

How to become a CEO

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Most people dream of becoming a CEO. One can turn that dream into a reality with some sweat, smarts, and a whole lot of dedication to the climb. With the rise of multinational corporations, many people's livelihoods depend on the effective leadership of these massive operations. A CEO is an organization's highest-ranking executive and as such is often tied to its success or failure. Moreover, CEOs are largely public figures, with executives such as Jeff Bezos, Elon Musk, and Mary Barra receiving high praise for their deft business sense. For people who want to drive a company's success, becoming a CEO is an excellent career goal to set. No matter what industry or company, one is going to have to overcome many challenges while they position themselves to take a shot at the top. To become a CEO, you're going to have to learn to stand out.

This article acts as a guide to help make the process clearer. No matter where you are in your career right now, you can start planning to become a CEO one day. We break it down so that you know exactly what you need to do right now to take that next step forward.

Researchers Elena L. Botelho and Kim R. Powell conducted a 10-year study of over 17,000 C-suite executives as a part of the CEO Genome Project to discover what sets successful people apart (Hess, 2018). They found that it takes the average CEO 24 years to become head honcho but that some people who they refer to as "CEO sprinters" do it even faster (Hess, 2018).

The CEO Role

As the CEO of a company, you're the highest-ranking individual in the organization (Quantic, 2020). You're the final authority on all decisions made by other executives. The buck stops right there in front of you (Quantic, 2020). And if you're cut out for the mega responsibility associated with that, the thought of it should thrill you.

Of course, it's just as important to define what a CEO is not. There's a tendency these days for entrepreneurs to call themselves the CEO of their start-up (Quantic, 2020). This article is not talking about that. Real CEOs are:

- The point of communication between board members
- The public face of a company
- Elected by shareholders
- Maybe the founder, but maybe not

In other words, you're a real CEO when the company is bigger than your title and when you've got major responsibilities and a corporation to run.

Just What Are Those Responsibilities?

The CEO is often a visionary leader who guides the overall direction of a company (Thompson, 2019). Your exact role and responsibilities will vary according to your company size. In large companies, expect to:

- Draft high-level corporate strategies that your board implements
- Manage overall resources and operations by authorizing the decisions of other executives
- Set the tone and culture of the organization itself
- Represent the company at civic and professional engagements
- Research and make final decisions on company acquisitions
- Evaluate the company's overall trajectory and achievement of stated goals
- Meet with other executives like the CFO and CTO for advice

In a smaller company, you might find yourself engaged in lower-level, hands-on responsibilities. This may include day-to-day functions similar to those handled by the COO (Thompson, 2019).

The Three Different Types of CEOs

Three main types of CEOs exist, and they reflect the main paths that you can take to the position. Here's an overview of them:

- **Founder CEO.** These are the people who founded their company. Founder CEOs can be extremely influential in a company's trajectory. Research suggests that they tend to outperform non-founder CEOs because they consider the company to be one of their lifetime achievements.
- **Non-Founder CEO.** A non-founder CEO is elected or hired to become the CEO of a company. This can have several advantages, especially if the founder has other enterprises, or lacks the skills needed to truly be a CEO.
- **Successor CEO.** Individuals who become CEO through succession are known as successor CEOs. According to Harvard, this normally happens when a CEO who is also serving as board Chairman steps away from the former role. However, successor CEOs may also be groomed and elected by a board of directors.

Steps to become a CEO

Before you become the highest-ranking executive of an organization, these are some steps you can take to increase your chances as a candidate and gain the skills you need to perform the job well (Rider University, 2021).

Step One: Earn a Bachelor's Degree

A bachelor's degree in a field such as economics, finance, or management lets students gain expertise in the quantitative and qualitative aspects of the business (Rider University, 2021). For instance, students can gain an understanding of the theoretical background of various business operations, and they can

learn the technical skills needed to adhere to these theories. Moreover, students will be exposed to real-world scenarios in which these skills will come into play, such as balancing budgets and understanding market projections. After earning a bachelor's degree, students would do well to gain some experience in a nonsupervisory administrative role to give them a better overall understanding of how a company functions and make them more attractive to potential employers.

Step Two: Complete an MBA

A master's degree can help candidates stand out for high-ranking executive positions. Master's degrees are common among the highest-ranking employees: At Fortune 100 companies, nearly 40% of the CEOs earned a Master of Business Administration (MBA) (Rider University, 2021). MBA programs provide individuals with a wide breadth of business know-how that leads to effective leadership. Moreover, an MBA signals to employers that a candidate is ready to enter the fast-paced world of business.

Step Three: Gain Relevant Job Experience

CEO candidates are expected to bring management experience to the table (Rider University, 2021). Becoming a top business executive isn't confined to a single path. For instance, some MBA graduates choose to work on multiple client accounts for a consulting company to develop their business expertise before they commit to a full-time role with a single organization. Former Xerox CEO Ursula Burns began working for the company as a summer intern. From there, she worked her way up to various positions, such as executive assistant and vice president of global manufacturing, and eventually made her way to the top of the corporate ranks. Operations, which involves product or service production, maybe the best area to gain experience, as three-quarters of Fortune 100 CEOs started there (Rider University, 2021).

Skills needed to be a successful executive

No two CEOs tackle management in the same way, but certain common skills can bridge the gap between good and great leadership.

- ***Communication.*** One of the most important steps to becoming a CEO is building a network of connections (Thompson, 2019). Communication skills are key. By attending industry events, getting to know professionals in similar roles in other companies, and learning from those who work in higher roles, individuals can forge important business connections that lead to greater opportunities.
- ***Personal drive.*** Aspiring CEOs must stay committed to personal growth through the relentless pursuit of their goals (Thompson, 2019). Many CEOs have overcome myriad obstacles to get where they are, and it was their drive that enabled them to meet these challenges head-on.
- ***Experience in the field.*** CEOs typically accumulate experience in a company by taking on numerous roles (Thompson, 2019). Board members select an internal candidate to become CEO 79% of the time, according to *Forbes*, due to the candidate having prior experience with the company (Thompson, 2019). By gaining experience in lower-level roles before attempting to make the jump to the top, candidates can learn valuable company insights. By understanding the

ways different levels of the company function, executives gain valuable knowledge to inform their managerial decision-making.

- **Leadership.** Since CEOs are the highest level of executive, they're responsible for leading large groups of individuals (Thompson, 2019). Leadership involves numerous components, such as demonstrating confidence in one's abilities while also allowing employees to feel that their voices are being heard. It's important to gain experience as a leader for smaller teams before attempting to take on more expanded roles (Thompson, 2019).

Education statistics

Unless you're the founder of a startup, you need a degree. Likely, you need an advanced one.

CEOs are well-educated. According to one survey by Study E.U. (2016), 97% of all CEOs worldwide hold a bachelor's degree. Some 64% of all CEOs hold a master's degree, while 10% hold a doctorate.

There are also trends regarding what degrees future CEOs pick. According to a 2018 survey by LinkedIn of over 12,000 CEOs, some 35% of CEOs held a bachelor's degree in computer science. The next most popular degree choices were:

- Economics
- Business
- Banking and finance
- Accounting

Internal Selection: Working Your Way Up

If you want to be tipped for the role someday, prepare for the grind. It's not uncommon for CEOs to start at an entry-level role and work their way to the upper echelons of the company (Quantic, 2020). That's what Doug McMillon, the CEO of Walmart, did. He started loading trucks as a teenager and became CEO 25 years later.

External Selection: Career Networks

Getting hired as a CEO is not easy, but entirely possible (Quantic, 2020). To pull it off, you'll need a proven track record in the position or within your industry. Generally, you can expect to hold one or more executive positions before striving for CEO – often at different companies (Quantic, 2020).

Conclusion

Becoming a CEO isn't quite like attaining other executive positions in the boardroom. You'll need a rock-solid foundation in business, plus a visionary outlook that can guide your company into the future. That can make determining what to do a little tricky, but this article has provided the best tips to get there. However, you choose to do it, make sure that you develop a strong understanding of the business world, cultivate the personality you'll need, and choose your MBA program wisely.

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