
Beyond the Corner Office:
**Leadership in a Multi-
Company Ecosystem**

Introducing ecosystems

Strategic partnerships between companies are nothing new. Most often, they are straightforward formal agreements involving executives and legal departments. But the world is changing. Mass disruption is driving the agenda of most CEOs. They are being bombarded with expectations from all sides, including investors seeking sustainable, long-term growth; customers expecting bespoke products and solutions on demand; and employees worrying about job security in an age of artificial intelligence (AI) and robotics. CEOs navigating this tension are being forced to take a new look at the way they do business, particularly their approach to collaboration. As a result, they are deliberately seeking complementary strategic partners with which to share expertise, resources and risk.

The nature of these new partnerships is so distinct that we have begun to call them “ecosystems.” These ecosystems are an innovative way to bring many partners together. We find they are characterized by agility, a fail-fast mentality, and unassailable trust. They are created for a number of reasons, such as testing new ideas, innovating around products, delivering across new channels, and finding alternative ways to collaborate – all in order to develop a win-win situation for the partners, one that will allow them to meet – and stay ahead of – the demands of their stakeholders. (See our companion piece, *Collaborating for Competitive Advantage: How CEOs Create and Manage Successful Ecosystems*).

A shift in ecosystem leadership

As partnerships and alliances change, so too must leadership approaches. It is hard to imagine companies becoming more disruptive and agile without their leaders doing so as well. Originally, companies may have hired digital officers to bring about disruption. But we are now seeing a shift, as CEOs step in to drive the transformation personally.

Russell Reynolds Associates and Professor Andrew Shipilov from INSEAD recently held joint discussions with a dozen global CEOs from a cross-section of industries to find out more about this evolution. As we learn more and more about how these CEOs are operating, a new CEO profile is emerging. (See Methodology).

METHODOLOGY

Over the past six months, we performed a pilot study, interviewing 12 CEOs representing a wide range of industries, including companies working in the financial services, electronic design and manufacturing, systems integration, consumer products and data storage industries. The transcripts of those conversations were made anonymous and redacted to the CEO’s comments only. The transcripts were then analyzed using IBM Watson’s “Personality Insights” program, which derives insights about personality characteristics from transcripts and texts. The personality model infers 60 personality characteristics based on three models: Big Five, Needs and Values. Watson already contains data on thousands of anonymized individuals. For more information, click [here](#).

Highest-scoring personality characteristics of ecosystem CEOs

100%	Intellect	Is intellectually curious and tends to think in symbols and abstractions
98%	Authority challenging	Has a readiness to challenge authority, convention and traditional values
97%	Assertiveness	Likes to take charge and direct the activities of others; tends to be a leader in groups
96%	Adventurousness	Is eager to try new activities and experience different things; finds familiarity and routine boring
95%	Activity level	Leads a fast-paced and busy life; does things and moves about quickly, energetically and vigorously
92%	Cautiousness	Is disposed to think through possibilities carefully before acting
92%	Curiosity	Has a desire to discover, find out and grow
89%	Sympathy	Feels what others feel and is compassionate towards them
82%	Achievement striving	Tries hard to achieve excellence; a drive to be recognized as successful keeps them on track as they work hard to accomplish their goals
82%	Trust	Assumes that most people are fundamentally fair, honest and have good intentions; takes people at face value and is willing to forgive and forget

Lowest-scoring personality characteristics of ecosystem CEOs

10%	Self-expression	Enjoys discovering and asserting their own identities
9%	Susceptible to stress	Is easily overwhelmed in stressful situations
6%	Closeness	Relishes being connected to family and setting up a home
6%	Love	Has a desire to discover, find out and grow
5%	Stability	Seeks equivalence in the physical world; favors the sensible and the tried and tested
4%	Hedonism	Seeks pleasure and sensuous gratification
4%	Fiery	Has a fiery temper, especially when things do not go their way
4%	Prone to worry	Often feels like something unpleasant, threatening or dangerous is about to happen
3%	Harmony	Appreciates other people, their viewpoints and their feelings
2%	Tradition	Emphasizes self-restriction, order and resistance to change

The Personality Insights service is based on the psychology of language in combination with data analytics algorithms. The service analyzes the content sent and returns a personality profile for the author of the input. Normalized scores represent a percentile ranking for each characteristic based on qualities inferred from the input text. The percentage is comparing one person to a broader population. For example, a 98% on extraversion does not mean that person is 98% extroverted. It means for that single trait, the person is more extroverted than 98% of the people in the population.

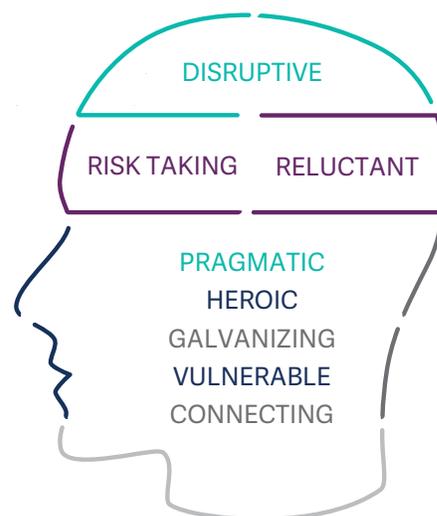
We believe it is important to put these traits in context. Recently, Russell Reynolds Associates worked with Hogan Assessments to develop a framework, Leadership Span, to assess an executive's ability to adapt to changing circumstances. Leadership Span is comprised of four core competencies: Setting Strategy, Executing for results, Leading Teams, and Relationships and Influence; as well as four differentiator pairs. The pairs represent leadership paradoxes that differentiate C-Suite leaders from one another. The most effective leaders are able to actively span across the pairs as business conditions require, rather than just being strong on one end of the pair. While there are many nuances, we often describe Leadership Span as having a "loud" side (disruptive, risk taking, heroic, and galvanizing) and a "quiet" side (pragmatic, reluctant, vulnerable, and connecting). See more on our Leadership Span framework [here](#).



When we correlated the traits from the Watson's Personality Insights application to our Leadership Span framework, it became obvious that ecosystem CEOs lean heavily on their "loud" skills in order to innovate, test and achieve results. Three traits immediately scored highly: disruptive, risk-taking and reluctant. These results make sense, given that the CEOs with whom we spoke made it very clear that they are personally driving their businesses' transformation and change strategies. This also correlates with the common sentiment that ecosystems are built to impact the bottom line.

Nonetheless, we know leadership is a team sport. The ecosystem CEO must also rely on colleagues throughout the organization to ensure that parts of the ecosystem move in concert, that partners collaborate and trust one another, and that information is shared. When we asked them about their hiring practices, interestingly, they did not speak of searching for additional disruptors. Instead, they spoke in terms of hiring leaders who can execute against strategy – but also bring with them competencies that correlate to the "quiet" skills, recognizing the need to provide this balance if they are to be successful.

Based on our initial conversations and analysis, it is clear that ecosystem CEOs are driving change in their organizations. They lead with disruption, but also deftly span risk taking and reluctance to produce solid results. This allows ecosystem CEOs to quickly produce new ways of doing business and meeting customer demands.



The CEO as ...

DISRUPTOR

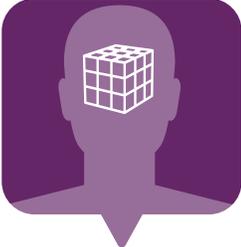


Ecosystem CEOs are disruptors. They see trends and patterns in ways that others do not and are willing to challenge tradition. Our initial research indicates that most such CEOs are employing ecosystems as a way to champion innovation and find new solutions to existing problems. This may lead to expanding existing businesses, creating new business models, or improving speed. They are not typical, steady-state leaders. In fact, even at well-established and traditional companies, most have adopted a scrappy, start-up mentality.

Key Characteristics of Disruptor CEOs:

- Entrepreneurial
- Support creative thinking and champion innovation
- Anticipate external change
- Think strategically and long-term
- Apply deep market and industry insight
- Provide a global mindset

RISK TAKER



In challenging the traditional way of creating partnerships, the ecosystem CEO is a risk taker. A risk taking CEO is comfortable with ambiguity and complexity, while remaining optimistic. At the same time, these risks are calculated, and they are aligned with each business's long-term strategy.

Key Characteristics of Risk-Taking CEOs

- Seize opportunity and take risk
- Work hard and quickly achieve goals
- Operate with bias to action
- Flexible and thrive in ambiguity – comfortable with the unknown
- Manage stress and respond flexibly to change and complexity

RELUCTANT



The third-highest quality of the ecosystem CEO is reluctance. Combined with risk-taking, it means these CEOs are executing for results. They are willing to seize opportunities but they mitigate the risks and predict the consequences of their decisions. Reluctant CEOs will prioritize key objectives against strategy and ensure that internal resources are driving critical outcomes. They will bring a measured approach that insists on strong KPIs and positive impact.

Key Characteristics of Reluctant CEOs

- Generate high-quality outcomes
- Predict the consequences of decisions and manage risk
- Prioritize key objectives
- Manage and allocate resources
- Detail-focused and data-based in decision making

What best-in-class ecosystem leaders do



Hire for balance, and build teams that coordinate at all levels.

CEOs hire for competencies as well as experience and skills. To run an ecosystem effectively, they need leaders with both high EQ and high IQ. Additionally, these leaders must have internal and external credibility and influence.



Define bold long-term strategies

Strategy has never been more critical. Ecosystem CEOs set the direction and vision and then ensure their ecosystems move toward that vision.



Identify partners that align with and complement their strategy and brand – and then trust them.

Ecosystem CEOs seek partners they can trust. They find partners with whom they share a vision, values and culture.



Create a feedback and innovation loop.

Ecosystem CEOs facilitate ways to transfer knowledge both between companies and throughout the organization. This helps to break down departments and levels, fostering greater collaboration.



Shake it up.

Ecosystem CEOs are prone to experiment and try new things. They are not afraid to test and embrace entirely new ways of executing against their strategy.



Develop KPIs.

With the bottom line in mind, these CEOs measure and monitor long-term impact.



Create alignment.

In developing ecosystems, ecosystem CEOs create alignment around strategy, both internally and externally. Internally, they make sure that everyone involved understands the ultimate purpose and applies that lens to their decisions. Externally, they align with partners on values and vision.

AUTHORS

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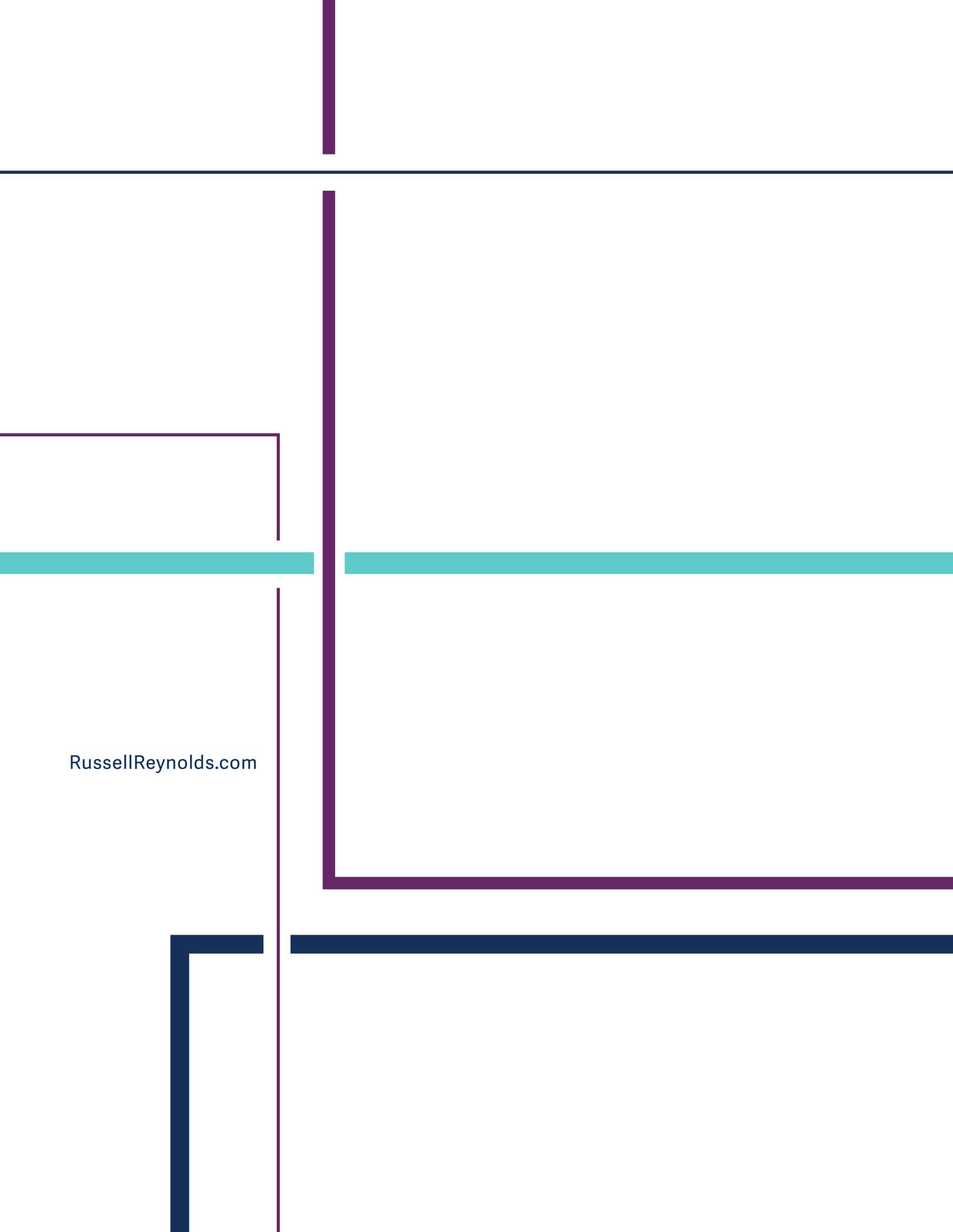
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