

The CEO Forum

THE LEADERSHIP ISSUE



John Seifert
Chief Executive, Worldwide
The Ogilvy Group



General David H. Petraeus
Chairman
KKR Global Institute



Annastasia Seebohm
Global CEO
Quintessentially Group



Vincent "Bo" Jackson
President & CEO
Bo Jackson
Signature Foods



Michel Doukeris
President & CEO
Anheuser-Busch



Dawn Zier
President & CEO
Nutrisystem, Inc.



Lawrence Calcano
CEO
iCapital Network



Margaret Keane
President & CEO
Synchrony



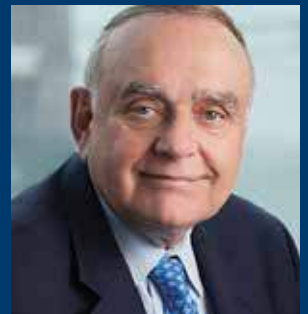
JT McCormick
President & CEO
Scribe Media



Dr. Marsha Firestone
President & Founder
**Women Presidents'
Organization**



Ron Nersesian
President & CEO
Keysight Technologies



Leon Cooperman
Founder & CEO
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The CEO Forum



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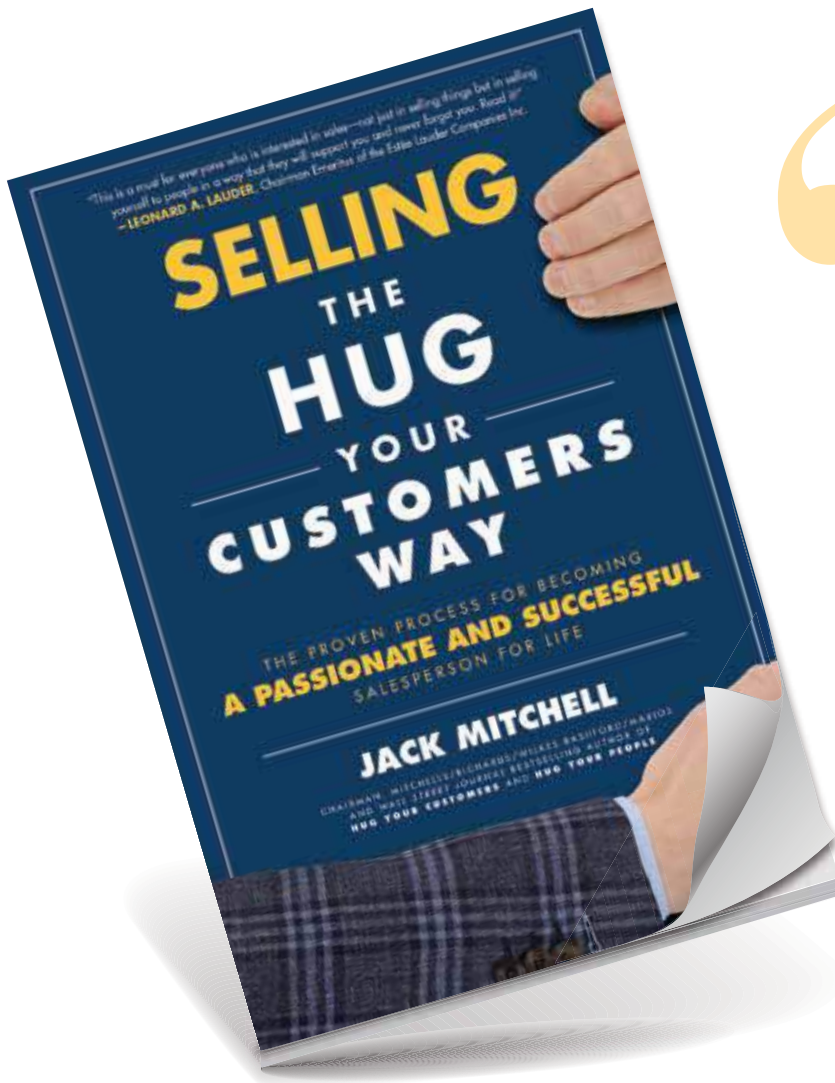
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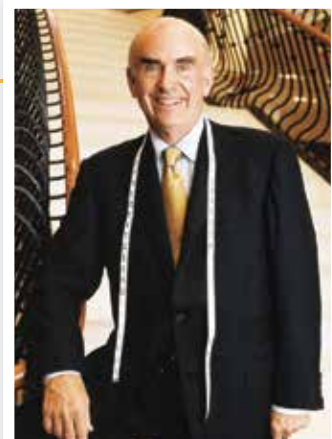
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A quote on leadership that has always resonated with me is from Martin Luther King, Jr., who said, “A genuine leader is not a searcher for consensus but a molder of consensus.” In your hands you hold our special issue of a dozen leaders who have been molders of consensus to help shape their companies, and, more significantly, business and society. These 12 truly inspiring CEOs have been hand selected across a spectrum of industries and disciplines, chosen for their personal stories and business model perspectives:

John Seifert, Global CEO of iconic branding company Ogilvy, shares their “re-founding,” which is actually built from insights including those from John’s mentor, David Ogilvy. General David Petraeus outlines his four tasks of strategic leadership as Chairman of KKR Global Institute, where he advises CEOs on global dynamics; he also provides an inside perspective of how these four tasks were used in leading the theaters of Afghanistan and Iraq.

Annastasia Seebom, who at only 31 years old is Global CEO of Quintessentially, the leader in luxury lifestyle management, shares how the organization is enhancing the lives of over 250,000 members. Bo Jackson, among the most beloved athletes who performed unparalleled feats in both football and baseball, talks about how hunger has been the core characteristic defining his life and how that has translated into his new role as CEO.

Michel Doukeris, CEO, Anheuser-Busch, discusses the higher level of integrating purpose and profit, where they are leading the way globally for clean water for all. Dawn Zier, CEO, Nutrisystem, shares her transformative leadership style and specific practices that led the turnaround from several years of decline to four consecutive years of double-digit growth. Lawrence Calcano, CEO, iCapital, outlines his vision to democratize alternative investments. Margaret Keane, CEO, Synchrony, the largest provider of private label credit cards in the U.S., describes the process of building a great corporate culture.

JT McCormick shares his incredible story of homelessness and how those experiences ultimately led to becoming CEO of Scribe, the foremost company that helps people write and produce their own books. Dr. Marsha Firestone describes founding and building Women Presidents’ Organization (WPO), the leading women’s peer advisory organization.

Ron Nersesian, CEO, Keysight Technologies, shares a remarkable story of leadership when the company was in the middle of a devastating forest fire and the step-by-step actions he took – it is said true leadership emerges under challenges. Our final interview is with Lee Cooperman, Founder and CEO of Omega Advisors, who talks about growing up poor and becoming a multi-billionaire, and why he has pledged to give away his entire fortune to philanthropy.

It is my hope these dozen remarkable leaders inspire you to positive action to help build business, the economy, and society.

A handwritten signature in blue ink, appearing to read 'RR', located in the bottom right corner of the page.

Robert Reiss

Companies In This Issue

Ogilvy

Ogilvy has been producing iconic, culture-changing marketing campaigns since the day its founder David Ogilvy opened up shop in 1948. Today, Ogilvy is an award-winning integrated creative network that makes brands matter for Fortune Global 500 companies as well as local businesses across 131 offices in 83 countries. Ogilvy is a WPP company (NASDAQ: WPPGY). For more information, visit <http://www.ogilvy.com/>, or follow Ogilvy on Twitter at @Ogilvy and on Facebook.com/Ogilvy.

KKR

KKR Global Institute integrates expertise and analysis about emerging developments and long-term trends in geopolitics, macroeconomics, demographics, energy and natural resource markets, technology, and trade policy, as well as environmental, social, and government (ESG) considerations. Whether working with a KKR deal team as we explore entering a new market or supporting a KKR portfolio company as it expands its international footprint, KGI provides critical inputs as the firm thinks through where to invest and how to help businesses grow.

QUINTESSENTIALLY

Quintessentially, the world's leading luxury lifestyle group is dedicated to connecting individuals and communities, through life-affirming experiences. Quintessentially achieves this by providing unique access and specialist lifestyle services, and by fostering global brand relationships. With a global network of more than 60 offices around the world, comprised of a team of 1500 individuals who speak 25 languages between them, our specialists are experts in every aspect of contemporary luxury living.



VEJ Holdings, LLC is a full service distribution company with clients spanning multiple industries across the United States. We are positioned to provide wholesale customer solutions and options unrivaled in value, quality and reliability. As a Minority Business Enterprise, we are especially mindful of the value of diversity for an organization's success and we are constantly looking for ways to improve our partnership with our customers. At VEJ Holdings, LLC, it is our philosophy to exceed our customers' expectations by supplying quality name brand products at the highest level in terms of quality, value and service.



Anheuser-Busch, For more than 165 years, Anheuser-Busch and its world-class brewmasters have carried on a legacy of brewing America's most popular beers. Starting with the finest ingredients sourced from Anheuser-Busch's family of growers, every batch is crafted using the same exacting standards and time-honored traditions passed down through generations of proud Anheuser-Busch brewmasters and employees. Anheuser-Busch owns and operates 22 breweries, 20 distributorships and 22 agricultural and packaging facilities, employing more than 18,000 people across the United States. For more information, visit www.anheuser-busch.com.



Nutrisystem, Inc. (NASDAQ: NTRI) is a leading provider of health and wellness and weight management products and services including Nutrisystem® and South Beach Diet® brands, and has helped millions of people lose weight over the course of more than 45 years. Nutrisystem provides customers the flexibility to align their diet with the US Healthy Eating Meal Pattern, as recommended by the USDA Dietary Guidelines. Plans include comprehensive counseling options from trained weight loss coaches, registered dietitians and certified diabetes educators and can be customized to specific dietary needs and preferences including the Nutrisystem® D® program for people with Type 2 diabetes or pre-diabetes.



iCapital Network is the financial technology platform democratizing alternative investments with complete tech-based solutions for investors, advisors and asset managers. The firm's flagship platform offers high-net-worth investors and independent wealth advisors a curated menu of private equity and hedge funds at lower minimums with a full suite of due diligence and administrative support in a secure digital environment. iCapital was included in the 2018 Forbes FinTech 50 and as of June 30, 2018, serviced more than \$6 billion in invested capital across more than 14,000 underlying accounts.



Synchrony (NYSE:SYF) is a premier consumer financial services company delivering customized financing programs across key industries including retail, health, auto, travel and home, along with award-winning consumer banking products. With more than \$130 billion in sales financed and 74.5 million active accounts, Synchrony brings deep industry expertise to improve the success of every business we serve and the quality of each life we touch. More information can be found at www.synchrony.com and through Twitter:@Synchrony.



Scribe Media is a publishing company that's created an entirely new way for you to write a book. The company has worked with more than 750 authors and was recently ranked in their category as the #2 best company to work for in Austin. JT McCormick was the President of Headspring Software, and helped grow it to a multi-million dollar 100+ person company which was repeatedly ranked as one the best places to work in all of Texas.



The Women Presidents' Organization is the ultimate affiliation for successful women entrepreneurs worldwide. Founded by Dr. Marsha Firestone in 1997, WPO helps accomplished women entrepreneurs looking to drive second-stage businesses to the next level by tackling a multitude of strategic and operational issues. WPO's mission is to accelerate business growth, enhance competitiveness, and promote economic security for multi-million dollar women-led companies through confidential and collaborative peer learning groups. The ability to tap into the wisdom of their peers offers support, empowerment, and inspiration.



Keysight Technologies, Inc. (NYSE: KEYS) is a leading technology company that helps enterprises, service providers, and governments accelerate innovation to connect and secure the world. Keysight's solutions optimize networks and bring electronic products to market faster and at a lower cost with offerings from design simulation, to prototype validation, to manufacturing test, to optimization in networks and cloud environments. Keysight generated revenues of \$3.2B in fiscal year 2017. In April 2017, Keysight acquired Ixia, a leader in network test, visibility, and security. More information is available at www.keysight.com.



Omega Advisors, Inc. was founded in 1991 by Leon G. Cooperman, and is registered as an investment advisor with the U.S. Securities and Exchange Commission. After 25 years of service, Leon Cooperman retired in 1991 from his positions as general partner of Goldman, Sachs & Co. and as Chairman and Chief Executive Officer of Goldman Sachs Asset Management in order to organize Omega. In 1999, Steve Einhorn joined Lee at Omega as Vice Chairman. Steve was a member of Institutional Investor's "All-America Research Team" for 16 consecutive years.



“My advice is that CEOs today have to be more curious, more connected, and more engaged than ever.”

Robert Reiss: Talk about your role as Chief Executive of The Ogilvy Group.

John Seifert: I’m the ninth chairman and CEO of the company. I will be the last one to have been mentored by all previous eight, including David Ogilvy himself. My job is to ensure that the Ogilvy brand not only thrives in the short term, but that it continues to do so for the next 50 years and beyond. David Ogilvy was a founder, and Ogilvy is a founder brand. I take enormous pride in the fact that I have been developed, through nearly 40 years in the company, by people who not only carried on the founder legacy of David, but also by leaders who, throughout the years, took the necessary steps to add importance and value to the company. I’m very fortunate to have learned from the best, and I want to carry on that legacy of leadership and mentorship in my role as Chief Executive at The Ogilvy Group.

For the first time in Ogilvy’s 70-year history, you led what was called a re-founding.

Yes, indeed. We recently re-founded the company, we did not simply rebrand it – something that is more conven-

“We believed that this was a unique moment in time to reaffirm our belief in brands and revise our purpose statement, which was the foundation of our re-founding. Ogilvy’s purpose is to Make Brands Matter.”

tional in today’s world of transitions and transformations. We believed that this was a unique moment in time to reaffirm our belief in brands and revise our purpose statement, which was the foundation of our re-founding. Ogilvy’s purpose is to Make Brands Matter. There are a lot of conventional views in the world today that say, “brands don’t matter, big data matters,” and suggest that you can build brands without communications or without creating an emotional bond in terms of why someone might want to do business with you. We think that’s nonsense. Data, obviously, is incredibly important, but we believe that brands are built to help people simplify their lives and make better choices. We believe that people want to do business with brands that they trust, value, and like.

What were the specifics of the re-founding?

In this context, we needed to clarify the agency’s meaning, simplify its presentation, and unify all of our stakeholders behind what it stands for. We had to come together as one Ogilvy.

Functionally, that meant moving from individually managed business disciplines to a connected organization comprised of modern marketing experts that put clients at the center of everything that we do. But most importantly, philosophically, it meant re-injecting back into the company the values, principles, and ways of thinking about our company and brand that David Ogilvy built 70 years ago. The end result is a well-defined, unified creative network that brings together as many experts, capabilities, crafts, and ideas as possible in pursuit of making brands matter.

Brands are arguably more important than ever. And the stakes are higher because of new ankle-biters, coming seemingly from nowhere, rapidly stealing market share from incumbents.

That’s exactly right. We know from a lot of our global clients that we are seeing more and more competition from local markets that have brands that are positioned in a more culturally relevant way, so that’s a big threat. We see brands

that are built through non-traditional forms of communication. It could be how it shows up on your mobile phone or on your computer in terms of what that experience is like, to brands that simply create a feeling based on how they actually work. So although the world of brand-building has changed, the brands themselves have never been more important.

In this new digital world, what advice do you have for CEOs?

My advice is that CEOs today have to be more curious, more connected, and more engaged than ever. One of the things that we have done at Ogilvy is introduce new tools to enable our leaders to be more in touch with and more connected to not only our people internally, but also externally to the voices of our clients and beyond. We have partnered with a company, HundredX, that has developed capability around listening – listening not in the classic survey of “fill this out and tell us how we’re doing, and maybe we’ll look at the results, and maybe we won’t,” but actual listening tools that enable us to respond in real time to both the really positive or the really negative things that are happening – how we’re performing as an organization, how we celebrate people who are going above and beyond the call of duty, and how we manage any negative feedback.

So, the key is to know not only what your brand stands for, but also to actively demonstrate your brand’s core beliefs and values and act on them, immediately, in every situation.

Yes. And I think sometimes when you act immediately,

“Sometimes when you act immediately, you won’t get it right. But I think that’s okay, because it’s much better to be seen to be decisive, responsive and accountable when a problem arises.”

“As a CEO, the first thing you should be thinking about is whether or not you have a thorough understanding of your brand – you have to know what your brand is all about. It’s easy to introduce new capabilities, products, and services around your brand. But, in the end, you need to know what your brand stands for.”

you won’t get it right. But I think that’s okay, because it’s much better to be seen to be decisive, responsive and accountable when a problem arises.

Are you suggesting that character is more important than content in some cases?

In some cases, it is. Character, in my view, is what will define the success or failure of a brand.

And what’s your take on what a CEO should be thinking of first?

As a CEO, the first thing you should be thinking about is whether or not you have a thorough understanding of your brand – you have to know what your brand is all about. It’s easy to introduce new capabilities, products, and services around your brand. But, in the end, you need to know what your brand stands for – and your brand is what everyone else thinks, not what you think. What do your customers

think? What do your shareholders think? Brands are defined by everyone who has a stake in the performance of that brand. So having a true and holistic view of the brand from all quarters is essential from the start.

This means knowing what your purpose is. As a CEO, you need to be very intentional – you need to know why your brand matters. That’s the foundation. From there, you then have to define how your brand shows up. You then must look inside your organization, as your employees are always your best brand ambassadors.

Let’s shift to you, personally, John. You started in 1979 as an intern at Ogilvy & Mather and you actually were able to meet David Ogilvy.

This is true. A family friend who worked for David Ogilvy in New York helped me get my first internship at the company. She thought that I was not necessarily living my life to the fullest. She gave me a copy of David’s book, *Confessions of an Advertising Man*, to read. She then got me a summer internship through the help of Bill Phillips, who was then the president of Ogilvy in the U.S. I started on that summer day as an intern, and I was hooked the second I was in the company.

About six months after I started, I begged them to keep me on after my internship was meant to end, and I think I finally just wore them down. I ended up dropping out of college and staying with Ogilvy for my entire career. I actually first met David when I was given the opportunity to go pick him up at his hotel to take him back to the airport, after he visited the Los Angeles office. David got in my lit-



David Ogilvy in 1955.



David Ogilvy in 1978.



David Ogilvy in 1980’s.



the Mazda RX-7 sports car. He could barely fit in the car – most people don’t know this, but David was a big, large man – and he must have asked me a hundred questions between picking him up at his hotel and the 20-minute ride to the airport.

One of the most important questions he asked me is if I liked the training at Ogilvy, and he went on and on about how Ogilvy was about building not just the character of the people who were part of the company, but expanding their knowledge, teaching them everything he himself knew about creating successful, effective advertising. And when I told him that I didn’t know about the training at Ogilvy and that I hadn’t really been on any training program, you could see he wasn’t very happy about that. So when he went on to the board meeting in New York that day, he asked them how they were doing with their training programs, and everyone said, “Oh, fantastic. Everyone here has gone through them. And he said, well, someone should go tell John Seifert that. He doesn’t think we have any training.” Well, a few hours later, someone burst into my little cubicle and said, “What the hell did you say to David Ogilvy?” That experience created a bond between us for as long as he was alive. We had sort of a pen pal relationship, and he would often pen me small little notes of encouragement. One of the greatest regrets in my life is he invited me to Touffou, to his home in France, and that I had never had a chance to see him there. But I remained close to his widow, Herta. David was foundational in my entire life, both personally and professionally.

What was one lesson you learned from David Ogilvy?

I think it is about the importance of character. David was a brand of himself. He had an extraordinary character. He had core beliefs and values that he shared with everyone who was part of the company.

What were some of his core beliefs?

He believed in the divine, he believed in never being satisfied with the status quo, and he believed in curiosity. He was a man who didn’t start the agency until he was 38 years old. Before that, he was a farmer among the Amish in Pennsylvania. He was a chef in a restaurant kitchen in France. He was a pollster for George Gallup. He was a spy. He was an analyst in the British Government. David believed in embracing a multitude of experiences to fulfill a very wide life, and I think he took all of those life experiences and applied them to building a corporate culture, a company that would survive well beyond him in terms of point of view, values, and, ultimately, character. It is one of the things that I remind myself of every day when I come to work at Ogilvy, and something that I’m most excited about. I think character is what defines us as a company, as a brand. It’s something that I think we demonstrate in all of the work we do for our clients.

Hiring HundredX to help the company establish a listening culture sounds like a modern incorporation of David Ogilvy’s core beliefs.

Yes, it is, and I think part of what we want “listening” to be about is helping us to better understand the needs and opportunities that our clients are looking for. In this hyper-connected, fast-paced world that we live in now,

we need to be more responsive than ever to help them realize their dreams.

HundredX developed a digital tool that can be delivered on your mobile phone, your laptop, and your desktop computer, and, in less than thirty seconds, you can tell us how you feel about the company, what you think about the last meeting you went to, who made a difference in your job today. So, it's a very simple way of getting the pulse of the people—what they need, what's working and what isn't working, and then, because it's all digitized, we now have the ability to follow up on those responses, both the positive and the negative ones, immediately, in real time.

Let's talk more about the Ogilvy culture. You have over 15,000 associates globally. Talk about what you're trying to accomplish.

Well, it's really simple. We have created a culture of diversity. The more diverse you are, the smarter you are and the more creative you are. David Ogilvy understood that. It's one of the reasons David wanted to expand internationally, because David knew that by having a multi-cultured company, he was going to better serve not only our clients who are trying to expand internationally and globally, but he would be able to leverage that creative diversity for better work, bigger ideas, and more enduring campaigns that would build brands overtime.

The evidence is in. The more diverse a company is, the better it performs, and we know that our industry has been too slow to promote women into the most senior leadership positions in the company to retain a multi-cultural workforce. We have set very specific goals of diversity representation in the company now. We have no problem recruiting very diverse talent at the junior level, and we can easily take responsibility for building diversity at the very top.

The hard part is the middle. It's retaining people and ensuring that everybody believes that they have a long-term career in the company and want to be part of our agenda — that's what we're working extremely hard on today. So, that means being clear about our values, our beliefs of diversity and inclusiveness, and holding people accountable for their behaviors. But it also means making sure that we live up to the standards that we set.



Robert Reiss and John Seifert. Interview aired May 10, 2018.

John is a 39-year veteran of Ogilvy. He was appointed Chief Executive in January 2016 after leading the revitalization of Ogilvy's North American operations since 2009, resulting in strong revenue growth, digital transformation, diverse talent recruitment, and outstanding new business development. In September 2016, he became Worldwide Chairman and led the agency into its Next Chapter.

John was previously Chairman of Ogilvy's Global Brand Community, a portfolio of 25 global clients representing over \$1 billion in annual revenue. He has led multi-discipline global brand teams for American Express ("Membership"), BP ("Beyond Petroleum"), DuPont, Siemens, and many others.

Ogilvy

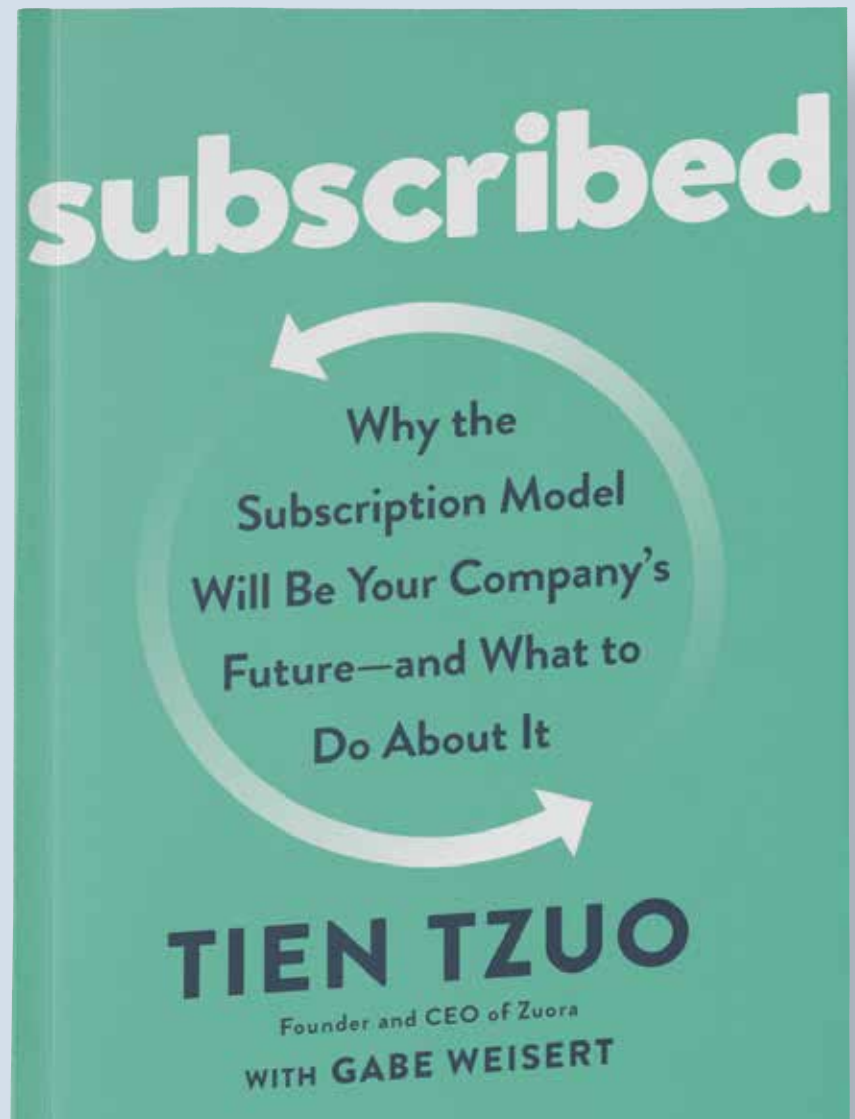
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Co-Founder and CEO of Zuora

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—Marc Benioff,
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Put Your Brand To Work For Your Business

By Mani Dasgupta, Chief Marketing Officer, Global Business Services, IBM

The traditional view of business doesn't capture the way great companies design their path to success.

Great companies work to make money, of course, but in their choices of how to do so, they think about building enduring institutions. They invest in the future while being aware of the impact on people, the society and the ecosystem. They inherently know why their organization exists and that truth forms the core of their brand.

Brand Demystified

Simply put, brand is everything the audience thinks of when they hear your brand name. It has both factual and emotional aspects. When marketers say "perception is reality" – this is often what they mean. It is important here to also differentiate between brand name which is objective, while brand exists in people's minds.

Choosing between Product Messaging and Brand Marketing

In defining business strategy, a significant decision is the choice between the product and the brand. While many choose to focus on the importance of product messaging and marketing in this challenge, those who will succeed know to start with the essence of their being. They start with their brand.

By choosing the brand over your product, leaders can overcome one of the most daunting challenges businesses face today – how to communicate and understand true customer value. Consumers are presented with endless options for products and services which can often blend together and lack differentiation and distinction between one another. Bank of America has clearly found their customer value to be in the education of their customer around financial literacy. Brands like Nike and Apple who

have focused on the core tenet of why they exist through the lens of customer value are able to stand out within the consumer's mind and also withstand the changes and challenges of the market over time.

Brand Transformation is a Strategic Choice

Purpose – not products – are at the core of an organization's identity. The enduring purpose that forms the core of any brand can manifest through multiple products or solutions. These need to evolve in anticipation of changing customer needs. The brand house of any organization big or small comprises of a family – a parent brand and sub-brands. Brand transformation is about choosing which of these sub-brands will exemplify your parent brand at any point in time.

Putting this to Practice at IBM

In 2017 IBM launched IBM Services, a 'hero' brand that unifies the go to market of IBM's services capabilities. Interestingly, services has been a significant part of IBM's revenues for more than thirty five years. IBM's services professionals have been designing solutions for successful outcomes for over a hundred years, from the development of the Social Security System to the Apollo Missions, to the Automation of Personal Banking and beyond. Many may ask the question – Why now?

The decision to create this hero brand solidifies the position of IBM as one of the true remaining products and services company and creates a unique differentiation vis a vis its competitors. IBM's transformation today is indexed on the Cloud, enhanced by Watson-led cognitive capabilities and this rich history of Services expertise.

In January of 2018 IBM reported a year-on-year revenue growth of 3.6 percent for the first time in 22 quarters and has continued to show growth in subsequent quarters.

Key Success Factors in Brand Transformation

Culture is one of the toughest challenges in brand transformation. To be successful, a company has to remain true to its purpose and core identity.

Timing is of essence, as well. In a rapidly changing, socially connected environment it is easy to move ahead of the market and create brand equity in concepts that aren't quite ready for enterprise adoption. Balancing the brand portfolio – see it as a portfolio of your best assets – based on your intended customer base will help in retaining shareholder value.

Enhanced Brand Equity can improve Shareholder Value

The relation between brand equity and shareholder value has long been discussed. Seen through the lens of enduring companies the relationship becomes increasingly clearer. It is imperative for the CEO and strategy offices to remain invested in the decisions regarding the brand. In the end, our brand is what our customers retain. And, most importantly, that decides if we can retain our customers.



Mani Dasgupta is Chief Marketing Officer, IBM Global Business Services. She oversees all global marketing and brand initiatives, strategy, and in-market execution for the business unit, including stewardship of hundreds of marketing professionals located in the seven major regions of the globe.

Mani is both a marketer and a computer science engineer by training. Prior to shifting gears to marketing, Mani spent many years in design and development of enterprise system software for large global pharmaceutical companies. She lives with her husband and daughter in Armonk, NY. Follow @manidg on Twitter.



“I believe that a leader should act based on an assumption that people generally want to do the best that they can. Most people, I am convinced, really do want to be all that they can be.”

Robert Reiss: What do you see as the principal tasks of a strategic leader?

General David Petraeus: Any leader, at any level, has to perform four tasks very well. This is especially the case when it comes to so-called “strategic leadership” – that which determines the overarching strategy or “big ideas” that will guide an entire organization or effort. And this is the case whether leading a large organization in government or in the private sector, whether leading the Surge in Iraq or a major business firm in the United States.

A strategic leader must, first and foremost, get the big ideas right – that is, determine the overarching concepts and strategies that will guide the organization’s efforts. If this task is not performed sufficiently well, all else will be building on a shaky foundation, so the importance of doing this right is critical.

Second, a strategic leader has to communicate the big ideas effectively throughout the breadth and depth of the organization so that each and everyone understands the leader’s intent and can translate it into action at their level.

“The surge that mattered most in Iraq was the surge of ideas... the big ideas that guided our effort and that were, in most cases, the exact opposite of what we had been doing the year prior to the Surge.”

Third, the leader has to oversee the implementation of the big ideas, a task that involves a variety of sub-tasks from selecting key personnel, determining the organizational architecture for the effort, figuring out how the leader should spend his or her time (in other words, figuring out what we used to describe as “my battle rhythm”), providing energy and example, identifying the key metrics on which to focus, and conducting innumerable updates, meetings, gatherings of subordinate leaders for campaign reviews, etc.

And, fourth and also very importantly, the leader has to oversee conduct of a formal process that helps him or her determine how to refine some of the big ideas, discard some of the others, and adopt new ones that are needed.

Again, these four tasks are as applicable in the private sector as they are in the military, the intelligence community, or any large government organization. And each has to be performed very well for the organization to achieve success. But it all starts with getting the big ideas right, as that, again, establishes the foundation for all that follows.

Can you provide an example of a leader of a private sector firm who performs these four tasks particularly impressively?

Sure. Consider Netflix and its leader, Reed Hastings – with whom I have discussed the four tasks I have described here. Reed has been performing each of these tasks very impressively over a number of years, and he has established formal processes that ensure his and his team’s continued execution of these four critical tasks (though they may use different intellectual organizing constructs and terminology). Let me describe this, albeit simplistically, as this is all much more complex than I can convey in a brief interview.

If you think about the beginning of Netflix, the first big idea was to rent movies to customers by mailing them rather than renting them out at brick and mortar stores,

as Blockbuster did. After settling on that big idea, Reed communicated it, as well as a number of smaller, implementing ideas, and then oversaw their execution. And after a period of time, during which Netflix’s model proved itself impressively in the marketplace and Blockbuster’s business declined, Reed and his team sat down to take stock and determine how to refine and update the original big ideas.

They then decided that their new initiative would take advantage of increasingly high speed internet connections and enable customers to download videos rather than receive them through the mail.

Once again, Hastings built a strategy around the new big idea (and a variety of other ideas), conveyed it to the workforce, and oversaw its implementation. And, once again, it was very successful – so much so that other firms quickly followed suit.

Sitting down again, Hastings and his team decided that they would now pursue a new costly and risky big idea: Netflix would produce its own content, reportedly committing over \$100 million to the production of just one such product, the wildly popular “House of Cards,” and spending considerable amounts on producing a variety of other series and videos, as well. The success of this new initiative, of course, catapulted Netflix to an entirely new level.

But, once again, others engaged in similar initiatives, and the competition with Amazon, HBO, and various TV channels, among others, heated up.

And, so, Netflix embarked on yet another new big idea – the production of blockbuster movies – all while still producing other content and refining and executing many of the previous big ideas. And once again, Netflix grew even further.

Now, I have glossed over many other ideas and initia-

tives that were critical to Netflix’s success, such as entering markets beyond the U.S., employing innovative sales campaigns, etc. I have sought here just to lay out the biggest of the big ideas in order to illustrate, very briefly, the concept of strategic leadership and the four tasks that are central to it – and to illustrate how Reed Hastings and his Netflix team have performed those four tasks so impressively.

There are numerous other very impressive private sector leaders who have also gotten the big ideas right repeatedly over the years and then communicated them effectively, overseen their implementation, and determined how to refine and update them. Jeff Bezos, for example, has done this brilliantly time and again at Amazon – and also as the owner of *The Washington Post* and in several other endeavors. Jack Ma of Alibaba has done likewise, pursuing a hugely impressive and very disciplined strategy in which each subsequent big idea builds on what earlier initiatives have enabled. Phil Knight did the same with Nike. Lei

Jun, the founder of Xiaomi, and his firm have built brilliantly on the biggest of their big ideas, to “Make technology accessible and fun.” And certainly, our founders at KKR, Henry Kravis and George Roberts, have done so very impressively as well, in essentially establishing the private equity industry and then in expanding the firm they have led – and the industry – in a variety of innovative ways that have served our investors and the vast majority of our portfolio companies very well.

But for every one of those who has exercised such extraordinary strategic leadership, of course, there have been innumerable others who have not performed one or more of the tasks correctly – or have not been able to do so repeatedly – and whose firms thus ended up being significantly diminished or even going out of business.

How did you incorporate these four tasks as the commander of the Surge in Iraq?



The key to understanding the Surge in Iraq is recognition that the surge that mattered most was not the surge of forces – the additional 25,000+ troops on the U.S. side, which took us to about 165,000 Americans in uniform. After all, adding 15-20% more troops would not have led one to expect that we would be able to drive violence down by some 85%, which is what ultimately was achieved over the course of the 18 months of the surge.

Rather, the surge that mattered most in Iraq was the surge of ideas... the big ideas that guided our effort and that were, in most cases, the exact opposite of what we had been doing the year prior to the Surge – and the opposite of what the Iraqi leadership wanted to do, as well.

Throughout 2006, for example, we'd been consolidating U.S. forces on big bases, effectively getting out of a full-time presence in the Iraqi neighborhoods and handing off security tasks to Iraqi forces. Throughout that time, however, the violence got worse and worse. In December 2006, in fact, a bit over a month before the commencement of the Surge, there were in Baghdad, on average, 53 dead civilian bodies every 24 hours due to violence. Clearly, that was unacceptable, as was the situation in many other areas of Iraq. It was critical, therefore, that we figure out how to dramatically improve security of the people, as that was the foundation on which all else was built; in fact, without vastly improved security, none of the other important tasks that were necessary could be performed properly.

We determined that the only way to secure the people was to move back into the neighborhoods – to “live with the people in order to secure them” – and to take back control of the areas that we had handed off to Iraqi forces, forces that had unfortunately proven unable to deal with the escalating level of violence in 2006 following the tragic bombings of a famous Shia shrine in February of that year. This was no small task; in Baghdad alone, for example, we had to establish 77 new combat outposts and joint security stations with our Iraqi counterparts to re-establish our presence in Iraqi neighborhoods and thereby to improve security. And we had to engage in serious fights in many of the locations just to establish our presence.

We also determined that we had to significantly ramp up efforts to reconcile with many of the rank-and-file

insurgents and militia members, as we realized that we could not “kill or capture our way” out of the industrial strength insurgency in which Iraq was engulfed.

At the same time as we pursued that initiative, however, we also increased significantly the relentless pursuit of the “irreconcilables,” the insurgent and terrorist group leaders. Each was not reconcilable and we thus had to capture or kill them, and we did just that with a considerable increase of our operational tempo in so doing.

We also realized that we had to stop releasing Iraqi detainees until we had removed the hard-core extremists from their midst and implemented rehabilitation programs. Otherwise, we were allowing our detention facilities to be hijacked by the extremists and turned into terrorist training camps, right under the noses of our guards. (This was not a trivial issue, as the number of Iraqi detainees reached 27,000 before we had sufficiently reformed our operations to begin releasing detainees again – a process that was so improved that the result was a vastly reduced recidivism rate.)

Each of those big ideas, as well as a variety of others, was not just contrary to what we and our Iraqi partners had been doing; each was also contrary to what the Iraqi leaders wanted to continue to do (and what the Iraqi Prime Minister and the U.S. President had agreed to do in a summit meeting in Amman, Jordan in late November 2006). In fact, Iraq's Prime Minister had wanted not just to continue doing what we'd been doing in 2006, but to accelerate it. Regardless, the leaders of the Surge and I realized that doing that would mean accelerating what already was a failing strategy, one that would have prevented us from improving the security of the people, which had to be job one.

And so, we worked it all out with our Iraqi and coalition partners and pursued the big ideas that we knew were absolutely necessary – and ultimately convinced our partners of their validity, as well.

Having determined the new big ideas, the other leaders and I:

communicated them throughout our forces by a change in our mission statement, letters I sent to our troops, issuance of counterinsurgency guidance, and publication of

“It doesn’t matter where you are – government or private sector, established firm or start-up. You always have to get the big ideas right and then perform the other three tasks.”

a new civil-military campaign plan (developed in concert with the U.S. Ambassador and his team and with our Iraqi and coalition partners), as well as meetings with our leaders and issuance of a variety of new policies and various other directives;

oversaw their implementation through a variety of regularly scheduled events and activities, from daily updates and weekly events all the way up to quarterly campaign plan reviews, as well as multiple patrols per week with our soldiers and our Iraqi partners, and a substantial series of meetings with those who led each of the major maneuver units, the training and equipping of our Iraqi partners, our special operations forces, our engineer element, and so on, as well as weekly video conferences with the President and the Secretary of Defense and members of their teams in Washington;

and implemented formal processes to identify changes needed to our big ideas and numerous aspects of our campaign plan.

Again, it doesn’t matter where you are – government or private sector, established firm or start-up. You always have to get the big ideas right and then perform the other three tasks I have described, as well, if one is to achieve success.

Given the importance of getting the big ideas right, how should a leader go about performing that task?

That’s a great question. In my experience, getting the big ideas right requires a process of personal and collective brainstorming, soliciting thoughts of others in a very inclusive manner, thinking deeply oneself, and “building” the ideas in a transparent and iterative fashion. This can be a lengthy process; indeed, to a considerable degree, it should be one that never stops, though obviously at some point the leader has to make decisions about which big ideas will be selected and then get on with them and performing the other tasks I have discussed.

I should note that I have never been one who could, metaphorically speaking, find the right tree under which to sit and then get hit on the head by Newton’s apple, that is, a fully formed big idea. Rather, I tend to get hit by the seed or kernel of a big idea and then have to work to shape it and mold it into a true big idea through an iterative, inclusive, and transparent process.

Can you expand a bit on how you performed the fourth task you outlined, that of formally sitting down and determining how to refine and adjust the big ideas?

You bet. Let’s look at how we did this during the Surge in Iraq. First, we worked very hard to establish what we termed a “culture of learning” in all our units. We recognized that, as the counterinsurgency field manual (the drafting of which I oversaw in the position I held in the United States prior to returning to Iraq to command the Surge) observed, “The side that learns and adapts the fastest typically prevails.” And then we all conducted a variety of activities to ensure that we were, in fact, a “learning organization.”

During the morning hour-long Battlefield Update and Analysis that was the first formal event every day at 7:30 a.m., for example, I worked hard to engage in dialogue with the commanders and staff officers who were briefing, and I sought to highlight new initiatives and good ideas that others of our leaders should also consider. Transcriptions of the dialogue of that daily session were subsequently distributed via secure Internet to each of the many dozens of colonel-level commanders and above to ensure that they benefitted from our discussions, even though they were not part of them.

Beyond that, during every one of my monthly meetings with our two and three-star general officer commanders, each leader had to describe two initiatives or lessons learned that would be of interest to others in that gathering. This was yet another technique we employed to foster sharing of lessons that needed to be learned and other good ideas.

Additionally, on my personal “battle rhythm” in Iraq, we allocated one hour every month to a meeting with all the heads of the different lessons learned teams in Iraq. We had Army teams, Marine teams, Special Operations



teams, Counterinsurgency Center teams, Asymmetric Warfare Group teams, Joint Forces teams -- you name it. And my chief of staff oversaw a process that included each of these teams gathering lessons their members identified while embedded with their respective units across Iraq performing many different tasks, filtered them a bit, and eventually presented them to me in a session during which I would give direction to the appropriate staff element to capture the lessons I felt merited such action.

Of course, we didn't make changes in the big ideas solely as a result of conferences and meetings; we also made changes when it was clear that situations required them, constantly refining various aspects of our campaign plans as events warranted.

Needless to say, we were keenly aware that a lesson is not learned when it is identified; it is only learned when

it has actually been incorporated into and communicated by the campaign plan, policies, practices, or SOPs and then implemented. But again, having action-forcing mechanisms (such as the monthly meeting and actions during commanders conferences) that facilitated this process, at appropriate intervals, was very important.

Beyond all that, we didn't just seek to ensure that lessons were learned in Iraq; we also had a process by which we would share what we were learning with, as we called it, the "big Army" in the United States. And I would do at least bi-monthly video conferences with the three-star general who had replaced me as Commander of the Combined Arms Center in the U.S. to ensure that what we identified was incorporated, as appropriate in the Army's doctrinal manuals, organizational structures, training, leader development courses, materiel requirements, personnel systems, and facilities.

“I should note that I have never been one who could, metaphorically speaking, find the right tree under which to sit and then get hit on the head by Newton’s apple, that is, a fully formed big idea. Rather, I tend to get hit by the seed or kernel of a big idea and then have to work to shape it and mold it into a true big idea through an iterative, inclusive, and transparent process.”

Your leadership beliefs have been uniquely shaped from several experiences including: earning a doctorate at Princeton, leading the theaters of Afghanistan and Iraq, commanding U.S. Central Command, serving as CIA Director, and over the last five years, working at KKR. Perhaps you could talk about how, through all of these endeavors, you have distilled ideas about leadership beyond the four big tasks you described earlier.

Well, there are numerous insights – or what we used to call “tactics, techniques, and procedures” of leadership that emerged during the various experiences you mentioned, dozens of them, in fact. And a project I completed at Harvard, with help from a terrific team there, helped me distill my thinking on such issues. In fact, readers who want more detail than I can provide here can find it on the web site we built for that project; here is the link: <http://www.petraeusstrategicleadership.org/>

But, let me highlight here just two of the most important of the leadership techniques that we described in that project, those having to do with one’s so-called leadership style and with one’s overarching leadership approach.

The insight on leadership style is that one’s style has to be specific to each direct report and for the overall organization – and that what works as a romping, stomping Airborne Infantry Platoon Leader during the Cold War, for example, is unlikely to be effective when one is commanding a huge coalition force in combat. That is, again, a key recognition.

In fact, what a leader should strive to do is provide the specific leadership style for each of his or her direct reports and for the organization overall that will bring out the best in each of them and do the same for the organization as a whole. Underlying this approach is recognition that each of us responds to different styles. Some direct reports may thrive on freedom of action, re-

quire minimal guidance, and need very little in the way of pats on the back; others may require a much greater deal of each. The key as a leader is to understand what style will bring out the best in each person who reports to the leader and then to employ the right style for each of them – and to do so for the organization collectively, as well. In this way, each of those who reports to us can be enabled to be all that he or she can be – and the same can be true for the organization writ large, as well.

The insight on leadership approach is based on an assumption that most people do want to be the best they can be and do the best that they can. In truth, of course, that may not be universally true; however, I think it is nonetheless wise to proceed as if it is.

As a result, I favor an overall approach that might be termed “affirmative leadership,” rather than what might be described as negative, coercive, or punitive leadership.

For example, here are two examples of the different approaches. First, the negative one: “Robert, you better have that darned report on my desk by Monday at noon or I’ll put you on report to higher and have a piece of your backside.” How inspirational is that? Needless to say, it is threatening, rather than affirming. In contrast, for an example of the affirmative approach, consider, “Robert, I cannot wait to see the report you’re working on that is due on Monday at noon. People have been telling me that you’ve come up with some really good ideas. And I can’t tell you how much I’m looking forward to confirming your excellence! Heck, I am so eagerly anticipating it that I may have trouble sleeping on Sunday night!”

In each of those styles, the leader has conveyed the key message, which is to have the report done on time; however, in the second statement the leader is being positive, pre-emptively praising the employee, and practicing “affirmative leadership,” which I believe is much better than, say, the alternative approach.

How do you do one of the toughest tasks of a leader, which is to fire someone? Are you someone who takes joy in saying, “You’re fired, you’re out of here.” Or perhaps, do you acknowledge that this is an individual and perhaps letting him or her depart with some degree of self-respect intact is better not only from a human perspective, but also from a practical perspective, as you will end up engulfed in far fewer complaints and lawsuits?

As I have noted, I believe that a leader should act based on an assumption that people generally want to do the best that they can. Most people, I am convinced, really do want to be all that they can be. And I am convinced that it is best to assume that until an individual proves otherwise.

But, in truth, not all employees will always measure up and prove that assumption true. But that doesn’t mean that one should act differently in such cases from what I have described earlier, even when it comes to “allowing folks to move on to other pursuits.”



Regrettably, I had to replace some of the individuals whom I was privileged to have under my command in Iraq and Afghanistan and elsewhere during the six consecutive commands (five of which were in combat) that culminated my career in uniform. Inevitably and unfortunately, there were some folks who just couldn’t achieve what we’d hoped they would in various senior positions. And we had to let them move on; indeed, we tried to avoid endless agonizing, etc. given that we were in combat, there often was no time for second chances, and the impact of leadership was so profoundly important. Invariably, though, I tried to allow those moving on to leave with their dignity and respect as intact as was possible and reasonable. And that was true even in cases where it was clear that the individual should not command again or even be promoted again (realities that I conveyed to the relevant leaders in Washington). I was, in short, not one who reveled in telling folks, “You’re fired.” But I also clearly recognized that our young men and women deserved competent, capable, experienced leaders on the battlefield. And we thus sought to discharge our obligations to our Soldiers, Sailors, Airmen and Marines and to our institutions, as well, by making tough calls about those who could not measure up.

Talk about the KKR Global Institute where you are advising KKR’s Investment Committees, your Portfolio Company CEOs, and many of your investors on geopolitical realities so they can make the wisest investments possible.

The goals of the KKR Global Institute are to help ensure that KKR investors are as well-informed as we can help them be; to then work with our portfolio companies and their associated deal teams to help them understand situations affecting their businesses and to help them when they encounter challenges with which we might be able to provide assistance; and also to help our investors understand the world, regions, countries, and sectors in which we’re all investing together. Hence, we work very hard to meet these goals by integrating our analyses of geopolitical risk, macroeconomic factors and projections, environmental, social, and governance issues, and technological developments in order to assist our deal teams and respective investment committees, the companies in which we have made investments, and our individual investors.

What final advice do you have for CEOs who want to invest around the world?

Well, as I'm sure the vast majority of CEOs recognize, at the end of the day, the key to successful leadership is consistently sound operational judgment that enables leaders to get key decisions right – on the big ideas, on communications with the workforce, on key people, on leadership styles that bring out the best in direct reports and the overall organization, etc. Needless to say, this requires understanding, with enormous granularity and nuanced assessments, of the “circumstances on the ground” and of all the various factors relevant to key decisions. In my experience in government and beyond, operational judgment is the key component of effective leadership whether one is conducting military operations in a foreign country or making a first time investment in a region, a state, or an industry. It all comes down to truly granular, extremely well-informed, in-depth understanding, and that, again, at the end of the day, is what enables effective decisions and, thus, sound judgment and effective performance of all the tasks of strategic leadership. But I'm confident that the CEOs who read this interview know all that very well and are working hard to be leaders who have such detailed understanding of the issues that comprise the context in which they have to make decisions and lead their organizations!



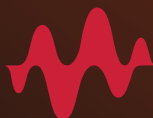
David Petraeus and Robert Reiss. Interview aired February 27, 2018.

General (Ret) David H. Petraeus (New York) joined KKR in June 2013 and is Chairman of the KKR Global Institute, which supports KKR's investment committees, portfolio companies, and limited partners with analysis of geopolitical and macro-economic trends, as well as environmental, social, and governance issues. Prior to joining KKR, Gen. Petraeus served over 37 years in the U.S. military, culminating his career with six consecutive commands, five of which were in combat, including command of coalition forces during the Surge in Iraq, command of U.S. Central Command, and command of coalition forces in Afghanistan. Following his service in the military, Gen. Petraeus served as the Director of the CIA during a period of significant achievements in the global war on terror. Gen. Petraeus graduated with distinction from the U.S. Military Academy and subsequently earned M.P.A. and Ph.D. degrees in an interdisciplinary program of international relations and economics from Princeton University's Woodrow Wilson School of Public and International Affairs. Gen. Petraeus has received numerous U.S. military, State Department, NATO and United Nations medals and awards, including four Defense Distinguished Medals, the Bronze Star Medal for Valor, and the Combat Action Badge, and he has been decorated by 13 foreign countries. Since leaving government, he also served as a Visiting Professor of Public Policy at CUNY's Macaulay Honors College for 3-1/2 years and he has, since 2013, been a Judge Widney Professor at the University of Southern California, a Senior Fellow at Harvard University, a personal venture capitalist, and Senior Vice-President of the Royal United Services Institute.

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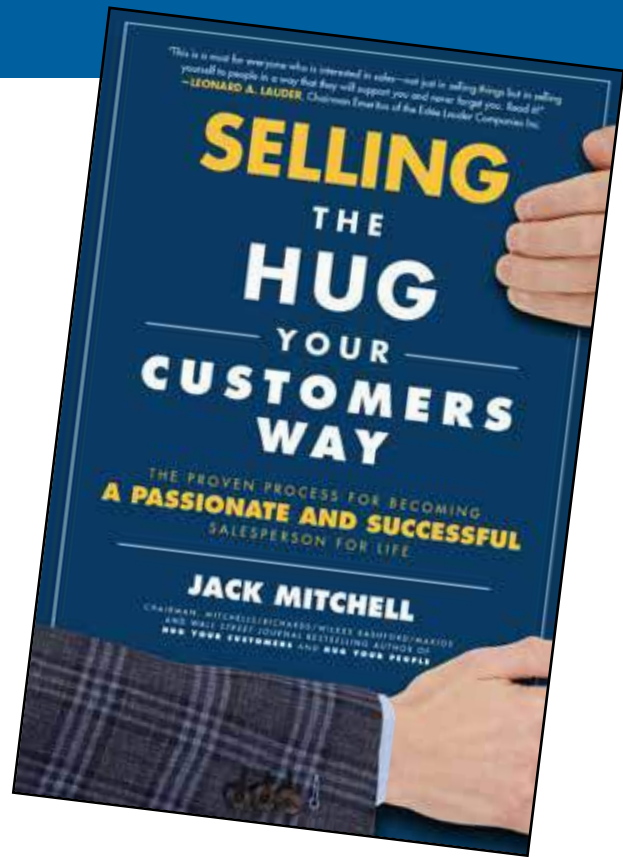


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Selling The Hug

Robert Reiss Interviews Jack Mitchell



Describe what is unique about Mitchells?

In every way, we are genuinely passionate about caring for our customers. We really try our best to get to know them and cultivate personalized relationships with each and every one of them. We treat them like family, and we truly live our motto: “Once a customer, always a friend.” We strive to make customers feel great and be the best specialty stores on the planet. By chatting with our customers, we discover who they are and what their likes and dislikes are, so that we are able to match their needs and desires with our products. We are big users of data and technology to make sure we understand our customers and can deliver exceptional personalized service to them. Most of all, we HUG them – a metaphor I use that means to do little surprise deeds or actions that make them feel special and say, “Wow, these people really care about me.”

We are famous as well for associate/employee loyalty and longevity. People have fun working with us. They join our team and most don’t ever want to leave.

Why did you write the book?

In my first book, *Hug Your Customers*, I wrote about our business and how we deliver exceptional customer ser-

vice through “hugging.” In my second book, *Hug Your People*, I talked about how we hire, inspire and nurture our great associates. Yet in neither book did I describe how we actually sell. Selling is the very heart and soul of any company. As a business, any business, you often truly live or die financially based on top-line sales.

Yet despite a sprawling sales advice industry, many, if not most, salespeople are often highly ineffective. Just ask yourself the question: How often are you satisfied, or are completely blown away, with the salesmanship at your cable company, grocery store, cellphone provider, car dealer, dry cleaner, doctor, dentist, candlestick maker that you want to come back to see the person who sold you the product or service? I dare say, not very often. I doubt you remember the person’s name.

So I wanted to share the simple selling process I developed in the hope that other businesses and salespeople might find some benefit that will help make them better at what they do – as well as allow them to have more fun.

What is wrong with how most people sell?

Most sellers are what I consider faceless order takers. They react to customer requests. After you ask them, they find you a product, a 5G white smartphone, a bagel cutter,

a wide collar dress shirt. They ring up the sale. They put what you bought in a bag and maybe tell you to come again. This lethargic, hum-drum approach to selling means that they miss vast opportunities. They never really connect on a personal, emotional or intellectual level with you. They don't bother to learn anything about you. They don't even know your name, no less your nickname.

Other salespeople are overly aggressive – yes, pushy – to the point of being obnoxious. They oversell. They tail you around the store or car showroom, attach themselves to you and hound you until you buy, or more likely, flee. Why would you want to buy anything from them?

One thing I like to say is that great sellers don't sell. Rather, they motivate their customers and allow them to buy. What they want to buy!

Talk about your speaking platform?

I've delivered keynote addresses at more than 200 events for corporations including Merrill Lynch, Pitney Bowes, Morgan Stanley, Conde Nast, Nike, Starbucks, Wells Fargo and Luxottica, as well as universities like Georgetown, Columbia and Harvard, before audiences of all sizes. I also offer hugging workshops for corporations. My speeches are personalized, and I try to convey my philosophy through simplicity and relevance, using real-life anecdotes from our family business. It's my belief – and I hear this from the companies I address – that it's a philosophy that works in any business, no matter what you sell. During my talks, I provide specific techniques on how to get to know and better service customers, how to hire employees and make them happy and productive, and how to run a successful family business that passes from generation to generation.

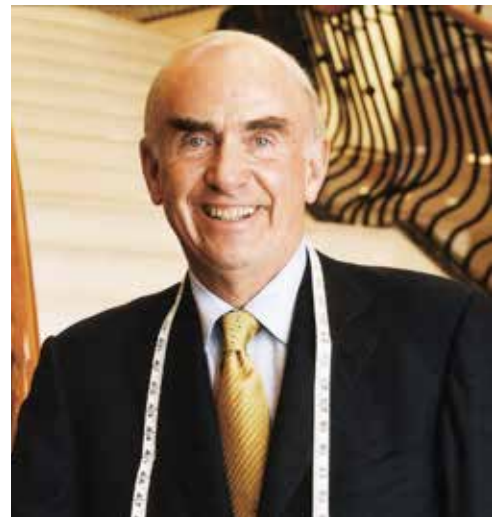
How can CEOs build a culture where everyone is selling the right way?

Above all, they need to nurture a culture of caring and show by example and with integrity. Most businesses are product and/or price centric, while we are customer centric. Don't get me wrong. Product matters. You can't develop loyal customers without great products sold at

the right price at the right time, and so passion for products is vital. But the customer ought to be the main focus. Customer first, the center of our universe as we say.

That's one of the reasons I believe you must create a data system that everyone in your organization can access and use. Our sellers are constantly driving to listen and accumulate information on customers, always with their permission, so that they can understand them in a deeper manner. And then they act on that data as they build meaningful relationships that help create an environment that allows customers to feel comfortable to buy.

It's also essential that you treat your associates with the same caring, hugging attitude, something I wrote my second book about. One thing we like to say is that happy associates equal happy customers.



Jack Mitchell is chairman of Mitchell Stores (Mitchells | Richards | Wilkes | Marios), a three-generation family business that operates men's and women's specialty stores in Connecticut, New York, California, Washington and Oregon. These luxury retail stores are nationally known, employing over 400 associates. Mitchell has been recognized as one of the top 10 retail visionaries of his time by the Daily News Record. Visit hugyourcustomers.com



“Our goal is to make life as easy as possible for our clients, 90% of whom hold a position at the C-Suite level, are entrepreneurs, or founders.”

Robert Reiss: You are the Global CEO of Quintessentially, an award-winning luxury lifestyle group that caters to the most elite of clientele. Tell me a little about what your business model is.

Annastasia Seebohm: Quintessentially is the world’s leading luxury lifestyle group. We are a private members organization that provides lifestyle management and concierge services to affluent high net worth and ultra-high net worth individuals from around the world. We have 65 offices and 1,500 employees throughout the globe. We make sure that every aspect of our clients’ lifestyles is tailored, organized, and specialized according to each client’s particular preferences.

Some clients do demand the highest end in luxury across the board, and for others it’s about creating life affirming experiences. The universal benefit for what we offer is the most valuable commodity of all – the gift of time.

So let's talk about what those aspects are. You do not handle their finances, but what types of things do you handle for your clients?

Our goal is to make life as easy as possible for our clients, 90% of whom hold a position at the C-Suite level, are entrepreneurs, or founders. Many own their businesses. They are extremely busy individuals, often leading quite global lifestyles. This is why our fundamental goal is to save them as much time as possible, anticipate their needs, simplify their lives, and get to know and understand their personal preferences. That can be anything from securing restaurant reservations, to obtaining theater or concert tickets, to assisting them with the educational needs of their children (such as finding private schools or tutors), to purchasing properties for them. Our services really do cover a wide spectrum, depending on our clients' specific requests. Travel is one of our highest volume requests – it can range from weekend getaways in Napa Valley, to an epic six-week road trip through the USA and Canada, to creating an itinerary for the World Cup final.

What is an example of a request from one of your clients that you said, "Boy, this is tough, but let's see if we could do it?"

We've secured reservations at the last minute for our members at top restaurants all over the world and arranged holiday itineraries in just a day's notice. However, the best example that I can think of was actually for a member who is a CEO of a big investment firm. He called Quintessentially and wanted us to find him a very specific luxury sport car, an Aston Martin like one he'd seen from a James Bond movie – color specifications, model type, year, all very exact. And he wanted it within 24 hours – it was to be delivered to where his jet was going to be landing. I'm very pleased to say that we pulled it off, and we have an extremely satisfied client.

So how do you do something like that? You must have two groups of people at your company—those who are super resourceful, who could figure out anything, whatever the challenge is, and then you must have people who primarily deal with the CEOs and the clients and understand exactly what they like.

Yes, that's exactly right. Quintessentially has been around for 18 years, and over those years we've managed to build in-depth relationships both with our members, who we get to know and understand very well, as well as with a whole range of suppliers, partners, and contacts. We leverage our network, relationships, and connectivity to make possible what is impossible for most people.

So how does someone become a member of Quintessentially?

Most of our membership is a result of peer-to-peer recommendations. In fact, almost all of our members are by referral. People can also apply for membership to join our organization through our website, www.quintessentially.com.

Now, I'm guessing that most CEOs run their businesses a certain way, are perfectionists, and demand expertise in everything. Do they have the same expectations for Quintessentially?

Yes, they do, which is why we employ a wide spectrum of team members – from restaurant specialists, to nightlife specialists, to art specialists, and educational specialists – to cater to our clients' expectations and needs. Everything we deliver has to provide a benefit to our members. It has to save them time. Our job is to do some of the thinking and the research for them and, effectively, to preempt our members' needs. So, yes, we have a broad range of professional, detail-oriented people with various strengths and areas of expertise.

Has a client ever come to you and said, "I need an idea. It's my wife's birthday. Can you help me out?"

Yes, that type of request happens all the time, and of

"The best example that I can think of was actually for a member who is a CEO of a big investment firm. He called Quintessentially and wanted us to find him a very specific luxury sport car, an Aston Martin like one he'd seen from a James Bond movie – color specifications, model type, year, all very exact."

course we would help him or her out. If a client told us, “We’re going to Machu Picchu, so I’d like you to help us make our trip a special, memorable one,” we would offer ideas to enhance their travel experience.

We aim to do a lot of the thinking and the creativity for our clients. Our clients have demanding careers running their businesses. They hire us to do some of the creative thinking for them and to take care of the details. Our members can purchase just about anything available to the public. For them, it’s frequently more about something truly special or sentimental: a rare first edition of a loved one’s favorite classic novel or a custom sculpture from an emerging contemporary artist referred by our art advisors.

What are some significant trends in luxury travel today and how does Quintessentially respond to them?

We see transformational travel emerging as a key motivator – that is, building on the idea of experiential travel but with vacationers seeking travel experiences that are motivated and defined by a shift in perspective, self-reflection, or development. Our members are looking to find a new sense of balance in today’s fast-paced world. For many, a “fly and flop” holiday is no longer fulfilling. Rather, they want to get off the grid, unwind, and ultimately, reboot. They are inquisitive and looking for something beyond just a hotel stay; they want to be active, discover, or re-discover a destination. And, as for digital detox, we are seeing this go one step further: silence is golden. Whether that’s to experience being stranded on a desert island or embarking on a life-changing spiritual retreat, clients are increasingly eager to escape the everyday, engage all senses, and disconnect to reconnect. As a result, we are seeing members become more philanthropic, with a desire to travel with purpose and give back to a community, be that a stay donation or supporting local artisans.



“I think it’s important to build a culture that cares deeply about people. Seek out the people who think ‘what else could I do, what more could I have done, what might I not have thought of?’ I call this a ‘healthy paranoia.’”

What advice can you give to CEOs on how to have superior client service?

I think it’s important to build a culture that cares deeply about people. Seek out the people who think “what else could I do, what more could I have done, what might I not have thought of?” I call this a ‘healthy paranoia.’ It’s my mantra. For me, it’s all about caring, both for our employees and for our members, and ultimately about being human in business.

Are there any unique practices, especially in terms of brainstorming great ideas, that Quintessentially does that help ferret out exactly what a client is looking for?

Unique practices are a necessary part of the training and development of many organizations. We provide high-touch customer services 24/7 throughout our 65 offices globally, so it’s an extremely deep-rooted and integral part of our DNA. We have to continually rethink and add freshness to old ideas; it’s an ongoing process that we want to make fun and creative for our teams, too, especially because what concierge and lifestyle management services was 18 years ago, when we started this business, is very different from what it is today. Given our clientele, we must be innovative in our approach. We are also uniquely positioned to be ahead of the curve; our specialists know the next big thing well in advance.

So let’s talk about the personal side of you. What brought you to Quintessentially?

One of our founders, Ben Elliot, did an interview in *Vogue* magazine; I was still in college at that time, and I read this article about the company and I thought, “Gosh, I wish I’d thought of that idea.” It’s a brilliant concept. I thought they were absolutely innovative market leaders. I thought it was exciting. So, I basically chased Quintessentially until they gave me a job, and I haven’t looked back since.



And how did you move up the ranks after you got the job?

I’ve been in a fortunate position of working extremely closely with our founders and with the prior CEO. I rose through the ranks in various positions, from building up partnerships to driving global revenue growth. We also have a B2B side of our business, in which I was heavily involved in building and developing. We work with luxury and premium brands that come to us to understand how best to engage, retain, and acquire new affluent consumers. Because we understand the needs of these consumers, we offer strategic advice – that may be anything from an insight piece right through to an all-encompassing event and experience. We really are a counsel to a number of brands. I moved to the U.S. to run our business here for a number of years. Recently, in early 2018, I took on the Global CEO role for the group.

You really drove exponential growth in the U.S., tripling the business within your first year. I know that it’s a private company, so there are only certain things you can say, but can you talk about exactly how you were able to achieve that kind of growth?

I was fortunate to come to the U.S., which has huge po-

“We are finding that luxury is no longer simply just about expensive things – it is about time. Time is a very precious commodity; people want to make the most of the time they have in a meaningful way by creating experiences that stay with them.”

tential and is a really exciting market for us. I believe our success in tripling the business stems from redefining the offerings for our members. While we do offer more traditional day-to-day concierge services, we’ve grown our category into services that provide meaningful experiences for our clients, and, simultaneously, we’ve grown the B2B side of our business, as well. We carefully choose – really handpick – the brands that we want to work with that will offer the most interesting access to and experiences for our members. So, it was really about defining that space in the market, which I don’t believe that any other business is doing right now, either in the direct-to-consumer or in the B2B side of luxury lifestyle.

The U.S. is an important growth market for Quintessentially; how will your strategies in this market differ from others?

We see major decisions being made by global brands in this market, and there is so much untapped opportunity in the U.S. luxury market. We are finding that luxury is no longer simply just about expensive things – it is about time. Time is a very precious commodity; people want to make the most of the time they have in a meaningful way by creating experiences that stay with them. Our strategy in the U.S. is built on this premise.

What’s interesting to me, as someone in the CEO business, is that I have not heard of any organization that does anything like Quintessentially does. It’s such a unique value proposition.

It certainly is. We are very fortunate to be such a hybrid group; we have an affluent, discerning member base, and our partners are major luxury brands, so it’s a mutually beneficial business model for both parties. Through our network, our members have access to the best of everything and truly unique experiences.

What Quintessentially ended up doing, really, is finding a niche market that previously did not exist. You expanded the concept of concierge services to lifestyle management, adding the category of enhanced, meaningful experiences.

That’s absolutely right. I think, as a society, we continue to become more heavily reliant on technology, and people are frustrated by the lack of human connection. Our business model is the complete antithesis of the direction that technology is headed – our talented lifestyle managers offer personal, individual, and special attention to our clients whilst using technology as an enabler rather than an end in and of itself. Ultimately, if you are a discerning, busy individual who has businesses and a family, you choose to become a member of Quintessentially because you want to be able to speak to a human being to help you with whatever you need. You want a trusted relationship; you want to be able to pick up the phone and call one of our lifestyle managers, someone who has been attending to your requests for the last three, four, five years, because they know your needs, they know your wants, and they will ensure that they provide the best experiences for you.

How would you describe your leadership philosophy?

My leadership philosophy is very much about being human in business, and I steer away from the more old-school traditional, stoic approach. I think it’s important that your team members know how much you care, both about the business and about them personally, and how passionate you are about what you do at work. At times, this means showing emotion, which is generally discouraged in the business world. But I think it’s extremely important for your board, as well as your employees, to understand that while you care about the financial results and the brand reputation, you also care about everything in between. So, to summarize, my leadership style is not being afraid to share or to show my emotions. It sets the tone for a company that focuses on the needs of individuals.

Do you have any unique leadership practices?

I operate on a complete open door policy. I need all members of our team to know they can come and ask for my opinion or share an idea. It’s our frontline employees who



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talk to our members and partners all day, so whilst we are a sizeable organization, I encourage the informal and entrepreneurial spirit that is embedded in our business. I also work with experts in all areas of luxury, so I am constantly learning from them. It is important to know when to listen and when to lead. My leadership practice can be summarized as taking a human approach to business, not being afraid to show passion and emotion, and investing in my teams.

How do you go about recruiting top talent and building your team?

We have the most inspiring global team, and a big portion of our recruitment relies heavily on their referrals. When we recruit lifestyle specialists, we explain that the environment of our company is extremely entrepreneurial and that this is what makes it so exciting to work at Quintessentially. Some people thrive in an entrepreneurial environment and have the right mindset for it, while others

do not. I think it’s really important to be transparent from the start, and those who are excited by the nature of our organization will come along on the journey with us.

Let’s talk about you, personally. You are relatively young to be leading a major global entity as large as Quintessentially. What was a challenge you faced, how did you overcome that challenge, and what did you learn from it?

The biggest challenge I faced recently was dealing with the grief from the loss of my mother around the same time that I was offered the opportunity to come to the United States (prior to assuming my Global CEO role) to manage our business here. In this situation, throwing

“We have the most inspiring global team, and a big portion of our recruitment relies heavily on their referrals.”



myself into my new role helped me to overcome my grief. I also learned a lot from Sheryl Sandberg's great book, *Option B*, which I found to be very inspirational.

How were you able to manage moving to the U.S. and delivering new business growth in the midst of your grief?

In an organization whose mission is to care for people, I felt very much supported by my colleagues and our founders at Quintessentially. They were very sympathetic and understanding of the ups and downs grief takes you through. But, despite my personal challenge, I embraced the professional challenge of growing our U.S. business. It actually helped me through my grief; it forced me to think ahead and to focus on the future and maximize the many opportunities before us.

As a leader, what's most important on your dashboard? What is it you look at and you say, "This is what we need to focus on?"

The short answer is: Are our members happy? If our members are happy, then we're doing something right. Is the team happy? So, it's a number of different things. The core of our business will always be the needs of our clients, the members we are looking after. So it starts and ends with them.

Is there anything else you could talk about in terms of your members and what they're looking for? What's trending right now?

Requests for meaningful experiences have been trending over the last year. People want much more meaning to what they're doing. If they're buying a designer handbag, they want an experience that enhances that purchase and connects them with the luxury brand. Many of our members don't want to just go on holiday to relax and switch off; they want to have adventures, seek discovery, or give back to the community.

If there are CEOs who want to become members

“Luxury is most powerful when it is shared.”

of Quintessentially and add more meaning in their life, how can they join?

Anyone interested in membership can apply on our website, www.quintessentially.com. One of our membership team advisors will be in touch with them to better understand their lifestyle needs.

How does that whole process work? How long does that take? What information are they given?

Our team members will need to assess the needs of each individual that they are talking to. They will discuss their lifestyle management needs, where they live, the places where they travel to, and what level of service would most benefit them. While we do vet our members and require an application for membership, our team is here to assist throughout the whole process.

Forbes magazine has dubbed you the “Queen of Luxury.” What do you think about that?

It was a very flattering article, but I’m not sure what to say about being named the “Queen of Luxury.” For me, luxury is about how people spend their time, whether through learning, meaningful experiences, curious conversations, or giving back. My goal at Quintessentially is to provide our members with contemporary luxury lifestyles through our services that inspire individuals and ignite communities. After all, luxury is most powerful when it is shared.



Robert Reiss and Annastasia Seebohm. Interview aired July 17, 2018.

Annastasia Seebohm is the Global CEO of Quintessentially, the leading luxury lifestyle management group that caters to an exclusive members-only community of high-net worth and ultra-high net worth individuals who are seeking unique experiences and lifestyle services.

Annastasia is responsible for running all facets of the business. She oversees the day to day operations, including P & L, marketing, sales, and the strategic growth plans of the company, with revenues that exceed \$100 million. As Global CEO, her goals are to identify and design meaningful experiences for members, create in-person communities, and build relationships with the world’s most recognizable luxury business partners. Her strong business mind and innate sense of bespoke luxury allow her to lead a team that provides the highest level of service to both private and corporate members by understanding that time and value are the defining factors.

QUINTESSENTIALLY



A Simple Idea Makes Sense on Wall Street

An Interview with Richard A. Fitzburgh, Senior Vice President and Financial Advisor at RBC Wealth Management.

Robert Reiss: About fifteen years into your successful wealth management career, you decided to add something new to your practice. Why?

Richard Fitzburgh: Yes, my career was going well, and I think I would have achieved strong results by just staying the course, but that's not how I'm built. I always strive to do better in everything I do. I recognized that the investment business can change very quickly and that if I didn't innovate, I risked getting into a rut and my business would surely have declined.

How did you change things?

As a part of our practice, I decided to create special events for my clients and prospective clients, because it's a great and unique way to really get to know people. I believe the better you know your clients as individuals, the more likely it is that they will want to work with you. Attending events that are designed especially for my client group creates a bond between us – which translates into trust – and that is paramount in any wealth management relationship. I saw it as a “simple idea” that has evolved into a business model that offers clients a full range of financial services as well as opportunities to attend exclusive functions in the arts, sports, fashion, film, and theater. Our group strives to provide our clients with experiences they cannot gain access to or buy on their own.

I would not say this approach to growing a wealth management practice is the best way and certainly not the only way, because many of my colleagues conduct their businesses differently and they are very successful. However, this approach works for me and has been instrumental in deepening my relationship with clients and in meeting prospective clients. Everyone in this field calls on wealthy individuals, everyone tries to reach them, which, in turn, creates endless sales pressure on prospective clients and makes it even harder to authentically connect with them.

What inspired you?

The inspiration to start adding my own events occurred when I attended Switzerland's Art Basel, a premier annual event of the art world. I realized that type of venue was a very successful way to entertain clients. I was impressed with the way European banks enveloped attendees into a “family” – creating much more than a business relationship.

However, programs like these tend to be large scale to accommodate many guests. I wanted to do something more intimate and solely for the benefit of my clients. Besides sharing an exclusive experience, my events would provide opportunities to build relationships and for me to be front and center. I didn't know if this approach would be successful, but I am an entrepreneur and that means I needed to take some risks.



Ultimately, I learned that many of my clients liked the same things that I do – and new experiences in general. It became a natural progression for me.

Is there a “typical” event?

We curate between 5-10 events each year, with annual mainstays being an invitation-only investment conference, held in NYC, and a made-to-order Art Basel-Miami experience. We have hosted dozens of large and small high-level gatherings – all focused on providing exclusivity and access. On the events side of our business, we coordinate everything: we decide what events to do, select the venues, identify sponsors, invite all the guests, and develop the program.

How long did it take for the events portion to show results?

It took a few years to get the hang of things, and I had trial and error experiences, for sure. However, once all the pieces were in place, doors started to open for me to meet cultured, amazing people that I would never have known otherwise. That said, developing a relationship takes time – it would not be accurate to say that just meeting someone at one of our events ensures that he or she will become a client on the spot. It generally takes months, may take years, and may not happen at all. Curating events is very time consuming and hard work, but I enjoy the creativity behind planning the events. It is great to create your own brand.

Besides events, do you innovate in other aspects of your business?

Yes, we do. The practice is unique because we are part of a full-service firm, so we can assist clients with all of their financial needs. In addition, we bring in some of the top outside money managers for our group’s exclusive use, including two members of Barron’s Roundtable. We introduced our annual financial conference to provide opportunities for real-time updates on trends and products and a chance for our guests to interact with well-known financial experts. Then, of course, there is the events portion that we have been discussing.

How do you measure success?

I measure success in a number of ways. In terms of my practice, the top indicator is helping my clients reach their goals and being their “go-to” person for all types of financial questions. I also see building and running a successful wealth management business for thirty years as an achievement.

Personally, I define success as being considered a role model by my family. I try to give back by mentoring young people who are learning the intricacies of the business world. A few years ago, I started an organization called The Foundation for Gender Equality (<http://www.foundationforgenderequality.org/>) to address major issues impeding empowerment. I am very proud today that we have a great board of directors in place and, with the help of many volunteers, have held three programs and supported some incredible non-profits.

How do you fit it all in?

I have a great team, a phenomenal wife, a wonderful family, and I work weekends!



Richard A. Fitzburgh is Senior Vice President – Financial Advisor at RBC Wealth Management, a division of RBC Capital Markets, LLC, a wholly-owned subsidiary of the Royal Bank of Canada (RBC). He is a leading financial advisor to high net worth individuals, corporations, and family offices. During his 30-year career in the financial services industry, Richard has developed deep expertise in wealth management and estate planning, and works closely with a broad network of trust and estate attorneys.



“The burger of choice that they’ll be using for the World Food Championship is Bo Jackson, Bo’s Burger.”

Robert Reiss: Let’s talk about VEJ Holdings, which is your food company.

Vincent “Bo” Jackson: I’ve been called a foodie all my life, even before sports. I was into food because from the time when I was young before starting school, I was home with my mother, and in order for her to keep an eye on me, she would have me sit in the middle of the kitchen, in a little red rocking chair that all kids got for Christmas back in the day. She would say to me, “Plant yourself there and don’t you move.” I had two options: either watch her cook or watch soap operas, which was *One Life to Live* and *General Hospital*. At that time, Luke and Laura were teenagers on *General Hospital* and I still know all of the characters from those TV shows! Especially when you’re a low income, rural family in the south, each day would either be watching soap operas or watching my mom cook.

I had nine brothers and sisters and about seven of us were at the house at any given time. Cornbread was a staple because there were days when we didn’t have anything to eat but cornbread. I watched my mother make

“I watched my mother make cornbread in an 11 lb. cast iron skillet every day. The first time I made cornbread I was five and a half years old and my sister gave me a quarter, a whole quarter in 1968, to make that cornbread, and when I got that quarter, in my mind, I had more money than Jeff Bezos.”

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Is there a secret with the cornbread?

There is a secret to it, until this day. Just yesterday evening, I had cornbread as part of my dinner. I still cook, and cornbread, there is a secret to good cornbread.

Will you share it? It’s just between you, me and our readers...

I won’t share it but I will tell you that cornbread is not cooked with corn kernels in it. That’s not cornbread. Cornbread is made with cornmeal, flour, salt, baking powder and a dab of sugar.

Let’s talk about the World Food Championships.

WFC, the World Food Championships, is being held this November in Orange Beach, Alabama, and it is a competition for your nine-to-five chefs; it’s not for the big name guys who have already made a name for themselves and have their own TV shows. This is for your everyday nine-to-five chefs to come in and compare their skills to those of other chefs from around the country. The burger of choice that they’ll be using for the World Food Championship is Bo Jackson, Bo’s Burger.

What’s the web address if anyone wants to go to the website to get your food?

It’s bojacksonsignaturefoods.com

Signature food – where did you come up with the name signature?

That’s just something that my CFO, the people in my office and I came up with.

What’s your favorite food?

My favorite food is anything that won’t eat me first!

And you’ve been with a lot of things that could eat you first.

Yes, I have. Just a couple of weeks ago, I took my nephew fishing and I got in a fight with a 611-pound blue fin tuna. I won and the tuna steaks are showing up tomorrow.

Let’s talk about another topic that I know is dear to your heart – taking on life’s challenges.

Life is what you put into it, life is what you get out of it and life will be full of challenges. I look at challenges, from a religious standpoint, as the way God puts a speed bump in your road of life and it’s up to you to slow down and get over that speed bump, just like you would if you were driving your car down the street.

If you’re able to slow down and get over that speed bump and move on down the road, everything else is a piece of cake. Now, if you’re in a rush to get over the speed bump, you know what’s going to happen. You’re going to end up in the body shop because of some pos-

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“What CEOs can learn from sports, from my point of view, is that nothing is given to you. You have to earn everything you get, and I say, ‘Never say never.’”

sible damage underneath your car. Every challenge I’ve had in life I’ve looked at it as a speed bump.

What was the challenge like when you had that incredible injury?

It was a speed bump and it allowed me to slow down.

Were you in that moment seeing it as, “Oh, this is a speed bump” or you were saying, “Oh my goodness, how could this happen to me?”

In the first 24 hours, you have to allow yourself to accept the fact that that has happened to you. After that, I realized that, “Hey, this could have been worse.” My doctors told me that I was either going to dislocate my hip or have probably the worst knee injury which would have probably put me out to where I couldn’t even come back to try to play baseball. I look at it as a blessing from the standpoint that if I hadn’t dislocated my hip and hurt my hip at that point in time, we wouldn’t be sitting here talking right now. I would not have been able to do the things that I’ve done in the past 25 or 26 years.

What prompted you to go back to school?

At the time that I dislocated my hip, my mother was battling cancer and she kept it a secret from the family. I had found out a year prior that she was battling cancer and I had my hip replacement surgery on April 4, 1992. I lost my mother to cancer a few weeks later. Having a career-ending surgery was minor compared to me losing the strongest person in my life.

Losing my hero. Losing my superwoman. It didn’t matter. It didn’t matter about my sports career until that day. I can sit and talk about this woman and get emotional because even though I’ve got more energy than any three kids combined in the neighborhood, I was that

proverbial mother’s boy, and I promised her before she passed away that I was going to go back to school, graduate and get my degree, which at the time, I only had six classes to take to complete. Once completed, if I had to use my degree, I would own a chain of day care centers across the country.

That’s a serious testament. Switching gears, after sports you became a CEO. What can CEOs learn from business and sports?

What CEOs can learn from sports, from my point of view, is that nothing is given to you. You have to earn everything you get, and I say, “Never say never.” I believe in that from the standpoint that I never give up. I never say, “Oh well, that deal’s not going to work so I’m just going to leave it all alone.” I try to tackle that type of business from a different angle and if you give up every time somebody tells you, “No,” you’re not going to be successful. There are ways to get over that bridge if you use your mind.

When you grew up, you were always a sports star. When you were seven years old you were most likely better than all the 11 year olds in every sport you played. How did you view leadership from growing up as a top athlete?

I was determined to be the best, the fastest, the most accurate – whether I was throwing rocks, climbing trees, anything I did – anything that I competed in, I was determined. I have that gene to always worry about who was going to come in second.

Were you feeling nervous about it or were you feeling inspired?

I was excited. I know that there’s nobody out there that can compete with me. All of those other kids were battling to see who was going to come in second because I knew who was going to come in first, and I take that into my business. I’m not the smartest CEO out there on the planet. I’m not the brightest, but I’m one of those CEOs that’s never going to give up.

If there is one word that summarizes the essence of Bo Jackson, what would that be?

Hunger.

When you were at the complete top of the world, the only guy who is competing in two sports, you were still hungry right then?

Yes, hungry. And this has never changed for me, ever since I was a little kid.

You have some of that, not just from your mom but also your grandpa, the ballplayer, the catcher.

Yes, my grandfather was a baseball player. His real name was George Jackson. He played baseball with the com-

munity baseball team and he was a catcher who didn't use a mitt because nobody could afford one. He caught with his bare hands and they called him “Snag” Jackson because he would just snag the ball out of the air. He didn't just let it hit him in the hand, he would snag it. He'd give a snag and throw it back to the pitcher.

When you broke a bat over your head, how did you do that?

It goes back to that always being hungry, always being hungry.

And you wanted to beat that bat.

“Anything that I competed in, I was determined. I have that gene to always worry about who was going to come in second.”



“All of those other kids were battling to see who was going to come in second because I knew who was going to come in first, and I take that into my business. I’m not the smartest CEO out there on the planet. I’m not the brightest, but I’m one of those CEOs that’s never going to give up.”

I allowed someone to get me out when I actually knew that I could get him but he got me. That was just the frustration of number one, not doing my job and number two, letting my teammates down because they expected me to do something positive at the plate and I didn’t. That was my way of showing my frustration for letting my fans down. I am looking at the whole picture and it’s not about me. It’s about the people that I’m associated with.

Talk about your decision to play both football and baseball.

I didn’t have to make that decision because I’ve been

doing that all my life since I was a kid. I was playing baseball, playing football, and I was a wrestler.

I lost one wrestling match during my junior high wrestling career. I didn’t continue to wrestle in high school but during my junior high career, I lost one wrestling match due to disqualification. My opponent was a good deal bigger than I, but I was quicker and stronger and I must have been wearing him out. Every time I would get him on his back to pin him, he would pinch me in a certain spot, and I would let him go. I told the referee and my coach about it twice and my opponent did it a third time. I picked him up and luckily he ducked his head because I probably would have broken the kid’s neck,



but I leaped the floor with him and slammed him to the mat, knocking the wind out of him. I was disqualified because you're not supposed to lift your feet when you're taking somebody down. That was just me being competitive; that's that hunger that I continue to preach about. You can go back and look at it from my childhood – this wasn't something that I just decided that I was going to do once I got out of college. I've been doing this since I was a kid.

You've always had this hunger. What's next for you?

I'm not certain. I'm always eager to wake up every morning to seek what the day holds for me. Am I satisfied with my food company? Am I satisfied with my sports complexes? Am I satisfied? Yes, but I know that there's more out there for me. I know that I'm one person. A good friend of mine recently asked me, “Bo, when are you going to slow down?” And I figured that I have; however, since I retired from sports, I'm three times as busy as I was when I played dual sports.

Any final word of inspiration?

I never say, “Look what I've done already,” because that would be bragging.

A successful person in my eyes is a guy whose friends, associates, and opponents are complementing.

On that inspirational note, Vincent, better known as Bo Jackson, thank you for being on The CEO Forum.



Robert Reiss and Bo Jackson. Interview aired May 1, 2018.

In 1992, Jackson started Bo Jackson Enterprises, Inc., which is a sports management company. In 2007, Bo came together with John Cangelosi to form the Bo Jackson Elite Sports Complex, an 88,000-square-foot multi-sports dome facility in Lockport, Illinois and BJES have 4 more facilities in the pipeline spreading from Ohio to Wisconsin. Jackson is part-owner and CEO of both of the facilities. He has been successful with other investments, including a food company and he is among a group of investors who own The Burr Ridge Bank and Trust in the Chicago suburbs and is currently on the bank's board of directors. Jackson started VEJ Holdings in 2013 and is the President & CEO. Over the years, Bo has been active with many charities. Some of the charities Jackson has worked with are The Children's Miracle Network, St. Jude Children's Hospital, Make-A-Wish Foundation, Marillac Foundation, United States Department of Education and the Alabama Sheriff's Youth Ranch. Bo started Bo Jackson's Give Me A Chance Foundation in 2008. In April 2012, after the devastating tornadoes in his home state of Alabama in 2011, Jackson started Bo Bikes Bama, which is an annual bike ride to raise money to build community storm shelters and to date has raised over 700k and has repaired almost 400 homes and built 27 community storm shelters.





Little-known Engine Powers U.S. Growth

By Joe Brusuelas, RSM US LLP Chief Economist

The middle market powers the U.S. economy.

Comprised of thousands of companies most people have never heard of, the middle market is responsible for making everything from components in Harley-Davidson motorcycles and Apple computers to stocking the towels and coffee makers in hotel rooms, and everything in between. The sector includes distributors that help Amazon and Wayfair deliver thousands of SKUs to U.S. households, regional banks that have weathered countless economic downturns, real estate developers responsible for transforming blighted neighborhoods, and countless other businesses.

A stalwart economic engine, the middle market nevertheless typically lacks the headline-drawing attention of multinationals with market capitalization in the billions or Wall Street darlings fresh from Silicon Valley. It accounts for a staggering 40 percent of U.S. gross domestic product (GDP) and employs one-third of the domestic labor market, comprising some 200,000 companies with revenues of \$10 million to \$1 billion.

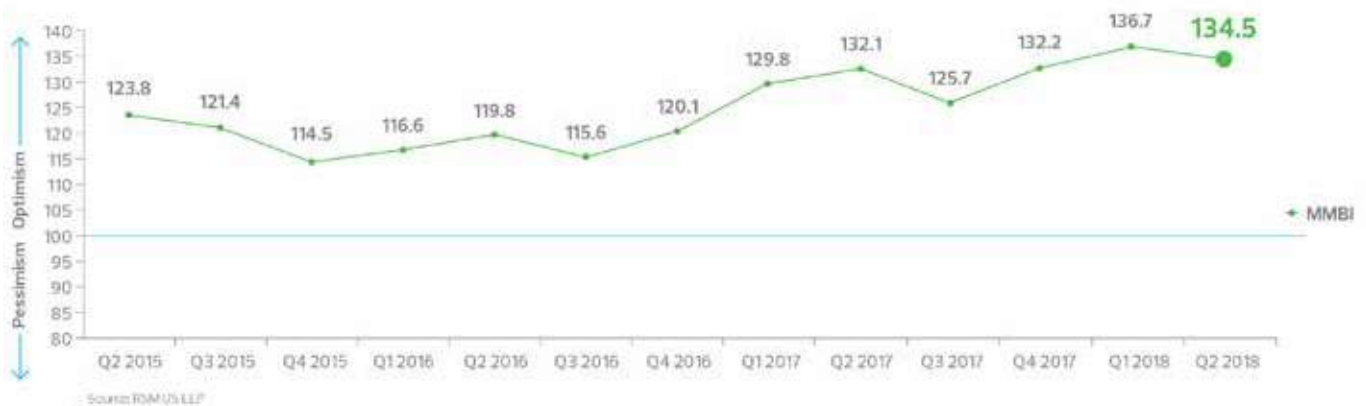
In recent quarters, we've been encouraged to see the mid-

dle market economy remain resilient, despite headwinds like a tightening labor market and rising interest rates. Our proprietary RSM US Middle Market Business Index (MMBI) which measures quarterly performance of this vital sector – remained robust in the second quarter, with a measure of 134.5 (a reading above 100 indicates that the middle market is generally expanding), down only slightly from a high of 136.7 just three months earlier.

It showed that 69 percent of executives polled expect gross revenues to improve over the next six months and 68 percent expected net earnings to improve during the same period. Such optimism comes despite rising international trade tensions and modest tightening of domestic and global financial conditions; we expect similar strong performance in the third quarter.

What does the MMBI index represent? Until just a few years ago, there was no quantifiable way to measure the performance of what I often refer to as “the beating heart and soul of the U.S. economy.” That’s because so many midsize companies are privately held, and, as such, are not required to report their financial performance to the public.

RSM US Middle Market Business Index (MMBI)



Tracking the middle market.

At RSM, we wanted to shine a light on this important contributor to U.S. economic growth, which also makes up the bread and butter of our client base. So we built our own quarterly index to track middle market performance. With the help of Moody’s Analytics, we began collecting data for the proprietary RSM US MMBI in the second quarter of 2015. In 2017, we partnered with the U.S. Chamber of Commerce for their expertise and ability to help us spread the word in Washington D.C. and across the country about the importance of this frequently overlooked sector.

Each quarter, we systematically poll random and representative panel 700 C-level executives at midsize companies, asking them the same standard set of questions—about economic sentiment, revenue, growth prospects, hiring, supply chain and more, questions that give us our aggregate monthly reading.

We also probe more deeply on qualitative issues affecting these businesses: whether they’re investing in innovative technologies to gain a competitive edge, building a more diverse workforce or are struggling to keep their customer information safe from cyber threats.

The findings sometimes surprise us: for instance, we discovered in our second-quarter poll that the majority of midsize companies we track are taking a cautious approach to capital spending, with only 38 percent planning

to boost capex over the next three years, despite surplus cash on their books due to an effectively lower tax rate following tax reform.

One thing, however, remains certain. The middle market is a vital and engaging part of the overall economy and one that bears watching closely now and as we move through a period of dramatic global transformation.



Joe Brusuelas has over 20 years of experience in finance and economics and specializes in analyzing U.S. monetary policy, labor markets, fiscal policy, economic indicators and the condition of the U.S. consumer. In his current role, Brusuelas provides macroeconomic perspective to help clients anticipate and address the unique issues and challenges facing their businesses and the industries in which they operate. He also produces monthly economic reports for the middle market and for key industries within that market.



“I strive for simplicity.”

Robert Reiss: Prior to being CEO of Anheuser-Busch, you led China and the United States for Anheuser-Busch. What are the real differences between the two markets?

Michel Doukeris: That’s a great question, and a lot of people ask me about these differences. I often start by talking about the similarities, and this to me is what calls my attention in between being CEO of Anheuser-Busch and CEO of our Asia operations. I was in charge for global sales, working as Global Chief Sales Officer, and I’ve had the chance to visit all continents. We have operations across all continents in several countries and it is incredible how much people look and act similar these days. Younger kids in Indonesia, China, the U.S., Peru – they are all connected. They use their mobile devices all day – their phones, they are always reading, watching TV, getting to know what’s happening in the world through the usage of their technology.

It’s also impressive to see how trends travel much faster today. For example, people are using the same type of

“Our business is about hearts, minds and magic. The heart is how we understand what consumers want and how we really understand them, how we make their lives better. The mind is the rationale that drives the business, because at the end of the day, you need to transform this desire in something that you can produce and in turn deliver commerce to them. The magic is what we do with the brands so consumers are able to engage with those experiences.”

shoes in North America as in China. They listen to the same music in Korea as in China. As a matter of fact, if you saw the Grammy’s this year, the biggest attraction was a Korean pop band which my daughter is a big fan of and she’s living in New York. There are a lot of similarities today. There are also differences that if you look to the countries in Asia, anywhere from India, which is really a developing country, to China, which is a mix between developed and developing, in Korea, Japan which are very developed economies that look more like the U.S.

What is unique in the U.S. is that this is a culture that’s very strong in values and trends are set here that later travel everywhere. We have a company today different from my times in Asia where we were building a company. We have a company here that is intrinsically related to the fabric of the country. Culturally speaking, our brands such as Budweiser and Bud Light, have been building trends in this country for more than a hundred years. People are familiar with the company and have grown with those brands throughout their experiences in life.

Also, in terms of geography, China and the U.S. are more like continents. When you travel from East to West, you can say that it’s a different country. If you look to the economy, I often use this example: Texas is the size of Canada, California is bigger than Brazil, and Korea has an economy that’s as big as New York. This is more like a continent and, therefore thinking about regional and regionalization, understanding different consumer trends and what consumers want is different in one region than the other, it’s very similar to countries that are as big as China.

I bet you would you say the common denominator is beer?

Quite often it is!

You’ve been with Anheuser-Busch for over 20 years. Talk about what your real business philosophy is.

In July of this year, I will be with AB for 22 years, and I’m very glad and happy with the experiences. In terms of philosophy, I’ll tell you what really matters and the way that things are seen. First of all, I strive for simplicity. I used to say that I’m a very simple guy. I know that in English, simple has a slight difference from my mother tongue which is Portuguese, but you can understand simplicity. If I can choose between complicated and simple, I go for simplicity. If I can’t choose between making things fast, even though I’m not 100% perfect, but can see the result and then perfect as I move on, I will always do that.

Also, I love to think about consumers and their pain points, ways that we can understand how to help consumers in having a better experience and enjoy our products more, and in having our products in a more convenient way. In doing so, I’m also very passionate about brands, which are a perfect combination or integration between the company and the consumers, which then carry on stories, the magic, and we can tell about what we want to do. Quite often it has been said that our business is about hearts, minds and magic. The heart is how we understand what consumers want and how we really understand them, how we make their lives better. The mind is the rationale that drives the business, because at the end of the day, you need to transform this desire in something that you can produce and in turn deliver commerce to them. The magic is what we do with

the brands so consumers are able to engage with those experiences.

In all of your years with Anheuser-Busch, what is one thing that you are most proud of?

There are a couple of things that I'm proud of. One is being part of working with my teams and working with the company in development. If I can refer to one time that's most recent and is a special place in my heart, was my time in China. I arrived right after the integration of Anheuser-Busch. We used to have several companies in China like Holding, and we had decided then to integrate them in one company with one vision.

At that time, I saw Budweiser as an incredible asset, an incredible brand, that people love everywhere. In any city that you would go in China, people knew what Budweiser was and they were really looking forward to that brand.

In 2009, we sold close to 40 million cases of Budweiser in China. When I left China in 2016, we were selling more than 222 million cases of Budweiser there and today Budweiser is the undisputed leader in the premium segment in China. This should make every American proud about the brand that they stand for and the brand that grew with them.

Let's talk about sustainability and your water initiative.

This is a very important cause, in the same way that I was speaking before about the ideas of hearts, mind and then the magic. This can be applied as well for sustainability. One of the privileges that we have as a company is that we operate across all continents in several different countries, and we can see realities that most people that live only in America or in Europe are not able to. Through my travel, for instance in India where I trav-

“In 2009, we sold close to 40 million cases of Budweiser in China. When I left China in 2016, we were selling more than 222 million cases of Budweiser there and today Budweiser is the undisputed leader in the premium segment in China.”





elled north to south, east to west, I was able to experience everything that is happening in that country, but also everything that is not happening.

Everything they have in terms of gaps, in order to cover the very basic needs, for example water. When I see the global challenges with water, it's not because I'm thinking about a marketing campaign, or I'm thinking about selling beer. I'm really thinking, "How can we change people's lives?" I can do something as an individual. We all do, day-to-day, but as a company, the impact that we could have is much bigger and the reach is disproportionately bigger as well. Water.org is an incredible foundation, an organization that reached out to us in 2015 with an idea of bringing this partnership together for a company and really influencing and changing people's lives. Stella Artois, a brand that stands for authenticity with a very strong history and heritage of brewing in Europe and is now the most sold brand from Belgium globally, embraced this cause and we have started very small, starting with this partnership of the chalice where when you buy one chalice, one person gets five years of clean water. The chalice will cost you only \$13. We elevated this campaign with Matt Damon, who is the force

"When I see the global challenges with water, it's not because I'm thinking about a marketing campaign, or I'm thinking about selling beer. I'm really thinking, 'How can we change people's lives?' I can do something as an individual."

behind this idea together with water.org.

Is this something that he personally wanted and reached out to you?

Yes, it's something that he is personally, incredibly passionate about. He then committed for the first time to do an advertisement for a beer brand and he came to tell the story publicly. This year we brought it to Super Bowl, with 110 million viewers, and we launched the challenge of 1% of the people watching the ad during Super Bowl to buy the chalice, which would impact one million lives. What's the beautiful part of all that? Today, we have already helped 1.5 million families and when you see the

“The chalice will cost you only \$13. We elevated this campaign with Matt Damon, who is the force behind this idea together with water.org.”

results, the impact goes beyond that one family. When the water arrives, then people can have more time to do other things. On average, in these developing countries, women spend eight hours a day just to provide water for their families.

When we give them this time back, then they can do more. They can seed and grow crops and sell those crops. They can put kids at school. In the community, we’ve helped to develop business around the water.

We just saw one example the other day that now they have a school. These kids, instead of walking for 10 hours a day to find water, they’re able to go to school. You can imagine what’s going to happen 10 years from now. The impact of what we are doing with this idea, that to me is the magic.

Your eyes are lighting up. This is hitting you viscerally, emotionally about linking in a great brand with a higher purpose.

It is, because to me, I have goosebumps when I talk about the stories and when I remember the faces, and when I see what we can do. Because it’s “we.” It’s ABI, it’s Stella, it’s the retailers and wholesalers that work with us and every consumer like you. Now when you buy a 12-pack, it’s the same thing. It’s one-year of clean water for one family in India, in Africa, in Mexico, in a country where these people need our help.

Talk about World Water Day.

It is a celebration of this campaign where we want to, once again, call people’s attention. Together with Matt Damon, we’re taking over Grand Central Station in New York City. We’re going to have some art there that’s going to be a beautiful representation of the ripple effect of this campaign, and people will be able to see what’s happening. They will see images. They will have the chance to see these stories being told by people from



water.org, from ABI and they will see the image of the impact that this campaign is bringing for people’s lives. We hope that a lot of people will visit, a lot of people will be proud about the actions that we are taking and they are helping us to make it happen.

You have a deep understanding about marketing – you were chief sales officer as well. What is the link between marketing and higher purpose? Where do you see when it works and when it doesn’t work?

This comes when the consumer acts towards the companies and the brands, and if you look to consumers today, they are much more advanced than what they used to be. Today, they’re very selective about the brands that they engaged with, about how they spend their money and they are always choosing brands that can bring them great experiences, but moreover, to use their money where they believe that the brand has a sustainable behavior and a purpose that goes beyond the commerce.

A question I really want to ask you is what is the key to a great beer?

“When you buy a 12-pack, it’s the same thing. It’s one-year of clean water for one family in India, in Africa, in Mexico, in a country where these people need our help.”

The key is the experience that you have and the friendship and the moments that you can share. We often say that people talk about the social networks today, the Facebooks, Twitters amongst others. However, beer is the real social network that you can be together with people enjoying that moment. The “real deal” behind the great beer is your experience and your satisfaction.

Beer is the real social network! If you want to elevate your company, doing the right thing, think about the heart, the mind and the magic and link it toward a higher purpose. A pleasure having you on The CEO Forum, Michel.

Thank you, Robert.



Robert Reiss and Michel Doukeris. Interview aired March 27, 2018.

Michel Doukeris joined AB InBev in 1996 and held various sales positions before becoming Vice President Soft Drinks for our Latin America North Zone in 2008. He was appointed President AB InBev China in January 2010 and Zone President Asia Pacific in January 2013. He became the President and CEO of the North America Zone (Anheuser-Busch together with Labatt in Canada) in January 2018.

Under Michel’s leadership, AB InBev outperformed the industry in several key metrics, including growth in volumes and earnings. During his tenure in China, he oversaw Budweiser’s rapid growth, helping to make China Budweiser’s largest growth market.

Michel is a Brazilian citizen, holding a Degree in Chemical Engineering from Federal University of Santa Catarina and a Master’s Degree in Marketing from Fundação Getulio Vargas. He has also completed post-graduate programs from the Kellogg School of Management and Wharton Business School.



ANHEUSER-BUSCH

Bringing People Together for a Better World



“One of the newest things we’ve just come out with is DNA Body Blueprint™, which actually analyzes your genes and provides all kinds of information on your metabolic predispositions and guidelines for losing weight.”

Robert Reiss: Dawn Zier, as CEO of Nutrisystem, what do people know about Nutrisystem and what don’t they know about what the company really is?

Dawn Zier: I think everybody knows Nutrisystem is about weight loss – it’s what we’ve done for the last 45 years; safe, effective weight loss through a program that works. I think what people don’t always realize is that it’s not just about weight loss. We’re in the business of transforming lives and making people feel more confident, more empowered and better able to more fully participate in their lives. It’s about being the healthiest version of yourself and really being able to be there for your family, which is a huge motivator for many of our customers.

What are some unique practices that Nutrisystem has in weight loss management and in building confidence and transforming oneself?

Few things are more personal than weight loss. There’s really no one-size-fits-all approach when it comes to losing weight or managing your weight for optimal health. So, we have developed multiple, highly customizable programs.

“When I came into the company, one of the things I was repeatedly cautioned about was cannibalization. But the truth of the matter is, if you don’t cannibalize yourself, somebody else will.”

We’re one of the few weight loss companies out there that actually has multiple powerhouse brands – Nutrisystem® and the South Beach Diet®, representing different nutritional ways to exercise and lose weight. That’s been extremely effective for our customers, and by extension, our business. And, we’re constantly innovating. One of the newest things we’ve just come out with is DNA Body Blueprint™, which actually analyzes your genes and provides all kinds of information on your metabolic predispositions and guidelines for losing weight. There’s so much talk about personalization, it doesn’t get more personal than that.

How does it work?

It’s a simple saliva swab used to generate a 30-page report that provides you with a personalized roadmap to success based on insights that are unique to your genetic make-up. For example, it tells you why you might lose weight differently than I would. So, it could be about your metabolism, or it could be about your eating behaviors. It could be I have a sweet tooth and you tend to crave salt, or maybe you’re one of the lucky ones who processes carbohydrates quickly, while I require more protein. There are a million different ways that distinguish why one approach would work better for you to lose weight and keep it off and a different approach may make more sense for me.

Let’s talk leadership. When you became CEO in 2012, how would you describe the state of Nutrisystem?

It was interesting. The company needed to go through a true turnaround, a complete transformation. There were declining profits for five years at that time, declining revenues and an understandably demoralized staff. I was brought in to turn things around. So, I did what my engineering instincts are honed to do – I broke things down and figured out solutions. It was clearly an iconic brand that needed a little dusting off. While it had been relevant in the past, it had lost its way and its focus.

The company had well-deserved credibility and visibility around weight loss and was doing a lot of great work in

nutritional and behavioral science and food development, but it had begun thinking of itself as a food company instead of a weight loss company. Food messaging was front and center in marketing and advertising, when what consumers were really looking to us for, and what we were really still delivering, was results – the ability to lose weight and keep it off. So, one of the things I thought coming in as a marketer at heart is that we really had to move the message back towards weight loss and innovate on all fronts surrounding food development, but without losing sight of our north star and primary customer value proposition. And, as I think all CEOs can relate, the clock was ticking. One of the things we quickly discovered is that the company was actually afraid of changing. I don’t think this is unusual for any struggling company. There’s a tendency to hang on to whatever has worked best in the past. We quickly prioritized around a renewed focus and spirit of innovation and rolled out a steady stream of customer-centric omnichannel product offerings – Fast 5+ kits at retail and Turbo10 complemented by an incredibly popular line of shakes, The South Beach Diet®, and more recently Nutrisystem® and South Beach Living® Essentials™ Vita Packs™, and the brand-new DNA Body Blueprint™.

Do you think more companies who aren’t doing well are afraid of change?

I think so. When I came into the company, one of the things I was repeatedly cautioned about was cannibalization. But the truth of the matter is, if you don’t cannibalize yourself, somebody else will. So, you always have to be open to change and moving forward and sometimes that’s disrupting part of your business from within.

After seven years of decline, you had the first year of revenue growth in 2014. And now for four years in a row, you’ve had double-digit profit. What specifically did you do to achieve that?

Turning the revenue trajectory around was mission-critical, and it started with building a top-tier management team with exceptional existing members of the executive team and bringing in additional proven talent. So, for

“We’re inherently a data-driven company, but very few people were coming to me talking about the facts. So, I said, ‘Okay, I’m willing to have any conversation with anybody, but please come to me with data to support the hypothesis that you’re putting forward.’”

starters, we put the right management team in place and set out to change the culture. We knew we needed to deliver something new and interesting to the customer while carefully managing ROI, and we needed everyone to rally around highly specific performance goals and be ‘all in.’ Understanding and improving the culture was enormously important to me, because culture is the backbone for almost everything and sets the stage for future success. It’s really hard to understand this as you’re interviewing and coming into a role. Turning morale around required being crystal clear that we were playing to win and complacency or a wait-and-see, just-do-the-best-you-can attitude was not going to get us where we needed and wanted to go. It’s amazing how people step up when they feel like they’re part of a winning team. I’m really proud of everyone involved in our transformation efforts and the tenacity they continue to show as we forge ahead with our growth strategy.

Well, I know you brought in a new CMO and a new CFO very quickly.



Nutrisystem, Inc. C-Suite: Keira Krausz, Chief Marketing Officer (CMO), Dawn Zier, Chief Executive Officer (CEO), and Michael Monahan, Chief Financial Officer (CFO) pictured from left to right, in Corporate Headquarters Boardroom.

Yes, very quickly. Within the first three to six months, we changed out a lot of the leadership team, but again, very importantly, also retained strong players. I’m a big believer that as you bring a company together, it can’t be old versus new. It really has to be a blending of talent and a strong working relationship with mutual respect between the entrenched talent and the entering new hires, all aligned against the same initiatives and objectives.

How did you motivate old talent that’s not working?

The first thing you do is listen, right? When you come in as a new CEO, we all have our ideas around what things should look like, how things should be, but really you have to let people tell you the story and tell you what they think is going on – the good, the bad, and everything in between. For instance, we’re an e-commerce driven company. One of the first and one of the largest. So, we’re inherently a data-driven company, but very few people were coming to me talking about the facts. So, I said, “Okay, I’m willing to have any conversation with anybody, but please come to me with data to support the hypothesis that you’re putting forward.” That was a game-changer and led to more fact-based discussions company-wide at all levels.

You would actually tell people right up front, “I want to hear everything. I’m listening now, but I need to hear facts. Don’t just give me hypothesis.”

Right, because if it’s your opinion or my opinion, then we’re just likely influencing each other through conversation, but not necessarily constructively drilling toward true, fact-based change with measurable results.

Over time it became a habit and part of our performance culture because we would literally stop meetings if they weren’t fact-based. It was surprisingly powerful in its simplicity. There was no drama, we’d simply say, “Okay, this is not a fact-based conversation. Let’s come back tomorrow and try again.”

I’ll be honest, at first some people on the team started coming with reams of facts. Things like 20-page Excel spreadsheets. So, at first, it was fact overload. I had to say, “Okay, we need to add context and tell the story, what is the meaningful data and the facts that will change a trajectory?” Because we are an e-commerce company, we

have a lot of data and there's a lot of insight we can draw on to inform our marketing and innovation decisions, so this analytic rigor continues to serve us especially well.

What else did you do to change the trajectory?

We stayed focused on innovation and went back to marketing fundamentals and our performance-based marketing philosophy. We also launched into retail, which was the first time that the company meaningfully got into retail and had a modern, omnichannel approach.

That's a major move. Discuss the Walmart partnership.

It was one of those pull-the-trigger moments, when you've got to make the call to avoid or embrace a new business line and model. The challenge was, 'How can we take a product that works in direct to customer and what would be a relevant introductory product in retail?' We made an informed decision to test a highly differentiated five-day weight loss kit aimed at a demographic we were not currently reaching. It's done exceptionally well, while our direct to consumer business has grown simultaneously. It's a good example of disrupting our own propensity to protect a single channel, when there's – now proven – white space in multiple channels.

I know you also changed the comp plan.

We put an emphasis on execution because the best strategy, if not well-executed, is not going to lead the shareholder value. We really put a premium on execution and a pay for performance culture. I'm a big believer in what gets measured gets done. We were very clear in setting the corporate strategy and then making sure everyone in the company had specific goals. I think a lot of times companies talk about doing this, but then there's a fall-off when it comes to holding people accountable and measuring against those goals. When I joined the company, there was no differentiation based on performance and we were trying to go through a major transformation requiring a lot of sweat equity in terms of people being willing to put in the time, being willing to go above and beyond. We decided what's right and what's going to drive the performance of the company is to align bonus payments with performance results, aligned with both valuing our employees

and creating shareholder value. Superstars at the company and up-and-comers were thrilled by the opportunity and others decided a turnaround scenario just didn't work for them for whatever reason. The key, and the part of the reorganization we controlled, was that no one was left waiting for direction or guessing about expectations.

What do you do to engage millennials?

We're a digitally oriented company. We have a company full of millennials and they want to work differently than young people twenty years ago. They're particularly adept at multitasking, don't want to feel confined, and are exceptionally tech savvy, so we've made a bunch of workplace adjustments, including putting in place walking stations. If you're on a conference call, for instance, you can attach your laptop and exercise at the same time and we're asking for employee input on additional ideas along these lines. I don't think anybody really wants to sit in their office all day. Everybody feels more energized when they can get up and walk around, especially at a health and wellness company like Nutrisystem. One of the things we're working on doing is turning updates into walking meetings.

Walking meetings?

It's good for one-on-ones.

We have a beautiful campus, so even if it's going for a nearby walk or just a lap around the building, it's a good habit. There's nothing better than getting outside for 20 minutes and getting a quick, in-person update. It's just a very healthy way, in multiple respects, to have meetings when you don't need tons of paper or numbers in front of you for the discussion to be impactful. It's something we're trying to really incorporate more into the culture.

“There's nothing better than getting outside for 20 minutes and getting a quick, in-person update. It's just a very healthy way, in multiple respects, to have meetings when you don't need tons of paper or numbers in front of you for the discussion to be impactful.”



Nutrisystem, Inc. rings opening bell at Nasdaq with (from left to right) Board Member Jay Herratti, CMO Keira Krausz, Brand Ambassador Marie Osmond, CEO Dawn Zier, Board Member Andrea Weiss, CFO Michael Monahan, and EVP David Burton.

We also have an internal weight loss challenge. So, we really try to walk the talk when it comes to instilling healthy living habits and healthy aspects of living. One of the single most motivating things we do within the company is invite our customers – including our celebrity ambassadors – people that have gone on Nutrisystem® or the South Beach Diet® and have had inspiring success, to come to headquarters and share their experiences with our employees. We're fortunate to have our award-winning customer service Call Center on campus and our counselors on the frontlines, fielding thousands of calls and getting to hear first-hand the real difference their work is making in real lives. It's a really humbling experience for all of us and really drives home why we come to work each day.

Let's talk about your personal philosophy. I know in terms of mentors and mentees, you have a different way of thinking about that, which we've talked about in the past.

Right. I'm a big believer in giving back and mentoring people, but I think too many of us, as we evolve in our careers, think we don't need guidance anymore. So, I very much surround myself with trusted advisors. In my mind, a CEO shouldn't go alone. The trusted advisors I work with ensure I'm pursuing multiple options and exploring every opportunity available. They challenge me on key points and, ultimately, strengthen my convictions and inform my decision-making. So, I get inputs from my team

inside the company as well as external inputs on some of the things we're working on and I just find multiple brains are better than one. I still have to be the decision maker, but have found it helpful to be surrounded by different facts and different perspectives. It doesn't just happen. You have to orchestrate the dynamic. But, I believe it's worth it and makes me a more effective CEO.

Regarding your background you are an electrical engineer from MIT. It's not the profile someone assumes is going to be the CEO of Nutrisystem.

I'd say, looking back, that my education as an engineer both at SUNY Stony Brook, where I went to school undergrad, and at MIT, where I went for a master's in engineering and then later for an MBA, trained my mindset and provided a framework for decision-making. I really believe it set me up for success, because it's a useful way to take complex issues and break them down into subcomponents to problem solve and then bring key things back as solutions. It's how my engineering brain works and it's sometimes a little different approach than other people might take. So, our CMO, for example, who is extraordinarily bright, problem-solves exactly the opposite way. If I come at a problem going left to right, she'll come at it going right to left. If we end up with the same conclusion, we know we've got it right, but our minds work totally differently along the way. It's a very effective tool if you think about it. If you have two people problem solving in different ways and end up with the same answer, there's built-in validation.

What's an example of how you've used this problem-solving methodology?

In listening to customers and trying to understand what they want, we bought the South Beach Diet® brand and then launched it as a home-delivered meal program. When you launch a product from scratch, you don't get everything right out of the gate. Initially, we knew we had brand permission to productize a portfolio, but we weren't entirely sure what was working and what wasn't. We broke it down into various components, taking a deep dive into the marketing messages, into customer feedback, into the supply chain and logistics, and then we problem solved around making sure each pillar was working and working optimally. From there, we enhanced each component and built it back up into a stronger solution, because nothing ever goes as planned. Part of excelling as a leader is in understanding where things aren't being optimized, and an engineering mindset is always about optimizing and moving forward.

You clearly have many unique leadership practices. How would you define your leadership philosophy?

I am hopeful it's not defined by one single thing. I do prescribe to the notion of not letting the tail wag the dog. With the pace of technology moving at such accelerated rates, it's easy to be encumbered by old technology and dated processes. One of things I don't like is being told we can't do something. I suspect this stems from when I was a little girl. I'd ask my parents for things and if they said, 'no,' I'd rephrase the question. I guess being persistent as a child has paid off as an adult.

In today's business world, it's about not accepting 'no' for an answer and always pushing for progress. You have to embrace change. That's how growth really happens.

“[I] take complex issues and break them down into subcomponents to problem solve and then bring key things back as solutions. It's how my engineering brain works and it's sometimes a little different approach than other people might take.”



Dawn Zier and Robert Reiss. Interview aired October 7, 2018.

Dawn engineered the turnaround of an iconic brand and is spearheading a new, multi-brand strategy. The overall result is resurgence at Nutrisystem, Inc.

Since taking the helm, she has turned around and grown Nutrisystem through a focus on innovation, multi-brand development, customer insights, and performance-based marketing. Dawn came to the company with a unique background combining a deep understanding of market trends and direct-to-consumer/e-commerce marketing, a trained engineer's passion for precision and data, and years of business leadership.

Under Dawn's tenure, (Nasdaq: NTRI) revenues have doubled, and profits have expanded six-fold. The Company was described as "on fire" by the Philadelphia Business Journal and named one of Fortune's Top 100 Fastest Growing Companies in 2017 and 2018. In addition to being on the Nutrisystem, Inc. Board of Directors, Dawn serves on the boards of The Hain Celestial Group, Inc. (Nasdaq: HAIN) and Spirit Airlines (NYSE: SAVE).



“We have transformed the alternative investing process and made previously out-of-reach asset classes accessible to wealthy investors.”

Robert Reiss: The financial services industry is a vast and broad universe. Why is iCapital Network focused on alternative investments?

Lawrence Calcano: Despite its considerable size, the number of investment opportunities for individuals has decreased significantly over the past few decades. In just 20 years – between 1997 and 2017 – the number of public companies dropped by more than half and today there are just 3,600 listed on US stock exchanges. This means the traditional stocks-and-bonds approach to investing is unlikely to deliver the same results moving forward than it did in the past.

By contrast, there are more than 130,000 private companies with similar earnings, which is more than 35 times the size of the public markets. Alternative investments like private equity and hedge funds provide exposure to unique investment opportunities not available in the public markets and specialized investment strategies that

“iCapital is helping qualified investors get access to a much larger universe of investment options – from 3,600 to 130,000 – and ultimately build smarter, more thoughtful portfolios.”

have the potential to improve portfolio diversification, dampen volatility, and enhance returns. By focusing on alternative investments iCapital is helping qualified investors get access to a much larger universe of investment options – from 3,600 to 130,000 – and ultimately build smarter, more thoughtful portfolios.

You have been recognized by the Forbes Midas List as one of the most influential people in Venture Capital more than five times. What is your vision for the space?

I envision iCapital becoming the industry’s universal technology solution that connects investors with private investing opportunities. We have transformed the alternative investing process and made previously out-of-reach asset classes accessible to wealthy investors.

I have been involved in the financial technology space for decades. I was a partner at Goldman Sachs, where I led the Global Technology Banking Group and had the privilege of engaging with thousands of companies at different stages in their lifecycles. Since then I have concentrated my efforts on working with growth-oriented companies as an advisor, an investor or an operating executive, and I believe this sector of the economy is where important industry changes are being initiated and driven. Opening up the alternative investments space is the next frontier, as it seems to be a significant opportunity to help our partners and clients achieve important objectives; so iCapital is leading this transformation. And, by the way, it’s also incredibly challenging and enjoyable as a professional to work in this sector. I do think for anyone to do something well, they have to love what they do and be fully emotionally invested in the mission and client success.

Describe the iCapital model in depth.

iCapital’s mission is to democratize investing in alternative assets. As part of that, we open up access to alternative investments like private equity and hedge funds to

the high-net-worth community, and we provide a technology platform to simplify subscribing to and reporting on these investments.

Alternative investments have the potential to add risk mitigation, diversification and return enhancement to a portfolio. But, historically, these complex, private investments have been the purview of only the largest institutional investors, like pension funds and endowments, for a lot of reasons. For one, the minimum investment requirements for the asset class can be as high as \$10 or \$20 million. There is also a lack of transparency in the market, and information on available investment products is hard to access. Plus, the process of investing can be complex, paper-intensive and cumbersome, so you need large teams of people to facilitate the investments. And, importantly, the investments tend to have very long durations, sometimes as long as ten years. Thus, the asset class has been considered off limits to the individual investor.

However, in recent years, due to accumulating wealth as well as market movements and global trends, demand for access to alternative investments is growing. Many wealthy investors recognize that alternative investments can add tremendous value to their portfolios, the same way they have added value for the biggest, smartest institutions.

At iCapital, we saw an opportunity in the marketplace to break down the barriers inhibiting high-net-worth advisors and investors from participating in these asset classes.

So, we built a technology platform that takes away the burdens associated with investing in alternatives. iCapital’s due diligence team researches and selects high-performing alternative asset managers and curates a menu of investment offerings on our flagship platform. We provide educational materials and reports on each opportunity to support the evaluation and decision-making process. Additionally, the platform lowers the investment minimums to a fraction of the historical levels. We do so by aggregating all the commitments from high-net-worth investors into a single investment into the underlying fund. iCapital’s technology also automates and streamlines the entire investing process, from filling out subscription documents and investment materials, to facilitating capital calls to reporting on performance. We’ve democratized the asset class with a secure, digital platform and removed the hurdles that existed for indi-

viduals: lack of access, lack of information, high minimums and complexity around the process built during and after the investment.

Who uses the iCapital platform?

Our audience is comprised of high-net-worth investors, as well as smaller foundations and endowments. We currently service over 14,000 accounts, the majority of which are managed by advisory professionals on behalf of their clients. While some users manage their own investment portfolios and use the iCapital platform as part of their efforts, most affluent individuals and families work with an advisor, broker or banker to help direct their investments and decide on the appropriate allocations. In sum, iCapital's platform services over \$6 billion in invested capital.

Talk about iCapital's work with banks.

Banks, like most companies, are constantly looking for ways to offer new opportunities and improve their service offerings so they can better serve and retain wealthy clients. Partnering with iCapital Network allows some banks to offer a new product to clients, and for others, it enhances an existing offering with improved customer service.

Our goal is to be the platform that all banks and finan-

“Our goal is to be the platform that all banks and financial institutions rely on to support their alternative investments operations.”

cial institutions rely on to support their alternative investments operations. We've been selected as a technology partner by Morgan Stanley, J.P. Morgan, UBS, Credit Suisse, Fidelity and many others.

Describe your process for working with banks.

In addition to working with advisors and their high-net-worth clients on iCapital's flagship platform, iCapital has made its technology available in customizable white label solutions for global banks, national and regional brokerages, independent advisory firms and asset managers. This allows financial institutions to utilize iCapital's state-of-the-art technology for their own clients and products, while updating and strengthening the operational infrastructure that supports alternative investments.

Does iCapital work with CEOs?

Our primary clients are large financial institutions and advisory firms, but we do have a select group of qualified individual investors on our platform for which these alternative investments are appropriate.





“Many CEO investors may have a strategic advantage when reviewing private investment opportunities, based on their sector specific knowledge of the industries within which they operate.”

CEOs looking to expand their investment portfolios can register for the iCapital platform, and after qualification, can review the available investment options and work independently – or with their financial advisors – to invest at amounts appropriate for their portfolios. Our offerings typically start at minimum investments of \$50,000 and \$100,000, and the average investment transaction on our platform is around \$500,000.

Many CEO investors may have a strategic advantage when reviewing private investment opportunities, based on their sector specific knowledge of the industries within which they operate.

An executive should also consider their personal and professional networks. Many CEOs sit on the board of a company, perhaps a financial institution, that could benefit from iCapital’s technology to help simplify alternative investment operations. Or, they may interact with other executives at events and conferences. We aim to be the

industry-wide solution that paves the way for the entire high-net-worth community to access sophisticated private investments, so we want to be sure that those who have an interest in alternative investing are aware of our platform.

Let’s shift over to your leadership philosophy. You previously headed the Global Technology Banking Group of the Investment Banking Division at Goldman Sachs. What did you learn in your career at Goldman Sachs and what did you gain that has helped in your experience at iCapital?

There are a couple of things that I will always take with me as both a person and as an executive. The chief among those are culture wins. You cannot build a successful company without building a strong culture and committing to that. I think many people think about culture as small exercises here and there, like having a plaque on the wall or discussing culture in the company newsletters, but in reality, culture is a collection of thou-

“Culture is an ongoing commitment that, frankly, starts with a CEO and the executive team. The executive team then needs to ensure that it doesn’t stay there with just them, because then you don’t have a culture, you have a cult.”

sands of these little things you do every single day. That plaque on the wall is only one of those things.

Expand on that sentiment – culture is a collection of a thousand little things you do.

Culture is all about the little things you do every day and repeating the same activities and messages every day. I think it is important to repeat the same messages for it to really grab hold and resonate with employees. Culture is an ongoing commitment that, frankly, starts with a CEO and the executive team. The executive team then needs to ensure that it doesn’t stay there with just them, because then you don’t have a culture, you have a cult. You really need to have every single person in your company understanding what you’re doing, the mission of the company, what your values are, what behaviors are acceptable or not acceptable, and overall they need to feel enthusiastically and personally connected to the company and its goals. When they understand those things and are connected, the odds of you achieving your goals and objectives go up immeasurably.

You’ve built out a team of really smart, experienced people in finance and technology. Do you have insights on building a great culture in those two arenas?

As mentioned, the key in any area of your team is repetitiveness and clarity. Each group of a company will tend to have its own subculture, whether it’s a tech group or a sales group, but I think that is something you want to avoid to the extent you can. You want to have a corporate culture that everybody feels a part of. The reality is a company is like a football team. If your linemen have their own culture, and the running backs, receivers and the quarterbacks aren’t part of that, you’re going to have a breakdown. Everyone has to work together.

In most cases, the larger the team, the more complex

the situation, which makes a common culture even more important. At iCapital, while the tech team is focused on a specific set of goals that may differ from the distribution team or marketing or operations, everybody has to understand the goals of the whole team and what role each of us plays. If you’re not thinking and building in that way with clarity of vision, clarity of objective, and clarity of principles, you’re risking your end goal.

Do you have any unique practices that you use to get the team all on the same page?

Every weekend I send an email to the whole company describing what we accomplished that week, including accomplishments by team. I include the big things that happened that week for teams including the technology team, the operations team and the sales team, and we celebrate the successes. If something didn’t go well, I point that out too. I think that’s a really important aspect and it is something I learned early in my career. There’s a natural tendency for an executive or a leader to try to protect his or her team. I have found over time that is precisely the wrong strategy – protecting people from the truth can be problematic. You should focus on protecting them from myths. If you share the truth with the entire team, including when it’s not going well, people will find a way to fix things and find success. It’s critical to be direct and honest with people on how things are going, and it is essential to building a culture and a business that thrives and succeeds.

Are there cases where you discuss updates in reference to an individual, rather than a team?

We try to focus on teamwork and the efforts of the entire company, even when things go wrong. We find it is rarely the case that one person drops the ball. When something goes wrong, it’s typically the product of many things that didn’t get done. When you consider the moment of a problem, it’s likely something went wrong five steps before that. So, you should look at a problem candidly and rip it apart to figure out where the problem actually started. I always say, “This is a team thing.”

Everybody needs to understand that the processes have to be right, and the whole team contributes to those processes. If something goes well, we all win. If something goes poorly, we all probably contributed to that in some way.

It sounds like you communicate with your team over the weekend.

I send a team update on Saturday morning. Our executive team contributes to that every week. They send notes from their respective areas and then I compile it, edit it and add a message to the week so it's not just reporting the facts. There's always a key message that I take away from what happened, whether it was something we did really well or something we could have done better. Occasionally I'll hunt for a video that makes the point even stronger.

What are the core characteristics to being a transformative CEO?

Culture and client success. One of the most critical things in business is extreme focus on your customers' success. If your customer succeeds, you have a much higher probability of achieving your long-term goals.

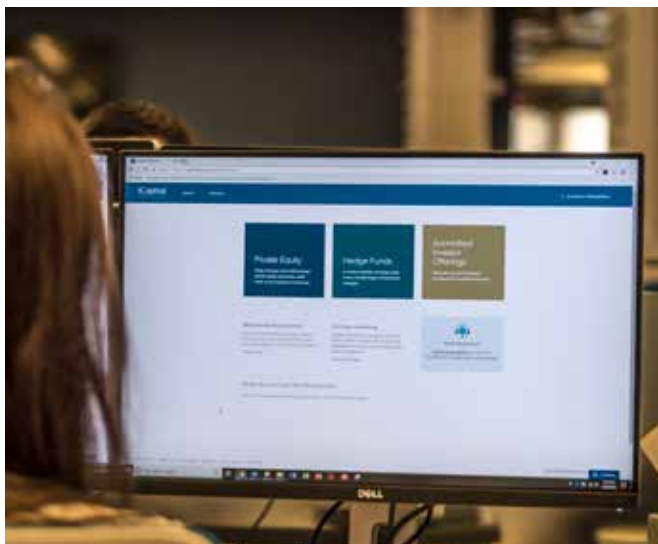
Who do you think are the most transformative CEOs of our time?

I think Jeff Bezos has done some amazing things, and I am certain he had a vision that looks more like what Amazon is doing today than what Amazon was doing when they started. Hence the name of the company – the Amazon is the largest river in the world. He's turned that company into something very, very significant and I think there's a lot more to come from them.



Robert Reiss and Lawrence Calcano. Interview aired July 19, 2018.

Mr. Calcano is Chief Executive Officer of iCapital Network. He began collaborating with iCapital shortly after its founding in 2013 and formally joined the company in 2014 to lead the firm's key strategic and business development initiatives. Mr. Calcano was a partner at Goldman Sachs & Co., where he spent 17 years, most recently serving as the co-head of the Global Technology Banking Group of the Investment Banking Division. Mr. Calcano serves on the Boards of the Mental Health Association of New York City, Capitol Acquisition 4 (a special purpose acquisition company), and Make-A-Wish Foundation of Connecticut. He was named to the Forbes Midas List of the most influential people in venture capital in 2001, 2002, 2004, 2005 and 2006. Mr. Calcano received a BA from Holy Cross College and graduated from the Amos Tuck School of Business at Dartmouth as a Tuck Scholar.



What I Learned About Leadership from **500 CEOs**



By John Matthew Knowles, J.D.

Imagine if your job facilitated daily personal interaction with more than 500 of the nation's top CEOs and corporate presidents, representing dozens of professional disciplines, in relaxed settings oftentimes, alongside their spouses, across more than 20 metropolitan areas in the United States and several foreign countries. Sound too good to be true?

That is exactly what I do every day as Legatus Director for the Northeastern United States and International, and I am humbled and overcome with gratitude to do so.

Legatus is the world's only membership organization for Catholic CEOs, founded in 1987 by the iconic en-

trepreneur Tom Monaghan, best known as the founder and longtime owner of Domino's Pizza, today the largest pizza company in the world. Thirty-one years since founding, Legatus serves more than 5,000 owners and senior managers of large private enterprises across nearly 100 local chapters.

Below are some insights from senior-level executives that I have learned over the years at Legatus:

1. Maintain Focus. This is among Tom Monaghan's most frequently recited themes, and I hear it in the field constantly from our CEOs. The consequences of personal and organizational distraction are devastating.

The most successful CEOs I serve are laser-focused on their key priority areas: personally, professionally, spiritually, and in all dimensions of life. They insist that top managers reporting to them maintain this same focus, which often materializes in conversations around culture and mission alignment. Focus refines evaluations of operational congruence with strategic planning and consequential resource outlay decisions. Simple, concise explanations and reiterations around focus area themes are often on the tip of the tongues of our CEOs – and clearly at the top of each of their minds.

2. Sweat the Small Stuff. Understandably, senior executives are eager to establish themselves as master strategists and persuasive visionaries. Perhaps counter-intuitively to today's corporate culture, however, most CEOs that I regularly talk to highly value attention to detail and understand that seemingly minor enhancements can deliver tremendous impact. Most are obsessed with customer satisfaction and over-delivery on commitments to stakeholders. And nearly all CEOs believe that the most critical moment of each day is the point of contact with the people that keep the business going. Therefore, "aerial" thinking is balanced with serious personal consideration of ground-level dynamics. They know that the distinctions with their competitors will be decided in the details – so no company issue is inconsequential.

3. Share Your Values. The top CEOs I work with are enthusiastic about sharing their core principles and personal values with others. They understand that as part of first impression formation, a new acquaintance will instinctually attempt to associate a spectrum of qualities and characteristics to them, so they take control by freely sharing on their own. Successful CEOs are able to quickly and subtly weave their values, definitive personal virtues, and big ideas that animate their lives into their interactions with others. This allows for rapid formation of relationships of substance with other influencers. This capability undergirds their possession of that sometimes-elusive personal magnetism and "It-Factor" charisma that leaders always seek to grow in themselves.

4. Be Others-Centric. I have found that CEOs generally do not want to talk about themselves. They are usually too consumed with asking the people around them questions, learning all they can from experts in their

orbit, or heaping praise on colleagues. They genuinely want the people around them to succeed, and they get excited when that happens. They love to connect people with others of similar interests and to make new friends. They often have photographic memory and can easily recall personal information shared by others, such as family composition and recreational passions. It is easy to picture them in leadership roles because they obviously value the ascent of all around them more than personal glory or ego validation.

Executive leadership is an art and not a science, but through the course of my work nurturing a community of top CEOs, I have discovered there are some common traits nearly all share. Above I have shared a few, but there are many more. I am heartened that each day I pile up more reasons to believe that despite its imperfections, America's free enterprise system and executive leadership represent a sub-culture that is more likely to value personal integrity, development, knowledge, and interpersonal collaboration than any other.



John Matthew Knowles is an accomplished advancement executive specializing in membership associations and higher education institutions. He currently works as Legatus Director for the Northeast and International, based in the greater New York City area. Prior to his work with Legatus, John served as the chief development and external affairs officer for private colleges in Florida. He holds a Bachelor of Arts degree in International Relations from Western Michigan University, a Juris Doctorate of Law degree from Michigan State University, and a fellowship certificate in leadership from Michigan State University. He and his wife, Jennifer, live in eastern Pennsylvania and are expecting their first child on Thanksgiving Day of this year.



“We see big data as an opportunity for us to be smarter about how we’re servicing our partners. We are exploring AI in three areas: robotics, intelligent virtual assistants, and machine learning.”

Robert Reiss: Talk about Synchrony, which is a \$16 billion company with 16,000 employees.

Margaret Keane: Synchrony is one of the nation’s premier consumer financial services companies. We provide credit products (such as credit cards and no interest promotional financing) to enable the purchase of goods and services. We offer financing through large and small retailers, manufacturers, healthcare service providers, auto merchants, travel, and transportation partners.

We work very closely with our partners to reach consumers, so Synchrony is primarily a B-to-B-to-C company. Our model is to work with merchants in the United States, service their customers for their credit card program, and ensure that we’re giving them exceptional service. We partner very closely with big retailers you would recognize such as Lowe’s and Amazon, amongst others, as well as retailers in the midmarket such as Ashley Furniture and Midas. We also provide services for independent vendors and individuals, such as someone

who might be selling jewelry at a small marketplace, for instance. Our clients and partners cover a broad spectrum of industries.

When you're dealing with a large company, they have a very established brand and culture, which is an important business driver. How do you understand a client's culture so to the end user, everything is seamless?

Great question, and an important one. Many of our employees actually sit where our customers are located. For instance, our team is on-site at Lowe's and works in partnership with the Lowe's team every single day – becoming a part of their culture. It's crucial for our teams to have a profound understanding of our clients and take that information back as we develop the program internally for Lowe's, so that we're making sure we're servicing customers the way they want.

What is an example of a business challenge a customer had and how you handled it?

We are helping our partners through digital transformations with solutions focused on leveraging data and mobile. An example of this is something we just did with a small jewelry chain that was trying to understand why there was a significant differentiation of sales across its stores. We worked with that retailer to identify stores that were underperforming by using data to transform how that partner could work with individual storeowners across their chains to improve sales.

Using our data scientists in Chicago, we developed an algorithm using unstructured data to gain insights on reviews at those stores. The insights were displayed by store so that the partner could see where they were having some training issues inside the store. Perhaps they didn't have the right sales training on their side or they didn't really understand the credit program.

Sometimes it's something as simple as working with a partner that is seeking to deepen its digital presence and drive mobile capabilities. We focus on integrating our payment technology into our partners' mobile apps so we can drive the customers to the retailers' applications and be embedded. Synchrony brings a lot of best prac-

tices to our clients in terms of how customers want to use their application by working with our partners to help them enhance and increase their results.

We also host Bolt Sessions where we bring a partner into our Innovation Stations, and they'll spend a day and a half with us on a cross-functional team working to solve a problem. They might want to have their customers be able to apply for a credit line increase right while they're standing in line. We can work with that partner directly and come up with a prototype on how that can work, so that they see a finished product by the time they're walking out; then we can agree on how we can accelerate that change.

How does Synchrony currently use AI or plan to use it in the future?

We see big data as an opportunity for us to be smarter about how we're servicing our partners. We are exploring AI in three areas: robotics, intelligent virtual assistants, and machine learning.

We believe robotics is the next area of growth and opportunity. We are in the early days of robotics, but this is where we can take manual processes and automate them to drive productivity. For example, we can upgrade our service capabilities and leverage our call center reps in different, more effective ways. Although we're in the early stages of utilizing robotics, the potential is very, very exciting.

The next area where we think about AI is virtual assistance, creating the capability for us to automate an entire phone call. Currently, more and more companies are using IVRs [interactive voice responses], but this is going to be replaced with virtual assistance—it's going to be standard to talk to and have a conversation with a virtual assistant to resolve issues. That's another really exciting area because some of the research we're doing now shows customers actually prefer that method, and it's really a question of how quickly we can accelerate these technologies.

The last area is around machine learning, where we are using AI to provide identity authentication and to prevent fraud. One of the challenges we all face in today's



“We just rolled out a service on the Amazon card where you have the ability to determine your balance or pay your bill through Amazon Alexa. Voice payments are something we may see happening more frequently in the near future.”

world is a stolen identity, and we want to make sure when someone is applying for a credit card or using our credit card that it’s genuinely that person. Leveraging big data and AI and integrating with external data sources can help us to better manage authentication.

Will customers be able to ask for a virtual assistant who will make them feel comfortable, for example, with a southern or British accent?

I don’t know if we’re going to go that far, but one of the things we’ve been talking about is diversity when we’re exploring the capabilities of our virtual assistants. Again, these are early days, but this is an area where

we’re going to see more and more people using voice driven technologies much more than physically typing on a keyboard or talking to an actual person. For example, we just rolled out a service on the Amazon card where you have the ability to determine your balance or pay your bill through Amazon Alexa. Voice payments are something we may see happening more frequently in the near future.

Let’s talk about women in business and women CEOs. It’s striking to me how few there are and, frankly, it’s embarrassing. Why aren’t there more women in business at the CEO level?

There absolutely should be more women in business, and I can’t really say why there aren’t. The pipeline is there for women to become CEOs; it’s really a question of how do we provide women the confidence to really go for the job. We must continue to develop women throughout their careers and encourage them to believe they can achieve the CEO role. Part of the challenge is that because you don’t see a lot of women CEOs, there

“The pipeline is there for women to become CEOs; it’s really a question of how do we provide women the confidence to really go for the job. We must continue to develop women throughout their careers and encourage them to believe they can achieve the CEO role. Part of the challenge is that because you don’t see a lot of women CEOs, there are not a lot of role models out there for women.”

are not a lot of role models out there for women. For those of us who are women CEOs, it’s a priority for us to make sure we’re developing women inside our companies and make sure that we have diverse boards with women members. I believe change starts at the top.

As a woman CEO, I believe one of my roles includes how I drive the strategies inside our company around diversity and inclusion. We’re working this process throughout our organization – from the more senior executive women in the company to middle management women to entry-level women. We have extensive development programs for our women call center associates to really further their skills and opportunities for advancement. We also work at the school level, with programs such as Girls Who Code, to make sure we’re developing skills and a pipeline for the future. Hopefully, we’re inspiring, developing, and growing future CEOs inside of Synchrony.

You were an executive at GE in 1996, when you took over what was GE Retail Card Finance. How did you help grow the organization and successfully lead it through the financial crisis?

During the time of the financial crisis, one thing that was unique for us was that we had solid insight into what was happening in the economy, and that drove us to make moves that would put us in a better position sooner than some of our peers. We proactively implemented credit actions and hired a series of collectors – which is, coincidentally, related to the story of my personal background.

Early in my career, I was a collector, and one of the interesting things about that experience is that it changes your perspective and allows you to look at things differently. When you hear about people in financial trouble, it affects you for the rest of your life. This may be surprising, but during the financial crisis, I asked my team to start sending me phone calls. When I started listening to the collection calls, my stomach turned because I was

thinking, “This is really bad.” People were extraordinarily desperate. They said things such as, “I’m never late. I work hard. I’m a contractor. I have no work, but I have to pay the mortgage. I can’t pay you.” I quickly understood that we were going to have a bigger financial crisis than most people thought. I said, “We have to get ahead of this,” so we went out and hired many more collectors. We took fairly aggressive actions to try to remedy the situation. At the time, and this is really important, we were trying to be as compassionate and empathetic as we could be to help customers through that situation, because we appreciated that it was a deep hit to everybody.

It is said leadership is learned through crisis. What did you learn?

Whenever you go through a crisis, the most important thing – and this is critical – is providing clear direction to the team; you have to be decisive and move quickly. Sometimes you can get caught up in a lot of analysis and paralysis. When you’re in a period of crisis, the biggest thing employees in the organization are looking for is direction and certainty that they know what they have to do to when they get up that day and go to work. If you think of it that way, clarifying what you want your employees to do and giving them direction and support to go through changes, the employees will deliver for you every single time.

Fast-forwarding to today, Synchrony recently made the Fortune list as the 44th Best Company to Work for in America. And the unique, focused, culture gets a great deal of credit. Talk about how you build a great culture and what it was like spinning off from GE, from a culture standpoint.

I’m going to start with something simple. I always have had the philosophy that people come to work to do the right thing every single day. If you let employees know you respect them and value what they do, no matter

“Caring’ is my favorite [value], because caring goes into everything we do. It starts with caring for our partners, waking up every day and thinking about how we can make our partners’ lives better.”

where they sit in the company, no matter who they are, no matter what their beliefs are, and they can come to work and be their true, authentic self, you will create a company where people want to go above and beyond what is required of them.

At Synchrony, we were very lucky because we were able to develop that culture coming out of GE, which also had a great and strong culture. We had a lot of employees who only worked at GE their entire careers. There were a lot of nervous employees when Synchrony was going through the IPO. There were many questions: What’s it going to be like? We’re not going to be GE anymore? Synchrony ... what does it mean? What’s going to happen to me? My HR leader and I helped manage our employees’ fears. We conducted numerous roundtables with employees. We went out and visited every site. We listened to what was on their minds and what they were anxious about. We asked their thoughts on what steps should be taken to make this a better place.

To establish our culture at Synchrony, we first needed to create the purpose and the values of the company. The leadership team initially came up with the values, but we knew it was important to include the thoughts of our employees, as well. We met with more than 500 employees, from entry-level to top-level employees, so everyone could have a say in what our values should end up being. I have to say, for the most part the values stayed the



same as the ones our leadership team developed, but our employees did put key emphasis on a couple of things: bold and caring.

“Bold” is in there because we saw that as an aspirational value, meaning we wanted to make sure that this company continues to think outside the box. We use that value of bold to instill in the organization that we’re going to drive real change for our partners by developing technology and innovation and being willing to take more responsible risks so that we can anticipate our clients’ future needs.

“Caring” is my favorite one, because caring goes into everything we do. It starts with caring for our partners, waking up every day and thinking about how we can make our partners’ lives better. We’re in the retail world, which is going through a tremendous change. There’s a lot of pressure on our partners right now. Every day, we need to be caring about how we can help our partners

“Synchrony cared for our 270 employees after the hurricane in Puerto Rico. When the storm hit, initially we weren’t able to get in touch with anyone. When we finally did get through to the call center, the leader there described for us in detail the degree of devastation. It was important to us that we pay our employees. As a company that cares, we decided to pay our employees their salaries regardless of whether they were able to come to work or not. That simple gesture of giving them money to get them through such a difficult time spoke volumes for how much we care about our employees. We also gave grants of up to \$5,000 for emergency funds for our employees, no questions asked.”

succeed in this competitive and evolving market. All of this applies to our employees as well as our partners.

What's an example of how you employ the value of "caring" at Synchrony?

I'll give you a relatively recent one that's dear to my heart: how Synchrony cared for our 270 employees after the hurricane in Puerto Rico. When the storm hit, initially we weren't able to get in touch with anyone. When we finally did get through to the call center, the leader there described for us in detail the degree of devastation. It was important to us that we pay our employees. As a company that cares, we decided to pay our employees their salaries regardless of whether they were able to come to work or not. That simple gesture of giving them money to get them through such a difficult time spoke volumes for how much we care about our employees. We also gave grants of up to \$5,000 for emergency funds for our employees, no questions asked. Once we were able to re-open our site, we provided warm meals, ice, water, and air conditioning. When I visited our site in Puerto Rico, our employees told us they were sharing the water we had given them and were giving it to their neighbors. A caring organization inspires others to care. A caring organization takes care of its people in the most desperate times.

How would you summarize the key to building a great business culture?

Number one is to listen to your employees. They will tell you what you really need to do to have a great culture.

How would you define a transformative CEO?

I would describe a transformative CEO as one who looks toward the future to understand the enormous changes that are occurring in business. A transformative CEO needs to anticipate the future requirements for every single aspect of his or her business, from technology, to employees' skill sets, to innovation and talent.

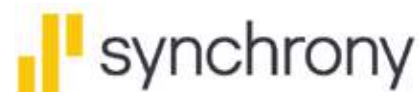


Robert Reiss and Margaret Keane. Interview aired June 10, 2018.

Margaret Keane is President and Chief Executive Officer of Synchrony, one of the nation's premier consumer financial services companies. A member of its Board of Directors, she led the company's successful initial public offering in July 2014 and split-off from GE in November 2015.

Her passion for emerging technology and employee development has solidified Margaret's reputation as a leader in the field. She has been recognized as one of American Banker's "Top 25 Most Powerful Women in Finance" for 11 consecutive years (#4 in 2017) and one of Fortune's "Most Powerful Women" for the past three years (#25 in 2017).

During an 18-year career with GE Capital, Margaret led the Retail Card platform as President and CEO beginning in 2004. She expanded her responsibilities in 2011 to become President and CEO of their North American Retail Finance business. Margaret also held various leadership roles during 16 years with Citibank, where she began her career.





JT McCormick Speaking at Olympic Coach Todd Herman's Event

“We do everything from the outline, to your manuscript, to cover design, interior layout, to putting it on Amazon for you, again, in seven months. And the end result is you have your book, in your words, your tone, your voice and your content.”

Bill Peters: What is the Scribe Writing model?

JT McCormick: Our model is a very modern take on an old idea: scribes. A way for people to tell their stories and turn their ideas into books. This is how Socrates, Buddha, Malcolm X and Jesus wrote their books - they used scribes. Many people have wanted to write their book for three, five, fifteen years. Our Scribe Writing model is a systematic and modern way to publish your book in your tone, your voice, and, more importantly, your content. We've published several *New York Times* Best-Seller books and we've worked with almost 1,000 authors.

Over the course of seven months, from beginning to end and through a series of interviews, we take your idea and we turn it into a book. We start by having a scribe interview you. We help you with the positioning, why are you writing this book... is it for lead generation, is it for thought leadership, credibility, maybe it's a legacy piece. So, we want to identify that and then we ask that you sit

“My father was a black pimp and drug dealer in the 1970s. And when I say that, I want to be very specific here and let people know my father was a real pimp. He fathered 23 children and I’m one of 23. The most kids he had by one woman was three.”

back, grab your beverage of your choice and let us interview you, let us pull that information out from you, let us ask the details that make a great story and make a great book. So, that’s what we do from beginning to end high level. We do everything from the outline, to your manuscript, to cover design, interior layout, to putting it on Amazon for you, again, in seven months. And the end result is you have your book, in your words, your tone, your voice and your content.

Well, I must tell you, JT, we’ve interviewed over 750 CEOs here on the CEO Show and there are quite a few of them who’re contemplating writing a book about their careers or their business.

I would bet so. If I could point something out as well, Bill. So many people confuse us with ghost writing. And in the traditional sense ghost writing is if, Bill, you say, “Hey, JT, will you go and write a book about the new iPhone?” I go research the iPhone, I write a manuscript, and then we slap your name on the book. Again, our Scribe Writing model is your voice, your tone, your content, your book. The only thing you are not doing is the actual writing or your finger on the keyboard. That’s it!

So let’s step back. You have a very interesting background, so let’s start at the beginning.

When I came in to the world in 1971, my father was a black pimp and drug dealer in the 1970s. And when I say that, I want to be very specific here and let people know my father was a real pimp. He fathered 23 children and I’m one of 23. The most kids he had by one woman was three. Somehow our society has turned the word pimp into a positive. Now it’s really glamorized. You know, pimp my ride, pimp my house, whatever. My father put women on the corner; they sold their bodies and he took the money they made from selling their bodies. My mother is white and was an orphan. She grew up in the 1950s

old school institution where the children were neglected and abused. When my mother turned 17 the orphanage gave her \$20 and a small suitcase and said “good luck,” sending her outside those four walls for the first time.

So those are my parents. But as a child I also experienced sexual molestation by way of my father’s prostitutes, I was in and out of juvenile [detention centers] on three different occasions, I was homeless at one point, I never graduated high school (I had to take remedial courses to get my high school diploma), and I have no college degree. On top of all that, I have no clue where my last name comes from. My mother was given the last name McCormick in the orphanage, and she has no clue why or where the name comes from. My name is JT McCormick, but I have no clue where that McCormick name comes from, so that’s a bit of my background.

What about the JT portion?

My actual name is JeVon Thomas McCormick.

The name JeVon served me well once when I was in juvenile as a kid. I got left there for three months. My mother was in Texas, my father was in England and no one knew I was in juvenile in Dayton, Ohio. But one of the corrections officers recognized my name. It wasn’t a popular name in the 70s and she called my aunt and said, “Hey, I think we have your nephew here, and no one’s come to get him in about three months.” And so my name helped me out back then.

Before Scribe Writing, which was originally Book in a Box, you’ve mentioned that you worked at a software company, correct?

I started with a great company, great founder, great people. There were thirteen of us. I was the lowest paid person, and I used to make my sales calls out of a storage closet – but over the course of about four and a half years we grew the company from a storage closet to well over a 100+ people, and we had offices in Austin, Dallas, Houston, Texas and Monterrey, Mexico. So, I went from lowest paid person making sales calls in the storage closet to becoming the president of the company within about two years.

And then from there did you transition to Scribe?

Yes. I was looking to write my book and tell my story. I mentioned to you I don't like to fly, and one day on a flight we hit a lot of turbulence and it occurred to me. Wow! If something happened to me, my children would not know where I came from. They wouldn't know my background; they wouldn't understand many of the things that have made me who I am today. They would not know that we don't know where our last name comes from. So, I set out on this mission to find out how I could write my book because I knew I wasn't going to write it. Hell, I can't tell you an adverb from a pronoun and God knows I can't spell. I actually never wanted my book to be public, I only wanted the book as a legacy piece for my children, grandchildren, and great grandchildren. So, I got introduced to the two co-founders of Scribe Writing (formerly Book In A Box), two great individuals with a phenomenal idea but they were struggling as far as scaling, growing and operating their company. Short version of the story, about four months into working on my book with Scribe Writing, I fell in love with the business model, the company, and the fact that had it not been for this company, I don't know if I would have started my book. So, I resigned as president of the software company and became the President & CEO of Scribe Writing. Given that I had just spent the last five years assisting with the growth and scale of the software company, my skill set was perfect for Scribe Writing, which was a 15-month-old start up when I came on as the President and CEO. The two co-founders were the zero to one guys and now the goal is to take us from one to a billion.

Walk me through the steps of writing a book?

I'll back up a bit. We want to find out what's the idea, is there enough content there for a book, first and foremost. The number one reason we won't work with a potential author is if someone has a great idea but not enough content for a book. The number two reason is if someone leads with "I want to be a *New York Times* best-selling author and I want to sell a million copies." That individual is seeking fame and they need to call the Kardashians – fame is not our business model. We actually turn down about 35% of the individuals that come to us. So we want to find out first and foremost if the potential author has enough content for a book. On your initial call with us, we talk through your content and then find out why are we doing the book, it is to lead generation, credibility or thought leadership. What are the reasons? Is it a legacy

“Through the course of seven months you’re going to invest about 45 to 50 hours of your time. So, you’re looking about a week’s worth of work invested to get your book completed, which means very busy executives who want a book with our process can make their book a reality.”

piece? Once we figure that out, we have what's called "Your positioning North Star dock" and that dock follows you throughout the process to ensure we stay true to your book. From there, we get into the interviews with your scribe, start working on titles, subtitle, content of the book.

And the scribe is actually going to be doing the fingers on the keyboard.

Yes.

But he or she is going to spend probably five or six interviews with you going through and actually creating the content with the scribe?

Exactly! Through the course of seven months you're going to invest about 45 to 50 hours of your time. So, you're looking about a week's worth of work invested to get your book completed, which means very busy executives who want a book with our process can make their book a reality. And when you look at it, seven months is nothing, it's very easy. It's very momentum based. We want to make sure we are on all your calls. We want to make sure we go through the content with you. Most importantly, we want to ensure your book is in your tone, your voice and your content, because at the end of this we're going to have an incredible book that someone should be able to pick up and feel as if you are actually reading it to them.

Okay. Now, the book obviously isn't a hard cover format, but could that book also be a kindle reader, or could it be an e-book?

Our flat pricing is all inclusive. We have two Author Packages: 1) Scribe Professional, which includes hardcover, paperback, eBook/Kindle, all uploaded to Amazon and 2) Scribe Elite, where we have a *New York Times* Best-Seller editor, Pulitzer Prize or Emmy Award winning writer come to your home or office for two days to conduct your

interviews in person. We also have them come back to your home or office to conduct the revisions in person with you, as well. The Scribe Elite package also includes hardcover, paperback, eBook/Kindle, as well as audiobook. Our pricing is flat fee. We take no royalties, and you own 100% of the rights to the book. We do everything from start to finish over the course of seven months.

Now, we're going to change gears here a little bit. And we're in Dallas, Texas today and we're at the Conscious Capitalism Conference. It's huge with people from all over the world. So, what does Conscious Capitalism mean to JT McCormick?

For me, Bill, given my background, I simplify it real easy. Conscious Capitalism means to me that you can be profitable and do good, and you don't have to choose one or the other. I believe that we can be an incredibly profitable organization and give back to the communities we work, live and serve in. We did it at the software company and now we're doing it at Scribe Writing. Again, given my background, I'm very big on mentorship, teaching young men and women the lessons that have served me throughout my business career. How to shake someone's hand. How to look someone in the eyes and say, "Nice to meet you." How to fill out a job application, or show those young men and women what an entrepreneur is. You don't know what you don't know. These are lessons that go untaught within the community I come from, but those lessons have served me well throughout my career.

Now, JT, you're obviously highly articulate, and I thought to myself for sure this guy probably was a journalism major in college. So, correct my wrongness here.

Yes. So I was in juvenile three different times as a youth, and I never graduated high school. I actually had to go to summer school and take remedial courses to get my high school diploma and I never went to college, so I have no college degree. So, many of the lessons that I have learned in life have come by way of observation and paying attention to society – watching how people shake hands, watching how people dress, how they conduct themselves in a business. For me, all aspects of business have either been self-taught or by way of mistakes and missteps. Income statements, balance sheets, operational efficiency, the stock market – all self-taught.



JT Book Signing

“Conscious Capitalism means to me that you can be profitable and do good, and you don't have to choose one or the other.”

So what brought you to Conscious Capitalism?

That very reason – to be around others that obviously want to do good in the community. So, some of the speakers here were about sustainability around water bottles and things that we humans are doing to destroy the earth. There are many different aspects of Conscious Capitalism. My personal passion in Conscious Capitalism just happens to fall around going back in assisting the lower economic community. I have this deep belief, and some people may laugh about it, but I truly believe in my heart that we can change the economic landscape of the lower economic community if you just show people things that are required in business. So many people ask me, “JT, what would you tell a younger JT?” It's not always what you can tell someone, it's what you can show them. And so, if you can show me how to shake hands and then tell me why it's important, show me how to fill out an application and then tell me why it's important. As children we all remember show and tell. Now I've got a four-year-old



JT Panel Discussion

daughter, and every Friday she has “Show and Tell” at her school. I’m not sure why that class goes away. It should still be a class when you are a senior in high school. Show me the pharmaceutical rep and then tell me how I can be one. Show me the wealth advisor and then tell me how I can be one. We don’t show and tell. We’re so busy talking to people and telling them, we’re not showing them anything.

How do you practice Conscious Capitalism at Scribe Writing?

Everything is very much relationship driven. And we just happen to be in a very fortunate business model where we’re doing a book with you. So it’s very intimate – these are your ideas, this is your content, so a relationship is essentially being built over the course of seven months, just given the nature of the business we’re in. But, like you, Bill, my success, especially in the software company, came by way of relationship building. People knew they could depend on me, they knew they could reach out to me. I’m old school. I’m 46-years-old but I believe that a handshake holds and means value when you look someone

“I have this deep belief, and some people may laugh about it, but I truly believe in my heart that we can change the economic landscape of the lower economic community if you just show people things that are required in business.”

in the eye. We live in a society now where we have contracts, Article A Section 2-B, sub section, whatever. But if you happened to shake my hand and look me in the eye you knew you could count on me. So, I’m big on relationships.

I know you actually wrote a book yourself. What’s its name?

The name of my book is *I Got There: How I Overcame Racism, Poverty, and Abuse to Achieve the American Dream*.

ican Dream.

That’s amazing stuff. How long has that book been out?

Just a little over a year now. What’s funny is that I NEVER wanted my book to be public and now you can get it on Amazon.

And finally, what advice do you have?

I appreciate the fact that you asked that from a personal standpoint, because personally I live by a formula that’s called “Mindset, Choices, and Hard Work equal Success.” That’s it. I’ll boil that down. Mindset – people ask me, “Okay, JT, how do you get out of bed every morning at 4 a.m.?” Don’t get me wrong – it’s hard. Sometimes I want to stay in bed with my wife or hit the snooze button – I’m human. But then I say to myself – and here’s where the mindset comes in – right now there is someone in a hospital room who has cancer that’s never going to leave that bed. They’d give anything just to walk to the restroom let alone leave the hospital, and I have the incredible privilege and gift to be able to get out of bed and accomplish my dreams and goals. That mindset makes it very easy and also enjoyable to get out of bed.

Choices – every day I’ve got to drive past McDonald’s on the way to the gym in the morning (and I’ll own it for those who say, “Oh, McDonald’s, that’s gross”). I love McDonald’s, but I have to make the choice. Do I stop at McDonald’s or do I go to the gym? That simple. And

when it comes to hard work, that's the easy one. Bill, if you work 24 hours straight, I'm working 25. If you go 36 hours, I'm going 37. I am a firm believer in hard work. For whatever reason, hard work and an impeccable results driven work ethic has in some ways disappeared in our country. For me, hard work has been the backbone, the foundation of so much of my success. So, mindset, choices and hard work equal success.

Lastly, I've made many mistakes both in my personal life and in business, but I have never failed. I believe you only fail if you stop trying, and I'll never stop trying to be the very best person, husband, father, and leader that I can be. Again, you only fail if you stop trying.

Well, that's a great way to end our interview. JT, I just want to say thank you again for being on the CEO Show. We really enjoyed you being here today.

Bill, I appreciate it. I'm humbled, flattered and honored to be on the show, sir.

Thank you.



JT with his wife, Megan, and their three children, Ava, Jaxon and Elle.



Bill Peters and JT McCormick. Interviewed aired March 1, 2018.

JT McCormick is currently the President and CEO of Scribe Media, a publishing company that's created an entirely new way for you to write a book. The company has worked with more than 750 authors and was recently ranked in their category as the #2 best company to work for in Austin. Previously he was the President of Headspring Software and helped grow it to a multi-million dollar, 100+ person company that was repeatedly ranked as one the best places to work in all of Texas.

JT is also the author of I Got There: How I Overcame Racism, Poverty, and Abuse to Achieve the American Dream. His book tells the story of how he worked his way out of poverty, starting his career cleaning toilets and eventually becoming the president of multiple companies.

Over the past five years, JT has mentored at-risk youth in the juvenile justice system as well as youth within low economic communities. He has also coordinated backpack drives for numerous elementary schools in low economic communities, providing over 3,000 backpacks filled with school supplies for students. JT's work has been featured on CNBC, Entrepreneur, Forbes, Inc., and many others.

He lives in Austin, Texas, with his wife, Megan, and their three children, Ava, Jaxon and Elle.



Why Excellence Is The Key To Our Future

Robert Reiss Interviews Tom Peters

Talk about what drove you to write *The Excellence Dividend*.

In 1982, when *In Search of Excellence* was published, times were challenging for America. We had this little thing called stagflation – high unemployment combined with high inflation – a truly stagnant economy. Things were bleak, more so because the Japanese *keiretsu* was threatening industries like automobile manufacturers, banking, and steelmakers. In this situation, what my co-author, Bob Waterman, and I found was that there was real hope for America. We knew the secret ingredient to success: excellence. Excellence means focus on people and product quality. It's that easy ... and that hard.

American companies have advanced. There are great success stories. But, today, there is a new threat.

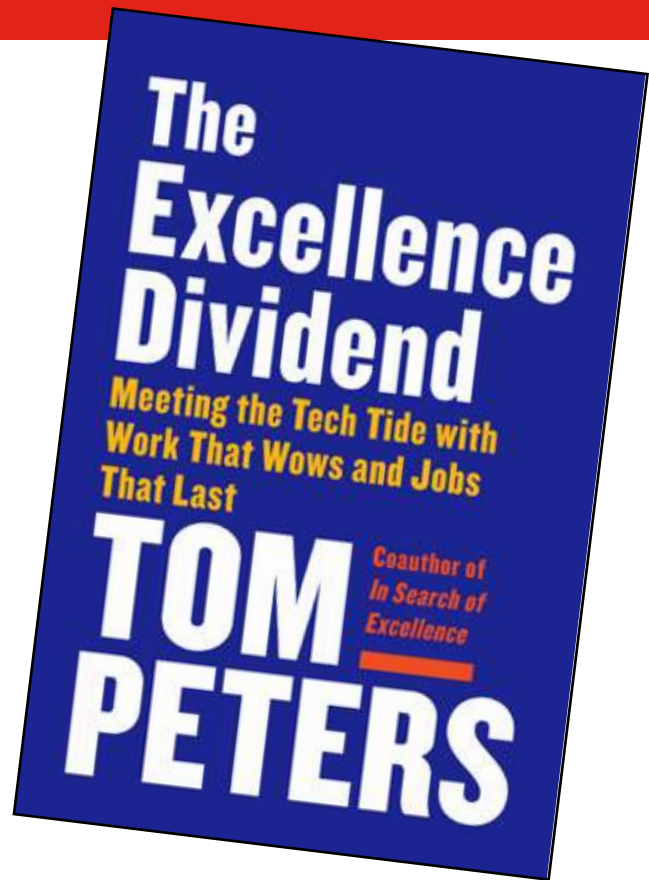
It's not globalization.

It's not immigration.

It's technology.

We are moving into a world of artificial intelligence (AI). Machines will replace many of the jobs humans do. Machines will displace both companies and the hard-working people who work for those companies. The stakes are raised and the die is cast.

But, I'm hopeful, because the same ingredient that reinvigorated American enterprise three decades ago is our ingredient to success. We have one defense, which if we bring into an offense, can transform us to succeed in this



next era. That hope is – no surprise – excellence. I call it “excellence II.” Here’s the net-net ... our survival kit is excellence.

You have spoken more about the word “excellence” than probably anyone alive. How do you define excellence?

I’ve had this love affair with excellence my whole career. Excellence is a way of life that sustains us and inspires us day in and day out, minute in and minute out. As I’ve said many times, excellence is a human-driven affair. It’s how we think. Excellence is not a metric. It is a state of mind, a way of being. What excellence is not is a computer-generated exercise. Excellence is defined by the little things we as people do. No matter how advanced AI gets, it will never replace genuine empathy.

What’s an example of excellence?

I’ll give you one example, which I write about in *The Excellence Dividend*.

So I’m at the Albany Airport, getting ready to fly down

to Washington, to BWI. It's 6:30 in the morning. The pilots come in from an earlier flight, and, you know as well as I do, that "on time" is the beginning, the end, everything, to those poor folks who are under insane pressure to get in the damn plane, go through the checklist, and get in the air. I see the pilots running, basically, down through the airport gates, toward the area where the other passengers and I are waiting to board. At my gate there are, as you often see, about a half a dozen people in wheelchairs.

So, the chief pilot is in the front of this running line, and as he gets near the gate, he slows down, he turns to a woman who is in the first wheelchair, and he says, "Would you mind if I take you down the jetway?" Now, given the speeches I've done, 2,500 or whatever, I figure I've got roughly 7,500 flight legs to my credit, or discredited, as the case may be. We are now one for 7,500. It's the first time I've ever seen that, and I was telling that story in a speech awhile back, and some guy said, "I've never seen a pilot look at a passenger, let alone do that..." This is not exaggeration. This is something that I, the customer, and I, the watcher, will remember until the end of my days. It's those (not so) little touches of human interaction that demonstrate excellence.

There's no way that AI is ever going to get to replace human interaction I just described – it's those little human touches that are the real differentiators of excellence. Excellence is damned hard work, and the pursuit thereof is unrelenting. But again, as you know, from all your conversations with CEOs, true excellence doesn't grow on trees. It comes from the kind of arena that our mutual friend, Herb Kelleher, the co-founder and CEO of Southwest Airlines, has fostered at his company and in his employees – a culture of excellence.

You always talk about great companies. What's one great company you talk about in *The Excellence Dividend*?

You'd think removing mold and dampness from basements is a dreary business? Not if you're the founder and CEO of Basement Systems, Larry Janesky. He took an industry that may not sound exciting, and now he owns the basement world! And, guess what, almost every house has ... a basement. His team of experts has

figured out the science of basements. Completely. Larry has 30 patents. And the team gets so excited about, as they say, "everything basement-y." Larry's book, *Dry Basement Science: What to Have Done... And Why*, has sold over 100,000 copies, the company is among "Best Places to Work," "Best Small Business," and Larry himself has won "Entrepreneur Of The Year." Basement Systems is an exemplar of excellence.



Robert Reiss and Tom Peters. Interview aired July 10, 2018.

Tom Peters is coauthor of In Search of Excellence – the book that changed the way the world does business, and often tagged as the best business book ever. Seventeen books and thirty-five years later, he's still at the forefront of the "management guru industry" he single-handedly invented. What's new? A lot. As CNN said, "While most business gurus milk the same mantra for all its worth, the one-man brand called Tom Peters is still reinventing himself." His most recent effort is The Excellence Dividend: Meeting the Tech Tide with Work that Wows and Jobs that Last (Vintage, 2018). Tom's bedrock belief: "Execution is strategy—it's all about the people and the doing, not the talking and the theory." In November 2017, Tom received the Thinkers50 Lifetime Achievement Award. (Effectively, all of Tom's written and speech material covering the last 15+ years is available – free to download – at tompeters.com and excellencenow.com.)

Are You Ready? Willing? Able?



By Nancy May, President and CEO, BoardBench Companies

Directors should be leaders of their companies. Wait a second, isn't that the CEO's role? Well, yes, but directors, as part of the entire board, hire, set goals and limits for, monitor, and if need be, replace the CEO. The board also sets the ethical and behavioral boundaries, compensation, and operational expectations for everyone in the company. So, in fact, directors are (and should be) company leaders. But, are you, as a director of your company, really a leader? It's not enough to say that you are. You need to assess yourself and your situation to determine whether you're "in" or not. I'm referring to In-volved (ready), In-tune (willing) and In-valuable (able).

Are you In-volved with the company? If you want to know whether you're ready to be a leader of the company, you need to know that you know the company, its business, where it should be going, and how it should get there. If you've immersed yourself in understanding the company's business, its history, its major players' strengths and faults, the industry's views of the company and the prospects for everyone, you've made a good start. You also need to grasp the market potential for all of the business's offerings, potential for new revenue and growth, and industry disruptors if you want to guide the business forward. Lastly, you need to know how the company's strategy was arrived at, not just what was presented by management for approval. Do you know what considerations, alternatives, risks, assumptions, and conclusions were used to forge the strategy? How realistic or wishful is the likelihood of execution? You want to be ready to lead? Get yourself ready (a.k.a. involved).

Are you In-tune with the company? Being "in tune"

with what's going on calls for being willing: willing to search for the truth; willing to accept what is true; and willing to deal with the truth. When it comes to boards, this willingness focuses on communications. The board formulates and communicates policies and expectations to the CEO, who communicates and delegates authority for compliance to management, which in turn communicates them to employees. This forms a framework for lower-level decision-making and formalizes ethical compliance and values, which should become the company culture. But are the messages being sent, the ones that are heard, understood, and followed?

Do you remember playing "Telephone" (a.k.a. Broken Telephone or Chinese Whispers) as a child? In that game, one sees how the original message gets changed, little by little, until the final one is quite different. Does the board have mechanisms to get unfiltered base-line feedback on what was heard and what was understood? Are the company culture and what the board intended one and the same?

Speaking of unfiltered communications, how confident are you that operating and financial information coming from your CEO is accurate? After all, if you tell people what you want to hear, you can be sure they will mostly tell you what you want to hear. Information gets filtered up to management from below as well. Bad news will arrive more slowly than good news, especially if the bearers of such news tend to get shot.

Lastly, how well is board performance perceived? If the board relies only on self-evaluation, the likelihood of self-delusion increases dramatically. What do manage-



ment and the ranks think of the board?

So, to be a leader, you need to know who and what you're leading. You need to be in-tune with all the players in the company. You need to be willing to know the truth, accept the truth, and handle the truth.

Are you In-valuable? Even today, numerous companies have dual-class shares where the founder or a few shareholders control the majority of voting rights without owning the majority of shares. I won't name names (like Facebook, Snap, Alphabet) but you can easily find examples on your own. One can find private-equity-controlled public companies, too. As public companies, they all have boards of directors. Many have high-profile directors on them, too. They look, act, and perform as required, with one exception: they don't get to make the final decisions. If your company is controlled by one, a few, or a small subset of investors, they can override any decisions that you and your fellow directors make. In those circumstances, you and your decisions are not invaluable. Your advice may be sought, your insights may be welcomed, and you may contribute worthwhile ideas, connections, time, and energy. But while this may make you a valued director, you're really not needed. No one has to listen to you, and no one has to follow you. If no one follows you, you can't claim to be leading anyone or anything anywhere!

To conclude, it takes some doing to be a real company leader. Getting yourself ready (involved) and willing (in tune) to be one is mostly up to you. Becoming invaluable (able to lead), however, is not always in your hands. You can be a skilled, experienced and engaged advocate for

the company and not have any real decision-making authority. What do you do: roll over, accept the status quo, take your compensation, and any bones thrown in your direction? That's the easy way. Sounds passive, even parasitic, don't ya think?

However, if you have that fourth and uncommon trait inside you, you won't do that. You'll pick your battles, or wait patiently to make yourself heard, and hang in there until you're accepted as invaluable. And, if you're not accepted (some situations just can't be overcome), you'll make the right decision and leave, hopefully before the company is led off a cliff. What it takes to do that calls for that special trait. It's not in everyone, and it can't be learned. You'll keep it under wraps until the time is right. It's the one seen only in exceptional directors and true leaders: it's called COURAGE.

Nancy May, President and CEO of The BoardBench Companies, has been cited in Forbes as one of America's governance experts. She has over 25 years' experience as a strategic advisor to high-growth, mid-cap, and Global 100 public and private companies. BoardBench is a corporate governance, director and CEO succession, and board candidate advisory firm.

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Winners of the 2018 “50 Fastest-Growing Women-Owned/Led Companies,” pictured with President and Founder of the Women Presidents’ Organization (WPO), Dr. Marsha Firestone (center).

“WPO is based on the philosophy that Adults learn best when they decide what they’re going to learn, when they’re going to learn it, and how they’re going to learn it.”

Robert Reiss: Women Presidents’ Organization is celebrating its 21st year. Describe the organization.

Dr. Marsha Firestone: Women Presidents’ Organization (WPO) is a non-profit membership organization for women presidents, CEOs, and managing directors of multi-million dollar companies that offers professionally facilitated peer advisory groups and business education for women-owned and women-led businesses. In order to join WPO, you have to have revenues of at least \$1 million if you’re service-based and \$2 million if you’re product-based. The average business revenue of our members is \$14 million. We also have different levels for participation, so if your business is over \$10 million, then you are eligible to participate in our Platinum Group, where the average revenues are \$47 million, and the minimum revenues are \$10 million. We also have a Zenith Group, for women who have minimum revenues of \$50 million and average revenues of \$177 million.

Why do women choose to join WPO? What are they looking to gain from membership?

This is business education, where women learn from other women and find support, inspiration, and wisdom from their peers as well as from other professionals from outside organizations. For example, we are sponsoring an upcoming program in Boston called “Leading High-Growth Businesses,” led by three Harvard professors, and forty of our members will be attending. So, what they’re looking to gain is information about how to accelerate the growth of their businesses, enhance their competitiveness, and, very importantly, promote economic security.

There are currently 137 WPO chapters throughout the world, and in each of these chapters there is a chapter chair. What is the purpose of the chapter chair?

The chapter chairs’ purpose is to facilitate peer learning, so successful women can help each other further grow their businesses. We hire, train, and keep on training chapter chairs whose job it is, “to bring the genius that already exists out of the group.” And so, what they provide is not only the glue, but also the commitment to deliver the agenda that these members want to achieve, whether it is about operational issues or strategic issues. WPO is based on the philosophy that “Adults learn best when they decide what they’re going to learn, when they’re going to learn it, and how they’re going to learn it.” Members of a given chapter define what their agenda should be, so that can continue to learn and grow their companies.

You have over 2,000 members around the world. What topic seems to resonate with most women right now?

Every year we do a survey, and we’ve found that one of the most difficult issues for our members is finding, hiring, training, and retaining the best employees. That is an issue that seems to be greater this year more than any other year. It is a very difficult process to find and retain the right staff.

I know some of your members have enormous technology companies that they’ve grown.

Yes, the one who comes to mind first is Nina Vaca, Chairman and CEO of Pinnacle Group. Nina Vaca was ranked #1 in 2018 of the 50 Fastest-Growing Women-

“Every year we do a survey, and we’ve found that one of the most difficult issues for our members is finding, hiring, training, and retaining the best employees. That is an issue that seems to be greater this year more than any other year.”

Owned/Women-Led Companies. She started her IT company in her living room, and it now has \$2 billion in revenue. Nina was able to do this while raising her four children; she is dynamic, impressive, and innovative as well as creative, passionate, and inspirational.

So, what have you learned most from WPO?

I learned that drive is more important than knowledge in entrepreneurial success. I think drive is absolutely essential – you don’t have to be the smartest person to be the most successful person. In fact, people who have performed academically the best in school are not necessarily the best ones for entrepreneurship. It’s drive that is the true predictor of successful entrepreneurship – you have to be passionate about what you do, and you have to be able to pick yourself up any time you fall down.

What are the trends that you’re seeing most in terms of women succeeding in business?

Well, there has been a tremendous growth in the number of women-owned and women-led businesses; however, only about 3% of them gross over \$1 million. We’ve made a lot of progress with women in top executive roles in business, but we still have a long way to go.

There are about 11 million women entrepreneurs in America that generate \$1.6 trillion into the economy.

That is true. And it’s the one place where women can actually equalize – it’s an opportunity for them to pay themselves as much as they can and want to earn, so that they can have more influence, more power, more decision making. Members of the WPO are proof that women can do it and that they can do it really well. Before they start their own businesses, many women start out working for major corporations and while working for those corporations, they begin to understand, “Oh, I can

“Nina Vaca was ranked #1 in 2018 of the 50 Fastest-Growing Women-Owned/Women-Led Companies. She started her IT company in her living room, and it now has \$2 billion in revenue.”

do this. I can do it better. I can make more money.” They are empowered to start their own business, and they do.

I bet people come to you all the time asking you for advice and say, “I want to start a company.” What do you say?

Many women do, in fact, come to the WPO for advice about starting a company. But we’re not about start-ups – we’re about advanced level entrepreneurs. We’re about supporting women who have already established successful businesses and are at the next level – presidents, CEOs, managing directors – and are looking to generate more revenue and more employment opportunities.

In 2007, you started ranking the 50 Fastest-Grow-

ing Women-Owned/Led Companies. Talk about what that is.

The “50 Fastest” is a listing of the top women who have successfully grown their businesses. I started this because, as President and Founder of WPO, I was tired of hearing people say that women owned “mom-and-pop operations.” This was simply not true – and certainly not an accurate representation of the incredible businesses that women were (and are) leading. And so, for the last 11 years, we’ve been ranking these companies and showcasing some incredible entrepreneurial women. As I said previously, Nina Vaca has been named number one this year for her amazing IT company, Pinnacle. Ellen Latham, who leads Orangetheory Fitness, the fitness solutions company, based in Boca Raton, Florida, won second place. If you’re thinking about taking your company global, contact our third place winner, Nicole Sahin, CEO of Globalization Partners, based in Boston, Massachusetts, who will set up your business internationally – she will do everything for you and you won’t have to do a thing. Interested in learning how to prevent cyber attacks? Then you should contact another winner named Phyllis Newhouse, an entrepreneur who started



Dr. Marsha Firestone, President and Founder, Women Presidents' Organization (left), with Nina Vaca, President and CEO of Pinnacle Group, an industry-leading workforce solution firm in Dallas, TX and first place winner of the 50 Fastest-Growing Women-Owned/Led Companies for 2018 (center) and Camille Burns, Executive Vice President and Chief Operating Officer, Women Presidents' Organization (right).



Beth Marcella, Director, Women's Business Development, PNC Bank, and WPO Advisory Board member (left) with Dr. Marsha Firestone, President and Founder, Women Presidents' Organization (right).

her own cyber security business called Xtreme Solutions. She was in the military for 22 years, and after she retired she started this cyber security firm based on what she learned from all those years in the service. She is a woman of color, and she has now grown that company to over a \$100 million. The women who make the “50 Fastest” list are truly impressive.

You started WPO in 1997. Talk about what your original vision was and what some of the challenges were in starting and growing WPO.

At that time, I was working for the American Women's Economic Development Corporation (AWED), providing programs for women in startups and young businesses. I soon realized that we did not offer any programs that were geared for women who had already achieved some level of success, to further support them. And so, when I was up for the presidency there, I went to the board and shared my vision that I would like to start a Women Presidents' Organization for women who were already successful but still could benefit from a support network.” My mentor, who herself had founded AWED, a woman named Beatrice Fitzpatrick, was fully in support of this vision but understood that this was completely different from the original mission of AWED.

She was a true mentor, and a selfless one, too; she said to me, “This is really important. Why don't you just go and start this yourself? You need to do this thing.” So I did.

What were you feeling when your mentor told you, basically, that you should leave to start WPO?

At first, I was devastated because I really wanted the presidency role – but she had a good suggestion to start the WPO as a separate entity, and I trusted that she believed in me. So, I took her advice and started the first chapter of WPO in New York City and soon after the second chapter in Los Angeles. After I started the third chapter, another one in New York City, I began to realize that we had really gotten to a point where this was a very important effort and there was a lot of interest in it. So now, we have 137 chapters and 20% of them are international.

Has the WPO ever held any international conferences?

This year, for the first time, we're holding a conference in Portugal, on October 25th and 26th. Of course, our international members are thrilled – they've been asking for this and, as I've said, 20% of our members are in-



Dr. Marsha Firestone, President and Founder, Women Presidents' Organization (left) with Jennifer Collins, President and CEO, JDC Events, WPO member, and Women Presidents' Educational Organization (WPEO) Board member (right).

“At first, I was devastated because I really wanted the presidency role – but she had a good suggestion to start the WPO as a separate entity, and I trusted that she believed in me. So, I took her advice and started the first chapter of WPO in New York City and soon after the second chapter in Los Angeles.”

ternational. The largest international contingent is from Canada, where we have 15 chapters.

As you know, my hope is for America to have 50 women Fortune 500 CEOs in the near future. Let's talk about the elephant in the room ... men and their role in business.

We're definitely not critical of men. In fact, quite the opposite – we encourage men to help us because we need their support as well as their recognition. For example, WPO has annual conferences, and the largest sponsor

for the last two years has been Fernando Hernandez, who is with Microsoft and is the lead sponsor. We are thrilled to have him, and you will never hear us criticize a male or complain about men. We don't believe in that – we believe in choosing the positive road. Also, some male spouses come to our conferences and we work with some men who are with PR firms. We do believe that men contribute to the success of this effort, as well.

You mentioned sponsors. What is their role in the WPO?

We have 16 major corporate sponsors who are committed to supporting women presidents, CEOs, and leaders in businesses. In addition to Microsoft, some others include Wells Fargo, Prudential, American Express, and Capital One. Without the support of our corporate sponsors, we would not be where we are today. They have sent women – and men – from their leadership teams to sit on the WPO advisory board and offer new ideas and strategic advice – I want to make it clear just how much we appreciate all that they have done and

continue to do for us in making our organization, and the women who are members, so successful.

What advice do you have for women entrepreneurs?

If you have an idea and you've done due diligence and market research for it, then go for it. Trust yourself, because I believe that you're going to be the most successful when you own your own business and when you call the shots. I think it's then that you can compensate yourself as you see fit and have control of your own financial security. In fact, there was an article in the *Harvard Business Review* recently about the fact that our members are paying themselves a great deal more. So, my advice is if you have checked it out with the market and you believe that this is a successful entity, go for it, do it, and be successful.



Dr. Marsha Firestone, President and Founder, Women Presidents' Organization (left), with Marvin Dickerson, President and CEO, Dickerson Technologies and Founder of the Washington DC Chapter of 100 Black Men of America, who received the WPO President's Award at the 2018 Annual Conference (right).



Robert Reiss and Dr. Marsha Firestone. Interview aired August 7, 2018.

A recognized expert on entrepreneurship, Dr. Marsha Firestone is President and Founder of the Women Presidents' Organization (WPO), a peer advisory group for women who own and lead multi-million dollar businesses. Dr. Firestone started WPO in 1997 to help accelerate business growth, enhance competitiveness and promote economic security for women-owned and led companies through confidential and collaborative peer learning groups. She is currently serving her second term as a member of the National Women's Business Council, a non-partisan federal advisory council that provides an independent source of advice and counsel to the President, Congress, and the U.S. Small Business Administration on economic issues of importance to women business owners.

Author of The WPO 50 Fastest Growing Women-Owned/Led Companies™ Guide to Growth, sponsored by American Express, she also wrote The Busy Woman's Guide to Successful Self-Employment. Dr. Firestone has published research on adult learning theory in business and education journals.

She is a frequent guest speaker and has received numerous awards, including the outstanding alumnae of Newcomb College of Tulane University and the Enterprising Women Hall of Fame awards. She was also the recipient of the Committee of 200 Skills to Succeed Award and the WBENC Applause Award.



**WOMEN PRESIDENTS'
ORGANIZATION®**

Reaching Farther. Together.



CEO Ron Nersesian chatting with customers and partners at the Keysight Automotive Customer Center in Novi, Michigan.

“There is tremendous growth in our marketplace, with the proliferation of IoT devices, the connected car, and the movement from 4G to 5G communications.”

Robert Reiss: Let’s start off with Keysight’s interesting history, and in full disclosure, we’re doing this interview at the New York Stock Exchange.

Ron Nersesian: Keysight started as the original Hewlett-Packard Company in a garage in Palo Alto in 1939. Dave (Packard) and Bill (Hewlett) worked for decades on high-precision electronic measurement products specifically to help engineers design electrical products, and that business grew for many decades. Eventually HP turned their focus to printers and computers, and decided, in 1999, to transform the measurement businesses into Agilent. By 2014, Agilent had evolved into several diversified businesses, including life sciences and chemical analysis, and the company split again, establishing Keysight in 2014.

You work with the top 10 semiconductor companies, the top 10 telecom companies, the top automotive companies. Describe the business.

Keysight develops solutions and offers services that enable engineers to design, manufacture, and reliably operate

“The biggest change was shifting from a product-focused organization to an industry-focused organization.”

electrical and electronic products. Our measurement instruments must be ultra-accurate to ensure that when a wireless signal reaches a cellphone, it works perfectly. Or, if an engineer is designing an autonomous vehicle, they can verify that their radar systems will precisely determine where other vehicles are on the road. Keysight is the market leading wireless test and measurement company in the world, with laser focus on the electronic technologies of the future. During our fiscal year 2017, which ended in October, we served approximately 32,000 customers, we generated \$3.2 billion in revenue, and to give you an idea of overall performance, our operating margin was 19%. More recently, we delivered another excellent quarter with strong order growth and record revenue. Total revenue growth in our second fiscal quarter ending April 30, 2018 was 31% reaching \$990 million, which was driven by broad-based core order strength as customers accelerate development in our key focus areas including 5G, automotive & energy and aerospace and defense.

In today’s economy, this is becoming increasingly more important with the advances of electrical and digital.

Absolutely. Right now, there is tremendous growth in our marketplace, with the proliferation of IoT devices, the connected car, and the movement from 4G to 5G communications. We are seeing the number of wireless devices increase into the billions. There will be more wireless devices than people in the near future, and we will help wireless device manufacturers design and produce those devices flawlessly.

Talk about the challenges you faced when you first became CEO and what strategies you have implemented.

The biggest challenge was stimulating growth. The company had not grown for decades due to its role as a healthy revenue stream within the Agilent portfolio. That made perfect sense as there were greater opportunities for growth in the life sciences business, but once we established a separate entity – Keysight – it became very clear

that growth was crucial if we were to create value for customers and shareholders.

How did you do that? You have about 12,000 employees and are turning around a fairly large ship in a fast-changing digital environment.

The biggest change was shifting from a product-focused organization to an industry-focused organization. During the Agilent years, any one customer could purchase products from as many as 10-16 different product categories. But if they needed to create a solution that encompassed the combination of our hardware, software, and services, it was complicated as it involved multiple product divisions that were aligned to products, not customers. It was a slow process that did not allow us to meet our customers’ needs.

The first thing we did was shift our focus to be from the customers’ perspective, define the segments we addressed, and determine what they needed to be successful.

We then organized the company across those segments: communications solutions, electronic-industrial solutions and network solutions, which resulted from the Ixia acquisition. In addition, we have a group that provides a range of services.



Ron Nersesian delivers the keynote address at Keysight World Tokyo.



CEO Ron Nersesian playing foosball with engineers at Keysight's newly-opened Atlanta Software Development Center at Georgia Tech.

“We just completed our second quarter and grew 31 percent compared to the same time last year. Quite an achievement for a company that had not grown in decades. In addition, our stock issued price was \$28 about three and a half years ago, and today it is trading at approximately \$60.”

Our Services organization is a horizontal business and covers repairing and calibrating equipment, selling asset management services, as well as buying and selling used equipment.

We appointed a president for each of the business groups and provided them the R&D resources needed to develop solutions that customers wanted, when they wanted them. When I say a solution, it's a complete solution, which means the business groups had to have access to all the hardware in the company, all the software in the company, and all the services in the company. A single Keysight professional can now work with a customer and

commit to delivering a comprehensive solution that solves their specific challenges. We call this our transition from hardware-centric products to software-centric solutions. Software-centric does not encompass all our offerings, but it is becoming a bigger and bigger part of the Keysight solution as data is moving faster and faster. The analysis of that fast-speed data is progressively more important to customers.

What were the financial results?

Keysight recognized 7% organic growth last fiscal year. We just completed our second quarter and grew 31 percent compared to the same time last year. Quite an achievement for a company that had not grown in decades. In addition, our stock issued price was \$28 about three and a half years ago, and today it is trading at approximately \$60.

Based on that, what advice do you have for CEOs?

The best advice I have is focus on the customer, figure out what is required to address their needs with speed and

quality. When faced with big decisions, do so quickly, or your competitors will take your business.

Let's talk about a very tough challenge you faced. I believe it was October 8, 2017?

Yes.

Walk through what happened and the challenges you faced while in Germany delivering a presentation.

I was making a presentation on the morning of October 9th in Germany and, of course, it was still October 8th in Santa Rosa, California. After my presentation, I received a text saying that there was a wildfire in the area and it was approaching our global headquarters. Immediately, we decided to evacuate the facilities. Within minutes, I made a reservation on the first flight to return to California.

What are you doing while you're on the plane? Knowing that fire is coming, are you in communication with everyone?

Yes. Luckily, I had Wi-Fi and spent a good eight hours

“The number one issue from my perspective was, ‘Are our people safe and is there anything we can do to ensure that they are brought to safety?’”

working on the overall setup of our emergency response team with the heads of our human resources and facilities department. It was constant communication to establish this emergency response team and to know we were doing the right things for our employees.

Of course, I sent a message to the Chairman of the Board advising him on our plans. Once I landed, I immediately met with Keysight's leadership team to make certain we were focused on our people. The number one issue from my perspective was, “Are our people safe and is there anything we can do to ensure that they are brought to safety?” We had 1,503 employees in the area, but many people gave their cellphone numbers or their home numbers as their emergency contact numbers, and we couldn't reach them. As you can imagine, if your house is on fire or you are being evacuated, you may not think to bring your cell phone or your charger with you. At the end of the day, there were 700 employees that we could not get in touch with out of the 1,503.



CEO Ron Nersesian and volunteers gather at the Keysight Relief Center to help employees impacted by the Santa Rosa fires.

What did you do?

I asked my direct reports to contact their staff and build a network of employees that would find every single employee.

How many did you find?

We found all 1,503 by the end of the week, but it was an exhausting process that took over four days. Fortunately, 1,502 people were physically okay. One person received third degree burns over 70% of his body and was in a burn unit. I visited him in the hospital and he had a constant stream of Keysight people with him for the seven weeks that he battled for his life. Unfortunately, he passed away as it was impossi-

“It was truly incredible that even though this employee did not have his parents in the U.S., the employees effectively became his family and ensured that he was taken care of.”

ble for his body to fight off all the infections.

It was truly incredible that even though this employee did not have his parents in the U.S., the employees effectively became his family and ensured that he was taken care of.

Let’s go back to that first day.

There were a number of things we did immediately on the first day. We set up an emergency relief center providing blankets and pillows to people that had to sleep on other people’s floors. We also provided supplies and toiletries. We requested gift cards and donations to give out to anybody that needed help. Many people ran out of their homes without their wallets and lost not only their money, but all forms of identification. It is difficult to get new identification when you have no way to prove who you are, but the emergency relief center was there to help



CEO Ron Nersesian delivers the keynote address at the Automotive Tech Day & Open House held at the Keysight Automotive Customer Center in Novi, Michigan.

with their basic needs. There was food, water, and devices available at the center which we operated day and night for weeks, and we helped not only our employees at that time, but former employees and retirees, as well as anyone in the community looking for help.

I heard you also made a significant financial contribution to people who lost their homes.

Yes, we provided employees financial contributions because we wanted to offset any time lapse or money gaps from their insurance company. There were 119 employees and their families who lost their homes. We decided to give them all \$10,000 outright. Anybody who was temporarily displaced received \$1,000. We also set up a donation process for the many employees around the world who wanted to contribute – whether cash or accrued vacation to their colleagues.

But in addition to financial contributions, we hired counselors and psychologists to help employees dealing with hardships, as well as their family members. We secured temporary housing to make sure everybody had a roof over their head. Many Keysight employees offered colleagues their homes and cars.

That was most amazing. You just decided that on the spot?

Yes, there was never a doubt in my mind that it was the right thing to do. Many of these folks have been with us for decades and we hope they will continue to be with us for decades more.

What did you learn about the concept of leadership from this incredible experience?

As CEO, you are expected to run the business, take risks, get the best return for your shareholders, and shoulder the leadership responsibilities for the organization. When suddenly, there are lives at stake – the very foundation of your business – you can’t look at it purely from a dollars and cents perspective. This type of situation can test who you really are, and as a leader, you must make instant decisions that are going to have a lasting impact and legacy on the company. My strength has always been as an operational leader, but I realized I needed to draw on being

“We provided employees financial contributions because we wanted to offset any time lapse or money gaps from their insurance company. There were 119 employees and their families who lost their homes. We decided to give them all \$10,000 outright. Anybody who was temporarily displaced received \$1,000.”

a leader from the heart. Many were advising that the fire was not Keysight’s fault and we did not have to take on the financial responsibility for our employees. It would have been easy to agree with that. However, this was a leadership moment for Keysight and we wanted to do what was right for our employees. When I look back on my career, our actions during this trying time will be one of the proudest moments of my professional life.

Based on that, what advice do you have for CEOs?

It is easier to think and act with your head, and forget about your heart. You have to think with your heart and consider, “What if I was in this situation, what would I want and hope for from my company?” I would tell any CEO, if you are loyal to your people, and support them through good and bad times, they will be loyal to you.

Exceptional. Great having you on The CEO Show, Ron.

Thank you very much, Robert.

“You have to think with your heart and consider, ‘What if I was in this situation, what would I want and hope for from my company?’”



Ron Nersesian and Robert Reiss. Interview aired March 22, 2018.

Ron Nersesian is president and chief executive officer of Keysight Technologies. In November, 2011, he was named executive vice president and chief operating officer of Agilent Technologies. The following year, in November 2012, he was promoted to president and chief operating officer. When Agilent announced the separation of its electronic measurement business in 2013, Nersesian was appointed Keysight president and CEO and led the launch of the new company. Keysight became a public, independent company in November 2014. Nersesian began his career in 1982 with Computer Sciences Corporation as a systems engineer for satellite communications systems. In 1984, he joined Hewlett-Packard and served in a range of management roles during his tenure. In 1996, Nersesian joined another industry player as vice president of worldwide marketing. He subsequently assumed other senior management roles through 2002, including senior vice president and general manager of the company’s digital storage oscilloscope business. Nersesian joined Agilent Technologies in 2002 as vice president and general manager of the company’s Design Validation Division. In 2005, he was named vice president and general manager of the company’s Wireless Business Unit and manager of Agilent’s Santa Rosa, California site. In 2009 Nersesian was named president of Agilent’s Electronic Measurement Group. Nersesian holds a bachelor’s degree in electrical engineering from Lehigh University and an MBA from New York University, Stern School of Business. He also serves as an independent director on the Board of Directors of Trimble Inc. and as a member of Georgia Tech’s Advisory Board.



CEO Event GREENWICH POLO CLUB

The Luxury Marketing Council of
Connecticut-Hudson Valley

Celebrates Its 5th Anniversary





On Sunday, June 10th, more than 300 guests came out to celebrate The Luxury Marketing Council of Connecticut-Hudson Valley’s “Fourth Annual Polo Family Day” in honor of its anniversary, a milestone that marked the organization’s fifth year as the authoritative voice of modern luxury in Connecticut/Hudson Valley and the surrounding metropolitan area.

“Working again in collaboration with the Italy-America Chamber of Commerce and with the help of wonderful partners and sponsors, this event keeps growing as we celebrate the important luxury of time with family and friends,” explained Kathryn Minckler, Founder & Chair, The Luxury Marketing Council of Connecticut-Hudson Valley.

The CEO Forum Group was pleased to be a media sponsor of this event.



“I’ve taken the Buffett Giving Pledge to give all my money back to society.”

Robert Reiss: Lee, your story is a true tale of success to significance. Let’s start off and talk about your upbringing.

Leon Cooperman: I am actually a member of the Horatio Alger Association of self-made men and women, and I’m a Horatio Alger story. I grew up in the Bronx, the son of immigrant parents from Poland and the first generation in my family to be born in America and the first to attend college. Our family did not have much money. All my education up until grad school was public. I went to both public grade school and public high school in the Bronx. I laugh that I followed Horace Greeley’s advice, “Go West, young man,” as my schools were in the East Bronx and Hunter College, now called Lehman, was in the West Bronx. I met my wife, Toby, there sophomore year. After college, I went on to earn an MBA at Columbia Business School and after graduation was fortunate to land a job at Goldman Sachs.

When I started on Wall Street, I had a six-month old son, a large debt from a loan from the National Defense Edu-

“And that’s been the secret of my success – I find people who are stronger and more knowledgeable than I, properly incentivize and reward them, share the fruits of the business, and benefit from their intelligence. CEOs should never be threatened by strong people and will always be benefited by them.”

cation Act, and no money in the bank – so by definition, negative net worth. I have always been grateful to those who have helped me. I want to make sure that my wealth, in turn, benefits others. To assure this happens, I’ve taken the Buffett Giving Pledge to give all my money back to society.

Before we elaborate on your important commitment to philanthropy, let’s talk about your professional life. You worked at Goldman Sachs for over twenty years and eventually became Chairman and CEO of Asset Management. What was the secret to your success? And what advice about success do you have for CEOs?

Goldman is a terrific firm. I joined February 1, 1967, the day after I got my degree from Columbia. As I said, I had no money, so I had to go to work right away. Goldman was a firm that focused on teamwork and demanded excellence, commitment, and dedication in all that we did—those traits were instilled in me from the very beginning, and as a result I developed a very strong work ethic that I have to this day and that certainly contributed to my professional success.

I would say my advice to CEOs is the advice of Andrew Carnegie, who, around 1900, said he wanted his epitaph to read, “Here lies a man who was wise enough to bring into his service men who knew more than he.” Now, I would elaborate on this by adding “women,” since women are an extremely important part of the labor force. And that’s been the secret of my success – I find people who are stronger and more knowledgeable than I, properly incentivize and reward them, share the fruits of the business, and benefit from their intelligence. CEOs should never be threatened by strong people and will always be benefited by them. That’s the most important advice I would give to a CEO. Adding to that, I often tell people that, “No matter how wealthy you are, the one luxury you cannot afford is arrogance.” That means being nice to all

people, treating them with respect and kindness, regardless of their station in life.

Talk about what your original concept of Omega Advisors was and why you have chosen to shift to a family office by the end of the year?

Basically, I retired from Goldman in 1991, after close to 25 years of service, to start Omega because I wanted to manage money rather than manage people. I picked the name Omega because it’s the last letter in the Greek alphabet – and I figured this would be my last venture. I’ve decided to return my investors their funds and exclusively manage my own money, and I did it for a couple of reasons. Number one, the statistics on longevity say, “If you make it past 65 and cancer doesn’t get you, on average you’ll make it to 85.” I turned 75 three months ago. If I’m average – and I hope to exceed the average – I’ve got 10 years left. Trust me, making money for your investors is a stressful and demanding job, and I don’t want to spend the last 10 years of my life doing that. Number two, about six months ago, I went to a concert, and the entertainer was Kenny Rogers. He sang “The Gambler,” the song that he’s most noted for, whose lyrics are, “You got to know when to hold ‘em, know when to fold ‘em.” Kenny was hardly able to walk on stage – he’s going to turn 80 and he said at the concert that night that he shouldn’t be doing this anymore, but he’s on his fifth marriage, and he needs the money. I’m 75, married to the same woman for 54 years, and I don’t need the money – I think I know when to fold ‘em.

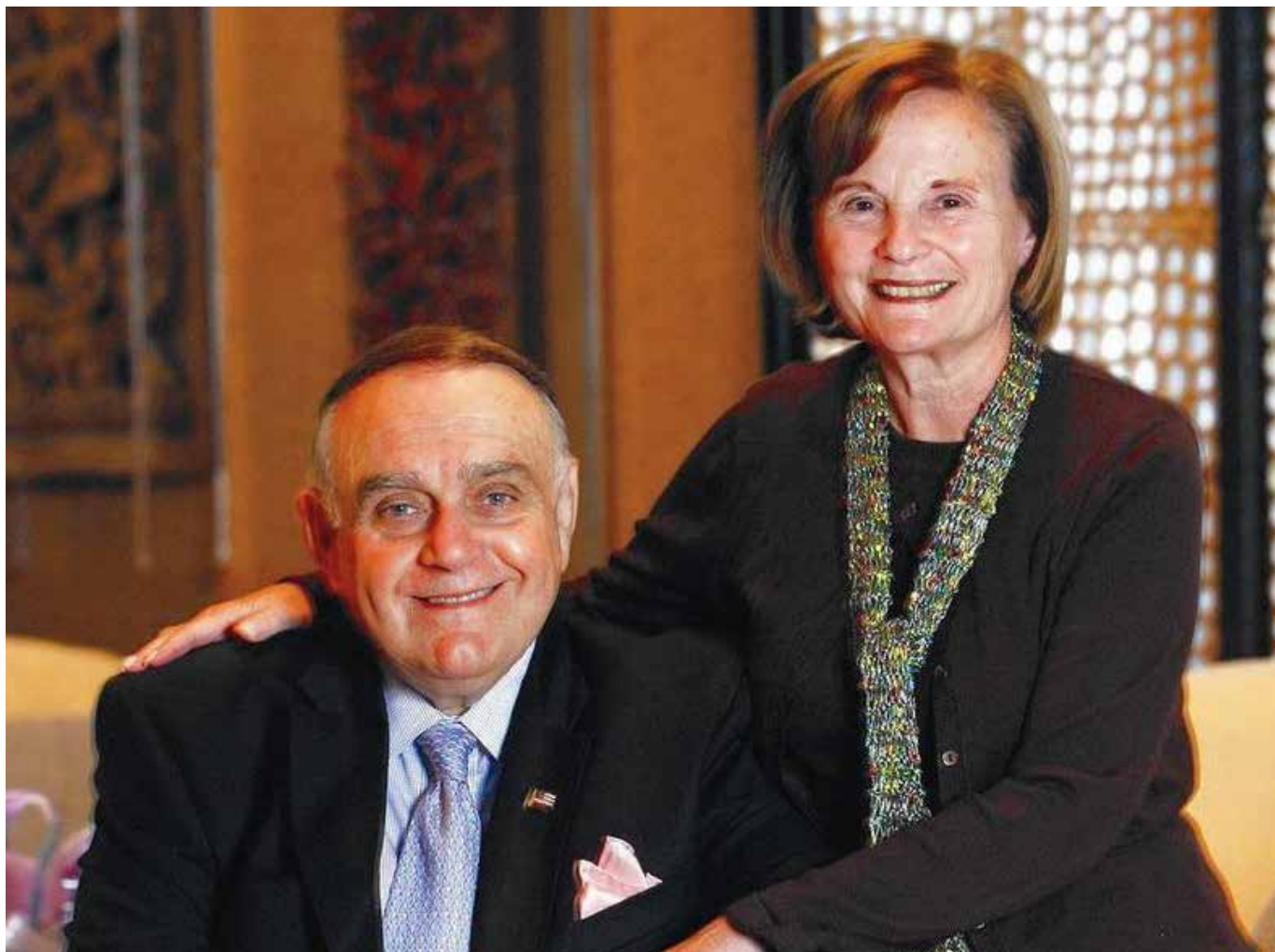
Now, let me get a little technical. I don’t know if everyone knows what a high water mark means, but one of the negatives in the hedge fund world is if you have a losing year, you must make back your losses before you get paid again. I’ve had three consecutive years now of growth, and every investor that has money with me is at record high capital. And that is, in part, what influenced my decision to shift to a family office, because I assume that some time in the

next 12 to 24 months, there's likely to be a market setback. I'm thinking that inflation and the Federal Reserve Board will catch up to the stock market, and I don't want to have a high water mark. In 2008, the *New York Times* printed an article that quoted me saying, "You'd have to lower me into the ground before I'd put up a gate or not honor a high water mark." Gating of capital means when people want their money back, you elect not to give it back to them and you hold on to it. But I believe if investors want their money back, they should get it back as quickly as possible and that a high water mark is an asset of the investor. I believed this in 2008, and I still believe that a decade later in 2018 – I would never refuse to honor a high water mark and I would never put up a gate on capital requested. This all plays into my decision to close Omega Advisors and shift to a family office. I don't ever want to lose investor money – I'd rather lose my own money.

When you talk about a market setback, what kind of a market setback are you envisioning?

Well, the market has generally gone down 20% to 25% peak-to-trough in a bear market. The market normally re-calibrates every four or five years. We are nine years into an expansion – I think due, in part, to the magnitude of the decline. There's a proportionality to cycles – the magnitude of an upturn should be relevant to the magnitude of the downturn. The past recession ending in '09 was twice as severe as the average and the market decline was twice as severe as the average, so it's not illogical that we've had a longer and more dramatic bull market coming out of the depressed period that we were in during 2008.

I'm not making some big call here, and believe me that no one really knows the answer. You've got to study the eco-



Lee Cooperman and his wife, Toby.

conomic data, the Federal Reserve, and market valuation. In 2008, one of the most successful investor/speculators of all time, a guy with a great track record who I have enormous respect for, Carl Icahn, returned all his investors their money. He said he didn't like the outlook that he saw. And what happened over the next decade? There was a big bull market lasting years and he more than doubled his net worth! So, you see, nobody really knows. But I would say that logic suggests that inflation and interest rates will catch up to the market some time next year or the year after.

Let's return to the subject of philanthropy. Why do you believe so strongly that wealthy people should give their money to philanthropic foundations or charitable organizations?

Pablo Picasso said, "The meaning of life is to find your gift. The purpose of life is to give it away." My gift is making money, and my purpose is giving it away. I figured out a number years ago that there are only four things you can do with your money. The first thing you can do with your money is spend it on yourself – you can collect art, homes, boats, airplanes, whatever. But I don't collect any of these. In fact, I believe that having too many material possessions brings too much responsibility and aggravation – I have a view that less is more. I also have a wonderful wife, who for 35 years has been busy educating children with learning disabilities or who are neurologically impaired, so she has worked hard and was never a big spender. I've worked 70 hours a week for the last 50 years – I've never even had time to spend money. I don't have any expensive habits, and I'm a saver – so I'm not going to spend my money on myself because that's not my style. Seriously, I've driven my 2002 Lexus for the last 16 years. The second thing you can do with your money is give it to your kids, but I think if you have a lot of money, giving all your money to your kids is a big mistake. You deprive them of self-achievement, and, in my opinion, it's just not the right thing to do. The third thing you can do with your money is give it to the government, but only a schnook does that

"Pablo Picasso said, 'The meaning of life is to find your gift. The purpose of life is to give it away.' My gift is making money, and my purpose is giving it away."

"To me, philanthropy is a demonstration of service to others that impacts society in profound and lasting ways – it is a true act of leadership."

when you don't have to. And, most important, the fourth thing you can do with your money is give it back to society to make the world a better place. And I think that the fourth choice is the best choice.

Why is philanthropy so important to you? And what are some of the philanthropic organizations that you established or charitable organizations that you contribute to?

I've achieved great financial success in my career – and I thank God for that every day, especially considering my humble beginnings growing up in the Bronx. Honestly, there are many people who have a lot of money, but I'm always more interested in what people do with their money rather than how much they have. To me, philanthropy is a demonstration of service to others that impacts society in profound and lasting ways – it is a true act of leadership.

My family and I have created several charitable foundations that I am very proud of because they improve people's lives and they help people help themselves. My wife and I started the Leon and Toby Cooperman Family Foundation as well a program called Cooperman College Scholars that helps under-represented, academically talented rising high school seniors prepare for application to college and then, once they are enrolled in college, offers them continued academic and financial support throughout their four years of college. I set up a \$25 million fund to provide \$10,000 a year for up to 500 of these students to get college degrees.

Typically, 35% percent of Newark high school kids go on to college, but only 5% graduate. Now, I've been asked to double down – I originally gave them \$25 million and now I'm being asked to give them \$50 million. I said, "I will double down if you show me a graduation rate materially different than the present one." I'm proud to say that the Cooperman College Scholars currently have a 94% retention rate – our foundation has six full-time peo-



Lee Cooperman, right, and his wife, Toby, applaud the initial class of Cooperman College Scholars.

“I believe that having too many material possessions brings too much responsibility and aggravation – I have a view that less is more.”

ple on a team that meets with these students after their classes, keeps them focused, keeps them motivated, and keeps them on point. So, the odds are that if this positive result continues, I’ll double down. I don’t mind being very generous when it comes to young people who just want a chance to improve their own lives. I want to help people who lack the financial means for success become successful – and when those young people do become successful, I hope that they will remember the help that they received and that they will help the next generation.

I have also given a great deal of money to Columbia Business School as well as to Hunter College. Hunter was the best deal known to man. I got a first-class education for \$24 a semester. So, how can you not be generous and give back to an organization that gave you a great education for 24 bucks a semester? More than half of the donations

I’ve given to Hunter were directed towards financial aid for students, but a large portion of that, at their request, went to build a library. I also donated a major wing at Saint Barnabas Medical Center in Livingston, New Jersey, and when I see what they built, I’m amazed – they built about 140 private rooms, 50 neonatal centers, and it’s just fabulous. After it was built, every week, almost without exception, I got a call from somebody who was either a patient or a visitor there who was blown away by the facility. I’m honored that my name is associated with that hospital and that so many people can benefit from it.

Let’s talk about CEOs. CEOs have the opportunity to be philanthropic themselves or through their corporations. What advice about philanthropy do you have for CEOs?

My advice is to be good corporate citizens. In the non-profit world, there’s talk about the three Gs of board service – Give, Get, or Get Off. Well, I think that applies to CEOs, as well – I think it’s important to stand for something. Make a contribution. Educate youngsters. Provide employment for returning veterans. Corporations, and the CEOs who run them, have a social responsibility to

“I’m proud to say that the Cooperman College Scholars currently have a 94% retention rate.”

give back to their communities. Many are doing just that, but many more still need to start giving to philanthropic organizations and charities. I like to think that I lead by example – I have the ability to recycle my wealth back to society, where I hope to make an impact on future generations. I hope others are inspired to do the same.

And is that your hope for the future?

My hope for the future is that we all get along, work together, and cooperate so that we as a country can grow and that the disparity of income is dealt with, that more people are encouraged to pursue education or other opportunities that can lead to improved, successful lives. Six years ago, I wrote a highly critical letter to President Obama, where I described that I felt he was really playing the class warfare card. He was telling the 99% that they’re being taken advantage of by the 1% rather than telling the 99% that with a little luck and a lot of hard work, they, too, could move ahead and maybe even one day become part of the 1% themselves. I think it is a responsibility of the 1% to give back by sharing their success with others. I encourage CEOs and others in positions of influence and wealth to give back to their communities and to organizations that help people who are disadvantaged in some way – share your wealth and the advantages that you enjoy and give generously so that underserved people can have the resources to improve their situations and their lives.



Robert Reiss and Leon Cooperman. Interview aired August 12, 2018.

Leon Cooperman is Founder and CEO of Omega Advisors, Inc., an investment advisory firm managing over \$3.8 billion in assets. Prior to starting Omega Advisors, he worked at Goldman Sachs, as General Partner and Chairman and Chief Executive Officer of Asset Management for over twenty years, where for nine consecutive years he was voted the number-one portfolio strategist in Institutional Investor magazine’s “All-American Research Team” survey.

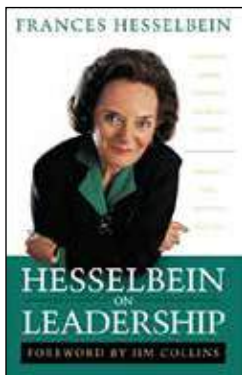
A philanthropist for many years, he has recently taken The Giving Pledge, which invites the world’s wealthiest individuals and families to donate at least half of their wealth to philanthropy or charitable causes. He has exceeded their expectations, vowing to donate not just half, but his entire fortune to philanthropy.

He and his wife, Toby, have two sons and three grandchildren.



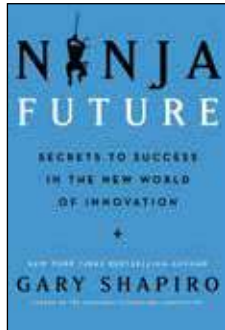
Omega Advisors, Inc.

“One of my favorite quotes on learning is from Julia Child, ‘You’ll never know everything about anything, especially something you love.’ My love has been learning about business models and success, where I have read over 1,000 business books; following are three of those which I believe can be of great value to today’s top CEO.”



***Hesselbein on Leadership* by Frances Hesselbein**

The woman *BusinessWeek* called the “grande dame of American management” shares her vision of leadership. Frances Hesselbein rose from a volunteer troop leader to become CEO of the Girl Scouts of the USA. During her tenure Hesselbein transformed the Girl Scouts and created one of the most vibrant and recognized organizations in the world. In the course of her brilliant career, she was recognized by *Fortune* magazine as the “Best Nonprofit Manager in America” and was awarded the Presidential Medal of Freedom. Now, for the first time, Frances Hesselbein has collected her most incisive and stirring writings on the topic of leadership in one compelling book. The book affirms Hesselbein’s specific leadership principles that will give readers the inspiration to go forth and become exemplary leaders.



***Ninja Future* by Gary Shapiro**

In *Ninja Future: Secrets to Success in the New World of Innovation* (Harper Collins, 2019), Consumer Technology Association President and CEO Gary Shapiro explores the evolving technological landscape – breakthroughs underway now and those we can only envision. Drawing on the insights he has gleaned as a martial arts black belt, Shapiro shows how businesses and governments can move to succeed in today’s turbulent environment only by adopting the mindset of “ninjas” – adapting to technological change to capitalize on opportunities at lightning speed.



***Ethel Percy Andrus: One Woman Who Changed America* by Craig Walker**

After finding an older woman living in a chicken coop because she couldn’t afford decent housing or health care, a retired educator named Ethel Percy Andrus got angry, then got organized. And in doing so, she radically changed the landscape of America. This beautifully illustrated book is the first comprehensive biography of Dr. Andrus, the founder of AARP, now the nation’s largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. A social innovator, visionary, and disruptor, Andrus pioneered marketplace solutions to help older Americans stretch their dollars and improve the quality of their lives, such as affordable group health insurance, a discount drug-buying plan, and a travel service. She worked hard to create affordable, accessible housing for people as they age and unite the generations through volunteerism. She fought fraud and helped establish a new image of aging in the workplace and beyond. And as an educator, she served as a teacher and principal, launched a school for adults, and later founded the Institute of Lifetime Learning.



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