



**MASTERFUL**

**COACHING**

**THIRD EDITION**

**ROBERT HARGROVE**



## CHAPTER ONE

# COACHING IS AN IDEA WHOSE TIME HAS COME

## The Masterful Coaching Vision, Mind-set, and Method

Leaders today need to become revolutionaries or risk becoming irrelevant. Welcome to the revolution! This book is a call to arms. It is an invitation to take a stand for the future. The winds of change are blowing at gale force against the barricades of the status quo. We are shifting from the Age of the Machine to the Age of Talent, from a Mass Economy to a Creative Economy, from “The world is our colony” to “The world is flat.” Think Wal-Mart vs. Sears, Apple vs. Sony, Google vs. AOL, Whole Foods Market vs. Safeway, YouTube vs. MGM.

CEOs have no choice but to become revolutionaries or risk becoming irrelevant at the hands of their competitors. This book is for leaders at all levels whose aim is to make a difference in their world and for coaches who desire to play a catalytic role in this process. This book is a manifesto and manual. It’s for people who believe that an Impossible Future is something you create, not just something that happens to you by luck. It is a book for innovative leaders who are unwilling to just play it safe and for coaches who want more than just another contract. I will introduce you to the Masterful Coaching vision, mind-set, and method—a powerful and concise step-by-step process. Yet before going further, let me set the table.

Companies need revolutionary leadership and business models in order to compete. We have reached a tipping point where the cumulative effect of change demands revolutionary new business (management) models. The fu-

ture of management? *Visionary Leader, Profit Mechanic, Coach.* The leader will be a visionary who changes the game while others sleep, a profit mechanic and people developer—*Talent Pool Plus.* Creative intellectual capital (think Microsoft, Google, Apple), not a big organization on merger steroids, is the key to success.

If we aim to realize an impossible future and change the world, we better get together the best professionals in the world. Nothing less will do. Organizations need to be acting as organizers, not just employers—think Visa International, Amazon.com, or Linux software. Hierarchy, bureaucracy, and employee ID's will give way to hot zones, a stew pot full of joint ventures, and wow projects. Look for more brassy brands and professional service firms. The focus will be on creative intellectual capital, superb client relationships, and turn-key life altering solutions.

**Some of my favorites:**

IDEO—*innovation is a team sport;*

Cirque Du Soleil—*ultimate entertainment experience;*

Whole Food Market—*gourmet healthy fast food;*

eHarmony—*compatibility matching system;*

UPS—*What can brown do for you;*

Everything on the Internet: *Web2.0 (web businesses) not Web1.0 (just brochures)*

Second, Big centralized organizations are giving way to “Empires of the Mind” consisting of twelve people. The value of the Industrial era MBA degrees and huge, sprawling, centralized organizations with overlapping product divisions all but disappears as we make the shift to the Age of Talent (Creative Economy) and the trend toward outsourcing and offshoring continues. *Does anyone want a Chevy anymore?* At the same time, the value of visionary leadership together with creative intellectual capital and radical innovation comes boldly into view. Bill Gates and Microsoft with an empire of a dozen minds surpassing General Motors, America's biggest corporation, in market cap was a sign of the times, as was IBM selling its PC business to China's Lenovo.

Prediction! Even the best CEOs will find it hard to keep organizations like GM, IBM, GE and so forth from being broken up in the next decade, as 90 per-

cent of white collar jobs ‘disappear’ and or become reconfigured beyond recognition. The CEO as Steward of the Big Company who had little choice but to be a command and control manager in order to coordinate the efforts of tens of thousands will be passing into history. The CEO as Entrepreneur with an Empire of a Dozen Minds (Apple, Google, Facebook) and a vision of an Impossible Future based on a dramatic difference will come to take their place. One thing is certain, if the people on your team are some of the smartest people in the world, command and control isn’t going to cut it. Nor will running the company according to the laws of physics—*if you want to grow, buy a big company.*

Coaching has become an idea whose time has come as millions of business leaders seek an Impossible Future and 75 million boomers retire. I assert that in the next decade, coaching will become an idea whose time has come as millions of CEOs will discover that the old fashion management muscles needed to deliver predictable results and occasional incremental improvement aren’t sufficient to lead a team of talented people to an Impossible Future based on game-changing products, exciting new services, and spellbinding experiences. I also assert they will increasingly tap into a growing army of coaches and consultants drawn from the ranks of 78.2 million baby boomers used to a high standard of living, loaded with value added expertise, not ready to retire, and looking to get the most out of the rest of their life.

For example, when Jeff Immelt became CEO of General Electric told people his primary task as a leader was not to wrestle a thousand pound gorilla to the ground (*stay on top of everyone and everything*), but rather to act as a coach that would take people to an Impossible Future based on growing the company eight percent a year. His coaching started with a winning game plan. He personally got involved in building a talented cross functional team to launch a new company—GE Infrastructure—a general store to third world countries. His coaching duties also involved helping to transform a culture of general improvement efforts into a culture of radical innovation. Immelt believes that no executive can reach his potential without coaching, and one of this first acts as CEO was to retain his old boss, Jack Welch, as his executive coach.

## THE LEADER AS COACH IS DISPLACING THE LEADER AS COMMANDER

Leadership from on high based on command and control, a poltergeist from management's past, will finally be exorcised and the leader as coach based on stimulating imagination and radical innovation will take its places. The unit of organization has shifted from a big organization to a great group with a hot project where each person is free to discover their own greatness. Interestingly enough, the best role models are coming from outside the United States. N. R. Narayana Murthy, with the formal title of Chairman and Chief Mentor of Infosys in Bangalore, India, launched the \$20 billion company that employs 55,000 people with the creative intellectual capital of six talented software engineers and a \$250 loan from his wife.

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*First of all, I must say that God has been very kind to us because, as Louis Pasteur once said, that when God decides to announce his presence, he comes in the form of chance.*

*-N.R. Narayana Murthy*

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He had a vision of an Impossible Future of Infosys being one of the world's top three software firms and creating wealth for the Indian professional population based on the PC Revolution, Offshoring and Outsourcing, and an army of talented, Indian, English-speaking engineers. He also had a vision of leadership without formal authority based on the Indian tradition of the Guru, which his title Chairman and Chief Mentor reflects. He lives in the same house he lived in when he started the company, starts each day by scrubbing toilets and drives a locally made car to work at 7 am where he frequently holds meetings with the board on strategy, or coaches software engineering teams on Infosys values—honesty, respect, decency (charity).

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*I would like Infosys to be a place where people of different genders, nationalities, races, and religious beliefs work together in an environment of intense competition but utmost harmony, courtesy and dignity, creating more value for our customers.*

*-N. R. Narayana Murthy*

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As big companies that make and sell things morph into professional service firms that offer customized solutions through joint ventures and hot projects, the chain of command has been decimated and the senior guy who used to see it as part of his job to mentor talented junior employees to get them up to speed has either disappeared or is up to his ass in alligators in a project in Dubai, London, or Singapore. Most talented new hires, looking to make their bones, rarely get one lunch a year with the boss and often don't see much of a stretch assignment either. Companies are going to need coaching and mentoring to realize an Impossible Future and to win the non-stop talent war. It's one thing to bring on a mentoring program, another to create a mentoring culture.

Bruce Wasserstein, Chairman of Lazard Ltd, is an example of a leader who has embraced both ideas. A masterful dealmaker in 2005, he launched the seemingly impossible 2006 coup at Lazard in which he famously disassembled the 100 year plus family ownership and took the fractious merger and acquisition firm public. In 2007, he coached his veteran team of investment bankers on 300 billion worth of deals, something which always involves offering CEO's advice: *Are you sure you are going to keep the number two guy in the company you are acquiring, because the number one guy is definitely going to leave?* Wasserstein invests heavily in attracting a network of young stars. Every junior staffer gets a mentor who teaches them the ropes and, at the same time, stimulates their imagination. The idea is to create a hothouse where young talent is encouraged to think deeply, think creatively about the client relationship.

Today's leading CEOs, who have jobs as tough as climbing Mt. Everest that are mind-bogglingly complex, are increasingly realizing they can't do it alone. When Sir Edmund Hillary went to take on the Impossible Future of climbing Mt. Everest, one of his first acts was to hire his Sherpa, Tengin Norgay, as a

guide. Today many leading CEOs have jobs as impossible as climbing Mt. Everest and are increasingly looking for a coach to guide and instruct them in reaching their goals and dealing with dilemmas.

How do you attract New York Yankees' top talent level with a Nashville Sounds' low budget? How do you breakout of the no-growth morass? How do you transform a big organization that stifles game-changing ideas and create a gathering place that is as stimulating as Google search and as engaging as eBay, MySpace, or YouTube? In most cases, it's not about the coach having the answers, but about coach and coachee discovering the answers together.

The image of the CEO as a solitary Zarathustra-like figure is giving way to the image of the CEO and Masterful Coach whose destinies are joined at the hip. In Nietzsche's book, *Thus Spake Zarathustra*, the hero says God is dead and then attempts to conquer the world on his own, only to die early in battle having failed to create allies or take counsel from the wise. Nietzsche has unknowingly created an apt metaphor for today's CEOs who are being fired in record time and record numbers for much the same reasons. Like my Pentagon pals have said of Don Rumsfeld that, during his years at the Pentagon, he acted as if he was so smart that he neither brought in the team nor requested coaching and however brilliant and powerful, the goals and complexities of Iraq proved too much for him.

In my opinion, in the years ahead, CEOs will stop drawing their identity from the solitary Zarathustra-like figure and start drawing their identity from the image of the CEO in partnership with a Masterful Coach who together go after an impossible future, that would not be attainable individually. Can you imagine Sir Edmund going for the summit of Mt. Everest without Norgin Ter-gay? No! Can you imagine Jeff Immelt becoming CEO of General Electric without the coaching of Jack Welch? No again. Can you imagine Tom Brady winning four super bowl rings without Bill Belichick? No.

The CEO needs to get personally involved in bringing in coaches and mentoring programs rather than dishing it off to human resources (HR) or whoever holds the fashionable (albeit empty) title of vice president of talent development. This area blindness based on a fundamental misconception that coaching isn't about building the capacity to realize an Impossible Future and get some real world results, but is a separate development activity.

Unless the CEO is regularly in the habit of genuflecting before Human Resources, and unless Human Resources has a real mandate to make coaching happen, rather than a fake one, this is a bad idea. In most cases, the Vice President of Talent lacks a relationship with the line manager, lacks a budget, and isn't in the position to make a strong recommendation. The person to be in charge of executive coaching should be the CEO or Business Unit leaders themselves, with Human Resources taking the lead from them, not the other way around.

## CREATING A NEW CULTURAL CLEARING FOR COACHING

One of the goals of this book is to distinguish the future from the past of coaching. Today, as most CEOs know there is a war for talent raging outside their window, they will say positive things about coaching, yet in most organizations there is no cultural clearing for coaching to show up. I often hear, "I have had zippo coaching sessions with my boss in three years." There are many myths left over from coaching's past that result in not much of a cultural clearing for coaching to occur in corporations. But perhaps the most important one is: *Coaching is for losers, a last gasp effort before being shown then door.*

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*Coaching is for winners, not losers.*

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When introduce coaching in a new company, I plant the seeds of a coaching culture by telling stories from sports and the performing arts which illustrate that coaching is for winners, not losers. For example, when Tiger Woods met golf coach Butch Harmon, he went from being a talented your professional just breaking into the PGA to the number one golfer in the world, winning a grand slam (four majors) in short order. Further, rather than three sessions at the driving ranger, Butch Harmon and Tiger marched up and down every fairway for a year, practicing before and after every tournament.



Coaching is no longer about leadership lobotomies, but about expanding a leader's capacity to accomplish what they need to accomplish. This book is about the future of coaching rather than the past. The sun is setting over the days when the executive coach, who looked like Dr. Sigmund Freud, was relegated to doing leadership lobotomies behind a locked door. Today, CEOs of leading companies increasingly do realize that they need a coach who can help them accomplish what it is they need to accomplish.

WHAT IS COACHING? *Coaching is nothing but you and your client co-creating an Impossible Future together, one that is based on self and organizational reinvention.* It's about helping leaders make the shift from managing a big organization to creating a great group where each person is free to discover their own greatness. Enter stage left, the executive coach, more like Chairman and Chief Mentor Murthy, or NFL sports coach Bill Parcells, than a shrink; an individual who raises goals and aspirations acts as a thinking partner, transformational agent, and driver.

## MAPPING THE TERRITORY OF EXECUTIVE COACHING

One of the goals of this book is map the territory of coaching. In this book, you will hear about the vision of Masterful Coaching, the Masterful Coaching Mindset, and the Masterful Coaching Method. I stumbled upon the Masterful Coaching way, not by teaching leadership per se, but in the process of empowering executives, like Marsh Carter, Chairman of the New York Stock Exchange, Gerard Kliesterlee, Chairman of the New York Stock Exchange, John D. Young, Under Secretary of Defense (and many others) to reach ambitious goals and aspirations.

In the past, I had taken almost 30,000 business leaders through a not so typical three-day leadership training program with some great results immediately afterwards, but a lot of back sliding later. I discovered almost by accident in working with just a critical few that coaching was not only the fastest, most powerful way to develop leaders, but also the most sustainable. It was during this work that I had an epiphany that *extraordinary leaders develop in the process of producing extraordinary results.* Further, this paradigm is the heart

and soul of the Masterful Coaching Method.

The prevailing paradigm of leadership development based on competencies is universally accepted as right, yet dangerously wrongheaded. Before Louis Pasteur, people believed that bloodletting cured all ills. That was the paradigm and once inside that paradigm, you have two choices, “let more blood,” or “let less blood.” It never occurred to people that, while their paradigm was universally accepted as right, it was dangerously wrongheaded. When Louis Pasteur came along and said that bacteria caused disease, there was a paradigm shift and the methods started to emerge. Something like washing your hands became an obvious method. Before Masterful Coaching, the paradigm was that leadership development was a matter of studying characteristics and traits and later competencies, and the method was either one-to-one coaching or marching people off to abstract training programs that were either shorter or longer. Yet like bloodletting, it is so universally accepted as right that no one dares to notice that it is wrong.

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*Despite millions spent on research, thousands of books,  
countless training programs, there is not a shred of  
evidence that the competency based approach works.*

*-Noel Tichy, University of Michigan*

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## A NEW PARADIGM FOR COACHING

*This work is about establishing a new paradigm—extraordinary leaders develop in the process of producing extraordinary results. One of the primary goals of this work and my firm is to launch a new era in the history of leadership development based on the Masterful Coaching paradigm that leaders develop in the process of producing extraordinary results, rather than studying a set of behaviors. The Masterful Coaching paradigm is based on 7 Guiding Principles. If you stick to these simple but powerful principles, you will find that much of the Masterful Coaching Method is almost self-concluding. Further, you will discover that you can't go too far wrong. However, violate these principles at your peril!*

## **New Paradigm for Coaching**

- ◆ A leader is a coach and teacher vs. commander and controller
- ◆ Coaching is about standing in people's greatness, not leadership lobotomies.
- ◆ Coaching is about creating Impossible Futures vs. filling leadership competency gaps.
- ◆ Coaching is about creating a Winning Game Plan vs. fluffy Mission Statements.
- ◆ A coach is a transformational agent, not a purveyor of transactional tips and techniques .
- ◆ Coaches focus on the scoreboard, not just pie in the sky.
- ◆ The coaching relationship needs to be robust – more like the NFL football coach with the quarterback vs. your typical consulting engagement.

Let's take a closer look at each of these.

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*We are going to shock the world. -Dick Advocat,  
Dutch coach of the maligned Korean soccer team who  
eventually went to the quarter finals.*

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### **1) The leader is a coach and teacher vs. a commander and controller.**

A few years back I landed in Singapore on my way to give a speech on The Leader as Coach to a group of local business leaders. My first observation: Singapore works! The evidence is everywhere. Prime Minister Lee had a vision of Impossible Future of Singapore going *From third world to first* and unabashedly micromanaged his island to make it a reality. Since retirement, he has taken on the official title of Minister Mentor and often holds forth with his successors till the wee hours of the morning. According to Lee, he cannot direct govern-

ment leaders or direct legislation, only help leaders on the front lines and in the heat of the action to step back to see the big picture. His top priority is to coach Singaporeans to find a new act now that “Efficiency and Operational Excellence,” their signature, no longer makes it due to rising GDP (labor cost). He says Singapore must become a brand that is associated with “cool stuff”—professional service firms, high tech, banking. <sup>4</sup>

**2) Coaching starts with inviting people to discover their own greatness, not leadership lobotomies.**

I asked John Young, Assistant Secretary of the Navy, a post previously held by Teddy Roosevelt and FDR: “What do you see as your potential in the government?” Mr. Young thought reflectively about the politics of the Pentagon and said half in jest, “I’m not sure I will ever be more than a peon.” I then did some 360 interviews, including the head of the Joint Chiefs, the CEOs of Raytheon, Boeing and other industry leaders, a dozen or so Admirals, Captains who told me Mr. Young, then 42, had the potential to become Secretary of Defense some day. People were in effect inviting Mr. Young to discover his own greatness as a leader rather than just be a defense program manager. When I gave him the feedback, the impact was life-altering. He developed a broader leadership vision, “Defeat Any Enemy on Any Battlefield,” which would require transforming the military. He also became a thinking partner of the Secretary of Defense, frequently accompanying him to the White House to discuss hot issues.

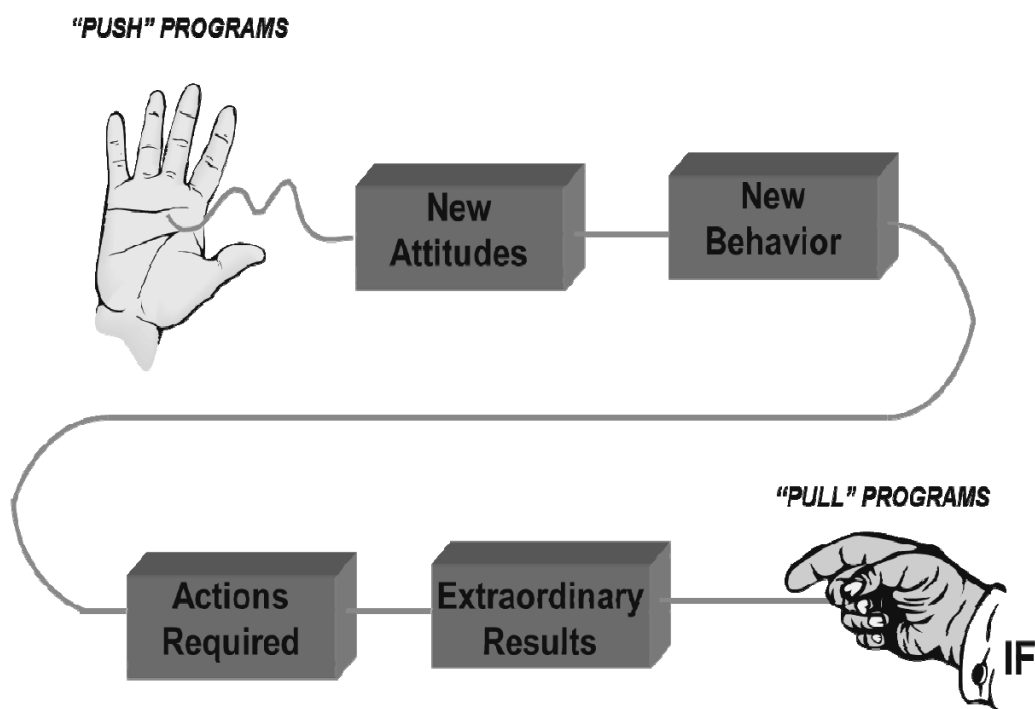
**3) Coaching is about creating Impossible Futures vs. filling leadership competency gaps.**

Most coaches start the coaching relationship by pulling out a list of homogenized leadership competencies and then seek to identify and fill gaps—a PUSH approach to leadership development. (See diagram 1.1.) By contrast, I start every coaching engagement by asking: “What would be an Impossible Future or big game you are really passionate about?” Next question: “How are you going to need to develop as a leader to get there?” This is the PULL approach to leadership development. (See diagram 1.1) Greg Goff, President of ConocoPhillips, with a reputation of being more of a deal maker than a leader, told me an Impossible Future or big game he could be passionate about was to build an in-

spired, high-performing oil business out of a decidedly resigned group of employees and underperforming rusty oil refineries. As soon as he began articulating his vision and holding town hall meetings, he naturally began to discover and express the leader within. Profits shot up from one billion to three billion over the next 18 months.

DIAGRAM 1.1 A Pull versus a Push Approach to Leadership Development

Traditional abstract training programs “push” leadership competencies and tend to be psychological and mechanistic



Masterful Coaches inspire people to go for extraordinary results and then call forth the actions that are needed. This creates a “pull” for new leadership competencies.



**4) Coaching is about creating a Winning Game Plan vs. fluffy Mission Statements.**

Once we define an Impossible Future, I tell people the next step is not to come up with a fluffy mission statement, but a Winning Game Plan that tells everyone in the organization how we can win. I operate as a thinking partner who helps people break the grip and excel beyond winning strategies that made them successful, but now limit them. For example, I coached Jim Morgan, CEO of ComfortSource.com, a small, high-powered web-based furniture outfit that was growing by leaps and bounds, but not making much profit. I told him that he couldn't out Wal-Mart Wal-Mart or out eBay eBay by selling thousands of unrelated items and competing on price. Together we came up with a game-changing idea of marketing comfort, the ultimate source of luxury, along with a turn key solution: *Rooms to Go*. The company was able to not only grow their business exponentially by forty percent, but also multiply their profits from two or three percent to twenty percent.

**5) A coach is a transformational agent, not a purveyor of transactional tips and techniques.**

There are three factors that are the acid test of Masterful Coaching: 1) impossible goals, 2) winning against all odds, and most importantly, 3) being a transformational agent. For example, I coached Karen Walsh of Suffolk Construction whose job was to balance the company's incredible growth with Risk Management—something which required a transforming corporate culture. GMs who had learned how to build a business from the back of a pick up truck had a lot of resistance to having to scrutinize their subcontractors insurance and safety procedures. Karen got that she had to reinvent the organization, but what she needed to get was that she had to reinvent herself first. The 360 feedback revealed that the resistance she was getting was due to the fact that she came across as an insurance Nazi, not a construction person. Over a few months, we addressed this, as well as building risk management into the contracting process.

**6) Coaches focus on the scoreboard, not just pie in the sky.**

Coaching is often a dance between long-term visions and short-term goals. You may want to win the Superbowl, but to not be eliminated; you have to win the

next game. That means executing the game plan, focusing on the scoreboard, winning, losing, and intervening in the drift. I was coaching Bill Donahue at Global Electronics on an Impossible Future for his company that involved breaking out of the no-growth morass. One day I happened to say, “You are doing great with your vision, but are you also focusing on the scoreboard?” (Key numbers of the business.) Bill looked at the quarterly financial report he had just received and said, “Damn.” As it turned out his group was creating some game-changing product ideas, but were missing their production and sales targets. If things kept going in the same direction, his entire organization would miss their bonus. My casual question as an executive coach prompted Bill to intervene before it was too late.

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*That's why they pay me the big bucks! -Jason George when he inked a \$750,000 for a year coaching contract with an organization.*

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**7) The coaching relationship needs to be robust—more like the NFL football coach with the quarterback versus your typical consulting engagement.**

Think football coach and quarterback, not your typical consulting engagement. Bart Sayle, a British coach who took the Masterful Coaching Certification Program, asked the new CEO of Mars what an Impossible Future would be for his company. The CEO said he would like to take the company from \$3 billion in revenue to \$5 billion and have this come at least 80 percent from organic growth rather than acquisition. Sayle responded, “You will probably reach that goal, but it may take you a decade or more. I think my coaching can give you the power and velocity to reach it in three years. If I did, what would it be worth to you?” The CEO said, “You’ve got my attention,” and the two agreed to a one to three year engagement worth up to one million a year for George, including stock options. The CEO and Sayle worked out what we call a “structure for fulfillment” that would increase their chances of success.<sup>5</sup>

**The look and feel of a robust coaching relationship:**

- 1) The Coach works with the CEO and the executive team on an Impossible Future.
- 2) The Coach has a seat on the executive committee and a voice in decisions and judgment calls.
- 3) The Coach leads a one week “happening” and breakthrough strategy session annually.
- 4) The coach can call meetings anywhere and can ask any question he or she wants.
- 5) The coach has a monthly dashboard with the company’s financials on it.

**THE MASTERFUL COACHING PARADIGM IS THE SOUL OF THE MASTERFUL COACHING METHOD**

I have learned from leading Masterful Coaching Certification Programs that, while the Masterful Coaching Paradigm based on the 7 Guiding Principles may be vitally important to resetting people’s mindset around coaching, most people are looking for a method that they can practically and immediately apply. In this chapter, I will introduce you to the Masterful Coaching Method and set your mind at ease.

**The Masterful Coaching method is what the iPod is to the Sony Walkman, the GPS to the roadmap, and the HD TV to an old black and white set.** The Masterful Coaching approach is perhaps the only coaching method that can be used by both CEOs and consultants with slightly different tweaks. It is the only coaching program that combines Impossible Futures and Winning Game Plans together with personal and organizational transformation. Third, it’s the only coaching approach that is truly predicated on producing extraordinary and tangible business results rather than producing mere behavioral change. As I told a group of CEOs and HR managers in Seoul Korea a couple of years back, the Masterful Coaching Approach is what the iPod is to the Sony

Walkman, the GPS to the roadmap, the HD TV to an old black and white set.

**The Masterful Coaching method is designed to be as ubiquitous as a bicycle lying against the wall of a garage.** I have designed the Masterful Coaching method so that it not only delivers on leadership and business breakthroughs, but also to be user friendly. As Steve Jobs once said of the Apple Computer, its designed to be as ubiquitous as a bicycle lying against the side of a garage. It's one thing to say that the Masterful Coaching approach develops extraordinary leaders in the process of producing results, but can the average person deliver? To share a story, following this talk I gave in Korea, I lead an MC Certification Program for a dozen or so leadership consultants schooled in the competency based approach. At the beginning of the program, the guys were clearly nervous about whether or not they would actually be able to provide a coaching program that delivered not just leadership competencies, but real return on investment (ROI). Yet by the end of the program and understanding the structure of the coaching relationship, they were full of confidence, and felt fully empowered to do so.

**The Masterful Coaching method is about bringing power and velocity to people's goals.** I was coaching a cool friend (a political appointee) in the State Department who had some ambitious goals and plans, but only about a year before the Presidential election, another words, a short time to accomplish them. I said, "First, your power is not your position in the government. Your power is the velocity in which you can accomplish these goals. Second, a football game is one hour long, not two hours. You have to win in those sixty minutes. If you get eighty percent of what you have planned done in this next year, you will be a hero; ten to twenty percent, just a footnote in history. The executive told me, "I get it. My team and I have to start acting like we're in a two minute drill in the Superbowl rather than going for a walk in the park." In the next week, he mobilized his team with some 90-day catalytic breakthrough projects and got them into action.

**Masterful Coaching is a one-year coaching program.** In most cases, we suggest that the Masterful Coaching engagement be a minimum of a year. Why? First of all, if your paradigm is that leaders develop in the process of producing extraordinary and tangible results, you have to design the structure of the program in keeping with that. We have observed that it takes a minimum of

a year to not only realize an Impossible Future or transformational goal, but also to make anything happen in a big organization. It also takes about a year for people to transform who they are as leaders and to come together as a team. You can't transform someone's leadership style or get an extraordinary and tangible result in a three-day training program or even three-month consulting engagement.

**The Masterful Coaching method for building a team's capacity to realizing an Impossible Future is different than the methods of running a giant corporation.** The image of the *CEO as Uberboss* of a giant corporation will give way to the *CEO as Coach* of a great group of stupendous talent that is ready to rock the world. To put it another way, in the years ahead, the CEO may continue to be an Uberboss of a giant company, but be so in parallel with building a cross-functional team's capacity to realize an Impossible Future and transform their world. Steve Jobs of Apple, Jeff Immelt of General Electric, N. Murthy of Infosys are notable examples. It is a given that the managerial frames and method for running a big company so as to deliver predictable results as promised and occasional incremental improvement is different than coaching a small team to achieve creative, entrepreneurial, breakthrough results.

**You don't reach transformational goals all at once; you need to create a process.** Having said that, coaching people to realize an Impossible Future or transformational change doesn't just happen all at once, you have to create a process, just like you need create a process for general improvement programs. You need a powerful and concise series of steps to be taken over time. Back after World War II, W. Edwards Demming, the founder of Total Quality Movement (TQM), discovered a technology for coaching Japanese factory managers to install TQM at a time when *Made in Japan* meant junk. The technology included things like a zero defect policy, Pareto charts, Fishbone diagrams, Gantt charts, and so on. In the 70's and 80's, Americans tried to copy it in order to compete.

**The Masterful Coaching process empowers you to expand an individual's or team's capacity to realize an impossible future.** While the leader of a big company like Ford, GM, or Chrysler might think it's important to coach his organization, I doubt if the conversation would be about how to match



the Germans on design or Japanese on TQM. It would probably more likely be about scouring the world for the creative intellectual capital needed to realize an Impossible Future based on the next generation of automobile, one that is as gorgeous as a Ferrari and as fuel efficient as a hydrogen hybrid, while still being affordable. The Masterful Coaching process, which includes imagining the future, radical innovation, and Blitzkrieg execution, are as important as zero defects and continuous improvement were a few decades ago.

**We not only have a proven process, but a powerful and concise series of steps.** The first thing we do in our Masterful Coaching Certification Programs is to introduce people to the Masterful Coaching vision: “Better leaders, Better world” and then teach them the Masterful Coaching fundamentals. For example: “Coaching is a way of being, not just a technique, so stand in people’s greatness, even when they fall from it.” Also, “Coaching communication is about speaking from a stand (one that conveys your belief in people), rather than speaking from your reactions.” We also teach people the difference between *transformational* learning and *transactional* learning.

## THE MASTERFUL COACHING METHOD

After the coaching fundamentals, we introduce people how to structure a year-long program according to the 5 Phases of Breakthrough and the 12 Classic Coaching Conversations. (Part III goes over all 12 Classic Coaching Conversations). Mastering the 5 Phases of Breakthrough, as shown on the periphery of the circle, accomplishes three things: 1) It allows you to get a handle on coaching people over a year’s time; 2) It tells you what is involved in actually producing a breakthrough results; 3) It tells you how to adjust your coaching style, teachable points of view, and game plan according to which phase you are in.

## FIVE PHASES OF BREAKTHROUGH

### I. FORMULATION

Engage and inquire into impossible goals, plans, leadership and business challenges

**II. CONCENTRATION**

Launch an initiative, wow project, rapid prototype, keep going in the absence of results

**III. MOMENTUM**

Create a widening circle of small successes

**IV. BREAKTHROUGH**

Build on success by scaling up

**V. SUSTAINABILITY**

Set up business processes; institutionalize gains

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*Clarity is Power*

**Phase I. Formulation** (1<sup>st</sup> quarter) The coach invites people to engage and inquire into goals and plans. *What would an Impossible Future be for you and your company? What would be a Blue Ocean Strategy that would obliterate the competition? Who do you need to be and what do you need to do to make it happen?* The key question here is not, *How can we reach a big goal through the same cookie cutter approach?* but *What's missing that, if provided, can make a difference?* The leaders of Home Depot, Whole Foods Market, eBay are good examples of those who spent sufficient time in this phase and came up with what's missing—which is not the same as what's wrong. Incidentally, we not only formulate what the leader's role will be in leading the transformation, but how he or she will have to personally transform in order to make it happen. We create a both a business roadmap and a leadership roadmap based on 360 feedback.

*Stop talking, start doing.*

**Phase II. Concentration** (2<sup>nd</sup> quarter). Where in the Formulation Phase the coach encourages people to engage and inquire, in the Concentration Phase, the

coach urges people to stop talking and start doing. You are going for a breakthrough and breakdowns are common, leadership- and result-wise. Bill Caldwell, a Business Unit leader from a big oil company and his team came up with an Impossible Future of “100% Replace” (on oil reserves that had been picked over for a 100 years). In the first team coaching session (formulation), my message was: Launch an initiative, mount a catalytic breakthrough project, go for a result now! They iterated on these for 3 to 4 meetings, but didn’t do anything to execute on them. Finally in the fourth month, I took Bill out of the room during a break and said, “You need to shift how you are coaching people. You need to be like Jumping Jack Flash and light a fire under people’s derrieres rather than playing Mr. Empowerment and taking your lead from the team.”

*Don't let up!*

**Phase III. Momentum** (3<sup>rd</sup> Quarter). In this phase, the coach teaches people that big goals are achieved through a widening circle of small successes. The coach emphasizes that each success spearheads a breakthrough, which creates an opening for a larger breakthrough. So DON’T LET UP! John Young, Under Secretary of Defense tasked with transforming military for the War on Terror, asked me to be his thinking partner on how to build a much more robust toolbox with limited taxpayer dollars. He decided that rather spend a ton of money asking three defense contractors to develop the MRAT (Armored Personnel Carrier for Iraq) to the point where it was ready to role off the assembly line, that he would ask them each to develop a rapid prototype at a fraction of the cost. This program worked so well that it rapidly built momentum and spread to other programs, saving the government billions of dollars.

**Phase IV. Breakthrough** (4th quarter). In the fourth phase, the coach needs to help people deal with the specter of visible, sudden, and unexpected success. Imagine that you open your first Wal-Mart in East Oshkosh one Friday, and by Saturday the parking lot is jammed. Imagine that after sitting in a coffee bar in Rome, you build the first prototypical of Starbucks, discovering that people are willing to pay three or more dollars for a cup of coffee. Imagine that you run a pilot plant to extract petrol from coal tar sand. Now that people have had their

*AHA* moment and made something happen around it, the coach works with them to expand their vision, scale up the idea, and turn a profit. Wal-Mart in every rural shopping center? Starbucks in every city? Coal tar oil in every gas pump? We have been talking here about a coach being a steward, catalyst, and nudge for a business breakthrough, but you will notice from every story I tell that a coach has a dual role to play as catalyst for a leadership breakthrough.

**Phase V. Sustainability** (Year 2). The final phase involves coaching people to make the breakthrough sustainable. All too often, creative entrepreneurs come up with a great game-changing product or service, experience the first blast of cash, and then buy a new BMW, book a trip to Miami, whatever. Yet six months later, you see the sign on their storefront or website: *Going Out of Business*. Coaching people in the Sustainability Phase involves three steps: 1) Paying attention to what's working and institutionalizing it—for example, paying employees a bonus to recruit great people. 2) Paying attention to what's not working and fixing it—for example, your competitor's website is very searchable, but yours isn't. 3) Finally, it involves paying attention to what's missing that, if provided, will make a difference. This often involves coaching people on setting up world-class business processes that are essential to keeping your business on track—financial controls, marketing, supply chain, and so on.

## 12 CLASSIS COACHING CONVERSATIONS

Let me begin by saying that coaching happens in conversations. The 12 Classic Coaching Conversations provide you and the client a road map for the year-long coaching process. In the event that the client feels at sea in the coaching process, I just pull out the wheel, point to a conversation, and say, "This is the territory we have conquered: *Conversation 1. Creating an Extraordinary Coaching Relationship* and *Conversation 2. Defining an Impossible Future*, and this is where we are now, *Conversation 3. Learning how to become a successful change insurgent*."

The 12 Classic Coaching Conversations (or rather network of conversations) all but insure that you will be able to add value in every coaching session. Each one of those conversations is probably worth the price of admission, the time

and expense involved in the coaching engagement. Having said that, as you take people through the 12 Conversations, you have to bring something from yourself into the conversation rather than just rely what's on the printed page. It's much more powerful to share a teachable point of view that you gained from hard experiences than it is to share one you picked up reading the in flight magazine on your way to the meeting. Part III in this book goes through each one of the 12 Classic Coaching Conversation.

**One way of looking at Masterful Coaching is as a mindset or method that you try out on clients in a logical, linear progression.** Coaching involves thinking and working together with the intention of achieving an Impossible Future and changing people's lives through a relatively logical and linear step by step process. It's perfectly valid to look at the Masterful Coaching Paradigm and Method like that and, in fact, that is what we are going to do in short order.

However before doing so, I want to talk to you about Masterful Coaching as if we were sitting together in a great restaurant or bar and I was telling you the story of what happened in coaching a particular individual. Another words, your conversations are a narrative about a person, in this case a CEO or business leader, in the process of becoming. Though I talk often about CEO and Coach, it is more a verbal simplification that might otherwise stand for Coach and business unit manager, or coach and high potential employee, and so on.

**Every coaching engagement is also narrative about a person (or team) in a quest for an Impossible Future.** I want to begin by saying that the narrative usually starts with an Extreme Coach (like myself) who is more interested in helping leaders make a difference than in his or her next contract, striking up a relationship with an Extreme Leader, John Young Under Secretary of Defense or Greg Goff EVP Conoco Phillips who wants to rock the world with a game-changing idea and is ready to eat radical change for breakfast. In each case, the process looked less like a logical progression than one with many twists and turns of plot.

The key job is to expand a person's capacity to realize an Impossible Future and bring about transformational change, which begins asking provocative questions that raise people's goals and aspirations. John Young took on the task of transforming the military; Marsh Carter's was to reinvent the NYSE. Gerard Kliesterlee's was to move Phillips from "We Make Things Better" to "We



Make Different Things.” In most cases, people know they have to step into reinvention paradigm to realize their goals. I get them clear that to reinvent the organization; they have to reinvent themselves first.

**The narrative is not just about transformational goals, but a person in the process of becoming.** Every coaching engagement is a story of greatness and pettiness, brilliance and blindness, failure and grace. I often feel like I am in a Shakespeare play where, whether the play turns out to be a comedy or a tragedy, depends on whether the hero has a revelation of their own foolishness and changes his ways. Perhaps this is because I seem to gravitate to extreme leaders who have a big vision, a big game and a sizeable chunk of arrogance that comes from having been so successful in the past.

In most cases, I create people as being great leaders, given their day job, yet once an Impossible Future is declared, I let them know usually through 360 feedback interviews, “that what got you here as a leader, ain’t going to get you there.” I have learned that realizing a transformational goal in a big corporation requires the courage and patience of Richard the Lionhearted, as well as the political skills of Machiavelli. It’s one thing to manage an organization in the *Age of Progress*, but what about managing an organization in an *Age of Radical Innovation*.

**People need to reinvent themselves and their organization by learning how to be a change insurgent.** I also talk to coaches about the difference between being a leader with all the magisterial power to declare a new vision and new era, and being a change insurgent who reinvents the organization without getting the total buy in of the bosses when starting out. In most cases, for people to reinvent the organization, they need to reinvent themselves first. One of the first things I work on with people is to stop defining who they are in terms of their performance alone and to start learning to love politics.

The principle issue is that in every turning point in history, in every country there is the party of the dominant majority that represents the status quo and the party of change, usually a small minority. If you want to bring about change, you have to speak to the vision in people’s minds and hearts so as to mobilize a great group to bring about change from below. I then teach people that a hot project or rapid prototype with game-changing potential is a great way to take the revolutionary fires of a small insurgency and get them to burn in the whole organization.

## TEACHING PEOPLE TO MOVE MOUNTAINS

The executives I coach are often monsters of effectiveness who know how to move mountains by dint of their imagination, intellect, daring and drive. However their singular achievements are often achieved through dominating other people on the executive team rather than through collaborating with them. Like Zarathustra, they may gain power rapidly only to die early in battle for lack of allies.

At a certain point, their ascent up the corporate ladder and ability to pull of a big vision or change initiative tends to plateau. At point they have two choices: 1) run things up the ladder to the CEO in hopes they will force it down people's throats—50/50 chance of success or 2) transform from a monster of personal effectiveness alone to a monster of organizational effectiveness so they can literally move mountains.

This starts with the Masterful Coach teaching people about how to get maximum return on investment from relationships. For example, I sometimes say, "there is a time in every relationship where a three minute phone call would have avoided a total breakdown." I have also learned that the following power words can have tremendous impact: "Thank you" and "I'm really sorry!"

Finally, the coach needs to know when it is time to shift from a thinking partner and purveyor of emotional intelligence to prime mover of action. This involves bringing teams together, getting objectives agreed upon, ironing out conflicts, mounting projects, taking action to create a rallying momentum and drives projects to completion.

## 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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