

THE CEO

&

The Consigliore

7 LESSONS FROM A MASTERFUL COACH

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Introduction

The CEO & The Consigliore

I have spent the last 25 years giving good advice and bad advice to CEOs and people who could be CEOs. The conversations I had with them were often conversations they had with no one else. In many cases, these were the most important conversations of their lives. This book is the story of the most power of those conversations and the lessons drawn from them.

The Godfather, written by Mario Puzo, exploded electrically onto the screen in 1972. It was a spellbinding movie about Don Vito Corleone and his Mafia family, written by a master storyteller with an insider's knowledge of Sicilian immigrants and the Mafioso culture they brought to New York. This uncannily successful period piece was filled with paunchy Capos, post-war fedoras, sleek bulging limousines, deadly "family" quarrels and a form of revenge to match every affront. It is also one of the most iconic; most copied most, most quoted, and most lampooned movies of all time.

While everyone tends to identify with the Godfather, the role that I found the most fascinating was that of the relationship between the Godfather and Tom Hagen, his Consigliore (counselor, pronounced roughly koh-seel-YEHR-eh). The terminology is taken from the Sicilian Mafia structure, perhaps intended as an analogy to imitate the court of the medieval Italian principality Venice, which was then led by a doge (duke) and a Consigliore ducale (advisor doge).

I was struck by the absolute ONENESS between the Godfather and his Consigliore, based on advancing the family's interests and many shared understandings built up over the years. When the Godfather is meeting with his Capos or the bosses of other families, it's absolutely clear that there is not a speck of daylight between the Godfather's and his Consigliore's respective views for someone with a hidden agenda or an enemy to exploit. This is something rare in the corporate environment.

I was intrigued by the role the Consigliore played: holding the vision of an Impossible Future of going to Los Vegas and taking family business legitimate, even while a war was brewing all around them, or in relaying the Godfather's decisions to Capos and thus insulating him from people's reactions, or by his good judgment in urging restraint after Sony's death when everyone else's judgment was clouded by emotions, or by his shrewd political insights into what the Godfather's enemies were doing to plot against him.

The Consigliore's actions were as if following a script written by Lorenzo Di Medici and his famous courtier, Nicolo Machiavelli. The Godfather and his Consigliore conduct their nefarious business in the most civilized manner, accumulating great power, yet stood ready to totally crush their enemies in the most uncivilized way. When Don Vito Corleone sends his Consigliore, a courtly gentleman to negotiate with a movie mogul about a part in his next movie for his nephew, his offer is rejected by the Mogul in the most coarse manner and he winds up with the bloody, severed head of his favorite horse in his bed sheets the next morning.

In Search of a Great Leader to Be a Consigliore To

When I left the movie house that day I had a clear sense what I wanted to do with my life. As Joseph Campbell spoke of it, it was time for me to make my hero's journey and to fulfill my own mythopoeic destiny. I wanted to find someone who would play the role of the Godfather to me playing the role of the Consigliore. I wanted to achieve the absolute oneness I had seen in the Godfather with a great leader with whom I shared the same vision and shared view of the world, but who could benefit from the different perspective I might bring to the table.

Yet the Godfather also presented me with certain (moral) dilemmas that were not easy to resolve. The Godfather, though arguably a great man, was born into the Mafia culture of crime and violence and could not escape from it, no matter how sincere or intelligently he tried. The relationship the Godfather had with his Consigliere, like Machiavelli to the brutal Caesar Borgia or Cardinal Wolsey to King Henry VIII, who beheaded his wives, was driven by the spur of ambition and the will to power, yet in the end, was essentially amoral.

However, in my research, I found many examples of great leaders, moral leaders, who had a powerful partnership with a Consigliere who not only elevated their vision and values, but also, in many cases, helped them accumulate power: Aristotle to Alexander the Great, who inspired him to spread the ideals of Greek Civilization and to conquer the barbarian world; Sir William Marshall to King John of England and the signing of the Magna Carta of 1215 and the restoration of his power with the English Barons; or Thomas Wythe to Jefferson, his rise in the Virginia State legislature and the writing of the Declaration of Independence. There was also Edward House to Woodrow Wilson. It was House who not only got the New Jersey Governor elected, but urged him to compromise on his stand for the League of Nations, sensing the isolationist mood of the country.

We all tend to believe in the Great Man Theory of History—the single solitary leader who changes the world—yet the world is moved by *the power of two*. The CEO and The Consigliere often show up as two sides of the same political personality, one side standing for a vision of an Impossible Future, the other side standing behind Mastering the Game of Power. The relationship between FDR and his Consigliere, William Henry Howe, is illuminated in James MacGregor Burns' book, *The Lion and the Fox*. At the 1932 Democratic Convention at Madison Square Garden, FDR said, "My enemies hate me because I care about the millions of Americans standing in breadlines, and I welcome their hatred." Yet it was Howe who urged him to use foxlike tactics to serve his lion-like purposes. When FDR said after his speech that he should have come out for the New Deal program, Howe said, "Yes, of course you should do that, but you need to get elected first."

Perhaps the place where the CEO Consigliore relationship is best revealed is as a thinking partner in making decisions. Says Warren Bennis, “the ultimate marker of leadership is judgment.” It is the alchemical cauldron of greatness or mediocrity, of fame and infamy, between a leader having a good ride during their tenure and getting into trouble and falling into a deep hole they can never climb out of. Says Bennis, Presidents, CEOs, leaders almost always have a wise counselor, because they realize that decisions often present many right answers and are, in fact, judgment calls. They also realize that no one person has all the complex patterns of information that need to be taken into account. As a sports coach might say, “You need to be able to see the whole playing field.”

Judgment calls are the heart of the matter when it comes to a leader’s success or failure. Judgment calls are the nucleus of what a leader does every day. Smart people, like Julius Cesar, George W. Bush, and Carly Fiorina, all got themselves in trouble by making poor judgments. Leaders need to augment their judgment, and one way to do that is to have a Consigliore whose views are not clouded by emotions, who can help to integrate all the complex pieces of information that go into making good decision. President Obama, for example, runs all his decisions by his Consigliore, Valerie Jarret, who he knew from his days in Chicago and who he says helps him to see the “whole basketball court.”

The CEO Consigliore: A Powerful New Role in the Business World

One of the fascinating things is that, while kings, presidential candidates, and leaders throughout history have almost always sought a Consigliore to help them realize their dreams and to master the game of power, CEOs, presidents, and leaders of companies have often overlooked the importance of this. A simple explanation for this is “management hubris.” As one decidedly British CEO told me, “It’s good to have trusted advisors, but sometimes I prefer to just get on with it.” A second reason is that the CEOs of the past did not run such large, complex organizations in a global environment or face decisions of mind boggling complexity. A third rea-

son is that they may not distinguish this powerful and unique role from the vast array of leadership advisors available to them.

What we are talking about is a powerful and distinct role, NOT to be confused with an executive coach who comes at you with a list of homogenized corporate leadership competencies, NOT to be confused with a consultant who is good at one thing—business models, operation excellence, or personnel management, and NOT to be confused with the human resource managers who now and again is asked to offer a word of advice on personnel matters that the CEO doesn't really think are that important to begin with.

Today, however, an increasing number of CEOs in Fortune 500 companies are working closely with a CEO Consigliere. As executive coach Ivars Ozolins says, "CEOs are beginning to see the value of having someone on their team who is not only a friend they can let down their hair with, but also a trusted advisor they can use as a sounding board on major decisions and judgment calls in their personal and professional life." CEOs are increasingly seeing the great benefit of having a Consigliere, someone who is a great business generalist versus a great specialist, and who has the depth and breadth of background, combined with the basic human wisdom and emotional intelligence to bring massive value to the table.

One of them is Larry Ellison, of Oracle. Ellison's Consigliere, Safra Catz, the 47 year old executive who allows him to work 30 hour week and have the effectiveness as if he worked a hundred hour week. Every ounce of her energy is focused on serving two, and only two, masters: Larry Ellison and Oracle. She's Larry's board room political operative, investment banker, strategic savant, operations maestro, top negotiator, and master psychologist all rolled into one. "Make no mistake," says a prominent tech industry CEO. "She's running the company, not Charles Phillips. When Larry and I are discussing something that goes beyond us, out comes the cellphone, and Safra is on the other end." Many of the executives she oversees know next to nothing about her. She shuns the lime-light assiduously: Oracle's own marketing department once struggled to persuade her to be photographed. The low profile masks her high impact.¹

Peter Drucker is a consummate example of a CEO Consigliere from the consulting side. The man who is widely credited with inventing management was also a consultant and mentor to many of America's top CEOs, including Jack Welch, Andy Grove, and A.G. Lafley of Proctor & Gamble. For 95 prolific years, Drucker was a true Renaissance man, a teacher of religion, philosophy, political science, Asian art, and even a novelist. But his most important contribution was to business. His teachings form a blueprint for every thinking leader. Many of the CEOs and executives he worked with say they will never forget the first time he met them, his simple, but deceptively powerful principles, and his propensity for beginning or ending meetings with a Zen like koan of a question.

Shortly after Jack Welch became CEO of General Electric in 1981, for example, he sat down with Drucker at the company's New York headquarters. Drucker posed two questions that arguably changed the course of Welch's tenure: "If you weren't already in a business, would you enter it today?" he asked. "And if the answer is no, what are you going to do about it?" Those questions led Welch to his first big transformative idea: that every business under the GE umbrella had to be either No. 1 or No. 2 in its class. If not, Welch decreed that the business would have to be fixed, sold, or closed. It was the core strategy that helped Welch remake GE into one of the most successful American corporations.²

I would like to emphasize that this book is written to be of practical value to CEOs and people who could be CEOs one day, not to provide an intellectual entertainment. Imagine for a moment what it would be like to have your own Consigliere, someone who is totally dedicated to helping you stand for a vision bigger than yourself, as well as to accumulate the necessary power to realize it.

You may be a CEO or leader who has your own version of the Magna Carta, a statement of vision and values that you want to empower employees with, but would like the help of a Consigliere to make it a reality. You may be a CEO candidate (or emerging leader) who would greatly benefit, as FDR did, from having a Consigliere teach you how to play the lion and the fox. Or you may be facing a big decision, like Lincoln faced with the 13th amendment, and need a thinking partner who can help you make the right judgment call.

The Strange World of CEOs

I spent the first part of my career as a journalist interviewing many leaders in their respective field—elected officials, CEOs, educators, artists—among them Salvador Dali, Mohammed Ali, Harold Geneen of ITT, Tom Wolfe of *Bonfire of the Vanities*, Diana Vreeland of Vogue Magazine, and cultural historian, William Irwin Thompson. I then found my own voice and over the next decade conducted leadership seminars with over 30,000 people on a “global basis,” for people looking for a quantum leap in their personal and professional life. I then started working with leaders who were rising stars inside Global 1000 companies, helping them to realize their personal and organizational ambitions, which led to writing my book, *Masterful Coaching*.

To make a long story short, I spent 25 years giving good advice and bad advice to CEOs and people who could be CEOs, in most cases in Global 1000 corporations, like Fidelity Investments, Conoco Phillips, Novartis, Adidas, and many others. When my advice was based on providing my ideas, such as creating an Impossible Future, high performance, mastering the chess game, along with the leader’s own observations about their organization, it was generally good. When it was just based on pushing my ideas without taking the leader’s observations about their organization into account, it was generally bad or ignored.

I was good at establishing a human connection with CEOs, which would lead to speed of trust and to them talking to me about whatever was really on their minds. This allowed me to learn a great deal about CEOs and the powerful and distinct role they played, not only in the organization, but in the world at large. For example in 2010, of the world’s top 100 economic entities, 50 of them were corporations, which holds the potential for doing good or doing harm. I discovered that being a CEO is not only a different position, but also a different playing field.

CEOs have their own work in addition to being responsible for the work of everyone else in the corporation. CEOs are responsible for OUTSIDE LEADERSHIP, with heads of state, the board, Wall Street, and customers, as well as INSIDE LEADERSHIP, around things like being a vi-

sionary, chief strategist, and operator. There are multiple goals and priorities, complex issues and dilemmas, and constant political intrigue. And everything is happening at once.

One notable example is an executive with CEO potential who was totally off the radar at the Fortune 500 Company he was working in. With my coaching, the client rocketed up the corporate ladder with four big promotions over the next decade and a track record of stellar results to match. The client, who I had a very close bond with, asked me to be his CEO Consigliere when he became the CEO of a Fortune 100 company that had gone from the top of the heap the previous decade to the bottom in this decade.

He flew me to his office and began asking questions about his strategy, operations, and products. I said “I don’t know the answer to each question.” Then he said, “So what am I hiring you for?” To which I answered, “I am not going to give you any answers, because there can be many ways of looking at a situation. What I am going to do is give you a question that you should ask yourself.”

I then asked him a question designed to get him to think backward from an Impossible Future, rather than forward from a stuck situation: “If this conversation were taking place three years from now and you were looking back over those three years, what would have to happen for you to be happy with your progress?” The CEO then talked for the next 60 minutes or so nonstop, giving his own great answers to the question I had asked.

Over next 2 years, I worked shoulder to shoulder with him on his first 100 days business transformation plan and leveraging assets to start a new company from scratch that grew into a billion dollar business in a year. Another project involved a two billion dollar acquisition that had transformational potential for the company. An article written about the client said, “The impact of his leadership on the company and its performance has been totally transformational.” The stock price of the company increased 500% in less than 18 months.

My coaching relationships with many CEOs over time also gave me an anthropological insight into this strange tribe of people who oftentimes have strange formal rituals that include formal board meetings that can

be likened to a meeting at the Medici Palace and its duplicitous courtiers or flying around the world to meet with presidents, senators, and governors on a Gulf Star Jet that had a 57 page flight manual that included the instruction to the crew to not eat aromatic food two hours prior to the flight, to spray the bedding with “sleep spray,” and to play “take me home” when guests entered the cabin for the return flight.

One of the things I discovered about CEOs is that they almost never talk about the topics one sees in Fortune, Forbes, or in various documents I fell upon, like the 2012 IBM CEO Report, entitled “Leading through Connections,” written about people at the highest levels of today’s corporations. You know the standard fair: *Focusing on the individual customer, Innovation through partnerships, Influencing employees through values.*

On the contrary, CEOs tend to talk about things that are much more straight from the gut: *How do I deal with a hostile Chairman of the board who routinely pisses me off despite my company’s stellar performance? How do I deal with being under constant pressure from Wall Street stakeholders to grow my business and grow it faster, when doing some requires taking risks that are unacceptable to those same stakeholders? How do I fire the CFO of my company and replace him fast with someone superior without leaving a big hole on my management team? How do I avoid a divorce situation and wind up with children who I don’t have custody of or access to?*

The Strange World of the Consigliore

The CEO Consigliore is often well described by the term “eminence gris.” The phrase originally referred to Cardinal Richelieu’s right hand man François Leclerc du Tremblay. An 1873 painting by Jean-Léon Gérôme, *L’Éminence Gris*, depicts him descending the grand staircase of the Palais Cardinal. Leclerc is referenced in Alexandre Dumas’ *The Three Musketeers* as the character who stood for the greater goals of France, but was so politically influential, he was both respected and feared. An *éminence gris* often refers to an older, wiser (“grey-haired”) personage who accomplished great things in the past, but now acts as an advisor rather than a principal actor, often in a low-key, non-public, unofficial way.

The first reference I heard regarding the CEO /Consigliere relationship, and which represents what I call “bright side” of the relationship, was as mentioned earlier, Aristotle and Alexander the Great. It was Aristotle who awakened Alexander’s nascent leadership talent and evoked the greatness in him by telling him tales of the Greek God Achilles. Aristotle tried to evolve Alexander’s vision and values, elevating him to his better self by encouraging him to not just be a conqueror, like his father Philip of Macedon, but rather to spread Greek Culture and the ideals of Greek Civilization to a world full of barbarians. It was under Aristotle’s influence that Alexander conquered most of the known world, treating fallen Kings and their people with dignity and spreading Greek Civilization as he went.

The next reference I found to the CEO and the Consigliere was Nicolo Machiavelli, which represents the darker side of the relationship, but which has its own necessary place, for no person can achieve a great vision without mastering the game of power. As the story goes, Machiavelli was needing employment when he wrote a rough draft of *The Prince* for the 20-year-old Florentine noble, Lorenzo di Piero De’ Medici, in the hope that the young man would give Machiavelli a job as a Consigliere. No job resulted for Machiavelli. Eventually, the book fell into the hands of the Pope who relegated it to the “liboratum prohibitum” list, guaranteeing Machiavelli’s eternal fame.

One of the things I learned in business is that most CEOs or people who could be CEOs, tend to be smart people, good people, and people who I could actually say have a lot of integrity. In many cases, they live by some kind of Judeo Christian, Boy Scout code, or gentlemanly, moral uprightness, which causes them to try to be good, even in dealing with people who are patently bad. Unfortunately, many of these people fail to realize their dreams, because they are naïve in dealing with the evil in their midst.

They may have profited from Machiavelli’s advice that a Prince must at least appear democratic, decent and fair and go attract people and power to him, yet if he adheres to those rules too strictly, he will surely come to ruin by the great numbers who are dictatorial, decadent and ruthless. The Prince must not only stand in an Impossible Future that

could alter the course of history, but also stand ready to continually crush enemies who would take his power away, or at least take actions that make his enemies irrelevant.

It has been said *genius* is the ability to hold two opposing ideas in your head at the same time and still be able to function, yet in reality, such geniuses are few and far between. It is difficult for one person—CEO or Consigliore—to stand for inspiring vision and empowering values and, at the same time, do what is necessary to accumulate power to bring them to pass, something which may require continually crushing enemies. This is why the *CEO Consigliore* relationship is so important, and so structurally coupled throughout the history of politics, business, and many other fields.

The CEO Consigliore is a Powerful and Distinct Job

The CEO Consigliore is without doubt a trusted advisor who operates in a low-key, non-public way. Yet occasionally, the CEO Consigliore raises his/ her voice in a meeting with powerful decision makers, or becomes a powerful actor, one who alters the course of history. One of the things I did in researching this book was to try to define the CEO Consigliore role with some granularity. I came up with that I call the CEO Consigliore's Seven Key Roles.

The CEO Consigliore's Seven Roles

1. Being a first friend you can let your hair down with. Chief Executives live very isolated lives where they have to be on stage 24/7. JFK highly value first friend, John Powers, the hardnosed Boston political operative who could share a moment of silence, rattle off sports statistics, or tell an endless supply of jokes.

2. Being a CEO Mentor. Peter Drucker was not only a thought leader who is credited with inventing management and a consultant to America's biggest corporations, but he also was a mentor to CEOs, like Alan G. Lafley of PG throughout his tenure. Lafley found Drucker's ideas deceptively simple, but powerful, and held him in absolute reverence.

3. Helping the CEO find the path to power. Clark Clifford, often known as Washington's Man of Wisdom, played a pivotal role in Harry Truman winning the impossible election against Thomas Dewey in 1948. He also helped Jack Kennedy deal with contretemps of the Saturday Evening Post saying that his Pulitzer Prize winning book was ghost written, something which would have spoiled his election chances.

4. Making great decisions and judgment calls. Most CEOs tend to make decisions as if they have only one option for the strategy, one option for the operations approach, or one option for the talent plan. One of the tremendous benefits of having a CEO Consigliere is making sure you have someone close at hand who can help you distinguish all the options available from those that you see. A CEO Consigliere with good judgment can help select the right option and is also capable of "truth to power"—having the ability to tell a sitting President, CEO, or a leader that they disagree with the leader's view, or present them with facts that cause them to reassess their view.

5. Right hand person who does whatever. It's not about who is the boss, but how well the CEO and Consigliere collaborate. Thirty executives had gathered in a conference room at Oracle's headquarters to discuss business alliances. Ellison fidgeted in his seat, until finally he got up to leave, murmuring something about a prior engagement. Catz immediately sprang from her chair. "Safra grabbed him by the arm," recalls one participant," and said, "Larry, you can't leave. This is important. And I know you have the time for this." And he sat back down.

6. Minister without portfolio who negotiates a deal. When Yitzhak Rabin wanted to improve relations between Israel and the Palestinians, he sent Shimon Peres to meet with Yasser Arafat in secret in the desert at 3 am in the morning. Says Rabin, "I learned the enemy didn't have horns on his head." The encounter was one of the meetings that resulted in the Oslo Peace Accords.

7. Master psychologist who returns the CEO to him/ herself. CEOs are just human beings with their own strengths and vulnerabilities. Like any human being with a vision or goal that is thwarted, they can lose their perspective and become very upset. The role of the CEO Consigliore is often to say the one thing that will give them their perspective back.

Each of the seven chapters of the *CEO and the Consigliore—Conversations with a Masterful Coach* addresses a bothersome issue or problem, where I take on one of the roles above. Yet, I chose to make this a conversation between you, the reader, and myself where I draw upon other conversations I have had with actual clients. I hope that the advice offered will not only be relevant, but fall on you softly as a snowflake hits the ground, while, at the same time, sticking deeply in your mind.

Robert Hargrove, Boston, February 2013

About the Author

Robert Hargrove is a world-renowned, revolutionary thought leader in the field of talent development and coaching. His motto is *Better Leaders, Better World* and he believes that coaching leaders to achieve an Impossible Future is the fastest, most powerful way to achieve both.

Hargrove is the founder of Masterful Coaching and served as a Director of the Harvard Leadership Research Project. Hargrove received the Distinguished Public Service award by the USA Government for his coaching work with political leaders.

Hargrove has also played a pivotal and highly instrumental role in rebranding campaigns in companies like Adidas, Philips, Estee Lauder, the National Hockey League.

Hargrove's coaching approach is one of the only methods which delivers real ROI. According to one client, "We pretty much stuck with the Masterful Coaching approach and it made the company hundreds of millions of dollars."

Hargrove is the author of many books on leadership, coaching and collaboration.

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