



Imagine This...

The Next-Gen CEO

Judith Wallenstein, Managing Director & Senior Partner

PAUL MICHELMAN: Judith, imagine this, it's 2030 and the role of the CEO as we know it today will no longer exist. What's wrong with the existing model?

JUDITH WALLENSTEIN: Paul, I don't think anything's wrong with the existing CEO model at all. I think if you look at the world economy, it serves us well today. But we spend so much time discussing how the world's changing, it would be absolutely absurd to believe the role of the CEO is not.

PAUL MICHELMAN: That's Judith Wallenstein, managing director at BCG and the leader of our CEO advisory program. And I'm your host, Paul Michelman. Welcome to *Imagine This*, where we take a trip into the future that we hope will challenge the way you think and act today. On this episode of *Imagine This*, we'll look at how the CEO's role will dramatically change in the coming years and how leaders can get started on their own evolution. Also joining the conversation, GENE, my AI powered co-host. Welcome, GENE. Tell us a little about your role on the show.

GENE: Hello, Paul. Hello, Judith. Here as your AI co-host, I'm at your disposal to build on your ideas, offer a fresh perspective, or simply provide a data point to enrich this conversation.

PAUL MICHELMAN: Thank you, GENE. A quick note, we have not scripted any of GENE's questions or commentary, although the entire conversation has been edited for length and clarity. That applies to humans as well as to machines. Judith, can you introduce us to how we landed at this point where the current model of the CEO has become obsolete?

JUDITH WALLENSTEIN: Paul, if you look at the current model of the CEO, I think it's a model of high workload. It's a model where CEOs tell us, especially when they're new in the role, that they deal with an amount of fragmentation and volatility in the marketplace that they had not

necessarily foreseen. You also see that the learning curve and the education efforts CEOs are making to educate themselves on new topics, such as gen AI, climate, but also a lot of geopolitical topics that's taking a lot of time and effort.

I remember recently a conversation with a CEO on how the attacks of the Houthis in the Red Sea have increased her supply chain costs on wheat. And I was sitting there thinking, "Wow, probably most people in business didn't know who the Houthis were half a year ago." And, I think that's just an illustration of how complex the job has become.

So what we see as a consequence—just as a thought experiment, you could argue probably there is no role of the single CEO anymore when we look towards 2030. And what could be the weak signals that were on their way. Look at co-CEO contracts. Most people think that co-CEOs are a really bad idea. Co-CEOs happen when there's a founder CEO and the board thinks that that founder CEO could become an impediment to future growth and value creation of the company and they put someone else at the side with the idea that that person could take over.

Or it happens when you end in a very abrupt succession that was not planned. The people you have are not considered strong enough, so you try to distribute weight on two shoulders. I actually don't think that's the full truth behind the co-CEO model. If you look at data in the US, it suggests that there's a whole number of CEOs who's more open to take a position if there is a co-CEO.

And, some of the reasons for that are that the job has become so demanding and so many internal and external facets that serving that optimally as one person actually becomes awfully difficult. And you could think about someone who's a lot more internally focused, spent a lot of time within the corporation. And another profile that spends more time with customers, regulators, policymakers,



the outside world. So there are many ways to think about a co-CEO role as a very complementary affair, a team that can work very well.

Often, we get the objection well, but that's then basically a CEO and a really good COO in a combination. Or a CEO and a very strong CFO. In our minds, that's not always precisely the same. So the question is, can you really run a company as a tandem? Does that actually create more value for the enterprise? Does it allow you to have a broader set of expertise and personalities at the top? I think that's one of the reasons why people even think about it.

PAUL MICHELMAN: So are we looking for two people with similar capabilities so each can support and stand in for the other, or people with truly distinct capabilities and more clearly defined scopes of individual responsibilities?

JUDITH WALLENSTEIN: If you look at co-CEOs that often exist in the tech world, I think usually, you see very complementary profiles. You often see a founder CEO, who's a passionate tech nerd, invented the company, invented the product, is not necessarily the person who knows how to bring a product to market. Not necessarily so much outward-oriented. Also, often not a CEO who would know how to scale a company, professionalize a number of the workflows and processes without becoming bureaucratic. So often, where it's deliberately chosen, we see complementary profiles.

PAUL MICHELMAN: I think that the case for that seems more clear in a startup or in a high-growth company. Will it stand up at a global level? What are some of the risks or downsides? I mean, what's the old saying? When multiple people are in charge, no one's in charge.

JUDITH WALLENSTEIN: I think there's some very evident downsides to the model, Paul. I think, one is, do you find equally strong profiles who would like to take it? The other one is the evident need for coordination. The other one is that the whole question of very clear responsibilities because you want something to be a seamless team, and on the other hand, people should have very clear responsibilities.

So I also don't think that that's the only model that's going to emerge, but I think what it forces us to think through is what is the breadth of profile that we expect at the top? How do we think about the entire top team as a mix of very complementary profiles? What are the blurring boundaries of responsibilities? Where can people stand in for each other and where is that not the case?

Because, believing that traditionally the man at the top now, obviously that is changing and more diverse, but that the person at the top can be the most competent guiding decision maker on everything. I think that's a notion that's increasingly outdated.

PAUL MICHELMAN: Let's explore a second future now, in which there is a single CEO. How has the construct of the position changed? What becomes the CEO's primary remit as the sole leader?

JUDITH WALLENSTEIN: I think...one very interesting discussion I often have with new CEOs is asking them how they decide where to allocate their time. And those who are less experienced will often tell you, "I'm trying to be part of those discussions where I can make the discussion better." And that sounds utterly reasonable. And then, you think about it for a while, and you're like, "No, that's nonsense." Because hopefully, the CEO should nearly make nearly every discussion better.

And the more experienced people are, the more often they will tell you, "I really need to focus my time on those topics or those interactions where only I can make that difference." Which I think is a much more productive model on where you spend your time. And what that leads me to is if you think about that concept of the chief executive officer, I think, it does come from a world where the single executive could really oversee the remit of the corporation where a very large share of decisions could wash up to the top person.

And I'd like to think about the CEO of 2030 a lot more as a chief ecosystem orchestrator. If we try to peel through it, I think there are a number of elements in that. One is that you could argue the leadership traits we'll need in 2030 are certainly



not the leadership traits we needed ten years ago or the leadership traits we see today. There is a lot of research now out there on how AI is going to change the most desired and desirable profiles of leaders anyway.

You could argue that a lot of the cognitive, the analytical, performance of both top teams and their leader can be supported very strongly by AI. Then you end up in a situation where the whole dynamic of the top team, the question of trusting relationships, can they productively challenge each other? Can they have a really honest debate to surface the blind spots in corporate decision making? That becomes a lot more important. And then, you're at the question, does that require different traits in your CEO?

PAUL MICHELMAN: Judith, are there existing mental models we can turn to here? Is our 2030 CEO more like a head of state in how they carry out their responsibilities?

JUDITH WALLENSTEIN: No, I don't think that the 2030 CEO is a head of state. If you follow Adam Grant's books and podcast, he often talks about the CEO having to be more like a scientist, than a prosecutor, preacher, or a politician. And what he refers to is that in the preacher, prosecutor, politician model, in different shades of gray, the discussion starts from the belief that the CEO knows what's right. While the scientist CEO usually starts from the belief that he has a very, or she has a very well-informed hypothesis, but they don't know what's right.

And, all the debate in the leadership team, all the discussion with the broader organization becomes about poking holes in that hypothesis to see if you support it in the end or if you disprove it. Because, obviously, you can't be a scientist 24 hours of the day. Sometimes you have to decide things with short delays under time pressure. You can't say, "Look, let me be a scientist and really see if we can prove or disprove our hypothesis."

But I think for many specifically long-term decisions, it's a really good mental model, because it also means in light of a very uncertain world out there, and that pertains to macroeconomics as it does to geopolitics, as it does to the expectations of your workforce. It allows you to go in as an executive team and say,

"What are the weak signals out there? What do I have to watch out for in terms of data points or events that could tell me my hypothesis is wrong, my proposed course of action is wrong, and we have to go a different way?"

And, when you think it through, that CEO as a scientist model, it also triggers the question for me, are we going to look to select CEOs from a much broader set of profiles and experience backgrounds than today? Because you could argue that opens pathways for people who would not necessarily have seen themselves in the old chief executive officer role.

PAUL MICHELMAN: Thanks, Judith. GENE has a question.

GENE: Judith, you've touched on the importance of honest debate and surfacing blind spots in decision making. How might AI, as a non-human participant, influence these dynamics and potentially enhance the quality of these debates?

JUDITH WALLENSTEIN: That's an interesting question, GENE. I think it creates a much higher awareness to say, "How do I challenge the facts that I believe in?" I also am confident that AI will help us a lot more to concisely summarize the lay of the land, right, on any topic.

Because, if you see how tough it is for a leadership team and a CEO to stay abreast of developments in very diverse fields outside the remit of the corporation, getting a quick view of what the state-of-the-art thinking on a number of problems is, I think, that's very useful, especially when you're trying to build scenarios and really distill down the complexity you're seeing. I think it can help obviously with a lot of the data backbone on that side.

And then, I hope that based on that basis, GENE, you can have a much better foundation for a discussion in a top team to say, "What do we believe? What would we have to see in our supply chain, in a political development, in a trade negotiation to change our view on what it means for our company?"

PAUL MICHELMAN: Judith, picking up on that theme, help us imagine what a day at work looks



like for the chief ecosystem orchestrator. How will they spend their time?

JUDITH WALLENSTEIN: Paul, let me probably go back to the point why do I think the ecosystem is so important in that? I mean, there's a lot of research to theoretically prove why the boundaries of the corporation are blurring. But if you take some very simple points, we know that today, as a company, a lot of what you need to achieve doesn't happen within the boundaries of your own enterprise. It happens with contractors, it happens with strategic partners, with suppliers, with multiple organizations and individuals that sit outside your company.

And, you can't have everything inside anymore for many reasons. One of them is talent attraction. Some people may just not want to join your company, but they have very critical capabilities. Some of these reasons are regulatory and geopolitical. In the old days, you could say, "Let me buy this company. And then, what they can do is within my boundaries."

Today, in many industries, think of semiconductor materials, your limitations on what you can acquire in M&A are actually a lot stricter than they were a decade ago. So many reasons why a lot of the capability you need to run the company actually sits outside it. And, that brings us to the idea of the ecosystem orchestrated, it also impacts quite heavily as you hinted to—what the CEO is going to spend their time on.

I believe that a lot of the time will indeed be spent with people outside the company, with policy makers, with civil societies, with lawmakers, with regulators, because we see that a lot of the challenges that companies facing have a lot of interfaces. If you think about green tech, for example, in climate, but also, if you think about the challenges that many companies across industries have had on the gas price in Europe in the last years, you actually see that their interaction with the outside world has become a lot more intense than it was.

I also think that inside the company, the interaction with people is going to be a lot more important. Very often, when we analyze CEO's calendars, they tell us, "No, no, no, I spend loads of time with people. I do business reviews with my

direct reports all the time." And then, you have to have that discussion, "Well, that's not really spending time on people and with people, it's spending time on a content discussion with a person.

But that has nothing to do with the discussion on what are these people's ambitions, desires, interests, where do they want to head in the company, why are they part of the team, what motivates them." And if you look at the shortage of skilled labor, both white collar and blue collar in many, many areas, that will become a much bigger part of the job.

PAUL MICHELMAN: GENE, I believe you'd like back into the conversation.

GENE: Judith, as we envision the CEO becoming a chief ecosystem orchestrator, isn't there a risk of diluting the leader's focus? How might they strike the balance between orchestrating the ecosystem and maintaining a clear strategic vision?

JUDITH WALLENSTEIN: I think the risk of diluting focus has always been the risk of the CEO job, because the remedy has always been big. There have always been more demands on the role that you can, I think, manage in a 24-hour day. But I see your warning, GENE. I think what's really important is that CEOs are crystal clear about their priorities and everyone in their team knows about their priorities and what the most important activities and blocks are that the CEO wants to spend their time on.

And then, I'm always a big fan of analytical rigor and we see more and more CEOs do that, literally analyze every month, every quarter: are they spending the time on what they believe creates most value for the company? Are they spending their time with customers, because they feel that's such a core part of their strategy? Are they spending the time with the next generation of talent, so these folks in the company hear from the CEO directly on why it's really exciting to pursue the plan the CEO has together?

So, I think the risk is a given, but I also think there has always been a case to make for very clear priorities that everyone should know about and that guide rigorously how you allocate time on your calendar.



PAUL MICHELMAN: GENE, since you asked, help us explore this a little bit further. What do you think could go wrong with this model?

GENE: What we risk here is a loss of centralized direction and clear leadership. Investments in deepening team cohesion, and refining collaboration technologies, along with sophisticated AI tools are essential. Predictable challenges include; Aligning diverse, internal and external players, mitigating ego clashes, and finessing a collective strategic vision. Its orchestration, indeed, akin to conducting a symphony without losing sight of the soloists.

PAUL MICHELMAN: We're going to take a quick break. When we come back, we'll explore the path to becoming a chief ecosystem orchestrator and how the new CEO role may change the way organizations are structured and do business.

BILL MOORE: Hi, I'm Bill Moore and I'm part of the team that built GENE. If you're curious about how GENE works, stick around after the episode and we'll take a peek under the hood.

PAUL MICHELMAN: Welcome back to Imagine This. I'm Paul Michelman. We'll get back to our conversation in just a minute, but first, we'd like you, help imagining the future. What major changes or disruptions, do you see on the horizon? Please take a minute and jot, down the future scenario you'd like us to explore or send us a question, you might have for GENE or about working with GENE, and then email it to imaginethis@bcg.com. We'll pick our favorites and explore them with GENE in an upcoming, episode of "Imagine This...".

Thank you. Now back to our, conversation with Judith Wallenstein.

Judith, here we are in 2030. What does recruitment look like for a major global chief ecosystem orchestrator? What experience will future CEOs need to have? And, will the path to the CEO chair still run through MBA programs and the CFO's seat?

JUDITH WALLENSTEIN: So first, Paul, I'd like to think about 2030 not as an end game, right? The CEO role changes all the time in reality. And if you look back ten years, we were not sitting here

saying CEOs need to take public positions on so many topics of interest to their workforce. We didn't see that coming. When I started at BCG 24 years ago, someone gave me this book that was called *Managers, Not MBAs*, basically predicting the demise of the business school. Well, it hasn't really happened yet. But if we take what we see today and we extrapolate, and say there will very likely be something of this in 2030, I would frame it as the rise of the quieter CEO. It has happened because CEOs around the pandemic have gone through a wave of very public positions, starting with #MeToo, but many other topics. And that has partly backfired spectacularly. I think CEOs also see that they need much tighter swim lanes now on taking public positions, because it has torn their workforces apart, and it's awfully difficult to satisfy the expectations of both internal and external stakeholders.

I don't think the amount of global challenges is going to decrease. CEOs are not going to return to times where geopolitics is a stable picture of peaceful globalization.

Volatility for CEOs is going to remain high, I believe. And so, as a leader, you need to engage with the outside world where that volatility happens. And I think that pretty naturally in a more uncertain, volatile world, in a world where there's so much more distrust or skepticism towards traditional institution, puts a huge burden on the CEO.

And we're back at that cycle that I just started out on to say, does that again mean you can take public positions on everything and anything? And I don't believe you can. But on the other hand, if you ask me, is the CEO going to disappear from the public eye by 2030, calmly tinkering inside the walls of their corporation? I don't think that's going to happen. And I don't think the world will be at a stage to allow that.

GENE: Let's suppose a severe cyber attack targets a major technology partner in your ecosystem. As chief ecosystem orchestrator, a swift and coordinated response is crucial, not only to mitigate the immediate threat, but also to maintain the delicate balance of interdependencies. Are you more of a command center leader or a first responder on the scene?



JUDITH WALLENSTEIN: Remember, as you're not alone in that. And, you can't make up on the spot if you're the command and control, the first responder. A, it will be a team response in—any of the big catastrophes that have happened in business in the last 20 years are actually very good examples of these. But if you look at them, those that have been managed well have often been a combination of real preparedness.

So, the organization and the executive team had played through a number of these potential catastrophes before. Everyone had a differentiated role. Although the crisis itself was never fully the one that was rehearsed, but the roles everyone had to play—are you more externally facing to soothe customers? Are you more on the internal tech to solve the problem we have? These roles were very, very clear.

And I think that's what we see today in many organizations that both CEOs and their top teams, but also boards spent a lot of time thinking through what are these scenarios? What are these disruptions from cyber attacks to catastrophic climate events and sites that we have to be prepared for? What are the values we will follow in this situation? Because often these crises are so complex that you can't think them through in all the details, but people need to have a rock solid set of values and principles that they follow. And everyone needs to know their role. And I think then, I am as confident, GENE, about a CEO managing such a crisis in 2030 as I would be today.

PAUL MICHELMAN: Judith, let's turn to the individual in the role. What are the traits or characteristics that become more important for the chief ecosystem orchestrator?

JUDITH WALLENSTEIN: Paul, I think we can create a long wish list of the ideal CEO. Let me not do that, but rather go back to two traits that a lot of management research has done today and that we hear a lot about, which are, vulnerability and humility in the role of the CEO. And, it's often a very interesting discussion specifically with new CEOs, or CEOs who manage an acute crisis.

I remember one last year telling me, he's like, "Look, I hear all this thing on vulnerability and being authentic, but if the organization always

knew how I felt on a Friday night, that wouldn't be very stabilizing on my workforce. And I understand that you also don't want the oversharing CEO. But I think if we go back to what we discussed before, trust and the fact that the company people work in and the person who leads that company have become such strong focal points of trust and other institutions don't fulfill that role anymore.

I think it reminds us that the CEO cannot only be a role. It cannot only be a function. People need to be able to see the human dimension of a leader. Does that mean you overshare private aspects of your life? I don't think so. But I think, every leader will have to think through very carefully how they project that personality, that also what is authentic for them and how should the organization experience that, and how does their version of vulnerability look like that allows people to connect to them, and that also often for people is a great draw to say, "That's a person I want to work for."

PAUL MICHELMAN: GENE, based on our conversation, let's think about the pathway that a rising executive might follow to prepare themselves for the CEO of the future as we imagine it. What are three steps an executive might take today on the journey to becoming a chief ecosystem orchestrator?

GENE: To make steps toward becoming a chief ecosystem orchestrator, first, they'll need to seek experience across various business functions to understand their interdependencies. Second, they should engage with strategic partners, suppliers, and customers to enhance external network expertise. Lastly, learning about other sectors, cultures, or geopolitical issues could be beneficial, since the ecosystem isn't just constrained to the industry. To sum it up, nurture versatility, strengthen external relations, and encourage knowledge diversity.

PAUL MICHELMAN: What's GENE missing there, if anything?

JUDITH WALLENSTEIN: One thing I think GENE was probably missing was the ability to deal with ambiguity, to look at ambiguous situations and say, "How and when will I know how I decide? What do I have to watch out for?" But also, from a



place of psychological and mental resilience, how can you deal with these situations that are unclear and that require you often to pursue parallel tracks until you know?

PAUL MICHELMAN: Judith, thank you for a wonderful and enriching conversation.

JUDITH WALLENSTEIN: Thank you, Paul. Thank you, GENE.

PAUL MICHELMAN: That's Judith Wallenstein, managing director at BCG and leader of our CEO advisory team. And I'm your host, Paul Michelman. Wondering how we built GENE and how our AI bot works? Stick around for our AI handler, Bill Moore to give a demonstration.

BILL MOORE: Hi, I'm Bill Moore. I'm part of the team that created GENE. Today, we're going to take a look at multi-agent systems, and this is something we would use when we're building AI systems when you might need to have many agents communicating together. Today, we're going to take a look at an example of that.

So GENE, what I'd like you to do is go through your conversation history between Niki Lang and Paul Michelman for the next episode of *Imagine This*. And, I'd like you to use that conversation history to create a teaser for us for next week's episode. Can you do that?

GENE: My apologies Bill, indeed I lack the necessary context to create a teaser, as the conversation with Niki Lang isn't included in my knowledge base.

BILL MOORE: Well, I've got good news for you, GENE. I've created another agent that you can have a conversation with to get any of the information you need. This agent we're calling Helper. And Helper has access to the entire transcript from that conversation with Niki Lang.

HELPER: Hey there GENE. It's pretty cool we get to chat, so here's to kicking off what's bound to be an enlightening conversation. Let's dive in, shall we?

GENE: Helper, to assemble an enticing teaser, I'll need the key themes and standout insights from

the conversation with Niki Lang. Additionally, any particularly intriguing moments or unexpected revelations would be valuable. Let's bring to life the essence of their dialogue.

HELPER: All right GENE. Diving into the conversation between Niki Lang and the host, it was a whirlwind. They tackled the future of global mobility, the shift to a multipolar world, and the impact on businesses...

BILL MOORE: Okay, while Helper and GENE have their little discussion, let me explain a bit about what's going on here and why it matters. So when we build AI systems, the agents that we're building are limited by their prompts and parameters. And so you might have a situation where you want to have different agents that have different knowledge bases and different settings. And then have individual agents communicate to each other in order to answer a question. So in this situation, Helper has the context of the conversation with Niki Lang and GENE is able to ask Helper to provide that context so that GENE can answer the question and provide our teaser.

HELPER: ...when discussing tech hiccups before diving deep into geopolitics. Imagine teasing with something like, "Dive into a world reimagined: 2030 through the lens of a global strategist." How's that?

BILL MOORE: Okay GENE, so it sounds like you have enough context now from Helper to create our teaser. Can you go ahead and give us a teaser for the next episode with Niki Lang?

GENE: In the next episode of *Imagine This*, join Niki Lang, Paul, and me, your AI companion GENE, as we venture into a newly envisioned 2030. Brace for geopolitical shifts, unearth the power of localized operations and ponder upon the power of digital currencies. Take a chance on the future. This conversation is a must for every CEO and global business leader.

BILL MOORE: Thanks, GENE. That does sound like an interesting episode. Thanks for the teaser.

GENE: This episode was made possible by Judith Wallenstein, generously sharing her time and insight. And also by BCG's AI whisperer, Bill Moore, BCG's pod squad, producer Michael May,



composer Kenny Kusiak, and sound engineer George Drabing Hicks. We'd like to stay in touch, so please subscribe and leave a rating wherever you found us.