

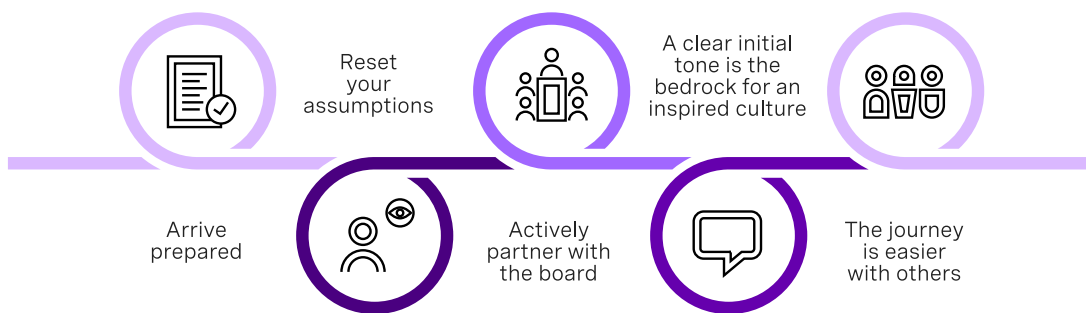


# How to Succeed as a First-Time CEO in the Professional Services Industry: 5 Key Insights

It's an incredibly challenging time to be a CEO. For even the most experienced of leaders, rising inflation and interest rates, disrupted supply chains, price fluctuations, market scrutiny, political landscapes, and cost of living pressures are multi-faceted, complex issues with no quick fixes.

For first-time CEOs, these intertwining challenges can seem insurmountable. This is especially true in the professional services industry. From adapting to evolving client demands, responding to technological advancements (for example, the [generative AI proliferation](#)), managing complex stakeholder relationships, and driving business growth, new CEOs in this dynamic sector have to navigate a landscape that requires strategic vision, effective decision-making, and agile leadership.

To help new CEOs in the professional services industry succeed, RRA interviewed over a dozen industry-leading CEOs to learn how they initially approached the top job in this competitive landscape. Leveraging these conversations and global market insights from our 40+ CEO searches in the professional services sector over the last three years, we identified the following five learnings for these leaders:



## Arrive prepared

In the professional services industry, where agility and adaptability are paramount, successful first-time CEOs need to enter their roles with a comprehensive plan—the most common of which is the “First 100 Day Plan.” This means that the job starts far before the first day you walk in the door.

This initial plan helps first-time CEOs establish priorities and strike a balance between urgent matters and important strategic initiatives, defining the organization’s values, culture, mission, objectives, and non-negotiables while providing a clear roadmap for driving sustainable growth.

As a new leader, first-time CEOs found success with bold views, erring on the side of optimism and over-investment.

They realized that this was their best opportunity to drive investments with the lowest burden of proof, understanding that, while the numbers would ultimately determine their credibility in a few quarters, “playing too safe was never going to achieve much.”

That said, these plans can’t be too rigid—otherwise, new leaders risk coming in with assumptions that may hinder assimilation into the organization. New CEOs need to remain agile and adaptive, while staying focused on key objectives, capitalizing on early opportunities, driving action to achieve desired outcomes, and adjusting the plan as needed to seize market opportunities

# Reset your assumptions

Many interviewees spoke to the importance of first-time CEOs joining their new organization without any assumptions regarding talent, capabilities, clients, and key sectors. Successful new CEOs understand that carrying over assumptions from previous experiences or industries can hinder their ability to drive meaningful change.

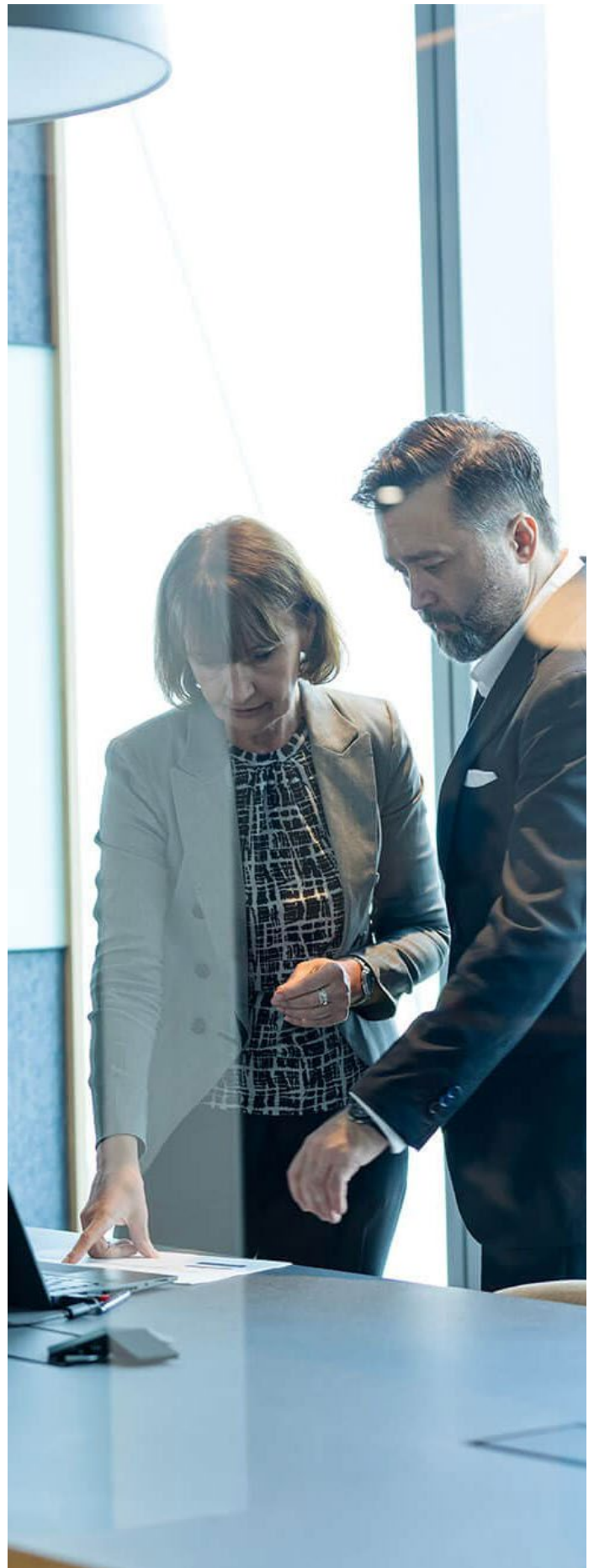
While every new CEO has their own nuanced “first 100 days plan,” all of our interviewees recommended meeting key clients, partners, advisors, the leadership team, and a large section of colleagues from across offices and across ranks to ask three fundamental questions:

- *What do you like about our organization currently?*
- *What needs to change?*
- *What do you expect from me?*

One interviewee reiterated the need to be prepared for a range of questions, some quite difficult. CEOs cannot rely on a binary approach. Even questions like—*Do clients or employees come first? Are you mission oriented or people oriented? Are you here to strengthen our existing culture or change it? As an outsider, what's your opinion of us? Has the board given you a plan to execute? Am I a part of your future plans?*—need a clear, considered response.

By actively seeking input and articulating their values and non-negotiables, these new CEOs set the foundation for building trust, fostering collaboration, inspiring the executive team, and aligning the organization towards shared goals.

*“I expected lower quality talent, lower capability, non-Fortune 500 clients and little presence in key sectors. I was wrong on nearly everything. I never made that mistake again.”*



# Actively partner with the board

Given the professional services industry's complex and competitive landscape, effective utilization of the board is absolutely crucial for success. Every interviewee agreed that, as a first-time CEO, the board's initial level of involvement dictated not only whether they got out to a strong start, but how quickly they could drive positive change.

After the new CEO developed and validated their strategy, the successful ones directly expressed their perspectives on business imperatives, decision-making rights, and growth scenarios. This boldness fostered trust and

alignment and allowed them to build deep relationships with the chair and other board members, allowing them to broaden their aperture while diving into specific initiatives and strategies with each board member.

While developing individual relationships with board members can be intimidating for new CEOs, fostering these relationships allows the first-time leader to tap into the board's established expertise, leverage their network, and gain valuable insights to navigate industry challenges.

# A clear initial tone is the bedrock for an inspired culture

As a new CEO in the dynamic professional services industry, what you do and how you carry yourself in the first few days will set the tone for your leadership style and approach.

We know from our culture advisory work that the "tone at the top" matters just as much as the "echo from the bottom." That is, the way leaders embrace and model an organization's culture will have serious implications for how middle managers and employees carry themselves in turn.

Successful CEOs assemble the right leadership team, emphasizing a shared vision and fostering open communication. However, balancing said vision without disrupting what currently works well for the company is paramount. Rather than reinvent the wheel, first-time professional services CEOs need to analyze which spokes of the wheel might need adjustments, while also working to understand what's currently working well and why it's working.

Our interviewees also spoke to the importance of demonstrating a bias for action and creating an environment where diverse perspectives are valued. By addressing cultural challenges, working to truly understand deep-rooted behaviors and expectations, promoting transparency, and actively engaging with employees, these CEOs built a culture of trust and accountability that fuels innovation and high performance.

"Things I said in my first few days on the job—some that I don't even remember saying—are sometimes still quoted back to me. Those initial impressions matter."

# The journey is easier with others

The most successful new CEOs understand the importance of seeking support and embracing continual growth. They cultivate a network of trusted advisors, mentors, and industry experts who provide valuable guidance and insights. Additionally, they prioritize their own learning via industry events, workshops, and executive education programs to stay ahead of trends and make informed decisions.

By investing in one's own personal and professional development, first-time CEOs foster a culture of learning within their organizations, empowering their teams to adapt, innovate, and drive long-term success.

"Bring the new narrative, show that you respect the existing culture, and then you let your team determine how work gets done."

## What's next for the first-time professional services CEO?

"I was managing a multi-billion dollar P&L and fooled myself into believing that it was a general manager's job. But nothing ever fully prepares you to be CEO. Don't be shy about relying on others."

Taking on a CEO role will always be a challenge. In our increasingly complex and competitive environment, stepping into the top job is an accomplishment in itself. What's more, driving innovation and growth in the professional services sector is incredibly challenging. However, the lessons learned from the past decades' upheavals and crises put present first-time CEOs in a unique position to build on the bright side of existing cultures, broadcasting their own inspirational tone across their organization to lead into a global market. As first-time CEOs look to take the next step in their leadership journey, they can ensure success by leveraging these strategic learnings.

### [CEO Transitions](#)

How Russell Reynolds Associates helps new CEOs navigate the transition into the top job.

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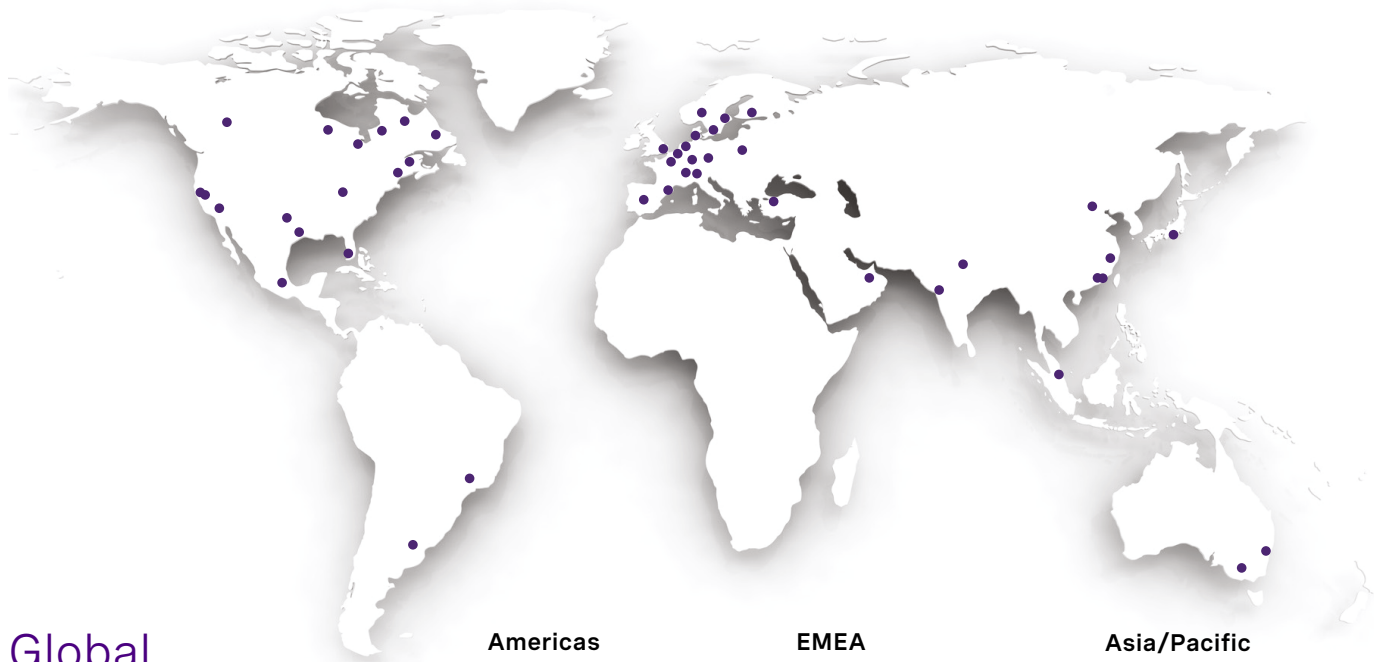
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# About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory firm. Our 600+ consultants in 47 offices work with public, private, and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic, sustainability, and political trends that are reshaping the global business environment. From helping boards with their structure, culture, and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led

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