

# Resolving CEO Transition Conflict

## Challenge

### Founding CEO appears to resist leadership change

A venture capital organization had a significant interest in a promising software firm in Silicon Valley. As members of the board of directors, they were witnessing problems occurring as the leadership transitioned from the CEO/founder to a new CEO. The VCs were unsure what the root of the problem was, but they suspected that the founder was having problems letting go of the company. They contacted RHR International to assist them in understanding and resolving the issues before they would affect the business.

## Solution

### Investigation reveals true source of problem

RHR consultants interviewed the founder, the new CEO, and a sampling of employees to get a clear sense of what was happening. The interviews indicated that the issue was not about the founder letting go. In fact, he was being quite cooperative and

reasonable about the process. The interviews also revealed that the new CEO had alienated a large number of employees. Based on what was learned during the interviews, RHR did an in-depth executive assessment of the new CEO.

Given the organizational culture and environment, the assessment indicated that the CEO was not a good fit for the position. The RHR consultants shared their findings with the VCs and other members of the board and made recommendations. Upon receiving the recommendations from RHR, the board terminated the new CEO.

## Results

### New recruiting process identifies a successful fit

The RHR team created The Winning Formula® profile for the position of CEO and interviewed the top candidates. One was recommended to the board as an excellent fit. The recommended candidate accepted the position and successfully helped the company grow.

## ABOUT RHR INTERNATIONAL

RHR International LLP is a global firm of management psychologists and consultants who understand the distinctive challenges and pressures that CEOs and senior executives face. Its singular focus on senior leadership and research-based practice sets it apart from other executive and organizational development consultancies. For more than 70 years, RHR has been helping leaders and their teams transform themselves and, in turn, the performance of their organizations. RHR offers Board & CEO Services, Senior Team Effectiveness, Leading Transformational Change, Executive Development, and Executive Assessment.

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