

## THE TAKEAWAY

Supply-chain issues are not going away—ever.

“Chief supply-chain officers are currently facing a triple challenge consisting of energy costs, energy security, and decarbonization,” says Sarah Watt, VP analyst with the supply-chain practice of the consultancy Gartner. Current and future gluts will only compound the issue.

Gluts and shortages didn't just happen because of COVID-19, and they'll keep popping up from time to time. But the worst potential outcome of the current glut, experts say, would be for leaders to second-guess the changes they made during the pandemic—or to put off needed upgrades now. “There is no return to 2019,” says Richard Wilding, professor

of supply-chain strategy at Cranfield School of Management. Experts say that building in more resiliency in systems isn't a bad thing, even if it occasionally leads to holding more inventory than you are used to. More organizations will likely look at automating systems that were previously reliant on humans.

The shortage—and now the glut—has also demonstrated that transparency and real-time information across networks are essential in order for firms to address problems quickly. Robots won't solve those problems. “Supply-chain teams need to be agile,” Wilding says, able to find solutions when they are under pressure. ▮



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CEOS

BY MEGHAN WALSH

# Are Two Heads Better Than One?

**IT'S A TEMPTING IDEA**, especially in these tough economic times, when so many CEOs are watching their firm's stock price plunge and earnings forecast miss the mark. Why not hire two people for the corner office instead of one, and get double the talent?

A new study, chronicled in the *Harvard Business Review*, makes a case in favor of the two-heads-are-better-than-one solution, which several high-profile firms have tried in recent years. But support for the idea still lags, and many experts are quick to remind the world how many of these arrangements have imploded. Their view: it's not about who runs the show, but the C-suite behind it.

From 1996 to 2020, fewer than 100 companies listed on the S&P 1200 and the Russell 1000 dared to attempt a comanagement approach. The new

study charts the performance of 87 of those public companies. Contrary to overwhelming public sentiment, nearly 60 percent of the organizations led by co-chief executives produced notably greater shareholder value than their traditionally led peers. Meanwhile, the tenure of co-CEOs is roughly the same as of those who reign solo.

Still, even those who advocate for shared leadership structures do so with immense caution. The arrangement can easily veer off track. For a co-CEO model to work, says Manfred Kets de Vries, a leadership professor at the global graduate business school INSEAD, there are vital structural elements that have to be in place: the board must clearly define the executive roles, metrics need to be established that separately hold each individual accountable, and both leaders should be empowered to make decisions and take action. Furthermore, it's essential to develop a culture built on shared values, along with effective systems of collaboration and communication. But wouldn't most executive teams perform better if the due diligence were done to create such a strong foundation?

**"If you have that kind of high-functioning board**

**and environment—those are conditions for success for either model,"** says Stuart Crandell, senior partner in Korn Ferry's Board and CEO Services practice. That's why he and others say the debate over whether to appoint one or two CEOs misses the point. They argue that the focus should be on developing an entire executive team that is equipped and empowered to collectively lead. If two heads are better than one, then eight heads are better than two. "There is no superhuman CEO," Crandell says.

The renewed focus on co-CEOs is in many ways, experts say, a response to today's operating climate, which demands agility and technical competencies beyond business and personnel acumen. Companies are hard-pressed to find a single person with the full spectrum of experience necessary to lead in such times of disruption and transformation. But, as Crandell and Kets de Vries emphasize, if firms distribute those skills among an entire team, then the CEO becomes a conductor of equals. Like building a band, the key is to find contributors with diverse yet complementary expertise. "Leadership is really a team sport," says Kets de Vries. ▀

#### THE TAKEAWAY

*High-functioning boards remain a critical part of top CEO leadership.*

## WHAT'S ON THE NEXT BOARD AGENDA

# 1

### ONBOARDING

The highest number of first-time directors in years are joining boards.

# 2

### EFFECTIVENESS

With times tough, smart boards are focusing on creating better partnerships with management.

# 3

### ESG

Boards should increase their role in—and understanding of—their firm's key ESG goals.