



## chapter 6

# MARSHALL GOLDSMITH on Becoming Well Known

*Marshall Goldsmith is an internationally renowned executive coach and leading authority in behavioral change. He helps successful leaders achieve positive, measurable change in behavior. Recently, Marshall was named by the American Management Association as one of 50 great leaders and thinkers in the field of management. He has been ranked one of the top 10 executive educators by The Wall Street Journal, and named one of the five leading executive coaches by Forbes and one of the most credible consultants in the new era of business by The Economist. To date, he has worked with over 60 high-level CEOs. He has been profiled in The New Yorker and Harvard Business Review, and was featured in a cover story of the London Business School's Strategy and Business Review in spring 2003.*

*What has Marshall been doing to become well known, how has he created his own brand as one of the world's leading executive coaches, and what is he doing to continue enhancing his personal brand? His story reveals the answers.*

## Learn from the best

Early in his career, Marshall Goldsmith met Paul Hersey. At the time, in addition to being a professor, Paul was a renowned consultant in the field of executive development. Paul offered Marshall a job as an associate professor, which he declined. However, Marshall did take up an offer to sit in on one of Paul's public seminars for executives. The event was a turning point in Marshall's career. "He was great," Marshall said. "I was very impressed with what he did and I asked him if he thought I could teach his Situational Leadership material." Paul agreed, so Marshall began tagging along on his seminars. Despite having a Ph.D., Marshall was not above lugging around video equipment or setting up chairs to help his mentor. "I realized I could learn from Paul ... in terms of how to communicate with real world executives. I learned more from him than I learned in any of my formal educational experiences."

One day, Marshall got a call from Paul. He was mistakenly booked to speak at two events on the same day, and he asked Marshall if he could take his place teaching a leadership program for a large life insurance company on the East Coast. Marshall agreed, and the event turned out to be his big break. The participants ranked Marshall as the most effective speaker during the two-week program. While the client was disappointed that Paul had not shown up, they could not stay upset because Marshall was so popular. Paul was going to charge the company \$2,000 for his fee. Then he called Marshall and asked if it would be okay if he kept \$1,000 and paid Marshall the rest. Marshall told Paul, "I'm making \$15,000 a year. As long as you pay me \$1,000 per day, I don't care if you make \$50,000!"

Paul also asked his protégé if he would like to continue teaching his material. Marshall answered, "Let me think about this. I get to meet leading executives. I have a great time. They like me. I am adding lots of value. And I make \$1,000 per day? Sign me up, Coach!"

## **Become an expert in a topic that is not covered**

Marshall had been in business for about 10 years when someone asked him the question, *does anyone every really change?* His answer was, “I don’t know. That’s a great question.” With a background in mathematics Marshall realized that there had not been any *real* research done that could answer this question. In most large organizations, there was no measurement tool to show if anyone who attended leadership training actually achieved a positive long-term change in their behavior. There was a *hope* that participants improved, but no real way to measure of long-term change. Marshall began to do research and develop expertise in this area, and decided to start focusing on a way to measure long-term change in leadership behavior.

Marshall’s coaching process is unique. His clients – mostly high-ranking executives in large organizations – are evaluated by those who have something to gain by improving the client’s behavior. He calls these people *stakeholders*. An important element of his coaching method is to first determine who are the client’s key stakeholders, and secondly, what are the key behaviors that the client wants to change. Marshall collects feedback from the stakeholders and shares their views with the client. Then he and the client develop an action plan for improving specific behavior traits and schedule follow-up reviews with those stakeholders who provided the feedback. Almost invariably, the stakeholders report – over a period of a year – that the client has improved his or her behavior.

Another distinctive aspect of Marshall’s service is that he only gets paid after his client has achieved a positive, measurable change in behavior. If the client does not change, Marshall does not see a dime. Since change takes time to measure, it can take 12 to 18 months before Marshall is paid. While it sounds simple, Marshall has managed to carve a niche for himself using this approach: “I am not aware of anyone else who did this before me. I developed a very clear mission statement: I help successful leaders achieve a positive long-

term change in behavior for themselves, their people and their teams. In the same way that Paul had become the expert in Situational Leadership, I could become the expert in helping successful leaders actually get better.”

## Have a clear, specific and unique identity

To develop a solid brand, it’s important to have a clear identity and try to make that identity unique. Marshall believes that personal brands such as *I like to help people* or *I can help you become more effective* are much too vague. If you look at his brand, you’ll see he has very clear and very specific mission: “Helping successful leaders achieve positive long-term behavioral change.” More importantly, this is all Marshall does. “Being able to say ‘this is what I do and this is what I *don’t* do’ is very important,” he explained. “You have to be careful not to water down your message by saying you

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can do 20 different things. Very few people have the courage to develop an individual mission statement because once they decide upon that, they find themselves not doing a lot of things.” Marshall decided early

in his career that he would try not to be an expert in too many things. He determined which things he was *not* going to do, so when people ask him to do those things, he simply says, “I don’t do that.” Marshall believes that you earn credibility by being very clear in your mission and knowing what you don’t do.

The gap between those at the top of a certain field and those at the bottom continues to get wider. The field of professional services is no different. It is crucial to create what’s called a “position.” In other words, it is important to have a recognized identity so people know who you are and what you do. That way, you do not have to justify yourself. Marshall knows from his own experience that with a strong

brand, not only will you make more money, you will also have more impact. You are able to work with people who have more influence and more leverage. You can also have more fun because you'll be asked to do more exciting things. For example, Marshall was invited to join an executive roundtable with several CEOs of major companies in India in August 2004.

## **Be yourself**

When *The New Yorker* called to do a profile of his life, Marshall was initially uncomfortable with the idea. "Imagine some brilliant writer following you around for two months, calling your clients, watching you coach and teach executives and then writing an 8,000 word story on your life – which you don't get to read in advance!"

Before sitting down for his first interviews with writer Larissa MacFarquhar, Marshall recalled an unforgettable lesson from Peter Drucker – the father of modern management – who Marshall spent over 40 days with as a board member for the Peter Drucker Foundation. "Peter always asks a great question: 'Who is the customer?'" Marshall said. "I asked myself, 'Who is the customer for this article?'" At first, Marshall thought his business clients would be his customers, but then he decided the article should be for his unborn great-grandchildren. "This was a great chance for my descendants to get to know me – even after I was dead. I had a unique life opportunity. A brilliant writer was going to write the story of my life. If I tried to be 'politically correct' it wouldn't be a story about me. It would be a story about a fictional character that never really existed."

As it turned out, the article cast Marshall in a favorable light and has since played a valuable role in making him known to the world. It showed him talking straight with millionaire clients who wanted honest feedback. It explored his Buddhist beliefs and how he incorporates them into his work. It gave

happy glimpses into his family life near San Diego and how he became a better father. And throughout the article, Marshall's sincerity shone through. "Having internal congruence is critical," he noted. "Don't pretend to be something that you're

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not." This philosophy paid off for Marshall, who said he does not have to prove his credibility or sell himself to anyone who has read *The New Yorker* article.

"In hindsight, I couldn't have fooled Larissa anyway. The article wouldn't have been as favorable had I been trying to be anything but myself. She would have seen right through that. I learned to be true to myself."

## Be a friend, not a competitor, of your colleagues

While some in the business world thrive on beating their competitors, Marshall walks a different path. Marshall suggests narrowing your field. A unique and clear brand identity makes it easier to develop a professional network. Why? The narrower your field, the less you directly compete with other people. You're not perceived as a threat to other top people. They have their identity and you have yours. Marshall applies this principle to how he runs his business. He does not view other professionals in executive development as competition. Marshall communicates a strong belief that "unless someone else is doing exactly what I do and charging the same amount, the clients have a distinct choice. Other professionals have different kinds of expertise and different price points. If I believe that they can serve the client better than me, I will recommend them."

As it turns out, this positive approach comes back

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to him in the form of *more* referrals and clients. About 80-85 percent of all his business is the result of referrals from his professional colleagues and

other consultants. Instead of competition, this approach fosters a friendly circle of professional relationships. “I work hard to know the best people in fields that are related to mine,” Marshall said. “For example, if my client needs career or life planning, I might recommend Richard Leider. If my client wants to learn about diversity, I might recommend Roosevelt Thomas. All of these people are the best in the world at what they do. They are also my friends. Why compete? It is almost always better to be friends.”

## Develop “we”

Associating with other professionals in your field can not only help you gain more business, it can also help you build a strong brand – particularly when you associate with people who know more than you do. Marshall was fortunate at a young age to work with Paul Hersey, one of the highest paid consultants in his field, if not *the* highest paid. He learned a lot from Paul’s basic philosophy: keep it simple, know your customer and communicate in such a way that your customer can understand what you’re saying. Paul was someone who was very good at establishing brand identity at a time when people in the field didn’t have much brand identity at all. He was a pioneer. Marshall once asked Paul, “How can I ever sell anything? Why would someone buy anything from me?” Paul replied that he should use the term “we.” Marshall smiled, “I began to talk about things ‘we’ had done in our organization and the things that ‘we’ had accomplished. At the time, ‘we’ was 99.7 percent Paul Hersey and 0.3 percent me. It didn’t matter. It was still ‘we.’ There is no way I could have done this alone. By making me a part of his team, Paul helped me to establish myself.”

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Another key to building a brand was writing books. In

the consulting field, book authorship carries a lot of weight. The first book Marshall did was *The Leader of the Future*, one of the most successful books in the field of leadership. The co-editors were Frances Hesselbein, Richard Berkhard and Marshall. The Peter Drucker Foundation sponsored the book and Peter Drucker wrote the forward. Subsequently there were four names on the cover of the book and Marshall was, by far, the most junior editor. The editors recruited other famous names, such as Steven Covey and Charles Handy, to contribute to the project. Once the book was in print, Marshall had established his name with some of the greatest authorities in the field of management development.

“Associating with people who had bigger brands than I had really helped me because I was able to gain personal credibility through working with them,” Marshall said.

## Selling is giving

One of the most important things that people forget in selling is the idea of giving. When he was 18, Marshall was in charge of the March of Dimes Bread Drive for his high school in Valley Station, Kentucky. His high school was one of the poorest in the county. The project required people

Forget the rules. Just give the people the bread.

to go knock on doors, ask for donations and when someone gave a donation, offer bread that had been donated by a local bakery. Marshall decided to use a different technique. He told his team, “Forget the rules. Just give the people the bread. If they want to donate, fine. If they don’t, we’re just going to throw the bread away anyway, so maybe they can use it.” What happened next was fascinating. His team members gave the bread away. When folks tried to give it back, his teammates replied that they didn’t want it. They would just say, “Hey, the bakeries donated the bread. It’s just going to be thrown away anyway. We’re collecting money to help crippled children. If

you would like to make a donation, that would be great. If not, that's fine. Either way, just keep the bread." What do you think happened? People gave *more* money! Why? Because when you give things to good people, they give you something back.

Since then, Marshall has experienced this phenomenon numerous times. During his career, he has had the privilege of eating at many of the top-rated restaurants in New York, London, Paris and elsewhere in the world. He noticed that the best restaurants always give the customer something for free. "The same applies in establishing yourself at the top of your field. Give something more. Give something that isn't on the bill."

When you give good people things, they give back. It's a lesson that has stayed with Marshall. "My thinking is, work with great people and give them things. The rest will take care of itself. If people don't respond to this approach, my strategy is simple: don't work with them."

### **One of the biggest sales ever in leadership development**

There are two ways to look at selling, according to Marshall. One is to understand what the client needs and sell to those needs. The other is to have a product or service that the client may not even know about and sell the product. Either of those approaches can work, but Marshall prefers the latter approach. "Sometimes we spend so much time selling to client needs that we don't come up with creative new things. Most of what I've done has not been in direct response to needs that clients knew they had. I'm always looking for creative ways to come up with something that they may have never considered."

In the early 1980s, Marshall accompanied Paul Hersey on a sales call to IBM. At the time, IBM was one of the most admired and most profitable companies in the world. They arrived at a huge building to meet with the executives, and considering that Marshall's only business experience up to

that point was pumping gas at the station his father owned in Kentucky, the setting was intimidating to say the least. “My entire goal in the meeting was not to urinate on myself,” Marshall admitted. After several minutes, the top executive glanced at his watch and said, “Well, Hersey, what do you think you can do for us?” Paul replied, “Well I need to know your goals. If I don’t know your goals, then there’s nothing I can do for you. The executive went on to say, “Well, you know the people at the top are going to be successful anyway and the bottom 20 percent are probably hopeless. So, it’s the group in the middle we want to work with.” Paul looked at the guy and said, “That’s one of the stupidest things I’ve ever heard.”

At that point, Marshall felt he didn’t need to worry about looking like a fool anymore. Paul had taken care of that and he figured the meeting was over. The executive looked at his watch and then looked at Paul again and asked him what he meant by that. Paul said, “Look, I know the values of your company. You don’t want to write off the bottom 20 percent of your company. I don’t think you really mean that. The greatest potential for growth is at the very top. They’re the ones

Tell the truth. People appreciate you having the courage to be honest.

who can really help you make the biggest improvement. They are probably the ones who will get more out of a leadership program than anybody else.”

The guy looked at Paul and said, “You’re right. That was one of the stupidest things I’ve said. Thank you for telling me the truth.” The company decided to deliver the program to 35,000 managers and employees. Marshall had just watched Paul make, what was up to then, the biggest sale in the history of leadership development. That deal made his career. What did Marshall learn? “Tell the truth,” he said. “Don’t just suck up. Executives get that every day! Successful people appreciate you having the courage to be honest.”

## Invest in the long term

Many people don't invest in themselves. They want someone to give them something. They don't tend to make the sacrifice and give something to others before they get something back. Marshall recalls one day when he was sitting in his office and his partner, Howard Morgan, walked in carrying a small box in his hand. He told Marshall, "I have a present for you. I had a really great job, but I wasn't happy. For the last several years, you have helped me and I've been very successful. So I have a small gift for you." Marshall opened the box. Inside was a \$17,000 Rolex watch. "I had made over \$1 million because of Howard Morgan's work," Marshall said. "He didn't owe me anything. I wear this watch every day. Every time I look at the watch, I think of Howard. It reminds me to be generous and to take the high road with people."

### Seven insights from Marshall Goldsmith on Becoming Well Known

1. Work hard to get to know the best in your field. Surround yourself with them and learn from them.
2. Find a topic that is not yet covered. Become an expert in that topic. Know exactly what you do – and what you don't do.
3. Discover your identity – then build a clear, specific and unique position around that.
4. Make professional colleagues your friends – not your competitors. Why compete? It's always better to be friends.
5. Always know who your customers are. Relate to them and communicate with them in a way that is simple.
6. When selling, always remember to give something. When you people give more than they expect they will give back.
7. Consider building your personal brand as a long-term investment. It takes many years to become well known.

# Marshall Goldsmith's Viewpoints

## On Practicing Leadership

The major challenge faced by executives isn't *understanding* the practice of leadership – it's *practicing* their understanding of leadership.

## On Helping Successful People Change

People who are successful tend to attribute their success to personal motivation and ability (even if the positive outcome was actually caused by external events or random chance). In a positive way, successful people are often delusional – their belief in previous successes helps them achieve more in the future.<sup>1</sup>

One of the great mistaken assumptions of successful people is “I am successful; I behave this way. Therefore, I must be successful *because* I behave this way.” They are often superstitious and may confuse correlation with causality. They need to know the difference between *because of* and *in spite of*.

Successful people can have a hard time “letting go” when their initiatives are not working.

Over-commitment is one of the greatest challenges for successful people with a “can do” attitude. It can be very hard for them to say “no” to desirable opportunities.

## On Getting Feedback

Just as employees need feedback from their leaders, leaders can benefit from feedback from their employees.

## On Changing Behavior

The most important variable in predicting the increased leadership effectiveness is the leader's interaction with

co-workers. Frequency of interaction with co-workers is more important than the duration of training programs or coaching meetings.<sup>2</sup>

## Simon Says ...



Read *The Leader of the Future: New Visions, Strategies and Practices for the Next Era* by Marshall Goldsmith, Francis Hesselbein and Richard Beckhard (editors).

The book contains more than 30 essays from the world's best business minds, each one offering a unique perspective on the direction of leadership for the future. The reader can put together a detailed and rich picture about what makes a real leader.



Read Marshall Goldsmith's monthly columns in *Fast Company*. Go to [www.fastcompany.com](http://www.fastcompany.com) to read online or to subscribe the magazine.



Go to [www.marshallgoldsmith.com](http://www.marshallgoldsmith.com) and read the following two articles:

“Changing Leadership Behavior”

“Try Feedforward Instead of Feedback”

