



Right to left:
Ted Amyuni, CEO, and
Chérine Debbas Moukkadem,
Debbas Group

FINDING A NON-FAMILY CEO

The Debbas Family Journey

The Debbas family business recently celebrated its 100th anniversary. For decades the family name has stood for providing quality lighting solutions in Lebanon and the Middle East and today the family works in the fields of energy, MEP contracting, lighting, integrated systems, manufacturing and trading. With over 1,000 employees in 25 companies across 16 countries and in its third generation of family ownership, there is certainly reason for celebration.

In 2008 the Debbas family faced a turning point. The global recession had put the business through a difficult time and questions were raised regarding just how the situation could be improved. Chairman and CEO Robert Debbas knew that things had to change. He wrote an open letter to his family announcing his intention to hand over the responsibilities of CEO. He had realised that the business needed a different perspective. The family set out on a search for a new chief executive. It took three years to find the right person and the journey did not end there.

Chérine Debbas Moukaddem, third generation family business member and daughter of Chairman Robert Debbas explains to Tharawat magazine how the family business went about hiring their first non-family CEO and what they learnt from this experience. Photography by Dina Debbas.

My father was not willing to compromise on the type of person we needed as CEO. It had to be the right person for the role.



Why did you decide to hire a non-family member for the role of CEO?

After surviving the global recession it became clear that we had to find a new CEO. Also, my father's decision to step down was urging us to do so. He has always had the business' interests at heart. To him the interest of the business is the interest of the family. He was not willing to compromise on the type of person we needed as CEO. It had to be the right person for the role. He also strongly felt that the role was a difficult one to fill. No one in the family was ready for it at that point in time.

The bigger question for us was whether we would promote someone from the inside or whether we would hire someone from the outside. Even though we started the official search in 2008, we had actually been trying for about 15 years to find high calibre people who could have the potential to eventually become CEO. But it never worked out and that was, of course, not very motivating.

I think the difference between our approach back then and the process we started in 2008 was that by then, we knew what we wanted. We had a job

description and we knew what we were able to offer. It is much harder to ask someone to come into the business on the odd chance of getting the position.

We first had to choose a headhunter and so came the first hurdle: What was the salary of the CEO going to be? The remuneration discussion was interesting. It was important to discuss this in the committee. My brother, father and the independent directors were all involved. The board had been professionalised by that time and had voting power. Sharing in this decision made it more tangible. The board pushed to implementation what my father had in his head.

How did you go about finding the right candidate?

We had so many CVs come in from the headhunter. When my father came across the CV of our current CEO, he remembered him from his early career. There already was a bond. My father is very intuitive. It had to work on that level.

That being said the decision of hiring a headhunter had an unexpected side effect that we hadn't considered. When we made our CEO the job offer he told us that one of the reasons why he considered us a professional company was the fact that we had hired a headhunter to find the right candidate. I asked him what else attracted him to our company since he moved to Lebanon just to take the job with us; he said he loved the fact that it was a multinational and a very reputable company and that he found his perspective matched with ours when he met my father.

The board was very supportive when it came to selecting the CEO. It is composed of family and non-family members and has helped us grow beyond what we imagined for ourselves based on the unified choices we make.

Why didn't your family consider hiring a non-family CEO before?

It's just the way our story worked out I think. You see, the first 40 years of the business it was just my grandfather running a small shop. He started in 1910 and he faced a world that would never be the same after the First World War. After the Second World War the business nearly disappeared. It was my uncles and my father who brought it back to life and internationalised it. In fact the civil war in the seventies forced us to enter international markets it was a necessity.

My father's eldest brother retired and his other brother died in 2001. Since then he has been shouldering the responsibility alone. He is an amazing leader and that is also why he recognised the necessity of putting in place a new CEO.

What did you do to make the transition for the CEO easier?

We were happy we had recruited him. But now we had to make him prove himself. I guess everyone, internally and externally, was sort of waiting for him to fail. Fortunately, the board committed to doing everything it could to make him successful. Also my father really felt that his role was to make things easier for the CEO to transition into his position.

I asked our CEO what he thought were the premises for instating a non-family member within an executive position successfully. He felt that the family had to understand that things would change and be accepting of that fact. In our instance this was all too true; we had to let some people go and close businesses. These were decisions made by our new CEO and they were difficult. The first instatement phase is an unstable one and in our case the chemistry between my father and our CEO was

key. They were able to disagree without jeopardising their relationship.

It was hard for the family to let go of some people that had been with us for a long time. But this is what we hired our CEO for; to restructure and improve. So we had to let him do his job.

Did you worry that the family business advantage might be impacted by having a non-family CEO?

Our strength is that our reputation is strong. At the time my father and uncles would seal deals with suppliers by a mere handshake because there was so much trust. That is the strength of the family business. Of course, when you carry the Debbas name there is an element that plays in your favour. And the non-family CEO has the backing of the family and therefore he was able to act swiftly and with impact.

How did the family members deal with the changes?

My brother and my cousins work in the business full time. They experienced positive and negative moments. The moment of instability we went through was necessary to experience positive changes to come. Everyone understood that it wasn't about individual egos but about the greater good. Again, here the role of the board was material. And actually in order for the board to have this positive impact, my brother and cousins agreed to step down because they work in the business and their relationship to the CEO needed to happen along a different plane. That's when I took a board seat as a family member who does not work in the business.

Asking our CEO what he felt was critical to his success he said that the family had to be forthcoming

The whole experience we went through has been a long process. It is not something you do lightly or quickly but it is worthwhile sticking to for the sake of your family and business.



with all information. If the CEO doesn't have all the information then he may end up hurting the family. It is important to understand the family's mentality. He set himself the task of truly considering all information that he could find.

Does the possibility of reinstalling a family member in the role of CEO exist?

Yes of course. Nothing is impossible. For us this is a phase that required someone from the outside. We needed the change. The last few years were very difficult. Reporting, accountability and punctuality were emphasised and the informal aspects of our environment gained structure. He brought in a rigour that was necessary.

So now if a family member follows in his footsteps there is a system in place. I think it is much harder for a family member to set these structures because of the emotional resistance he or she might face from others.

What is your father's role today?

He is still chairman of the board. He is still close to the business but more so as a voice of reason for the CEO. He lets him make all the decisions but

still he comes to the office every day. There are sometimes problems linked to business contacts and relationships that require my father's special touch. It would be wrong to forgo his brainpower entirely. Also the role of Chairman remains very crucial. Even though the CEO runs things, the company figurehead is still the Chairman.

What is the business' next priority?

We want to get a jump on things and make sure we have successors for the CEO and the Chairman. We don't want to wait until there is an emergency situation any longer but instead plan ahead.

We want to furthermore keep this openness that we have achieved by making this momentous move in our family business. This mind-set that the family has now towards the business is accepting of change and will support us in future decisions.

The whole experience we went through has been a long process. It is not something you do lightly or quickly but it is worthwhile sticking to for the sake of your family and business. It has been a moving time. Some people left because they didn't want to be part of the new vision; however we were able to attract and hire strong talent who wanted to be part of a more structured corporation. I think generally for this to work, you must be sure that the family is willing, that you have a strong board supporting the CEO, that you have to find the right person to fill the position and above all find someone with whom the family clicks. ◆

