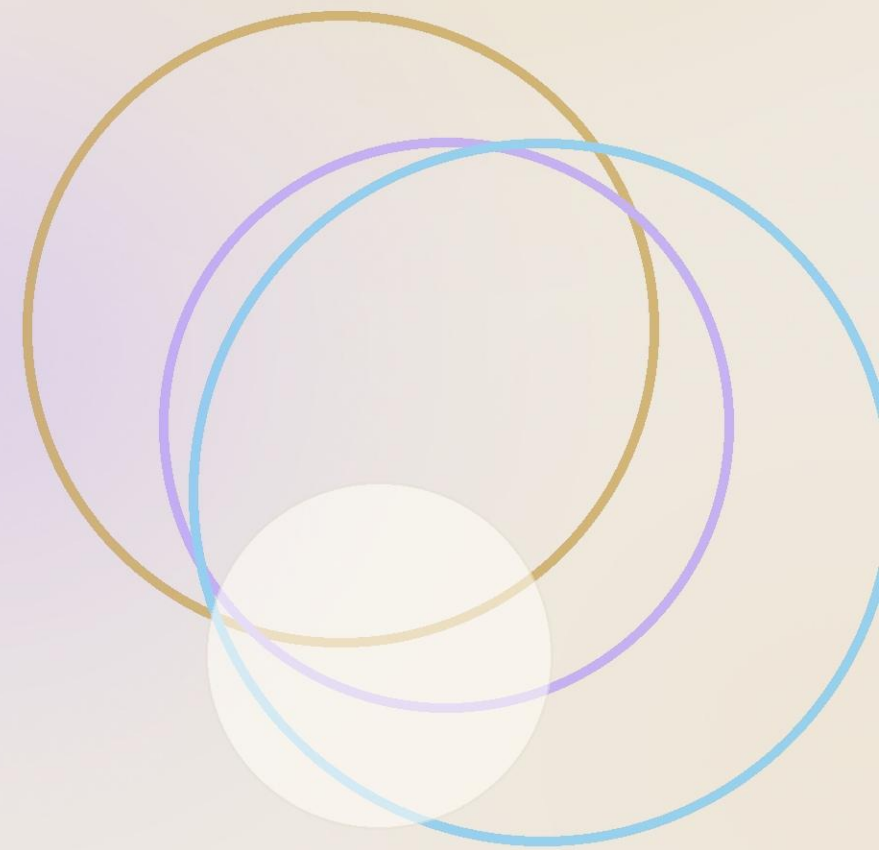


For boards, chairs, investors and senior principals

Two Strategic Board Notes on transferability and succession optionality

A Westbury & Haven reading set on why the leadership premium has moved from charisma to transferability, and why succession has become a strategic optionality decision rather than governance hygiene.



The Leadership Premium Has Moved from Charisma to Transferability

Why the market now rewards leadership judgment that remains legible under friction, not merely profile, eloquence or familiarity.



Succession Is Strategic Optionality

Why leadership decisions now widen or narrow strategic range, decision velocity and the board's room to move.

These notes are not written to decorate a mandate. They are written to clarify what the mandate truly requires.

For boards, chairs, investors and senior principals

The Leadership Premium Has Moved from Charisma to Transferability

Why the market now rewards leadership judgement that remains legible under friction, not merely profile, eloquence or familiarity.

Boards are no longer appointing into a stable regime with ordinary room for error. They are appointing into an environment that often looks calmer on the surface than it feels underneath: capital remains selective, policy uncertainty is elevated, operating models are being rewritten by AI, and tolerance for strategic drift has narrowed materially. In that setting, the leadership premium has moved. What commands value now is not biography alone. It is transferability: the capacity to carry judgement, authority and decision discipline cleanly into a more demanding context.

Too many appointments still underwrite recognisability rather than portability. Boards often ask whether a candidate has led at scale, not whether that leadership logic survives friction. They test for polish, not for the integrity of reasoning under compression. Yet in prevailing conditions, the failure point is rarely technical competence in the abstract. It is the moment a leader meets a different capital logic, a tighter stakeholder geometry or a faster pace of strategic rewrite than the previous role required.

This is why the sharper board asks a better question: What remains true about this leader when the environment changes? In the Westbury & Haven lens, that is a question of evidence, not impression. The board has to look beneath biography and into the internal structure of the executive's decision-making: whether ambiguity is collapsed without panic, whether authority can be built across misaligned stakeholders, and whether strategic intent can be translated into operating consequence. When those conditions are tested early, the board is deciding for continuity.

TRANSFERABILITY

Evidence frame | Why transferability now carries a premium

Selected market signals and board-level data points that sharpen judgement without replacing it.



REINVENTION PRESSURE

42% of CEOs

PwC says 42% of CEOs think their company will be non-viable within ten years on its current path. Leadership now sits inside reinvention pressure.



CEO TENURE & CHURN

7.1 years

Russell Reynolds says average outgoing CEO tenure fell to 7.1 years in 2025, down from 8.3 years in 2021.



BOARD PREFERENCE SHIFT

21% already proven

Spencer Stuart found 21% of incoming S&P; 1500 CEOs in 2024 had prior public-company CEO experience, up eight points in three years.



MACRO CONTEXT

3.3% growth

The IMF projects global growth of 3.3% in 2026, while warning the backdrop is still shaped by divergent forces and policy uncertainty.

Board implication

In a market that is structurally more exacting, boards should test what remains true about a leader when capital logic tightens, stakeholder geometry fragments and the tolerance for drift shortens.

For boards, chairs, investors and senior principals

Succession Is No Longer Governance Hygiene. It Is Strategic Optionality.

Why leadership decisions now widen or narrow strategic range, decision velocity and the board's room to move.

Where capital is more selective, transformation more urgent and exit windows less predictable, succession can no longer be treated as governance hygiene. It has become strategic optionality. Leadership decisions now materially influence the board's room to manoeuvre: they can widen or narrow the set of credible futures available to the institution, affect the speed at which decisions can be made, and either steady or destabilise stakeholder conviction in the next chapter.

This is why succession deserves to be considered with the same seriousness as capital deployment. The right chief executive, chair or senior operating leader does more than fill a role. The appointment can compress the distance between mandate and impact, restore decision velocity, strengthen credibility with investors and counterparties, and create the operating conditions under which renewal becomes possible. The wrong appointment does the opposite. It traps energy in repair, narrows strategic range, consumes trust and delays the moment at which the organisation can act with confidence again.

Seen clearly, succession is a form of institutional design. It determines whether a business can translate pressure into coherence, whether investors can believe the next chapter has real operating logic behind it, and whether the board retains room to choose rather than being forced to react. In the Westbury & Haven framing, the board should stop asking only who is available now and start deciding what kind of optionality the next leader must create. That requires evidence before narrative, continuity before placement and a more explicit view of what success must look like in the first quarter.

SUCCESSION OPTIONALITY

Evidence frame | Why succession has become a range decision

Selected board, pipeline and transition signals that clarify why optionality must now be designed deliberately.



INTERNAL READINESS

45% / 66%

Spencer Stuart's 2024 director pulse shows 45% of directors worry they will not have one internal CEO candidate ready; 66% doubt they will have two or more.



BOARD VISIBILITY GAP

52% of directors

Russell Reynolds found only 52% of board directors are acquainted with executives beyond the CEO. Optionality suffers when sightlines stop at the top job.



BENCH CONFIDENCE

20% ready-now

DDI's 2025 HR insights research says only 20% of CHROs report leaders ready to fill critical business roles.



TRANSITION RISK

27-46%

McKinsey cites executive-transition studies showing 27% to 46% of transitions are viewed as failures or disappointments after two years.

Board implication

The board's real leverage is highest before appointment: define the optionality the next leader must create, the contradictions they must resolve, and the early evidence that would prove the decision is working.