

Keynote speech delivered by Leslie Mayer to the Technology Resource Alliance

## **THE MAKING OF A CEO: THE SECRET INGREDIENT**

Good morning. I want to thank the Technology Resource Alliance for the opportunity to speak with you today...and for the fun I've had in putting together this speech. There is so much being written about leadership these days that I hope to avoid rehashing conventional wisdom and, instead, to offer you a fresh perspective on entrepreneurial CEOs.

The main thing I want to leave you with today is the notion that, in my opinion, the **most successful CEO is someone who creates his or her own personal brand**. What do I mean by brand? Well, I'd like to answer that by reading you something that you've probably never paid attention to--It's the label on a bottle of Coke.

**CARBONATED WATER...HIGH FRUCTOSE CORN SYRUP AND/OR SUCROSE...CAMEL COLOR...PHOSPERIC ACID... NATURAL FLAVORS...and CAFFEINE.**

*So: where's the "SECRET INGREDIENT?"*

We all know there is one, right? We've been told since we were kids that there is a secret ingredient that is the key to Coke's success...that makes it different from Pepsi and RC and all its competitors. So where's the "secret something" that makes Coke different and unique?

Actually, if you've heard the complete urban myth about Coke, you know that it was invented as a syrup by a pharmacist in the 1890s and that it originally did have a "secret ingredient": cocaine...(or at least extracts from leaves from the coca plant). Well, no wonder people liked it!

And you've heard that the coca ingredient was removed in the early 1900s but that some other secret ingredient was added that produced the unique flavor. To this day, I've heard that there is still a "secret recipe" locked in a safe somewhere in Atlanta.

But where in that list of ingredients I read to you is the mysterious "secret ingredient?" It doesn't say "secret ingredient" anywhere on the label....but it must be in there, right? Aha! you say. Coke's obviously not going to reveal its secret, so it must be hidden in there under the category they call "natural flavors." A lot of so-called experts are sure they know the secret ingredient – many, for example, say that it's a touch of vanilla or maple extract. Others say

it's some other substance that has no distinct flavor of its own, but that changes the flavor of the other ingredients when it interacts with them.

And a lot of people say, "I don't know what it is, I can't put my finger on it...*but I sure know it when I taste it.*"

I don't want to beat this metaphor to death, but I should note that if you read a Pepsi label, you'll see just about exactly the same ingredients. In the same order. Including the mysterious category -- "natural flavors." So Pepsi and Coke have a lot in common.

As a matter of fact, they have most things in common. And I don't know if any of you are experts at label reading, but the sequence in which a product lists its ingredients reflects that *amount* of the ingredient that's used. So when both Coke and Pepsi start their lists with "carbonated water," that's because there's more carbonated water in there than anything else. And you'll notice that in Coke, our mysterious "natural flavors" comes near the end – meaning there's not even a large amount of those ingredients **in** the product.

Think about that for a second. What this means is that there's not a lot of difference between Coke and Pepsi...**but that the small things that differentiate them are very important things.** And what is it that differentiates Coke? Its **BRAND.**

I firmly believe that this is every bit as true when we look at successful entrepreneurial CEOs...that we get more mileage out of looking at what distinguishes them from others than from comparing those things that they supposedly have in common. Remember that I spoke about CEOs and personal brand? This is where we really start to see the "natural flavors" of outstanding leaders.

Now keep in mind that this is easier said than done. Because when you look at the CEOs "ingredients list" – their education, their technical credentials, even their experience and prior career path – they often look pretty much the same.

And, for that matter, the basic ingredients of their job descriptions are also pretty much the same. I'm sure all of us would agree that the CEO functions as an enterprise's **head visionary, mission-maker, objective-setter and team-builder.** To external audiences like investors or analysts, the CEO is the chief articulator of the enterprise's strategy, chief broadcaster of its successes, and chief apologist if it falls short. To the Board, the CEO is the enterprise's main leverage point and communications pathway to and from its management. And, yes, to both internal and external constituencies, the CEO represents *the face of the enterprise, serving as a symbol...a model...a BRAND.*

Let's look at it a different way:

Maybe we can describe our CEO ingredients – and find that elusive “secret ingredient” – by describing a bunch of traits:

Ready?

*Task-focused charismatic detail-oriented inspirational theoretical practical strategic consensus-building hands-on trouble-shooting motivational self-actualizing visionary figurehead delegator....who lives within the paradox of shaping the course, staying the course and preparing to change the course as the landscape changes.*

I don't know about you, but this still really doesn't do it for me. I think all these things are true...but again, they sound like things that a lot of CEOs have in common...not like what differentiates them.

As a psychologist and CEO coach, I'm often called upon to understand and articulate what goes on in the minds and hearts of successful entrepreneurial leaders. But I confess to you: there are a lot of times when I do my best work by putting my rational lens aside and just...*savoring the flavor.*

I must say that I've run into a lot of CEOs who are impressive in many ways but who left me feeling cold and empty on a personal basis. But with other top leaders, I walk away with my nerve endings on fire! These people radiate an energy – *A SOMETHING* – that juices up everyone around them. Every time I see leaders like this, they seem to grow more in stature – and, curiously, I seem to grow more, too. This much I know: These top leaders...top inspirers...top motivators *want me to get to know them*, and they constantly communicate how much they want to *relate with me*. They make me feel valuable and involved. They exude power...but don't make me feel overpowered. They create a sense of connection that's far more powerful than their education, technical credentials, or past career accomplishments.

Okay, maybe we're on to something here, *but how do they do that? What is the "secret ingredient?"* How can we frame a useful description without overgeneralizing? We have to do better than Supreme Court Justice Potter Stewart did when asked to define pornography. He said, “I can't define it – *but I know it when I see it.*” I hope we can nail it down better than that!

Earlier this year the CEO of a very successful and very fast-growing Venture firm said to me, “We like who we are, and we like how we lead. We want to clone more of ourselves, both inside our own company and as leaders in the

enterprises in which we invest." Here again was the Supreme Court's dilemma: the company couldn't define the differentiators it wanted, but it knew them when it saw them. Understandably, that was making recruiting a nightmare.

I urged them to start by putting the qualities they wanted into words...any words. Here's what they came up with. "We want top leaders who are...*fun*. Are *athletes*. Are self-actualized. Are team players. Are "A-players" Are selfless. And are passionate.

They also tended to describe what they wanted by describing what they didn't want. "We want people are who **not** prima donnas. Are not "turfy." Are not security and stability oriented. Are not egotistical. Are not content with the status quo."

Now, these phrases aren't silly. We all sort of know what they mean, right? But they are *so abstract*. How would the company go about screening and interviewing for them? Can an interviewer ask the question, "Pardon me, but are you an 'A-Player?'" and expect a useful answer? "Why, yes, now that you ask. I believe that I am a fun, self-actualized A-Player."

Okay, Let me make three points here that come directly from my work with CEOs:

1. For every successful CEO who fits the traditional stereotype of motivational, risk-taking adventurer, I've seen one who at first glance displays none of those traits.
2. For every leader who has radiated entrepreneurial aptitude since childhood – you know, the ones who win the prize for selling the most Girl Scout cookies --I run across a "late bloomer" who hits on an idea or opportunity that suddenly switches on all the lights.
3. For every CEO who can tell you that they've always wanted to run a company, there's another who never even dreamed of it. (I wonder how many millionaire CEOs there are in Silicon Valley today who, in another time, would have lived out their careers as your 'basic' techie.) These are the people who say to me, "I never even thought in terms of what I want to *be*. I've always been more motivated by what I *do*."

*SO, we're back to our question: IS THERE A "SECRET INGREDIENT?"*

Yes, I think there is, and I think we can get at it in terms of the "differentiators" we talked about a couple of minutes ago. There are actually several that promote that energized feeling I described. And, as a preview, I'll say now that

there is one differentiator that is consistent with – *but even more powerful than* – any of the others.

First, the best entrepreneurial CEOs don't wait for things to happen...don't bank on promotion and seniority to acquire authority. Whenever they can – often from childhood on -- *they self-select into roles that set them apart from their colleagues*. They want to be unique and are comfortable being seen as unique, while still relating humanely with teammates and competitors. They are both of the team and above the team. **In short, they're SELF-DIRECTED.**

A second differentiator is that tendency and willingness to be *extreme*. With an Entrepreneurial CEO, we're not just talking about leadership...we're talking about the *most responsible, most accountable, most exposed and most isolated* level of leadership. We are talking about extremely motivated people who have chosen the challenge of an extreme role, taking extreme risks to gain extreme rewards. The best and brightest of our CEOs manages not just to fill his or her job, but (as comedian Victor Borge once said while describing a Wagnerian opera singer) "to overflow it a little." **THEY'RE EXTREME.**

Third is an almost gleeful willingness to embrace paradox. The point is not just that entrepreneurial CEOs cope well with change and uncertainty...that they are adaptable and can go with the flow. The point is that they can handle multiple realities comfortably without feeling the need to force-fit all the variables into a box of present and future reality. **THEY EMBRACE PARADOX.**

And what are some of those classic paradoxes?

They can formulate short-term objectives that are consistent with long-term goals.

They can change the long-term vision without being slave to the present.

They can create clear tactical plans and still incorporate the unforeseen.

They create cultures that encourage individual expression while still building a coherent company voice.

They seek both to manage change and embrace it.

And when the world throws them more balls to juggle, they go for it!

So, what are the three differentiators we've identified so far? Well, the most successful CEOs are just a little more

**self-directed  
extreme  
and  
comfortable with paradox**

That brings us to the last, and in my mind, most important differentiator. Here is what **I** feel is the "secret ingredient."

***Our greatest entrepreneurial leaders are distinguished not by what they know or what they are...but how they are experienced by others.***

Let me say that another way: *The greatest talents of singular leaders is that they are aware of what people are responding to in them...AND...are able to leverage that awareness **with conscious intent.***

Let's go back to Coke for a minute. What is the reason it's so successful? Not for the things on this label. It has to do with the way people think about Coke, what they associate with it, how they feel about it and how much it satisfies them. That's called branding. So in today's world, the real secret ingredient for Coca Cola is its brand.

In a few minutes, we'll create the label for the CEO's brand.

But let's think first about this whole notion of 'awareness.' Certainly, you people sitting in this room did not get where you are today by being naive or oblivious to how people respond to you. Most successful executives are pretty self-aware.

But what I find--over and over again--**and this is really the heart of my work**, is that they often can't articulate *explicitly* the things they know about themselves and others, *implicitly*. So we build that understanding together by watching the way that they operate--the key being to operate *consistently and consciously in a way that builds and sustains rapport with others.*

And rapport means...a sense of "connectedness." A willingness to trust, maybe without knowing quite why. A sense of mutual interest and mutual *interests*. A feeling that the journey, itself, is rewarding.

Perhaps you've heard of the currently popular model of leadership called "Emotional Intelligence." Psychologist Daniel Goleman led years of research on leadership, in which he basically identified two key success factors: high I.Q. and what he called "EQ or Emotional Intelligence." EQ describes a group of competencies that relate not to raw smarts or technical skills, *but to effective interaction with other people*. All of these competencies are keyed to *awareness* – awareness of oneself, awareness of social context, awareness of characteristics in other people that shape their responses to you.

It is noteworthy that Goleman calls these factors "competencies." This is because he believes that *EQ can be learned* – that it's not simply a function of innate gifts, the way cognitive intelligence is. If they really want to, with a lot of

conscious effort, determined executives can identify their blind spots or developmental needs and learn to adjust their styles.

I can tell you, from working with a lot of entrepreneurial CEOs and rapid-growth business leaders, that what they describe as collaboration...often isn't. It's actually coordination – a wrestling match of order-givers and order-takers – without a true sharing of the rewards or the thrills. At worst, it's actually competition.

*This is not where buy-in comes from.* Not where trust and motivation come from. Certainly, not where positive cultures take root and grow strong.

These strengths come from the "secret ingredient" -- from understanding how you are experienced by other people. Not just *viewed* by other people or *interacted* with by other people. But *experienced* by other people. Your BRAND.

So let me finish up by returning to my promise to create a label for the most successful entrepreneurial CEOs. Here we go:

Four key ingredients:

1. Self-directed...
2. Willingness to be Extreme...
3. Comfort with Paradox.

Fourth, and most important, our secret ingredient in the category of "natural flavors" **...extremely high emotional intelligence.**

That's the brand that I'll choose every time. How about you?

Thank you.