THE TICKER

THE CEO FORMULA

What makes a CEO?

For all of their differences, there are common ties that bind, according to a recent study of 200 global executives by Russell Reynolds Associates. The study picked apart the unique aspects of the CEO personality, outlining the traits that set them apart from other executives. It also identified traits that distinguished the most successful CEOs from their peers.

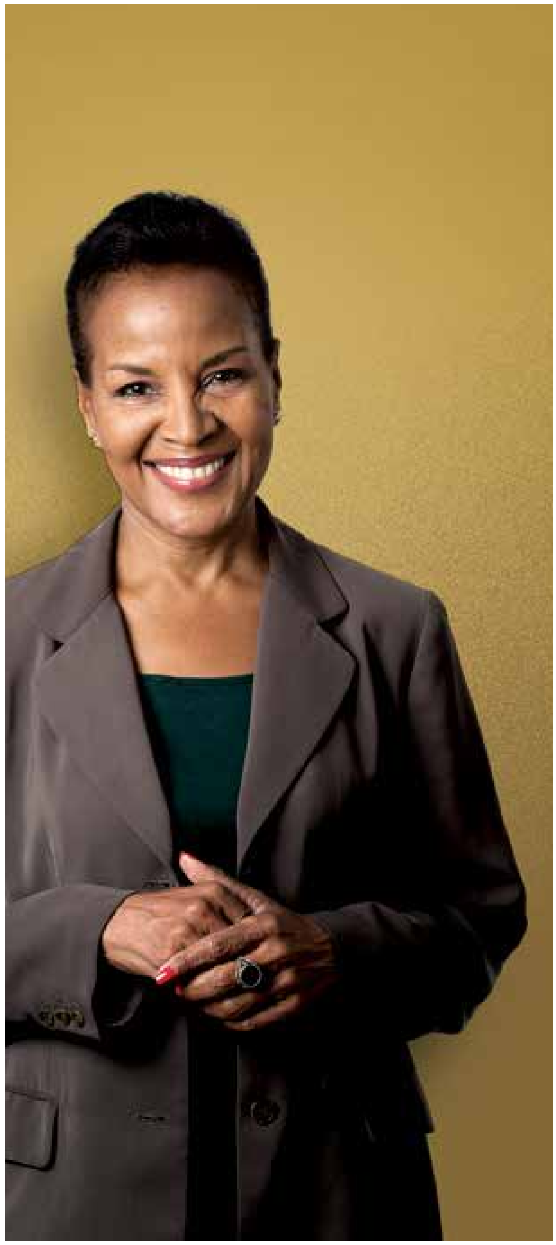
Compared with other executives, those who take the top spot tend to be:

- Less cautious—they embrace appropriate risks
- More likely to take action and capitalize on opportunities
- Driven and resilient
- Original thinkers
- Able to visualize the future
- Team builders
- Active communicators
- Effective at catalyzing others into action

Among those who have risen to CEO, high performers* are more likely to:

- Show a greater sense of purpose and mission, and demonstrate passion and urgency
- Value substance and getting to the core of the issue
- Focus more on the organization, results and others than on themselves

*In this study, high performers' companies had a compound annual growth rate of at least 5 percent during their tenure.
Note: To conduct this study, Russell Reynolds Associates, in partnership with Hogan Assessment Systems, created detailed psychometric profiles of 200 global CEOs using the results of three psychometric instruments: the Sixteen Personality Factor Questionnaire, the Occupational Personality Questionnaire and the Hogan Development Survey. The results were then validated via another global sample of 700 CEOs produced and then compared to non-CEO executives in Russell Reynolds' proprietary database of 9,000 senior leaders.



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KRAFT HEINZ'S HUNGER PANGS

Kraft Heinz's reputation for cost cutting precedes it. That may be why when the U.S. food giant approached Unilever with a $143 billion takeover bid earlier this year, the U.K. and Dutch consumer goods company declined the offer.

Managed by Brazilian private equity firm 3G Capital with considerable financial backing from Warren Buffett, Kraft Heinz is itself the product of a merger between Heinz and Kraft Foods Group. 3G's strategy generally follows a formula of acquire, cut costs and repeat. Case in point: Immediately after its creation in 2015, Kraft Heinz announced the closure of seven factories and elimination of about 2,600 jobs.

But such cost-cutting measures only boost profits for so long—and now the company is back on the hunt for more takeover targets. "While [Kraft Heinz's] cost-cut-driven business model wowed industry observers, it appears to be reaching its limits, with Kraft's sales stagnating and margins flattening," Reuters wrote after the Unilever bid failed. The big question is where Kraft Heinz might turn next—and whether the company will pursue a hostile takeover if necessary. Analysts postulate everyone from Colgate-Palmolive and Clorox to General Mills and Mondelēz could be on the company's shopping list.