# PATRICK LENCIONI

NEW YORK TIMES BEST-SELLING AUTHOR

# The Market of th

A LEADERSHIP FABLE



WHY SO MANY LEADERS ABDICATE THEIR MOST IMPORTANT RESPONSIBILITIES

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# **The Motive**

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A LEADERSHIP FABLE

**Patrick Lencioni** 

WILEY

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**Acknowledgments** 

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# Introduction

Whenever I hear a graduation speaker exhort a group of students to "go out into the world and be a leader," I want to stand up and shout, "No!!! Please don't be a leader, unless you're doing it for the right reason, and you probably aren't!" Let me explain.

This is the eleventh or twelfth business book I've written, depending on how you count them. If someone were to dive into a stack of my books for the first time, I'd tell them to start with this one.

That's because the majority of the other books I've written focus on *how* to be a leader: How to run a healthy organization, lead a cohesive team, manage a group of employees. However, over the years I've come to the realization that some people won't embrace the instructions I provide because of *why* they wanted to become a leader in the first place.

Throughout my childhood, people exhorted me and my peers to be leaders. I accepted their encouragement at face value and sought opportunities to lead people and organizations from the moment I could captain a team or run for student council. But, like so many people, I never stopped to consider *why* I should be a leader.

As it turns out, the primary motive for most young people, and too many older ones, is the rewards that leadership brings with it. Things like notoriety, status, and power. But people who are motivated by these things won't embrace the demands of leadership when they see little or no connection between doing their duties and receiving those rewards. They'll pick and choose how they spend their time and energy based on what they are going to get, rather than what they need to give to the people they're supposed to be leading. This is as dangerous as it is common. The purpose of *The Motive* is to make it a little less common.

I hope that this book helps you understand and, perhaps, adjust your leadership motive so that you can fully embrace the difficult and critical nature of leading an organization. Or, perhaps, it will help you come to the peaceful conclusion that you might not want to be a leader at all and allow you to find a better use for your talents and interests in a different role.

# The Fable

# The Situation

Shay Davis knew that it was too soon for him to get fired. Six months was not enough time for even the most aggressive private equity firm to axe a recently promoted CEO. But it wasn't too soon for them to start thinking about it.

Golden Gate Security wasn't exactly failing under Shay's brief period of leadership. The company, headquartered in Emeryville, a mostly commercial town on the eastern shore of the San Francisco Bay, was still growing, albeit more slowly than most other regional security companies in the west. Profit margins were solid, but they looked anemic compared to those of All-American Alarm, the massive and most aggressive national company in the home and small business security market.

Shay figured that the private equity guys would give him another nine months to jump-start Golden Gate, but he wasn't going to wait that long. After climbing the ladder for more than two decades and finally making it to the top, he wasn't about to let all those years of hard work go to waste.

So he decided to throw his pride out the window and make a painful phone call.

# Research

Lighthouse Partners was a small consulting firm located in Half Moon Bay, California, that had a reputation for working with interesting and successful clients. One of those clients was Del Mar Alarm, a San Diego—based company that was the shining star of the regional security arena in California and a small thorn in Shay Davis's side.

Whether it was a panel discussion at a trade show or an article in a business magazine, Del Mar and its British-born CEO, Liam Alcott, were regularly lauded for their off-the-chart profitability as well as for their ability to fend off national competitors like All-American.

Normally, Shay would never have considered hiring a competitor's consulting firm, but he was beginning to feel desperate enough to try something new. When he contacted the consultant at Lighthouse who worked with Del Mar, she explained that she'd have to check with her client to see if it would be okay for her to work with another company in the same industry. Shay decided he probably wouldn't hear back from her. He was right.

But he could never have predicted what would happen next.

# **Nemesis**

It's hard to hate someone you don't know, but Shay figured he was getting pretty good at it in regard to Liam Alcott.

Though he had never really met Alcott, aside from a handshake or a perfunctory greeting at an industry event, Shay had heard him speak a few times and read more print interviews than he cared to remember. He had grown to resent the phony affability of the man who seemed to have such an easy time doing what Shay hadn't yet figured out.

So when Shay's assistant, Rita, came into his office to announce that someone named Liam was calling for him on line one, Shay figured it was one of his own executives pulling a prank on him. But before he could pick up the phone to play along, he noticed the 619 area code and decided that the caller might just be his nemesis from San Diego.

Taking a deep breath, he dove in. "This is Shay."

"Hello, Shay. This is Liam Alcott."

Shay realized immediately that it wasn't a prank. But he was somehow relieved that he didn't even like the sound of the man's voice, notwithstanding the English accent, which he decided was affected. So he decided to be excessively nice.

"Well, what can I do for you, Liam?"

"First, I want to apologize for not reaching out to you last summer to congratulate you on your promotion. I feel like a bum."

Shay wasn't at all convinced that the man was genuine. But he wasn't about to let on. "Don't be silly. Believe me, if anyone knows how busy you are, it's me."

"I suppose that's true. Anyway, I'm calling because Amy over at Lighthouse told me that you contacted her about working with them."

Shay felt a rush of shame wash over him, expecting Liam to chastise him for trying to poach his consultants, not to mention his intellectual property. Shay tried to play it cool. "Yeah. I just figured that they know our industry, and that if they didn't have a problem with—"

Liam interrupted. "Of course. I get it. And I don't have any problem with it at all. Amy's a great consultant, and Lighthouse has been very helpful to us down here. You would love working with her."

More than a little surprised, Shay backed off to preserve some pride. "Well, we're going to be talking to other firms too, so we're not ready to commit to anything quite yet."

Liam didn't flinch. "That's smart. In fact, before you hire any consultants, I think there is one big thing that you should do first."

Shay was bracing himself for some sort of condescending advice. "What's that?"

"You should let me tell you what we've learned from Lighthouse and see if that might be

enough for you."

Shay didn't know how to respond. Did I hear that correctly?

Before he could think of something to say, Liam continued. "In fact, I'm coming up there next Thursday for a meeting, and then I'm staying the weekend at my sister-in-law's in Walnut Creek. Why don't we get together on Friday?"

"I'll have to check with—"

"I just asked your assistant, Rita. It's Rita, right?"

"Yeah."

"She said you're wide open Friday. You were supposed to do an ops review or something but it got pushed back a few weeks."

Shay suddenly felt betrayed—by Rita, by the consultants at Lighthouse, by someone. Not ready to accept his enemy's clearly devious offer, he pushed back.

"Don't take this wrong, Liam," he paused, "but don't you have some reservations about sharing your secrets with a competitor?"

Liam laughed. "Competitor? I don't think we're competitors. I mean, I certainly wouldn't have wanted Lighthouse to work with you if we were. And it's not like we're trying to steal one another's customers, unless you have plans to get into the security business in San Diego. So I don't see us having any conflict here."

Shay tried desperately to think of an excuse.

Liam continued. "I'd say that our common enemy is All-American, and I'd rather not see them get another regional foothold in Northern California." He paused. "Unless you've already figured out how to deal with them."

Though Shay didn't like the idea of admitting any weakness, he also didn't want to lose out on any advice that Liam might have for him. "No, we've still got work to do there."

"Okay," Liam announced enthusiastically, "so that's one area where I might be able to help you. And I'm sure you'll have some advice for me."

Shay responded with a partially false show of humility. "Well, I don't know about that." Deciding that he could think of no good reason to refuse Liam's offer, he relented. "All right then. What time should we meet on Friday?"

When the call ended, Shay decided he'd have a few days to come up with a good reason to be out of town at the end of next week.

# **Defenseless**

By the close of the day, Shay realized he was stuck. It wasn't that he lacked the cleverness to come up with a believable excuse. He had plenty of small business customers he could schedule a meeting with on a moment's notice. That wasn't the problem. Shay's predicament was having to choose between two threats to his pride.

On the one hand, canceling the meeting would allow him to avoid the humiliation of a lecture from a man he disliked. On the other hand, missing out on good advice from a more successful company might cause him to forfeit more market share to All-American Alarm, which would embarrass him in front of his board and possibly lead to his eventual demise. Deciding that losing his job would be worse than admitting his inferiority to Liam, Shay decided to go ahead and meet with his adversary to learn what he could about how to deal with their mutual competitor.

But when he woke up on Friday, he lay in bed staring at the ceiling, wondering if he had made the right decision.

Turning to his wife, Dani, who had just woken up, Shay asked her a strange question. "Isn't there some really important chore you need me to do right away so I don't have to go to work?"

Dani laughed. "You must have a lot of meetings today."

"I wish." Shay responded, wondering if he should confess his pettiness to his wife.

"What's the problem then?"

"Oh, I'm just being stupid. I have to spend a lot of time with someone I don't particularly enjoy."

"Brandon?" she asked.

"No."

"Marisa?"

Shay climbed out of bed. "No, it's no one from the company."

Dani seemed puzzled. "Who is it?"

"Oh, I don't know," he answered as he disappeared into the bathroom.

"What do you mean 'you don't know'? Who is it?"

"It's a guy named Liam Alcott."

"You mean that CEO from San Diego who you hate so much?" Dani shouted so her husband could hear her from the other room.

Shay came back into the bedroom. "Have I complained about him that much?"

"Are you kidding? 'Liam Alcott is a pompous ass. Liam Alcott thinks he's God's gift to business. Liam Alcott's accent is so fake that—"

Shay interrupted his wife. "Okay, I get it. I guess I have."

Dani got up and started making the bed. "So why are you meeting with him?"

"I don't know. It's weird. He offered to help me with something."

"Did he offer to help you make the bed?"

"What?" Shay was confused.

She pointed to his side of the bed.

"Oh. Sorry." He started to pull up the sheets and blanket.

"So what's this meeting about?" she persisted.

Shay didn't want to tell her the whole story. "He wants to help figure out how to compete better with All-American."

"That's a good thing, right?"

"If it were anyone else ..." He didn't finish the sentence.

"Well, I'd say you need to take a breath, put your big boy pants on, and admit that he might know something you don't." She paused while he took her advice. "And if he's a pompous ass, thank him for his time and be the bigger person."

"You know," Shay stopped making the bed for a moment. "I don't remember asking for your opinion." He smiled.

Dani threw a pillow at him and responded with a British accent. "I'm sorry. Was I being a pompous ass?"

# **Invasion**

When Shay walked into his office, he found Liam sitting behind his desk with his feet propped up on it, smoking a cigar.

"So, big boy. Let me tell you how to run a business."

No, that's not true. But Liam was already sitting in the lobby of the building waiting for him.

"Good morning, Shay!" Liam announced as he stood up, with more enthusiasm than Shay would have liked this early in the morning.

Still, he mustered up the energy to respond in kind. "It's nice to finally meet you, Liam. Thanks so much for doing this."

"Hey, it's a chance to avoid having to spend too much time with my in-laws."

Shay laughed inauthentically, like one of those characters in a bad sitcom.

The two continued their small talk as they made their way toward Shay's office, stopping by the kitchen to get coffee.

Arriving at the CEO's well-appointed office with a view of Alcatraz, they sat down at a couch, and Shay began.

"So, where should we start?"

Liam was ready with an answer. "Well, why don't you tell me why you called Lighthouse? What were you hoping to get from them?"

Shay felt a sudden rush of shame again, wondering if this wasn't an accusation. Liam seemed to read his mind.

"Oh, I'm not questioning your intentions, Shay. Not at all." He held up his hands in a show of apology. "I'm just wondering what you were feeling that made you look for help."

Relieved by the reassurance, Shay wondered if Liam might be a little less pompous than he had assumed. He decided he could open up a little.

"Well, I'm feeling like we're just not firing on all cylinders here." *Okay, that wasn't so bad,* Shay decided.

Liam jotted a word or two in the notebook that he brought with him, and then responded. "Is it mostly about All-American?"

Without thinking, Shay admitted, "Well, that's certainly part of it. But I think there's something else. I just don't know what."

Liam looked up with a big smile on his face and said something that seemed to Shay to be either arrogance or goofiness. "Oooh, this is going to be fun."

At that moment Shay decided he'd made a big .mistake.

# Surrender

Liam noticed that the look on Shay's face had changed, and he seemed concerned. "Oh, I hope I didn't insult you."

"No, not at all." Shay lied.

"My wife says when I get excited I can come across like a dork, and a condescending one at that, especially with my accent." He laughed and explained himself. "It's just that I love this management stuff, but I rarely get a chance to hang out with other CEOs. And I wasn't sure if you'd feel comfortable being so candid."

"Neither did I," Shay announced, a little sarcastically.

They laughed. Shay felt like he was losing control of the conversation, even as he was finding it hard to hate Liam.

"So then, what do your numbers look like?" Liam asked.

Shay seemed a little shocked by the direct request for actual information.

Noticing his new friend's reticence, Liam assured him. "If you want me to sign a nondisclosure, I'd be glad to."

Shay shook his head, waved his hand, and made one of those facial expressions that said don't be silly.

"Good," Liam announced. "Because if we're going to help each other, we have to be pretty naked here."

For the next half hour or so, Liam presented the high-level fundamentals of his financial operations, while Shay countered with mostly general answers and a few real numbers sprinkled in here and there for effect.

In some aspects of their businesses, the two companies were quite similar. But in many others, Del Mar was light-years ahead. Shay did his best to hide his surprise at the discrepancy between the companies' results, which he hoped Liam hadn't noticed.

Unfortunately, he did. With a genuinely concerned look on his face, Liam offered, "What's going on up here, my friend?"

Though calm, inside Shay was desperately searching for a believable excuse for his inferiority. "Well, the market is a little different in the Bay Area than it is down south."

Liam didn't seem convinced, so Shay explained.

"Salaries are higher. Local taxes are higher. Cost of living."

Liam listened and nodded with as much empathy as he could muster. Wincing just slightly, he took a breath and finally responded. "Please don't take this wrong, Shay. But those things would only account for a small part of the differences between our companies' performance."

Shay's face indicated neither frustration nor agreement. Nothing.

Liam went on carefully. "I mean, unless I'm hearing things wrong, you seem to have more employees generating less revenue. Your turnover, among both customers and employees, is considerably higher than ours. And you're actually spending more money on marketing than we are." He paused. "Am I missing something?"

Shay shrugged. "Well, at least our company isn't run by a pretentious asshole."

Of course, he didn't say that, but he wanted to, even if he knew it wasn't really fair.

"I'm not going to lie to you," Shay confessed. "This isn't easy for me to hear."

The two CEOs sat in awkward silence for a long five seconds.

Finally, Shay summoned enough courage to ask the question. "So, do you think there is something fundamentally ..." he paused, searching for an acceptable word, "broken here? If so, I'd like to know what it is."

Liam shrugged. "I don't know, but I'll be more than happy to help you figure it out."

Shay didn't know what to say, so Liam continued. "Why don't I start by telling you what I learned from Amy and the other consultants at Lighthouse?"

Shay took a deep breath, and thought to himself, big boy pants.

### **Naked**

Liam went to the whiteboard in Shay's office, picked up a black pen, and announced, "Everything that Amy and the other consultants at Lighthouse focused on started with me."

He wrote *CEO* in big letters on the board.

He turned toward Shay like a college professor. "But they redefined the acronym, changing it from chief *executive* officer to chief *executing* officer." He wrote the new term next to the three letters.

Liam didn't see Shay roll his eyes behind his back, but he didn't need to.

"I know what you're thinking," Liam explained. "It sounds cheesy. Big deal. They changed a word."

Shay seemed relieved that Liam shared his cynicism.

"But then I learned that it's actually an important change if you think about it from a grammatical standpoint." He turned back to the words on the board. 'Executive' is a noun. 'Executing' is a verb."

"Technically, it's a participle," Shay explained, a little sheepishly. "I was an English major."

"Well la-dee-da," Liam teased him. "I grew up in England and I'll be damned if I'm going to have a bloody American lecture me about my language."

They laughed, sincerely this time.

Liam continued. "The point is, it conveys activity. The leader is involved in executing rather than simply being an executive."

"The way you used it there, that's a gerund." Shay declared.

"Whatever." Liam laughed.

"But I really hope there's more to this than just the word," Shay complained.

Liam was suddenly surprised, in a good kind of way. "That's exactly what I told them!"

Liam sat back down and continued. "Here's how they explained it to me. See, if you took a survey of a hundred CEOs and asked them what their most important day-to-day activities are, the things they actually do, you'd get about thirty-five substantially different answers."

Shay shrugged. "Well, everyone has different skills and interests. So that makes sense, right?"

Liam responded abruptly. "No. It makes no sense at all."

Shay frowned just slightly at what felt like a rebuke.

"Well," Liam clarified, "I suppose it makes sense that CEOs do it. But it makes no sense

in terms of what their companies need."

"I'm not sure I agree, but keep going."

"Okay. Let's start with you. What is the most important part of what you do?"

Shay didn't answer, thinking that Liam's question was a rhetorical one.

"I'm actually asking you."

"Oh, sorry." Shay rallied. "I don't know. I do so many things, it's hard to say. I could have Rita go through my calendar, I suppose."

Liam nodded patiently. "I'm not actually asking you for a quantitative breakdown of your time. I'm more curious about what you think you really do to help the business. How do you see your job, in terms of verbs or participles or whatever you want to .call them?"

Shay took a breath. "Okay. Let's see." He thought about it for a moment. "I'd say that reviewing our numbers with finance and working with sales and marketing on go-to-market activities would be my most important activities."

Liam went to the whiteboard and recorded those answers while Shay explained.

"I was the head of marketing for four years before becoming CEO, so that's a pretty important part of my job. And it's critical in our industry, as you know. All-American Alarm spends five times what we do on advertising, so we have to be smarter than they are."

"Okay," Liam nodded. "What else?"

Shay looked out the window as though he might find the answer in the San Francisco Bay. "I think that dealing with my board is pretty important. If I don't keep the private equity guys happy, things can get pretty sideways around here."

"All right." He added that to the whiteboard.

Shay finished. "And then there's all the stuff I have to do keep the machine running, I guess. Management. Dealing with employee issues and politics."

Liam captured that as well.

"I'd say those are the most important things." Shay had a sudden realization. "Oh, and I meet with our small business and multiunit housing customers. That's an extremely profitable market, and I need to make sure we're growing in that area."

And that was the final entry on the board, which now displayed the following list: