

## 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—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 versus Sears, Apple versus Sony, Google versus AOL, Whole Foods Market versus Safeway, YouTube versus 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 play it safe and for coaches who want more than just another contract. I introduce the Masterful Coaching vision, mind-set, and method—a powerful and concise step-by-step process. 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 future of management is with the visionary leader, profit mechanic, and coach. The leader will be a visionary who changes the game while others sleep—a profit mechanic and a people developer. 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 IDs will give way to hot zones, a stew pot full of joint ventures and astounding 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. Here are some of my favorites that have already succeeded in this realm:

IDEO—innovation is a team sport  
 Cirque du Soleil—ultimate entertainment experience  
 Whole Foods 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 industrial-era M.B.A. 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. 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 capitalization 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 percent 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 that dictates if you want to grow, buy a big company.

Third, coaching has become an idea whose time has come as millions of business leaders seek an Impossible Future and 75 million baby boomers retire. In the next decade, coaching will become an idea whose time has come as CEOs discover that the old-fashioned 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. Increasingly they will 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 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, he said that 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 who would take people to an Impossible Future based on 8 percent growth a year for the company. 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 or her potential without coaching, and one of

his 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 place. 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 his or her 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 fifty-five thousand 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, outsourcing, and an army of talented, English-speaking Indian engineers. He also had a vision of leadership without formal authority based on the Indian tradition of the guru, which his title of 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 7:00 A.M., when he frequently holds meetings with the board on strategy or coaches software engineering teams on the Infosys values of honesty, respect, and 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 person who used to see it as part of his or her job to mentor talented junior employees to get them up to speed has either disappeared or is working on a project in Dubai, London, or Singapore. Most newly hired talent rarely gets one lunch a year with the boss and often doesn't see much of a stretch assignment either. Companies are going to need coaching and mentoring to realize an Impossible Future and 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 a leader who has embraced both ideas. A masterful deal maker in 2005, he launched the seemingly impossible 2006 coup at Lazard in which he famously disassembled the 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 that always involves offering a 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 this person the ropes and at the same time stimulates his or her imagination. The idea is to create a hothouse where young talent is encouraged to think deeply and creatively about the client relationship.

Today's leading CEOs, who have mind-bogglingly complex jobs as tough as climbing Mt. Everest, 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, Tenzing Norgay, as a guide. Leading CEOs are now 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 break out 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 proclaims that 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 unknowingly created an apt metaphor for today's CEOs who are being fired in record time and record numbers for much the same reasons. My Pentagon pals have said of Donald 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; however brilliant and powerful he may have been, 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 Tenzing Norgay? No. Can you imagine Jeff Immelt becoming CEO of General Electric without the coaching of Jack Welch? No. 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 delegating it to human resources (HR) or whoever holds the fashionable (albeit empty) title of vice president of talent development. This area of blindness is based on a fundamental misconception that coaching

isn't about building the capacity to realize an Impossible Future and get some real-world results. It is a separate development activity.

Unless the CEO is regularly in the habit of genuflecting before HR and unless HR has a real mandate, rather than a fake one, to make coaching happen, 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 any position to make a strong recommendation. The person who should be in charge of executive coaching is the CEO or business unit leaders themselves, with HR 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 a limited 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 the door."

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Coaching is for winners, not losers.

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

Coaching is about expanding a leader's capacity to accomplish what he or she needs 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—trying to take out the “bad” and put in the “good.” Today, CEOs of leading companies increasingly realize that they need a coach who can help them accomplish what they must accomplish.

What is coaching? It is nothing but you and your client cocreating 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 his or her own greatness. The executive coach today is more like chairman and chief mentor Murthy or NFL sports coach Bill Parcells than a shrink. This individual raises goals and aspirations and acts as a thinking partner, transformational agent, and driver.

## MAPPING THE TERRITORY OF EXECUTIVE COACHING

One of the goals of this book is to map the territory of coaching. In this book, you will hear about the vision of Masterful Coaching, the Masterful Coaching mind-set, and the Masterful Coaching method. I stumbled on the Masterful Coaching way not by teaching leadership but in the process of empowering executives to reach ambitious goals and aspirations: Marsh Carter, chairman of the New York Stock Exchange; Gerard Kliesterlee, European CEO of the Year in 2006; John D. Young, Under Secretary of Defense for Acquisition, Technology, and Logistics; and many others.

In the past, I had taken almost thirty thousand business leaders through a not-so-typical three-day leadership training program with some great results immediately afterward—but also a lot of backsliding 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*. 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 it is 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 wrong. When Pasteur came along and said that bacteria caused disease, there was a paradigm shift, and new methods started to emerge. Something like washing 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-on-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, Management Guru

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## A NEW PARADIGM FOR COACHING

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This work is about establishing a new paradigm: extraordinary leaders develop in the process of producing extraordinary results.

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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 new paradigm for coaching is based on seven guiding principles:

1. A leader is a coach and teacher versus commander and controller.

2. Coaching is about standing in people's greatness, not leadership lobotomies.
3. Coaching is about creating Impossible Futures versus filling leadership competency gaps.
4. Coaching is about creating a winning game plan versus fluffy mission statements.
5. A coach is a transformational agent, not a purveyor of transactional tips and techniques
6. Coaches focus on the scoreboard, not just pie in the sky.
7. The coaching relationship needs to be robust—more like an NFL football coach with the quarterback versus a typical consulting engagement.

If you stick to these simple but powerful principles, you will find that much of the Masterful Coaching method is almost self-concluding. Furthermore, you will discover that you can't go too far wrong. However, violate these principles at your peril!

Let's take a closer look at each of these principles:

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"We are going to shock the world."

Dick Advocat, Dutch coach of the 2006 maligned  
Korean soccer team that eventually went to the  
World Cup quarter finals

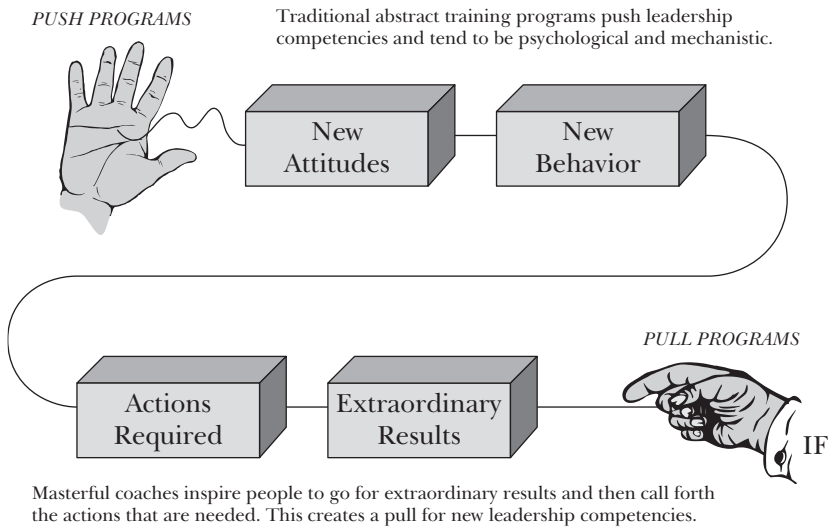
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1. *The leader is a coach and teacher versus a command-and-controller.*  
A few years back, I landed in Singapore on my way to give a speech on the leader as coach to a group of local business leaders. My first observation is that Singapore works! The evidence is everywhere. Prime Minister Lee had a vision of an 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 'til the wee hours of the morning. According to Lee, he cannot direct government 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,” Singapore’s signature, no longer makes it due to rising gross domestic product (labor cost). With rising salaries, Singapore no longer can attract low-cost, outsourced business, and according to Lee, must now become a brand that is associated with “cool stuff”—professional service firms, high tech, and banking.<sup>1</sup>

2. *Coaching starts with inviting people to discover their own greatness, not leadership lobotomies.* I asked John Young, then assistant secretary of the Navy, a post previously held by Teddy Roosevelt and Franklin D. Roosevelt, “What do you see as your potential in the government?” He 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-degree interviews, including with the head of the Joint Chiefs of Staff; the CEOs of Raytheon, Boeing, and other industry leaders; and a dozen or so admirals and captains who told me that Young, then forty-two years old, had the potential to become Secretary of Defense some day. People were in effect inviting him 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 versus filling leadership competency gaps.* Most coaches start the coaching relationship by pulling out a list of homogenized leadership competencies and then seeking to identify and fill gaps—a push approach to leadership development. (See Figure 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?” The next question is, “How are you going to need to develop as a leader to get there?” This is the pull approach to leadership development. Greg Goff, president of ConocoPhillips, with a reputation of being more of a deal maker than a leader, told me an Impossible Future

FIGURE I.1. A PULL VERSUS A PUSH APPROACH TO LEADERSHIP DEVELOPMENT



or big game he could be passionate about was to build an inspired, 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 began to discover and express the leader within him. Profits shot up from \$1 billion to \$3 billion over the next eighteen months.

4. *Coaching is about creating a winning game plan versus 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 they 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’s business grew exponentially by 40 percent and multiplied its profits from 2 or 3 percent to 20 percent.

5. *A coach is a transformational agent, not a purveyor of transactional tips and techniques.* Three factors are the acid test of Masterful Coaching: impossible goals, winning against all odds, and, most important, being a transformational agent. I coached Sandra Welsh of Suffolk Construction whose job was to balance the company’s incredible growth with risk management—something that required a transforming corporate culture. General managers who had learned how to build a business from the back of a pickup truck had a lot of resistance to having to scrutinize their subcontractors’ insurance and safety procedures. Sandra understood that she had to reinvent the organization, but what she needed to do first was to reinvent herself. The 360-degree feedback revealed that the resistance she was getting was due to the fact that she was perceived more like an “insurance Nazi,” than 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 Super Bowl, but you first 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 [the 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 they 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!

Executive Coach Bart Sayle inked a \$750,000 per 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 a typical consulting engagement.* Think football coach and quarterback, not your typical consulting engagement. Bart Sayle, a British executive coach who took the Masterful Coaching Certification Program, asked the new CEO of a Fortune 500 company what an Impossible Future would be for his organization. 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 \$1 million a year for Sayle, including stock options. The CEO and Sayle worked out what we call a “structure for fulfillment” that would increase their chances of success and included the following.<sup>2</sup>

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1. The coach works with the CEO and the executive team on an Impossible Future in weekly phone calls and monthly meetings.
  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 breakthrough strategy session annually that is more like a “happening” than a typical business meeting.
  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 METHOD

I have learned from leading Masterful Coaching Certification Programs that while the Masterful Coaching paradigm based on the seven guiding principles may be vitally important to resetting people's mind-set around coaching, most people are looking for a method that they can practically and immediately apply. In this section, I introduce the Masterful Coaching method and set your mind at ease.

First, 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. It's also 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 road map, the HD TV to an old black and white set.

Second, I have designed the method so that it not only delivers on leadership and business breakthroughs but is user friendly. The design is based on a concept similar to what Steve Jobs once said of the first Macintosh Computer: it's 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 led a certification program in the Masterful Coaching method 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 they would be able to provide a coaching program that delivered not just leadership competencies but 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.

Third, the Masterful Coaching method is about bringing power and velocity to people's goals. I was coaching a friend (a political appointee) in the State Department who had some

ambitious goals and plans, but only about a year before the presidential election, in other 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 80 percent of what you have planned done in this next year, you will be a hero; 10 to 20 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 Super Bowl rather than going for a walk in the park.” In the next week, he mobilized his team with some ninety-day catalytic breakthrough projects and got them into action.

Fourth, Masterful Coaching is a one-year program. In most cases, we suggest that the engagement be a minimum of a year. Why? 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 not only to 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 a three-month consulting engagement.

The Masterful Coaching method for building a team’s capacity to realize an Impossible Future is different from the methods of running a giant corporation. The image of the CEO as überboss 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 überboss 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, and 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 from coaching a small team to achieve creative, entrepreneurial, breakthrough results.

Coaching people to realize an Impossible Future or transformational change doesn't happen all at once; you have to create a process, just as you need create a process for general improvement programs. You need a powerful and concise series of steps to be taken over time.

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 the organization, I doubt if the conversation would be about how to match the Germans on design or the 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 automobiles: 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, is 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 of "better leaders, better world" and then teach them the 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," and "Coaching communication is about speaking from a stand (one that conveys your belief in people) rather than speaking from your reactions." We also teach the difference between transformational learning and transactional learning.

## THE MASTERFUL COACHING WHEEL AND THE 5 PHASES OF BREAKTHROUGH

After the coaching fundamentals, we introduce people to the Masterful Coaching Wheel, which shows people how to structure a year-long program. The structure consists of the 5 Phases of Breakthrough and 12 Catalytic Coaching Conversations. (You can see an illustration of the Masterful Coaching Wheel in the introduction of Part Three.)

Mastering the 5 Phases of Breakthrough 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 producing breakthrough results; and (3) it tells you how to adjust your coaching style, teachable points of view, and game plan according to which phase you are in.

These are the 5 Phases of Breakthrough:

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A coach alters his or her approach in moving from one phase to the next.

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|-------------------|--|
| 1. Formulation    | Engage and inquire into impossible goals, plans, leadership and business challenges.               |
| 2. Concentration  | Launch an initiative, a wow project, or rapid prototype, and keep going in the absence of results. |
| 3. Momentum       | Create a widening circle of small successes.   |
| 4. Breakthrough   | Build on success by scaling up.  |
| 5. Sustainability | Set up business processes; institutionalize gains.   |
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Clarity is power.

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## PHASE I: FORMULATION

In phase 1, which occurs in the first 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 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, and 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. Here, 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 business road map and a leadership road map based on 360-degree feedback.

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Stop talking; start doing.

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## PHASE 2: CONCENTRATION

Whereas in phase 1, the coach encourages people to engage and inquire, in phase 2, which takes place in the second quarter, the coach urges people to stop talking and start doing. You are going for a breakthrough, and breakdowns are common. 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 hundred 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 three or four 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 more like ‘Jumping Jack Flash’ and light a fire under people’s derrieres rather than play Mr. Empowerment and take your lead from the team.”

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Don’t let up!

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## PHASE 3: MOMENTUM

In this phase, which takes place in the third quarter, 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, tasked with transforming the 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 than spending large sums of money asking three defense contractors to develop the armored personnel carrier for Iraq to the point where it was ready to roll off the assembly line, he would ask 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 4: BREAKTHROUGH

In this phase, in the fourth quarter, 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 as a result of an idea formulated while sitting in a coffee bar in Rome, you build the first Starbucks and discover that people are willing to pay three or more dollars for a cup of really good 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 5: SUSTAINABILITY

The final phase, in year 2, 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 or book a trip to somewhere exotic. Six months later, you see the sign on their storefront or Web site: *Going Out of Business*. Coaching people in the sustainability phase has three parts: (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 Web site is very searchable, but yours isn't); and (3) 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.

## THE 12 CATALYTIC COACHING CONVERSATIONS

Coaching happens in conversations. The 12 Catalytic 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 process, I pull out a diagram of the Masterful Coaching Wheel 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: getting 360-degree feedback and creating a leadership breakthrough.”

The 12 Catalytic Coaching Conversations (or rather network of conversations) all but ensure that you will be able to add value in every coaching session. Each one of those conversations is probably worth the time and expense of the coaching engagement. Having said that, as you take people through the conversations, you have to bring something from yourself into them rather than just rely on what’s on the printed page. It’s much more powerful to share a teachable point of view that you gained from hard experience than it is to share one you picked up reading the in-flight magazine on your way to the meeting. Part Three in this book goes through each one of the catalytic coaching conversations.

One way of looking at Masterful Coaching is as a mind-set 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 this 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 discuss 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. In other words, your conversations are a narrative about a person—in this case, a CEO or business leader, in the process of becoming. Although 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, for example.

Every coaching engagement is also a narrative about a person (or team) in a quest for an Impossible Future. The narrative usually starts with an extreme coach (like myself) who is more interested in helping leaders make a difference than in the next contract. It involves developing a relationship with an extreme leader, as with Greg Goff, executive vice president of ConocoPhillips, who wants to rock the world with a game-changing idea and is ready for radical change. In all cases, the process looks 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 by 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 a 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 about 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 as if I am in a Shakespearean play where whether the play turns out to be a comedy or a tragedy depends on whether the hero has a revelation of his 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 sizable chunk of arrogance that comes from having been so successful in the past.

I have learned that realizing a transformational goal in a big corporation requires the courage and patience of Richard the Lionheart, 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 change insurgents. 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 principal issue is that in every turning point in history and 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 HOW 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 (hence "monsters"). 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 off a big vision or change initiative tends to plateau. At that point they have two choices: (1) run things up the ladder to the CEO in hopes they will force it down people's throats, with a fifty-fifty chance of success or (2) transform themselves 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 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 means bringing the team together, getting objectives agreed on, ironing out conflicts, mounting projects, and taking action in a way that creates a rallying momentum and drives projects to completion.