

LEARN FROM THE BEST

CAREERS At the most elite level of global consultancy, top managers market their experience as mentors for the next generation of leaders. What's their motivation?

KINGMAKER
Michael
Diekmann,
Chairman of
the Supervisory
Board of Allianz,
prepares his
customers to
take on the
mantle of CEO



When it comes to application documents, the biggest names in the European business world certainly find ways to stand out. An appealing photo on the left-hand side is flanked by bullet points listing some rather impressive achievements.

And 65-year-old Allianz heavyweight Michael Diekmann is no exception, bringing to our attention notable accomplishments such as “Experienced Chairman”, “Dax, Euro Stoxx 50, Stoxx Europe 50”, “24 years of international senior leadership experience”, “profound networks in Asia Pacific, Americas, Africa and Europe”.

Meanwhile, 54-year-old Jim Hagemann Snabe hopes that his experience in technology, digital transformation, insurance and energy will give him the edge. The former co-CEO of SAP now sits on the supervisory boards of Siemens and Maersk, and also acts as Diekmann’s deputy in the Allianz boardroom.

74-year-old Franz Humer, who occupied the top position at the pharmaceutical company Roche for many years, is a successful veteran of the international business market. His illustrious career has included numerous elite job titles, such as COO, CEO and chairman.

These profiles are sent out by London office on behalf of what is undoubtedly the world’s most highly qualified network of business leaders: Chairman Mentors International, or CMi for short. Through this network, 73 former top managers from 18 nations offer their services to help the next generation of talent make the jump to leadership.

But these masters-turned-mentors don’t stop at simply nurturing “up-and-coming” talent – some of their protégés have their sights set on the very uppermost echelons of the business world. These include CFOs, aspiring board chairmen and a select group of leaders who prove themselves worthy of “significant investment” in their personal development, as CMi puts it.

“Some people think that once you get to a certain level, you don’t need any more help – but that’s simply not true,” says Snabe. “We’re not here to just wow our mentees with our great achievements – we’re here to ask open-ended questions,” says Diekmann. “We’re here to help them reach the next level,” adds Humer.

In addition to these three industry heavyweights, the list of prospective mentors also includes big names such as Nestlé boss Paul Bulcke (66), ABB chairman Peter Voser (62), and 73-year-old Roger

Carr, the former chairman of Cadbury plc who is currently serving as chairman of the British defence company BAE Systems. The elite line-up is rounded out by leading businesswomen such as Clara Furse (63) and Rona Fairhead (59), who have both served on numerous executive boards.

The mentors are seeing to fill a gap in the booming consultancy sector.

Top performers have no trouble finding life and sleep coaches, dietitians or leadership gurus – but at the most elite level, there is a dearth of such advice.

After all, it’s difficult to find anyone willing to impart wisdom to the leaders of the business world if they have no experience of the dizzying heights of power themselves. Anyone can call themselves a coach.

But the concept of a ‘mentor’, and what it means to be one, dates all the way back to ancient Greece. In Greek

Mythology, a man named Mentor took the son of Odysseus under his wing, preparing him to take up the mantle of the king.

And in the present day, so-called kingmakers have been a feature of the English-speaking business world for many years. Now, the professionalisation of corporate governance and the growing popularity of sophisticated approaches

to succession planning have driven up demand for top-class consultants in Germany too. Alongside CMI, several other organisations have their sights firmly set on the top echelons of the business world – such as the mentoring company Bernotat & Cie, which was established

by the late Wulf Bernotat, former CEO of E.ON (see feature on page 102). In a world that lives and dies on the stock market, golden opportunities to clinch a seat at the top table are getting fewer and further between.

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Jim Hagemann Snabe



DUAL ROLE
As a mentor, Siemens chairman Jim Hagemann Snabe nurtures the next generation of leaders; he'll also happily bring in advisors for his own board members where necessary.



OLD MASTER
 Roche legend
 Franz Humer
 also has a
 say in the
 appointment
 of new
 mentors

Back in 2003, Michael Diekmann landed the top job at Allianz when his predecessor Henning Schulte-Noelle (78) nominated him to take the reins, with Chairman of the Supervisory Board Klaus Liesen giving the appointment his blessing. Nowadays, when it comes to choosing new leaders to fill prestigious positions, a range of potential candidates, both internal and external, should ideally have already been identified long before the current number one decides to step down.

For a high five-figure annual fee, mentors will meet candidates for a two-hour session every six to eight weeks, helping them to fill gaps in their experience while offering independent advice.

According to Diekmann, although knowing you're in the running for a top job does serve as a powerful motivating tool, it can also be a heavy burden: "From the moment their hat is thrown into the ring, life ceases to be normal for the candidates." While the news may, in

Diekmann's words, cause a maelstrom of "euphoria and worry" on the inside, keeping a calm and collected exterior is essential. With this in mind, a safe space to voice thoughts and concerns can be extremely useful.

But the mentors are keen to stress that they're not simply hand-holders for stressed high performers – they'll only taken on an assignment once they've been given a precise briefing. For instance, a chairman of a supervisory board might ask them to probe an aspiring leader to determine their resilience. When it comes to leadership qualities such as persuasiveness, flexibility, and the ability to weather the harshest of storms, the mentors know what they're talking about.

After all, they've all spent years at the helm themselves. "It's almost impossible to truly understand just how big the jump between board member and CEO really is," says Snabe, who serves on several supervisory boards.

» **NOTHING IS EASIER THAN DISPARAGING YOUR PREDECESSOR. EVERY NEW CEO NEEDS TO BE WARNED ABOUT THIS.** »

Franz Humer

Following a phone call from Hasso Plattner (76) one Saturday morning in 2010, he suddenly had just 48 hours to decide whether he wanted to accept the job working alongside Bill McDermott (59) as co-CEO of SAP. "On the Monday morning I stood in front of our staff in an all-hands meeting and was expected to have already internalised my new role," he recounts. Since then, he has used his influence as a board member to re-evaluate the succession planning strategy so that new candidates have time to prepare. So did he engage a mentor for Kaeser's successor at Siemens, Roland Busch (55)? Here the Dane smiles with routine friendliness, giving nothing away.

Discretion is one of the golden rules of CMI – clients aren't told exactly what is said during the one-on-one meetings. In turn, aspiring top managers don't get to find out what their bosses on the supervisory board think of them. Nor are they told specifically what aspects to work on – ideally, they'd work that out for themselves during the course of the mentorship.

These meetings with protégés often get personal, with mentors walking them through what might happen when the transfer of power is finalised. How will they cope with the constant scrutiny from staff, investors, the supervisory board and the general public? And what about the immense pressure on their family? How do they plan to navigate the tricky task of differentiating themselves from their predecessor?

As the mentoring relationship progresses, some people conclude that they're just not cut out for the strains of the top job. In these cases, the mentor can help them to map out a dignified withdrawal that allows them to save face, even if they're already part-way through the appointment procedure. "If the succession process is well-managed, there are no losers," says Snabe.

And when the time finally comes to take the reins, new leaders must be ready to hit the ground running. Snabe drills a three-pronged motto into his mentees: "strategy, structure, people" – in that order. It's important to already have a path mapped out before you go looking for people to fill positions. "Spearheading an organisation is a job that nobody can do for you." While teamwork may be in vogue, it doesn't count for everything at the very top.

New mentor Diekmann knows from experience just how valuable good advice can be. The first major test of his abilities came no sooner than he had taken up the position of CEO at Allianz in 2003.

The bursting of the dot-com bubble and the 9/11 disaster had caused the insurer's share price to collapse by 90%, while the balance sheet assets invested in shares rapidly melted away. Diekmann came from a sales background and, by his own admission, knew very little about the capital market – but it would be his job to guide the company through what was, at that time, the largest capital increase ever seen in Europe.

Diekmann remembers the atmosphere at the company's Munich headquarters, recalling how they ran the risk of falling into a mental trap: "We thought that it was the market that was collapsing, that it had nothing to do with us." Shaken by this outlook, Henry Paulson (74) took the new leader to one side. As the CEO of the commissioned investment bank Goldman Sachs, Paulson had plenty to lose if the project failed – and he wasted no time in telling Diekmann all about his encounters with disappointed institutional investors. "That was a very tough 48 hours," Diekmann recalls.

For his part, superstar of the Roche Group Franz Humer made the acquaintance of an invaluable mentor in less fraught circumstances. At the start of his career in the 1970s, the young lawyer crossed paths with an industry heavyweight, who offered him a job as regional director in Serbia. Although Humer ultimately turned down the opportunity, this was the start of a life-long friendship, and one which has continued to serve as a source of guidance and inspiration to Humer even after the death of his friend.

Each CMi mentor starts by getting together with their prospective protégé for an introductory meeting. This allows them to get a feel for whether it's likely to be a successful pairing. They then agree on an agenda and start working through it. This takes at least several months, but more likely over a year. The mentors are also on hand to impart their wisdom to those confronting a major change, such as moving to a new company, spearheading a major transformation or entering a new market with unfamiliar cultural codes.

18 years ago, the idea for CMi was brought to life by a Norwegian entrepreneur. Now, its investors are two former Goldman Sachs partners and the owner of a Greek shipping company.

A look at the customer list shows that this elite team has so far been focusing mainly on northern Europe, with room for development into the German-speaking world. But with international and cross-industry exchange hard-wired into their philosophy, the mentors are rarely confined to their home turf when taking on an assignment. They are the experts who hold the answers to the big questions that every new generation of leaders finds themselves asking: What's the secret to dealing with hostile colleagues? How do I keep my private life separate? How can I make sure that the workload doesn't overwhelm me?

Doing business from home

Normally, mentors meet with their protégés in person. However, in the wake of the coronavirus crisis, much of their work is now done over video calls. In more normal times, Diekmann would invite his mentees

to Palais Preysing, one of the most exclusive addresses in Munich. Here, he shares an office with his former board colleague Paul Achleitner (64) and his wife Ann-Kristin (54), ex-Siemens CEO Peter Löscher (63), and Joachim Faber (70), former Chairman of the Supervisory Board of

the German Stock Exchange Group.

Austrian-born Humer, a jovial glob trotter with a Swiss passport, prefers to host his mentees at one of his four residences, usually those in Zurich or London. Despite his glittering career, Humer has a reputation for remaining resolutely down-to-earth. In his dual role as CEO and chairman of the Swiss pharmaceutical company Roche, he left no stone unturned, transforming a languishing family-run company into a highly profitable hub of innovation over 15 years. He then left big pharma for the world of consumer goods, serving as chairman of Diageo, the world's largest producer of alcoholic beverages. As a board member of Citigroup, he is responsible for matters relating to ethics and corporate culture. Global business experience such as this is extremely hard to come by. One person who is particularly grateful for the invaluable advice on offer is German-born Thomas Schulz (55), who spent 20 years making a name for himself in Scandinavian companies.

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Michael Diekmann

Seven years ago, he took the top job at Danish engineering company FLSmidth in Copenhagen. He always had a mentor, since, he says, that's how things are done in Scandinavia. And now, as of 2019, he's a client of CMI. Schulz tells us that his meetings aren't really about ironing out problems, but more a way of commending top performers: "By choosing mentors, managers signal their willingness to learn."

A savvy mentor will work to dismantle the 'tunnel vision' that often plagues those who have spent years at the top. In their discussions, Humer and Schulz take in all manner of topics, from Brexit to geopolitical conflict to the fallout of the coronavirus pandemic. And of course they also touch upon the ambitious goals that Schulz has for his company. For instance, FLSmidth is aiming to be zero-emissions by 2030. This is no mean feat, and it requires the CEO and all stakeholders to work towards it as a common goal. Humer – whom he describes as "calm, experienced, straightforward and direct" – is helping him to navigate this enormously complex undertaking.

For former directors, this job has an emotional pay-off too. It allows them to remain at the heart of the action, and it's clear how much they enjoy being in demand. Humer speaks warmly of the "deep foundation of trust" and the "intensive, profound discussions" that he has with his mentees. But this doesn't stop him from speaking his mind when his protégés need to hear the honest truth – and he's extremely diligent in following up after the fact, to make sure his advice is having the desired impact.

He recalls one of his tougher cases involving another CEO, where his chairman had found out during a feedback session that the man was getting dangerously close to driving his whole team mad with his endless lectures. For this particular mentoring relationship, Humer took a cautious and considered approach. He suggested that his mentee might take notes in meetings every once in a while, to concede the floor to colleagues who wished to speak, or – if the urge to hold forth became unbearable – at the very least, to keep an eye on the time: "Two minutes – no more."

Of course, in moments like these, the mentorship starts to encroach on babysitting territory – a task that even the most dedicated board chairman can't take on. This is something that Diekmann and Snabe understand: their supervisory roles are first and foremost about assessing the objective decisions of their operational staff, not their



FOOD FOR THOUGHT
Nestlé chairman Paul Bulcke is one of the 73 chairmen and chairwomen who are imparting their knowledge to the next generation

concerns, needs or character flaws. The mentors are well aware that the chairman of a supervisory board can't always be there to hold the hands of the board members – and a board of directors might sometimes throw around questions that they don't want to put to their supervisory board.

At present, only around 15% of the CMI mentees are women; this is something that senior management want to change through their work. "In three, four years we'll probably see that figure grow to between 40 and 50 per cent," predicts Humer. Products of an exclusively male environment themselves, the men hope to move away from the "old boys' network" (as Snabe puts it), which is a sentiment they pass on to their clients. Snabe notes that female mentees are "usually a bit better prepared", but Diekmann observes that they're still held back by shouldering a disproportionate share of the childcare burden. Despite this, Humer finds that they're "really interested in getting feedback". In order for more women to make it to the top, they first have to gain experience at the operational level. CMI helps them to believe in their ability to do this.

Knowledge of human nature is essential to the role of mentor, as is a talent for listening. The chairmen do not have any training in psychological discussions, nor is there any framework for systematic supervision – mentees simply have to put their trust in the freestyle nature of the relationship with their mentor. Once or twice a year, all the mentors get together for a two-day meeting to share their experiences in small working groups – all anonymised, of course.

At these gatherings, Diekmann, Humer, Snabe and ABB chairman Voser are the only ones with ties to the German-speaking world. CMI's opinion is that there is no tangible recruitment pressure in this realm. German managers, who often spend their entire career at the same company, are viewed as a different species in a world of polyglots who are used to wearing many hats in their professional life.

Is there any room for friendships to grow out of this mentor/mentee relationship? Generally not. But if a protégé makes it into the world of the corporate elite, you're sure to run into them again at some point.

■ Eva Buchhorn