

Secrets to Climbing the Corporate Ladder

By Larry Hartmann, Chief Executive Officer



Learnings from today's leaders who made it to the top

Climbing a ladder can be risky business. It is reported that 43% of all fatal falls happen from people climbing ladders. Successfully climbing the corporate ladder can be an equally difficult ascent to master, but once the ladder is scaled, the view can be glorious. A rare few in the leasing and finance industry make it to the top. Ironically, less leaders in this industry make it to the top of the org chart each year than the number of climbers who successfully conquer Mt. Everest annually.

What is the secret to getting to the top? As an executive recruiter who often is included in confidential board room discussions regarding leadership, I have an inside view on this topic that may shed new light. A top CEO is valued and can create tremendous shareholder value and employee growth. The best leaders drive an organization to strong returns, which lead to excellent employee bonuses and incentives. The best leaders drive growth, innovation and change. They lead acquisitions, integrations and drive organic expansion and double digit CAGRs.

What is different about these leaders who became CEOs that propelled them to the top of the corporate ladder? Was it an Ivy League education? Career track? Was it who they knew or what they did? Was it individual skills sets? Could it be charisma and likeability? Was it leadership skills?

To look deeper into these questions, we will first look at the road traveled of current leaders who made it to the top. The road illuminates the path that others could follow.

Our analysis will begin with some reverse engineering of 13 CEOs to see what the data tells us. The CEOs we selected are from firms of different sizes and backings and have great responsibility, leading over \$50 Billion of annual financing of all deal sizes and asset types.

The Bakers Dozen CEO's

<i>Executive</i>	<i>Company</i>	<i>Education</i>	<i>Degree</i>	<i>Beginning in Leasing</i>
<i>William Stephenson</i>	<i>De Lage Landen</i>	<i>Florida State</i>	<i>Business Degree</i>	<i>Sales / Sales Leadership</i>
<i>Adam D. Warner</i>	<i>Key Equipment Finance</i>	<i>Elmhurst College</i>	<i>Business Degree</i>	<i>Operations / Credit</i>
<i>Kris Snow</i>	<i>Cisco Systems Capital</i>	<i>Gonzaga / St. Mary's</i>	<i>Engineering / MBA</i>	<i>Technology</i>
<i>Walter Rabin</i>	<i>Signature Financial</i>	<i>Binghamton, UVA</i>	<i>Political Science / Law</i>	<i>Legal / GC</i>
<i>Mike DiCecco</i>	<i>Huntington Equipment Finance</i>	<i>College of Mount St. Joseph</i>	<i>Business Degree</i>	<i>Credit / Sales / Operations</i>
<i>Bill Mayer</i>	<i>Wells Fargo</i>	<i>Penn State</i>	<i>BA Accounting</i>	<i>Accounting</i>
<i>Tony Golobic</i>	<i>GreatAmerica Financial</i>	<i>Roosevelt U / U of Chicago</i>	<i>Business Degree / MBA</i>	<i>Accounting</i>
<i>Fred Van Etten</i>	<i>Scottrade</i>	<i>Arizona State / Pepperdine</i>	<i>Business Degree / MBA</i>	<i>Asset Management / Credit</i>
<i>Gary Shivers</i>	<i>Navitas Leasing</i>	<i>LaSalle / LaSalle</i>	<i>Business Degree / MBA</i>	<i>Credit / Operations / Sales</i>
<i>RJ Grimshaw</i>	<i>Bank of Ann Arbor</i>	<i>Empire State College</i>	<i>Business Degree</i>	<i>Sales / Sales Leadership</i>
<i>John Thain</i>	<i>CIT</i>	<i>MIT / Harvard</i>	<i>BS / MBA</i>	<i>Investment Banking / Goldman Sachs</i>
<i>William S. Henak</i>	<i>TCF Equipment Finance</i>	<i>Wartburg College</i>	<i>Accounting / CPA</i>	<i>Syndications / Debt Placement</i>
<i>Kent Adams</i>	<i>Caterpillar Financial</i>	<i>Illinois</i>	<i>Business</i>	<i>Finance / Accounting</i>

Let's start with Education

While a MIT degree and Harvard MBA was the route to the top for John Thain at CIT, is this the only route? Surprisingly no, top Ivy League educations were the exception, not the rule. A solid grounding at a mid-range, undergraduate university program was enough for many who made the list.

Six of the 13 leaders did go on to obtain advanced degrees, typically MBAs, CPAs or Law degrees, but six others had just business degrees. Two leaders in our study did not focus on business in their college days, with one engineering degree and one political science major. Conclusions? While education is clearly important and foundational, if you did not get into Harvard or Princeton, there is still hope. Education does not seem to limit the chances of successful ascent but advanced studies could make a difference.

What about Career Route? Is there one road to the Top?

Is there a best functional road to follow as you rise up the corporate ladder and begin your career? The table shows the road traveled was diverse. Three of the 13 came from accounting backgrounds and three from credit and risk backgrounds. Close behind was a road started in sales, although two leaders also cut their teeth in operations. Several CEOs that are now leading bank organizations did complete a management trainee rotation during their first few years with stints in credit, operations, sales and asset management, so that proved to be a solid grounding but finding a company doing rotational training is scarce.

Pay my Dues or Hired Gun?

<i>Executive</i>	<i>Company</i>	<i>Years on the Job</i>	<i>Years with the Company</i>	<i>Number of Companies</i>
<i>William Stephenson</i>	De Lage Landen	5	28	1
<i>Adam D. Warner</i>	Key Equipment Finance	7	14	3
<i>Kris Snow</i>	Cisco Systems Capital	6	7	2
<i>Walter Rabin</i>	Signature Financial	3	3	3
<i>Mike DiCecco</i>	Huntington Equipment Finance	2	14	2
<i>Bill Mayer</i>	Wells Fargo	1	13	3
<i>Tony Golobic</i>	GreatAmerica Financial	23	23	4
<i>Fred Van Etten</i>	Scottrade	3	3	5
<i>Gary Shivers</i>	Navitas Leasing	7	7	3
<i>RJ Grimshaw</i>	Bank of Ann Arbor	1	2	3
<i>John Thain</i>	CIT	5	5	1
<i>William S. Henak</i>	TCF Equipment Finance	4	15	3
<i>Kent Adams</i>	Caterpillar Financial	10	35	2
	Averages	6	13	3

The average CEO in our study has six years of experience in their current job and 13 years with the same company, so loyalty and patience seems to have paid off. What about view and perspective of other organizations? The average leader worked for three leasing and commercial finance companies in their career. So, clearly, a hired gun with changes every three or four years is not the model.

The majority of our CEOs spent most, if not all of their careers, in the leasing and commercial finance industry with a few noted exceptions. The captives tended to favor those who came from the business side and later migrated to lending. Kent Adams at Caterpillar and Kris Snow at Cisco both first learned the skills from the parent company before moving over to the leasing and financing side.

How does this data help me as I consider my climb up the corporate ladder?

The good news is, the playing field is quite open and many routes lead to the top. The club is not exclusionary, and membership can be granted to the worthy. So, to increase your safety as you scale the ladder, get your core education, go back for the MBA to increase your odds, and try to spend time in different parts of the business, not just one functional area.

A few of our leaders have interesting case studies in success.



Being patient while you climb the Ladder

Bill Stephenson, De Lage Landen

Bill Stephenson, the CEO and Chairman of the Executive Board of De Lage Landen's worldwide operations, showed tremendous patience and persistence in his career. From his early days in local and regional sales and account management, Bill steadily rose through the ranks of leadership to become the global Chief Commercial Officer of the company in 2012, prior to assuming the role of CEO in 2014. Bill spent 28 years with one company. When the position for the global business head opened up and a thorough external recruiting process was conducted, Bill emerged as the number one choice. However, it involved some major lifestyle considerations, with more than 50% of his time on the road, traveling throughout the DLL global network to meet with management, employees and customers, as well as an extensive amount of time in the Netherlands, where DLL and their parent, Rabobank, are based. The appointment of Bill, the first non-Dutch national to ever lead DLL, made history for the international finance company, which employs over 5,000 people in more than 35 countries and manages a portfolio exceeding USD \$40 billion. For Bill, patience and loyalty was rewarded.

Bill related, "Coming up through the ranks of sales from local to regional, national to international, it really has given me a perspective and understanding of the needs of our customers. Putting culture and language differences aside, you can find several universal truths in the needs of our customers, no matter where they are located. I have spent most of my career working with our clients around the point-of-sale experience, understanding how they sell to their end-customers, and the role that DLL can play in enabling that process. That lifetime of experience plays a key role in helping inform and guiding the decisions I need to make as CEO. I would not be where I am today if it were not for the formative years I spent in sales."

Taking a personal risk to become a President

RJ Grimshaw, Bank of Ann Arbor / UniFi

The youngest President in our study is RJ Grimshaw, who now runs Bank of Ann Arbor's leasing and finance business. RJ had a personal mission to become a leader running a company. He articulated this vision early to recruiters and managed his career moves accordingly. When an opportunity was presented to him to become the Chief Sales Officer for Bank of Ann Arbor, with a retiring CEO one year from stepping aside, RJ stepped up and willingly relocated his family to Michigan from New York. The Bank was seeking a high potential growth leader. RJ took personal risks in moving his family, and during his first year in the CSO Role, he delivered growth as promised. Today, he runs one of the fastest growing bank leasing companies. RJ related, "I was fortunate enough to be raised in an entrepreneur's family and witness leadership, and how to prepare for calculated risks. I believe to be a great leader you need to walk side-by-side and hand-and-hand with people who are great, and that is what I discovered at the Bank of Ann Arbor / UniFi."

Building your own Ladder: Case Study

Fred Van Etten, Scottrade Bank Equipment Finance

Today, Fred runs Scottrade Banks' Equipment Finance business. A few years ago, this business did not exist, but Fred had visions to be the CEO of a major player and had managed his career steps in that vein. He had moved to Missouri from Texas when an opportunity arose with Banco Popular Leasing (BPNA) to help manage and turn around the business when the incumbent left. Fred was able to grow the business and turn it from a loss position into a profit generator for BPNA and ultimately led a successful sale of the business to TCF Bank. Through this move to Missouri and his prior well known industry successes, his personal brand in the Equipment Finance community led to discussions with the top brass at Scottrade about lending and starting a new business under the Scottrade umbrella. Fred took the risk to join a startup as the business leader and today leads a top growth firm in the space and the company is flourishing. Fred related, "It's been an interesting career so far. It has had all the peaks and valleys you would expect over the years from an industry and personal standpoint. I have been fortunate to work mostly with outstanding people over 35 years, and I have even managed to grow and thrive in my career while working a few times with people who didn't share my core beliefs on how to treat people. The culture here at Scottrade and one that I embrace is to treat people like you would like to be treated. If our employees are happy, our customers will be as well."

Intangibles: What makes a great leader and top CEO?

So then, what other qualities separate a great CEO from mid management leaders and managers? We see that education and experience are qualifiers that you need for the highest climb, but what are the other factors for success.

From my personal view of working with and spending time with many top CEOs in many different industries, there are several differentiating factors worth noting. While there are many great books and articles written on leadership, I will focus on two critical factors I see over and over for those who not only scale the highest ladders but produce amazing returns for shareholders.

Communications

While communications in general clearly matter, an enlightened CEO has mastered what I will call “three dimensional communication.” First, the top leaders can communicate downward to their team, their staff, and their employees. The star CEO can also communicate upwards, which is often in the board room or with a parent company CEO, to whom they report. This second dimension of communications is very important and no climb will be completed without a black belt in the area of communications. Lastly, the CEO can communicate outward to the investment community, investors, to clients and to trade groups, embracing opportunities to share stories and insights, and inspire others. Some leaders, who don’t make it to the C-Suite, often can communicate in just one or two dimensions. While likely to climb the ladder, they fall short of 3D communications skills and their ascents get stalled along the journey.

Also, to clarify, communications is not just speaking, it is presenting in all forms. It is how information is packaged and stories and plans are shared. It includes written mediums and body language; they all matter. While often unspoken, how you look is a form of communicating as well. Few will openly admit it, but the physical image of the CEO and how they would look, sound and present standing at the podium does matter, so keep your gym membership and stay healthy for the climb.

Emotional Intelligence

Emotional intelligence known as “EQ” is the ability to read people and situations correctly. This may be the biggest X-factor found in the top leaders. It is easy to spot a great communicator, but having high EQ is tougher to assess though it will shine through over time and results. The best leaders just get it. They can read a room; take the temperature of their direct reports, their customers, their employees; and sift through the noise to find the nugget of wisdom that leads to action. Leaders with high EQ have empathy for views and opinions and welcome honest discussion and debate on issues, but at the end of the day, they are not afraid to make decisions, take risks and advance issues. Leaders with strong EQ surround themselves with other leaders who don’t just say yes and simply affirm the view of the CEO. They seek diversity of opinion, encourage disagreement and debate, but foster teamwork and unity once the board room meeting is adjourned. Leaders with low EQ end up fired or demoted.

Conclusions

Climbing ladders is clearly a risky business with longshot odds. But, earning that CEO spot can well be worth the risk. Education does not disqualify you and whatever your career track, you can still do it if you set your mind to the task and develop all aspects of your leadership tool kit, starting with communications and ending with becoming a master of EQ . So, before you put your ladder away, keep taking careful steps upward with vigor. Even if you make only two or three steps up the ladder, you will grow from being a valued contributor to a manager, and from manager to leader with increased rewards and satisfaction.



About the Author



[Larry Hartmann](#) is the CEO of ZRG Partners, a global executive search firm that does senior level recruiting engagements around the world. In addition to leading ZRG for the past 15 years, Larry previously founded a commercial finance business and grew it from start up, through public offering and successful sale to a Dow 30 company. Today, Larry sits on multiple boards in academia, in the nonprofit sector as well as in industry.

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