



**PANEL 7**  
**THE GREATEST OVERLOOKED LEVER IN ANY SMALL BUSINESS: Leading and Leveraging Your Team to Stunning and Sustaining Growth**

Panelists (in order):

Brian Tracy  
Sam Deep  
Fran Tarkenton  
Jeffrey Pfeffer  
Joseph Grenny  
Marshall Goldsmith

Jay: Hello again. This is Jay Abraham. I'm here with my interview partner, Rich Schefren. Hello Rich.

Rich: Hi Jay.

Jay: This is going to be a very provocative and a very, very meaningful panel. Today's panel is title is "The Greatest Overlooked Leverage in any Business." And the subtitle and it's a really important subtitle is "Leading and Leveraging your Team to Stunning and Sustaining Growth." Every word in that subtitle is relevant.

The key to this today – we've got a collection of experts literally to die for. We've got a world renowned group of people and they are all keenly focused, laser-focused, in fact, on one key element of business that really separates the men from the boys, that separates the weak from the chap, that distinguishes the also [inaudible] from the literally superlative and magnificent achievers. What it is – is focusing literally on becoming a spectacular leader. It really doesn't matter, surprisingly, whether at this juncture you're a one-person business, a three-person business, a business that deals mostly with outsourced providers, a business with ten employees, a hundred employees – the key to your growth, the key to your competitive strength, the key to you working less and achieving many times more is going to be your ability to literally collaborate and motivate the achievements, the passions, the abilities, the creativity of others. It's a very distinctive skill set and a business ability that most of us don't think very clearly about, but today your thoughts will be clarified. Your mind will be immensely refocused. Your paradigm will be shifted and we're about the ratchet your business achievements up many, many rungs.



With that stated, I'm going to begin...the way we're going to do it is I'll introduce three of the panelists and then I'll have Rich introduce the next three.

So, the first panelist is a very dear friend of mine. I've known him for 20 years and I can't say enough about him, but I can't say even enough more about what he's done in his remarkable life. His name is Brian Tracy. Most people know the name. He's written so many books I don't think he can even count – 30 perhaps. They span about every facet of business improvement, of personal achievement, of profit growth. He is the consummate expert in the business arena. His greatest skill is probably, besides his immensely vast and encompassing knowledge of all these specialties and expertises, is his ability to in a very, very quick no-nonsense, highly compressed way, bring everything right down to the core essence. He is just the most remarkable man in this arena and you'll see so and why in just about three minutes.

The next is another dear friend of mine – Fran Tarkenton. Fran is a Hall-of-Fame football legend. He went to the Super Bowl two times, but that's not what distinguishes him for this panel although his skills at leading his team at orchestrating incredible sports successes is certainly a foundation, but when he retired from football, that's when he really started getting in his own. He's created over ten businesses, separate businesses, diverse businesses, all from scratch, all self-financed. He made them all cash flow positive within about 60 days. He has sold the majority of them and just operates a couple of them now. He's gotten hundreds of millions of dollars from it. He is probably one of the most no-nonsense, bottom line, straight forward thinkers about what makes a business prosper, grow and really sustain itself. You're going to love listening to his really right to the bottom line, core essence ideas and they're very consistent with leadership and focus.

The last person I'm going to introduce is quite a remarkable man also. He was named by one of the most prestigious organizations in Europe as one of the top 50 most influential authorities in the business world. His name is Dr. Marshall Goldsmith and not unsurprisingly, he too has written 24, count them, two dozen, seminal books. Most people can't write one dozen or one, he's written two dozen. I think he's working on another one. They're all in the focus or on the focus of changing the thinking and landscape of an entrepreneur or a business owner. He gets into coaching executives to interact with their team at such a heightened level that the business starts multiplying and multiplying and the achievements start growing and growing. He too is a no-nonsense, but he's going to focus your mind in some paradigms and some areas I know I've never thought



about because Rich and I have had some really delightful pre-interview discussion with him and when we put the phone down we go, “wow” he took us to an area we’ve never thought about.

Anyhow, those are the three I’m introducing and now on to you Rich and you can introduce the other three.

Rich:

Thanks Jay. Okay, so our next expert is Jeffrey Pfeffer and his resume reads like a who’s who of about everything meaningful in the business achievement world. He’s a professor of organizational behavior at the Graduate School of Business at Stanford University. He’s written twelve books and he’s now writing his thirteenth. He’s been a regular columnist for some of the most important technology magazines and I’m going to share with you the title of his last four books because Jay and I think that the understanding and the direction of his work, his research and his thinking will really set the stage for this quality of the answers that he will be coming up with on this interview. So, the latest is called, “What Were They Thinking: Unconventional Wisdom about Management.” The book before that “Hard Facts: Dangerous Half Truths and Total Nonsense – Profiting from Evidence Based Management.” The previous book was “The Knowing Doing Gap: How Smart Companies Turn Knowledge into Action.” The book prior to that was, “Managing with Power: Politics and Influence in Organizations.” Jeffrey has graciously agreed to do something that’s a little bit tricky for him because his normal focus is helping bigger corporations and enterprises and organizations really get some clarity, some sobriety and some really high performance improvement with the team, with their management and with their leadership. But, for this panel, he’s agreed to help torque down his answers and focus them on the entrepreneur.

Next, we have Joseph Grenny. He’s a partner and co-founder of the same firm that we talked about in another panel, VitalSmarts. I really love that name. I think we all need more VitalSmarts. Joseph is an internationally acclaimed keynote speaker and a business strategist of the highest magnitude. He’s been designing major corporate change initiatives for the last 25 years. Before that, he was formerly President of California Computer Corporation. He was a Senior Executive at the Covey Leadership Center and probably what most impresses myself and Jay is his New York Times bestseller, “Influencer: The Power to Change Anything” and two other books, “Crucial Conversations: Tools for Talking when the Stakes are High,” and “Crucial Confrontations: Tools for Resolving Broken Promises, Violated Expectations and Bad Behavior.”



Then last, but certainly not least, we have Sam Deep. Now Sam is one of the leading executive leadership coaches in the entire country. His clientele reads like a who's who basically of anyone that you can think of in corporate America from Alcoa to the American Institute of banking, American Society of Association Executive, Cutler-Hammer, Deloitte & Touche, Hallmark, Heinz, PP&G. He's written 15 different books, sold over a million copies. They've been translated into 14 languages. But what Jay and I love best about Sam's work is that they're not general abstract or theoretical. They have enormously focused lists on what to do, how to do it, why to do it and what is going to have the biggest impact in all those categories. Some of books are called, "Smart Moves," The next one is "What to Say to Get What you Want," "Yes You Can." He's got so many other books, but in order not to waste time, let's just dive in and thank you all the panelists for agreeing to be on this call.

Jay, back to you for the first question.

Jay: **Thanks Rich. Brian, hello, welcome.**

Brian: Thank you Jay.

Jay: Here's the question: **We believe that small to medium size entrepreneurs do not even come close to appreciate the importance, the leverage and the necessity of being a leader in their smaller enterprise. Sure they understand and grasp the importance in a big corporation and for heads of state and military leaders, but it may not be as tangible or evident to them, so can you present the best reason why entrepreneurs must evolve their leadership capabilities plus the downside to them if they don't?**

Brian: How wonderful. The great challenge with leadership, especially in business is that most people back into entrepreneurship. And they into an entrepreneurship is like falling in a shark pond. They suddenly are scrambling to make enough money to survive. They say, "As twig is inclined, the tree is bent." So in other words, as people start off, they sometimes become like that for the rest of their career. They are just scrambling to get results. But when you become a leader, one of the most important things you do is realize that other people are looking up to you. In order to be a leader you have to have other people.

Jim Collins in his book "Good to Great," always asked the question, "Why aren't you already a great company?" And this is what leaders do. Leaders have a specific quality. There have been 3,300 on leadership over the



ages to find out what the qualities of top leaders are and the number one quality in common from all 3,300 studies is vision. They have a very clear vision of who they are. They understand their strengths and weaknesses and they are very honest with themselves. They understand that they may be good at selling but not good at accounting. They may be good at administration but they may not be good at manufacturing. So leaders are very honest with themselves about their strengths and weaknesses.

The second thing is that they have a very clear vision of where they want to go with their business. Peter Drucker says that if you don't see yourself as building a world class company, even though you are starting off on your kitchen table, you will never really fulfill your potential. So one of the things I encourage leaders to do is always to idealize and say, if my business is ideal in every way sometime in the future, what would it look like? And then you ask this in several things. First of all, if my products and my services were ideal, if they were the best in the market, if they are the most respected, what will they look like? How would they function? What kind of results would they get for my customers? If my business was ideal, what markets would I go into and how would I go into those markets? If my business was ideal, what kind of people would I have? How would I attract them? How would I keep them? How would I treat them? And if I was ideal, if I was the very best person I could possibly be, what is my vision for myself and my future as a leader of this company?

Jay: Great answer Brian. Sam how are you?

Sam: I'm doing great Jay, pleasure to be with you.

Jay: Sam, what do you think?

Sam: I think of three things. First of all, great leaderships beget great followership. Entrepreneurs who create great followers buy their lives back. Any entrepreneur knows you're working constantly and to find time with your family, time to take your vacations and reduce your stress is sometimes very difficult to do. The better the people are who follow you, the more you can do those kinds of things.

The second thought I have is that Peter Drucker once said that, "Leadership is too important to put in the hands of one person." I think by that he meant that there is no way for that all the great ideas that there are for running your business more profitably are in your head. There is an old Italian proverb that says the Pope and the peasant know more



between them than the Pope alone. When you pull the peasants in, you just get better decisions. Again, you are incredibly more effective.

Then we have to consider this current time that we're in. More than any other time, I think, in our economic lifetimes, employees are looking for hope in the future. I think back to how Rudy Giuliani, remember the pictures of Rudy Giuliani walking the streets of New York City with a handkerchief over his mouth and how that helped the nation recover, that sign of leadership helped the nation recover emotionally from the scares of 911, by that inspiring leadership. He was there in that leadership and that truly made a difference.

Jay: Very good answer Sam. Fran, give us the entrepreneurs perspective.

Fran: You've got to define leadership. Let me tell you, I used to believe that big corporate chairmen and presidents were the smartest, best business people in the world and years ago I figured out they weren't. We now have all the evidence that we need that they aren't because they have crashed all these great companies and I'm going to suggest to you a theory. They didn't start the companies in most of the cases. They were hired guns to come in. They had been to the Harvard schools, been to the Stanford business schools and got all the theory but they didn't have the core thing that you need to have to exercise leadership - and you can't fake it. You can't learn it in a classroom. It comes from caring about your product and believing in your product and service and then caring about the people that are producing the product and are your business partners a part of your team, and then you show that you really care about the customer or the prospect - that you are giving that customer products and services that have great value. If you don't have that core belief system and you don't care about that, you cannot exercise leadership.

Jay: Good answer. Jeffrey, first question.

Jeffrey: Sure. The first answer, I mean I think the answer has a number of parts. If you think leadership matters in a big organization, it matters even more in smaller organizations. A friend of mine that used to be a senior executive at General Electric said, you know, everybody gives Jack Welch a lot of credit but after all, the company was already 100 years old and he had 70,000 other people to help him. In the small and medium sized enterprise, you don't have the infrastructure of a General Electric and you don't have the history of General Electric and therefore it really - the performance of the company comes very much down to what the individual leading that organization does. You can see that in the small



units in the military, you can see that enrolled in Ahmanson's race to the North Pole when he ran and raced against an English team that did not prepare and did not have good leadership and as a consequence the English team actually suffered casualties. So, the smaller the organization, the bigger the impact of the leader is because there is nothing to buffer you. So that is item number one.

Item number two, the smaller organization lives in a much more precarious state. If you are General Motors, maybe the United States government will help you out and certainly if you are Citibank or Bank of America, the United States government will help you out. For the people who are listening to this, Jay and Rich, nobody is going to help them out.

So therefore it really becomes up to them to do the things that will make their organization successful. Otherwise, there is going to be no bailout, there is nothing really to help them except their own resources. Everybody has seen and certainly the people listening to this have seen the upsides and the downsides of dealing with a small enterprise where there is a good organizational culture and where the leaders are effective and the ones where they're not. The downside, I think, of bad leadership is even a bigger problem than the upside is potentially a good thing, because with bad or ineffective leadership, you can drive out great employees, you can drive away your customers and basically drive yourself into the ditch.

Jay: Great answer Jeffrey. Thank you. Joseph, it's an honor and a delight to have you here.

Joseph: Thank you Jay. It's an honor to be a part of a panel like this.

Jay: Okay.

Joseph: Once you've articulated a solution and created a little enterprise around that, all the rest of the growth comes from leadership. One of the problems that most entrepreneurs have is that they don't even understand what leadership is. Leadership is intentional influence. Leadership is about influencing the behavior of others.

So sitting a room by yourself and thinking about what customers need is not leadership. That may be entrepreneurship but your second job after articulating one of the unique things that you can do as an organization is to build a team around delivering that solution, selling it, servicing it, manufacturing it, doing the back office work, and that is exclusively the



province of leadership. Your challenge is to influence the behavior of the other two people, three people, thirty people; you name the number in your organization so that they are consistently adding value in your organization. A quick example, there's an organization in our area that I think is just a supreme example of entrepreneurship. It's called Café Rio. They make customized burritos. Talk about an over severed segment of the market, burritos! They didn't invent anything new but what the people who started Café Rio understood was if they had an intentional influence strategy, if they really focused on leadership so that they created an employee population that was faster, cleaner, friendlier than anybody else's then they could differentiate themselves from the rest of the market. I'm telling you, Jay, you can't get close to these restaurants anytime after 4:30 in the afternoon or you'll be standing in a line of 100 people. The reason that they're different than anybody else is because the founders of this organization put the vast majority of their time and effort after opening the doors on influence.

Jay: Good answer Joseph. Marshall, thank you and welcome.

Marshall: Thank you so much for inviting me.

Jay: Question one.

Marshall: Number one, agree completely with your idea that people in the space of the small and entrepreneurial world, number one, are leaders, and number two, really need to focus on leadership. An interesting observation that I've made in working in this space is many people in these smaller entrepreneurial space don't even see themselves as leaders at all. They see themselves as idea people or they see themselves as innovators or they see themselves as technically gifted. They don't really see themselves as leaders.

The challenge of leadership is that mindset will take you to a certain point but not much further. With that mindset you can make it to a certain point just because you're a genius or a technically gifted or you're innovative or creative or even good at sales. If you want to develop a business you have to be a leader. As the business grows, leadership is going to become more and more and more important. You need to be a leader from the get-go. You need to do things that a leader needs to do. You need to recruit great people. You need to develop people. You need to communicate a sense of vision. You need to involve all those people around you.



I would say the beginning for leadership is the acknowledgement of leadership is not just important for the future of our business. Leadership may be the most critical variable in the future of our business and acknowledging and accepting that fact. Once you acknowledge and accept that fact, it becomes ludicrous not to focus on developing yourself as a leader because you realize this is who I am. I am a leader and it is going to be an important part of my identity. After acknowledging and developing the fact that you are a leader, then you can really practice what I teach everyone to do. That is focus on constant improvement.

Let me give you an example of an entrepreneurial leader, one of the best in history, who is a great role model, Michael Dell. I published an article about this. Michael Dell publicly has received feedback with everyone he works with about his own leadership skills and done it for years. He gets up in front of everybody at Dell and he gets up in front of everybody on video and says my name is Michael Dell, I've received feedback. Here is what I feel good about and here is where I need to improve, I'm going to reach out and ask you to help me get better. Michael Dell doesn't have to say that. He's the world's youngest billionaire. Michael Dell could sit there and say my name is Michael Dell and yours isn't. By the way, what is the name of the company, Dell? That would be my name; that's not your name. What happens for people's respect for Michael Dell when he gets up and acts like human? It goes up. One of the reasons why Michael Dell has been effective as an entrepreneur who turned himself into a person leading a large company is he is constantly focused on how to improve himself as a leader and he acknowledges that he is a leader. So that is advice that I would have for the small entrepreneurial leaders around here. The great advice that you are a leader, acknowledge it and make it a part of your life. Once you do that it would be ludicrous not to invest in leadership development.

Jay: Next question and this is a great, great starting point.

**So we've established the better leader you are the more leverage and the greater the success your business achieves. Let's look at the fundamentals of leadership - the four or five or six critical areas an entrepreneur - small or medium sized business owner must focus on to be a better leader of their organization and to pilot it to growth and success?**

Brian your turn.



Brian: The number one job of a leader is to get results. You must understand this. I become very frustrated when people say you've got to lead, be a leader, lead, and provide leadership. What on earth does that mean? The answer is that you are the most capable person of getting the most important results that are essential for the survival and thriving of your business. That's it. And if you are not that person you must be moved aside and quickly and get a leader in there, like a commanding officer at war. A business is in a form of warfare all the time. So what are the ways that you get results?

Number one, the first responsibility of leadership is to set and achieve business goals. It goes back to our word clarity. You must be clear and specific about your goals, especially your financial goals, your sales goals. You must have standards, you must have metrics, you must have measures and you must have deadlines – clarity, clarity, clarity. Leaders are very specific about business success if customer satisfaction. And the only measure of customer satisfaction is repeat business. If you recognize those three, those are the critical measures. He said the only two things that lead to customer satisfaction are innovation, finding faster, better, cheaper, easier ways to serve customers, and marketing, finding better, more creative ways to these things.

The second thing or the second responsibility of leadership is to innovate and market. Peter Drucker – and you guys, we've always worked together for years about the importance of marketing. Peter Drucker said the number one job of a business, purpose of a business is to create and keep a customer. The only measure of business success is customer satisfaction. The only measure of customer satisfaction is repeat business. If you recognize those three, those are the critical measures.

The only two things that lead to customer satisfaction are innovation, finding faster, better, cheaper, easier ways to service customers and marketing. Finding better, more creative ways to attract people attract people who want to buy your product or service. Companies rise or fall on the basis of their ability to innovate and market. The leader, the commanding general is the person who is responsible.

They did a survey recently and they asked them, people in small and medium sized companies, how important is marketing and sales to you? And they all said, oooh, very important, very important, number one, and most important of all. And then they asked how much time do you spend on marketing and sales? Oh, all the time, all the time, all the time. So then they tracked them for a month with a clipboard and a stopwatch.



They found the average so-called leader in a small or medium sized business spent 11 percent of their time on sales or marketing. Everything else was consumed with administration and lunches and reading emails and conversations and all kinds of things, but only 11 percent. And you wonder why companies are in trouble! But if you look at companies that are really moving ahead like a general driving his army across enemy territory, they are at the forefront. They are the point of the spear in sales and marketing.

Now the third critical responsibility of leadership is to solve problems and make decisions. All of business is a process of solving problems. A goal unmet is a problem unsolved; a sales target unachieved is a problem unsolved. All of businesses problem solving and the mark of the leader is that they are effective at solving problems. Now the key to being effective at solving problems is something that I have taught all over the world and that is to be solution oriented, is to focus, clarity. Be clear about what the problem is and then focus on the solution.

So I can give you several others but the last critical point in this question is the major job of the leader – and this comes from Tom Peter’s “In Search of Excellence” – is to lead by example. I worked with Albert Schweitzer many years ago in Africa and he taught that “you must lead men at the school of example, for they will learn at no other.” And the most important job of the leader is for the leader to realize that everyone is watching him or her and everyone is setting their tone and determining how they are going to act and treat other people based on how the leader behaves and treats them.

Jay: Very interesting answer. Sam your turn.

Sam: I think the first thing that comes to mind is vision. Vision goes back to giving people that hope and direction that I talked about for the future. By showing them the future and the form of where you want them to be, where you want the company to go, what is the tomorrow that you want to have them help you to create? And what better tomorrow do you want to work in with them? So to give them that future direction that is the only thing a leader can’t delegate is the responsibility for pointing the direction over the hill and saying that is where we’re going, vision.

The second thing that comes to mind, I have five and the second one is listening. Great leaders are great listeners. Whether we’re listening to people’s ideas, to their cares or concerns or what they need from us personally in the way of resources in order to be as successful as we



require them to be. Great leaders have great ears, no question about that one.

The third thing I think about William James is probably the most famous American Psychologist of all time. He once said, “The deepest craving in human nature is the desire to be appreciated”. Of course he was talking about praise. Rich, I’m sure you have seen a number of employee surveys as I have and the number one complaint that I see on those surveys, at least over half of the employee satisfaction surveys that I have seen is that people say that I don’t feel appreciated. How can they feel that way if you don’t say thank you. It is so hard for so many leaders to say thank you. It’s almost like it was coming out the mouth of Fonzi.

The third thing I think about is accountability. I think this is the great corporate disease today whether we’re talking about a company of five or a company of five million. It is the same thing everywhere and I think the greatest challenge that leaders face at all levels, in all sectors is figuring out how to get the right expectations of people and how to put the right processes in place to make sure that people remain responsible for the results of their work. We could have an entire conversation just about accountability, couldn’t we?

Then finally my fifth one, it was hard to pick five, but I’m going to pick emotional intelligence. I really believe that leadership inside out pursuit. I’ve coached more than one executive who I had to say to...you know what, I don’t think you ought to be a leader. I don’t think you’re hard wired and soft wired well enough in the right way to influence people. I just think you ought to just continue to be a great accountant or a great engineer or a great teacher or a great attorney, whatever you do and make your contribution there because you probably have not been equipped well to be a successful influencer of other people. So, when I teach leadership in a corporation, I say you know what, the first thing we’re going to do is learn emotional intelligence because I think it is the fundamental groundwork of being a great leader.

Jay: Good answer Sam. Fran, what do you think?

Fran: Yes. The key to success in life is relationships. Relationships come from trust that comes from caring. Most people in business don’t really care about whether their product is good or not as long as it sells. Most people don’t care about their customer one way or the other as long as they buy. Most people don’t take the time to care about their employees because they’re just that. Most people that get powerful positions are all about “me”



and “what’s in it for me” and about “my power” and everybody else is below me. For example, one of my great mentors was a guy name Sam Walton and I’ve got letters on my office wall from Sam Walton. I spent many hours, days and weeks with Sam Walton. He was just one. I have others that were not as famous as he was but almost as effective. With these people, nothing was too little for them to do. They were willing to put their hands and their fingers into the ground and into the dirt. They were the rainmakers. They were the ones that inspired the others by their caring for the quality of their product or service and being able to continue servicing that customer better and better and better with more value and more value and more value. They lived it and they shared that with their people and they shared it by asking questions of their people—what do you think? How can we make this better? How can we have a better marketing plan?

Jay: Thanks Fran. Your turn Jeffrey.

Jeffrey: I think there are a number of things. The first is that if you ask me what would I try to imbue in every effective leader, it would be a sense of modesty about what they know and what they don’t know. Ego, hubris is a big problem in organizations of any size; it’s actually a problem at the national governmental level as well. So I think the first thing is to understand your limitations, just as when you go to a doctor to tell you he can fix your problem if he or she doesn’t have a clue as to what they are doing. I think leaders are well-served to understand the limits of what they know and what they don’t know. Many of them aren’t really very conscious of the limits of their knowledge.

Secondly, leadership or management entails getting things done through other people. That means you have to build the capability of working effectively with others. This is true for both employees and customers. I think the skill here is one which I would call empathic understanding. You need to have empathy. I think all of us have had the problems of calling on a telephone to reach an enterprise or a company and being put on hold and having the automated response system or dealing with some product or service and we say, why can’t we use it? What were they thinking? Why didn’t the give me instructions? Why do they make it so hard to deal with this organization? You avoid that by being able to see the world from another person’s point of view. I think a third quality that is very important for leaders is to be able to inspire confidence. That really suggests not that they tell people stories or that they make up stuff that they don’t know, but that they are honest with people and then also give them sense that they understand how to move the organization forward.



Finally, and this is true for an organization of any size, and it is very scarce in today's world: trust. Leaders have to be able to build trust. The way you build trust most effectively, in my opinion, is by telling people the truth and admitting when you made a mistake and not pretending that you know stuff that you don't know because the people working with you will know that you are just telling them stories.

Jay: Good answer. Thank you Jeffrey. What do you think Joseph?

Joseph: The question is very well stated. I think it comes down to just a few very simple things. I'd simplify it as three. The first is to create a monopoly. So your first job is to come up with a concept, a service or product that literally is your monopoly. In the example that I cited earlier of this burrito manufacturer, they have a monopoly. They have a monopoly on clean, fast, friendly; the environment that they create once you come in at the price point that they created sets them apart from everybody else and that is their monopoly.

The second thing you have to do is build a team around that monopoly. You'll notice the transition from task one to task two. Task one is maybe something that you'll do sitting by yourself in a room. Task two immediately puts you into the leadership role. You've got to build a team. You've got to get the right personnel onboard to be able to deliver the value proposition that you've found. There are a couple of critical variables in building that team. Number one is hiring but the second is firing. Most entrepreneurs fall down on the second one. You've got to be willing to remove people from your organization that are not going to help you get to where you need to be. Most people are so reluctant to do that they take about three times longer to let people go than they should have.

We all know the point at which it got clear to us that this person is not the right fit. The gap in time between when you were clear about that and when you took action on it is costing you money every single day. So building a team, not just by finding the right talent but also by removing those who are taking up space that the right talent ought to occupy is the second critical task.

The third is influencing behavior. You may have hired the right people but if you don't have an intentional strategy for shaping the behavior of your people so that they are going to be adding the value, creating the product, delivering the service in the way that differentiates you and establishes your monopoly, then you will fail. Nobody else can do this for you.



Jay: I like that answer Joseph. Marshall, what's your take?

Marshall: About once every month or so, the entrepreneurial leader needs to sit down with each of his/her direct reports and have a dialogue, going over six basic issues. Issue number one is where are we going? Focused on the vision, the big picture, the organization and by the way, this is more important because things change so rapidly. So start with where are we going and then ask the person a question; where do you think we should be going: So rather than just the leader who is telling people what to do and how to do it, you're having a dialogue and they're learning constantly from this dialogue. Issue number two: where are you going? Sit down with that person and say are you in your part of the business going, here is where I think you should be going and what do you think? You want to have alignment two ways. One, the big picture and the smaller picture and two, the leader and the person being lead; number three: doing well. Here is where I think you and your part of the business are doing very well and then ask the person a question: what are you proud of? Many entrepreneurs know what they're proud of but they don't ask the question to the people around them: What are you proud of?

By asking this question you begin to learn the motivation, the pride and where the enthusiasm is coming from your direct reports, you'll never learn if you don't ask. The third one is doing well. Number four is suggestions for improvement. Again, as you know I'm big on coaching. I think the leader should be a coach and sit there and say...here are suggestions for the future that I might have for you. Some things that might make things even and then ask the person a question, it's a great question, if you were the coach for you, what advice would you have? So this way the person starts thinking like a coach and one of my good clients told me, he said I'm amazed by asking this question, the depth and wisdom I get in terms of answers. And then the fifth question is: How can I help? This is one question that entrepreneurial leaders don't ask enough. How can I help you do a great job? They often ask here is what you can do to help me but they don't do a whole lot of what can I do to help you?

Finally, how can I be a more effective leader? How can I be a more effective manager? How can I be a more effectively run this organization?

Jay: **Okay, now you've listed them; let's describe if you will, define and animate what it looks like when it's done right. Dimensionalize great leadership in the entrepreneurial realm so people cannot just say,**



**well, those sound great. Show them what it would look like when it is put into action.**

Brian, the question is to you.

Brian: That takes us back to my first definition of leadership. Leadership is the ability to get the results expected. Fortune magazine was looking at the fact that an enormous number of Fortune 500 presidents have been fired and replaced by their boards, starting from IBM, and Ford, and General Motors and Kodak and Xerox, etc. They went back and they interviewed top people and they asked why? The number one reason was failure to execute – failure to execute. In other words, the person didn't get the job done. They had to be replaced quickly by someone who could get the job done or the company would collapse.

The number one reason that companies succeed is because they have good leadership. The number one reason why they fail is because they have poor leadership. So to dimensionalize this, the leader must be very, very clear about the results he or she is attempting to get. The leader must be clear about how every single person contributes to those results. The leader must go forward.

Jay: Great answer Brian. Sam what's your answer?

Sam: What I've been doing with my clients to bring vision alive is to say, let's throw away your 40 word statement that has seamless and world class in it or supplier of choice or other meaningless terms and let's just replace it with one single strong statement that points us all in the direction of creating something that we don't have now. I do this with a lot of my clients but you know the best one I ever heard is the one that I or anyone of my clients created.

A number of years ago Nike had one. Nike's one thing was crush Reebok. If you think about that, Jay, if you were working for me I could walk over to your desk and say, Jay, what did you do today to crush Reebok? Rich, meeting that you went to, what happened there to crush Reebok. That's how to bring vision alive. Just find one thing and point your team toward it. This is great, by the way, down at a team level or down at a small business level. Let's jump over to listening. This is a real simple thing here; one thing we need to do as leaders is keep talking and listen to them. In order to tell you the best way to do it, this is going to sound silly, but a smile, a half a smile and raised eyebrows. It's called an open face. If you lift those eyebrows a bit, put a little half smile on your face, it is



amazing how people will share with you. How they will tell you things that they would never tell you otherwise. Once people tell you something they feel closer to you. The great way to build intimacy is by allowing people to share important things with you and that's great when a leader can do that. Praise, this is even simpler than the first two. What I would suggest all our listeners do is put three names on a sheet of paper. The names of three people who you pledge to catch in the act of victory this week and say thank you to. It is as simple as that.

Accountability, I'm willing to go so far as to say if you don't have accountability if you don't have a three step process. Step one in the process is to create individual performance goals with your people. Individual with each person, what are you going to accomplish this year, meet quarterly (step two) with each one of them and review progress on those goals and step three, measure their accomplishment at the end of the year with positive and negative consequences. I know a lot of companies do the individual goals and even some that do the review progress but very few that have consequences at the end. When you have that three stage process, you really have a tight reign of accountability.

Emotional intelligence is the hardest one to put texture on. I would just simply tell people this; get an assessment of your emotional intelligence. Learn what is inside of you that is moving you and your people forward and what is inside of you that is holding you back. There are many opportunities to do that. In fact, you can actually go online and do a free emotional intelligence assessment. I have an all day program that I run and people go through it and at the end, they identify their one greatest and emotional strength and their one greatest emotional need in order to get better. That has to be begin, to know our self's disease is half our cure.

Jay: Great perspective, thank you. Fran, give us your no-nonsense take on this?

Fran: Great leadership shows itself when you're willing to work 24/7; you're willing to be there later and earlier than everybody else and that you show by how you act, what you say, the respect you treat your people and how much you care about them.

There was a great study done by the Atlantic Monthly for the last seventy years on the graduating class of Harvard in 1942. Do you know who was in that class, Jay? Ben Bradley, the famous editor of the Washington Post. JFK - I don't need to tell you who JFK was. That whole class—think about



it—1942-- they said in that class of 1942, you not only had to be smart, you had to be privileged. You had to have money to get to Harvard. They studied those people for the next seventy years to see how they did.

The study came out that most of them crashed and burned—privileged, smart, and highly educated. They crashed and burned. And the few that made it, the one thing they had was that they understood the secret to success and happiness in life was relationships that came from trust, that came from caring. When leadership can lead by example, by caring, by innovation—the leader of a company has to show that passion and belief system and also has to be the rainmaker. They have to be driving innovation—they have to be driving that. They cannot delegate here and delegate there and have a committee here and a committee there. They've got to have their hands in the soil. When that is seen by their associates or the people that work with them, those people are inspired to do great work.

Jay: Good answer Fran. Your turn Jeffrey.

Jeffrey: Well, I think what you have to do, I mean, I think small and medium sized enterprises actually have – or ought to have – and advantage over larger enterprises. It is interesting to me that sometimes they don't seize on this advantage. If I am running a big company, it is relatively easy for me to get out of touch with both the front-line people – I know department store executives will go visit their department stores and don't even talk to the front-line staff – and also to get out of touch with the customers. There is an airline CEO who, believe it or not, flew to a meeting discussing a merger on a private jet because I guess he wanted to get there on time. So you would think that the SME leaders would be really well-situated because potentially they are much more in contact with all of their employees and certainly much more in contact on a daily basis with their customers.

So then the question becomes, how do you actually spend your time? Do you spend your time in the office or do you spend your time just talking to people who you like or who agree with you or do you really seek out the employees [of whom] you say, why in the hell did I hire that person? They are making me uncomfortable but that doesn't matter because oftentimes you get new ideas by talking to people who have a different perspective than you have. And do you spend and are you spending sufficient time out and about with your customers and with the people buying your product or service, whatever that is? Are you really in touch, if you will,



with the marketplace? And, by the way, do you understand what your competitors are doing?

What is interesting to me is that everybody normally has pretty good conversations with their friends and family. Then we call them a leader or a head of a company and all of a sudden, their ability to have those same levels of conversation somehow disappears. If they would just reclaim that ability that they have in these other spheres, they would be much better off.

Jay: Great answer Jeffrey, thank you. Joseph your turn.

Joseph: Yeah, I'll take each of these. So, create a monopoly, build the team and then influence behavior. To create the monopoly, it is important that you understand that it doesn't matter if there are people in your market category somewhere, what matters is you have a way of describing what you do better and differently than anybody else. If you want to encounter entrepreneurship in it rawest form, the best way to do that is in the slumps in the third world. That is where I was last week, Jay. As I walked through these 10x10 rusted tin shacks, you encounter entrepreneurs in each of them.

Entrepreneurs who know, that at the end of the day if they don't rack up a profit of a few pennies, they won't eat. So I talked to this one woman, a woman by the name of Marie who has a monopoly. She quintupled her income in the past few months because she came up with a product category that we named for her the "cluck pop". It is not the most attractive product but let me just describe it to illustrate this point. She found that people who are slaughtering chickens would throw away the heads. She got the heads for free. She found they didn't have a lot of value for the guts. She got the guts. She found that the hens that had half-gestated an egg, if they had this half-gestated egg inside, she got those for free. She was able to get potatoes cheaply. She bought herself a pot and she cooks all of this stuff, stuffs it into the neck of this decapitated chicken sews up the end and then boils all of that and creates a little walk away product that people eat that has high nutritional value, high protein content in the slum for 12 cents per pop.

Nobody makes any of these. Nobody has thought of this. Nobody has looked around and has found that you could assemble all of these cast-off pieces of a chicken and create a product that she has a 100 percent mark-up in it and has no competitors. She is able to sell every single one of what we call the cluck pots, out by every day at 6 o'clock and is able to



multiply by 5 the income of her family as a result of that. She is going places.

That is what entrepreneurs do. They find a segment that has not been served as well as they know how they could do and they create a monopoly. The second thing you have to do is build the team. I mentioned that the critical behavior there is your willingness to remove people that aren't working. I think the example I'd share with you is our own company. We've been together 20 years now and the most important inflection points in the growth of our company have been times when we needed to remove, in particular, a senior leader in the organization; somebody who had been in for a few months or sometimes as long as a year that it was clear that were not going to be able to perform the way they needed to.

The challenge is that these people had become friends. We knew their children. We knew their families. Learning how to gracefully, respectfully and lovingly separate from somebody is critical not so you retain your humanity but also that you communicate to the rest of your staff that you care for and respect people but also are willing to make the tough choices in the benefit of the larger team. Your job is to benefit the entire enterprise and that's how you have to make those decisions. So, building a team and making tough personnel choices is a critical piece of that. Finally is the influence challenge.

I was with the chief operating officer of Chick-fil-A; they're a wonderful entrepreneurial organization because every one of their franchises is run by an independent operator. They know that their job is to influence the 40 to 60 staff in this store in order to maintain the quality and service level that they need to bring customers in. When I talked to this chief operating officer, he said his greatest challenge is the front line employee who between two and three in the afternoon has to decide whether they're going to lean against their broom or whether they're going to go bus tables and greet people when they walk in. If you don't have a strategy in your head for how you're going to influence all 50 to 60 of those employees in your store, you will not get the right service levels and quality levels to maintain the margins and maintain the growth that you're after. So, these are the three challenges that you have as entrepreneurs.

Jay: I like that Joseph. Marshall, what do you think?

Marshall: I think what that recipient of the leadership is going to see is a leader who is constantly evolving, a leader who is growing, a leader who is listening and a leader who is learning. Peter Drucker said, "The leader of the past



knew how to tell. The leader of the future is going to know how to ask.” The reason is most entrepreneurial leaders today manage people called knowledge workers. What is a knowledge worker? They know more about that part of the business than the leader does. When you manage people that know technically as much as you do, you can’t just tell them what to do and how to do it, you have to ask, you have to listen, you have to learn, you have to involve these people. I think what great leadership would look like and again, this is not talking about the strategy or the direction or the big picture of leadership, it is talking about the behavioral dimension. What great leadership would look like to that person being lead is a leader who asks, a leader who listens, a leader who learns, a leader who involves people, a leader who coaches, and a leader who innovates not just a leader who tells people what to do, tells people how to do it, and expects everyone to be a clone or himself or herself.

I was teaching at UC Berkley recently and a young MBA student asked me, he said, I read your book, “What Got You Here Won’t Get You There” and he said you never really addressed the issue of people that have self-confidence problems. What about your clients who have self-confidence problems? You know what I told him? If you’re a CEO of a multibillion dollar corporation, you don’t have a self-confidence problem. I never met one that had a self-confidence problem so it is an interesting theoretical question but these people don’t have it. Then I got to thinking and this goes back to your point, a lot of leaders especially in smaller or entrepreneurial business, especially by the way, those with strong technical backgrounds who do not have a lot of interpersonal skills or interpersonal backgrounds, a lot of them do have confidence issues. Not confidence issues around knowing what they’re doing as much but confidence issues in dealing with people.

Some of the suggestions that I have and I wrote a Business Week column about this, in terms of building your confidence, number one is practice. Practice speaking, look in the mirror, make videos of yourself talking, practice speaking public and I think just interacting with people, practice speaking is a very, very positive thing.

Second, realize that nobody knows everything. When you’re running a small business, you don’t know the future but you need to generate that sense of confidence.

I think a great message for entrepreneurial leaders is if you’re going to be a leader, it is Showtime every day. You look like a leader, you act like a leader, you talk like a leader, and you project like a leader. You may feel



back on the inside but you don't show it on the outside. By the way, that is not being a phony. That is part of being a professional.

Jay: That's great. That was a wonderful answer. Rich?

Rich: Okay, question 4: **How do you know how you're personal leadership level stacks up right now? What do you look at, what criteria do you base it on and how do you really do an objective self-assessment when it comes to your leadership and really analyze the situation correctly?**

Brian, how would answer that?

Brian: My conclusion – I've given this question a lot of thought and it really is simple. Good leadership is objectively measured. It's did you make your numbers or not. There are several numbers in a business which I encourage leaders to look at all the time. It goes right back to marketing. The Boston Consulting Group once said that all strategic planning is market planning. So there are basically several numbers that you measure yourself against. Number one is the number of new leads, the new interested prospects that you are attracting. That is the sum total measure of the effectiveness of all of your advertising and all of your business and all of your product development and all of your market positioning, is how many people are raising their hands and saying I'm interested in what you are selling. The second measure is the number of conversions. Of people who say they are interested, how many of them actually convert to customers? That is very important because the number one reason for business success is high sales. The number one reason for business failure is low sales. That is the ultimate measure of the leader; did they take the hill or not? The third measure is the size of each sale. What is the actual size of each sale? The fourth measure is the profitability of each sale. How much net profit did we make on each sale? The fifth measure is the profit margin. Are the profit margins increasing or decreasing?

The sixth measure is repeat business. How often do our customers repeat, come back and buy from us again based on the way we treated them when they bought from us the first time? Those are all measures that a simple accountant can sit down and calculate and track on a daily basis. Those are called your critical success factors.

Rich: Interesting answer Brian. Sam, it's your turn.



Sam: May I suggest that's an oxymoron? It doesn't exist. I really don't believe it is possible to do an objective self-assessment. So, let me suggest something that is a little different. I require all the entrepreneurs that I coach to use an online leadership assessment tool to get feedback from the horse's mouth. That's where you have to go to your people. I use a particular technique that I think is just great.

In my 360 assessment, I have 22 leadership dimensions and I say, look at these 22 dimensions and tell this person what three are his top and what three are his bottom? So everyone has three at the top and three at the bottom. Everyone has three of the 22 that they perform more reliably, more fully, more gainfully than the other 19 and they have three that they don't do as well. Everyone does, every single person and all you want to do is identify this person's three at the top and three at the bottom. When people identify the three at the bottom I make them say why they put it at the bottom. This I think is the best way to get anything that mirrors an objective assessment.

Let's assume the average entrepreneur is not going to get an assessment. Let me give you a tool. Let's go back to Jack Palance again and stick our finger up in the air. I think the best way to get an honest assessment from anybody is to ask a question for feedback with the word "one" in it. I call these one-finger questions. If you go to your people and you say how am I doing as a leader? You know what they're going to say? Oh, boss, you're doing great, you're doing fine, don't worry about it, if you screw up we'll tell you and of course, they won't. But if you go to your people and say what is the one thing that I could be doing for you that I'm not doing now? If there was one thing that I could add to my leadership behavior that you think would help us succeed more, what would that one thing be? If you ask for one thing, you'll often get something.

Rich: Great answer Sam. Fran, it's your turn.

Fran: If I had to go and think that through, then I'm not a leader. The problem we have is most people running small businesses are looking for silver bullets. They think that Jay Abraham or Fran Tarkenton have some magic formula that we can give to them that can make them work. They're looking for something when somebody—because people promise them, oh, if you do this, this and this, you will double, or triple or quadruple your business. I don't have these silver bullets. Nobody has these silver bullets. Life is about relationships. Business is about relationships. It's about the fundamentals.



Rich: Great answer Fran. Jeffrey, you're up.

Jeffrey: Well, I'm a big believer in peer and 360 degree feedback. Though this sounds like a big company type of thing where you've got to have forms and an HR department; in fact you don't. You can ask your employees and your customers, for that matter, but certainly your employees and the people you come in contact with to anonymously provide you a set of what you are good at and what they think you need improvement at, and take it seriously. I'm on the board of a very small company which I hope someday will be bigger with about 25 or 30 employees and the CEO does that every year. He asks the employees to provide him some anonymous and honest feedback. What am I good at, what am I bad at, what do I need to work at?

So that is my first and simplest recommendation. Nobody knows you as well as the people who are working with you all the time. If you free them up to be honest and truthful in a developmental sense with you, you will never get better information than that. The other thing, of course, I sometimes tell people to do and you can do this even as a relatively small organization. As a matter of fact, you can do this as an individual. I have individuals who I know who have gone through my class who have assembled a small "board of advisors," people who are not working with them or for them but who are peers, friends, teachers, mentors, people that they know who can provide them the kind of objective advice that you oftentimes only get by sharing information with people who don't have a vested interest in telling you how wonderful you are.

Rich: Jeffrey interesting answer. Joseph, it's your turn.

Joseph: Yeah, I love how Abraham Lincoln described it. He said, it is not about intention, it is about results. I'm paraphrasing. He said at the end of the day, if what you did didn't get the right results, it wouldn't matter if you had a dozen angels swearing that you are a good guy, you're still going to be a villain. That's how you're going to be perceived. So it is all about results.

If you want to find out where you stand, you have to make sure that you are tracking yourself both in terms of financial performance but also in terms of social capital. Are you building the human side of the business in balance with the financial side of the business? Are you creating an enterprise that is socially rewarding to your customers, to your employees, to your vendor and suppliers and also is it netting out in a way that is giving you a great return on your capital investment. So the real question for entrepreneurs is what is the score card that you pay attention to? You need to make sure you have a score card that reflects the full range of



your values is in an organization. You ought to be able to measure customer value. You ought to be able to measure financial value. You ought to be able to measure employee value.

So at VitalSmarts here in our organization, we have four metrics that we pay attention to every single month and if anyone of them is problematic then we have a problem. We don't consider ourselves successes. We have to know do our employees see this as an enriching and rewarding experience. We offer surveys regularly so we can collect that data. I don't care if you have five employees in your organization; you ought to be collecting that kind of data on a regular basis either through one-on-one interviews or through some sort of a structured survey so that you know are you creating a rewarding experience for them. It is the same for customers. You have to do the same with your vendors and suppliers.

Rich: Great answer Joseph. Marshall, you're up.

Marshall: Well, I think the best way to figure out where you stand as a leader is not where you think you stand. I think the most important thing is to figure out where everyone thinks you stand. One thing I teach leaders is get in the habit of asking that question, how can I be a better – get 360 degree feedback. There are many ways you can get confidential 360 degree feedback. It is not expensive at all. Create an environment where you learn how you're seen as a leader by those important people around you. Then, after you learn—the important thing is not just to know where you stand, if you know where you stand but you don't change it, it is pointless.

The important thing is to get better. Once you learn where you stand then you need to focus on how can I change? What I teach people is how to change in a very simple process. I teach people to change my involving everyone around them by openly acknowledging what you need to work on - listening to their input in a non-defensive way and then the whole follow-up strategy of sticking with it and you can very simple process measure improvement.

Rich: Thank you. Take it away Jay.

Jay: That's a great answer. Okay, question 5: **What do you do to improve, increase, and multiply your leadership capabilities? Let's say you do a little soul searching and you realize I'm short here. What are the steps entrepreneurs can take immediately to improve their leadership capability and performance?**



Brian?

Brian: Well, there is a factor that I teach and it is very, very important. I call it the law of three. I say that if you can take a list of everything that you do in the course of a week or a month, you will end up with 20 or 30 or 40 different things that you do from the time you get in Monday morning and leave Friday night. If you then take a look at that list, you ask the magic question: If I could only do one thing on this list, which one thing would it be that would contribute the greatest value to my company? The law of three says that there are only three things that you do in the course of a day, a week, a month that contribute 90 percent of your value to your company. Everything else is a support activity, a small activity, a fun activity, a frivolous activity, going for lunch, checking your email, reading the paper, etc.

So here is the key to answering your question, how do you improve, increase, multiply your leadership abilities is do more and more of fewer things, but do those fewer things better and better and spend more and more time on them. That alone sets the example, enables you to achieve results, it enables you to execute, it enables you to move to the front of your company, enables you to make a maximum contribution. It sets a high standard. And if you don't do those three things, everything else that you do is largely irrelevant to your business.

Jay: Very interesting answer. Sam it's your turn.

Sam: We need to move to a totally new level of thinking. I have three steps that I would like to suggest. Step one, this has to be step one. You have to admit that you're not the leader that you have the potential to be. You can be at least twice as effective as you are now. If you can't come clean even that way, don't even bother to listen to the next two steps. It is going to be a waste of time. In fact, you might as well turn this broadcast off right now because you're listening and nodding your head and saying oh, yeah, I do that, I do that, I do that. Of course, -- you know when I coach what the biggest problem is? It is the "d" word, denial. I'm sure you guys run into the same thing.

We all should make adult choices but step two has to be: we need a benchmark. How can we improve? How can we get better as a leader if we don't know where we are now? That is what the feedback does. It gives us that benchmark.



Step three is get help, good books on leadership with some CDs in your car on leadership development programs. You know the best of all, if you can afford it, is a coach. I know you guys do this, too. When I'm in front of 20 people teaching leadership, I figure if five percent of what I'm saying transfers, we've had a successful seminar. When I'm coaching, I'm looking for 50 percent. The one-on-one coaching is 50 percent. That's why, also, I don't know if I'm allowed to do this but I'll mention my website. It's [www.asksamdeep.com](http://www.asksamdeep.com) because what I've done on [www.asksamdeep.com](http://www.asksamdeep.com) is I've put those lists that you've talked about except they're brand new, fresh lists and anyone can look those up. It is a ten minute read and in six months you'll think you've had an MBA program.

Jay: Very, very good answer Sam. Thanks. Fran, what's your position?

Fran: Here's one thing I think we've fallen short on. We haven't talked about one's product or service. The number one point of leadership is making sure that you are offering a product or service that has great value. So many people don't care about the value of their product or services. They just want someone to buy it for awhile and maybe they can trick them. You've got to have products and you've got to, as a leader, be concerned with that. You've got to be the one because if you don't have that, all this other conversation we're having makes no difference.

We need to emphasize, not the things, but the quality. Everybody talks about once you get the product, you're in the good. You know the hardest thing to do, Jay, after you have a good product and a good service?

We gloss over that. We talk about all these other principles of business and all this stuff and we go to Harvard and Stanford. My son went to Harvard and graduated with great grades. He learned more in the first thirty days back here than he learned in two years at Harvard. It was all theory. They don't even teach a course on selling. They don't even teach a course on bringing quality products and building values. It doesn't happen.

Jay: Great answer. Jeffrey?

Jeffrey: I think there are three or four things that I think people ought to do and I don't think many of them do it often enough. I once met a guy who was quite successful in his career and I said what do you do? And he said I do two things. I would recommend both of these and then I will have a couple more.



First he says after I've gone into or had a significant meeting – not like, you know, a small interaction, but some meeting of substance where there is something of consequences going on – I sit down and reflect on it and make notes. What went right? What went wrong? What could I learn? What would I do differently? The point is not that he's going to ever refer to those notes again, but the very process of note taking and reflection causes people to be more attuned to and learn from their experience.

I have a friend who says many people who think they have 20 years of experience do not. They have one year of experience repeated 20 times. That is because very few people, particularly in small enterprises but even in big ones, take the time to engage in this kind of contemplative reflection, you know, what happened and what can I learn from what happened. The second thing this guy did was he said he read a book a week. That may be a lot in today's busy world, but let me suggest that one of the best ways of learning is to expose yourself to situations in which you can learn, learn from other people. That includes seminars, that includes listening to things like this, that includes reading, that includes reading books and magazines and newspapers and biographies of leaders and all these things.

And the third thing I would add to those two would be to get outside your comfort zone. When people become surgeons, the first thing they have to do is make an incision. The Army and military services in general are very good at understanding that the best way to learn how to do something is to do it. If you learn to play French horn or learn to ride a bike or learn to roller skate, all of that entails doing something that you are not very comfortable at and proficient at doing. So I think it is really important for leaders of enterprises to make sure that they do things occasionally to stretch themselves, get themselves outside of their comfort zone and do things that really challenge themselves.

Jay: Very intriguing perspective. Thanks Jeff. Over to you Joseph.

Joseph: The very first step that entrepreneurs at the small grass root level need to take is the same one that they struggle with and that is recognizing that leadership is your job. Most people get their jollies out of their individual contributor tasks. They like coming up with answers. They like solving a problem. They like being the lead technician or the hero. That's not leadership. Leadership is about sitting back and saying what behavior do I need from employees in this organization and creating systematic strategies to influence that?



For example, one of my first entrepreneurial experiences was as co-founder of a small computer company in California. It wasn't until probably four-years into it that I realized that me writing computer programs was not the primary value that I added to the company. By this point, we had six salespeople and I spent no time thinking about their sales productivity and how I needed to influence them and their product knowledge and whether they were actually selling to the kinds of customers that created the best margins for the organization and how we were leveraging their leads. I didn't spend any time thinking about that because my head was all in the problems that were specifically interesting to me.

We lost incredible opportunities because I was negligent of that central task that I should have embraced. I find the same with leaders in large organizations today. They want to be involved in specific problem solving issues and they are delegating often or shrugging off the job of influencing the behavior of all of their staff. They expect HR to take care of this.

The second thing is if you realize that leadership is your job then you ought to be studying it. You ought to be investing a significant amount of time both in benchmarking against colleagues, talking with those who are doing it better than you are, finding out how they do it, asking yourself how do you assemble and influence strategy to change the behavior of your people in your organization.

Finally, you have to influence yourself. One of the ways that influence yourself is to insure that the scorecard that we just discussed that you look at regularly is setting a mental agenda that draws you into leadership problem solving, not just technical problem solving. If, for example, I worked with a CEO of a train transit organization at one point, he had 40,000 employees across the United States and every single morning he would get up and look at train schedules and shipping records. This is absolutely ludicrous for somebody at the top of an organization to be looking at something that people on the front lines ought to be solving. What he ought to be looking at is the larger questions that affect the entire organizations performance.

Jay: Very thought-provoking answer Joseph. Marshall?

Marshall: The good news today is there are so many resources available. I'm going to give you a few places you can start. One thing you can do is read. Most of what I've done is read; it is written down, you can read it. The second



thing is if you take me as an example, I have a website. It is called [www.marshallgoldsmithlibrary.com](http://www.marshallgoldsmithlibrary.com).

I think the first thing is to start learning about resources. There are so many great resources and listen, maybe watching me teach in Google executives is not as good as being there in person but it is pretty close and you know what, it doesn't cost anything. There are a lot of resources out there, learn about books. Learn about the Internet. The next advice I have is you can get a coach. Getting a coach, I will be clear, the odds on somebody hiring me are reasonably slim but you can get a good coach. Somebody send me an email, I can find a coach at almost any price point that is pretty good to help you develop. So you've got reading, you've got the Internet, you can get a coach, and the other thing is, I'm a big believe in these network organizations. There are two or three where small business people get together in networks with other CEOs of small business organizations and really focus on leaning from each other.

Jay: Great answer. Take it away Rich.

Rich: **Question 6: What do you think is the most powerful action that an ordinary entrepreneur could take right away, like the minute this call is done, to begin transforming themselves into the most effective company leader that they can be?**

Brian, you're up.

Brian: Alright. There are many, many answers for that. Let me give you a double answer. I teach a concept called "zero based thinking." In zero based thinking – it comes from accounting where you draw a line under all your previous accounting decisions and ask the question, if I was not spending this money in this area, would I start spending it today? In zero based thinking, what you do is you ask the question: If I was not doing anything in my company right now, knowing what I now know, what would I not start up again, knowing what I now know? I call this a KWINK analysis, Knowing What I Now Know. You apply this in three areas.

You apply it first of all to every person you deal with inside and outside the company and say, if I was not dealing, if I had not hired this person, if I had not promoted this person, if the person applied for a job with me today, knowing what I now know would I hire them? Would I put them in a particular position? If the answer is no, the next question is, how do get rid of this person and how fast. As soon as the answer comes up no, to



the knowing-what-I-know-now question, it means it is too late to save the situation.

The second area you apply it to is every part of your business. Apply it to your products and services.

The third area has to do with any investments. And the investments are three kinds: time, money and emotion. Is there any investment of time where I have put in a lot of time? I have contributed a lot of time to this and knowing what I now know I realize it's not a good idea? If there is, how do you get out and how fast? Is there any area of money where I've invested a lot of money and in retrospect I realize it was not a good investment? Then cut your losses and get out as fast as you can. The third area has to do with emotions, which is a very, very sensitive area where you have invested a lot of emotion, in a career, a person, a relationship, a job, a product or service if you would not now start, how do you get out and how fast?

Here is my final point – my second to last point. When you have the courage, and it takes tremendous courage to practice zero-based thinking in your business, but when you have the courage to do it and you finally decide to stop, get out of something, eliminate it, afterwards you will only have one reaction and the reaction will be, I should have done this a long time ago. Why did I wait so long? You will feel a tremendous sense of relief and exhilaration. All the pressure and stress will be gone when you make this decision.

Rich: Fascinating answer Brian. Sam, you're up.

Sam: Look at your second in command. Look at your leadership team. Look at everybody in your company and say am I using you properly? In other words, are there things I'm doing that you should be doing and there are things that you're doing that I should be doing?

I know when I used to coach accounting executives, accounting partners and I'd have them go to their assistant and say am I using you properly. I'd hear things like no you're not using me properly. Why are you making your own airline reservations or why are you doing...you'd be amazed at what you will learn because one of the great opportunities that I believe that entrepreneurs have for getting the most out of their people is that everybody in your company is tasked with what they're best suited to do and properly paid to do. That's the key.



Rich: Interesting answer Sam. Fran, what's your take?

Fran: They may not have the capability of being a leader and they need to recognize that. They may not have the capability of being an entrepreneur and they need to recognize that because some people don't care.

A lot of people in business don't care. If they cannot in their own heart of hearts really go and do an inventory on themselves and ask, do I really care about this business? Do I believe in this product? Do I believe in this service? That's where the core of it is. I can't give them a silver bullet to say, well, do this, this or this. They've got to go search in their heart and their soul. Do they really want to spend the time to do every little thing? Do they want to spend the twelve or fourteen hours it takes sometimes that they have to work round the clock to make it happen? Do they want to spend the time to develop relationships and trust with their business partners or employees or associates? Do they really want to dig down into that product? Is the product really valuable? Is it competitive in the marketplace? Does it create—that's what they've got to do.

There's no magic formula that says, I'm going to be a leader. I'm going to change what I read and how I think, and so forth. It's got to come from your heart and soul and there are so many people that can't get there and if they can't get there, they need to go teach school; they need to work for the government; they need to do something else because they're wasting their time. Most people don't tell them this truth, because most people are selling them their ideas and goods of do what I say and do all these things. They go chase this guy's idea and that guy's idea and it is never their idea. It is never their commitment and they're not going to learn it at Harvard or Stanford or in a classroom. They've got to go do it and say, whoa, I love this! I care about this customer! I care about this product! I care about the people that are helping me build this and I show it in how I treat them and how I pay them and how I share the responsibility and share the decision making.

I have an insurance company that I started six years ago. We've knocked the cover off the ball with this insurance company. We have independent insurance agents that work under us. I don't pay them a salary because they're independent and they make a commission paid by the insurance company, But I've got to give them value, and part of the value I give them is that we have 25 support people here to help them in various areas from technology to product support and training, and so forth. But they have me and I say you've got me 24/7 with all the businesses I run.



I was out in Pebble Beach a few weeks ago on the sixteenth hole with my wife and two of the best neurosurgeons in the world playing golf. We've got a great match going and I get a call from Larry Sassel from Massachusetts. He said, Fran you told me I could call you anytime. I said, "I'm on the sixteenth tee, what's your problem?" He said, "Well, I've got a problem with this insurance company. I've got \$400,000 that I want to move over from here to a fixed index annuity but the insurance company—I don't know if I can get worked through them or not and you're the only one that can do this for me." I said, "You're right, I can." I hit my tee shot, hung up, called back to my office and got the insurance company on the phone. I found out they couldn't work. I'm walking down the fairway and hit my next iron shot. Finally, by the seventeenth tee, I called the guy back and said this insurance company can't accommodate you but there's another one over here that can. Here's the number—call them and we got it done. Now that's what I'm talking about. Are you willing to do that, entrepreneur? If you're not, you're in the wrong place.

Rich: Great answer Fran. Jeffrey, it's your turn.

Jeffrey: I really recommend that people get down to a very molar, very, very concrete level of what are the behavior that I need to do differently? Am I too quick to criticize people? If that is the problem, if I am too critical and don't let them learn on their own – which is a problem, by the way, people often have with their children as well – then you need to be a little more willing to suspend judgment. If the problem is I am not delegating enough to other people, then you need to delegate more.

If the problem is I am not sharing enough of my hopes, dream, aspirations and fears with the people who work with me so that they can related to me effectively, then you need to be more open and share what is on your mind, what is the information relevant to the business so they can help you make better decisions. So I think the answer is, it depends on what are the behaviors that are getting in the way and what are the behaviors you need to develop more of and then go do less of what you shouldn't be doing and more of what you should be doing.

Rich: Jeffrey great answer. Joseph, what's your answer?

Joseph: My answer to that question comes from my colleague, Al Switzler. We've been business partners here for 20 years. He always did this and I always went kicking and screaming into it. I thought it was a silly thing to do regularly and he consistently did it and I think much of the growth we've experienced as an organization was the result of his discipline. That was,



he was always thinking two–years down the road. I think the number two is an important number because as an entrepreneur when you're just getting started some people might say we'll look five, ten, fifteen years down the road, we all know you don't have time for that. You have to pay the bills today.

The other important discipline is when you're hiring for important positions, always hire the person you'll need two years from now not today. Otherwise, you create tomorrow's problem with the staff that you hire. One of the biggest challenges that entrepreneurs have is the crucial conversations that you have to step up to with some of the personnel who the organization is outgrowing. Often times that the mistake you made because you under hired. You ought to be hiring for the personnel you'll need two years from now, that is if you're the kind of entrepreneur that expects growth in your organization.

Rich: Fascinating answer Joseph. Marshall, what's your answer?

Marshall: Being asking a question, how can I be a better leader? How can I do a better job of helping you? Begin asking that question to everyone around them. Really be role models and let me give you something else. Don't just do it at work, do it at home. This is something I started doing when my daughter was eleven and my son was nine. I'm very happy I did. I wish I had done it when they were younger. I began asking my children a question; how can be a better parent? If it is worthwhile to say how I can be a better leader which I think it is, or how can I be a better supplier or a better team member or a better partner, which I think are all critically important, how about learning to practice it at home, too. How can I be a better parent? Maybe that is even more important.

Well, the problem with asking these questions is we get answers. My daughter was eleven and she looked at me and she said, Daddy, you travel a lot but that is not what bothers me, what bothers me is the way you act when you come home. You talk on TV, you watch sports, and you don't spend much time with me. She said one time you had been gone two weeks and I wanted to go to a party at my friend's house and Mommy didn't let me go. I had to stay home and spend time with you. Then you spend no time with me that wasn't right. What could I say? Thank you, Daddy is going to do better.

I started keeping track of how many days I could spend four hours with my family. By the way, during this period of my life, I saw myself as an entrepreneur and I was working in a small business and I was a leader.



By the way, you know how much I travel, on American Airlines along, ten million frequent flier miles on one airline. I said I'm going to spend four hours with my family. In 1991, it was 92 days. In 1992, it was 110. In 1993, it was 131. In 1994, it was 135. I made more money the year I spent 135 days four hours with my family then when I spent 20 days. What did I learn? The San Diego Chargers don't really care about me. It took me a while to figure that one out.

Jay: That's a very good answer. We have one final question and we call it the "wild card question." Very simple.

**Through the lens of your expertise and your body of work, your methodology, ideology, etc, what's the one question you wish we would have asked you in this collection that we didn't, that relates to helping members on this call make their businesses more successful, profitable, more competitively advantageous now and into the future and why is it important and had we asked it, what would your answer be?**

What do you think Brian?

Brian: Well, I read the question, I've given it a lot of thought and I am not exactly how to approach it. But probably from a macrocosmic or high altitude sense, I would have to ask, what are my real values? What is really important to me in life? They have interviewed hundreds of people who have reached the age of 100 or more. They have asked them, if you could change anything in life, what would you change? They all had three answers in common. Number one, they said I would have given more thought to myself and to what I really wanted in life rather than just simply reacting and responding to the world around me.

Number two, they said, I would have taken more risks in the direction of the things that I wanted. I wouldn't have played it safe so often.

The third thing they said is... I would have taken more time to think. I would have gone and sat and thought. I would practice solitude.

So I would say that the best thing that a person can do in life is to develop the habit of solitude. Solitude means that you go and sit quietly by yourself for 30 to 60 minutes, with no music, no cigarettes, no coffee, no interruption, preferably looking at nature. One of the greatest forms of solitude is simply looking at water. It is simply sitting and looking at a pool or looking at the ocean and just looking at water. It takes about 25 to 28



minutes for your mind to go calm, almost like silt falls to the bottom of a bucket of water.

So if I could give people one piece of advice in the course of a busy life and a busy day, it is to think about who they really are and what they really care about and what they believe in. Take some time, everyday if you possibly can, at the end of the day or the first thing in the morning and just sit quietly by yourself. It's called "the golden hour," where you sit quietly by yourself and you just get in tune with the very best that is in you and the very highest mind that is available to you.

Jay: If they want to get hold of you, how do they do that?

Brian: Just come to [www.briantracy.com](http://www.briantracy.com).

Jay: Thank you. On to you Sam.

Sam: The one thing that appears, I believe, in so many different ways in every single book that I've been a part of is know your audience. You're never acting in isolation whether you're giving a presentation, whether you're leading, whether you're selling, it doesn't matter what it is, you need to know the other person and adapt your messages accordingly.

The question you didn't ask, you guys were too positive. You didn't go negative on me. So I'm going to go negative. Here is the question I'm going to ask: What is the one thing that prevents an entrepreneur from being a great leader? I used to teach in the MBA Program at Carnegie Melon. I taught a course call "Many of the Challenges of the Corporate Leadership. At the introductory dinner where they would bring new MBA students in, I was sitting at the dinner with Diane, my wife, and four other students and their spouses. This one fellow across the table, he looked like he was Asian, probably Chinese, he asked this question, he said, "Professor Deep, what is the one thing that prevents leaders from being effective?" I said it is a four letter word that starts with F...fear.

John Pierce with the Logical Machine Company once said, (you have to hear this quote, this one is great) "You can't lead a Calvary charge if you think you look funny on a horse." The most significant barrier, I believe, to great leadership is the fear and insecurity that prevents entrepreneurs from doing everything we've been talking in these past several minutes.



It circles back to the wisdom of becoming more aware of your emotional intelligence. That is where you have to start, the assessment, the training and to the personal executive coaching that we talked about before. Someone said to know ourselves disease is half our cure. If you can begin by saying that guy is right that I'm listening to, there is some insecurity that gets in the way of me doing whether it is resolving conflict I need to resolve, whether it is delivering the criticism I need to deliver.

The greatest problem with criticism in the world is that not enough of it is delivered because so many people are afraid. They're afraid to be truthful with regards to people's performance and with regards to people's behavior. The starting point is to say you know what, there is a little bit of that in me.

Jay: Thanks Sam. Fran, what do you think?

Fran: I'll give you the answer. I'm not sure what the question is but I really believe this. What success I've had in football and business has come from this philosophy and it was given to me as a high school freshman by a coach named Layman Sellers who was tough. He said to me, Fran, you can throw all the touchdown passes you want; you can make all the great plays; you can date the prettiest girls because you're the quarterback, But the only way we win is if you make your teammates better. The focus cannot be on you, it's got to be on your teammates. I'll never forget it. The focus of my life is on other people. It's not on me. If I cannot make my teammates better, if my focus is not on them and give them the glory and give them the help and give them the stuff, we have no chance to win, because an individual cannot win.

Business is no different. I cannot make it without my internal staff, without our customers, and it's about my staff and my customers and it's about my business partners. If I cannot make my business partners money, and sometime I cannot, but if I cannot help them do better, I don't partner with them. I pull away. I partner with IBM and John Acres. If you call John Acres today, we made IBM money. I found out that as big as IBM is, they want to make money, too, and most people would put an IBM shingle up on the wall and wonder why don't people come and buy my goods because I have IBM's label on them. It doesn't work that way. It's me being proactive to make IBM money and all of a sudden it is given back to me.

Jay: Is there a way they can contact whatever one or ones of your enterprises that would be most appropriate for entrepreneurs?



Fran: They probably could just Google me at Fran Tarkenton and they'll see the different things that we're doing that they could tap into and they can tap into it freely.

Jay: Thank you. Jeffrey?

Jeffrey: The question I would have asked is, you know, most of the stuff that I have told you and most of stuff that I suspect all of your panelists are going to be telling you are things that at some level people already know or have heard before or have read before or have thought of before. So I think the most interesting question is, if they know what to do, why aren't they doing it? That is the question. Why aren't they turning their knowledge into action? Why aren't they acting on the advice that they are getting in the various seminars and the books and the other things that they are doing to try to develop their leadership capabilities?

I think the answer – I think there are lots of answers. But I think the biggest answer is giving up control. I think people know that they need to delegate and share information. I think people know they need to admit mistakes to their colleagues, and by the way, to their customers? There is an enormous literature in marketing which suggests that the big problem is not causing an issue with your customer, but refusing to apologize and admit that you did something wrong. You can often recover from service problems and build even stronger customer relationship if you will just admit that you are wrong. But admitting that you are wrong, sharing information, delegating decision authority to people, asking for help, and by the way, even asking for help in terms of product design and delivery from your customers, which some companies have done a great job of doing.

All of this involves giving up some level of control. It goes back to this issue of ego, I think. Many people believe that they can't let anybody know what they don't know because they will think less of them and things such as that. So I think the answer is that you need to trust people and then you get into this paradox which is the only way I can know if I can trust you is if I in fact trust you. So if I don't trust you I will never give you the discretion to see whether or not you can be trusted or not. You get into this cycle of either virtuous or vicious, depending upon which part of the cycle you are in.

Jay: Thanks Jeff. It's your turn Joseph.



Joseph: I guess the question that I would ask is if there were one skill set that transcends business category so the entrepreneurs in your audience come from a whole host of different kinds of industry category, a very wide spectrum. Is there one skill set that all of them have to master in order to be able to succeed in their very pursuits and my answer to that question would be that the one thing that unified all of them is the need to be able to think in systematic and effective ways about the challenge of influence. The most serious problems that most entrepreneurs will face will be human problems. They're going to be problems where somebody is not behaving in the way that they wish they would.

If I would then broken that as, Jay, as we're wrapping up here, I would argue also that is the central skill set that we as human beings need. You look at the problems that we face as a planet and they're ultimate behavioral problems. We have diseases spreading across the planet because of human behavior. We have global warming happening because of human behavior. We have terrorism happening because of human behavior. Unless or until we can think in more robust and effective ways about influencing not just broad scale problems like that but the problems are communities, families and our enterprises will continue to underperform and disappoint compared to our potential.

Jay: If anybody listening and I would think there would be a lot of bodies who'd want this, want to get more access directly to you than just the interview here, how do they do reach you?

Joseph: Well, our website is [www.vitalsmarts.com](http://www.vitalsmarts.com). We have a wonderful set of free online resources and newsletters that are great for entrepreneurs to continue their study efforts with.

Jay: Very good Joseph. Marshall, give us your take.

Marshall: Well, what I'm going to do is I'm going to give you my two favorite coaching bits of advice. My first one occurred when I was a young PhD student at UCLA. I was negative and self-righteous and I was always down at the city planning commission and I was just popping off about how great I was and everybody else's problems and my old advisor Dr. Case called me in and he said, Marshall, I'm getting all negative feedback about you. I'm getting some negative feedback that you're coming off as somewhat critical and negative and judgmental and you always seem angry. You don't seem happy. What's the problem?



I go (grumble). I go into this rampage. He looks at me and he says you, Marshall Goldsmith, have discovered the city government of Los Angeles is inefficient. He said what a stunning breakthrough. I don't know if you know this Marshall but the guy pumping gas down at the corner, he figured that out several years ago.

He looked at me and goes, Marshall; I'm going to give two choices. Option A, you could continue to be negative and whiny and argumentative and depressed and down and angry and you're fired and you're never going to graduate from school and you wasted the last four years of your life. Option B, you can start having some fun. He looked at me and goes what it is going to be, son? You know what I said, Dr. Case, let's have a little fun here.

Well, that was some of the best advice I ever got in my life.

Now here is my best advice of all. Are you ready? This is going to require—the best advice every one of your listeners is going to get, is not going to come from me. It is going to come from a little voice in their own head. Here's the exercise. I want everyone listening to take a deep breath, take a deeper breathe: I want you to imagine that you are 95 years old and you're just getting ready to die.

What advice would the wise 95 year old have for the you that is listening to me right now? I don't want you to say anything or do anything or write anything, I want you to answer two questions in your mind. Question number one is professional advice. That old person wants you to be a great success, a great leader, a great professional. What professional advice would that old person have for you?

Number two, personal advice. The old 95 year old you wants you to have a great life. What personal advice would that old person have for you? Whatever you're thinking now, do that. In terms of performance appraisals, that is the only one that matters.

A good friend of mine had the privilege of talking to old people facing death. He got to ask them this question: what advice would you have had? Three themes come up in the answer from old people facing death. Theme number one could be summarized in three words. On the personal side, be happy now, not next week, not next month, not next year, be happy now.



Learning point number two on the personal side is friends and family. Work is important, I'm going to help you, when you're 95 years old and you're on that death bed and you look around, there will be no fellow employees waving good-bye. You start to realize these friends and family kind of matter. They are the only ones that seem to care a whole lot today.

Then learning point number three, have a dream then go for it. That is one thing that entrepreneurs are good at. Follow your dreams, go for it. Life is short. You may not win but at least give it your best shot. Business advice isn't much different. Number one, have fun. You need to create a spirit of positive enthusiasm, not just for yourself but a contagious spirit that goes around you. Have fun and create an environment where other people are enjoying what they're doing and have this positive enthusiasm about every day coming to work.

Number two is people. Do whatever you can to develop people. You made a great point. Some entrepreneurial leaders don't see themselves as people developers. Big mistake.

Jay: What is the website again that they should go to?

Marshall: [www.marshallgoldsmithlibrary.com](http://www.marshallgoldsmithlibrary.com). I give everything away. All the videos, the audios, the articles, it's all there. Get whatever you want. You can copy, share, download, duplicate, and use it anyway you want.

Rich: Alright, well thanks Marshall. That was a great answer and also thank you for sharing all of your stuff on line because I know how valuable those resources are and I know that anyone who takes the time to actually check out those resources will benefit greatly.

### **Summary:**

Rich: Alright, so now, it's time to go into summary mode and give you the best takeaways that I saw fit from this panel discussion. I'm going to kind of start with why leadership is important. I hope you've realized over the course of this panel how important leadership is to an entrepreneur and that currently I would fathom to guess that most of you who are entrepreneurs don't really see yourself as a leader. But as Marshall Goldsmith had said, you have to acknowledge that you're a leader and then work to improve this area of your performance. You have to realize why that's important. Why that's important is that once you've proven the



concept – once you’ve made sales, what’s going to determine how far your business goes is going to be your leadership ability.

Not only is it going to determine how far your business goes once you’ve made those sales and you know that you actually have a proposition that your customer’s will buy. Not only will it determine growth from that point forward, it’s also going to determine whether you keep good employees or not - whether you give great service to your customers or clients or not. Ultimately, it’s going to determine whether your business grows or dies and if that wasn’t enough, it also determines how much work you have to do in the business. The better your leadership ability, the more time you get off – the more time you have with your family- the more time you have to grow the business if you so choose. So, really when you boil it all down, the entrepreneur starts a business but the leader is what grows a business.

Now, one of the areas that many of our panelists talked about was also about self-knowledge – that you have to realize that you are not probably the leader that you could be – that you are not really living up to your leadership potential. There’s a couple of ways to really get down to figuring out where are the opportunities for you to become a better leader.

The first is to self-assess yourself and we’ll talk a little bit about that. Then also get feedback from others about your leadership, your current style and what could be better about it. And also then study and learning leadership.

So, let’s first talk about self-assessment. If you – I think it was Jeffrey Pfeffer who said if you know what it is to do and you’re not doing it – the question is why aren’t you turning your knowledge into action? Why aren’t you acting on the advice that you’ve gotten about being a better leader? Now, I would tend to think that most on this call haven’t really studied leadership. It certainly isn’t as sexy as marketing on the surface but I think hopefully this call, this panel, has illustrated how important and sexy it can be. So, what can you do to increase your leadership abilities? That’s a self-assessment check. Asking yourself that question and really kind of exploring it.

Another concept that was shared on this panel was knowing where your comfort zone ends and making sure to step outside it often. You know, I’m not by nature a confrontation person and if I had my choice I’d prefer to avoid all confrontation. So, that’s part of the edge of my comfort zone, but I know that for the performance of my business to improve, I have to



step outside my comfort zone. I have to not be negatively confrontational, but when I see something going wrong, when I see someone making a mistake, when I see someone going down the wrong path, I have to interject and tell them what my opinion is about how they're going off track and what can be improved, etc. You have to be able to lead yourself before others will be lead by you.

On the panel we also talked about being a role model and we'll get to that a little bit later. But, are you a good role model? You have to assess your own accountability. Are you accountable? Do you live up to the promises that you make? Are you consistent? Consistency – very important for leaders. What's your work ethic like? When you're working, do you really work? Remember, you're a role model. Do you care about your employees? Do you care about your customers? Do you care about your products? You've got to really reflect on this – really think about where you stand on these levels – accountability, consistency, work ethic, and the caring that should be spread out through your business for all the things you should really deeply care about.

Another suggestion that was brought up on this call was by Marshall Goldsmith. Marshall Goldsmith said focus on how you can be a better leader daily. Actually, that is something that I've done for about the last year, where I just reflected on that question every morning. How can I be a better leader today? Making it part of your conscious awareness you will see the opportunities where you can be a better leader in the moment on a day-to-day basis. Also, Marshall Goldsmith shared another important concept and that is projecting yourself into the future to when you're 95 years old and giving yourself your own advice – professional advice and personal advice and really reflect on that. The more you have your act together, the more you're living true to your own values, the more that you are taking care of yourself, the better leader you will be.

Another way to self-assess is to really start to keep a journal and reflect on your own leadership abilities and your own leadership performance on a daily basis so that in the morning you're asking yourself how you can be a better leader. In the evening, you're saying how did I do? Can I do a better job tomorrow? What would that look that? Really self-reflection is very, very important.

Now let's talk about the second part, about getting feedback. Marshall Goldsmith also said this question which I think really kind of is that one quick question that really cuts to the quick here. That is, how can I do a better job helping you? If you asked your teammates, your employees, your staff members, your outsourcers – how could I do a better job helping



you achieve the goals of this business? You'll be surprised at the answers that you get. It's so vital that you self-check, that you get that feedback from those around you.

Another one was about really thinking about not only asking people how you can help them, but also asking people what am I good at? What am I bad at? What do I need to work on? If you can do it where they can provide their answers in an anonymous way – all the better because this way they can really share with you what they feel is accurate and not be worried about your reprisals. I also want to mention though, a couple other things about self-knowledge. Are you passionate? Do you really care? Fran Tarkenton talked a lot about that. About do you really care? You really have to do a self-check to see whether you really care.

Another important point that Brian Tracy talked about was what are your three most important responsibilities to your business right now? And, how much time are you spending on those? First of all, you should know what your top three responsibilities are to the business. What are the roles that you play in your business and how much time do you spend in those roles right now? Really doing an analysis – keep a time log which we talked about on a previous panel so that you can really self-assess your own performance. We have a test that's in our programs that is called the Kolbe Test. We had Kathy Kolbe, the originator of that on a previous panel and we make everyone who goes through our program take that test so that they can see where their strengths are – where their weaknesses are – so that when they hire people, they hire people that help support where they're weak and don't hire clones that are just more of them and end up having a very unbalanced team.

The idea though is that ultimately I think to finish this section about self-knowledge, is two last points both brought up by Sam Deep. He said, know your top three leadership skills and know your three weakest leadership skills. Make sure to improve your weakest leadership skills on a continual basis. That only happens if you know what they are. One of the ways that Sam recommended that you find out what they are is by asking teammates, employees, staff members, outsourcers – if there was one thing that I could add to my leadership behavior that you would think would help us succeed more, what would it be? You'll get very specific answers to that question. I'll say it again. If there was one thing that I could add to my leadership behavior that you would think would help us succeed more, what would it be? So, there you go. Now we talked about why leadership is important. We talked about the first step really knowing



yourself, knowing your performance, knowing where you're strong and weak.

Now, let's talk about vision because that was a common theme that came up on this panel as well. The vision that you set is what gives your team, your employees, your staff, even yourself, hope and direction. You show them the future of what you want – what this business is striving for and what they can do to help the company get there.

The next point that I wanted to bring up is what Brian Tracy talked about where he really talked about dimensionalizing the vision. He had this quote that he shared from Peter Drucker, which he said, "Peter Drucker said that if you don't see yourself as building a world-class company even though you're starting off on your kitchen table, you will never really fulfill your potential." So you want to build that vision into building something that is significant – the company that you're creating. Then Brian shared, you want to idealize the business so that you can really figure out exactly what that vision entails. He gave a couple of questions. He said, if my business was ideal in every way, what would it look like? If my products and my services were ideal, and they were the best in the market, most respected, what would they look like? How would they function? What kind of results would they get from my customers? If my business was ideal in attracting talent – getting the greatest people – what kind of people would I have? How would I keep them? How would I treat them? If I was ideal - if I was the very best leader I could be, how would I run this company? How would I run my business? You answer those questions and you start to get a very clear idea of the vision that you're creating for your business.

Another important point was what Sam Deep shared – the example he shared about how you translate that vision into a way to assess behavior. That's really the key part there is translating the vision into a way to assess behavior. He told the story about Nike and Nike's vision was to crush Reebok. Then once that was articulated, once that was clear and the vision was more than that, but that was key element then the leader could say what did you do today to crush Reebok? At that meeting that you went to – what happened there so that we could crush Reebok. The idea is that once you have that vision in place, you can then start to reinforce it and dimensionalize it for everybody that's around you holding them accountable to make sure that their actions are in line with the vision of what you're trying to create. That is vital. So that's vision. We spend a lot of time on the panel so I don't think we have to take it any further.



I just had some miscellaneous notes about what great leaders do. It starts out with really Brian Tracy – he shared a bunch of more tactical stuff or more about what great leaders do other than set the vision, know themselves and really realize its importance. He said that they set goals – that’s not only financial goals, but metrics – what’s our conversion rate going to be or how many new customers are we going to get? I think I took some further notes a little later on about more specific. Standards - It’s your job to set the standards – what’s acceptable – what’s not acceptable. Is it acceptable to come late to work because people stay later when they come late or is that no acceptable? You have to set those standards. You have to create the clarity so everybody knows the rules of the game that they’re playing in. You have to solve problems and make decisions. Indecisive leaders tend to ruin companies. So you can’t be afraid or making a mistake. You do your best prep for making a decision and then you make that decision. You lead by example. You have to realize that you’re the role model for your business.

The next thing that Brian Tracy also shared was to know how every team member contributes to the vision, to the company, to the purpose, to the goals, to the results that are desired. Another thing that Brian Tracy shared was five areas to really laser in on and make sure that you’re on top of. How many new leads is your business getting; the conversion rate of those leads; the average sale of a customer or client; the profit that you make per sale or the lifetime value. When you do that, you end up...oh, there was one more - how much repeat business are you getting. Because repeat business being a function of the satisfaction that your customers and clients have with your business.

Another thing that Brian Tracy shared was “zero-based thinking.” The idea of that: if I didn’t start doing this a long time ago, would I start doing it now – and applying it to all different areas. Applying it to people – if I never hired this person, would I hire them now and if not, you have to get rid of them. With products – if we didn’t develop this product then, would be develop it now? If not, then it’s time to slowly get out of that product and develop the product that you would have now. Same with anything that you invest your time, your money or your emotions in. If it’s not something that you would decide today to start doing then you should decide today to start the process of stopping it. I thought that was incredibly valuable.

Listening was another big component of this panel – listening to the marketplace, listening to your people and really taking that data in so you make sure that the company is heading down the right path. Sam Deep



also shared that you want to catch people doing the right things and a great book on that is “The One Minute Manager,” about purposely trying to find people doing the right things so you give them some acknowledge, some encouragement, because that will feed them to want more.

Let’s see, what else? Another question that actually Sam Deep threw in the mix that I think is a great question to ask all the people that work for you, whether virtual or in your office, whether outsource or full time or part time is – am I using you properly? In other words, are there things that I’m doing that you should be doing and are there things that you’re doing that I should be doing. Listening to what feedback you get from that to determine are you really leveraging the human capital that you have in your business. Understanding that you have to care about your customers, products, people and results more so than anyone else because you will always care most and if you care very little then what you’ll find is that your employees care even less.

This was a big one and it really came two different takeaways that I wrote down. I see one here and I remember I wrote it down later on. Fran Tarkenton talked about it and so did Marshall Goldsmith that at some point you have to shift your ego that entrepreneurs tend to have a focus on achievement which is why their able to start a company and grow a company. But if you want to build a business, at some point, you’ve got to get more absorbed, more obsessed, more excited about the achievements of the people that work for you as opposed to the achievement that you have. Because the role of a leader is to help others achieve so that you don’t have to do that work. So, can you get excited about achieving less personally, but achieving more in your business by the achievement of your employees. That’s so critical. I think that one distinction is so powerful and if you really let than marinate in your mind, I think that you’ll find that you could do better at that job. You could get more excited about the achievements of others and you could try to let others achieve more and you achieve less.

Marshall Goldsmith had a really important point I thought where he talked about what you should be doing at least once a month and that is sitting down with every employee that works for you and ask them – where are we going? Where do you think we should be going? So, it’s ‘where are we going’ is really the vision ‘where do you think we should be going’ is to see if the vision is off the mark at all and to make sure that you are in alignment with the employee. Where are you going? That’s the second question. It’s really about there are of the business, what’s going on in their part of the business – whatever they’re doing. What’s working?



What's not working? The third question is what are you proud of? Before you ask them what their proud of you tell them what you think that they're doing well. So – I'm proud of you for doing these things, but tell me what are you proud of? He said that by asking that question, you really learn what motivates them which is obviously important if you want to have a crackerjack team. You need to know what motivates them and that's how you find out.

Then, he said four – if you were the coach for you, what advice would you have for you? Once again, that will give you more insight into really what this employee needs help with that you can help them with – that you can coach them with. The next question is how can I help you? How can I help you do an even better job? How can I help you be great at this? Once again, you'll get feedback. Remember, if you're focusing on their achievement then these questions become very relevant. And then the last question is how can I be a more effective leader for you? Those questions will give you such tremendous insight in the way to run your business.

Next, Marshall Goldsmith also said that it's show time every day. That you have to look, act, talk and project yourself as a leader and that sometimes you might not feel like it. Sometimes you may even be a little insecure – might even seem a little phony, but that's part of being a professional that you are the leader of this ship. You have to set the course and you have to hold everyone else accountable and help move them in the right direction on a daily basis. It's show time every day. You're the role model. You have to care. Another thing that Marshall Goldsmith shared was from Peter Drucker and that is we've gone from the age of telling to asking. Because most of have employees that are knowledge workers, in other words, people who know their area better than we do, we have to ask more questions in a dialogue process as opposed to just barking out orders. Those questions that he provided earlier I think are excellent.

Marshall Goldsmith also said that you have to see that your chief role is a people developer – that you develop people. If you develop the people around you better, your business will do better. Also to get mentors and advisors – he talked about assembling a board of advisors – that was Jeffrey Pfeffer. I have had mentors my whole life and they've certainly helped me really short cut a lot of years off the growing of my business and I've even been a member of some of those professional associations like YPO and Tech and Vistage when I felt it was important for me to really get more outside feedback. It can be lonely at the top. You can't ever surface your grievances to your employees – one employee about another



employee or really ask for employee advice from another employee. That's very dangerous and you really need to have some external centers of advice so that you can bring that advice back into the business and not do harm while you're considering options.

The concept though that I hope really stood out on this panel was how much and how important it is that leaders get things done through other people. You have to build the capability of getting the best out of everybody around you. That only happens with a lot of the different strategies, tactics and ideas that were shared on this panel.

Another one that came from Jeffrey Pfeffer was – to really reflect and learn from the performance that's currently going on. What went right? What went wrong? What could I learn? What I could do differently? These are very, very important points.

I'd say that the very last point is about firing. Firing is something, and I know this from my own experience just coaching so many entrepreneurs, that this is an area where a lot of entrepreneurs really fall down on. In order to have an excellent team, you can't expect to hire an excellent team out of the gate. At the end of the day, some people belong on the team and some people don't. The sooner you get rid of those people that don't the better off you are. I've never had the experience personally of firing someone and then regretting it later, but I have had the experience early on in my career of firing someone, seeing the improved performance, seeing how much better everything was once they were gone and wishing I would have done it earlier. That's a very common experience because most entrepreneurs are slow to fire. There's that old phrase 'hire slow, fire fast.' It really has some strong truth behind it that if you hold onto the wrong people too long, you really do damage to the business.

So, that wraps up this summary of what I think was an amazing panel on really not only providing you the insight of why leadership is so important, but how you can immediately become a better leader.

We'll see you on the next panel and I look forward to meeting with the experts and you on our future panels.

Adios.

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