

# Leading Constituencies

LED BY:

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**As a senior leader, you cannot be present or make decisions in every situation that affects you and the success of your company. The execution of your strategy will ultimately depend on the alignment of your key constituencies.**

**The successful management of constituencies requires building a network of trust strong enough to support you when you're not in the room.**

### What is a Constituency?

Your constituencies are the people and entities that you rely on in order to meet your goals.

These may include:

1. Those that you and your team provide an output to
  - Internal customers
  - External customers
2. Those that provide an output to you and your teams
  - Suppliers
  - Contractors
  - External partners
  - Other internal teams
3. Professional network
  - Industry organizations
  - Key leaders in the industry
4. Providers of capital and oversight
  - Board
  - Shareholders
  - Investors
5. Regulators

*“Managing successful relationships of constituencies is to build trust.”*

- Pat Esser

## CASE STUDY

### Pitfalls

Pat Esser's top 3 reasons senior leaders fail:

1. Inability to build a relationship
2. A moral compass that is not properly calibrated
3. Confidence that turns to arrogance; not owning mistakes

# 01 THE ROLE OF THE LEADER

## Build relationships

Show people that you are interested in them as leaders and not just in the output they provide for you. Schedule time with people over breakfast or lunch. Earn the trust of your leaders by assuring them that the goal of the conversation is to understand them better and not to do a business review or change their decisions. Avoid gossip or selling to them. Strengthen the relationship by asking them how they are and what they need.

Building relationships is a fundamental skill set of leaders in a successful company. Model that behavior for others.

## Seek the power of networks

The more you build out the network of people you have a relationship with, the more you will start to outnumber those with whom you don't. Having a strong network of people who trust you and who trust each other is fundamental to overcoming difficult challenges and changing direction quickly when needed.

## Radiate optimism

Your team is bombarded daily by external noise and internal insecurities that make them question their ability to be successful. The one place they need to hear a positive attitude is from you. People strive to be successful for leaders who believe in them.

*"If you don't believe your team can accomplish what's set in front of you, then your team's not going to believe it."*

- Pat Esser

## MEMBER FRAMEWORK

### Garner Support

When embarking on transformation or a change in strategy, ensure that you have the support of your key constituencies.

1. Understand who your stakeholders are and how they differ depending on what you are undertaking.
2. List what will need to be true for those stakeholders to understand the benefits of change.
3. List what will need to be true for those stakeholders to embark on the change.

Guillaume Gerardin, SVP &  
General Manager, Printing  
Supplies, HP

Optimism fuels creativity. Your teams will only exhaust all options and ideas if they believe that the goals can be accomplished.

*“I hated to compete with an opponent that had a combination of optimism, creative problem solving, and a belief they could win because they were much more agile than I was.”*

- Pat Esser

If the outlook is not positive, be truthful about where you stand and why the goals that were set are not being reached. Be transparent about the issue, but also make it clear that through hard work, creativity, and accountability, the issues can be overcome just as others have in the past.

### Observe external behavior

*“I begin by trusting everyone, but if my trust is broken, I don't forget that.”*

- Pat Esser

Pay attention to how your constituencies behave, especially when they are unaware that you have that knowledge of them. What does their behaviour reflect about their values? Do their values align with those of your company and your leadership?

If not, analyze how and to what extent their differing values pose a threat to your business. Limit the relationship with high-risk constituencies or put structures in place to mitigate the impact.

## MEMBER FRAMEWORK

### Prioritize

Senior leaders face unlimited information and demands with a limited amount of time.

Prioritization is key.

1. Identify which initiatives are the highest priority and will have the greatest impact on the business.
2. Decide who needs to be in your network to ramp up those initiatives.
3. Increase the frequency and reach of communication around the chosen initiatives.

Kerstin Wagner, EVP,  
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## Listen to customers

Listen to customers in time to pre-empt their needs and possible complaints. Meet the customer where they are the best you can but don't allow them to compromise the values of your company.

Don't be afraid to ask them what their concerns are or what advice they have. Welcome dissent but never allow customers to abuse or harass anyone in the company.

*"Your job isn't necessarily to pour your soul out to customers. It's just to get them on board."*

- Pat Esser

## 02 INTERNAL CONSTITUENCIES

### Empower your teams

Your job as a leader is to get your teams the resources they need to function. This is especially relevant during times of rapid change and disruption.

You cannot keep up with every change in the market or control every decision. Give your teams authority and accountability so that they can carry out what they're signed up to deliver.

*"As a CEO, I probably didn't make more than three decisions a year."*

- Pat Esser

Unprecedented change requires agility. Where nobody has dealt with the change you see, your teams need to have the freedom and confidence that if a mistake is made, they can change it, fix it, learn from it, and try something else.



## CASE STUDY

### Know Your Talent

Pat had an extensive talent review process where he sat with his direct reports to discuss the top 400 executives in the company.

Whenever he heard a name in the top 400 that was marked as high potential, he would personally invite them for breakfast.

## Mentor senior leaders as broadcast towers

Make sure that your senior leaders understand the impact their behavior has on the rest of the organization. What they say and do will be emulated across the rest of the company.

When they move into that senior role for the first time, encourage them to know what kind of leader they want to be. It is a unique opportunity to make changes in the way they lead and set the stage for the future of their tenure.

## Bolster top talent

Prioritize time with the high performers in your company. Make sure they know that their voice matters and that you need them to demonstrate what it is to be a good leader. Outline how their consistent engagement will result in opportunities for their career.

## Lead through values

Understand which values are sacred to your company and its culture. Senior leaders should not get a second chance if they violate one of those values.

## Bring in third parties

Find ways to bring key partners into team meetings. Give them a topic related to the area they work in and have them lead a conversation with your team. It should not be a sales presentation, but rather an opportunity to introduce your team to expertise and perspectives outside of their normal way of thinking. It also helps to build closer relationships with your key stakeholders.

## CASE STUDY

### Recognition

At one point, most of the EBITDA of Cox Communications came from newspapers.

When Pat was in the senior leadership of Cox Communications, he knew that newspapers would become less relevant to the success of the company.

Pat made a point of meeting with all the newspaper leaders and thanking them. He shared that were it not for them, Cox would not have the opportunity to get into the telecom business and continue to grow. He credited them with the history and the success of the company.

## 03 CONSTITUENCIES & CHANGE

### Create alignment

When transforming the organization or setting a new strategy, the leaders in your company are often not the ones designing the new structure, but they are responsible for communicating it to their teams. Spend extensive time with them to ensure that they are on board.

1. Honor the past. Recognize what has been accomplished before and those responsible for it.
2. Paint a picture of the storm. Spend time explaining the need for change to your teams and what they stand to lose if they maintain the status quo.
3. Explain the future state and why it's better.

### Leave no one behind

Be conscious of internal constituencies who may feel ignored or deprioritized. These may be declining legacy businesses, or highly productive core areas that don't receive attention from investors or the media.

Communicate with full transparency. Show that you are aware of the situation and explain how the disproportionate focus is often necessary for growth. Recognize the value they create and the impact they have on the success of the whole company.



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