

The CEO Forum

THE 12 TRANSFORMATIVE LEADERS 2019



Nonprofit
AARP
Jo Ann Jenkins
CEO



Retail
Ethan Allen
Farooq Kathwari
Chairman, CEO & President



Insurance
Aflac U.S.
Teresa White
President



People
Dale Carnegie
Joe Hart
President & CEO



Artificial Intelligence
Genpact
"Tiger" Tyagarajan
President & CEO



Financial Markets
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The CEO Forum



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50 Women Fortune 500 CEOs

I believe corporations, more than any other entity, have the ability to drive positive change and create a better world. Leadership is at the core of this. In this issue you'll learn from a dozen leaders who have diverse backgrounds but one thing in common – they are transformative, where they have reinvigorated their company or reinvented their industry. I am proud to share the diversity of our leaders which include CEOs of varying backgrounds: African American, Caucasian, Indian, Latin, Muslim, Orthodox Jewish ... and one CEO who actually turns 104 years old on November 1, 2019!

When thinking of leadership, one personal goal of mine is to have the strongest leadership driving organizational and societal change. So I'd like to throw down a challenge that I have been working on for the past five years: we need – for starts – 50 Fortune 500 women CEOs ... which is still only 10%, but it will create more critical mass and more mentors.

Today we have 34 women CEOs (according to Women Business Collaborative, where, in full disclosure, I am on the Board). Frankly, I think it is mathematically impossible that only 6.8% of the executive talent are women. This means we have talent who are not in the right positions and need to be moved into the top leadership roles.

As you read through this Leadership issue, I urge you to identify leadership trends and then see which ones can be applied in your enterprise. Finally, think through whether there are women in your organization who have the potential to bring these leadership tenets to your organizations, and perhaps be a CEO of the future.



AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With nearly 38 million members and offices in every state, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP works to strengthen communities and advocate for what matters most to families with a focus on health security, financial stability and personal fulfillment. AARP also works for individuals in the marketplace by sparking new solutions and allowing carefully chosen, high-quality products and services to carry the AARP name. As a trusted source for news and information, AARP produces the world's largest circulation publications, AARP The Magazine and AARP Bulletin. To learn more, visit www.aarp.org or follow @AARP and @AARPadvocates on social media.



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The Paradigm for Parity[®] coalition includes CEOs, senior executives, founders, board members and business academics who are committed to achieving a new norm in corporate leadership: one in which women and men have equal power, status and opportunity. Today's list of 106 coalition companies employs more than 5.4 million workers worldwide from a diverse range of 28 industries, including technology, health care, food service, retail, and financial services. To accelerate the pace of gender equity in senior executive roles and on corporate boards, the coalition created the Paradigm for Parity[®] 5-Point Action Plan. Based on extensive research and best practices, this roadmap is the first set of specific actions that, when concurrently implemented, can catalyze change and enable companies to more effectively increase the number of women of all races, cultures and backgrounds in leadership positions. Visit www.paradigm4parity.com or follow us on Twitter using @p4parity to learn more about this exciting initiative.



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The Frances Hesselbein Leadership Forum is a continuation of the legacy of Frances Hesselbein and is part of the Graduate School of Public and International Affairs (GSPIA) at the University of Pittsburgh. The Hesselbein Forum fosters the development of values-based leadership through a Lecture Series with proven leaders and thoughtful scholars; a Leadership Program in International Security led by Julia Santucci, former senior adviser in the U.S. Department of State; a Leader-in-Residence Program; the publication of the award-winning Leader to Leader quarterly Journal; and in-person and virtual keynote addresses by Frances Hesselbein.



The OU (Orthodox Union) Kosher is the world's largest and most widely recognized kosher certification agency, certifying over 800,000 products produced in more than 9,011 plants located in 104 countries around the world. The OU, termed a "coveted seal of approval" by The New York Times, is one of the world's best-known trademarks. OU Kosher is unique among all the major kosher certification agencies, as it is part of a non-profit communal organization (founded in 1898), so that it can maintain the highest levels of integrity without any possible conflict of interest. The Orthodox Union, now in its second century of service to the Jewish community of North America and beyond, is a world leader in community and synagogue services, adult education, youth work through NCSY, political action through the IPA, and advocacy for persons with disabilities through Yachad and Our Way. For more information visit ou.org



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“There are roughly 110 million people in this country who are over the age of 50. Thirty-eight million of those are AARP members. If this group were a country, it would be the third largest economy in the country behind the U.S. and China. People over the age of 50 generate \$7.6 trillion of annual economic activity in the U.S.”



The CEO Forum Group selected AARP for the 2019 Leadership award for Not For Profits for championing the management of multi-generational workforces and recognizing the advantage of older, more experienced people returning to the workforce.

Robert Reiss: Talk about the multi-generational workplace, a concept you’ve championed, that can transform not only corporations, but society as well.

Jo Ann Jenkins: We’ve been looking at what we called the Future of Work for a number of years and at the idea that many of our members at AARP want to keep working, either because they can’t afford to retire financially or because they find meaning and purpose in staying active and involved in a workplace. So we have been looking at what the Future of Work is going to look like as more and more people live into their late 80s, early 90s and beyond. We’re looking at how this will change work not just for young people, or middle-aged people, or older people, but also at how companies and organizations are going to need to adapt when they have four, and in some cases, even five generations in the workplace at the same time.

For example, here at AARP, we already have four generations in the workplace, and we’ve been exploring how teams will show up differently when they have people working at different age levels within the organization. We’ve learned at AARP that even though managing a multi-generational workforce can present challenges, an age-diverse workforce is a strength.

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It’s been insightful, particularly at a time when the country appears to be near full employment. In fact, we see shortages in areas of work like healthcare and education, and the question becomes how will companies adapt in order to retain workers. We know that millennials and younger workers are more apt to change jobs every three to four years because that’s the way they like to experience work. We know that companies are going to have to adapt the way they recruit, retain and ultimately, succeed in keeping employees in the workplace longer.

How did this concept emerge, and what have you learned through your testing at AARP?

It has been very helpful to us because many of the people who work at AARP work here because they believe so passionately in our mission and the work we do on behalf of our 38 million members. One of the conversations started as I was speaking to our class of interns – we normally hire 200 to 300 interns every summer that come in and participate anywhere from data analytics to our video conferencing, to our innovation lab, to working on health issues or financial issues. One of the gentlemen in the class said to me, “Mrs. Jenkins, I love AARP. This has been terrific. But mostly your jobs require 10 to 15 years of experience. How can we enter into the workforce?”

This got us to step back and think and work with Human Resources to say, “Absolutely, that’s right. If we’re going to bring these young people into our organization in the summer, there ought to be career ladders for them to have an opportunity to gain employment with us.” So, we actually made changes here at AARP to make those kinds of opportunities available.

Our average age of employees here at AARP is about 47. So, this was sort of an “Ah ha” moment for me personally to hear directly from some of these college

students who were here and intrigued by the work that we’re doing. So, we have been developing in the younger worker the use of technology, since they have really been growing up with this technology and pairing them with an older worker who is more experienced in content. They can see how they can share their information and content out to the broader public. That’s an example of the connection between technology and experience and how you can integrate them.

What we’re also seeing here at AARP, when you think about membership organizations, is what the word membership means to somebody who might be 50-plus, versus what it means to somebody who might be in their 20s or 30s. You think about American Express who says, “You are a member of American Express.” They consider that a membership organization the same way that AARP considers itself a membership organization. But the expectations of how you’re going to receive that membership, what you get from that membership changes with companies, changes with organizations, and really the expectations of the customer have changed dramatically as well. And so, having four and even five generations in the workplace at the same time really allows a company to meet the customers’ needs where they are.

That’s interesting. I know one of the early adopters that I saw was Build-A-Bear, and they were telling me how most of their workers were either teenagers or grandmothers, and the two of them connected and built this new dynamic. What types of companies and industries will most likely utilize multi-generational workplaces?

As we think about the workplace of the future, we have to understand that it will be multi-generational – for just about every industry. Older people today are focused on *living*, not just on *aging* – not just on what they need, but also on what they want. *They no longer live to work – they*



AARP CEO Jo Ann Jenkins at Future of Work Summit.

work to live. They want a job that not only pays the bills but allows them to pursue the kind of lifestyle they desire, and many have embraced new technologies that make it possible to work from anywhere at any time. Each generation brings benefits that enhance the workplace environment, and each has different ways of working and putting their skills to use. For example, mentoring and reverse mentoring – older workers learning from younger colleagues – boost morale and productivity.

I think about the education field. Certainly, we've seen this within school systems where you have new teachers coming into the school systems paired with older or more experienced teachers, and how you approach visual learning differently from the other aspects of learning in the classroom. I think that's important.

We also looked at some of the technology companies, and how technology is used by different age groups and their expectations. We know that for an older person certain colors are difficult to read from, for example, a grey background or a white background. And yet you think about looking at your iPhone or cell phone, and most of that background is grey. And so, having multiple generations in some of these technology test sites is important

because the user experience is different depending on what the customer wants to receive.

What's your take on the concept of returning to the workplace, or "returnships"?

We stopped using the name American Association of Retired People about 15 years ago. We realized almost 40% of our members are not retired; they are continuing to work. We also see that a lot of the larger U.S. companies are looking at this idea of people retiring and then coming back, as you said, a "returnship" where people come back to the workforce for a specific task or specific duty. We're seeing great advantage in having older, more experienced workers serve as mentors to younger business people coming into the organization.

Here at AARP we've actually instituted a phased retirement program, because a lot of our employees were retiring and then coming back a year later saying, "Actually, you know what, I didn't want to retire. I just needed a break." So we have instituted a five-year phased retirement program, if employees want to use that to test what does retirement look like for them. At the same time, they've been able to come back and help and be paired with a younger person in the workplace who might not understand the culture, who might need a little more mentoring around business models and partnerships development. We've seen first-hand the positive impact this has had on our organization.

What are the steps that CEOs should take to build a multi-generational workforce?

Let me just say at the outset that everyone has a role in helping to manage and nurture the workforce of the future – what I call the 3Ps:

Personal – Individuals have a responsibility to keep themselves employable.

"What we've been observing here at AARP is that most people are living healthier and longer across the board allowing them to live well into their 80s and 90s. In fact, research tells us that in countries that are aging well, a 10-year-old child today has a 50% chance of living to be 104."



Private – Employers have a responsibility to provide opportunities for older workers to remain on the job, to learn and to grow, to not limit recruiting only to younger workers, and implement policies and procedures that are fair and address the needs of all employees, regardless of age.

Public – Governments at all levels need to enforce policies against age discrimination and adopt age-inclusive policies, including those around unemployment and job retraining to ensure that older workers who lose their jobs get the skills and help they need to find new ones.

As CEOs think about the Future of Work and what it takes to build this multi-generational workforce, we really have to look at what employees need. What's going on in their personal life? How do we need to adapt our traditional approach to employment to a different look and feel? Some of the things that we've been looking at are work locations, different kinds of compensation models, and the issue of caregiving. So many of our older, as well as our younger, employees have caregiving duties – whether on the younger side for children and infants, or they're taking care of a parent or a family member. So, you see a lot of flexibility in how we approach this.

Robert, you were a part of our “What the Future of Work Looks Like” Conference in early June this year. Along with the panel that you moderated for us, where

we had leaders from BlackRock, Aegon and Morgan Stanley thinking about how the Future of Work is going to look, we also had panel members who were young CEOs talking about how they're tackling issues in the workplace, and how they're working with their employees so that they stay at the company longer. We all know that employees who stay in the workplace become more experienced and much more valuable to us as employers. It's been a wonderful opportunity to bring experts from all over the world to think about what the future of work is going to look like, and how we can care and learn from each other around the world...what businesses will look like if, in fact, you have a four and five generational workplace at one time.

You joined AARP in 2010, became CEO in 2014 and wrote the best-selling book *Disrupt Aging*. Let's talk about the transformation of AARP as an organization driving societal progress and the concept of disrupt aging.

“For me, ‘disrupt aging’ is about changing that perception of aging and not judging people by a certain number...for example, that at 50 you're supposed to do this, or at 65 you're supposed to do that.”



Absolutely, I think 50 to 50 and 60 to 60 and so on ... comparing what those ages were like for different generations. And it looks very different than it did for our parents or our grandparents growing up. What we've been observing here at AARP is that most people are living healthier and longer across the board allowing them to live well into their 80s and 90s. In fact, research tells us that in countries that are aging well, a 10-year-old child today has a 50% chance of living to be 104.

How for AARP, an organization that focuses on people over the age of 50, do we start thinking about what would people do with 20 or 30 extra years of life? For me, "disrupt aging" is about changing that perception of aging and not judging people by a certain number ... for example, that at 50 you're supposed to do this, or at 65 you're supposed to do that.

So many of the people that I work with, that I come in contact with, are telling me the same thing: that they're feeling really good in their 60s and want to stay involved, and they want to participate. So AARP's transformation is really a reflection of what our members are telling us that they want to do with their 50-plus life.

You know, our members are all age 50 and above, and there are roughly a 110 million people in this country who are over the age of 50. Thirty-eight million of those are AARP members. If this group were a country, it would be the third largest economy in the country behind the U.S. and China. People over the age of 50 generate \$7.6 trillion of annual economic activity for this country! We call it the Longevity Economy. And so, we

want to really push that message particularly to corporations and to the media of how they present what age looks like.

Jo Ann, you and I have spoken many times about leadership. How would you define your leadership philosophy?

I think that my leadership philosophy has always been focused on trust. Leaders need to build trust. I think that's part of who I am; that I don't say things I don't mean. If you ask me a question, I'm not the one to come to if you want me to tell you what you want to hear, versus what I think you need to hear. I think that if you talk with any of our employees or any of the people that I work with, they would say that being authentic and being trustworthy and being transparent are at the core of my leadership style.

I've always liked what Eleanor Roosevelt said about leadership. She said, "A good leader inspires people to have confidence in the leader; a great leader inspires people to have confidence in themselves." I believe that to be successful in today's constantly changing world, you need talented, innovative and trusted leaders at all levels of the organization, not just at the top. And, as CEO, it's my job to help develop those leaders and then help them succeed. I always say that my biggest job is to

"I always say that my biggest job is to help people achieve more than what they ever thought possible."

help people achieve more than what they ever thought possible; to remove the barriers in the workplace so that they can do their best work. That's what we thrive on here at AARP, because we know we have to continuously innovate in order to meet the needs of our members, not just today but well into the future.

Finally, what is your vision for the future?

At this point in our history, coming from someone who's been involved not just here in Washington, but talking to people all over the country, I think about how we create that sense of decency and respect for others who we live with, who we live around. How do we build out community all across this country, so that they are ageless, so that we have the young and the old all folks together, and that we are building communities that help people thrive most of their life. I think that as leaders, each of us has a responsibility and a moral obligation as citizens of this great nation to not only deliver a profit to our companies, but to improve the lives of those less fortunate than us—to share the opportunities we have with others.

There you have it, Jo Ann. Wonderful speaking with you again and having you on The CEO Show.

Thank you so much Robert. It's my pleasure.

“I think that if you talk with any of our employees or any of the people that I work with, they would say that being authentic and being trustworthy and being transparent are at the core of my leadership style.”



Robert Reiss and Jo Ann Jenkins. Interview aired August 6, 2019.

As CEO of AARP, Jo Ann Jenkins leads the world's largest nonprofit, nonpartisan membership organization, harnessing the power and passion of almost 2,300 staff members, 60,000 volunteers and numerous strategic partners. Since joining the organization in 2010 and heading it since 2014, she has transformed AARP into a leader in social change, dedicated to empowering people to choose how they live and age.

A fearless champion for innovation and impact, Jenkins is often lauded for her ability to create business opportunity and competitive differentiation. She has been described as a visionary and global thought leader, a catalyst for breakthrough results, accelerating progress and contribution while fostering positive relationships.

Jenkins offers deep knowledge and experience derived from her work with some of the nation's most iconic brands — the U.S. Government and Library of Congress as well as AARP and AARP Foundation — with an understanding of the interplay and nuance of business, politics and social change.





What I've Learned in Leadership

Quintessentially's Annastasia Seeböhm on the lessons she has learned as Group CEO

Last year I was appointed CEO of Quintessentially – a successful global business with 1,000 employees, 60 offices around the world, many thousand affluent clients, an agency division creating hundreds of extraordinary events and experiences, and a whole lot of different facets and perspectives. To say I would be busy would have been an understatement.

I was fortunate that the Quintessentially brand was already thriving and, having risen through the ranks, I was more than familiar with the business. It was up to me to take the brand to the next level, share a new vision and creativity, make key decisions, keep the team motivated and connected all while achieving our commercial objectives. As a leader, all of these things are so important, but I quickly learned I could not do them alone. For me, one of the greatest lessons of leadership has been that it is not just

about sharing your passion and mission, but nurturing and inspiring the people around you. It's about assembling the strongest team possible and letting them shine, and understanding that if we are prepared to listen, we can all learn something from everyone.

Here are 7 other lessons I have learned about leadership in the past year.

1. Take time to build effective teams. As a leader you simply cannot do everything. I knew from my past role managing the U.S. offices that having a strong and passionate team who cared about the business as much as I did was key. When I took on the global position, I worked hard to ensure a diverse and creative workforce that allowed everyone to feel empowered, but also offered the chance for them, and me, to learn from each other.

I've learnt that a good leader delegates, and gives their team resources and support, but also the space and opportunity to thrive and show their own successes. Mutual respect and an open line of communication is always important - ultimately a solid, connected support network will always get you through.

2. Embrace change. Guiding a large team, multiple offices and varying viewpoints was never going to be a straight-forward path. Creative thinking, new experiences or a change in team can often mean curveballs or last minute set backs. It's always good to have a plan and a vision, but it's just as important to be flexible, work smartly and stay calm, and know that it's ok to reset things along the way.

3. Be authentic. The more virtual our lives get, the more important it is to stay true to who you are and what you do. As a leader, I've seen the many benefits that come from being relatable, consistent, and openly sharing my values. I've taken the time to really get to know my teams across the globe, building honest relationships and listening to feedback. Staying authentic has meant a wonderful, growing network, and new and exciting business connections that have come organically.

4. Don't be afraid to show emotion. For me, being human in leadership is non-negotiable. It took me time, and a few struggles, to realize that a softer, more personal leadership style that inspires passion and purpose, is far more effective. I encourage empathy and self-reflection across the board, fly the flag for mentorship programs, ensure well-being is always a priority, and I am not afraid to ask for help and advice for myself from my colleagues and peers.

5. Admit to mistakes. I've quickly realized that leadership isn't about perfection, and occasional failures or mistakes are all part of the game. Admitting when something has gone wrong, or hasn't been achieved, and taking accountability as a leader can help you reach success. Finding new opportunity and light in any setback should be the goal.

6. Never stop learning. I spend a huge part of my time traveling for work and feel incredibly fortunate that exploring new places and meeting new people is such a big part of my job. Wherever I am, I stay curious – I am constantly learning, taking part in new experiences, hearing new ideas,

networking and reading. I try and include my team in this as much as possible – sharing the things that excite me to try and spark interest and motivation in others.

7. Enjoy the ride. Enthusiasm and drive are infectious qualities. The most inspirational leaders and mentors I have had in the past are the ones who are truly passionate about the work they do, and the teams they lead. I try and grab every opportunity with both hands, and inspire others to strive for the same. Sticking to my values, and the values of the business, is essential, and reminding myself that, up or down, it's all part of the adventure.



Photos by Jake Rosenberg - Covertint

Anastasia Seeborn is the Group CEO of Quintessentially, the global luxury lifestyle group, leading a team of 1000 across 60 offices worldwide with revenues exceeding \$100M. Anastasia is an authority on the lifestyle industry and luxury market, and has been featured in Business Insider, Entrepreneur Magazine, Harper's Bazaar, Forbes, HuffPost and WWD amongst others. She has spoken on panels for FT How To Spend It and Luxury Daily, and appeared at summits such as Worth's 'Women and Worth'. Anastasia sits on the advisory board of Racked Stretch (an innovative biomechanics-based, wellness start-up) and Electric Woman (a business connecting women to 1-1 coaching and workshops), both female-founder led businesses. Anastasia is on the membership committee for YPO, and created Quintessentially's own thriving global mentorship programme, with a focus on young talent in business. A passionate advocate for being more human in business, Anastasia champions a more empathetic, emotionally led and connected leadership approach. www.quintessentially.com



“The main job of a leader is to help the people become better. If your leader doesn’t do this you have a right to revolt!”

Robert Reiss: Few people have led an iconic brand for over 30 years like you have. Your story is a noteworthy example of confidence and persistence, as your trailblazing and leadership philosophy were truly shaped by your upbringing and all the steps to become CEO of Ethan Allen.

Farooq Kathwari: I grew up in Kashmir in a family that was involved with business, a merchant family, and also in politics. I saw beauty a lot, and I also saw conflict. It’s a beautiful place with great mountains. I learned right from the beginning in the mountains that treating people with dignity was tremendously important. When people encounter one another in the mountains, they exchange a greeting that means, “Are you well? Is your family well? Are you contented?” These are values shared by people around the world.

When I was in school, I invariably ended up as a captain of a sports team, a cricket team, and in college as well. So, I was playing sports and captaining the team. Because of that, it also changed my career. My family wanted me, like most children, to either become an en-



The CEO Forum Group selected Ethan Allen for the 2019 Leadership award in retail for their CEO’s 30 years of service transforming an iconic brand and his contributions to bring peace to the world.

“In cricket, as a captain you are strategically looking at every play all the time; you have to be part of the team and lead the team at the same time. I learned deep lessons about teamwork and helping others win.”

gineer or doctor. But I was spending so much time in this field of sports that I had to take subjects that would not be that time consuming. So I took English literature and political science as my subjects.

This upbringing of sports also taught me the role of a captain. The captain's role is to play with the team, strategize with the team.

In cricket, unlike baseball, when you are the captain, in addition to being a key player you are the manager as well.

Absolutely, it's not somebody from the outside telling you what to do. The captain has to change a bowler or a pitcher every six balls based upon who the batter is and where all the other ten players are going to be placed. They don't have first base and second base. The captain determines that based on the batsmen, based upon the bowler. In cricket, as a captain you are strategically looking at every play all the time; you have to be part of the team and lead the team at the same time. I learned deep lessons about teamwork and helping others win.

Let's discuss Kashmir, as your goal in life has always been for Kashmir to become an independent or self-governed entity.

Well, you see, when I was young, Kashmir got divided, and my father went from the main part of Kashmir, where we lived, which is a Kashmir-speaking region controlled by India, to the other side, which was controlled by Pakistan. He went there for two weeks but then he was not able to come back. The Indian side cancelled his permit. At that time, my grandfather and family decided that my mother and the three of us would cross to the other side. My sister, who was ten years old, and my older brother, who was nine, stayed with our grandfather.

So we went to other side, which is mountainous, and we lived at 8,000 feet. We thought we were going to go there for a very short period of time, but we lived there for 10

“I learned right from the beginning in the mountains that treating people with dignity was tremendously important.”



years as refugees, because we were designated as refugees, even though my father was a minister of the government and very deeply involved. After 10 years we were allowed to go back to the Indian side, but our father was not. That is when I joined the cricket team in college and also ended up in some student movements and demonstrations. At a young age I was a leader in many different ways.

And then, despite incredible odds, you were able to come to America ...

It was itself a miracle, but I came to America at age 20 with admission at New York University, Graduate School of Business. In fact, I had no idea what to study. I had a student advisor who said accounting. When I went to the first class I couldn't understand anything. He then suggested economics and I also couldn't understand anything. Then my advisor suggested I try marketing, I never heard of the terminology. I asked him, "What's marketing?" He said, "It is to convince people, customers, your associates." I said, "Well, that I can do." So I took marketing and started my career in New York, but I needed a job because I had enough money for about three or four months. So while going to school I wanted to start working.

My first job was working as a bookkeeper on Canal Street. And this job was also something new as I had never seen any financial books. I had never seen a calculator.

It just happened when I was there before the interview the owners went out to lunch and when they came back Sally who worked there was a great teacher and explained how bookkeeping worked. When the owners Richard King and Jesse Isaacs returned they asked, "What do you think about the job?" I said, "Your books needs some work." They were surprised. I got the job, really learned bookkeeping and everything ended up working out well and we became good friends too.

During this time, I ended up starting my own first company, although at the time I didn't realize what the impact would be. My grandfather and father decided to send me about 8 to 12 baskets of arts and crafts. They said, "Sell them. I'm going to help you with your education." Well, I didn't know what to do but at NYU Marvin Traub, who was the CEO of Bloomingdale's, gave a lecture. I said, "Well, I'll talk to him." I called his office every day until

"We thought we were going to go there for a very short period of time, but we lived there for 10 years as refugees."

finally he got tired and said, "Come on over." I met him and they bought what I had. And Bloomingdale's became our first major customer.

I then said, "If Bloomingdale, why not Lord & Taylor? Why not others?" I ended up getting them as customers and just started developing a business, while I was continuing to work as a bookkeeper.

After about eight to nine months, my bosses on Canal Street made a suggestion to me: "You know, your school is near Wall Street. Maybe you should go get a job there." So, I said, "I'm studying marketing, and I don't know what Wall Street does. They said, "Go there and tell them you want a job as a junior financial analyst."

I went to the first building on Wall Street. I walked up and got a job at Bear Stearns as a junior financial analyst. While I was working there, I continued to sell Kashmiri handicraft products. After Bear Stearns, I was recruited by Rothschild, Inc., which had set up a company in New York on Pine Street. It was there that one of my associates who knew that I was involved with my arts and crafts business and said, "I know the founder of Ethan Allen. Would you like to meet him?" I said, "Yes." Little did I know that introduction would change my life.

I went down to Ethan Allen in Manhattan, and the CEO called in one of his merchants and said, "There's a young man who is from Kashmir, do we get anything from there?" She said, "Yes, we get this fabric. The fabric never comes on time, it's always a problem. Can you help?" I said, absolutely, but I had no idea ...

And I know Farooq, your trailblazing theme is always, you'd say yes and then figure it out!

Exactly...you have to say yes, then make it happen. That's the key! You can't just say, "Absolutely yes," and not do it. It's not easy but I was able to get in that business, and a year later, the CEO of Ethan Allen called me again. He said, "You know, my merchants tell me we're having

trouble getting rugs from India and Romania, can you help?” I said, “absolutely!”...I had no idea even where Romania was; I had no idea where rugs in India were made. So I took a week off, didn’t go to Romania, but I went to India and just developed a rug business. And that’s how it started with Ethan Allen.

By this time, I had become a chief financial officer of the Rothschild Company. So, Nathan Ancell, the founder of Ethan Allen, called me and said, “How about working at Ethan Allen?” I said, “How about a partnership?” He was surprised. Then I said, “If we have a partnership I will develop a product for Ethan Allen from all over the world,” and he agreed.

In those days Italy was the main source of products like lighting and accessories. I set up an office in Italy, then went to many countries including Portugal, and Germany and Korea, and I was one of the first ones to go to China in 1975 to find out what was happening there.

Ethan Allen was run by a family, two brothers-in-law, and you were the outsider. What was that experience like?

As soon as I launched the joint venture I realized it was important for me to help the Ethan Allen team members. Nathan Ancell and Ted Baumritter were the two founders, but I had to work with at least 25 to 30 vice presidents. And I said, “If I’m going to be successful, I’ve got to help them to become better,” and that’s what I did. I worked with the merchants, took them with me to tours. The Ethan Allen dealers were very important,



they were the families that ran Ethan Allen stores. The dealers, were running the stores and were advisors involved with buying products and accessories. They were knowledgeable people. So I created a committee. I took the four or five of the best of them, one from New York, one from Atlanta, one from Pittsburgh, and I said, “You are my advisors.” It is very, very important that you create a group of people to help you, and they helped me to be successful in developing the right products.

After that Nathan Ancell, saw what I was doing and said, “Why don’t you come to headquarters in Danbury?”

By that time, Ethan Allen had moved from Manhattan to Danbury. I was running my business from a bowling alley in Larchmont, New York. We had purchased the bowling lanes, and I then bought another building as we had run out of space. He said, “Come, we would like you to come Danbury to work for Ethan Allen.”

I said, “What would I do there? You’ve got so many people?” I thought I would say something that he would say, “Forget it.” So, he said, “What would you like to do if you come here.” I said, “I don’t want to go there, but if I have to go there, I will take your job.”

He was surprised and said, “What?” I said, “I understand if you don’t want to give it up.” But he did give it up, and he made me president.

I know your introductory speech as president was key in connecting you with the Ethan Allen team.

Clint Walker was the head of manufacturing at Ethan Allen. He had fought in the Second World War. We had a number of war heroes that were associated with the

“He said, “You know, my merchants tell me we’re having trouble getting rugs from India and Romania, can you help?” I said, “absolutely!” ... I had no idea even where Romania was; I had no idea where rugs in India were made. So I took a week off, didn’t go to Romania, but I went to India and just developed a rug business. And that’s how it started with Ethan Allen.”

“I had to change the culture. I realized that for it to be successful, I went back to my cricket team. I said, ‘We’re going to create cricket teams with the captains helping the team members become better.’”

company. He took me under his wing, and one of our first meetings as president was in Vermont. I would say about 1,500 of Vermonters called the Green Mountain Boys and Girls were gathered. Clint introduced me and said, “This is our new president.” They were looking at me, a new president with the name like Farooq, wondering who is this person.

So I wanted to genuinely connect with the team. I said, “Being here makes me feel truly at home, although the Green Mountains are smaller compared to the Himalayan mountains which I hiked as a young boy back in Kashmir. So as mountain people we can agree that most of the world’s problems are caused by the flatlanders!” This got huge applause, and they all said, “Yeah, you’re one of us.”

But then I had to take it seriously. I had to change the culture. I realized that for it to be successful, I went back to my cricket team. I said, “We’re going to create cricket teams with the captains helping the team members become better.”

I said, “The main job of a leader is to help the people to become better.” So I went around with town hall meetings, then I did something also that was interesting. I brought 5,000 of our factory workers, 300 to 400 at a time to our headquarters in Danbury, Connecticut. The main job was to tell them that in the future, we’ve got to work together. We created a different culture.

You’ve led many transformations including putting designers more in the forefront, what was one of the early steps in reinvigorating Ethan Allen?

When I became president, we were a manufacturing company with 30 sites. I first had to change the culture and start making the manufacturing more efficient. Second, our Ethan Allen retailers in the ’80s onwards started retiring. We had to decide what to do. Should we go and sell to others? Can we get new entrepreneurs? We

decided that we would go into the retail ourselves and build the team. So, we were not in retail, and we decided to go and take one at a time. Two at a time, I had to sit with these families. I have sat with about 75 families over the last 25 years, one at a time.

We created a formula that we use when we purchase a store from a retailer, because I don’t want everyone to negotiate. I said, “This is the way we’re going to do it. It’s going to be fair.” And now we operate 60% of all the stores and we have now 100 leaders, and practically all of them came from the ranks of interior designers to run our retail network.

And as for our manufacturing, I am proud to say that to this day 70% of our manufacturing is done in North America.

Over these three decades as CEO, what is at the core of reinvigorating a company?

Our compass, which has been our ten leadership principles. At the heart of any transformation is getting the culture right. Some of these are: Self-confidence, hard work, accessibility...but of our ten company one that is of particular importance is Justice, which we define as ‘Make decisions fairly. Justice builds trust, motivation, and teamwork.’

From your upbringing to being CEO for three decades, what is advice do you have to other CEOs?

My perspective was that from cricket. I was captain of one good team, and that has, to a great degree, been the



focus of our business. The key is to run one team, and that means at every level – if it's manufacturing, if it's retail, it's one product line, one level of quality. Not easy, and that's what we have done, and that has given us an opportunity of creating a team that takes pride in what they do. They work together. The main job of a leader is to help the people become better. If your leader doesn't do this you have a right to revolt! And I mean that very seriously.

One of your goals in life is peace. And what many people don't know are the significant behind the scenes work you have done ... from the Muslim-Jewish Advisory Council, to the Livingston Proposal, to leading and chairing coalitions to peacefully work together. Can you give everyone a snapshot of your work with your homeland, Kashmir?

In Kashmir I spent about 15 years of my life at the invitation of India and Pakistan and some of the leaders of the Kashmir region to get involved. I went there but then I realized to do this, I had to do it in a manner that would be accepted. We established the Kashmir Study Group – 26 knowledgeable members and I spent 15 years back and forth, and the message was simple: we must create a peaceful and a feasible solution so that people of Kashmir could live in peace and dignity.

Kashmir is now in the news in a very unfortunate way. So, I'm hoping that those elements of a peaceful and feasible solution that have been laid out are looked upon.

On that note, I commend you Farooq on your important work.

It's my pleasure, Robert.

“Of our ten company one that is of particular importance is Justice, which we define as Make decisions fairly. Justice builds trust, motivation, and teamwork.”



Robert Reiss and Farooq Kathwari – Interview aired Sept. 22, 2019.

Farooq Kathwari is the Chairman, President and Principal Executive Officer of Ethan Allen Interiors Inc. He has been President of the Company since 1985 and Chairman and Principal Executive Officer since 1988.

He holds B.A. degrees from Kashmir University in English Literature and Political Science and an M.B.A. in International Marketing from New York University. He is also the recipient of three honorary doctorate degrees.

Mr. Kathwari serves in numerous capacities at several non-profit organizations. He is an advisory member of the New York Stock Exchange; a director and former chairman of the National Retail Federation; a member of the Board of Overseers of the International Rescue Committee; Chairman Emeritus of Refugees International; a member of the International Advisory Council of the United States Institute of Peace; and a member of the advisory board of the Center for Strategic and International Studies.

Mr. Kathwari has been inducted into the American Furniture Hall of Fame.

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Asma Ishaq, Modere CEO, on stage in Australia recognizing her high performing team.

Leadership with a Culture of Engagement

By Asma Ishaq, CEO, Modere

As the CEO of a global personal care and health and wellness company that engages the modern influence of social commerce to market our category-leading portfolio of live clean lifestyle essentials, I have learned that truly successful leadership is dependent upon the personal aspect of enterprise.

At Modere, we constantly strive to lead the way with products that are equal parts safe, high-performing and scientifically designed. For example, our weight management products, which are focused more on body composition than weight loss for long term results, and our collagen and HA (hyaluronic acid) supplements for skin, joint and bone health are all scientifically substantiated.

Our business model is D2C, and through the power of the people and social media we thrive on referrals from our own customers. About 85% of our worldwide re

venue comes from customer sales, whereas a typical direct selling or network marketing company would have an inverse relationship in that regard.

Although I receive tremendous satisfaction knowing that the products we offer are of the highest quality, I get the most joy as CEO in empowering people. I love seeing our independent salespeople thrive and gain confidence in the field, and I take special pride in knowing that our products are improving our consumers' quality of life.

Engagement and Values

Our employees are another story altogether. I believe that we are only as strong as our company is internally. However, there was a time after my company was acquired by Modere in 2017 when I could tell that, although our employees were excited about the hypergrowth we were

going through, they didn't necessarily feel that satisfaction for themselves. We made it a point to engage all of our employees across the globe on a frequent and consistent basis in order to monitor and improve their satisfaction, along with the company's success. We use a survey that is consistent every time, so we can see whether we are improving or not, and we use that data to make clear to all staff where we can improve and to set appropriate goals.

Our culture of employee engagement is also values driven. For example, we do volunteer work together, and as a company we charter a percentage of profits for charitable causes. For many years we have been a proud sponsor of Vitamin Angels, which gives Vitamin A to infants and toddlers around the world and saves thousands from blindness and even death.

In retrospect, having instilled employee engagement in our company culture and witnessed the ingenuity, camaraderie, and determination with which our staff has navigated the changes and challenges we faced when merging our two companies over the past two years, I can say that we have become a truly cohesive and formidable team. The high employee satisfaction ratings we now receive are further validation of the strength of our company culture and very rewarding on a personal level.

Founder's Mentality

Operating as a CEO with a Founder's Mentality is another secret to being a successful leader. As a CEO, I strategize about all the big and high-level matters, but I'm just as obsessed about the little things. Everyone else takes care of in-between. As it turns out, this is very common among company founders. I was the founder of the company acquired by Modere, so I inherently have this experience. CEOs could be much more effective if they were as passionate about their company as if they had started it and earned their first dollar in sales from it.

As CEO you are indeed responsible for the high-level strategy for the company, but as a founder, you remember what it was like when you answered your first phone call, made your first sale, or shipped your first box. You have to be obsessed with those details, because once a company reaches a size of hundreds of millions or even

billions of dollars, the bureaucracy that follows can kill its spirit. The little things matter.

As far as our company culture goes and my place in it, I try to engage with everyone as much as possible. I'm known to roam around the floors getting to know people, what they're driven by, and thank them for their hard work. In fact, any time I have a break in my schedule, I'll visit with the different departments. A simple "Hi, how are you?" shows I care and goes a long way to helping employees thrive, gain confidence in their work and increase their work satisfaction level. Also, I'm never shy about bringing up the smallest thing to any of our general managers or directors. You can't be dismissive about the small differences that give your company its competitive edge.

There is an abundance of data to prove the worth of a Founder's Mentality. Studies show that companies gain three to four times more return on investment for shareholders whenever a founder is still involved with the company. Fortunately for CEOs who are not founders, a Founders Mentality is something they can actually learn.



Asma Ishaq, CEO Modere, pioneered the collagen/HA dietary supplement and skincare markets when she co-founded Jusuru International in 2009 with a blue-ribbon product line based on the multi-patented nutraceutical Liquid BioCell®. Ms. Ishaq led Jusuru through its acquisition by Modere in February 2017 and was appointed Modere's CEO in January 2018.

She has served as Committee Member for the Council of Responsible Nutrition, a member of the Advisory Board of IFRANA, and on the Board of Directors of the DSA and DSEF. She has spoken at industry stages including the World Collagen and NutriCosmetics conferences, and appeared on Fox, CBS, ABC and NPR. Her work has earned recognition and awards from organizations such as Supply Side West, NutraIngredients, New Hope, and DSA.



Aflac U.S. President Teresa White with 11-year-old Teryn Buster at the My Special Aflac Duck Delivery ceremony at the Aflac Cancer Center in Atlanta.

“I like to say to our folks that I inspire the reluctant and empower the engaged.”

Robert Reiss: In 1998 you started working at Aflac. What does the company mean to you?

Teresa White: Since I’ve started, Aflac has done considerable work, not just for the consumer with our insurance, but we’ve also done considerable work in our community as well. I think about that because I think about transformation. Aflac is a 64-year-old company. One of the things that I always talk about with my team is making sure that we continue to remain relevant in this particular environment in the marketplace. Remaining relevant is not just about what you sell, but it’s also about who you interact with and how you present in your community.

I know culture is super important to you, and you were the architect of what is the Career Success Center.

When we think about the culture, and again, culture is something that’s built over time...the great thing about culture is that it gives you this safe place to work. Everybody understands and knows what the Aflac way is, and



The CEO Forum Group has selected Aflac U.S. for the 2019 Leadership Award in Insurance for creating One Day Pay for their clients, and for their Career Success Center so employees can understand what the jobs will be in the future and remain on the journey with Aflac’s transformation.

“When you’re thinking about transformation, then you’ve got to ask, ‘How do you bring your culture along with it?’”

we actually have a book called The Aflac Way. It speaks to who we are and how we run our business.

However, when you’re thinking about transformation, then you’ve got to ask, “How do you bring your culture along with it?” How do we ensure that our employees today still feel that same sense of caring and leadership that Aflac provides? What we’ve done is, we’ve put a number of practices in place, to include the Career Success Center, which is a full time, full service office designed to help our employees navigate their career path, to ensure that our employees are more engaged in our process.

I like to say to our folks that I inspire the reluctant and empower the engaged. What I mean by that is, when we’re talking about inspiring the reluctant, there is a group of people who have worked for Aflac for years and have done well, and have served the company well. We want to bring them along on the journey of transformation. We also have people who already feel empowered, who are engaged in what we’re doing from a technology perspective and in where we’re going. We want to make sure that they’re engaged in the planning and development, and also, they give great perspective from the seats that they’re in to help us make better decisions as leaders on how we move forward.

The day of questioning whether we should move forward is gone. Now we’re really talking about the how. I think, when you talk about engaging people or empowering that engaged person, you give them the opportunity to help you, as leaders, set the path toward the future, and that’s really what we’re doing at Aflac.

When you transform does the culture change or does it stay the same?

I think the culture evolves, just as you see culture evolving in your personal lives. Not long ago, we would go into our retail stores and purchase our clothing, and to purchase our food. Now, my daughter will go online and she will purchase her clothing and her food. So, just as things are changing around us, they’re going to change inside the organization as well. I like the Jack Welch quote where he

says, “If the rate of change on the outside exceeds the rate of change on the inside, the end is near.”

What he’s really saying is, you can’t allow change to happen on the outside of your organization without addressing what’s going on inside your organization, because if you don’t address what’s going on in your organization, you cannot communicate with or interact with people outside of your organization. There has to be change.

What are the telltale signs of what’s really going on in your organization?

Well, we certainly look at tremendous amounts of data. Most of the data that we look at is really customer-related. What we’re trying to do is engage our consumer. As a result, we spend a lot of time understanding what consumer’s needs are, and then what perceived needs they may have that maybe they don’t even know they have. I think about the Amazon Prime experience. I never received a survey on whether I would need Amazon Prime, it just showed up, and I ended up getting Amazon Prime. I’m sure you have Amazon Prime and the user experience is really good.

Great companies that are really transforming how they approach the consumer, they’re looking at what’s going on with consumer needs, and then they’re trying to meet those needs. An example of Aflac’s transformation is One Day Pay. No one came to us and said, “We want our claim paid in one day.” But we looked at consumer research and realized people need their money quickly. How fast can we push the envelope and get it right? We looked at it and between humans and machines; we could do it in one day and that was the evolution of One Day Pay.

“An example of Aflac’s transformation is One Day Pay. No one came to us and said, ‘We want our claim paid in one day.’ But we looked at consumer research and realized people need their money quickly. How fast can we push the envelope and get it right?”



Aflac U.S. President Teresa White and SVP, CHRO Matthew Owenby launch the Career Success Center at Aflac's Corporate Headquarters in Columbus, Georgia. Since opening the Center, more than 1,400 employees who have used the service have been promoted or changed their career path to suit their strengths and desires.

“We have three strategic pillars: growth, efficiency and experience. Underneath that, we have a foundation of risk management, making sure that we are managing the risk of the organization.”

On something far reaching like One Day Pay, what was the process to engage your culture?

The first thing we did is, we set the vision. We have three strategic pillars: growth, efficiency and experience. Underneath that, we have a foundation of risk management, making sure that we are managing the risk of the organization. But as we look at growth, as we look at experience, customer experience, and as we look at efficiency, you can see how technology can actually go through each of those pillars.

Interesting.

What we did is, we talked with our employees about our vision of where we're going, and then we got a number of our employees engaged in helping us to get there. Today, we have what we call agile teams. These are teams of business and IT people. They talk about the business problem that we have, so we presented this as a business

problem. We want to make sure that consumers are paid, our policyholders are paid in one day, and then, they take that problem and they break it down into each of the different things. How do people submit their claims? What are our requirements as they relate to those submissions? How quickly in the banking system can we send those claims to them? We went through that entire process, and what that team came up with was a win for our clients, for our policyholders.

Let's go back to Career Success Center, because I think CEOs can learn from this model.

The Career Success Center has been a foundational piece that we've put together. It's something that I'm very, very proud of and that allows our employees to understand what the jobs will be of the future. You can't totally predict where you're going in the future, but what you can do is give people an indication of what skill sets that we're going to need in order to move the organi-

“There is a Scrum Master certification and training that we do for employees who are interested in that kind of work...we’re also training employees on robotics, we’re training on third party vendor management.”

zation forward. We have people in the Career Success Center who will speak to the employees, trying to understand what their interests are, and we try and match interest, skill set and job, because sometimes, people are very interested in something but they don’t have that skill set.

We do coaching and development to get people in the right roles and to give them an opportunity to then go to a stage that we call the upskilling stage, where we have colleges and universities offering classes.

Talk about the upskilling stage.

What our goal is with upskilling is that it gives us an opportunity to give the employees training and development on new skill sets for the future. One example of that is, we are going to an actual environment and we’re transforming our operations to make sure that we have groups that represent technology and business and we have them working together on business problems. You need people to lead those environments and they’re called Scrum Masters. So, there is a Scrum Master certification and training that we do for employees who are interested in that kind of work ... we’re also training employees on robotics, we’re training on third party vendor management, so there are a number of different skills that we’re trying to bring to the table for our employees so that they can be on the journey with us as it relates to transformation. I’m proud that at Aflac we’ve had about 2,900 people of our 4,000 go through upskilling and cross-skilling. I’m thrilled about what we’ve been able to see as a result of that.

You’ve told me before that you’ll actually analyze which jobs will be taken by technology and which will continue to exist. Talk about that dynamic and how that plays out.

Certainly. As we’re looking at our path forward or the future state in a specific area, we look at journey maps.

As we look at the journey maps, we’re really mapping where the customer, the client, is going to interact with Aflac. Then as we do that, we start mapping: “Okay, then how will our employees interact with our clients?”

In doing so, we come up with a map that tells us what skill sets are going to be the future skill sets that we’ll need, and then what skill sets will be taken by technology. For example, in the case of robotics, I should say prior to robotics, there were a number of manual processes to our billing function. To solve for the future state, the team went in and mapped the billing function and said, “There are a certain set of functions that can happen by computer or a technology, but there are other sets of the functions that need human touch.” So, the person who used to do all of the manual functions now manages the bots to ensure that the customer experience is not disrupted while we gain efficiency and consistency of that customer experience.

That’s great. Everyone wins.

Absolutely. Everyone wins.

And, you’re taking that same concept to a new level with a non-profit called Bold Moves, which helps young girls.

That’s correct. This is something near and dear to my heart. It’s a program that I submitted to Girls, Inc. in Columbus, Georgia, and the program gives us an opportunity to help young girls in mostly depressed areas within Columbus to really gain voice and understand how they fit within this new environment of transformation. Many of the girls are looking to go to college. Some of them are looking to be entrepreneurs. What we want to do is, give them the tools that they need to make the decisions that are important to them now, and that will lead to better outcomes in the future. So, we talk about resumés; we talk about how they present themselves on social media; we talk about college prep and what they need to do there. Many of the conversations that we

“I’m proud that at Aflac we’ve had about 2,900 people of our 4,000 go through upskilling and cross-skilling”



Teresa White and Aflac support the notion that employees are the backbone of the company. Here, White and Aflac Chairman and CEO Dan Amos take part in the annual employee tenure celebration during Employee Appreciation Week. White and Amos make a point to meet every Aflac employee who has reached a five-year tenure increment every year.

“There are a certain set of functions that can happen by computer or a technology, but there are other sets of the functions that need human touch.”

have in the Career Success Center are the same conversations that we can have with young girls in our community.

With Girls, Inc. and with Bold Moves, we’ve had almost a hundred people go through that program. We’ve had a number of those young ladies who have already started to go to college. Many of them have scholarships as well, and some of them I keep in touch with today, so it’s very, very exciting. I convert that back into the Aflac world and we have many of our employees now who did not see themselves as very technologically inclined. They felt that they were at their last place from a career perspective, and to see those people now transition into new roles – whether it’s third party vendor management, whether it’s Scrum Masters – whatever it is. It’s exciting to see how you’re breathing new air into those people and how they see themselves as moving forward.

Let’s shift to the transformation concepts and leadership principles at home. We’ve talked about the phone bowl concept, which is something I think many of us can learn from.

Well, technology can not only be disruptive at work, but it also can be disruptive in the home. I’d walk into the house, I’d be on my cell phone, and my kids or husband would say something to me, and I would put my finger up and say, “Hold on just a second,” because I wanted to finish the phone call. I’d finish the phone call, and we’d get into a conversation. The phone would ring and I would say, “Excuse me, just a second,” and I’d pick up the phone again.

“With Girls, Inc. and with Bold Moves, we’ve had almost a hundred people go through that program. We’ve had a number of those young ladies who have already started to go to college. Many of them have scholarships as well, and some of them I keep in touch with today.”



Aflac U.S. President Teresa White blends mentoring with fun at the Bold Moves awards luncheon. Bold Moves, associated with Girls Inc., is a program created by White and designed to help young, underprivileged girls prepare for college and a brighter future.

Today, I look back at myself and I say, “Gosh, that was obnoxious.” At the time, I felt that it was important because that phone had my attention all the time.

I had developed terrible habits, so I started to put my phone in a bowl. When I put the phone in the bowl ... you’re probably thinking, “Well, why the bowl?” It’s because when your phone is on vibrate, if you put it in a bowl, the bowl will vibrate and make a sound. The goal there was to retrain myself and make sure that my husband knew that anytime that phone rang and it was in the bowl, I would look at him and he’d say, “Oh! Well, there’s your phone.” He would just stop talking, just out of habit, and I would say, “No, no, no, no, this is family time,” and I want him to know that he is important. I want my children to know they are important, and so that’s my bowl story.

Love it! And Teresa, great having you on The CEO Show.



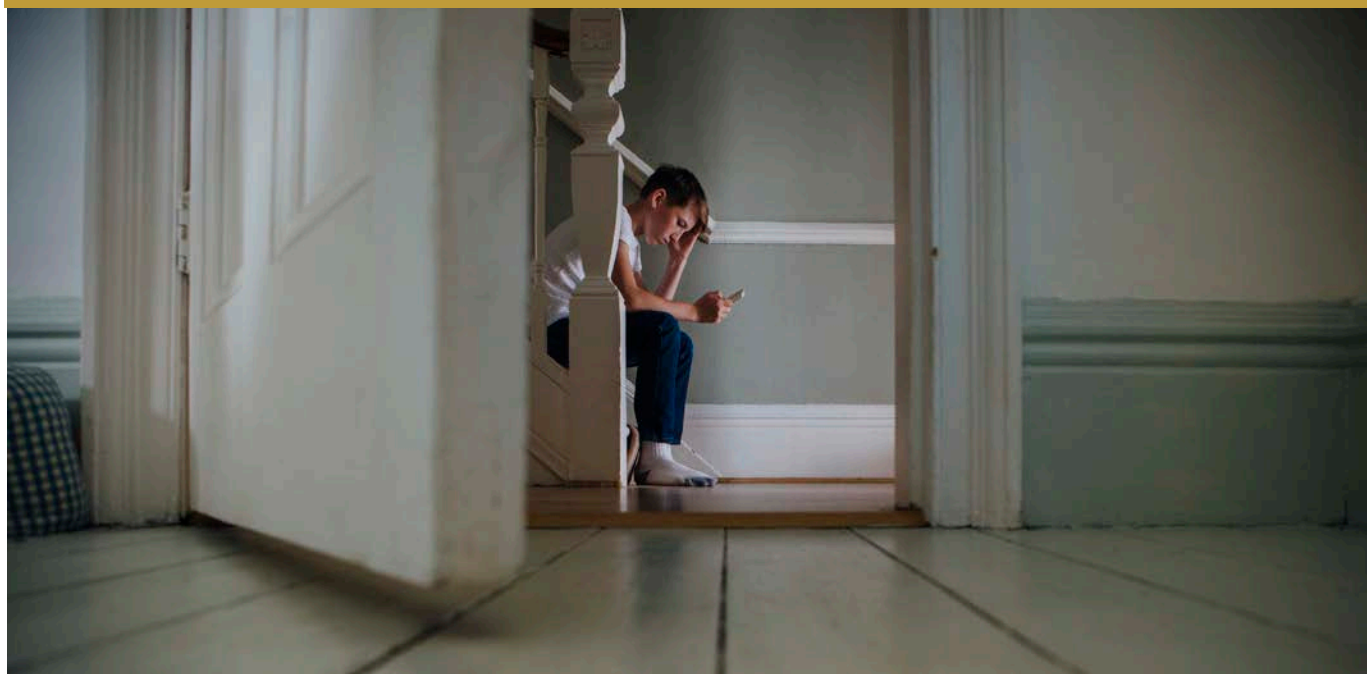
Robert Reiss and Teresa L. White – Interview aired Sept. 15, 2019.

Teresa White is responsible for driving seamless strategy and execution across Aflac’s U.S. operations, including oversight and support of the company’s extensive insurance distribution network of independent sales agents and brokers across the country. She focuses on specific growth enablers, including improving and expanding distribution, focusing on product innovation, owning Aflac’s customer experience and strengthening the low-cost model.

At Aflac, White has been Vice President over Client Services; SVP and director of Sales, Support and Administration; Deputy Chief Administrative Officer; Executive Vice President of Internal Operations; Chief Administrative Officer; Chief Service Officer; Executive Vice President and Chief Operating Officer of Aflac’s Columbus operations; and most recently, President of Aflac U.S.

White holds a bachelor’s degree in business administration from the University of Texas at Arlington and a master’s degree in management from Troy University. She is a member of America’s Health Insurance Plans’ Board of Directors and Synovus’ Board of Directors.





What I've Learned About Leadership by Overcoming Challenges

By Donato Tramuto, CEO, Tivity Health

To achieve success, to deliver on your full potential, takes a quality that I call “knowing your personal why.” No one cares what you do, until they know why you do it.

As a young boy, at just eight-years-old, I contracted an ear infection and lost my ability to hear. For nearly a decade, I endured no fewer than five experimental surgeries. I was bullied and ridiculed by peers, friends and even my family, and my hearing loss was so severe that I failed the fifth grade. Finally, surgery worked. When the bandages were removed, the horror of not hearing was replaced by the horror of hearing myself speak. I could not pronounce my “Rs” or “Ws,” and many believed I had a learning disability.

As luck would have it, my sister-in-law was a speech pathologist at the local university, and she tutored me daily, help-

ing me to regain my speech. However, when the time came to apply for college, I was rejected by every single school that I applied to. I was labeled disabled with low academic potential, and I was voted “Most Likely Not to Succeed” by my high school class. Finally, I was able to convince one college that the label of disabled was not appropriate nor fair, and four years later I graduated summa cum laude.

Social Isolation an Epidemic

Fast forward to present-day, and I have become a successful business executive, a published author, and a global healthcare activist. My isolation in those precious, brief, young years was total. It was complete. But I endured. I found my why, which is Social Isolation. It has become my calling, both personally and professionally. Social isolation is the new chronic condition of the 21st century. It is a public health crisis. It is an epidemic.

My childhood pain shaped my sense of why. During those years, when I was bullied and denied the right to be heard, I entered the quietude of an intellectual curiosity that was fueled by the writings of Senator Robert F. Kennedy and Dr. Martin Luther King. They knew the right thing to do, and they knew why. They were an inspiration to me and so many others.

My own success stories integrate my life in business and as a social activist. They involve the hard work, and high energy of many brave, strong people. They are woven into my leadership and strategic approach at Tivity Health. They are woven into my two non-profit organizations, Health eVillages and the Tramuto Foundation. They are a clear acceptance that success is no longer about innovation alone. It is also about integration. To develop transformative solutions, we must collaborate and innovate, or what I like to call, “Collabovation.” We must lead to transform, not merely transact.

I have three principles of leadership that have guided my career, and both of my foundations:

1. Know your Professional and Personal Why. The speech pathologist who helped lift me out of social and physical isolation, by helping me to recapture the gift of speech, was my sister-in-law, Rosemary. In July of 1972, Rosemary went into the hospital to deliver her second child. She never left. She died tragically during childbirth due to a preventable medication error. For the last 37 years, I have been working to make sure what happened to Rosemary never happens to anyone, ever again. Improving the healthcare delivery system became my passion. It became my life. It became my professional why.

2. Integration. I have long championed innovation and integration as complementary qualities best achieved by teamwork. Disruptive innovation gets headlines, but innovation with integration gets results. We’ve got to integrate our own efforts with those of others. We’ve got to leverage our ability to work together, collaborating dynamically, explosively, in ways that can, and do, make things right.

3. Transformative Leadership. A transactional leader focuses on “today’s needs,” but a transformational leader focuses on “change and the future” of the organization. A Buddhist monk once said, “The longest journey you will ever take is the 18 inches from your head to your heart.” To transform healthcare, we must make smart decisions, but also have the courage to lead with our hearts. Through Tivity Health, Health eVillages, and the Tramuto Foundation, we are working to transform healthy aging through many initiatives, because a transformative leader does not stop with one initiative.

My life experiences have taught me that what matters is what you do when you get up after being knocked down. In my case, bullying and childhood isolation built my trust in my own skills. These experiences also built my ability to feel gratitude and to recognize that nothing great can be achieved without the involvement and input of others.

Life is not about doing great things. Rather, it is about doing a lot of little things. It’s the little things that have the capacity to drive great change.



Donato Tramuto, CEO of Tivity Health, has faced adversity – or what he calls “Bulldozer Moments.” From losing his hearing at a young age to being voted in high school as “most likely NOT to succeed” these led to a career dedicated to improving the healthcare system and to provide solutions for the biggest social determinants of health: fitness, nutrition and social isolation.



“The essence of what we do is help individuals and companies bring out the greatness in their people.”



The CEO Forum Group selected Dale Carnegie for the 2019 Transformative CEO Leadership Award in the category of People. Dale Carnegie has taken the principles of their founder and used them to build cultures of diversity and inclusion built on respect, arguably in a more authentic way than any other company. They practice what they preach with transparent communications, sharing all key information with their employees throughout 200 operations in 80 countries.

Robert Reiss: Talk about what the Dale Carnegie brand does for individuals and businesses around the world.

Joe Hart: Dale Carnegie has been around over a hundred years, since 1912. We're in 80 countries and have 200 operations all over the world. The essence of what we do is help individuals and companies bring out the greatness in their people, so people can work more effectively, have more confidence and achieve greater results. As you know, Dale Carnegie the man was a visionary and a genius, and the brand is iconic. He was the first person, the innovator around human performance, culture and those types of things. For a long time, the company grew and thrived, and while it continues to grow, the brand was maybe not as recognized as it had been over some short period of time. We're working to change that. We're working hard to have our brand recognized by all generations, across the globe.

Describe what it was like in 2015 to come in as CEO of Dale Carnegie?

I made a major move, moved my wife, my six kids, myself to New York from Michigan. I probably wouldn't have done that for any other company in America. We did it

“If you ever heard Warren Buffett talk about his Dale Carnegie experience, he’s said, ‘My life would have been different if I hadn’t taken a Dale Carnegie course.’”

for Dale Carnegie because I’m a Dale Carnegie graduate and the program had a major impact on my life. A part of what led me here is the belief that Dale Carnegie has an amazing impact on people. People leave transformed from our programs. So, the opportunity to be the CEO really was the opportunity to take this company to a whole new level, and that’s really my objective. When I came here in 2015, we did a complete audit of the business and started with the brand. A big part is revitalizing that brand and elevating the brand.

We went through an exercise around not just the look and the feel, but the authenticity around the brand. We very successfully rebranded the business around the world in 30 different languages. That’s been a part of it. There’s also mechanics, and I’ll talk about that as well.

One thing I will say, it’s like when I was talking with Daniel Lubetzky of Kind Bars, almost everyone says, “Oh! I love Kind Bars.” Almost everyone you speak with who’s taken a Dale Carnegie course, and I think there are over eight million

now, will say even more than I loved it. Most will say, it changed my life! In full disclosure I took the course and was very involved and like many will say, “Next to marrying my wife, it was the best thing I ever did!”

It’s true, absolutely.

I know you’ve had so many super successful graduates; for example, Warren Buffett.

If you have ever heard Warren Buffett talk about his Dale Carnegie experience, he’s basically said, “My life would have been different if I hadn’t taken a Dale Carnegie Course.” I’m all over the world and people will say that same thing. How many other products or services did we buy 10, 20, 30, 40 years ago that we still talk about today? That’s the kind of impact that a Dale Carnegie Course has. It’s a unique experience that really is about bringing out people’s greatness, helping them see that spark and helping them just be exponentially more effective than they were.



“Throughout the world people will tell me about how positively Dale Carnegie impacted the whole culture of their business.”

The essence of this is we have different principles. Dale Carnegie believed that every person has inherent greatness. So, the way that we interact with people reflects that. We want to appreciate people. We want to listen to people. We want to use their name. We want to be sure that we’re asking questions. It’s not about me and talking about me, it’s really about understanding the person that I’m talking with. Dale Carnegie touched on these truisms just about who we are as people.

And the principles haven’t changed ...

The principles are timeless. And also, Robert, what’s amazing to me, and I’ve traveled all over the world, is it doesn’t matter the language or the culture.

We’re in over 80 countries. Race, culture, language, religion, none of those things matter. These principles touch people where they are and people will tell me about the impact that principles have on their relationships and about how they get promoted at work or how they are more effective in their business. Throughout the world people will tell me about how positively Dale Carnegie impacted the whole culture of their business. It’s an honor to be a part of this company.

So, you help a lot of individuals, and you also help CEOs strengthen cultures.

A lot of this ultimately comes down to people and interaction. No matter what the technology changes are, it’s really all about relationships and interaction. When you think about a company, we know that one major problem between two people can disrupt the entire team. Many times, companies are bringing us in to set the tone about working together and having a common language and that type of thing.

We’ll work with companies from the very small to the biggest companies in the world. And it’s all about how do we get people working together? How do we get people respecting each other? There’s a lot of talk these days

about diversity and inclusion, and those are actually the very concepts that Dale Carnegie has been talking about for decades. Dale Carnegie pioneered new ways to talk about respect for people and understanding, as well as appreciating the differences that they have. And in teams, in companies, when people are working together, just think about a rowing team. It truly is a proverbial -- people rowing in the same direction and working together. That’s the essence of what Dale Carnegie helps companies achieve.

In a world where most companies are trying to focus on inclusion, it seems to me the Dale Carnegie principles, which I know really well, are at the core. If you could get everyone talking the same language, being respectful, being genuinely interested in another person, what principle is that?

Number four.

Number one is, “Don’t criticize, condemn or complain. Correct?”

Correct. Number two is, “Give honest sincere appreciation.” Number four is, “Become genuinely interested in other people.”

What’s an example of a company you work with?

We work with many amazing companies, so it’s hard to cite just one, but a good example of a company that has really made Dale Carnegie part of its culture is Wegmans.

They always win “The Best Company to Work for”?

Yes. It’s humbling to work with such a great company. I was in Rochester, New York last week and I met with some people from Wegmans. Dale Carnegie is part of

“There’s a lot of talk these days about diversity and inclusion, and those are actually the very concepts that Dale Carnegie has been talking about for decades. Dale Carnegie pioneered new ways to talk about respect for people and understanding, and appreciating the differences that they have.”



their DNA. They have so many of their people going to Dale Carnegie programs through corporate classes. They may have a 100 to 150 of their own employees attending a graduation for 30 people. It's a big event, and that's an important part of who they are, and certainly it's exciting for us to be able to support such a wonderful company with the great work they're doing.

How about digital companies?

We do quite a bit of work with Microsoft. We're working with Google. There are different things that we might do for different companies. Some companies are trying to help their people communicate more effectively. We may do high impact presentation courses, or we may do programs on leadership, programs to help an emerging leader, help someone become a leader.

One of the things we find, Robert, is that many companies, particularly high-tech companies, are really fighting for talent. So, people might be promoted, and they're really effective, but they really haven't had the skills yet in terms of managing other people. So, they're coming to Dale Carnegie and saying, "How do we really invest in the people that we have, so we can bring out their talent? We want to keep these people and have them contributing to the company for a long time."

And I'm thinking confidence fits in deeply into all these.

How many times have I talked with IT people and they say, "You know, my career had stalled. I just couldn't get out of myself in terms of interacting with people. I didn't have the confidence of really interacting with people, and I took the Dale Carnegie program, and that helped me learn to leverage my technical ability by communicating better and working more effectively with others."

That's what Dale Carnegie is about – helping people see what is inside. We talked about helping them see their spark. We're going to help them see that, and when they see it, it's just like, "Oh my gosh, I didn't realize I have it. I didn't realize I was capable of that." So, the people then are able to go onto stronger, more successful careers once they discovered their confidence, and they own it. It's really a powerful thing.

Let's now talk about how Dale Carnegie transformed itself as an organization?

First of all, Dale Carnegie is a great company, has been a great company. I was humbled to become CEO. When we talked about the brand, there are a couple of different parts. What's the experience? How do people see us? We

"Part of Dale Carnegie is its emotional change . . . it's behavioral change that leads to performance change. It really depends on where the company is, and the culture that they're trying to form."

really wanted to reawaken the brand. Part of it has been an exercise in marketing and branding.

Part of it also has been just in our own house, getting people to work together more effectively. As you can imagine, we've got 188 operations around the world, so getting people to work together as One Carnegie is paramount. When I came here, the first thing I did was go out to meet with the teams around the world, to listen, to understand what was important to them, and to have the sense that we are one. We're working together, one team on a common mission around unlocking greatness in people around the world.

The messaging was a part of it, listening was a part of it, the communication was a part of it -- taking the look and feel of the company, making it much more modern. That was a big part of it, and I'm really proud of that. If you look at our website today, it's completely different than it was just a couple of years ago, much more contemporary, and we get great marks on that.

Internally, the way we've run the business was something I needed to look at next. I was introduced very early on to one of the best CEO leaders of our time, Alan Mulally, who was the CEO of Ford and Boeing. He had really turned both of those companies around ... both companies at different points headed toward bankruptcy, he came in and implemented a system called "working together." Maybe you've read the book *American Icon* where they chronicle what he did at Ford, coming into a company that had a toxic culture and Alan implemented a system that turned the culture and company around.

We implemented that system here at Dale Carnegie. My management team uses it, and many of our operations around the world are using it, and it really consists of two parts. One part is, what are the metrics and the different processes that we need to have to run the business effec-

tively. Every week my management team and I will meet; we'll go through the entire business.

The other part of it, though, is about culture.

Mulally was hugely affected, influenced by Dale Carnegie. At a young age, my father gave me the book, *How to Win Friends and Influence People*. Alan's father gave him the book and he devoured it, read it over and over and over. He internalized it and basically learned to become great with people, influence others, communicate effectively, and become better in relationships.

His whole system is about getting people to work together, and that's our system at Dale Carnegie. When I heard about what he was doing from an operating system standpoint, the way that we look at the metrics -- we look at things red, yellow and green. We're going to work together to turn the reds to yellows, and yellows to greens. The system of looking of it and getting things out.

And transparency -- huge transparency -- we share a significant amount of detailed information with all the employees in the company, much more so than probably other companies.

You're not scared that it gets in the wrong hands or anything?

No, I think there's a risk that you take. We trust our people and do the best we can to be as transparent as possible, because our employees are our stakeholders in this business. They're making a decision to be here. We want to work to help them be connected and make sure that they know they've made the right decision. In Dale Carnegie, one of the things we say is that, "People support the world they help create."

I love it. You Daled that.

Thank you.

"We trust our people and do the best we can to be as transparent as possible, because our employees are our stakeholders in this business. They're making a decision to be here. We want to work to help them be connected and make sure that they know they've made the right decision. In Dale Carnegie, one of the things we say is that, 'People support the world they help create.'"

“Part of my vision – that people around the world would use the word ‘Dale’ like they use the word ‘Google.’”

That has to become like – that’s the verb. It’s like you nailed it, but on steroids. Now I know you’ve already thought of that ...

It’s interesting you say that, Robert, because that’s certainly is part of my vision -- that people around the world would use the word “Dale” like they use the word “Google.”

Any great company is like, “Oh, man. This company Daled it.” That means everyone is confident, everyone is being themselves, is being genuinely concerned about others, working in collaboration as a team together.

And it’s funny you say that, because again, even last week when I was in New York, a Wegmans class had just graduated, and they made a card for their trainer, and it said, “We Daled it.” They came up with that on their own. It just so happens to be something that we say too, but I mean they haven’t heard it from us.

If someone is really living like you said, Robert, in an authentic way, you’re demonstrating appreciation, you’re bringing out the best in somebody else, you’re achieving great results, because the performance has to be a part of this as well. It’s people and performance together, and we believe that you can drive great performance through people. If you do that, “You Daled it.” Great job.

You give a great talk up there. You Daled that. I mean Dale Carnegie is known for public speaking, so that’s one of the things that we still really help people with. You can imagine, if you stood up and gave just the speech of your life, “Robert, you Daled it.”

I love it. So, going back to the metrics, you’re talking about red, yellow and green. How many metrics is the right number? I’m on some hospital boards, and we have 72 metrics, and it seems overwhelming to me. In some companies it’s very few. What’s the right number?



I’m not sure that there is a specific number, but let me analogize it to a car dashboard. So, if you look at your dashboard, you don’t care about what the oil temperature is exactly. You don’t care about what’s happening necessarily in the engine, but if something turns red, the oil light, you want it to go on.

We’ve got some top-level metrics that we might look at, maybe it’s a dozen or so key metrics. But other people in the business are looking beneath the details. So, if we have a project, we may have a project manager, we’ve got timeline. I’m expecting that if something comes up as green, that someone else is doing the work beneath that, tracking the timing, the budget, all the different things around that to say, “Yes, this is green” and so forth.

Part of it is that the key stakeholders, my executive team members representing the core functions of the business, they own those results, and they are there to report those results. That’s part of the essence of this working-together system that Alan Mulally used, and we’re using. It’s about creating ownership, creating accountability. It’s about that transparency and so forth.

Final question Joe ... CEOs are looking to build great talent, and there are talent wars and great cultures. As the global CEO of Dale Carnegie who is the expert in this, what advice do you have to those CEOs?

I tell the CEOs the same thing I would tell myself, because as a CEO, I struggle with the same things that they struggle with. As a CEO, we are uniquely situated and responsible – it's our responsibility to drive the culture. And the tone that we set, positive or negative, can have an impact throughout the entire business. Not just on performance, but in terms of those people who work in those companies and how they go home at night, and how they interact with their families and their communities and so forth. A lot of that connects to how they are at work.

My advice would be, if you want the best performance from your business, it's about bringing up the best in your people. Great people will deliver great results, and that starts with the CEO and driving a great culture.

Joe, a pleasure of having you on The CEO Show.

Thank you, Robert. It's a lot of fun.



Robert Reiss and Joe Hart. Interview aired August 18, 2019.

Joe Hart started his career as a practicing attorney at two prominent law firms where he focused primarily on contract-related litigation. In 1998, he joined The Taubman Company, a top developer of regional shopping centers, where he ultimately became a Development Director. In 2000, he started an innovative venture and angel-backed e-Learning company called InfoAlly, which developed important digital learning solutions for leading businesses such as Dale Carnegie, McGraw-Hill, Motorola and Federal Mogul, among others.

In 2005, he sold the company and with InfoAlly's new owners, Hart started a business called Asset Health, a privately-held technology/health promotion and training company. As the President of Asset Health, he played roles in all aspects of the business, including strategic and operational leadership; product design and implementation; direct and third-party sales; legal; client service; and communication and marketing.

In 2015 Hart became the President/CEO of Dale Carnegie Training, the worldwide leader in professional development, performance improvement, leadership training, and employee engagement.

Photography by Chris Michel.



We clear the path

OCC is the only central counterparty for all U.S. exchange-listed options trades – something we have been doing for more than 46 years. We work to manage risk for those involved in options trading by being the buyer to every seller and the seller to every buyer. By providing this stability and market integrity, we ensure confidence in the financial markets and the broader economy.

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‘You’ve got to love what you do, and you’ve got to do what you love. Those are not my words, they are Steve Jobs.’

Robert Reiss: Tell me about your business.

“Tiger” Tyagarajan: We are a professional services company with more than 90,000 employees that provides end-to-end business services to approximately 1,000 global companies. We grew up in GE and spun off nearly 15 years ago to become an independent company, serving a range of industries across the globe.

Under our broad range of services, as an example, we provide some that typically fall under the CFO. Think of managing accounts payable, accounts receivable, closing the books at the end of a quarter, etc. We do all of this under a long-term managed services contract.

As a deeper example, let’s look at a financial services company. A bank may lend to small businesses across the U.S. As applications leases or loans come in, Genpact services can manage the applications and underwriting against the bank’s policies. Our services can then help the bank decide if they lend or not and what more information may be needed. We can also assist in booking the transaction and making sure the transaction gets funded.



The CEO Forum Group selected Genpact for the 2019 Transformative Leadership Award in AI because of the Genpact AI model which starts with Lean Digital from their GE heritage with Six Sigma to drive out cost and rework and reduce cycle time, while leveraging their DNA of deep industry expertise. All of this is done in a culture of curiosity and learning.

“So, industry depth became and is still a big strength for us.”

Obviously, we wouldn't fund it, the bank would fund it, but our work goes far beyond that as well.

Overall, we help clients achieve digital transformation and use technologies to not only improve operational efficiencies and lower cost, we help deliver meaningful service improvements to their customers. This means pulling analytics, providing insights and helping clients make better predictions about customer needs, the industry landscape and so much more.

How is your approach to BPO different than anyone else's?

I'm a big believer in heritage and DNA, which defines who you are and how you approach and solve problems. We grew up in GE and built two distinct capabilities.

First, we were able to build deep industry expertise across the range of spaces that GE operated in. For example, we built significant depth in dealing with large manufacturing companies. We worked with the engines group, for instance, which makes large equipment and services that last for more than 20, 30 years. This included all the parts, warranties, repairs and information around that. So, industry depth became and is still a big strength for us.

Second, we were very fortunate to mature with the Lean and Six Sigma doctrine embedded in our DNA. We became one of the poster children for Lean and Six Sigma, and used that approach to drive costs out, drive rework out, and drive down cycle times.

Our entire company are big believers that Cycle Time Reduction is a big task that sits in front of businesses. The faster you can do something, the more you can satisfy your customers and the more you will win in the marketplace. So, our process is different because we start with Lean and Six Sigma and that improves the cycle time and provides significantly better quality.

That's interesting. You have two core differentiators: depth of business acumen and using Six Sigma. What's an example of a company you worked with?

Let's take the example of a CPG and retail company. Now, think about a supplier of that company sending a bill for goods they've delivered. The supplier really is built to be paid fast, but the company wants to make sure that the bill is accurate and that all the goods that relate to that have been received in good condition before they pay.

There's a desire for the supplier to get their payment as fast as possible. And of course, they have payment terms between any supplier and any receiver of their goods and services. So, how do you process that transaction without a mistake and do it the first time?

Guess what happens in the world of payables with respect to who the client is? Suppliers send bills that sometimes are different from the way they should be. Suppliers send bills that sometimes don't match the goods that have been received, or the goods may not have been in all perfect condition. The person receiving the goods says, “I don't think I specifically ordered this in that quantity.”

Mistakes are made, because there are millions and millions of transactions. The faster you can catch the mistake, the faster you can do a root-cause analysis and make sure that the end-to-end process works well. Everyone is thrilled because you take waste out of the process. You take cycle time out of the process. If you do that well, the supplier is thrilled, your client is thrilled, and you reduce working capital. You can make goods avail-

“Cycle Time Production is a big task that sits in front of businesses. The faster you can do something, the more you will satisfy your customers and the more you will win in the marketplace.”

“The faster you can catch the mistake, the faster you can do a root-cause analysis and make sure that the end-to-end process works well.”

able for your client’s customers faster and better. So, you don’t have empty shelves. Everyone is thrilled with that.

Let’s look at AI and what AI is doing to change this whole model, because that’s really at the core of what Genpact is doing.

Yes. I would start by saying that over our 14-year journey, the first nine or 10 years were about driving process excellence using Lean and Six Sigma, and understanding the context of the business, because you must hold on to the understanding of business depth and context.

About five years back, we recognized that the world of digital is real, and the world of digital can, along with Lean and Six Sigma, significantly change the way that the work gets done – across the world and across any kind of work. So, we started our journey around what we now call Lean Digital, which brings in digital technologies in order to change the way work gets done. Within the company and with our clients, we use the terminology Lean Digital because our perspective is that if you really want to leverage new technology such AI, you must first “Lean” the process. You must first “Six Sigma.”

What happens if you don’t do Six Sigma quality first?

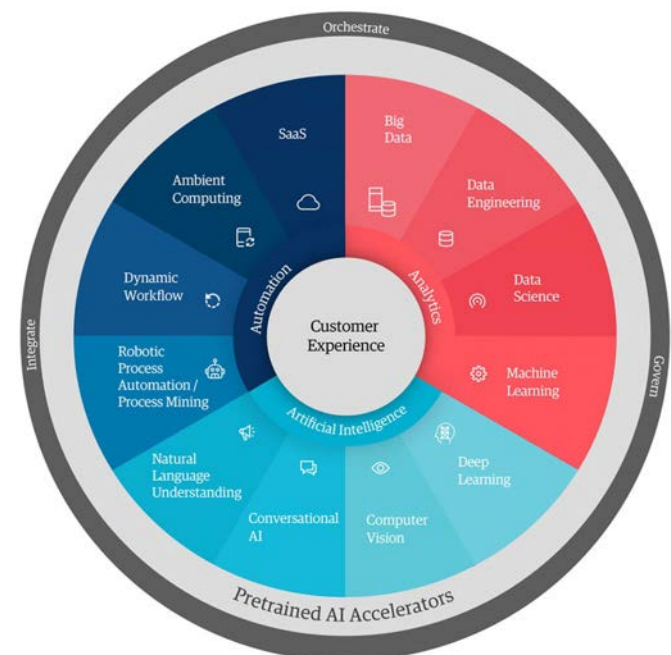
Well, it’s garbage in garbage out. If you have a bad process and if it’s all automated, it’s a black box. Going and fixing it is almost impossible, so it’s better not to automate it. So, it’s first “lean” and standardize it. Remove all the waste. Use Six Sigma and then bring in digital technologies.

And, that’s where AI plays an amazing role, because the ability of AI is that it learns and mimics the way a human being makes a decision. The machine learns it and says, I can now make that an easier and simpler decision.

So, our perspective on AI is, first, Lean and Six Sigma process standardization, and then bring in AI and machine learning and other digital technologies. That will drive further cycle time improvement; almost making it real-time. More importantly, I think AI does two other things which are sometimes missed. It allows the human to become cleverer and more strategic in the work they do. Our perspective is that AI and digital do not remove humans – they augment humans. We don’t like the word artificial intelligence, we prefer the word augmented intelligence.

Secondly, human beings can then use judgment to improve customer service. A machine doesn’t provide true customer service because machines do not have empathy. That degree of specificity that AI brings with machine specificity and intelligence, combined with human empathy is where the real value is.

What are the negative sides of AI and the relationship with the positive sides of AI?



“We started our journey around what we now call Lean Digital, which brings in digital technologies in order to change the way work gets done.”

“Our perspective is that if you really want to leverage new technology such as AI, you must first ‘Lean’ the process. You must first ‘Six Sigma.’”

It’s a great question. I’ll step back a little bit and look across human history, irrespective of which technology one is talking about. The steam engine or the computer or semi-conductors, etc. Every technology has always come with pros and cons. Humankind has always had the ability to leverage technology to do good, to do good for individuals, to do good for society, and create value. Of course, every technology has had bad actors, and in the wrong hands, technology can do harm.

AI is the same. AI has the real potential for so many good things. Let’s go back to the credit decision example. Say a small business wants \$100,000 to buy equipment so that they can run their coffee shop with better outcomes and sell to more customers. With that loan, the small business will do more business. The U.S. economy is built on those kinds of small businesses. If you can cut cycle time on those kinds of credit decisions by using a machine to help the underwriter, then the whole economy benefits.

Having said that, does that mean that people today who are involved in that decision-making are no longer needed? No. Rather, they can do more value-added work.

If 100 people are doing that today, will 100 people be needed in the future? Maybe not. You might need 70 people. I would argue that humankind has found that every time a technology comes in it expands the overall pie. The amount of work that needs to be done actually increases.

Photography is a great example. We all used to take photographs using a camera and with chemistry-based films. We all used to take a certain number of photographs in a year. When photography changed to digital because of semi-conductors...

We now take 50 times as many photos! I have over 8,500 photos. It’s crazy.

That’s exactly right, Robert, it’s crazy. And the number of people involved in photography has multiplied a thousand times. You now use photography for things that people could never imagine. There are drones that fly around and take photographs and decide what repair is needed on a rooftop within minutes after the hailstorm.

You have over 90,000 employees. You are known for being highly innovative. You have the business expertise and Lean expertise. How do you build that culture of innovation at Genpact?

You picked the one word, Robert. At the core of all that’s happening in the world today is “culture.” It’s so important as we undergo this transition using technology such as AI to leverage the good and find a way to the good, while work is going to get disrupted.

It is a pretty significant problem. Many people who are doing work today will have to do new work tomorrow, which means they need to be retrained. They need to be re-skilled. They cannot say that, “I won’t be impacted by this; the next generation will be.” No.

People in this generation are going to be impacted. That means you’ve got to be curious. You’ve got to be hungry to learn, and that’s a culture that we think is incredibly important.

When we work with our clients, we find two kinds of clients – those who actually embrace change rapidly and want change, knowing full well that change means that they need to learn. There are other clients who feel like it’s a deer-in-the-headlights syndrome.

At the core of Genpact is a culture of learning, a culture of curiosity. So, one of the words we grapple with a lot, and we try and drive into our teams is curiosity, “Are you really curious?”

At the age of 50, how do you wake up in the morning

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“That degree of specificity that AI brings with machine specificity and intelligence, combined with human empathy is where the real value is.”



and say, “I don’t know so many things in the world, and my job is to learn.” That’s curiosity. We try and drive that in the company hard.

When you interview senior executives, how do you find someone who has curiosity?

It’s such a great question and we talk about it a lot inside the company. When someone comes to me and says, “Hey, I have this problem, Tiger. What do I do with it?” My answer cannot be, “Here is the answer.” My answer must be, “Let me understand your problem.”

I ask a lot of questions because I’m curious. When I hear someone say, “We’ve made this mistake.” I cannot say, “How careless or uninformed you were that you make that mistake.” I have to get into, “Why did you make that mistake? Why did you think what you were doing was right?” There must be a reason. So, it’s about understanding the why.

At Genpact, we talk a lot about the need to keep asking “why.” In Six Sigma, group cause-analysis is at the core. So, we think the marriage of curiosity, learning and building that culture with Six Sigma at the core of it allows us to keep asking questions. In an interview, I love when people ask me more questions than I ask them, because then it tells me that they’re actually curious.

The other way to test that is when we start talking about some of their achievements. Do they talk about their achievements, or do they talk about how they actually had the whole team participate in coming up with an answer?

The world of today is not about an individual. The world

of today is about five people who all think differently. They all are going to have very different perspectives. You really can’t get diverse views at the table, unless you allow that diversity to walk into the room, which means diversity must be part of your team. Even that is not good enough. You’ve got to be able to allow diversity to play, which means I could differ in an opinion from you radically, but if you don’t allow me to talk, and when I talk, if you don’t listen, if I disagree with you, your next reaction cannot be, “I disagree with you.” It needs to be, “But Tiger, why do you think that way?” There must be a reason why the two of us think opposite of each other, and there has to be a truth that we have to get to.

Can you codify your leadership philosophy?

My leadership philosophy is about being driven. It’s about passion. You’ve got to love what you do, and you’ve got to do what you love. Those are not my words, they are Steve Jobs’. And, I think it’s incredibly important. You’ve got to enjoy what you do, have fun, and it’s got to be in a team environment. You’ve got to constantly challenge each other with questions. Restlessness is at the core.

The glass is never full, but it is half full. So, enjoy the fact that it’s half full, but it’s also half empty. If someone

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convinces you, it’s full, find a bigger glass, pour the water into it, and now it’s half full.

If any CEOs are listening in and they want to learn more about you, what is the website?

My Twitter handle is @tyagarajan. And you’ll find me on LinkedIn.

Tiger, a pleasure having you on the CEO Show.

Thank you, Robert. Wonderful to have been here.

“The marriage of curiosity, learning and building that culture with Six Sigma at the core of it allows us to keep asking questions.”



Robert Reiss and “Tiger” Tyagarajan. Interview aired May 1, 2019.

Tiger Tyagarajan is credited as one of the industry leaders who pioneered a new global business model and transformed a division of GE (formerly GE Capital International Services) into Genpact, a global professional services firm focused on delivering digital transformation for its clients.

Tiger works with C-Suite executives of large global corporations, helping them drive change globally. He writes and speaks about digital disruption, global talent issues, continuous skill development, and the importance of building a strong corporate culture.

Tyagarajan is especially passionate about diversity, serving on the Board of Catalyst and as one of the founding supporters of the U.S. chapter of the 30% Club. He is an active member of the Fortune CEO Initiative and the World 50. In 2002, he transferred within GE to the Global Commercial Lending Businesses in the U.S. as Global Operations and Six Sigma leader.

Tiger rejoined Genpact in February 2005 as EVP of Sales, Marketing and M&A and was promoted to COO in 2009. He was named to his current role as President and CEO in June 2011.

Tiger has a degree in mechanical engineering from the Indian Institute of Technology, Mumbai, and an MBA, majoring in finance and marketing, from the Indian Institute of Management, Ahmedabad.





“My core philosophy is you always have to act with the highest level of integrity. You have to have a high level of intellectual curiosity and you have to have a very high EQ.”



The CEO Forum Group selected OCC for the 2019 Leadership award in Financial Markets for their culture of intellectual curiosity and being recognized for having the highest level of integrity.

Robert Reiss: As an interesting point of American history, give a snapshot of why OCC was founded in 1973.

John Davidson: Prior to 1973 options were only traded in an as-needed basis over the counter. And what happened was the Chicago Board of Trade decided, “Wouldn’t it be an interesting idea to trade options the same way we trade stocks on an organized exchange?” In order to do that, to make the exchange auction process work, you have to have a central counterparty that really levels the credit worthiness of all the participants. It becomes the buyer to every seller and the seller to every buyer. In April of 1973 when the first listed options market began trading, so, too, the Options Clearing Corporation began.

About a year and a half later, the American Stock Exchange said, “Well, these options are doing pretty well trading on an exchange, why don’t we trade those here in New York as well?” So, the American Stock Exchange became the second entrant into the exchange-traded op

“Creation of liquidity is the fundamental responsibility of the central counterparty, because we allow people to trade with each other without having to make an assessment of each individual potential counterparty’s credit worthiness, so you can have a market-clearing single price.”

tions business. The Securities and Exchange Commission, in their wisdom, said, “Well, if you’re going to start and join, let’s just have a single clearing house” as opposed to what the stock exchanges had at that point in time.

There were eight regional stock exchanges around the country including obviously the two large ones here (in New York), but each of them had its own central clearing house and its own central securities depository. Eventually, they all consolidated into the National Securities Clearing Corporation as well the Depository Trust Company, both based in New York, that served all of the exchanges. But the SEC said for options, “We want to keep a single central counterparty” and OCC became that.

Let’s talk about liquidity and OCC’s role in this economy.

Creation of liquidity is the fundamental responsibility of the central counterparty, because we allow people to trade

with each other without having to make an assessment of each individual potential counterparty’s credit worthiness, so you can have a market-clearing single price. The national best bid and best offer is based on the fact that, “Well I don’t have to worry about that small firm being on the other side of my trade,” as opposed to one of those large firms, because the party on the other side of my trade is always OCC. OCC’s credit worthiness is a matter of public record. We have a very rigorous system of admission. We have about 115 broker-dealers that are clearing members. Each of them had to pass and to continue to pass a rigorous set of financial standards to join.

We calculate margin requirements for the portfolio of options that they hold every day, and we also have a mutualized default clearing fund of currently over \$10.5 billion dollars that guarantees the performance of all of those clearing members. Through that system, the market makers that are a very important part of the options markets have the confidence to provide liquidity even in



John with Chicago colleagues at OCC’s June Town Hall meeting

“Options are fundamentally a risk management tool. CEOs typically are very concerned about how their securities will trade in the marketplace regardless of which of the major markets they list their securities on. Options allow those underlying securities transactions to happen more efficiently and more effectively.”

situations as we’ve seen in the recent past where there’s a fair amount of market volatility. That’s the role of OCC as a central counterparty.

So, it sounds like on the surface you’re creating more risk, because you’re allowing people with less risk, but actually you’ve gone through all the due diligence and you have the deep liquidity. So, that’s how it’s actually removing risk and allowing the economy to move forward?

That is exactly correct, and what we do is concentrate risk. So, you generally say, “Well, that might not be a good thing. The Dodd-Frank Act for all of the good and not-so-good things.”

OCC is determined by the federal government and our regulators to be a systemically important financial market utility. That means we have to meet very high standards both with respect to our financial integrity, but also with respect to our operations, the systems that we run, and the data centers which run those systems. And we’re inspected frequently by both the Securities and Exchange Commission and the Commodity Futures Trading Commission with prudential oversight by the Federal Reserve.

Now I understand your value to the 115 broker-dealers, but what is the relevance of OCC to CEOs?

Well, options are fundamentally a risk management tool. CEOs typically are very concerned about how their securities will trade in the marketplace regardless of which of the major markets they list their securities on. Options allow those underlying securities transactions to happen more efficiently and more effectively. So, CEOs are very interested in the different risk management techniques that are available to the market makers who are assuring high levels of liquidity both on the stock and

options markets. The access of institutional investors ... for example, a pension fund manager has a very large incoming tranche of funds to manage, they may hedge that incoming tranche of funds before they actually get it through the options market. So, they can guarantee a particular price for that portfolio.

All of these risk transfer techniques happened because of the role of OCC, and a lot of what happens at OCC is quite similar to what’s going on in the major corporations and even the not so major corporations around the country. We are trying to attract and retain talent. Between a third and a half of our 800 people in the workforce are technologists. And there are, as people know, just an unlimited number of opportunities there for people with solid technology skills. We have a very important mission to make sure that our technology is well protected from all of the things that go on in the cyber universe.

Political risk impacts the markets, absolutely in unexpected ways, and consequently the ability to make sure there’s enough liquidity.

How about conduct risk?

Conduct risk is something that each of us as a CEO needs to be concerned about, which is, what is it that our people are doing? Are we watching what our people are doing with sufficient robustness? And what is it they’re doing when they don’t think anyone is looking? And that comes from tone from the top. The CEO, and the standards that she or he sets for the organization, drive the culture and determine what is acceptable conduct and what is not.



John interviewing Nandini Sukumar, CEO of the World Federation of Exchanges, in February during a meeting with Chicago colleagues.

“Intellectual curiosity is core and nothing should be off the table. That’s one reason it’s so important to have people from a variety of backgrounds, a variety of genders, a variety of ethnicities on your team.”

Let’s talk about being an influential advocate.

We have a very important role, because we’re owned by the three major exchanges in the options trading business (Cboe, Nasdaq, NYSE). All of the exchanges that trade options use our facilities in working with policy-makers on Capitol Hill, as well as the various regulators in making sure they are taking the best interest of the investing public and the market structure in the U.S. and making regulatory and legislative changes that facilitate the continuation of the United States as the deepest and most liquid capital markets in the world.

As a CEO how would you describe your own leadership philosophy?

My core philosophy is you always have to act yourself with the highest level of integrity. You have to have a high level of intellectual curiosity and you have to have a very high EQ – an emotional quotient, in addition to your intellectual quotient. I think with those three things, you can really have success, obviously not so much for yourself, but for the organization that you’re responsible to your shareholders for running.

And we’ve spoken about the importance to you of diversity and inclusion.

Absolutely. If you think about what people in the capital markets, what people in the investing markets generally need to do, they need to help the rest of the people in the country find investments that can help them meet their personal needs. That might be putting their children through college. That might be purchasing a home, or any of a number of things. In order to customize the products that people need for those various needs, as well as the products that institutional investors, pension funds, mutual funds, exchange-traded funds need, you have to have a whole variety of different approaches. Those different approaches are most available if you have a diverse



John presenting an achievement award to an OCC colleague at a recent Town Hall meeting

number of perspectives in your organization.

I went to graduate school at the University of Chicago and it was fundamental in shaping my approach. I don’t think there’s any such thing as a bad question. I don’t think there’s any such thing as not wanting to understand the perspective of another person, even if you don’t happen to agree with it.

Intellectual curiosity is core and nothing should be off the table. That’s one reason it’s so important to have people from a variety of backgrounds, a variety of genders, a variety of ethnicities on your team. We have a number of immigrants on our staff. We have a number of folks who are on visas from outside the United States. After they finish graduate school, they come work as technologists or quantitative analysts. We have a host of first and second generation immigrants in our organization. We have about 33% women on our team in Chicago, Dallas and Washington, D.C., and we obviously need to do better, but the good news is that 33% of our officers are women, which is far above most in financial services, and I still want to increase that.

We need to keep working at that, and I think the importance of diversity and inclusion and the fact that we are paying more and more attention to that is very important. We need to do a number of different things. My

“33% of our officers are women, which is far above most in financial services, and I still want to increase that.”

“We need to make ways that women, and men for that matter, can leave the workforce for a point in time, come back when their family situation or taking care of their elder parent’s situation changes.”

wife is also a professional, but she’s a professional in the residential real estate business. She could essentially set her own hours, and that worked great for raising our two children. Not everybody has those choices, and we need to make ways that women, and men for that matter, can leave the workforce for a point in time, come back when their family situation or taking care of their elder parent’s situation changes, and bringing them seamlessly out of and into the workforce without making them start over again from a career perspective.

All of those challenges, I think are part of the diversity and inclusion formula that we need to work on.

Let’s talk about the whole transformation at OCC. You had a great CEO prior to you, Craig Donohue, and you have a real vision today.

Craig did a great job of starting us on a transformation role. Certainly, there were a number of years, that for a variety of reasons, OCC did not make sufficient investments in modernizing its technology.

So, fundamental to the transformation of OCC is replacing our 20-year-old technology. It’s actually very strong robust technology, it is volume insensitive. We have no control over how much trading goes on the 16 different exchanges that we provide services for. So, we can handle increases of volume very easily.

We run our operations from a data center just outside Dallas, Texas and another one in the Chicago metropolitan area. They back each other up, so we have a high level of resiliency, but we don’t have a lot of flexibility. As the financial engineering part of the world has advanced there are additional techniques for managing the risk of these very large options portfolios, and we need to be able to accommodate those into our environment. A large part of our transformation is technology-based. We’re working with a very strong partner, actually one of our owners, Nasdaq recently purchased a small technology firm in

Stockholm called Cinnober, and Nasdaq is co-developing with us a lot of the core elements of this technology.

We will be moving from these two on-premises data centers into a cloud environment. Now, the cloud environment is significantly cheaper. The economies of scale that the Amazons and the Googles and IBMs can bring is simply phenomenal, but you still have the responsibility as a CEO to make sure that what goes on in those data centers is controlled by the people on your team, and that you understand all of the security protections that are being put in place, and that you make the right decisions about how you set that up. The cloud gives you a lot of abilities, but it doesn’t take away your responsibilities for understanding the technology environment and making sure you’ve got really good talent on your team to leverage what the Amazons or the Googles or the IBMs can do in terms of the scale and the investments they make.

How we can avoid another financial crisis like 2008? What can be done to ensure that doesn’t happen again?

I don’t think you can figure out what the next financial crisis is going to be. You can figure out that there’s definitely going to be one, but all of the past history has shown that it will be different than what happened in 2008. We have to have much more robust infrastructure, and I think the U.S. government and the governments in



John playing drums with the band that performed at OCC’s Summer Party in Dallas.

“The cloud gives you a lot of abilities, but it doesn’t take away your responsibilities for understanding the technology environment.”

Europe and Asia have done a really good job with making sure institutions like OCC are held to a very high standard of integrity, both in terms of their operations, but also in the way they conduct themselves.

We have to make sure that banks and broker-dealers have the right level of capital, not crazy levels of capital that actually deter people from making investments or providing liquid markets, but enough capital to cover not only the risks that they can see, but the unknown risks, the so-called black swans, that are pretty far out on the distribution curve. We must do those things well and keep track of how we’re leading our companies and making sure people understand the importance of their conduct – because there were an awful lot of conduct flaws during the financial crisis, just before and even after.

We must have strong infrastructure, have robust, but not over-strenuous capital rules, making sure people understand all of the risks, including cyber risk which is a growing issue for everyone and certainly one which we pay a lot of attention to.

That’s the success, not of avoiding the next financial crisis, but being able to manage our way through it without the sort of impact on the rest of the economy that occurred with the 2008 crisis.

On that note John, a pleasure of having you on The CEO Show.

Thank you very much, Robert. I’ve enjoyed being here.

“I don’t think you can figure out what the next financial crisis is going to be. You can figure out that there’s definitely going to be one, but all of the past history has shown that it will be different than what happened in 2008.”



Robert Reiss and John Davidson. Interview aired August 25, 2019.

John P. Davidson is the Chief Executive Officer at OCC, where he has oversight responsibilities for OCC’s information technology, financial risk management, corporate risk management, legal, and compliance functions.

Prior to joining OCC, Mr. Davidson served as Chief Compliance Officer at Citigroup. Previously he served as Citi’s Risk Division’s Chief Administrative Officer, and subsequently as Head of Enterprise Risk Management.

Before his tenure at Citi, Davidson spent two years as Chief Business Development Officer at CME Group. He spent 12 years at Morgan Stanley, serving as Managing Director for its Institutional Operations Division. Previously, Mr. Davidson worked for 10 years as head of the CME Clearing House, successfully guiding it through the 1987 stock market crash and leading the initiatives to substantially enhance its financial safeguards based on lessons from that period.

Davidson earned an MBA from the University of Chicago and a bachelor’s degree from the University of Illinois-Urbana.



**THE FOUNDATION
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The Job has Never Been Harder for Enterprise Leaders

Introduction and interview questions by Robert Reiss, Founder and CEO, The CEO Forum Group.

*I recently read *Effective Enterprise Leadership - Essentials* by Douglas Haynes and immediately recognized how this was different from other books. First, this is not general leadership philosophy; it is from only leaders of enterprises. Leading an enterprise is different on so many levels than just being CEO, especially from strategic and tactical perspectives.*

Second, the structure of the book is more like you're sitting around a dinner table with enterprise leaders, and they are sharing personal insights. In each chapter, after Haynes' perspective on the systemic core of a topic, he has quotes — and these are not your ordinary leadership quotes. These quotes are spectacular. Very deep perspective on highly sophisticated topics.

Here are some questions I recently asked Doug:

The book is highly targeted towards enterprise CEOs. What prompted you to write this book?

I became fascinated with the role of the enterprise CEO

when I joined GE as an engineer in the mid-1980s. I could not imagine how Jack Welch was affecting a corporation of such size and scope. My interest in the art and science of enterprise leadership began then and continues through today.

I want to help individuals in the world's most demanding roles. The book synthesizes nearly 30 years of observations, study and experience. It is not intended to be the "final word" on the topic. I hope that it stimulates conversations with people who lead enterprises and those who aspire to do so.

What was your process in accumulating all the direct quotes and insights?

It started with my consulting experience. For over 20 years at McKinsey, I had the privilege of working closely with several exceptional CEOs. I kept notes of my observations of leadership actions and their outcomes.

Last year, I decided to synthesize the notes to form a thesis for the essentials for success in the role.

I was wary that my observations and my own experiences touched mostly large corporations from a subset of industries, so I conducted roughly 50 additional interviews of CEOs, recent former CEOs, and soon-to-be CEOs. Their experiences came from many industries and ranged from high-growth smaller businesses to well-established corporations. I assured strict confidentiality – unattributed quotes, no case studies, no “war stories” – and requested candor. I was thrilled, but not surprised, by how willing these leaders were to share their insights and help their peers.

As your world is enterprise CEOs, what are the core challenges they face today?

Enterprise leaders must deliver against a wide range of expectations, within constraints on multiple dimensions, in a transparent environment. Shareholder demands remain high. Stakeholders, such as customers, employees, regulators, communities, and interest groups, have more transparency and exert more influence over companies than ever before. Media has become pervasive and can affect the stakeholders dramatically. It may sound cliché, but I believe that the job has never been harder.

After you advised CEOs you became a CEO. What did you learn from that experience?

As one of the executives stated during our interview for the book, there are aspects of the job that can’t be taught – only learned through experience! For context, I was President of a large, privately-held asset management firm. I had a relatively light dose of shareholder management challenges and a disproportionate share of key employees. I could fill another book – thicker than this one – with the mistakes I made and the lessons I learned. Among the most important were the need to translate my agenda to a specific, actionable roadmap and build a robust performance management process to execute it.

Making timely, informed, clear, and thoroughly-communicated decisions is the whole game.

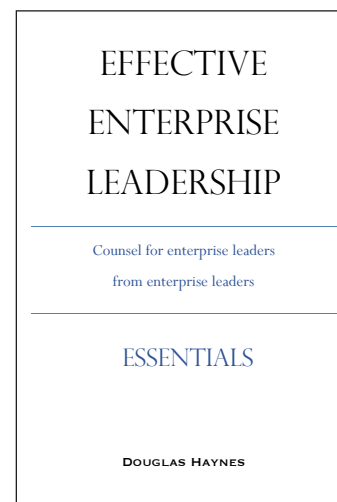
I know you are a history buff. What is a key lesson today’s enterprise CEOs can learn from history?

We can all learn from and build on the lessons of the past from inside and outside the domain of business. If I were to pick one lesson for today’s enterprise CEO, it would be the importance of making decisions frankly, fully and urgently.

History shows that downfalls for companies, societies and nations often happen when leaders allow distractions to consume time and resources, while “kicking the can down the road” on difficult issues. Effective enterprise leaders confront difficulties and uncertainties and address them. For historical context, one can study any crisis that America has faced – conflicts with other nations, economic crises, unjust treatment of people – and find that the issues had been well-defined and understood long before they became crises.

In nearly every case, leaders could have resolved them more effectively and with less suffering had they tackled them sooner.

Enterprise leaders can obtain a gratis copy of Effective Enterprise Leadership – Essentials by contacting Douglas Haynes at douglas.haynes@sphaerusllc.com.



Douglas Haynes

Douglas Haynes, President of Sphaerus, LLC, counsels top executives. Doug worked for the CIA and GE prior to joining McKinsey & Company, where he led the Northeast region of the US. Most recently, Doug served as President of Point72 Asset Management. Doug is active in poverty-fighting, veterans’ support, and education.



“One of the biggest differentiators is our consulting advice and our ability to relate to the issues of the C-suite.”

Robert Reiss: Describe the Newmark company.

Michael Ippolito: Newmark Knight Frank is one of the world's leading commercial real estate advisory firms. We have 16,000 professionals in over 430 offices with global revenues of \$2.5 billion.

We offer a full range of services through an integrated platform that provides clients with a single-source solution for every phase of owning or occupying a property. We serve prominent multinational corporations and institutional investors across the globe as well as owners, occupiers and developers of real estate. Additionally, as a leader in real estate technology, we utilize the most high-technology tools available in the industry – along with our deep bench of knowledge, data, and research to optimize businesses and properties.

We also have a significant corporate services business which I founded, that advises corporations on how to lease, own and occupy their global portfolios. As corporate advisors we have gradually shifted the industry



The CEO Forum Group Selected Michael Ippolito as a 2019 Transformative Leader for his leadership in the category of Real Estate. Michael's high level of strategic advisory along with his unique implementation skills are helping companies make better decisions to improve employee satisfaction and retention, while improving the bottom line performance.

“Our strategic advice is more focused than management consulting firms, and conversely we think our implementation skills are much better than our competitors because we are able to do both strategy and execution effectively.”

from the transactional mindset of traditional real estate providers to a more focused concentration on creating outcome based solutions for our clients that align with their overall strategic business objectives.

What are some insights you’ve learned from when you started at Newmark in 1991?

The commercial real estate industry and global business landscape have both evolved dramatically. Especially in the last 30 years since I joined the firm, as we’ll discuss here in more detail. With the rapid advancement in technologies, the way companies procure business, do business, the ways they occupy and use space have all changed. Succeeding in this industry requires a lot of hard work, ingenuity, staying actively involved in the latest industry and business trends, and being aware of what you love and what your passion is. My passion was to be part of a global platform, and I spent a lot of my earlier career traveling around the world building relationships. As our company grew, where I could add value (and part of what was interesting to me) was providing strategic advice to global corporations.

When you mention relationships, which are obviously core in commercial real estate, what do you see is the key to building those relationships?

First and foremost, it all starts with great customer service. Being there for your clients, being very responsive to their needs. Secondly, I think it goes one step further to being able to present ideas to them and actually help them think through what could make them better in their careers based on what their professional goals and requirements are. The third part of it, and often the most challenging, is helping them figure out how to make those ideas real.

For example, as some of our clients look at different strategies that they can use, oftentimes a person in a corporation will have a great idea but does not know how to implement it, doesn’t know how to get approval from their stakeholders, doesn’t know how to get board approval to

make it happen. A critical part of what we do is to make those ideas become reality, help companies figure out how to be successful, and then implement those ideas.

There are a lot of commercial real estate firms. How is Newmark different?

One of the biggest differentiators is our consulting advice and our ability to relate to the issues of the C-suite. A lot of companies in our industry are very tactical in their approach to providing real estate advisory and strategies. Our approach is a little bit different. We get involved much earlier in strategic planning and help companies make better decisions on where to locate, how to locate, and knowing all the other aspects that affect real estate – key drivers like labor availability, supply chain, energy, offshoring, and technology. We give much more focused strategic advice that is comparable to a management consulting firm.

Conversely, the other part of that is we understand implementation. Given our deep domain expertise in real estate, we understand the importance of execution and speed-to-value and can therefore act on our recommendations which is a true differentiator compared to traditional management consulting firms. Our strategic advice is more focused than management consulting firms, and conversely we think our implementation skills are much better than our competitors because we are able to do both strategy and execution effectively.

That’s really interesting. So you’re both sides of the coin. It gives you a unique value proposition.

Absolutely. It’s almost like our Blue Ocean strategy. We have direct competitors who are management consulting firms. We also have direct competitors who are real

“There is a confluence of events that’s happening now where real estate is becoming, for the first time, highly relevant to the C-suite.”

“If you look at the top issues that affect CEOs, three of them are affected by real estate...attraction and retention of employees, culture and community, and staying ahead of the competition. Combined with the changes in the FASB and IFRS accounting regulations this year, there are new opportunities for CEOs.”

estate firms, but the convergence of both is a real niche of ours, so we think we add tremendous value there.

Talk about establishing TheActivationGroup.

I originally founded and built the firm’s Global Corporate Services division within Newmark Knight Frank in 2009 which grew to become a division producing more than \$200m in annual revenue under my leadership. The genesis for building Global Corporate Services was that at that period of time, our CEO (Barry Gosin) and myself identified a tangible hole that existed in the industry. Fast-forward to 2019, we find ourselves in a similar situation. Changes in accounting, finance, and operations have created new opportunities to create value from your real estate assets, increase flexibility and mitigate business risk that have not existed before. We’ve developed a new business model that is a convergence of management consulting, real estate, and financial services. This is why we established TheActivationGroup.

There is a confluence of events that's happening now where real estate is becoming, for the first time, highly relevant to the C-suite. When you think of all the changes in technology and how those changes impact the organization at all levels, it has changed how space is ultimately used. Executives today place greater importance around understanding their people and improving employee experience, really understanding culture, looking at how employees and interact, how their work environment affects their productivity... Combining that with the technology, these advancements have enabled employees to work differently but also in a world that has become increasingly remote, virtual, and cloud-based, it has also changed the requirements for physical space and assets. Furthermore, looking at “globalization” – the future of buildings and the future of cities, we think that real estate is now re-

ally for the first time, in my experience, a C-suite issue.

If you look at the top issues that affect CEOs, three of them are affected by real estate...attraction and retention of employees, culture and community, and staying ahead of the competition. Combined with the changes in the FASB and IFRS accounting regulations this year, there are new opportunities for CEOs. I think now is the time for CEOs to rethink and re-evaluate how commercial real estate affects the overall operations of a company, and to use how companies lease and/or own real estate as an opportunity to drive change in the organization and be involved in more of the long term planning of a business.

With the changes in technology, things like automation and artificial intelligence, how people use space and where they use it will change at a much greater rate. The old adage of owning core assets, for example, may change. And with the changes in the accounting regulations, there are some opportunities to potentially either monetize assets or restructure leases in such a way that they can strengthen the balance sheet and align more to the overall business strategy.

So, it’s almost like a perfect storm, because CEOs are looking to attract people and get the competitive edge, but now with the new tax law, things have changed.

Exactly right. It’s the first time in history where we could add significant value to the C-suite, where before real estate was always a necessary cost. You had to have real estate as a cost of doing business. When you think of real estate as touching all different aspects of the business – especially the employee – it is something that should be included in long term business planning. When you think of young employees who go on interviews, what the office space looks like and the environment, the ener-

“I think now is the time for CEOs to rethink and re-evaluate how commercial real estate affects the overall operations of a company, and to use how companies lease and/or own real estate as an opportunity to drive change in the organization and be involved in more of the long term planning of a business”

“Business issues like functional obsolescence need to be properly assessed and planned for.”

gy, the technology in the office, that all really affects their decision-making as they evaluate potential employers.

Regarding the recent accounting regulatory changes, when you think of leases on real estate being a balance sheet issue, it is most definitely a C-suite issue. Real estate is not the only driver for the C-suite clearly, but it's definitely a factor that should be included in all different criteria that ultimately affect the CEO's decision. It should be integrated and not be siloed.

So what advice would you give to CEOs as they think about real estate?

When you look at real estate today, think about that as a way to empower your employees, improve employee/customer experience, and as physical manifestation of your brand. You have the “people” space, you want to empower the employees to be part of an organization, but you also have “manufacturing” space for industrial companies, equally as important when supply chain and equipment are as expensive as labor. What is the business, and therefore the assets, going to look like in 5, 10 or 15 years? That's going to change dramatically.

Ultimately, there are all these different dynamics that are happening within the real estate industry. So what I would say to all CEOs is to think about, on a long-term basis, the effects of real estate and it impacts on how people work, how you use and occupy space, how it supports your business – and make that part of your strategic planning.

Business issues like functional obsolescence need to be properly assessed and planned for. For example, if you're a manufacturing company and you have core or strategic facilities that typically you would have owned long term, and you have significant investment in them, you know that functional obsolescence is increasing now based on technology, and you may not be there in 10 or 15 years, or how the asset functions will be very different as new technologies and processes are adopted. Why would you want to own that asset long term and be fixed to that asset, when in the future it may have no value other than land, and when you're ready to vacate that facility, it will be a loss on your balance sheet.

“One of the most exciting parts of the industry today is we're doing 10- or 20-year real estate studies on where jobs and talent will exist geographically.”



“I’ve always strived to elevate corporate real estate...to evaluate ourselves to a high level of business consulting and better advise our clients on the rapid changing environment that we live in today.”

from a control point of view but with leasing structures today, monetizing that asset so that you’re automatically vacating in the future at the time when you will no longer need it anymore – it is possible to plan around that.

You have the ability to not have an increase on your balance sheet, potentially a reduction on your balance sheet, and have a neutral or potential reduction in your income statement. So you can optimize both your income statement and your balance sheet, and at the same time have significant funds today to use for reinvestment in your business, your people, technology or to simply improve operations in that facility or reallocate funds elsewhere in your organization.

One of the most exciting parts of the industry today is we’re doing 10- 20-year real estate studies on where jobs and talent will exist geographically. It’s not uncommon to do 10- to 20-year studies, where companies want to know where the talent going to be. And we’re planning for the future when we’re some of these jobs do not yet exist or skillsets may not exist yet.

To be forward thinking, where companies will want to be, what the effects of urbanization are, what are the work environments going to be like elsewhere in the world ... That is really at the forefront of the C-suite today, and that’s a real change.

If a CEO wants to go to Newmark and find out about you and TheActivationGroup what’s the website?

At the corporate level, the website for Newmark Knight Frank is www.ngkf.com. The specific website for our new business, TheActivationGroup is theactivationgroup.com.

Let’s shift over to a different part of leadership. What was a challenge you faced that helped shape you?

“I’ve always strived to elevate corporate real estate... to evaluate ourselves to a high level of business consulting and better advise our clients on the rapid changing environment that we live in today.”

Back in 2009, again with our executive leadership and Barry Gosin, we were looking at how to evolve our company, and we didn’t have a mature corporate service platform back then. To start that new against the large competitors that existed at the time, we had to think and reinvent ourselves, and what we wanted our corporate service platform to be.

We could have been what we would call another “me-too” company and just another large real estate firm, but we decided to do something totally different. The real focus for us was technology and it still is today. We are leaders in technology in the industry.

Back then, it was really helping companies figure out what their true cost of occupancy are. You would think that most global companies would know what their true cost of occupancy are, but in most cases they don’t. There are so many different aspects of cost and so many different buckets on a global basis, especially if you’re a decentralized organization. You may have costs sitting in different business units globally, maybe sitting in corporate, maybe in different areas, or different systems, because a lot of companies have multiple business, purchasing and human resources systems, for example. Being able to pull all of that data together to make educated decisions on what to do and how to optimize your portfolio, that was a significant challenge at the time. We were the first in our industry to use business intelligence tools to pull information from disparate systems within a company and be able to normalize that data as if they were viewing it from one single system. That was a real differentiator at the time.

That really set us apart, and we were able to help companies with that mindset of being more strategic and more consultative. We are able to help companies really understand what their true costs are, and what the multiple different scenarios are where they could optimize. When you add to that labor analytics and other costs of doing business, you give a company a comprehensive view of, not only what their true current cost is, but what the cost of change is to optimize, and how long it can

take. That's one of the true differentiators, and that was really the foundation of our Global Corporate Services division at Newmark Knight Frank, still a very large organization existing within our company.

That's consistent with your concept of integrating management consulting and real estate, with data at the heart of it, to simplify everything so CEOs can make the right decisions.

Exactly. There are a lot of companies in the public domain today, in all industries, saying they are technology companies. Pretty much every company today is somewhat of a technology company and uses technology. One of our differentiators is that we really understand how to take that information, turn it into data and turn that data into action. It's using technology and using information as an enabler for companies to make better decisions.

Let's talk five years down the road. What do you think Newmark is going to be?

We are continually advancing in building our technology. We have a product called N360 where we are able to take data about different buildings, debt on the buildings, tenants in the buildings, when spaces are being vacated, what the costs are, and information on the market that those buildings are in. That's one on many technology investments we've made including other business intelligence and analytics applications. We're continually trying to evolve our technology platform to provide better data, information and insights, so that companies can make better decisions.

Michael, a pleasure having you on The CEO Show.

I really enjoyed being here. Thank you.



*Robert Reiss and Michael Ippolito
Interview aired September 23, 2019.*

Michael Ippolito serves as a vice chairman in Newmark Knight Frank's New York office and managing partner of TheActivationGroup. Mr. Ippolito joined the firm in 1991 and has since developed analytical and strategic tools that brought real estate and operational strategy development into alignment with his clients' core business objectives. As a result of his advancements, Mr. Ippolito has become one of the leading tenant representatives for global corporations, providing creative solutions for evaluating risk within growth strategies, measuring operational redundancies, analyzing consensus and developing operational efficiency metrics.

Under Mr. Ippolito's leadership, Newmark Knight Frank developed a client portfolio base of 600 million square feet of corporate accounts.

Mr. Ippolito is a member of the Real Estate Board of New York (REBNY) and the Young Mens/Womens Real Estate Association. He has been a guest speaker at several industry events, including Crain's New York Magazine Breakfast Series and International Real Estate Forums in Mumbai, Hong Kong and Madrid. He has also spoken at the World Economic Forum in Davos, Switzerland.





Build A Culture Of Good

By Robert Reiss, Founder and CEO, The CEO Forum Group

Before I talk about the book, I want to share the context... My first CEO interview was over 20 years ago and was with Herb Kelleher, Founding CEO of Southwest Airlines. We were at a black tie event, and I went up to him and asked, 'What makes a company great?' He responded, "It's not what you pay for gas or how quickly you turn around the plane, it's when you see Mary Jo in the elevator and ask how her daughter Patricia's soccer game was."

I responded, "Oh, it's communication." Kelleher said, "Communication??? ... It's love!" Tina Turner's, What's love got to do with it? bounced through my mind, so I made an articulate response like, "Huh?"

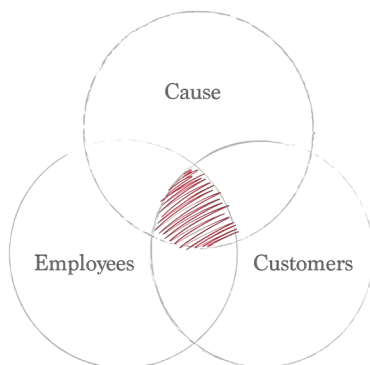
Then Kelleher said something that changed my perspective forever, and perhaps even set the seed of the value of CEO conversations that led me to start The CEO Show. He said, "Love ... unleashing the spirit of the individual."

So for a few decades I have been on an intellectual search to uncover how to truly understand how to unleash the spirit of the individual. Here's where the book comes in. Before I was to interview Scott Moorehead, CEO of Round Room, I was given his book, *Build a Culture of Good*, to read. Now this is high praise, and it's completely true: After reading it I knew I had something unlike anything I had ever read. It was an epiphany.

Culture of Good was the actual model I was searching for. And the concept of a culture of good was the key that unlocked the door to 'unleashing the spirit of the individual.' Culture of good is an original idea that shows why so many culture initiatives fail – they are driven from the top down and ultimately become just the flavor of the day.

Here are some key tenets of *Build a Culture of Good* within just the first 15 pages:

1. “It’s never doing the three components of culture – employees, customers, cause – in silos, but rather doing them all at once.”
2. “The magic happens when you find the sweet spot where your cause, your employees, and your customers intersect.”



3. “Program or corporate sponsored initiatives feel forced, fake and inauthentic...and employees know immediately.”
4. “When your employees and your customers rally to a common cause, good things – even great things – result.”
5. “Every process, every meeting, every checklist needs to tie back to the Culture of Good.”
6. “It’s about giving your people permission to care.”
7. “Millennials seek out workplaces that embrace a bigger cause.”
8. “We have learned that when you encourage your employees to bring their hearts and their minds – their souls, if you will – to work with them on a daily basis, amazing things happen.”
9. “Our mission is simple: we inspire people to go out and do good. We call it making uncommon love common.”
10. “The one thing nobody can steal is your culture.”

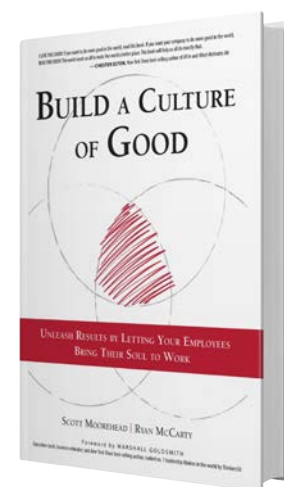
I’ve now met with both co-authors. Their balance is Scott Moorehead is the CEO who used the insights to drive tremendous growth – Round Room grew from \$138 million in 2007 to \$2 billion in 2018 built on the Culture of Good.

Ryan McCarty is the academic whose deep insights as a former minister tie the model together.

As a note, Ryan is a brilliant speaker, and as co-creator he is the external spokesperson for the concept of Culture of Good.

My genuine belief is that if enough CEOs brought the concept of Culture of Good into the lexicon – in fact, into the core of building a great company, collectively this would dramatically increase financial performance and it could actually positively impact our economy.

Perhaps more significantly, bringing a Culture of Good to a company can be at the heart of unleashing the spirit of the individual.



Ryan McCarty, Keynote Speaker & Co-Founder of Culture of Good

As the former Director of Customer and Employee Relations at TCC, the largest Verizon Authorized Retailer in the nation, Ryan McCarty is no stranger to empowering employees through a powerful cultural movement. Ryan created Culture of Good, Inc. to inspire other businesses to create truly altruistic programs that make the world a better place.

Scott Moorehead, Co-Founder of Culture of Good & CEO of Round Room

Scott Moorehead is the Co-founder of Culture of Good, Inc. and CEO of Round Room, a \$2 billion company, which also owns TCC. Scott is a recognized thought leader and subject matter expert in what it takes to create and develop purposeful for-profit organizations that abide by the philosophy of doing well by doing good.



Kullman addresses The New York Times' New Rules Summit.

“One of my underlying leadership principles is a No Regret policy. Leadership isn’t about being popular.”



The CEO Forum Group selected Ellen Kullman for the 2019 Transformative Leadership Award in Gender Parity for her work with the Paradigm for Parity® coalition and vision for gender parity in the C-Suite by 2030.

Robert Reiss: Let’s start off with your experience at DuPont.

Ellen Kullman: I spent 27 years with DuPont, seven years as CEO and chair where I watched the company undergo a tremendous amount of change. We were always driven by science and engineering at our core, but we were bringing powerful solutions for our customers in line with the speed of a growing population. We were working to protect people and the environment and to really secure an energy future with our innovative products, services and offerings. In order to affect that, there was a tremendous amount of change, a tremendous number of acquisitions, divestitures, restructuring. We were also going through a generational change at the company at the same time. A significant amount of our wonderful employees were retiring, which brought in new people and new skills at an unprecedented rate.

And so, my tenure as DuPont CEO was quite a seven-year run and there was a tremendous amount of change in that time.

“When I saw all of the challenges women were facing, I felt I would not let that define me; that I was going to be present, I was going to contribute, and I was going to make a difference in whatever job I had.”

When you were CEO, from a leadership standpoint, did you have any certain leadership principles that you were guided by?

One of my underlying leadership principles is a No Regret policy. Leadership isn't about being popular. Leadership is about putting together the best team to affect the best outcome in your business for your customers, for your shareholders, for your employees, and for the communities in which you operate. And so, it meant sometimes doing some very unpopular things.

But what I would do is initiate change if something didn't work out. With that, you have to know that leadership is all about delegating, that a CEO of a company can't do it all and that we rely on our teams and our people to bring their best foot forward. This is especially the case in creating a culture and an environment that is open to innovation, growth and driving change. Creating this environment will allow companies to see the future and drive the organization forward.

In having a No Regrets policy you probably had a lot of challenges that you had to overcome. Talk about a personal example of a challenge that you had to overcome.

The interesting thing is that although I went to engineering school at a time when there were very few women, I was brought up to believe that we as individuals could do anything we put our head, heart and mind toward. I never felt that my gender was a barrier or was a drawback in anything I did. When I went into the working world, I found that wasn't quite the way it worked.

I found along the way that there were situations where being the only woman in the room was more common, especially as I ascended towards leadership positions. I even found that I was being asked to get coffee or treated as if I wasn't in the room because I am a woman.

When I saw all of the challenges women were facing, I felt I would not let that define me; that I was going to be present, I was going to contribute, and I was going to make a difference in whatever job I had. My attitude really helped me not worry about those challenges. They were there and I had to deal with them, but I kept looking forward to what we could accomplish as a team and as a business. I found a lot of like-minded people in the company, and we worked together towards that end.

Talk about unconscious bias.

Yes, I think there absolutely is unconscious bias. I tend to think of people as being inherently good. So I do believe it's unconscious; that people are not acting, for the most part, out of explicit bias, but bias is still there. And I think we have to talk about it. I urge men and women to talk about the elephant in the room. If they see it happen, whether you're having an HR conversation, and somebody might say, "Well, she just had a baby. Are you sure she will want to take on that new job and that new challenge?"

We should all be saying, "Well, that's up to her, and her family situation is up to her, so let's let her make that decision. We shouldn't be the ones to make that decision." Or, many times, I feel that people are acting out of what they think is in the best interest of an individual without even talking to that individual about what their desire and situation is.

I really believe that people need to – in a very appropriate and supportive way – talk about bias and understand how it is impacting their organizations and then work towards reducing it. And just understand that bias is there, and that you have to work against it.

“I urge men and women to talk about the elephant in the room.”

“We’re business people. We understand industries well, and we happen to have technology capabilities at the same time.”

When you talk about the elephant in the room, Ellen, there’s a very clear problem of too few Fortune 500 women CEOs. We went from 32 in 2017 down to 24 and back up to 33. As you know I’ve been writing in my Forbes column that we need at least 50 – for starts. And that’s still only 10%. So in addition to being the wrong message for society, it seems mathematically impossible that only 6% of the talent are women. What’s your take?

I think there are tradeoffs at every level in leadership. Women start out right now at about 50% of the entering workforce. So by the time they get to the C-suite or to mid-level teams, women may represent only 4% to 6% depending on one or two moves that could take place. I do think that the issue is that a company can really have an intent – many companies have an intent – to address this problem, and they try different things, but it takes a cohesive set of actions for real progress to be made.

That is one of the reasons I joined forces with other women to start the Paradigm for Parity® coalition, a group that works for gender parity at the C-level through a Five-Point Action Plan. It is a coordinated action which includes eliminating and reducing bias, setting measurable goals, and promoting sponsorship in addition to mentorship. Those are just three of the five steps that we hope help companies to move women to higher levels within their organizations and have an opportunity to be considered for senior leadership.

What’s the website?

It’s paradigm4parity.com.

What can men in the executive roles do? I am a deep believer this is all of us together if we’re going to solve this problem.

Well, I think you’re absolutely right, Robert, and I think men are equal partners in this. When I took my senior leadership team through unconscious bias training, one of the first things we found out was that we all have internal bias, and that the issue isn’t just with men. The is-



Paradigm for Parity® Coalition Co-Chairs Sandra Beach Lin, Ellen Kullman and Jewelle Bickford.

sue is all of us creating the environment together for our organizations and creating the culture that really defines the organizations together. And it's us together who need to work to make sure that we're creating inclusive teams.

Some companies have taken that role and said that on any team, no individual group can represent over 70% of the members. So, whether it's females, males, whatever, you have to have diversity. And we've seen the data and statistics that show that diverse teams produce much better outcomes than monolithic teams do.

The interesting thing is that opportunity is not evenly spread across organizations. Yet the facts are that we need to evenly spread opportunity, because each person at an organization brings skills and we have to figure out the best way to use them.

Why do you think the current corporate culture lends itself to this imbalance of power between men and women?

The biggest surprise I've seen as I've progressed through my career is that the imbalance of power is improving, but not at a significant rate. I really thought that transparency and companies setting diversity goals would really shine a light on this imbalance, and we would see more progress sooner.

Why isn't it solved? You know, I think those companies ... they believe they tried. I heard an executive say, "Gee, I did unconscious bias training. I don't understand why I still have it." Unconscious bias is a continual process of learning and developing, like much of development is. Or, "I've set goals, and there just aren't women out here for the job." Interestingly enough, as I've done external research on this, I found that there are women and people of color for the job. It may take a little longer to identify candidates or we have to broaden our search to find them, but the candidates are there.

"One thing that the Paradigm for Parity® coalition has put forward is a Five-Point Action Plan. It is a first-of-its kind roadmap to guide executives on the steps they could take to achieve parity. And it starts with the CEO."

"I've talked to CEOs who have been very aggressive about this and say they're going to get gender parity in the C-suite by 2025."



Kullman on women in the workplace at the inaugural ASCEND Summit with Mika Brzezinski.

Second, I think there hasn't been a clear roadmap for closing the gender gap. I think people have tried a lot of different things, and the one thing that the Paradigm for Parity® coalition has put forward is a Five-Point Action Plan. It is a first-of-its kind roadmap to guide executives on the steps they could take to achieve parity. And it starts with the CEO. CEO commitment is so important for change.

There may be structural barriers, there may be unconscious barriers, but when women join the workforce, they step into a culture. And over time, women haven't had the same set of opportunities presented to them, and I think that's why they don't stay in the workforce at the same rate. Through this action plan and by working together this culture can be modified, changed, and we can move this in the right direction.

What is your vision for enterprise?

I've talked to CEOs who have been very aggressive about this and say they're going to get gender parity



Kullman delivers remarks on gender parity during the 2018 National Diversity Women's Business Leadership Conference.

in the C-suite by 2025. I've talked to many CEOs and they say, "It might take me longer; there are not as many women in this certain field." I challenge them on that, because if you look at places like MIT, they may enroll or employ 50% women. So women are going into the tech field and have those skills. The question is, are we looking in the right places?

And certainly, we have more work to do to get kids interested in science, technology and engineering. That's one of the areas where there are shortfalls. Overall, it is drive or vision that will create a difference.

We also challenge companies to set their own goals, measure themselves against those goals and be really proud and share with their employees the progress that they're making.

So, from your experience when you were CEO of DuPont, what did you see as the biggest challenge when it came to creating gender diversity and leadership positions?

I think it's the "I tried" mentality. Instead of pointing fingers, instead of saying they're wrong, my philosophy was to sit down and have a discussion. "How many people that you've hired are women? How many of them are people of color?" And the interesting thing is most leaders don't know those numbers initially. Well, the second time we had the meeting, you can imagine, they knew those numbers.

The third time we had that meeting, and we did it quarterly, there was no excuse for them not to understand why. That's very simple. You can look at the five or six layers in an organization. You can look at who they are sponsoring, understanding what the next job requires so that if there is a match, they won't miss out on that opportunity.

It's the phase of working collaboratively within the organization where we make some real progress. When they figured out that this was an "us" equation, not a "me versus them" situation, then they became more invested; we were all invested in making a difference.

How about boards, Ellen. You're on four public boards, one private board. What role do the boards have in ensuring companies are setting the right diversity goals and are positioning themselves to achieve success?

The interesting thing is that boards can ask all the uncomfortable questions, and they do. You know one thing is, as I started joining more boards since I retired, I didn't ask the question about diversity numbers up front. I waited to see whether they brought it up in a meeting. And the majority of the boards absolutely brought it up.

I think it is the board's responsibility to make sure companies have an inclusive environment, because employees are a major asset in every company, and to create great outcomes, they have to get it right. What I experienced was that it would take men 24 months to advance, but for a woman it took 30 to 36 months to get to that next promotion. We had to do a lot of reflecting and understand that it was not the women. We have phenomenally talented people -- men, women, all sorts. It was our own bias in the way. "Well, she just needs six more months." We had to rectify that. And so, the question is, does that go on in other places? I would suggest it does.

Finally, what advice do you have for young women who are just entering the workforce?

You're not alone. There are a lot of people out there you can talk to and compare notes. Understanding this can help you gain a perspective that will hopefully make it a little easier for you, a little more clear about the decisions you need to make. And know that we are all in this together, and that there is an opportunity to be very supportive in this journey to parity.

Interview aired September 8, 2019.

Ellen Kullman is the Co-Chair of the Paradigm for Parity® coalition and retired Chair of the Board and CEO of DuPont. Kullman was named CEO at the beginning of 2009 and board chair late that year, becoming the 19th executive to lead DuPont since its founding in 1802. Prior to those appointments she served as President, Executive Vice President and a member of the company's office of the chief executive. Prior to joining DuPont in 1988, she worked for Westinghouse and General Electric.

Kullman is a board director of United Technologies, Carbon, Amgen, Goldman Sachs and Dell Technologies. She is a member of the National Academy of Engineering and past president of the U.S. China Business Council. She serves on the board of trustees of Northwestern University.

Kullman has been named as one of the "50 Most Powerful Women in Business" by Fortune and one of the "World's Most Powerful Women" by Forbes.



PARADIGM
FOR PARITY®

The Uncomfortable Truths about Gender and Diversity Parity in the Leadership Ranks

By Edie Fraser, CEO Women Business Collaborative

Let me start by commending CEOs and your leaders who have made a clarion call to accelerate the pace at which women – especially women of color – are moving into the c-suite, into CEO roles and onto boards. We at The Women Business Collaborative honor and celebrate your vision and courage of conviction. Indeed, WBC is proud to name Balaji Ganapathy, Michael Norris and Robert Reiss to our board, three outstanding leaders who have long espoused the economic, business and ethical reasons for getting to full gender and diversity parity in the workplace.

Despite a rock-solid business case for gender and ethnic diversity in the workplace, few if any companies have achieved gender parity in the leadership ranks. It is well documented, for example, that organizations with female CEOs average a 41% return on equity and a 56% increase in average earnings before interest and tax (EBIT) (McKinsey). Yet women make up 14% of Fortune 500 Executive Committees, and 80% of those women are in staff roles, not operating roles with P&L responsibility, which 90% of newly appointed CEOs boast.

There are eight outcome focused steps CEOs can take on the way to achieving ethnically diverse gender parity in the leadership ranks.

The Sobering Facts

The rate at which women, especially women of color, are entering the c-suite in non-CEO roles is barely advancing. The World Economic Forum reports that the proportion of women in senior executive roles globally has been stuck at 24% for more than a decade. Only 9% of top executive positions in the Russell 3000 are held by women, and a

recent Pew study showed that nearly 80% of women executives are concentrated in finance, legal and HR, not in operating roles that lead to CEO opportunities.

Women of color are the most underrepresented of all. While one in five c-suite leaders is a woman, one in 25 c-suite leaders is a woman of color. (Leanin.Org/McKinsey).

Why Women – Especially Women of Color – Are Not Advancing to the C-Suite

For the fourth year in a row the LeanIn/McKinsey & Co. study reveals that attrition does not explain the underrepresentation of women in the c-suite. “Women and men are leaving their companies at the same rate, and they have similar intentions to remain in the workforce.”

Several factors contribute to the lack of ethnically diverse gender parity in the workplace – especially at senior levels. They include:

- The unmet need for CEO and board support of the development of a pipeline of women leaders starting at the middle management level, especially in operating roles.
- The lack of performance feedback, managerial support, exposure to structured development experiences and access to senior leaders by aspiring female leaders.
- The rarity with which women are tapped for stretch assignments in support of the advancement of critical path strategies.
- The paucity of sponsors and female role models.

What CEOs Can Do to Build Ethnically Diverse Gender Parity in the Leadership Ranks

1. *Declare gender and ethnic parity a business imperative.* Initiate an agenda for change where leaders are measured on their success at attracting, developing, retaining and promoting women and women of color – especially into P&L roles by the time they reach the Director level. Create board-endorsed targets and widely communicate progress.
2. *Eliminate unconscious bias* and create a culture that enables interruption, providing incentives for action. Shout the linkage to business performance when there is ethnically diverse gender parity. Reward leaders for participation by connecting results to compensation and hold them accountable for a lack of results.
3. *Identify high potential ethnically diverse women leaders* starting at the middle management level; give them sponsors, mentors and coaches and define clear paths for promotion. Challenge sponsors to provide well-defined visible, high impact critical path stretch experiences.
4. *Expose women – including women of color – to line responsibilities early in their careers.* Aspiring women leaders have robust work ethics and will likely tackle such challenges with fervor.
5. *Celebrate and honor change champions, especially men,* who, by dint of their majority in senior leadership roles, most likely take the risk of sponsoring developing women leaders. Share the success stories of your women and women of color and their male champions.
6. *Base all promotions on merit* and the delivery of measurable results that consistently exceed expectations. Avoid the advancement of individuals because of their “perceived” potential.
7. *Model inclusive leadership behaviors* and live the desired mindset shifts. Publicly respect differences, listen actively and be present to the feelings and triggers that limit leadership impact. The best role models are not afraid to show vulnerability; they thirst to learn and they embrace the importance of adapting.
8. *Invest in your own development* and that of your highest

potential leaders up and down your organization on the way to building a critical mass of leaders who live the desired behaviors, emphasizing the value of diversity in gender, race, sexual orientation and life experiences. Great leaders start with themselves and in doing so create a culture of openness and acceptance.

If nothing else, think about your daughters, granddaughters and nieces and what you can do to create a receptive and supportive gender and ethnically diverse environment, free of marginalization and full of opportunities to be the high performing leaders many of them are and will aspire to be.



Edie Fraser is CEO of Women Business Collaborative (WBC), the first-ever alliance of women's business organizations, trade associations, corporations, researchers, and the media accelerating the achievement of diverse female representation in c-suites and boardrooms; the achievement of gender diversity and parity in the workplace and the growth of women-owned businesses and their access to sources of capital.

Fraser is also a Managing Director of Diversified Search LLC and serves on the board of C200 as a founding member. She served as CEO and chair of STEMconnector® and Million Women Mentors (MWM). She also founded Diversity Best Practices and the Public Affairs Group, Inc. Fraser served as the first woman Chair of the World Affairs Council America.

Edie has won 55 major awards in Leadership and Innovation, Diversity and Women's Leadership, Entrepreneurship, and Communications and has been inducted into the Enterprising Women Hall of Fame. She is a published author.





“The changing nature of risk in the world, the strategy that’s necessary to respond to a fast-paced changing world, and of course, the workforce... So you have risk, strategy and people. That’s what Marsh & McLennan represents for clients.”



The CEO Forum Group has selected Marsh & McLennan for the 2019 Leadership Award in Risk & Strategy for the integrated model of its four businesses and the diverse culture that delivers these to clients in seamless fashion.

Robert Reiss: Marsh & McLennan was founded in 1871 and most CEOs know the name, but I’m not sure everyone knows about the four businesses and how they are integrated.

Julio Portalatin: To be able to define the businesses, you have to be able to say what we stand for. We clearly define our purpose as, “making a difference in the moments that matter.” The four businesses each do that in their own unique way.

Marsh is the leading global insurance broker and risk manager and places insurance that is important at the time of loss and needed by customers and clients. It also analyzes and assesses risks for clients, so that they make sure that they’re insuring those risks properly.

Guy Carpenter is similar to Marsh but they place insurance for other insurance companies; they’re reinsurance brokers. What happens when you have a large risk – let’s say an energy plant – not one insurance company is going to take all the risk. They’re going to spread that risk,

“We rebranded under Mercer Marsh Benefits. That’s an example of how we bring the synergies of the companies together to the benefit of our customers.”

and Guy Carpenter works on coming up with the right carriers to do that. They do fantastic work around analytics and capital reviews, et cetera.

Mercer, is on the consultancy side of the house, and Mercer is by far the largest HR and people global consultancy company. It focuses on things like the future of work, and how you deliver health solutions to employees across the world. How do companies design different programs to deliver different benefits to employees, their most important assets? Mercer works very hard to make sure companies are delivering real value-added types of services and benefits to their employees around health, wealth and careers. Mercer delivers advice and technological solutions to a fast paced changing global workforce.

Oliver Wyman is an incredible organization, one of the top strategic management consultants in the world. It does a considerable amount of work helping companies prepare themselves for the future. Most recently through OW Labs, they’ve been helping companies drive significant, transformational change around digital, and readying companies and people to maximize the opportunity around this fast-paced, changing world.

How do you manage the interaction and synergies between the four companies who are aligned and similar in mission but have different functions?

The businesses or divisions each work diligently to deliver the full breadth of our capabilities to our clients. As an example, outside of the United States we had health solutions being delivered by both Marsh and Mercer, and rather than having that continue to be a bit disjointed and somewhat confusing to the marketplace, we decided to put both companies together to market health solutions and maximize the strengths of Marsh brokerage and Mercer Consultancy. We rebranded under Mercer Marsh Benefits.

That’s an example of how we bring the synergies of the companies together for the benefit of our customers.

Talk about your experience as CEO of Mercer from 2012 – 2019.

Let me first say that it was an honor to lead an organization that is so influential across the world. With Marsh & McLennan and Mercer also, every time you pick up a newspaper you see issues that Marsh & McLennan works diligently to solve.

The changing nature of risk in the world, the strategy that’s necessary to respond to a fast-paced changing environment and of course the workforce...So you have risk, strategy and people. That’s what Marsh & McLennan represents for clients.

When you think about the people aspect and what’s happening around employees and employers...We have automation, we have talent that has to be either re-skilled or re-taught because of the changing nature of work. You have an aging population...There is nothing more important than the fact that every population around the world is aging, and the implications of that on society. America’s aging, Japan’s aging, even China’s aging, every country thinks they are relatively young but everybody’s aging.



Julio Portalatin, center, at Covenant House awards event with, from left, his son Julio, his wife Heidi, his daughter Alicia, and Alicia’s husband Tim.



Photography by Chris Michel

With clients at a roundtable discussion during a LatAm Forum.

“People don’t think of Mercer as being in the investment business, but we actually advise on trillions of dollars of retirement assets, and have close to \$300 billion delegated assets under management.”

We have all these issues and then we took a step back and said, “Okay, what’s really missing for Mercer?” And what was missing was some sort of rallying cry about what’s important, what’s the vision of the company, what are the values that we should stand by and practice. I drew on a piece of paper, “What is our purpose, and how do we motivate and approach our clients?” So we worked really hard on putting that together and then making it live.

The purpose was very clear: making a difference in people’s lives, whether it’s around health, wealth or career. That is a very powerful message, one that we very much live by and then innovate around on a constant basis.

We brought innovative solutions through a marketplace, Mercer Marketplace, which allowed us to digitally offer to employers and their employees a platform for assigning a customized health program as opposed to the normal health program that you get every year and you just say yes or no, and get a deductible and you’re done. We actually give employees a vast array of options to be able to think about, and consider, and put together a custom benefits program. We executed and, quite frankly, became the largest platform for health because of that.

We created many other innovations. You know people don’t think of Mercer as being in the investment business, but we actually advise on trillions of dollars of retirement assets, and have close to \$300 billion delegated assets under management.

Nothing happens without bringing people along for the journey. Nothing happens in a vacuum. Working hard and being able to engage with our colleagues, so that they are part of that journey, resulted in Mercer achiev-

“In a world where we’re trying to signal an inclusive environment, an environment where we’re trying to achieve parity amongst all genders, ethnicities, and backgrounds, and embrace them and encourage people to bring their full selves to work so they can do the best for themselves and the company...In a world like that, I thought it was appropriate to be a little bit more gender neutral in the actual title, and that’s why we dropped the second part of chairman.”

ing very good results whether measured by earnings, revenue growth or employee engagement. What I like to passionately refer to as the “trifecta.”

It’s nice to say that you’ve done one of the three, but when you accomplish the trifecta, I think it’s fair to say, “our employees did a wonderful job through this journey.”

What was your driving leadership philosophy in this success?

It was all about creating an environment where everyone felt that they could bring their full selves to contribute to their success and the success of the company. Having a purpose that people can rally around, be motivated by, be passionate about and thrive to achieve...Getting excitement in the organization was a very important element.

You do have to generate some excitement, or you’re just like every other company. We were recognized by Forbes Magazine as an employer of choice as we went through that journey. It was an exciting time for us because Mercer had never been recognized as an employer of choice, and it was nice to see such a prestigious magazine like Forbes be able to recognize Mercer and its colleagues.

Today your title is Vice Chair of Marsh & McLennan. You and I have discussed why you specifically chose that title instead of Vice Chairman.

Quite frankly, it was a conscious decision. The first business card that came out said Vice Chairman, and I thought in a world where we’re trying to signal an inclusive environment, an environment where we’re trying to achieve parity amongst all genders, ethnicities, and backgrounds, and embrace them and encourage people to bring their full selves to work so they can do the best for themselves and the company...In a world like that, I thought it was appropriate to be a little bit more gender neutral in the actual title, and that’s why we dropped the second part of chairman.

Let’s talk about CEOs. You have the unique perspective. You have been a CEO for a number of years, but also you’re advising CEOs. And with Oliver Wyman there’s a lot of strategic advice as well. We’re in a fast-paced world. Technology is

“You always hear that AI is going to impact employees and their opportunities in the future, but the reality is that an employee who is well-prepared for their future will benefit in their future. The key is to be in a mode of continuous learning today.”

changing everything, so what should CEOs be thinking about?

As we go around the globe and have these types of discussions and engage with the C-Suite, there are areas that have commonality as to what people are thinking about and how they are trying to achieve a competitive advantage, this is the C-Suite’s role at the end of the day. What’s important is achieving a competitive advantage and growing faster than others, and outperforming. This centers around a couple of things. One of the things that right now is very much top-of-mind is we live in a relatively volatile world. How are we going to prepare ourselves to not only grow, but also risk-mitigate against the things that are presenting themselves as challenges?

You always hear that AI is going to impact employees and their opportunities in the future, but the reality is that an employee who is well-prepared for their future will benefit in their future. The key is to be in a mode of continuous learning today. You cannot expect that the old way works, that you go to school for a certain amount of time, you learn and then you join a company and then you join another company and do the same thing but at higher levels.

Now that has changed. So as a CEO and as a C-Suite executive, you sit there and say, “The skills that we need to be able to be successful in the future are hard to get today.” How do we fill this gap?

An employee can really put themselves in a position of having some leverage if they understand what those skills are and skill up. Companies have to think about how they’re going to meet the demand of those skills by putting together different types of reskilling programs or educational programs, training programs that are continuous; not ones that are just blocks of time and you’re done; no.

“Sometimes when we have the D&I discussion, some people think there are winners and losers; but there are no winners and losers when you talk about this. We are talking about creating an environment where no one is advantaged or disadvantaged. Everyone has the opportunity to be successful.”

It’s continuous learning. A curriculum that continues to build soft and in-demand skills for the future. And that’s going to be important because most CEOs are trying to figure this out but they haven’t quite put their finger on it yet. There’ve been some announcements, some major companies that have said they’re going to invest “x” amount of millions of dollars to start reskilling their workforce.

So, this is a big issue that has to be addressed not just by companies, but also educational systems and governments. It does really need a triangulation of stakeholders to ultimately find a solution. But it has to start somewhere, and the companies are going to be the most impacted.

If you’re a CEO, what’s the first step?

On the people side, it depends on what industry you’re in as a CEO. You already have been able to identify where the soft spots are and the difficulty in hiring the right skills. In fact, it’s impacting your growth, it’s impacting your expansion plans. You know what those skills are. For some companies it could be digital researchers. For other companies, it could be analysts that work with AI to be able to advance important innovations in their organization. In other organizations, it could be physician assistants. We need nurses, they’re in high demand, how do we get more of them?

Depending on where that need is for you, you have to take a proactive stance. You must say “Hey, this is how we’re going to skill up. We’re going to use technology to identify the people that have the basic foundational skills to learn these things.”

As an example on the risk side, cyber security is top

of mind for CEOs. In Marsh and Oliver Wyman, we work hard in identifying, assessing, mitigating and then providing an insurance cover for that inevitable breach event. It is likely that most companies have already been hacked, and it’s just a matter of when it’s going to manifest itself. We help get ready for the inevitable.

Let’s talk about diversity and inclusion.

In the whole issue of diversity and inclusion there is an important element that needs to be talked about first, broadly. Because it’s an inclusive discussion, which means that no one is excluded. Sometimes when we have the D&I discussion, some people think there are winners and losers; but there are no winners and losers when you talk about this. We are talking about creating an environment where no one is advantaged or disadvantaged. Everyone has the opportunity to be successful.

The goal is creating an environment where different backgrounds are maximized to the benefit of clients, individuals and companies. All different backgrounds, which means different geographic and educational backgrounds, as well as lifestyles, and yes, ethnicity goes in there, and gender too. Also, what was your experience? That’s different, and we want to value that.

If you’re going to innovate, don’t just bring people who are in the business to work on innovation, also bring people who have little knowledge about that particular business. This will ensure that different great ideas are considered. That’s what diversity is all about. It’s an inclusive approach.

Let’s end with a super important issue you helped pioneer called When Women Thrive.

When Women Thrive was actually initiated by Pat Milligan, Senior Partner at Mercer. She is a strong advocate for continuing to accelerate diversity and inclusion with an emphasis on gender.

When Women Thrive was launched nearly six years ago, and every January when we attend the World Economic Forum we update leaders on what is going on in the world in reference to gender and diversity. When Women Thrive does an analysis and best-practice research

“If you’re going to innovate, don’t just bring people who are in the business to work on innovation, also bring people who have little knowledge about that particular business. This will ensure that different great ideas are considered. That’s what diversity is all about. It’s an inclusive approach.”

around the globe. Several hundred companies and millions of employees are included in the data, so that we can establish proof-positive, best practices that have worked. Everything is evidenced-based.

Julio, a pleasure having you on the CEO Show.

Thank you, it was a pleasure being here as well.

“When Women Thrive does an analysis and best-practice research around the globe. Several hundred companies and millions of employees are included in the data, so that we can establish proof-positive, best practices that have worked. Everything is evidenced-based.”



Julio Portalatin and Robert Reiss – Interview aired Sept. 10, 2019.

Julio A. Portalatin is Vice Chair of Marsh & McLennan Companies, a leading global professional services firm in the areas of risk, strategy and people. Prior to becoming Vice Chair, Mr. Portalatin served as CEO of Mercer, a Marsh & McLennan business and leading global professional services firm that delivers advice and technology-driven solutions to help organizations meet the health, wealth and career needs of their workforces in more than 140 countries. Under his leadership, Mercer expanded its global footprint, advanced into digital, grew assets under delegated management to close to \$300 billion and launched a slate of innovative wealth offerings.

He is on the boards of DXC Technologies, Covenant House International and Hofstra University. Prior to joining Marsh & McLennan, he held numerous leadership positions with AIG. He earned a Bachelor of Science degree in Business Management and an honorary doctorate from Hofstra University.



**MARSH & MCLENNAN
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At the 50th Anniversary of the Presidential Medal of Freedom event held in Washington, DC. in 2013 were President Barack Obama, Frances Hesselbein, TIAA executive Charlie O'Connor and First Lady Michelle Obama.

“It is the quality and character of the leader that determines the performance, the results.”



The CEO Forum Group has selected Frances Hesselbein Leadership Forum for the 2019 Award in Contemporary Leadership for exemplifying leadership that is mission-focused, values-based, clear, and demographics-driven, and also for seeing the imperative of diversity as an enormous opportunity for greater relevance and success. Frances may be the most experienced CEO in America as she is approaching 104 years of age.

Robert Reiss: You have been involved in leadership from practically every angle — corporate, military, not-for-profit and government. What is at the core of effective leadership?

Frances Hesselbein: I define leadership as “a matter of how to be, not how to do.” You and I spend most of our lives learning how to do and teaching others how to do, yet it is the quality and character of the leader that determines the performance, the results.

What should CEOs do differently to elevate their leadership in today’s fast changing business environment?

Focus on a short, powerful mission statement solely, “Why we do what we do.”

Talk about the mission for The Frances Hesselbein Leadership Forum ...

“You will be surprised to know I have two tattoos. Invisible ink, of course. The first is Peter Drucker’s: ‘Think first, speak last.’ The second is also Peter’s wisdom: ‘Ask, don’t tell.’”

Since 1990, I have been at the helm of a leadership organization founded as the Peter F. Drucker Foundation for Nonprofit Management, providing leaders with essential leadership wisdom, inspiration and resources to lead for innovation and to build vibrant organizations. In 2017 the organization partnered with my alma mater, The University of Pittsburgh, to establish The Frances Hesselbein Leadership Forum at the Graduate School of Public and International Affairs.

My journey – lifelong learning, civic engagement, and “To serve is to live” philosophy – began long ago at my beloved University of Pittsburgh and junior college in my hometown, Johnstown, Pennsylvania, and it continues to this day. The establishment of The Hesselbein Forum at the University of Pittsburgh is one of the greatest honors of my life.

The Forum’s mission is to develop and inspire current and future leaders. Through the Forum’s Leader-in-Residence Program, Leadership Program in International Security, publication of the award-winning *Leader to Leader Journal*, the Lecture Series, and keynote addresses I continue to deliver in-person and via Skype, we serve leaders in all three sectors.

Peter Drucker, arguably the top business thinker of the past century, called you “America’s best CEO,” and then he appointed you to be the Founding CEO of his foundation. Talk about your relationship with Peter Drucker and what you learned from him.

When I first met Peter, I lost my manners, and instead of saying “How do you do?” I said, “Do you know how



Frances Hesselbein throughout her career with the Girl Scouts.



important you are to the Girl Scouts?”

Peter then gave generously of his time and energy, and after I left the Girl Scouts, together we founded The Peter F. Drucker Foundation for Nonprofit Leadership and published “*The Five Most Important Questions*.” You will be surprised to know I have two tattoos. Invisible ink, of course. The first is Peter’s: “Think first, speak last.” The second is also Peter’s wisdom: “Ask, don’t tell.”

On Nov. 1, 2019 you will turn 104 years old. You still come into work and are one of the sharpest business minds. What is the secret to longevity and to keeping your brain highly tuned?

I remind myself, that, as Kahlil Gibran taught us, “Work is love made visible.”

I also spend a significant amount of time with Millennials and the cohort of Generation Z. There is a new rigor to these young groups – who speak a language of inclusion, who consider challenges significant opportunities.

Discuss your experience with West Point and the military?

I spend one-third of my time with corporations, one-third with nonprofit/social sector organizations, and one-third with colleges and universities, and, somewhere in the middle, time with the U.S. Army. Never one disappointing moment.

Working with cadets and faculty at West Point has been one of the most inspiring privileges of my life.

In 2009 I was appointed the Class of 1951 Chair for the Study of Leadership. Two great leaders served in this Chair before I did – General Eric Shinseki and Coach Mike Krzyzewski of Duke, both West Point graduates, making my appointment even more overwhelming. Jim Collins, the great author, served after my term.

My appointment was for two years, and every six weeks I traveled to the hallowed grounds of the U.S. Military Academy at West Point, taking with me a



Frances Hesselbein and Author Jim Collins with Cadets at West Point in 2011.



Frances Hesselbein greets a West Point Cadet during Hesselbein's role as Chair for the Study of Leadership at the U.S. Military Academy, 2009-2011.

"We agree that leadership must be mission-focused, values-based and demographics-driven."

great thought leader from one of the three sectors on each visit, which made our dialogue more evocative and interesting for the cadets, rather than just listening to me alone.

Every time I walk on the West Point grounds, with reminders of those who live "duty, honor, country," I feel a reverence, a sense of gratitude to the young men and women who exemplify "the best we can be," as Americans.

My all time favorite business book was Jim Collins' *Built to Last*. You have been very involved with Jim Collins. What has he shared with you about leadership?

We agree that leadership must be mission-focused, values-based and demographics-driven.

You have been close with several Presidents of the United States. What is the best way government can lead us?

Frequent messages on leadership, sharing values, and engaging citizens in government work.

Talk about what you are proudest of when you were CEO of the Girl Scouts.

With a passionate goal of equal access, we built a richly diverse organization tripling racial/ethnic representation across the organization. You don't achieve this by sitting at a desk in New York, waving your hand and saying, "Let there be diversity." It happens on the ground, in the neighborhoods, where the people are.

The results are documented in a Harvard Business School case study of our work. The Girl Scouts became mission-focused, values-based, and demographics driven. In 1990, when I left the Girl Scouts, we had achieved the greatest diversity in 78 years.

You have been a driving advocate for diversity. Today only 24 of the Fortune 500 CEOs are women. It's clearly mathematically impossible that only 5% of the talent are women. What does corporate America need to do to have more women CEOs?

"Be ye an opener of doors." Build a position description that attract leaders who are.

We must never see the imperative of diversity as a problem or challenge. We see it as enormous opportunity for



Frances Hesselbein with Peter Drucker at an Adventure in Excellence Girl Scout Conference in 1990.

“We must never see the imperative of diversity as a problem or challenge. We see it as an enormous opportunity for greater relevance, significance and success.”

greater relevance, significance and success. Inspired by the rapidly changing demographics, organizations must ask themselves, “Are we building today the richly diverse organization that reflects the community, the country, the society, with rich representation right across the enterprise at every level?”

CEOs must look at all of the people in all of our ethnic groups – the people we want to bring in – and ask, “When they look at us – at our boards, our staff, our workforce, our visuals – can they find themselves?” When the answer is a resounding “Yes,” they are the organization of the future.

One of our recent Hesselbein Forum Lecture speakers was Skip Spriggs, President and CEO of the Executive Leadership Council, an organization that helps advocate and prepare African Americans for corporate leadership positions. He said, “Goals must be in place to hire diversely.” I agree.

What advice do you have to women who want to become CEO?

As leaders who are women, we begin by acknowledging that we bring a special dimension to the work of our organization. Our contribution to furthering the mission is enhanced by our gender — any effective leader brings her life experience and point of view to bear. Diversity of gender, race, culture and background on our leadership teams strengthens and enriches our organizations. But that is not the reason we, as leaders who are women, do what we do. The mission that defines why we do what we do has no gender.

Peter Drucker urged leaders to “Focus on task, not gender.” That advice serves us well.

What is your vision for America?

A country that is mission-focused, values-based, and de-

“America, the model of a powerful democracy, serving all of its people well is my vision for America.”

demographics-driven, where our public schools serve all of our children in a very positive way, and where “work is love made visible” is the reality for all of our people. America, the model of a powerful democracy, serving all of its people well is my vision for America.



*To Frances Hesselbein
With best wishes,
Ronald Reagan*

President Ronald Reagan with Frances Hesselbein in 1982.



Frances Hesselbein and Robert Reiss – Interview aired July 15, 2019.

From her Pennsylvania beginnings as a volunteer troop leader to her rise as CEO of the Girl Scouts of the USA – Frances Hesselbein has always been mission-focused, values-based and demographics driven. Fortune Magazine named Frances one of the “World’s 50 Greatest Leaders.”

Frances was awarded the Presidential Medal of Freedom by former President Clinton; is the recipient of 22 honorary doctoral degrees; the author of three autobiographies and the co-editor of 35 books in 21 languages. Frances has traveled to 68 countries. Most recently, Frances collaborated with more than 25 leaders to publish “Work Is Love Made Visible: A Collection of Essays About the Power of Finding Your Purpose.”

For more than 25 years, Frances has been at the helm of The Hesselbein Forum, based in New York and now part of the University of Pittsburgh, where she continues to train a new generation of leaders through education and publications.

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Disrupting the Default: How Organizations Can Advance Inclusion

By Michelle Peluso, SVP of Digital Sales & CMO, IBM

The year 2020 will mark 100 years since the passage of the 19th Amendment, which guaranteed American women the constitutional right to vote. As we remember a moment that shaped gender equality for generations of women to come, it's a great time to also acknowledge the complicated and continuing journey we face, especially in the area of women in leadership.

Earlier this year, I had the opportunity to co-author a study with IBM's Institute of Business Value focused on women in leadership. We surveyed leaders across 2,300 organizations – this includes C-suite, vice president, director and senior manager positions – to understand where the majority stand on placing gender equality in leadership on their formal business agenda.

What we found is that 79% of respondents are not yet viewing this as a true business priority. The majority of that percentage (67%) say that, while it doesn't constitute a formal business priority for their organization, they do it when they can. The rest (12%) say advancing women just isn't on their radar.

For the full study visit:

www.ibm.com/thought-leadership/institute-business-value/report/womeninleadership

And so, despite the cultural zeitgeist we're living in, despite the countless studies that prove more diverse teams produce better business results, a priority paradox exists.

That said, I've never been more optimistic that real

progress has begun for women in leadership.

There are already companies who are leading the way. We call them “First Movers”. Making up 12% of the study sample, First Movers have embraced diversity and are enjoying practical benefits, including profitability and revenue growth. They’re serious about unlocking the value that comes with creating an inclusive corporate culture where all qualified employees have equal opportunities for advancement.

What we all as senior leaders can learn from First Movers is the importance of five things:

1. Make advancing women a formal business priority.

If you care about creating more inclusive teams, you must treat this like any other business objective you want to achieve. Start by understanding where you have gaps and where you can make fast progress. Do you have a talent pipeline problem? Would you benefit from investing in programs to keep women from exiting mid-career? Are you challenging your HR and your hiring managers to present the most inclusive slates for leadership roles?

2. Get leaders on board and be accountable for results.

As a leader, if you don’t achieve your business imperatives, you would expect to be held accountable. The same must be held true once your organization identifies the advancement of women as a formal priority. Consider a system aligned to incentives with rewards for meeting or exceeding goals, and consequences for eroding the baseline. If leaders fail to meet their gender-equity goals, it shouldn’t be glossed over, but addressed in a rigorous action plan for improvement.

3. Co-create goals for measurable progress.

Without setting concrete goals, the inclusion agenda can revert back to a “nice to have.” Figure out where you are, where you would like to be and create an aggressive, but fair, timeline. Be clear with your leaders about what success looks like. Hold regular checkpoints to identify where progress is being made and where you have opportunities to improve further.

4. Embrace initiatives and policies to alleviate unconscious gender bias.

Our data clearly demonstrates that gender bias exists in

most organizations worldwide. These biases held by both men and women can impact decisions around things like talent management and even compensation. Luckily, we now have access to technologies, like AI, to conduct objective skills reviews and help reduce the risk of qualified female candidates being overlooked. Mandate that at least one woman be considered on every slate. If she’s not selected for the role, document why so that you can improve your pipeline going forward.

5. Foster a culture of inclusion.

Encouraging, enabling and embracing people to be their authentic, whole selves at work is the cornerstone of diversity and inclusion. We know more inclusive teams produce better business results. This means that organizations create a culture of empathy and compassion where everyone feels comfortable to bring their diverse backgrounds into the office and bring their ideas forward.

Those steps may sound like a lot of work. However, according to the companies that followed this path, it isn’t. In fact, the vast majority reported that this initiative turned out to be easier to implement than most other business efforts.

It’s no longer just about what women can do, it’s about what we all can do. It’s time to move from discussion to action. When we identify what needs improvement, make practical plans, with measurable goals, we can accomplish a lot. With your leadership, your passion for change, we are more optimistic than ever that we will make a difference together.



As Senior Vice President of Digital Sales and Chief Marketing Officer, Michelle oversees all global marketing and brand initiatives, client experience, and runs the digital sales and commercial channel for the IBM company. Michelle brings to IBM deep, customer-centric marketing and operating and leadership experience as IBM accelerates its transformation to an AI & Cloud platform company.



“The OU is the largest Kosher certifying agency in the world.”

Robert Reiss: OU Kosher represents over 800,000 different products, with 8,500 manufacturing plants. Describe the organization.

Rabbi Menachem Genack: The OU is the largest kosher certification agency in the world. We certify companies and plants throughout the world. With today’s global economy, you will find an OU supervisor in the most obscure places in the world. For example, we have field representatives inspecting sesame manufacturing facilities in Nigeria and sodium caseinate production in Tibet. The Orthodox Union also has a program for the deaf and also deals with children at risk. We also help fund another very important OU program, which assists children with disabilities, called Yachad. This program is partly funded by the government as well. We have a mission that’s far broader than just marketing kosher.



The CEO Forum Group selected OU Kosher for the 2019 Transformative CEO Leadership Award in the category of Food as the world’s largest kosher certification agency certifying over one million products worldwide, as well as for Rabbi Menachem Genack’s depth and breadth in leadership.

What does the word Kosher really mean?

Kosher, which is a Hebrew word, means “fit” or “proper.” It means that the food has been produced in accor-

dance with Kosher law. The basic Kosher law is biblical. Much of it is formulated in Leviticus. The most famous kosher law is the one stating which animals are kosher and suitable for consumption. For example, the pig is not an animal which is kosher – to be kosher, an animal must have split hooves and chew its cud. Fish must have fins and scales. These requirements are set forth in the Bible. Over the millennia, kosher regulations have been expanded by Rabbinic legislation and added traditions.

If you look at this even as far back as 1997, many major organizations like Nabisco had over 82 of their products become Kosher. Why was that?

Nabisco produces the most popular and iconic cookie in the United States, namely the Oreo. It was previously not possible for the Oreo to be certified as kosher, as Nabisco used lard in its production. For reasons unrelated to kosher, but simply because of health concerns, Nabisco wanted to move away from animal fat. Many companies eliminated lard and animal fat from production. Nabisco moved to vegetable oil, and that made it possible for us to certify Oreos. One of the reasons Nabisco wanted OU certification for this product is that there's a large segment of the population which is interested in kosher – not just Jewish people.

Kosher is not only tied to being Jewish?

You don't have to be Jewish at all. Being kosher is also for people who, for example, want to know if there's any dairy in a product, because they may be lactose-intolerant. Other religious groups' dietary requirements dovetail with kosher law – for example Halal for Muslims, and dietary requirements for Seventh-Day Adventists. There's also sometimes a conception, accurate or not, that kosher is a higher standard in terms of quality. Some consumers also take comfort in knowing that there is a second pair of eyes checking the plant.

All of these things show how the kosher market has expanded beyond the traditional Jewish market.

Is Kosher healthier or not really?

A Kosher pastrami sandwich and a non-Kosher pastrami sandwich are just about the same with regard to cho-

lesterol and fat consumption. But again, the thing that makes some people more at ease is knowing that there's an extra set of eyes checking everything. If there's a real abnormality in a plant, it may be caught.

In fact, the CEO of Symrise recently told me that his company determined that when equipment undergoes kosherization – a special kosher cleaning – it has a lower rejection rate and it achieves a better consistency, due to the rigorous cleaning that kosherization entails.

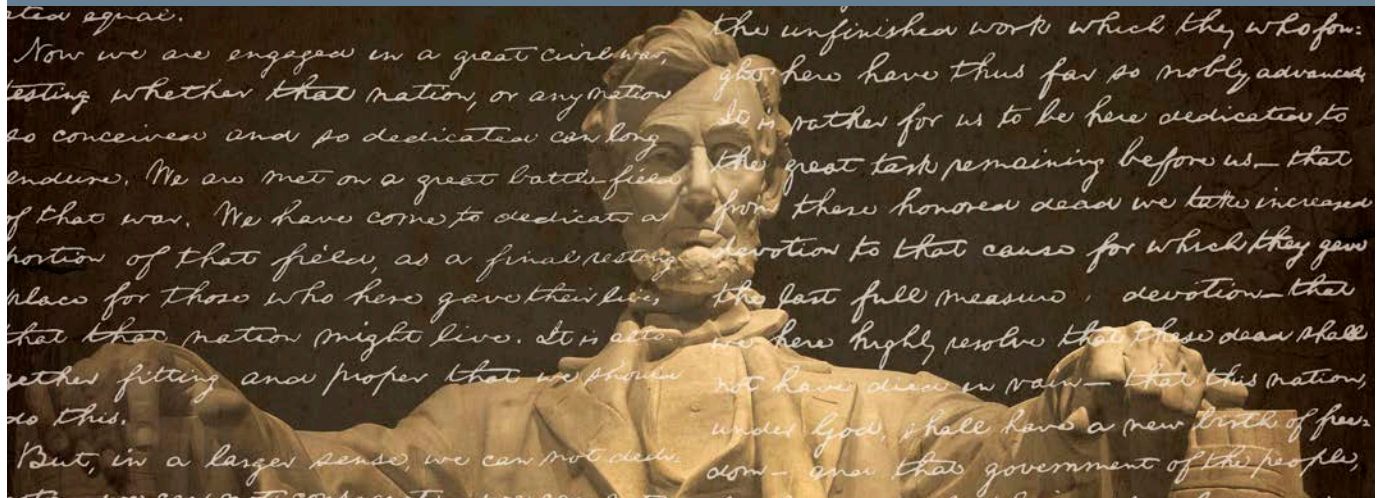
Let's talk about the organization. You've helped grow OU dramatically. Talk about what transformation means to you?

In order to grow, we had to build the infrastructure. First, in terms of our setup, we now have about 70 rabbis working in this office in administrative roles and significant additional support staff. When I came to the OU, there were only one and a half such positions in existence. We had to build an organization, create different management levels, and be credible to others in terms of decisions made. And in terms of kosher law, this meant bringing in people who were real experts in the field, people of international renown. When people ask, "Who's the person you are relying on for this and this decision?" I could cite those people. As the organization grew, we had to create an entirely new specialized computer system to manage the expanding kosher demand.

What's really interesting is you joined the organization in 1980 and you have really led the organization and became CEO formally for 37 years. Out of 750 CEOs I've interviewed, I'm trying to think of any who have made it 37 years in the position. If there was anywhere that you gained your inspiration for leadership, where would that be?

The leader that I think about in terms of who epitomizes a leader is Abraham Lincoln.

"One of the qualities about Lincoln and his leadership, something that we should think about today in American leadership, was his extraordinary humility."



Actually when I look near your desk I see Lincoln's face and a letter below it.

I'm a very big fan of Abraham Lincoln. That's a letter that Abraham Lincoln signed himself. Lincoln was president during the most difficult time in American history; during the Civil War, when three quarters of a million Americans on both sides, North and South, were killed. No one except for Lincoln could have saved the Union, and he did it through the quality of his character, the inspiration of his prose, and his extraordinary management ability.

What's a story about Lincoln that resonates with you?

I think one of the most remarkable qualities about Lincoln and his leadership, something that we should think about today in American leadership, was his extraordinary humility. Lincoln only had eleven months of formal education, but he wrote the greatest speeches in American history. Although he was clearly a genius, he always empowered others to do things as well. His humility is evident in the Gettysburg Address, where Lincoln says, "The world will little note, nor long remember what we say here." Now, that was a very poor prediction, because of course, the Gettysburg Address is the most famous speech in American history. Lincoln captured the essence of America in the two minutes it took him to deliver that speech. That humility marked him in many different ways. After the Battle of Vicksburg, Lincoln wrote a letter to Grant saying, "When you got below, and took Port-Gibson, Grand Gulf, and vicinity, I thought you should go down the river and join Gen. Banks; and when you turned Northward East of the Big Black, I feared it

was a mistake. I now wish to make the personal acknowledgment that you were right, and I was wrong." When Lincoln finally found the general who had the courage and the strategic vision to win, Lincoln gave him complete authority and complete support. Grant had many naysayers, but Lincoln was always there to back him.

I know a lot of people said, "Well, Grant drank a lot of whiskey." Lincoln's response to that was?

His famous apocryphal response was, "Find out what brand it is; I want to send a barrel to each of my generals."

On the Gettysburg Address, Everett spoke before Lincoln and he spoke for two hours.

Right, and afterwards in a letter, which meant a lot to Lincoln, he acknowledged that, "I think that you captured in your two minutes the essence of the day better than I did in two hours."

Talk about your own leadership philosophy.

I'd like to think that what we've done here is, first off, empower the people who work here to take initiative to achieve their goals, and to create an environment in which they appreciate that we're mission-driven, so it's not just the business. It's also about supporting the different programs that the OU is associated with. During Hurricane Katrina, for example, the OU put together teams of young adults to go down to New Orleans and help in the clean-up. We collected over a million dollars to help rebuild New Orleans, and we were credited by the Clinton Foundation. We have a letter signed by President Clinton in recognition of the work that we did.

“I said to Bill Clinton, ‘But the Bible tells us, and scripture tells us in Proverbs, where there’s no vision, the people perish.’” Clinton said, ‘You know, I like that line. I think I’m going to use that in my acceptance speech at the convention.’”

Sharing this sense of mission, and also making sure that what we do, we do with integrity – those are the qualities that I look for in terms of people working for the OU.

What was the challenge you faced in helping to build and strengthen the organization, and a lesson that you learned from that challenge?

One of the challenges that we had was simply keeping up with the growth of the OU and its global reach. When I first came to OU, most companies were using domestic suppliers for ingredients. Now, because of the global economy, we have ingredient source plants all over the world. For example, an ingredient that’s commonly used in many foods is sodium caseinate, which is a milk protein. Companies were looking all around the globe, both because of supply and price. After the Soviet Union collapsed, they started looking to Eastern Europe because there were numerous communal farms, organized under the Communist system, with thousands of cows, where there was easy and inexpensive access to large amounts of milk, from which sodium caseinate could be extracted efficiently. But companies then began looking further, and ultimately the Far East and China came into play as a dairy protein source. We sent people at the time to the top of the world, to Tibet, to supervise the milking of yaks and the production of sodium caseinate from this milk.

You mentioned Bill Clinton before and you actually wrote a book, “Letters to President Clinton.”

Correct. I became very friendly with President Clinton the first time he ran for president, when he was still Governor Clinton. I introduced him at an event where I spoke about leadership. I said that what a leader has to provide, ultimately, is a vision. President H.W. Bush, in reaction to a Time Magazine article criticizing him for



his lack of vision, famously responded in exasperation, “Oh, that vision thing...” In introducing Bill Clinton, I cited a verse in Proverbs, “Where there is no vision, the people perish.” Clinton told me, “You know, I like that reference. I think I’m going to use that in my acceptance speech at the convention.” At the time, I thought he was joshing me, but in fact, he did incorporate this verse into his acceptance speech. If you look back at the speech, you’ll see that this was its rhetorical pivot and the theme which he kept coming back to, “Where there is no vision, the people perish.” From that point on, we started a relationship and a correspondence about themes of leadership in the Bible that continues to this day. Ultimately, I collected some of these letters into a book – and President Clinton wrote the introduction.

People will be surprised to learn that he is extremely familiar with the text of the Bible. Mr. Clinton is a Southern Baptist, and I guess this is an odd couple – the Southern Baptist and the Orthodox rabbi!

When you think about the Bible, what is it from the Bible that you think CEOs could learn?

I’m going to come back to humility again. You don’t have all the solutions. You’re going to inevitably make mistakes. As a matter of fact, in the time of the Temple,

“For CEOs, don’t be wedded to a terrible decision. You have to be flexible, to change course.”



if a person committed a sin, he brought a sacrifice. However, there was a special sacrifice for the leader, and the Talmud makes a play on words about this. There's a verse which states, "When the leader will sin." But the Hebrew phrase has a double semantic. It means, "when," and it can also mean, "lucky," or "fortunate." The Talmud says, "Fortunate is the nation where the leader acknowledges his sin."

That is the attribute of humility. First of all, CEOs should not be wedded to a bad decision. You have to be flexible to change course. Different people have different perspectives about things, and you must take that into account. As a matter of fact, the Bible says in Deuteronomy, that the king would need an extra Torah scroll to carry with him all the time, "Lest he feel elevated from all the people." In other words, he has to be one of the people.

The other day, we had a delegation from Coca-Cola here, and one interesting thing I found out was that the new CEO of Coca-Cola doesn't wear a suit. He's very informal, and he eats his lunch in the cafeteria with everyone else; he's one of the people. You have to find the right balance, you have to listen and to be part of the people – ultimately, the decision is yours, but you have to

find the right balance.

Let's talk about OU and the future. What do you see the real future of Kosher being?

As I mentioned, the food industry is undergoing rapid expansion, both in terms of sources of production and new technologies. So, first of all, we have to go where the food production is, and grow further in these areas. This also means that we need to continue to hone the technology that's necessary to support this trajectory. We have pursued this and have created a state-of-the-art digital program, so that our client companies can go on to their computers and see which kosher ingredients are available around the globe. We have an enormous inventory of ingredient resources for our clients. This helps companies locate the ingredients and get information for virtually any question they might have. Our online program also provides our clients with instant access to their letters of certification, 24/7. It is an intensely secure system that has set the standard for kosher information technology.

Do you think that digital can positively impact Kosher?

Absolutely.

Let's talk about what your hopes are for how the world changes over the next few years.

The culture of the OU must combine two components, the efficiency of a business, and the sense of mission stemming from our religious and communal interests. In order for all of us – the human community – to succeed, we need understanding and to be able to cross over borders. This is something which is extraordinarily challenging now in the world. The crises that we have in North Korea, and in so many different places like Iran, are very, very frightening. For us to succeed as a human race, the capacity to understand other cultures and deal with other people, is important – not only in business, but equally in terms of human interconnections.

On that note Rabbi Genack, I would like to thank you. It has been a pleasure having you on The CEO Forum.

Robert, it's a pleasure.



*Rabbi Menachem Genack and Robert Reiss.
Interview aired: July 02, 2017.*

Rabbi Genack has served as the Rabbinic Administrator of the Orthodox Union's Kashrut Division since 1980, overseeing the certification program of some 9,000 food production facilities in 98 countries around the world. In addition, he teaches at Yeshiva University.

He is a close disciple of Rabbi Joseph N. Soloveitchik, from whom he received ordination and has published nine books about Jewish thought and law.

Rabbi Genack is a member of the Board of Trustees and Professor of Talmud at Touro College, from which he received an Honorary Doctorate in 1998.

He was founding Chairman of NORPAC, a pro-Israel political action committee that has grown to be the biggest pro-Israel PAC in the country.

Rabbi Genack and his wife, Sarah, are proud parents and grandparents.



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To learn more, email Robert Reiss directly: robert@thecforumgroup.com

Follow the Leader. Which one?

By Nancy May, President and CEO, BoardBench Companies



I doubt that anyone was ever born a lead dog. No matter how high we've risen, at some point in our lives we chose to follow, observe or learn from someone else. Usually, we chose someone who we believed had one or more admirable qualities. But "admirable" doesn't necessarily mean it's a beneficial trait nor that it should be imitated. Which brings us to the words "brave" and "courageous."

I recently overheard a discussion about "brave" and "courageous" business leaders. I had always thought that they meant one and the same. However, my research proved otherwise. Even experts (and some who write definitions) conflate them. In fact, they're really quite different, which can have serious implications for those who follow.

Someone who is brave does things that are difficult or dangerous but shows no fear in such situations. Admirable, don't you think?

"Courage," on the other hand, is a quality shown by someone who decides to do something difficult or dangerous, even though they may be afraid. More simply: brave people do tough things because they have no fear; courageous people do tough things despite their fear.

Followers look to leaders who they believe can get them somewhere they couldn't get to on their own. Now, who would you prefer to follow: a leader who is always brave, or a leader who shows courage when it's needed? Before you answer, consider the following:

Brave leaders charge into the enemy's guns. Courageous leaders think it out before advancing.

Students of the Civil War can rattle off the names of au-

dacious but ultimately incompetent generals who drove their troops bravely at the enemy's lines -- usually futilely and fatally. Some prevailed despite doing so; many did not. Those generals who looked for weaknesses to exploit, flanked the enemy, took entrenched positions and lured their opponents into attacking them (which is pretty courageous), usually came out ahead. Pickett's charge is still praised for its audacity and bravery. Others consider it to have been an act of stupidity that led to Lee's losing the battle, and ultimately, the War.

Brave leaders *defy* the odds.

One can think of them as having "pluck" (or moxie, gall, nerve, daring, etc.).

Courageous leaders *study* the odds.

They know the job will be difficult and would prefer not to do it. But in the end, they clench their teeth, move forward and get the job done. They have an indomitable spirit, otherwise known as "grit."

Brave leaders don't think about failure.

They don't hate the idea, they just never entertain it.

Courageous leaders always think about failure.

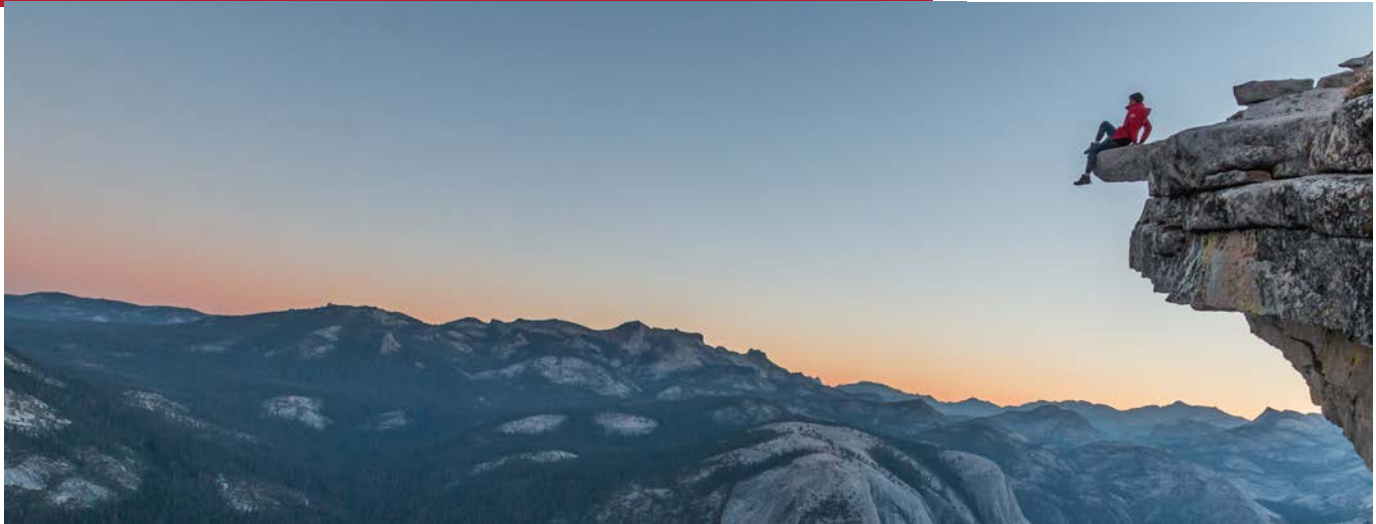
They hate the idea, but they proceed in spite of it.

Brave leaders move forward with confidence.

Often they move with little regard for what's ahead. They seem to rely on luck. But, as with Russian Roulette, pull the trigger enough times and your luck tends to run out.

Courageous leaders assess what's ahead.

They calculate the odds and then try to improve them. They move ahead when they believe that doing nothing, giving up, or giving in can be much worse than failure.



They rely on their wits to get through “hopeless” situations, and hope for a bit of luck in the process.

In business, bravery, while admirable in the eyes of many, isn’t necessarily synonymous with morality or good intent. Martin Shkreli, an otherwise extraordinary serial entrepreneur, CEO and founder of multiple businesses, displayed outrageous daring by acquiring the license for and raising the price of Daraprim by 5,600%. He then went on to mock and taunt the congressmen who hauled him in for questioning. His pluck and luck ran out when he acquired a seven-year prison sentence for bravely defrauding investors. I’m not sure how many of his followers got to where they wanted to be.

Another example of overzealous bravery, which persists to this day, can be found in Elizabeth Holmes, the former darling of the media and world leaders and ex-CEO of Theranos. Her story is still unfolding, and unraveling. Hundreds of her followers, employees, board members, and investors have yet to recover from their associations with her.

As for courage in the C-suite and boardroom, PepsiCo’s Indira Nooyi spent two years fighting off a high-powered and justifiably feared activist intent on breaking the conglomerate apart. I’m not sure what her state of mind was at the time, but she certainly prepared well for the fight by ensuring that Pepsi’s business strategy was sound, aligning her allies including board members, management and outside advisors, and building a strong story for shareholders in case of a proxy fight. Her tactics showed wit, while her continued resistance and carefully thought-out negotiating strategy proved

she had the grit to survive the fight and keep the company intact.

Bottom Line

For you leaders and aspiring leaders, remember what I said before. People follow leaders whom they admire and trust to help them achieve their own interests. Self-sacrifice is rarer than many would want you to believe. Many people are willing to die defending their homes and families. But few (if any) would do the same for their companies or CEOs.

People may admire bravery but don’t want to suffer for someone else’s recklessness. They would rather embrace leaders who, like them, have fears and doubts, and the courage to take the best path forward for everyone.

For those who would rather follow: should you follow the leader who gets ahead through pluck and luck, or the one who gets there through grit and wit? Choose wisely. Both may take you to the top with them, but one will be more willing and likely to lead you off a cliff.

Nancy May, President and CEO of The BoardBench Companies has been cited in Forbes as one of America’s governance experts and is Host of the respected Boardrooms’ Best podcast. 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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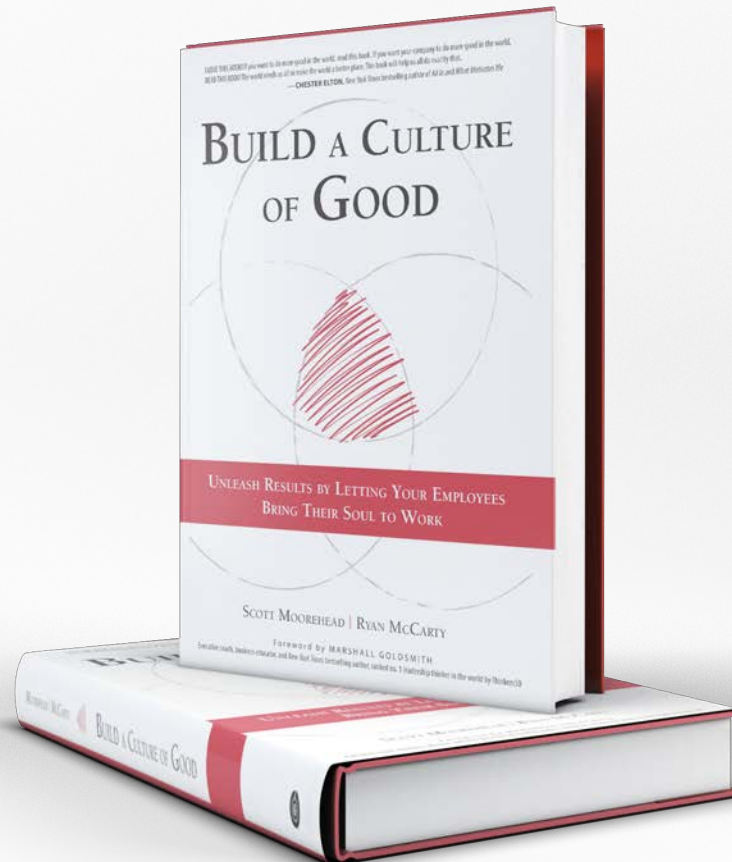
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“It was evident that there were tens of billions of dollars of market opportunity being a telecommunications provider.”

Robert Reiss: Let’s start out in 2007. What was happening?

Bill Stemper: In 2007, Comcast was a cable provider to residential homes of T.V, internet and phone services. But if you think about what Comcast had as a resource – fiber optic services deep into the communities with the coaxial kind up and down main street. It then went into businesses or was near businesses. At that time it was evident that there were tens of billions of dollars of market opportunity being a telecommunications provider, and we have a lot of network resources to go after that.

So, in 2006 and then turning into 2007, the decision was made – let’s start using this and bring telecommunication services to businesses. The first phase was a small business. We would provide an internet access speed at the time maybe up to 10 or 20 megabits, significantly faster than any competitor. Businesses that were in need of a handful phone lines and then an important, strong, better internet connection ... that was a small business. That was the business that we are going after.



The CEO Forum Group selected Comcast Business for the 2019 Transformative CEO Award for Leadership in the category of Telecommunications for their visionary work for large-scale corporations with multiple locations.

“With our services being the newest technologies, our services scale, so as you might double your need, your cost side might only go up by 20%. That would get attention. That would allow us to have a good discussion afterwards..”

In 2007 we formed an organization, brought in sales people, brought in care people, trained technicians, did all those kinds of things. Just started to go to market, and our footprint and Comcast covers 47% of the United States.

47% really. That’s got to be one of the highest numbers.

It is. It’s a wonderful resource to have. It’s really the largest coverage of a network footprint of that type of capability of fiber and coaxial with its speeds. We started that business and really went after the small businesses. Why? Because a small business is a lot like a complex residential customer.

How does a company like Comcast get their heads around something they haven’t done before? Business to business.

Telecommunications companies go after all size businesses with all sorts of sophistications, but how do you capture the hearts and minds of the – at the time – 100,000 Comcast employees? And the senior leadership and Board of Directors? It has got to be believable. Not only was going

after small business believable and made sense, but it was a \$13 billion opportunity that we hadn’t penetrated.

That’s really all we talked about for the first four to five years, small business examples I just talked about. As we started to make good progress and build a brand, and began to really have that reputation, it was logical to add much more complicated services that larger, regional businesses and their CIO always would understand. Significantly more complicated than what a small business used. We started to offer fiber based services, real heavy networks between computer centers and headquarters, the distributions centers. Healthcare being so regional as they are with all small locations for doctors and outlets. They have hospitals, they have data centers, they have imaging centers. Needing all that together is very complicated.

We started to serve those businesses maybe around 2010. Then in 2015 and 2016, it just started to grow and our capabilities and skills grew. That’s when we started to turn and say, “We can really serve now a business with locations anywhere in the lower 48 states.” Not only with our footprint, which is richly almost half of the U.S., but





“The Cloud is the source. The location is the destination, and it’s how you get between those two. That’s what we enable.”

in cooperating with other cable companies or telcos. We could be their service provider as an alternative to the traditional telecom telephone company.

That’s a big leap from the small companies that are like the extended families to the Fortune 100s.

Right, but it was a logical way to do it, because we could go to a small business and they could appreciate our brand could serve it up. Then when we built that up going to the larger, the more regional businesses. We had reference-ability and prove-ability that we could serve their needs. Then, when you go to a Fortune 100 company, most are made up of lots of small locations. Some mid-size locations wherever they are, and then your headquarters and types of major corporate locations. It just fit together and was logical, and we were able to follow that road.

Right now you’re a major provider to the Fortune 100 through 500, and at what point did that become a core part of your business?

It was around 2015, 2016 where we felt we were ready and able to really go in front of CEOs of the largest companies and have credibility, and have confidence that we could

bring them a solution that they were never able to get from the traditional telecom providers. We are really a wireline fiber and coaxial company. A number of the traditional telecom providers are really wireless companies. We have stayed to something that is really core and needed, and that is high speed, reliable internet or data services into locations. And yes, they want voice. And yes, they need Wi-Fi. And yes, they need these other things, but the backbone of our relationship begins with that data connection.

We saw that we had, again, prove-ability, and it was believable, so that in a short discussion with the CEO, we could get their attention and we could then have a proper discussion and begin to explain who we were.

To a CEO, what was the real message?

You have thousands of small locations that make up your company. If you’re a bank, if you’re a quick service restaurant, most industries. That is our bread and butter. We have made our career and our success by breaking through and serving a need better than it ever had been done in a hundred years to small locations. We can do that for a thousand or tens of thousands of locations throughout the United States and give you capabilities at a price point equally important as those capabilities.

Meaning, I grow and I need more bandwidth. I have more applications. Now I need the infrastructure to grow. The infrastructure costs more money. Traditionally, if that

sort of thing doubled, your cost structure doubled. With our services being the newest technologies, our services scale, so as you might double your need, your cost side might only go up by 20%. That would get attention. That would allow us to have a good discussion afterwards.

If a CEO wants to become involved with Comcast Business, where would they go?

We have a large organization, sales folks, and we are digitally connected. So, through our website, through me directly. It's easy to reach us. We have a great team for the Fortune 100 that are out there. If you are listening to this and paying attention to this, we have somebody dedicated to your business first and foremost. And if you're not sure who that is, you call me and I'll have you there in 10 minutes.

And that is call Bill Stemper at the general number at Comcast, and we're not giving away your personal phone number to 600,000 listeners. You could go to the Comcast website as well.

Absolutely.

I know you're very humble and you care about the team deeply and viscerally. Now you're working

“Think about the doctors at home who are reading radiology at night instead of being in the offices, and the patients that are in these systems and the experience they have, all the way down to the TV experience in the room.”

with a lot of different industries. Talk about Taco Bell.

This whole digital world and internet world and businesses are trying to make themselves more successful by how they reach their own customers; this is an exciting place to work, number one. Everybody is trying to break through and keep up with their competitors. And if you take a company like Taco Bell with 6,000 to 7,000 locations around the United States, just staying there, what are they trying to do? They're trying to make themselves more relevant than any of their competitors. The whole digital world of mobile ordering and mobile pick up and things of that sort. All of that can be delivered from the web, through the Cloud, to these phones. These organizations are constantly updating and upgrading their menus and all that goes into how you take a staff and bring them along, so that the day of launch, they have this perfect.



‘And you allow people to say, ‘It doesn’t make sense or it makes half sense, but I think...’ Then, more importantly is, in that moment, wherever it goes, let it take you.’

You’re really a Cloud company?

Yes, absolutely. The Cloud is the source. The location is the destination, and it’s how you get between those two. That’s what we enable.

What do you do in healthcare?

You think about a healthcare organization, a hospital system of dozens, if not hundreds, if not thousands, of locations often geographically-centric, and how you bring them together. Fiber optic capabilities between their data centers and their radiology centers? How the outlets where the doctors might be located are tied in with high-speed internet. Think about the doctors at home who are reading radiology at night instead of being in the offices, and the patients that are in these systems and the experience they have, all the way down to the TV experience in the room. About how Wi-Fi plays in that. Today, it’s a world of bring your own device, the iPad, the iPhone, more, and more. It’s about how we bring all that together for the users, the patients, the families that are in these situations. We knit that all together for that system.

The company grew from zero to about an \$8 billion run rate. How would you define your leadership philosophy?

From a philosophical point of view, I’m a big believer that you need a broad group of people. Nobody can do it themselves. I like to say from a vision, a belief, a grid, this is achievable. I focus a lot in trying to make sure I’m square there. How you do that, how you pull that off, there’s never one right way, and there are a lot of wrong ways.

To me, it’s how you build the organization and the team around you, that they exist for that vision and they themselves will be taken care of fine.

When I’m in a meeting, what’s a lot of fun is, I’m never short of an idea going into a meeting. And I always leave that

meeting so much smarter, because whatever I might have thrown on the table or anybody might have thrown in the table, it got plussed up by this input and added to. It might have even gotten blown up by this very important point, and we restarted. We always leave that meeting enthused, ready to go and we’re all smarter than when we started.

How do you do that?

You do that by allowing it to happen, first and foremost.

Is that just getting out of the way?

Oftentimes it’s saying, “Here’s what I’m thinking. I don’t know if it makes sense. What do you think?”

And you allow people to say, “It doesn’t make sense or it makes half sense, but I think” Then, more importantly is, in that moment, wherever it goes, let it take you. If the organization knows that’s how we make decisions, we’re not afraid to be bold and combative. We’re not afraid to plus up. We’re respectful about how we’re dealing with people, and we’re relentless at what we’re trying to achieve. You do that again and again, then people feel comfortable that way. They don’t mind saying, “Bill, that’s the dumbest thing you ever said,” and that has happened. I would sure like to not launch the dumbest thing I ever thought of. So, if you act that way and practice that way, it just comes out.

I know you’re faith-based, and it’s clear that you really care about people. Even though I’m interviewing you here, you’re very humble at heart.

Well, I was fortunate in my upbringing to spend a lot of time in sales or in service and with the frontline and with customers. It’s said all the time, the books say it all the time, but the fact of the matter is, the more you understand what’s really going on with the frontline, it blows away a lot of the noise and what’s in the way of making a decision. When we’re in a room with my colleagues, that’s good. That’s very effective and 8 out of 10 times, it’s perfect.

So many times you just sort of say, “Wait a second, we have to get that frontline rep or that frontline care agent and find what is really going on.” And all the sudden, a whole bunch of noise just flows away, and you can go right into a narrower set of decisions. Engaging and having a

Bill Stemper

President Comcast Business

“So many times you just sort of say, ‘Wait a second, we have to get that frontline rep or that frontline care agent and find what is really going on.’”

short string to that frontline is key.

We worked really hard to have as few levels as are practical between senior leadership and the frontline so that there are few artificial barriers.

But what’s the future look like to you?

It’s an unbelievably exciting area to be in, and it is really just beginning. Yes, we’re on the road to \$8 billion, but the market opportunity is enormous. More importantly, how businesses are looking to use technology, and harness it, and come up with more ways to use it competitively, grows that opportunity. And we’re right in the middle of it. So whether it be the internet connection we bring, the phone service capability that integrates, you’re in the office, or I’m on the mobile, or I’m in global travel, it makes it look like we’re at work.

We bring in Wi-Fi capabilities, so that if you’re in a restaurant you have the private Wi-Fi to run your operation, and you have a great public Wi-Fi for the patrons, so that you help, first of all, give them a service, but also market to them and help them. It just is growing with the speeds that people need for these services. We’re fortunate to have the technology that is just going to stay with it, if not stay ahead of it.

And there you have it, Bill, a pleasure having you on the CEO Show.

Robert, it’s nice to be with you.



Bill Stemper and Robert Reiss. Interview aired August 11, 2019.

William R. Stemper serves as President of Comcast Business. In this role he oversees Comcast’s business services division, the unit of Comcast Cable that provides businesses of all sizes with advanced telecommunications solutions, including Internet, Ethernet, voice, video, and other value-added products and services.

Named “Ethernet Industry Person of the Year” in 2014 by the Metro Ethernet Forum, Bill has more than 30 years of leadership experience and a record of successfully delivering high-value solutions for business customers.

He previously served as Vice President of Cox Business Services for Cox Communications in Atlanta. Bill also held key executive positions for AT&T Corporation that focused on serving the needs of business customers in the United States and Europe.

Bill holds an MBA from the University of Pennsylvania’s Wharton School of Business and a B.S. in Electrical Engineering from Marquette University. He and his family reside in the Philadelphia area.



CEO Event GREENWICH POLO CLUB



The Luxury Marketing Council of
Connecticut-Hudson Valley
Celebrates

Family Polo Day



Photos from Family Polo Day 2019: Top: Robert Reiss, Molly Reiss, Kathryn Minckler, Victoria Lloyd-Williams, and Daisy (Credit: Mimi Nickerson); Left: Emily Sullivan and Susie Copley; Right: Kathryn Minckler and Federico Tozzi; Bottom: Craig Trainer, Steve Feldman, Leonard Steinberg, Ron Shemesh, Shelly Tretter Lynch, and Hugh Owens. (Credits: Cara Gilbride for CT C&G)



The Luxury Marketing Council of Connecticut-Hudson Valley's Fifth Annual Family Polo Day, in collaboration with The Italy America Chamber of Commerce, was held at The Greenwich Polo Club this summer. Over 300 people attended the event and enjoyed an art show produced by C. Parker Gallery, an array of seasonal food and beverage samples and fun children's activities in addition to a thrilling polo match that went into overtime.

Kathryn Minckler, Founder and Chairman of The Luxury Marketing Council of Connecticut-Hudson Valley, remarked, "Our Family Polo Day continues to be a favorite event as we celebrate the luxury of family and friends as part of fun, unique Greenwich experiences where members showcase products and services."

Alberto Milani, President Italy-America Chamber of Commerce New York, added, "We believe Greenwich hosts one of the most prestigious polo competitions in the United States. The Luxury Marketing Council's Family Polo Day is getting bigger and better every year. The Italy-America Chamber of Commerce New York is proud to showcase Italian excellence, tradition and sportsmanship with our members."

"Family Polo Day is a must-attend event every year for Renovation Angel. It's a superb place to network with professionals and consumers in the luxury world," said Steve Feldman, Founder and CEO of Renovation Angel.

Lead sponsors of this year's event included Smallbone of Devizes and Shelly Tretter Lynch/Compas. Smallbone of Devizes and sister company Mark Wilkinson Furniture, the world's finest kitchen and home-furniture artisans, hosted the VIP section at the Family Polo Day.

VIP Area Design Services were provided by Grayson De

Vere luxury interior design.

Media Sponsors were The CEO Forum Group, Connecticut Cottages & Gardens and Venü Magazine.

The Luxury Marketing Council is a by-invitation-only, business-building, revenue generating networking organization for CEOs and senior sales and marketing executives, that is recognized as the global thought leader in luxury markets. Worldwide, The Luxury Marketing counts as members more than 1,000 luxury brands, with some 5,000 CEOs and CMOs.

The Connecticut-Hudson Valley Chapter is located in Greenwich, Conn. with approximately 70 members, representing a diverse cross section of leadership in the luxury market.

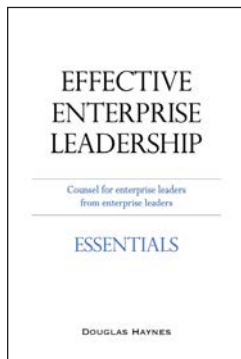
The Chapter provides members with introductions and a private communications platform as well as thought provoking monthly events, at which marketing alliances, collaborations and jointly-sponsored partnerships and collaborations are incubated and facilitated. Experts in the luxury arena present valuable, relevant, proprietary research and trend data, and members network with peers in a setting that encourages learning, collaboration and the sharing of information and experiences.

Founded in New York in 1887, The Italy-America Chamber of Commerce (IACC) is an independent, private, not-for-profit U.S. Corporation devoted to fostering trade, tourism, investments and economic cooperation between Italy and the United States.

For additional information, please contact Rebecca McLean at Rebecca@lmccthv.com.

CEO Library

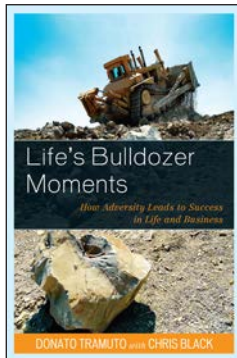
“One of my favorite quotes on learning is from Julia Child, ‘You’ll never know everything about anything, especially something you love.’ My love has been learning about business models and success, where I have read over 1,000 business books; following are three of those which I believe can be of great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



Effective Enterprise Leadership by Douglas Haynes

“I’m tempted to say this book was long overdue, but the truth is that it couldn’t come at a better time. Rich Karlgaard makes a commanding case against the wunderkind ideal, in favor of recognizing that late bloomers often prove to be the most radiant. If you’ve ever known someone who was overlooked or underestimated – or been that someone – you’ll immediately appreciate the importance of this message. Reading it is an utter delight.”

—Adam Grant, *New York Times* bestselling author of *Originals* and *Give and Take*.



Life's Bulldozer Moments: How Adversity Leads to Success in Life and Business by Donato Tramuto and Chris Black

Donato Tramuto felt bulldozed by life as a child when he lost most of his hearing to an ear infection that left him isolated. A succession of tragedies rocked his world, including a last-minute decision to change his flight out of Logan Airport on 9/11 on the same LA-bound flight that claimed the lives of his close friends. In this poignant and penetrating book, Tramuto, a successful health care entrepreneur and global philanthropist, recounts the business and life lessons he learned and shows that adversity can lead to success. He shows anyone bulldozed by life how to pull themselves out of the rubble, dust themselves off and find meaning and purpose.



Trailblazer: From the Mountains of Kashmir to the Summit of Global Business and Beyond by Farooq Kathwari

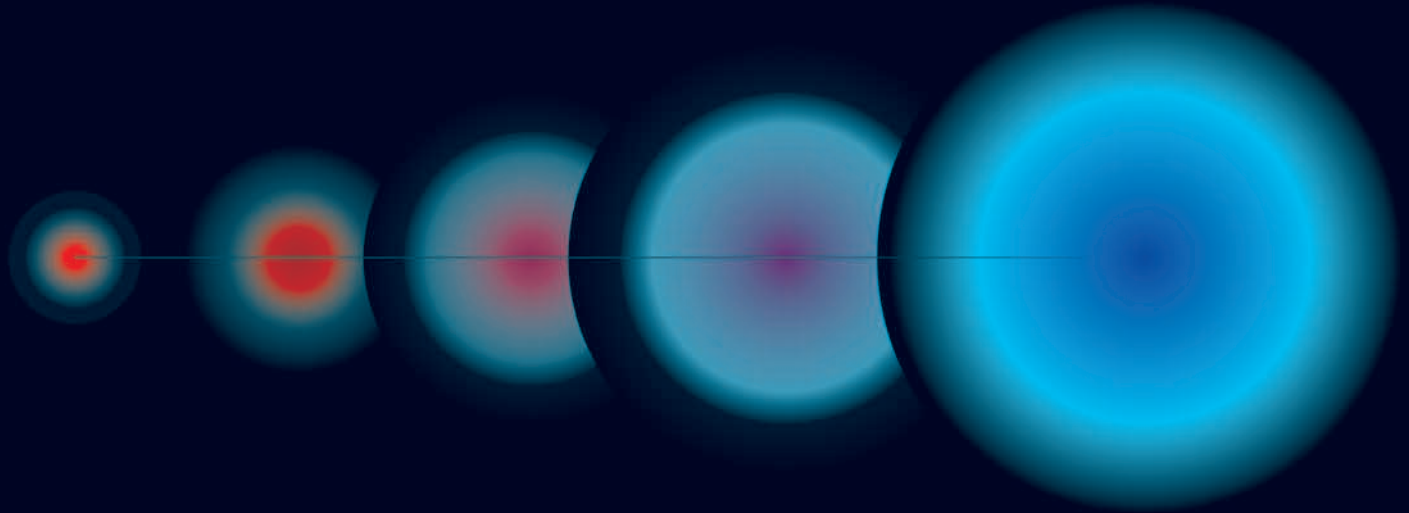
Farooq Kathwari’s extraordinary life began in politically divided Kashmir, where his family was separated by government decree. He had to leave home as a refugee, helped his mother survive shock therapy, joined student activists in street demonstrations, and faced down a gun-wielding security officer – all by the age of seventeen. Forced to become self-reliant, Kathwari journeyed to the United States, talked his way into a bookkeeping job, and earned a degree from NYU graduate school. He launched his first entrepreneurial venture selling Kashmiri crafts out of his Brooklyn apartment. When Kathwari’s best customer, the iconic furniture maker Ethan Allen, needed fresh leadership, he was asked to become its president. He transformed the company and become one of America’s most successful – and admired – CEOs

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