

TOM SCHMITT

*Leadership Philosophy*

## LEADERSHIP PHILOSOPHY

*“Leaving a place better than you found it means not just looking at your business as a marathon over a career or a lifetime, but rather looking at it as 10 or 15 or 100 interactions every single day.”*

### *Leave things better than you found them*

It's not just about your lifelong legacy. It's about what you do every single day to make things better. Every day you have phone conversations with 10-15 people, you have email exchanges with another 50 people, and you have a number of personal interactions. With every interaction, make an effort to always improve – take the extra 30 seconds on a phone call, an email exchange, on a project or in a meeting to make things better.

### *Pick leaders who share the same values*

First, pick leaders who have good intentions and values and who do the right thing for your people. Once you get this right, the other pieces flow logically. If you start here – employees will provide excellent service. Second, don't look for clones of yourself. That might provide short-term job security, but in the end it does not help anybody. Look for people with complementary skills and values that overlap perfectly.

### *Don't confuse efforts with results*

A business is not a philosophy club. We all need to 'keep the main thing the main thing.' So focus on the three priorities that make a difference and do not get distracted by side shows.

### *Advice for the new CEO*

1. Go on a listening tour and make sure you talk to diverse constituency groups. Interact with your leadership team.
2. Develop hypotheses around what next year is going to look like and what you can change.
3. Put your hypotheses in place: two to three things to keep, two to three things to change. Some change might be incremental.
4. Look back to examine whether your hypotheses are correct or whether they should change. Sharpen them. Validate them. You'll have a pretty good idea after the first three months of what the good idea levers are and who the leaders are who will be with you for multiple years.
5. Be decisive. Indecision puts everyone into misery and creates a failure of leadership.

### *You have 10 bosses, not just one*

There is a natural inclination to work sideways and downwards. But no matter what you do, you always have a boss. With the CEO, it's a committee of part-time people who know less about the business than you do. So you have 10 bosses, not one. They made the decision that they wanted you. And they are there for a reason. They are the agents/representatives of the owners. They are most likely to be strong-willed people who have something to add. Draw from that. Pick up the phone and ask for their opinions. Update them on a regular basis. Ask for reactions. After a board meeting, pull them aside and ask for their thoughts and ideas. They are your bosses and for all right reasons you have to get the best out of them. When boards and CEOs click, they are aligned on good performance.

### *How to handle conflicts with the Board*

By its very nature, a board consists of alpha males and females, but you will always have a core group that's positively inclined. Look for face-to-face conversations. Find out what makes them tick, where they are coming from. Don't let differences in style get in the way. If you tend toward the casual and you have a board member who probably wears a suit to bed, wear a suit and tie when you have meetings with him. Understand the agendas in play, and don't be afraid to pick up the phone to talk to someone with whom you have good chemistry to seek advice when you sense an undercurrent of discontent.

### *Own the Culture*

It might sound trivial, but the CEO owns culture. If the CEO does not set the culture, on purpose or decisively, some other person or group will do it by default. When that happens, a number of things inevitably start happening. Training is cut off, sales are cut back, and marketing is eliminated. The company then tends to be nervously controlled with finance calling shots, which is understandable. Keep the tightness and don't do something that doesn't set the tone. Then make it everyone else's responsibility to fit within the culture. Many times, people don't take that responsibility to heart until after an event happens.