

## When the CEO Job Is Split in Two

Dividing the post often leads to grief. But Aéropostale's new bosses know how to work together

By [Matthew Boyle](#)

Management pundits have long warned about the perils of appointing co-CEOs. Attempts to split the CEO role over the years have led to clashing egos and crippling power struggles at such companies as Goldman Sachs ([GS](#)), Citigroup ([C](#)), Martha Stewart Living Omnimedia ([MSO](#)), Charles Schwab ([SCHW](#)), Unilever ([UL](#)), and Kraft Foods ([KFT](#)). The record is so bad, in fact, that many wonder why any board would split the role, particularly in a recession when decisiveness is key. "It's a marriage of convenience," says Michael Useem, a management professor at the Wharton School. "But like all marriages of convenience, it tends to lead to divorce pretty quickly."

So some might wonder whether teen apparel retailer Aéropostale ([ARO](#)) is sabotaging its success with its Sept. 24 announcement that CEO Julian R. Geiger would step down at the end of the year, to be succeeded by President Mindy C. Meads and Chief Operating Officer Thomas P. Johnson. But analysts took the news in stride, citing the retailer's "team-oriented culture" as a reason why the board paired Meads, who handles merchandising, with Johnson, who heads store operations. "They work very well together," says UBS ([UBS](#)) analyst Roxanne Meyer. "That's unique, especially given the egos in retail." (Aéropostale declined to comment.)

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Despite the obvious problems with power-sharing, a number of companies have made it work. Besides Aéropostale, companies that have co-CEOs include restaurant chains California Pizza Kitchen ([CPKI](#)), Chipotle Mexican Grill ([CMG](#)), and P.F. Chang's China Bistro ([PFCB](#)); technology companies Motorola ([MOT](#)), Research In Motion ([RIMM](#)) (RIM), and Twitter; as well as food company J.M. Smucker ([SJM](#)) and Indian outsourcing giant Wipro ([WIT](#)).

What's more, some of them are thriving. The stocks of Chipotle and P.F. Chang's are up 56% and 66%, respectively, since they split the role in January. If leaders have complementary skills and a proven track record of subsuming their egos to work together, notes senior partner David Bliss of consultancy Oliver Wyman Delta ([MMC](#)), "it can work, but it's difficult."

The most successful pairs often consist of co-founders or veterans who started together when the company was small. RIM's Jim Balsillie, an outgoing finance and strategy specialist, complements the engineering prowess of Mike Lazaridis. At California Pizza Kitchen, Larry S. Flax and Richard L. Rosenfield worked together as lawyers for 12 years before founding their Los Angeles restaurant chain in 1985. "The secret sauce is simple—we like each other," says Rosenfield, who handles real estate and investor relations while Flax focuses on operations and the menu. "We know each other so well we can make important decisions without talking to each other." The two even share a modest L-shaped office.

The circumstances at Aéropostale seem to bode well. Geiger, 64, had shifted more responsibilities to Meads and Johnson over the past year. And the two came together recently to launch a store format aimed at kids 7 to 12. Given the \$1.9 billion chain's need to augment its merchandising with an ability to tackle e-commerce, industry recruiter Les Berglass says there's reason to try "a different leadership model." Many CEO jobs are now demanding enough for two people. The challenge is getting two people to pull it off.

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