Why Sharing the CEO Title Usually Ends in Disaster

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The business should only have one leader at a time who can "lead the ship" and make sure everything is perfectly coordinated across the entire company. This article will teach you the potential pitfalls of a co-CEO strategy.

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Lack of a sole vision/control

Anytime you add additional people to a decision-making process, that is most certainly going to involve you making some sort of compromise, where you are not doing exactly what you would have done if you were a stand-alone CEO.

On minor points, it probably doesn't matter. But if it is important strategic-level points you are compromising, you end up diluting your own personal instincts and convictions. And it is those same instincts and convictions that are often the difference between good outcomes and average outcomes. You never want to be in a position of "managing towards the happy middle-ground."

Lack of one sole voice within the team

When there are two leaders, and those people are not necessarily in 100% alignment on the vision, they may be saying conflicting things to the team in terms of the directions they are providing to the staff. That can create a lot of confusion among team members, as they are unclear on whose voice to listen to the most, as they are both co-CEOs. And worse, it makes it look like the co-CEOs are not in alignment and are not communicating well with each other, which makes the team nervous that leadership at the top doesn't know what they are doing.

Lack of a tie-breaker

What happens when the two co-CEOs cannot agree on a topic? There is no one there to break the tie. Which either creates a level of paralysis where no decision gets made and the work doesn't get done at all. Or, it requires one of the co-CEOs to back down and agree to the other CEO (usually with the louder voice and personality winning). And that can create resentment towards the other person who is constantly not getting their opinions listened to or acted upon.

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Different management styles could cause friction

No two people are exactly the same; what happens when there are philosophical-level differences in management approach? Let's say one of the co-CEOs is a "top-down" strategic level thinker who likes to "see the big picture forest," and the other co-CEO is a "bottom-up" execution level thinker who likes to "live in the trees."

Those two styles are completely different ways to make decisions and can easily “ruffle the feathers” of the two co-CEOs over time, forcing them to think and act in ways that are not their preference.

You lose control of half of the business

If you are the “Sales & Marketing” leading co-CEO, that doesn’t mean you don’t have opinions on how “Technology & Operations” is being run by the other co-CEO. But by dividing up the responsibilities, you are basically handing off all decisions in those other departments to the other co-CEO. If you trust the other person to operate alone in their silo, that is fine.

But what happens when you have a fundamental disagreement on how those other departments are being operated? You can communicate that to your co-CEO to try and fix it, but it is ultimately up to them to make the desired changes you want, which they may or may not do.

Your co-CEO refuses to stay “in their swim lane”

Even though you may have divided up the management responsibilities with your co-CEO, that doesn’t mean they will always stay in their “swim lane.” CEOs who like to lead and control typically have a really hard time giving up control to anyone else.

And when that “likes to control” co-CEO, starts drifting into the “swim lane” of their other co-CEO, having to have input on every decision in their departments, that will really piss off the co-CEO. At that point, you don’t really have a co-CEO structure at all, with one person needing to control all

decisions. That will end up very badly.

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Limits your exit options

When it comes time to sell your business, the new buyer would prefer to have one CEO be their sole decision maker, who sits on their board and works with the investors. Also, when you are ready to sell, your co-CEO may not be ready to sell.

Now, you are stuck owning and working in a business that you no longer want to be working in. Or worse, you miss "your open window" to sell, and market conditions change by the time your co-CEO is finally ready to sell, but now the window has closed, and you can't sell.

You never want to be in a situation when you can't get an exit for your equity, handcuffed by a co-CEO's opinion, when you see an exit as the right path forward.

Closing thoughts

Hopefully, you now have a better understanding of the challenges at hand when you are considering a co-CEO setup for your business. There are examples where co-CEOs have worked together perfectly – think of the Google founders (Sergey Brin and Larry Page).

But more often than not, it ends up not working out very well at all – think the Salesforce executives (Marc Benioff first with Keith Block and then with Bret Taylor). So, if you are considering this co-CEO path, buyer beware, as it is ripe with potential pitfalls and most likely will not end up working well for the co-CEOs, the staff or your investors.

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