step may be as easy as putting this article in the hands of your next CEO-elect. Much of the outgoing CEO’s knowledge will be lost unless a conscious effort is made to capture it. The insights to be gained are a tailwind for a new CEO who must rapidly come up to speed. Turnover among corporate CEOs is at an all-time high, and the tenure of individuals in this position has steadily shrunk (the latest data put the average at six to eight years). Leaders and organizations know it is imperative that the new executive get off to a strong start—and that process begins with the transfer of CEO-level knowledge.

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Thomas J. Friel (thomas.friel@comcast.net) served as the chairman and CEO of Heidrick & Struggles from 2003 to 2006 and then as the nonexecutive chairman until his retirement in 2007.

Robert Duboff is a founder and the CEO of HawkPartners, a marketing consulting and research firm.