

# **Roadmaps for Developing General Managers**

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## **Abstract**

General-management bench depth is an obstacle to growth in many large, multi-divisional corporations across diverse industries. Succession-planning practices usually stop short of producing real development actions for high-potential GM candidates. Utilizing an established talent-pipeline model, general-management jobs in a Fortune 20 healthcare giant were content analyzed and a set of five GM archetypes identified. A GM experiences model was created and leadership competencies were mapped to it, leading to a set of career-development roadmaps for growing current and future general managers across the enterprise. Insights from the model can be readily adapted to most large, multi-divisional corporations.

## **Growing Future General Managers**

General managers are critical members of corporate leadership teams in most major corporations, often directly influencing business results (Charan, Drotter, Noel, 2001). In divisionalized companies the GM is the critical link between corporate governance and the performance of operating units. In the multi-billion dollar enterprise these roles exist at multiple levels of the organization, and they are the critical target for talent selection and management development. Many companies identify general management depth as a strategic capability, directly affecting their ability to execute growth strategies. Most rely on GM-incumbent talent pools to feed top executive succession plans, including future potential candidates to replace the CEO.

The general-management talent gap is well known by CEOs and top human resources officers. Cynthia McCague, senior human resources vice president at the Coca-Cola Company, argues, “bench strength for division presidents is a critical strategic issue for us. We cannot meet our global growth objectives without a steady stream of future GM talent.” (GET PERMISSION TO USE QUOTE.)

The nature of general-management roles varies widely, often within a single large corporation, making it difficult to define effective career paths and development experiences. GMs may manage billions of dollars in sales, with complete operating responsibility for all elements that contribute to before-tax earnings. Group executives, a higher-level of general management, may manage multiple division GMs, sometimes organized into strategic business units, sometimes acting more as organizational span-breakers. In other cases GMs are cross-functional leaders with primarily operational focus, often managing thousands of people. Still other GMs, in international environments, manage small teams of people charged with marketing, sales and operations in far-flung and difficult geographic footprints in Africa, Asia and other developing markets.

The importance of developing future GMs has been identified by the Corporate Leadership Council and others (Corporate Leadership Council, 2000). The research makes it clear that GM-academy companies, like General Electric, IBM and Citigroup grow these leaders through well-planned experiences that expose them to multiple functions, customers, business models, and in some cases, geographic environments, over a sustained period of time. (Wells, 2001; Charan, Drotter, Noel, 2001; Kesler, 2002).

The Corporate Leadership Council argues in a recent research paper (CLC 2004), “potential general manager candidates should be placed within a range of posts over a long period or be assigned project-based activities if the absences

created by job rotations create organizational problems.” Eichinger, Lombardo and others have argued for avoiding linear career progressions in favor of experience-oriented job moves for growing senior leaders (Eichinger, Lombardo, YEAR). These principles characterize the insights of research in the field:

- Create moves for people with potential to make one or more substantial upward moves
- Delegate real responsibility and hold people accountable for sustained results – “development-under-pressure”
- Test highest-potential leaders frequently and take increasing risks on those who succeed
- Move people across functions and businesses early in their careers.

Some companies establish broad experiences for guiding GM career moves, including P&L responsibility, cross-national exposure and experiences in multiple functions. But there are few roadmaps to guide the GM experience paths, and most companies are not systematic in making tangible development moves (Wells, 2001; Kesler, 2003). In many large complex companies the title “general manager” reveals little about the nature of the work, and even less about development experiences likely to help to develop incumbents. CLC research on general managers observes “some general managers assume control of strategic business units and have entire top and bottom line profit and loss responsibility while other GMs assume more transactional responsibilities. The GM position is frequently one of the top company positions and requires appropriate job design and development to meet business needs.”

Planning smart development moves for GMs is all the more difficult for fast-track, senior players, whose expectations for future moves who increasingly expect some form of rationale for job moves. Our research in more than 50 large corporations, as well as our coaching practice with more than 200 general managers, indicates that most companies are not able to provide a clear rationale or template for jobs moves. General-management incumbents move

from one role to another as vacancies occur, driven by short-term needs to minimize business disruption, or sometimes to force a change in past management practice in business units that may be suffering losses.

Additionally, ambitious, often young, general-manager incumbents and candidates are highly motivated to assume greater responsibility for business results, and when top management are not able to articulate clear rationale for job moves, linked to management development and other strategic business interests, these aggressive achievers create their own mental models for career progression. Disappointment awaits when job moves don't fit the high-potential's schedule or ambitions for upward movement. In contrast, when incumbents receive smart, understandable models and rationale for talent strategies our experience indicates they are very willing to be part of the company's management-development agenda. (See Exhibit 1.)

### **Lessons Learned at Healthcore Inc.**

Healthcore, a \$58 billion diversified healthcare company, is organized around lines of business that include pharmaceutical distribution and hardware manufacture, as well as software products and integrated-data services, serving multiple customer segments. Like other large, multi-business corporations, Healthcore's organization includes multiple levels of general management, and numerous GM-position designs, suited to the highly varied nature of its business portfolio. This role diversity is both a challenge and an opportunity, with regard to managing its talent pipeline. Faced with gaps in its general-management talent pools, the chief executive and his senior vice president of human resources worked to make the executive-talent process more effective. They were confronted, however, with a number of challenges in attempting to move high-potential leaders across business units, especially across major operating groups of the company. Group executives sought answers to why they should release their best a brightest to other parts of the business. High-potential incumbents asked to understand career paths or rationale for accepting proposed job moves

– especially to roles that appeared to be “smaller jobs” than the ones they were already holding. Healthcore’s executive committee intuitively knew that job moves for highly talented leaders made sense, on some level, but a model – a roadmap – was needed if GM-talent practices were to be institutionalized.

The challenges in Healthcore are common to many or most large divisionalized corporations. In an effort to understand those challenges the top HR executive set out to learn more about the nature of GM roles in the business, and to search for a set of practices for pulling talent through the GM talent pipeline.

Close examination of GM roles across Healthcore’s businesses, and interviews with 25 general managers at multiple levels within the healthcare giant, revealed a set of issues, typical of large, complex companies. The problem statement, prepared by a GM-development task force at Healthcore, provides clues to defining effective developmental job-move practices:

1. GM-position role design, by necessity, includes wide variations in accountabilities, functions managed and competencies required, ranging from:
  - leaders of stand-alone strategic business units (of various sizes) with accountability for all facets and functions of their business, to
  - general sales and distribution (functional) managers, in some cases directly accountable for sales revenues ten times those of SBU presidents, to
  - product GMs, managing business strategy, complex product planning and development and customer fulfillment (but without direct accountability for sales attainment).
2. Traditional compensation market-pricing criteria (sales volume, headcounts managed and assets controlled) provide very little guidance to development paths.

3. Hence, there is a lack of clarity concerning the “development-value” of various GM roles and feeder roles, especially with regard to these kinds of factors:
  - Complexity/critical thinking
  - Strategic contribution
  - Number of people managed
  - Sales and profit volume
4. Most GM incumbents are very ambitious and seek more clarity about future prospects for advancement.
5. Without effective criteria to guide development moves, most of today’s GM incumbents (and feeder group incumbents) focus on scale and other obvious signs regarding “big jobs” in the business and think narrowly about their future career paths, often within their immediate division or group. (Their bosses often think the same way.)
6. Paradoxically, many GMs and GM prospects feel “dead-ended” – and unclear about future opportunities.

In order to increase the pool of future general managers in Healthcore it was clear that these objectives should guide the development of a more pro-active general-management program:

- Differentiate the nature and scope of the varied kinds of GM roles presently existing in the company
- Identify competency-based (and other) criteria for selecting leaders into those varied roles
- Provide a rationale for effective movement of key talent through experiences that grow GM leadership breadth and depth
- Help GM incumbents and candidates to make effective career and development choices
- Assure that the education curriculum provided is clearly targeted to the needs of general managers

## **“Development-Value” Criteria for Guiding Talent Movement**

The problem analysis at Healthcore led to a key insight: talent movement, and individual career-development planning should be guided by a set of criteria for comparing the benefit of various jobs moves for a given candidate. To reach a clear picture of the relative development value of one role vs. another it is important to understand the real nature of the various GM roles or types in the business.

In Healthcore GM roles were content-analyzed utilizing the talent pipeline model, first identified by Mahler, expanded by Drotter et al. (2001) and operationalized in our work with numerous large corporations.

The career-crossroads model (Mahler, 1986; Charan, Drotter, Noel, 2001), provides a way to differentiate the intellectual and emotional demands of successive levels in the talent pipeline. (See Exhibit 2.) Adapting the work of Mahler, Drotter, Jaques (1989) and Kesler (2002) the Healthcore team focused on three categories for understanding the nature of GM roles in the business in terms of three sets of criteria:

- Intellectual complexity requirements
- Motivation profile requirements (work values)
- Competency requirements

Each of more than 40 GM positions was analyzed against these constructs. Across the enterprise, and throughout all of its lines of business, five GM types emerged. Each crossroad represents one of these step-function changes, which can be anticipated and planned for. In order to estimate the success of a leader in a substantially “more complex” role, judgments must be drawn from observed behavior.

The ability to manage *complexity* is only one dimension, but an important one, which attempts to define a set of intellectual abilities required to be successful in

a given leadership role, including running a business unit. Ability to manage complexity is a key “differentiator” within a given field of candidates in the sense that it tends to be “hard-wired,” and very difficult to develop. (See Exhibit 3.)

The *motivational requirements* of successively higher levels of management vary, and can be measured in terms of a candidate’s demonstrated drive to delegate, to manage profit and loss, to focus on external customers, to build an organization, and other behavioral indicators.

*Competencies* are the third set of criteria for understanding the differences in managerial work requirements. These include knowledge, skills and personal attributes, most of which can be developed through a series of effective job experiences. Development can be accelerated by timely jobs moves that expose managers to varied functions, profit models and markets. (REFERENCE)

Utilizing the career crossroads model and these three sets of criteria for understanding the variations in general management work, the task team set out to understand the differences among GM jobs in the company that would define logical career-development paths for current and future general managers.

### **Five General Manager Archetypes Emerge**

Interviews with GM job holders were analyzed to understand the differences in complexity, motivational profile and competency requirements. Positions included large operational GM positions, small P&L unit leaders and managers of strategic business units. The variations among 40 GM positions were identified on the basis of job content, as defined by:

- What is the operating focus of each position, relative to customers, products and business models, etc.?
- What is the nature of organization managed by the incumbent, in terms of functional scope or processes managed?

- What decisions are commonly made by this position and with what degree of oversight?
- What impact does the position have on both the income statement and the balance sheet, reported by the corporation?

The responses of GM incumbents were content analyzed. Complexity, motivational and competency requirements were defined for each position, based on the responses. Through a series of iterations, five general-management archetypes became clear. (See Exhibit 4.)

1. Product or Market Segment GM
2. Functional GM
3. Stand-alone SBU GM
4. Multi-Business GM
5. Group GM

It is important to note these job families do not necessarily represent organizational levels, and it as it became clear to the authors, they do not represent a simple progression in terms of importance to the business, or market value, from a compensation point of view. They do differentiate the nature of work performed by incumbents who are characterized broadly as general managers in Healthcore, and in our experience, in many other companies as well.

Forty general manager positions were sorted into the five job families in order to test the comprehensiveness of the types, and with few difficulties the categories proved descriptive.

Next, the five job families were mapped against the career crossroads model. The model differentiates “manage a business” from “manage multiple businesses,” but it is clear that GM roles vary widely, and that within a single level in the model (e.g. manage a business), a series of job moves into roles of

greater accountability might take place. What Healthcore's research reveals is that these varied roles may be qualitatively very different, without necessarily being more or less important or valuable to the enterprise. *What is important is that these qualitative differences (in complexity, motivational and competency requirements) provide varied developmental value in the process of growing general managers.*

The complexity, motivation and competency requirements revealed what was already intuitively clear, that the move to stand-alone SBU general manager was a break point in the selection criteria and in the demands for senior leadership development. These positions required the relatively autonomous management of all functions and all matters of both strategic and executional accountability.

It was less clear what the direct feeder positions for these jobs should be, and narrow, progression through grade levels had not produced the general management candidates needed in Healthcore's rapidly changing business portfolio.

The five archetypes allowed management to compare the true nature of positions. The product or market segment GM positions, for example, tended to manage smaller organizational units, employing typically a few hundred people and delivering, perhaps, \$100 mm in revenue. In stark contrast, the scale managed by sales and distribution general managers might include tens of thousands of employees and billions of dollars in revenue. It is tempting to consider one of these as a "bigger job" than another, and easy for incumbents to be misled with regard to where promotional opportunities lie.

But the analysis of the job families demonstrated the importance of growing GMs through experiences unique to the two highly varied feeder groups: "product/market" GMs and "functional" GMs.

## **Two Dimensions for Development: Scale and Impact vs. Strategic Complexity**

Historically, the company had faced challenges persuading incumbents in the two feeder-group GM roles to move from one of these job families to another. Those managing \$3 billion in sales and distribution (and several thousand employees) asked why they should move to small product business units, managing \$150 million in sales with many fewer employees. Those in the product business units were accustomed to managing complex matters of market research, product and market strategy, as well as customer service and supply-chain management. These incumbents asked why they should move to jobs of narrower scope, just because sales and contribution volumes and employee complements were ten times greater in scale.

The essence of the difference in these roles became clearer as the five archetypes were reconsidered. Two key dimensions characterized the key differences in most GM roles in the business. These were reduced to a development-experiences grid, and various GM positions in the business were plotted to that grid. (See Exhibit 5.)

The first dimension, scale and impact on the enterprise, is typified by the positions that manage very large teams, which include these kinds of elements:

- Accountability for Sales & EBIT \$
- Number of locations & people
- Contract decision scale
- Account size and impact

The second dimension in the development-experiences grid, business and task complexity, reflects those jobs of greater strategic challenge, demonstrated in qualities such as:

- Accountability for strategic offering
- Scope of functional reports
- P&L variables & accountability
- Breadth of skills managed

- Nature of business model(s) & strategies

It is clear that in Healthcore's portfolio of businesses and P&L centers that this role diversity is a strength in building experience maps. Key candidates should have the experience of managing accountabilities linked to both scale and strategic complexity. As in many or most large divisional companies, this strength is not leveraged.

To test the apparent development benefits of these varied roles, competency dimensions, used by senior executives to assess the potential of current and future general managers, were mapped against the grid. (See Exhibit 6.) It soon became clear that competencies such as large-team leadership, decisiveness and results orientation were clearly tested in jobs most associated with scale and impact, especially in jobs managing billions of dollars in sales and thousands of employees, with direct accountability for customers. In contrast, strategic thinking, influence and innovation were fundamental to being successful in market segment or product category GM roles, where leaders created substantially new business strategies in response to new technologies and shifting customer expectations, and were required to influence pooled selling organizations to achieve revenue targets.

### **Development Roadmaps Emerge**

The development-experiences grid and the five GM archetypes models provided a platform for identifying development roadmaps for future and current general managers. Using the archetypes as broad GM job families, the team began to experiment with potential development scenarios for incumbents in an effort to identify broad experience maps that could be applied to any incumbent in any of the five families.

As the team worked to identify effective job moves, a template emerged. (See Exhibits 7 and 8.) The template for each of the five archetypes included a set of

“on-ramps” and “off-ramps.” On-ramps included feeder positions that were likely to provide experiences to grow the basic competencies critical to assuming a position in the job family. Off-ramps were other GM positions (from among the five archetypes) to which incumbents might move to gain new experiences against the 2x2 grid. Between the on and off-ramps (in the template) requisite experiences and selection-focused competencies were listed, critical to positions in the job family. Competencies that were likely to be developed, while performing in this job family, were also defined for each template.

A template, or development roadmap, was populated for each of the five archetypes, the relationships among them began to become clear. A kind of cascade emerged in which each experience map fed into the next. A given candidate might move from template to template over time in route to senior executive accountability for the business.

The applications for these models soon became clear. The lack of development action is apparent in the succession-planning processes in many companies (Kesler, 2002, 2003). Most leadership teams lack effective models, or even principles, to guide identification of substantive development actions, and good intentions rarely produce new results. Healthcore’s development maps, which are adaptable to other environments, provide a structure for top executives to use during talent-management sessions to guide development planning. Candidate potential is now rated based on the requisite competencies, mapped in the templates for a given job family. And for those rated as high “turn” potential, the experience paths provide future job assignment options. A field of candidates in the same job family can be considered for these moves at one time and effective choices made. HR professionals networked across the businesses, utilize the maps to identify job-brokering opportunities on an ongoing basis.

But the models were also useful as resources to help senior executives conduct career discussions with the GM incumbents in their business groups. There was

now a means of explaining to high-potential leaders why it made sense to complete development job moves, that had previously lacked clear logic – and more importantly, had lacked organizational purpose and sponsorship. The development roadmaps provide vocabulary and templates common to the entire enterprise.

These practices were guided by a set of principles, developed by the GM-development team, aimed at benefiting GM bench depth across the enterprise:

- Candidates with turn potential should move across “types” and businesses early in their careers when there is greater flexibility
- Candidates should remain in positions of real responsibility for 2-4 years – moved in a timely fashion after successful results have been measured
- Turn-potential GM candidates should all have “individual development plans” – worked on with their boss – guided by the model
- Candidate slates for all GM positions will be established from a pool of candidates from succession-planning documents – with multiple business-unit candidates for a given slate
- All GM candidates should be screened by interviewer/raters from multiple business units
- Compensation treatment will be flexibly applied to facilitate movement (overseen by corporate compensation).

### **Integrated Talent Practices**

The GM archetypes, the development grid and the development experience paths also provide a means for integrating talent-management practices. The team at Healthcore identified a number of go-forward practices that will be re-developed, consistent with the models. Members of the corporate HR centers, as well as business-unit HR leaders can utilize the models to integrate their overall talent-management practices and plans.

Once a company has developed these templates and roadmaps, staffing tools (interview guides, candidate slate search practices, etc.) can be re-engineered to reflect the differentiating competencies articulated for each job family. External recruiting strategies should be aligned to specific bench-depth gaps called out in each of the five job families. All assessment and feedback tools, such as 360-degree survey instruments and the tools utilized by calibration-committees, as part of succession planning, can be aligned with the models. Individual development plans should be guided by the development paths. The models provide a framework for leadership curriculum focused on general managers. At Healthcore's annual, senior-management strategy forum a workshop was developed to provide senior leaders a hands-on experience in applying the model as a guide for career-development planning. Future curriculum needs were identified, based on the general-management study, relative to executive influence skills and organization development skills.

Derailers (Eichinger and Lombardo YEAR) can be identified for each of the GM archetypes, useful in supporting career dialogues and performance reviews with general managers. (See Exhibit 9.)

### **Building Development Roadmaps for General Managers**

General-management bench depth is a strategic issue common to companies regardless of markets, competitive challenges and geographic presence. But the nature of general-management work varies widely. Within a single company, variations in job complexity, motivational needs and competency requirements are often very high. This diversity presents challenges, but it also offers opportunities in creating career paths that greatly enrich the development of future senior leaders.

An eight step process can be adapted by most large multi-nationals to create an effective GM-development program:

1. Engage top leaders in defining the nature of GM work and future development needs in the business.
2. Use the archetypes model to define basic GM job families
3. Define the intellectual complexity requirements, motivational profile and competencies needed in GM job family.
4. Map current GM roles to the experiences grid – terms of scale vs. strategic complexity or other factors most critical to the business.
5. Map critical competencies to the experiences grid to demonstrate which roles are most likely to development them.
6. Adapt the development roadmap templates to guide effective talent movement across the enterprise.
7. Adopt a set of principles to guide strategic talent management and flow.
8. Align all talent-management practices around the road maps and experience grids.

Development of seasoned general managers takes years to accomplish. A planned approach should provide an intelligent mix of functional, geographic and business-model experiences over ten or more years, after leaders first assume responsibility for managing a team of people (Mahler, 1986). Today's succession planning practices often do not produce real change because they lack action-oriented development plans that make a difference (Kesler, 2002). GM career roadmaps provide tangible means of increasing the traction of these initiatives in many corporate environments.

**Exhibit 1: GMs Express What High-Potential Leaders in Many Companies Believe**

“We need to change the culture to get people to accept that the path is not always up – sometimes it means taking a lateral move to develop broader executives.”

“As a shareholder I think we need to be developing GMs with greater breadth and experience.”

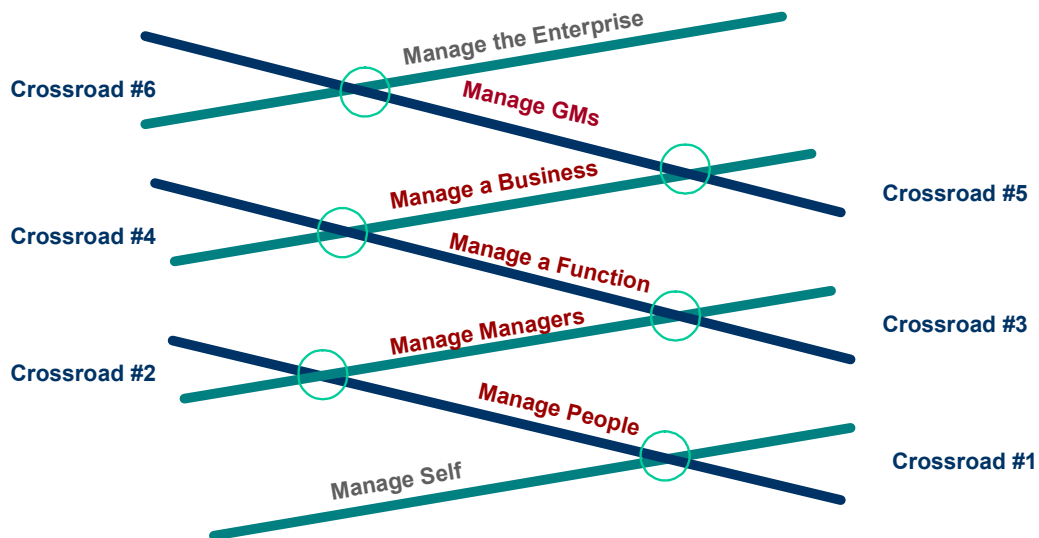
“These kinds of development moves need to happen earlier in careers. It may be too late for me, now that I’m at this level. I shouldn’t be trying to learn their business in a senior-level position.”

“Effective leaders can make job moves across business units without being limited by the technology.”

“I’m willing to make a lateral move to (other Group) if that is what the business wants. I need to be clear what is expected.”

“We need to get over worrying about pay and job grades – my responsibilities are not greater than those product GM jobs – they’re just different.”

**Exhibit 2: The career crossroads model.**



Source: W. Mahler and S. Drotter, 1986

### Exhibit 3: Definitions: Job Complexity (Based on Crossroads Model)

#### Crossroads Level

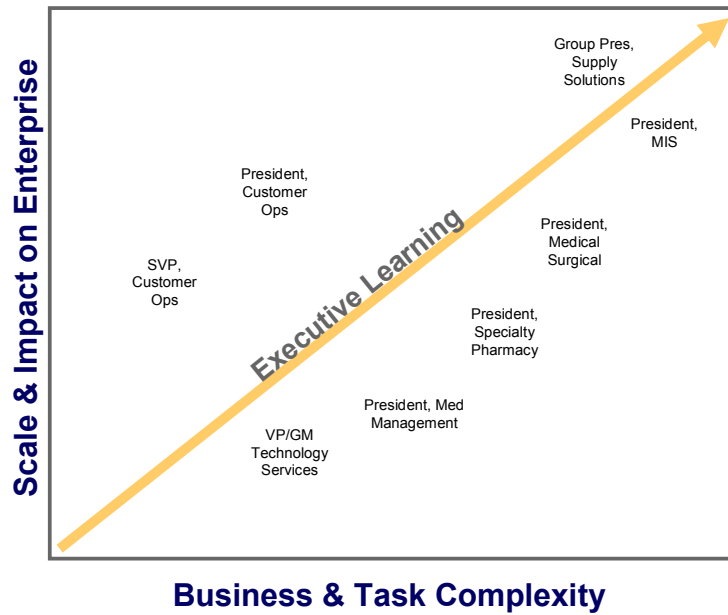
Manages a Function/Product		Manages a Business	Manages Multiple Businesses	
Product/Market GM	Functional GM	SBU GM	Multi-Business SBU GM	Group GM
<ul style="list-style-type: none"> <li>Make trade-offs among program options</li> <li>Go-to-market planning</li> <li>Set 3-year product and market strategies</li> <li>Meet customer requirements for feature and form, integrated with future enterprise architecture needs</li> <li>Sort through overlapping sales channel issues</li> <li>Work across units to provide solutions in a matrix environment</li> </ul>	<ul style="list-style-type: none"> <li>Manage trade-offs between customer retention and P&amp;L demands (e.g. pricing) for long-term</li> <li>Set 3 year sales and distribution strategy for the business</li> <li>Manage overlapping sales channels</li> <li>Manage decision making through matrix organization (e.g. negotiating supply contracts)</li> <li>Manage relatively complex financial model</li> <li>Optimize DC network</li> </ul>	<ul style="list-style-type: none"> <li>Trade-offs among alternate investments within category</li> <li>Set 3-year strategy for all elements of the business and its markets</li> <li>Design organizational structure and policy</li> <li>Shape financial policy</li> <li>Manage complex financial models</li> </ul>	<ul style="list-style-type: none"> <li>Trade-offs among alternate investments across multiple offerings</li> <li>Set 3-year strategy for all elements of the business and its markets</li> <li>Design organizational structure and policy</li> <li>Manage complex financial models</li> </ul>	<ul style="list-style-type: none"> <li>Seek synergies among portfolio units to achieve competitive advantage</li> <li>Create integrative strategies to leverage capabilities (e.g. end-to-end patient safety)</li> <li>Set 3-5 year strategy</li> <li>Manages multiple profit models in the McKesson portfolio</li> </ul>

### Exhibit 4: Basic Definition of Five GM Types

Criteria	Manages a Function/Product		Manages a Business	Manages Multiple Businesses	
	Product or Market Segment GM	Functional GM	SBU GM	Multi-Business SBU GM	Group GM
<b>Operating Focus</b>	Product, service or market segment w/ P&L (\$75 – \$250mm revenue), focused on all facets of product management & development	Major operating unit with multiple functions w/ P&L (\$5-6 bb revenue) focused on corporate strategy execution	Stand-alone strategic business unit with all functional accountabilities and full P&L (with variations in \$ volume)	Stand-alone strategic business unit with multiple products or services, often in multiple divisions or SBUs	Multiple SBUs with consolidated P&L Responsible for external stakeholders and policy
<b>Organization Managed</b>	Product management Product development Sourcing Customer mgt.	Multiple functions, typically including pooled sales and distribution functions and support roles	All business functions represented, excluding legal and treasury	All business functions represented	Multiple SBUs Group staff functions Strategic planning
<b>Decision Authority</b>	Product positioning & plans Product development portfolio Pricing with committee oversight Customer (external) escalation & issue resolution	Direct impact on external customers Pricing within set corridors Buy-side purchase decisions Staffing Recommends physical plant	Same as Product GM & Functional GM with additional authority and less oversight	Same as Product GM & Functional GM with limited oversight	Same as SBU GM with very high degrees of autonomy across multiple business model
<b>Impact on P&amp;L</b>	High impact on expenses Some impact on bookings	High impact on specific volumes with material impact on McKesson business results	High impact on all operating income elements ROI targets	Very high impact on all operating income elements ROI targets	Total accountability for all operating income elements for the long term

## Exhibit 5: Development Experiences Grid – Scale vs. Strategic Complexity

*McKesson has many opportunities to grow leaders*



### Scale & Impact On Enterprise

- Number of locations & people
- Sales & EBIT \$
- Contract decision size
- Local vs. national accounts

### Business/Task Complexity

- Single vs. multi-product
- Scope of functional reports
- P&L variables & accountability
- Nature of skills managed
- Nature of business model(s) & strategies

**Exhibit 6: Development Experiences Grid - Impact of Varied Experiences on Competencies**

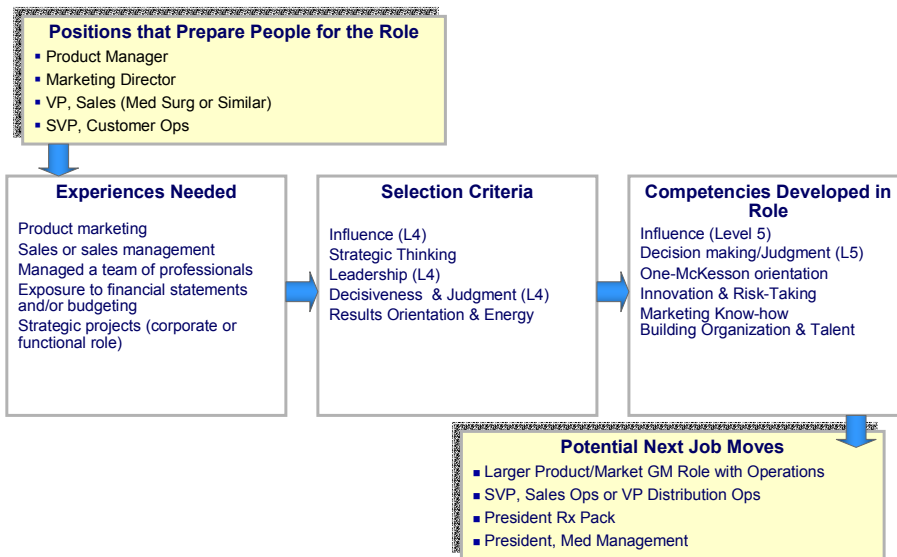
*Development occurs through multiple assignments in McKesson*



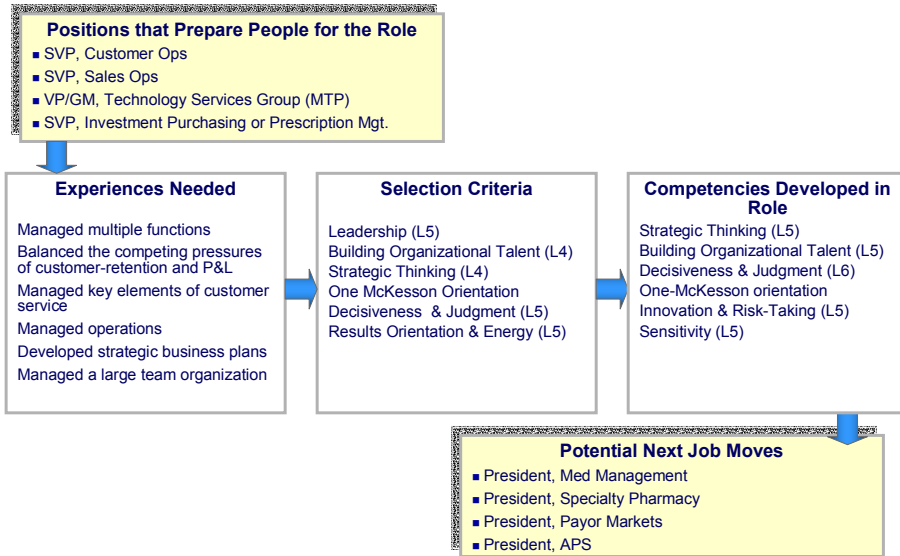
**Implications for Career Planning**

- GM talent should be moved through a succession of roles in logical “paths” in order to develop or demonstrate these competencies
- **Development paths are *not linear***

## Exhibit 7: Product/Market GM – Development Roadmap



## Exhibit 8: SBU GM – Development Roadmap



## Exhibit 9 : Derailers and Potential Danger Signs in GM Development

### Crossroads Level

Manages a Function/Product		Manages a Business	Manages Multiple Businesses	
Product/Market GM	Functional GM	SBU GM	Multi-Business SBU GM	Group GM
<ul style="list-style-type: none"> <li>▪ Failure to build effective influence relationships</li> <li>▪ Focusing on technologies or specific programs rather than product line management</li> <li>▪ Not instinctive about how to make money in the business</li> <li>▪ Problems assembling a strong business team &amp; organization – vs. trying to personally achieve results</li> <li>▪ Failure to set the right priorities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Not able to project leadership across a large organization</li> <li>▪ Difficulty driving objectives down through a large organization</li> <li>▪ Difficulties managing the pressure of a large organization and accountability</li> <li>▪ Problems building collaboration with other functional units to meet enterprise needs</li> <li>▪ Not building teams</li> </ul>	<ul style="list-style-type: none"> <li>▪ Focusing on familiar functions rather than the entire business (not spending time with all)</li> <li>▪ Not able to project leadership or vision across the entire organization</li> <li>▪ Problems assembling a business organization</li> <li>▪ Difficulty balancing short and long-term business goals</li> <li>▪ Tendency to under-utilize staff functions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Failure to gain synergies among units</li> <li>▪ Failure to see business &amp; self as part of greater enterprise</li> </ul>	<ul style="list-style-type: none"> <li>▪ Tendency to still want to manage one or more of the SBUs directly</li> <li>▪ Failure to build effective organization</li> <li>▪ Tendency to focus on short term P&amp;L vs. portfolio strategy</li> <li>▪ Difficulty balancing short and long-term business goals</li> </ul>

**Interviews with General Managers in Healthcore reveal:**

1. Most GMs are very ambitious and seek more clarity about future prospects for advancement.
2. Most of today's GMs think narrowly about their future career paths, within the immediate division or group.
3. There is a lack of clarity concerning the "development-value" of various GM roles, especially with regard to these kinds of factors:
  - Complexity/critical thinking
  - Strategic contribution
  - Number of people managed
  - Sales and profit volume
4. Many incumbents assume scale is the primary measure of value – and desirability for future job moves.
5. Some GMs feel "dead-ended" – and unclear about future moves.

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## **Biographical Sketch**

### **Gregory C. Kesler**

Gregory Kesler is managing partner of Competitive Human Resources Strategies, LLC, in Stamford, CT. Mr. Kesler has consulted with more than 40 companies in organization design, executive succession planning and human resources strategy over the past fourteen years. He held positions as vice-president human resources and director of organization and executive development in domestic and international assignments with Fortune 100 companies before beginning his consulting career.

### **Paul Kirincic**

Paul Kirincic is senior vice president, human resources at Healthcore Corporation, a large healthcare corporation based in San Francisco, where he has led a major transformation of the human resources function, and has implemented many new practices in leadership development across the enterprise. Mr. Kirincic has also served as head of human resources for Whirlpool Europe and for Pfizer's consumer healthcare products division.