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How to Become a Chief Operating Officer (COO)

By Matt Alderton, Writer | November 13, 2019 01:30 pm EST

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- A COO, or chief operating officer, is typically the second-highest-ranking executive in a company.
- A COO is in charge of day-to-day operations as well as executing the company's long-term goals.
- Because they oversee many different departments, COOs must have knowledge of and experience with many different business functions.
- The COO role often is the final rung on an executive's career ladder before becoming a chief executive.

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"What is a chief operating officer (COO)?" is a question that nearly everyone in business has asked themselves at one time. And the truth is, it's not an easy question to answer, said Fahad Shoukat, COO at enterprise software startup Skiplist.

"People don't quite understand what a COO does and how it fits in," said Shoukat, who became COO of Skiplist after spending most of his career in sales management. "The COO role is quite often very misunderstood and undervalued."

The COO is second in command. Sometimes called vice president of operations, he or she is a senior executive who manages the day-to-day operations of an organization.

Because "operations" encompasses almost everything a business does, Shoukat describes the COO as the "Swiss Army knife" of business. A simpler way to think about the role, however, is this: While a chief executive officer (CEO) generally is a company's brain, a COO is its hands. The CEO determines the direction of the business and what its long-term goals should be; the COO executes those goals, breaking goals down into everyday tactical decisions and duties.

"A COO is the driving force behind a successful brand," said Laurie Windler, vice president of operations at Camp Bow Wow. "[COOs] are always on the lookout for opportunities to systemize and simplify the brand."

What does a COO do?

Every COO has different responsibilities, because every organization and industry is different.

Generally speaking, the COO is the CEO's right-hand person, according to George Whittier, president of electronics manufacturer Morey Corp. "[COOs] lead and oversee the company's day-to-day operations to ensure continuous process improvement," Whittier explained.

Amy Sanchez, certified career coach at Swim Against the Current, said COOs work closely with CEOs to make important company decisions. They also work with other C-suite executives, including the CFO and CIO, to ensure all departments are supporting the company's objectives as defined by executives and the board of directors.

For Randy Hayashi, COO at credit card processing company Payment Depot, perhaps the best way to define the responsibilities of the COO role is to view them in relation to the CEO.

"My role is to take the big vision of the CEO and make it actually happen," he said. "That means … I am responsible for coming up with the procedures to allow my sales manager, support manager and tech manager to execute the vision of our CEO. My role involves finding solutions and implementing them into our daily procedures to keep our company growing."

Hayashi goes so far as to move his desk regularly between departments so he has a "ground-level view" of what is happening in the company. "Our company functions in a way where the CEO is not involved in any of the day-to-day operations," he said. "I am more skilled in the nuts and bolts, and I am able to leave creative up to him, which eases my stress level. It takes a lot of trust on both parts to realize that we each have strengths and weaknesses, and we are complementary pieces."

The COO reports to the CEO, but everyone else – mid-level managers like sales managers, marketing managers, and product managers, as well as other C-level executives like the CFO and the CTO – report to the COO.

What qualifications should a COO have?

COOs typically have a combination of solid education and work experience. If individuals want to become a COO, Windler said, they should have a degree in business or a proven track record of successful team building.

"I believe a COO needs to have walked the talk," Windler said. "They need to understand every role on their team and have either lived it or take the time to understand it. This gives them the ability to identify gaps and understand needs."

Whittier agrees that it's important to have a solid foundation in business; a specific degree isn't needed – although having a Master of Business Administration degree can be a "huge plus from a standpoint of building business and financial acumen," he said.

"A good rule of thumb for those hoping to become a COO is to have a deep understanding of business, people management and the industry as a whole," Whittier said.

According to Shoukat, what qualified him to become a COO was not necessarily his depth of business experience, but rather his breadth.

"Because I've had experience with sales, marketing, business development, partnerships, customer service – a little bit of everything – it made sense for me to become COO," he said. "You have to be a jack-of-all-trades and master of a few."

Aspiring COOs should focus on getting the right experience rather than pursuing the right education.

"While my education was in economics, I think that previous management roles in other jobs are what prepared me to be a COO," Hayashi said. "I think that people who aspire to be in this role should be the hardest worker in their organization, and should also take any and all opportunities to learn and lead whenever [those opportunities] are presented."

What skills should a COO have?

To be a COO, you should also cultivate the right skills.

Like all C-suite executives, COOs should be great communicators and leaders, according to Windler. "Operations can be very black and white, but you need to understand the gray to be effective," she said.

"They must be flexible and amendable to the CEO … They must be good decision-makers and possess good leadership skills," said Sanchez.

Although these skills can be acquired in leadership trainings and other executive-level seminars, they are best developed "in the trenches," according to Hayashi.

"A good COO has to have the organizational and analytical skills to be able to solve problems and create procedures, but they also need to be able to deal with people," said Hayashi. "I personally take sales calls, support and tech calls, and actively participate in the work lives of my employees. I want to know what challenges they have and how I can solve them."

Hayashi said his approach yields trust, which, in turn, yields positive business outcomes. "People have to submit to you if you have a C-level title, but if you want a healthy team that buys into the vision of the company and your leadership, you have to prove that you care and understand what they go through," he added.

Along with a solid set of soft skills, COOs should understand project management and how to build a team, said Windler.

"You need to be a strategic thinker with a solid business and financial acumen," said Whittier. "The ability to negotiate is also helpful."

How much is a COO salary?

Although COOs have many responsibilities and must have many skills, they often are rewarded handsomely for their hard work.

A COO's salary varies depending on myriad factors – industry, age of company, experience, length of tenure and salary history, just to name a few – the average COO base salary is $141,757 annually, plus an additional $24,930 per year in bonuses, according to compensation website PayScale. According to PayScale, COO salaries typically range from $71,000 per year on the low end to $246,000 per year on the high end. For comparison sake, the average salary of a CEO and a CFO is $158,193 and $131,816, respectively.

How do you become a COO?

There are many paths to becoming a COO. Some people skyrocket to the COO role because they join a small startup or co-found their own company. Others take years or decades to become a COO by slowly climbing the corporate ladder inside one or several large organizations.

However, there is at least one piece of sage advice that can help you rise to the ranks of COO: While you're building your career, you should always expand your network. Most successful business professionals got to where they are not only because of their hard work but also because of their relationships.

"Many people spend so much time inside their company they forget to focus on building their network," said Sanchez. "If you really want to become a COO, the best strategy is to [do] well at your company, but also build your external network with individuals who are climbing the ranks at other companies, executive coaches and recruiters."

Saige Driver also contributed to the reporting and writing in this article. Some source interviews were conducted for a previous version of this article.

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