



The Influential Leader Podcast Series

Influence Tips from Today's Leading Experts

Total Confidence

Connie Dieken interviews Tim Sanders

CD – Connie Dieken, TS – Tim Sanders

CD: **This is Connie Dieken. Welcome to *The Influential Leader* podcast. Our focus today: *Total Confidence*.**

Your mentor is thought leader, best-selling author and former Yahoo executive Tim Sanders. You may know Tim from his *New York Times* best-seller *Love is the Killer App* or from two of his other books, *The Likeability Factor* and *Saving The World At Work*. And now Tim is out with his fourth book called *Today We Are Rich: Harnessing the Power of Total Confidence*.



Tim and I recently got to know each other and I can promise you this - Tim is a solid human being who walks the talk. Tim, thank you so much for joining us.

TS: My pleasure, Connie.

CD: **What's the purpose behind your new book, *Today We Are Rich*?**

TS: I n October 2008, I watched highly confident leaders lose all of their mojo overnight. And what occurred to me, Connie, is that we live in a culture where confidence is an outlook perspective, it's highly circumstantial. Or as my buddy, radio personality Dave Ramsey said, "You show me a fella who's confident because he's on a roll, and I'll show you a really fast runner who's being chased by a tiger."



We live in a culture now where we are whipsawed by the stock market and our P&L. If you looked at every recession since 1901 (and you can Google *Hanging Tough, New Yorker*), you'll see an article that's a study about this. You'll find that towards the end of every recession, before the recovery, there are a group of companies, they call them phoenix companies, who make a great leap because they stop reading the bad news, and start to create master-mind groups, regain their confidence before it's clearly time, and they make the move. Whether it's Kellogg's over Post, Chrysler over thirteen car companies to go to number two, or Apple launching the iPod in '01 and then doing the iPad again during the middle of a recession, it's critical that we teach leaders how to cultivate confidence from within so they can seize opportunities.

CD: **Describe the difference between confidence and self-esteem.**

TS: Confidence is a perspective or an outlook about a situation. So when I say a person's totally confident, I mean that person believes that he or she and their team will be successful in a given circumstance. When a leader has confidence, that leader believes they're going to meet the P&L terms, they're going to hit their annual goals, they're going to survive the economic downturn. It's a belief about an outcome.

Self-esteem is a focus on self. So, self-esteem has to do with a person's sense of self-worth, I'm valuable, I have a destiny to be successful. Sometimes the darker side of self-esteem says, "I'm better."

CD: **Narcissism?**

TS: Narcissism. And by the way, most leaders suffer from narcissism cause leadership is dangerous, it's like whack-a-mole and you're the mole. If you're going to step up and do it, you've got to have a little bit of self-esteem.

But the point I make in the book is that *total confidence is a combination of three beliefs; I believe in myself*, I'm not talking about self-esteem; I'm talking about self-efficacy. The kind of thing that researcher Albert Bandura wrote about for twenty years; "I believe I'm good enough to finish the job, I believe I'm the right leader for the job, so I have a strong sense of self-efficacy and it usually has a lot to do with what I'm investing in myself over time. Not just my experience, my continued forward momentum."

The second piece of total confidence is I believe in my team. My value chain, the talent I have, the partners I've aggregated, the industry that I'm in, I believe that collectively, even if I come up short, we will still be successful.

The third piece of total confidence, and this is the one that I think is very important for the leaders on this call is a sense of destiny, because your mission is worthy. In other words, there's a higher purpose to what you're doing. And the higher purpose has a higher power and it will correct all things in the end.

I know that sounds a little religious so let me step back and use my old boss Mark Cuban as a context for this. Mark Cuban is objective in this so certainly he wouldn't say we're marching to the beat of God. He would say, evoking Adam Smith, that the invisible hand of the market is our higher power. Capitalism is based on justice, fairness, and value. All companies over the long haul will either be successful or fail by serving the market and the invisible hand is more powerful than any corporation, any government, any individual.

So his higher power was customer value. You do the right thing every time for the customer. We see modern corporations like Tony Hsieh at Zappos that are doing the same thing, and they march to that higher power and that sense of destiny gives them will-power when everybody else loses it and gives them confidence when everybody else loses it.

CD: **Higher power. You believe we each determine what higher power means to us?**

TS: That's right, You ask yourself, "What are we doing beyond making money? How do we make meaning? What is it that we do that our parents would be proud of?"

You need to find out *why* you should be successful. Every corporation needs to ask themselves "*What are we doing beyond making money? How do we make meaning? What is it that we do that our parents would be proud of?*" And that's a real basic – I heard Warren Buffett say that recently at a conference and it really blew me away. He said he shies away from this whole corporate social responsibility mumbo jumbo and for young entrepreneurs he says, you know, how would you explain it to your mom in such a way which she would say that's a good idea?

CD: **...and she'd say "I'm proud of you."**

TS: And I'm proud of you. You could say, "Look, I'm going to open up a chain of restaurants in greater Atlanta and we are going to serve fresh food and its going to be healthy and I'm going to provide in plenty for a hundred families." And mom says, "That's great." And that could be your higher power; community service. So Viktor Frankl, the great writer of *Man's Search for Meaning*, he pioneered something called *Logotherapy*. And *Logotherapy* is a purpose-driven treatment.

He knew that when a person has a purpose, there is no suffering. That you can get through anything. He said that your meaning, your purpose, your higher power will put it in an appearance for you and it is your job to detect it, *make that your mission statement* and let that be the thing you follow. Because one thing that I've read a lot about in leadership is this: every great leader follows something. If you don't report to something greater than yourself you're not a good leader, you're a tyrant.

CD: **A tyrant?**

TS: You show me a person who says I have no higher power other than the almighty dollar and I'll show you a tyrant.

CD: **....and someone who is totally caught up in narcissism, thinking "I am enough."**

TS: For leaders, when you are marching towards a purpose, criticism isn't personal. You can actually defeat self-doubt in the mirror realizing that the mission is bigger than all of us.

A lot of times you hear people in sports say 'I've got a real chip on my shoulder. That criticism doesn't beat me down, that criticism gives me motivation.' You hear that right?

CD: **Of course.**

TS: That's because the mission is to make the university proud of that team. That's because the mission is to make Dallas proud of the Cowboys. The chip on the shoulder doesn't work if it's all about you - what have you got to prove?

Purpose then becomes the ultimate rocket fuel for any business. And so I challenge people in leadership a lot that if you have got power over the mission statement, you really should review it. If it's full of compartment and investor satisfaction your people are going to be whipsawed by the economy.

CD: Did you have personal struggles with confidence, Tim?

TS: I had a lot. I was a special education kid named Short Bus Sanders, so when I got dropped back into the general population in junior high, I had a real struggle. As an adult after my father was murdered, I went sideways for 13 years personally, in terms of my development, finding a way to use my gift of gab and quick wit to get big jobs in important industries and then blow it.

I'm very attuned to this feedback, the performance feedback, that comes into our life It's hard for a person, after multiple failures, not to have some self doubt. But I've always gone back to those principles I was raised on, hatched from the masters of the great depression to pick myself back up and move forward because one thing that I've learned in life is that success is not a destination.

CD: It's a journey.

TS: It's a direction. Yeah, to move forward. And that all we really have to do as leaders is just to make sure that we point this thing forward and we stop talking about problems and start talking about solutions. Stop making excuses and start making up lost ground. That's what I think the secret is to making it through all these business cycles- which, by the way, seem to be getting shorter and shorter and shorter.

CD: What did you learn at Yahoo? What experiences there led you to this conclusion that confidence is critically important?

TS: One thing I learned is when your competitor has a party on Valentine's Day 2002 called "The Recession is Over", you'd better worry because you might be looking at the wrong news. I'm talking about Google.

We missed that - we thought those guys were clinically insane. What are you talking about? February 14, 2002 there's still a double-dip around the corner. At Yahoo we still wondered if the recession was over by 2004. Can you see what happened to us?

One of the lessons I've learned is that the recession is always like, in Nascar terms, a caution flag where the safe drivers get passed the minute the flag goes down. It's an incredible opportunity. Confidence must be cultivated by leadership design and leaders must cultivate this new personal lifestyle design and realize that the business cycle always offers corrections and corrections are always opportunities of a lifetime. They're not tech breakthroughs.

The second thing I learned at Yahoo is that scarcity thinking (not enough to go around) is an expensive thought. It's an airborne disease, you catch it from fools at work and it will destroy innovation. It will stop you in your tracks from being able to execute on the field and it starts to check in little announcements. These are the people that tenderize the power at the back of a great depression. They are the hope crushers and they bring gloom and doom to work and we reward them like a junkyard dog. Because in capitalism, it's macho to be paranoid when the stock market's down.

You think that's the best way to have job security? The last thing you want to do is to be called hopeful. Chicken Littles ruined corporate cultures. At Yahoo, they ruined our culture.

Terry Semel, when he came over from Warner Brothers to run Yahoo sat around for two years and just listened to us obsess on the negative, obsess on what Google was doing to us. And finally one day he said, "Kids, you can't hate Google enough to improve our search results by 1%, we're being killed here on innovation. You can't hate Google enough to improve the ROI for our advertisers by 1%. We're getting killed here."

So I learned that as leaders, we have to stop our Chicken Little thinking and we have got to refocus people's minds on assets and we've got to get them to become solution specialists. Because from an economic standpoint, the recovery cycle is what I call 'the solutions economy.' That's where all the money flows fixing problems that were created in the last downturn.

And the solutions economy tends to be about 70 to 80% of our lifespan now because we always seem to be in recovery. And as the business cycle shortens, recessions happen quicker, recovery periods take longer. Before a boom happens, the boom is shorter. It's now level. There is no boom anymore now, Connie, it's called the bubble.

CD: **Yes – the bubble.**

TS: It's a very small period of time where we all join hands and sing Kumbaya until it all crashes again. So I tell executives around the world you need to be a solution to organizations - and it starts as language.

Here's something Tweetable: Culture is a conversation. What are we in the business of? We are either in the business of products, services, solutions or experiences. So products at the bottom on price, you sell services during the recovery on value but still just price, dressed in sheep's clothing. You sell solutions at a premium and it's very scalable because you'll make friends at the bank and then you sell experiences in that little period of time. I call it 'the wow economy' where you're just attracting money into your business and people are paying for psychological benefits.

The solutions business is the business to be in but it's a conversation and your people have to be the real deal and it has a lot to do with the whole concept of what can we do to bring

all of our assets to bear on a situation? What can we do as an organization across five old lines to operate as one? And that requires first and foremost the abundance mentality

CD: **What do we do with someone whom we feel has great potential, and yet their mindset is ‘Chicken Little’ and they’re pulling others down with them?**

TS: We have to confront them, if possible, publicly. We had an executive at Yahoo who came over from Readers Digest - 30 years business experience, said that working at Yahoo in 2004 was like an Outward Bound project. You know, the majority of e-mails he got were the CYA e-mails.

CD: **Oh yeah! We all get those.**

TS: He had a red rubber stamp made that had the words “Chicken Little” on it. Every time you got a note from an offender you would stamp it on the note and have it posted on the wall of shame.

CD: **And...**

TS: He even had us put it in new hire orientation. People were warned right at the end of new hires that these are the symptoms of scarcity thinking. This is the language of a lackey. This is the behavior of a scarcity minded individual. If we DNA you as having that you will never manage a person at this company.

CD: **Did you say that was at Yahoo?**

TS: Yes it was at Yahoo, it is one of the many things that Facebook took from us because many of the Yahoos that fled went to Facebook and that became part of their culture too.

Their culture was that there is enough to go around. Success is non-exclusive. It’s contagious. Hang with people that kick your butt and you might learn something. What a wow idea it was!

CD: **Was that your culture while Yahoo was being overwhelmed by Google?**

TS: By 2004, the replacement leadership realized what happened in 2002. The lesson to be learned is that you have to get this right in real time, you can’t get it right two years later. So I hope that all my buddies that either went to Facebook or Apple (because a lot of senior management at Apple was at Yahoo), I hope that they keep this in mind.

And I hope that during this response in 2008, 2009 they did the right thing because if you go back to this article in *The New Yorker*, “*Hanging Tough*” what you find is that brave thinking at the bottom, abundant thinking just past the crisis is rewarded during the next market pop and the reason why is because of a philosophy called the learning effect.

Learning effect works like this, Connie: You develop a tablet solution in '08 and early '09 you put it to market while no one else will, and you get stuck and they call you a stumble because no one really cares. There's no market pressure on this.

It's considered a luxury. People are wondering why you would even do it. So then by 2011 it becomes very clear that it is going to be the mainstream. Probably learning a lot but now your competitors are catching up under the microscope, which means there are stakes for them and it keeps them from being able to update in real time. As time goes by they just get further and further behind. This is what happened with the iPod. You know Jobs was called crazy because he released the iPod in 2001.

Stock market analysts adopted the phrase they used in Apple called 'Operation Water Move' but Apple meant to do something entirely different. Apple made the Operation Water Move for Sony because they knew that Sony was too big and too slow and too scared and that Sony would sit down and wait for 2 or 3 years and they had a blue ocean and that when Sony tried to go to the market or anybody else other than iPod, they would be so scrutinized they would have to delay every update.

So by 2004, 2005 the iPod game was over. I just challenge leaders - you have to get it right, right now in 2011. You cannot say that in 2013 we are going to go to work. You have to do it now so that Yahoo doesn't do it fast enough. We did some of the right things late and that's why the company exists in second place.

CD: In second place?

TS: We wouldn't even be around. Remember Excite, Lycos? All those guys died, so its not that we completely failed, but we didn't win, and we didn't win because we waited too long to make a conference on leadership design.

CD: If you were an emerging leader today, what would you be putting into practice to ensure that you develop into an exceptional leader?

TS: Here we go, are you ready?

CD: I'm ready.

TS: I would feed my mind good stuff.

CD: Which is principle number one from *Today We Are Rich*.

TS: That's right. And this changes everything. You are your thoughts and your thoughts are a function of mind food. So as a leader, if you want to do what Napoleon Bonaparte challenged the leader to do, to find reality, then give hope. You have to be balanced, part CFO, part CMO, right? You have to find that middle, so it's an actual mob sense in the great classic, *Cybernetics*, you have got to glance at the negative and focus on the positive.

CD: **In this principle, you write about with the nut and the shell. Will you explain what you learned from your grandmother about the nut?**

TS: Yeah, this is important because you need to feed your mind success, not worry and regret. So in your life you are going to have criticism, its Whack-a-mole, and you're the mole. The question is what you do with criticism?

One day, I went to her because I had heard all this criticism the first time I ever sang in church camp. All the kids that weren't from my town liked it, and all the kids from my town didn't like it picked on me. I gave a sermon before I spoke, which I guess wasn't cool.

I went home and told her I'm never going to sing again. And she took out a nut and she broke it open and said, "Inside all criticism is a gift like this nut." She handed it to me and I ate the nut. Then she held out the shell and she said, "Can you eat these? Should you eat these?" And I was like, "No, you've got to throw them away." And she said, "That's what you have to do with criticism." You have to understand, - and this is important for all the leaders, - *all criticism to your face is a gift*. To your face criticism is 100% valuable. It tells you something you need to know, either about the source of the criticism, or about you. And even in my case singing in church camp most of the kids were just jealous and they didn't understand me because I was Special Ed, but the choir master gave me valuable feedback about what never to do if I ever sang again in church. So that was great.

In my entire life, even as an author being reviewed by an anonymous on Amazon you still have to understand that criticism is a gift, because if you don't, you will let other people's opinions about you shape your perspective. And remember, as leaders we are very susceptible, no matter how much we say we aren't, to outside criticism.

CD: **One of the most well-received blog posts that I wrote was called *Conquer Your Fear of Criticism*. Turns out, many people are afraid of and paralyzed by criticism. So they water down their messages and become vanilla, generic, neutral versions of themselves. I have wrestled with this myself, trying to make myself bullet proof.**

TS: You know one of the great signs on the wall at Facebook is that "*Done is better than perfect*." You won't win the war by making friends but you will totally win by making *fans* and there is a difference between the two.

CD: **What's the difference, Tim?**

TS: A fan *identifies* with you, you validate them, they would do anything for you, you are their motivation. A friend reciprocally appreciates what you do for them. But it's the difference between ham and eggs.

So if you want to bring out strong reactions in people, put yourself out there, be the mole. Right? Think of some of the leaders that have really made a difference in our culture. Did I

mention Steve Jobs at Apple? You don't talk about a guy who is making friends. He is making fans.

CD: **Isn't that the truth? Be bold and purpose driven, too.**

TS: You have got to stand *against* something as much as you stand *for* something. Mother Teresa never ran a Fortune 5000 corporation, okay? You can be *against* things; I am against things as much as I am *for* things. I am against personalization of failure. It's not against people - it's about stuff. I'm against commoditization of talent to being on a spreadsheet who are analyzed on revenue per head count. There are a lot of things that I am as much against, emotionally, as I am for.

CD: **Some people are afraid to say what they are against, though, because they don't want to make enemies.**

TS: Remember, at the end of the day, all you have got is your *integrity*. You can't be *for* everything and neutral on the rest. You will look at yourself in the mirror and say, 'What do I stand for?' Which really goes to the end of the book - what really gives you confidence? It all comes back to your sense of integrity, are you singing the same song on the inside that you are singing on the outside?

Even though I might have sounded at the beginning of the call dismissive of self image, at the end of the day though that's rocket fuel It's really important for you as a leader to believe in yourself and to believe that you as an individual are worthy of being followed. You will only believe that with a strong sense of integrity and the fact that you know that you put yourself out there at great personal risk, because you're a passionate individual that has vision you would give anything to achieve.

CD: **It's not what you *sell*, it's what you *stand for*.**

TS: I love that guy, too. Roy?

CD: **Roy Spence from Texas. His book, *It's Not What You Sell, It's What You Stand For* is terrific. It's like *The Purpose-Driven Life* for business. Which is akin to "exercising your gratitude muscle" - another one of the principles in your book. It's not as soft as it sounds.**

TS: Think about it this way: Gratitude is a muscle, not a feeling. When you are grateful for your people, you realize that you are not alone. Leaders, you cannot be Lone Rangers and succeed. Gratitude in the shed never gets out of the shed, remember that. Hewlett and Packard didn't run it by themselves - they needed people. Only way you know that your people are doing well is by exercising gratitude. Let me illustrate through business and profession. Think about the new hire employee; think about how grateful she is first day on the job? Especially if she hasn't worked for a while.

CD: **She is loving everything.**

TS: She is sniffing her business cards, she's bragging about how the coffee is free. She says that 'I do this job even if there is no pay for me,' then works overtime. They're double productive. Then what happens? The gratitude runs out. Because they are not exercising it on a daily basis. That shot of impulsive adrenaline wears out. They become a veteran, they become cynical, they tell the new hire "Slow down, be quiet, because you're making us look bad."

CD: **Don't be committed - just comply....**

TS: If we can keep on refreshing this, we turn the "have to's" into "want to's" and get to do it. The performance will go down as we begin to perceive our leadership opportunities and obligations. How do you do that? Well, I've got a buddy that works at a big leasing company called Regus. He's an executive there and he said what he'll do with his VP's is when he senses mood states dropping and that gratitude for our talent is escaping, he pulls leadership teams into a room and *fires* everybody. Of course it's an exercise, don't try to do this at home, without HR.

But he says, "You're all fired." This is like what happened at Intel with Andy Grove. 'You're fired and you're fired, okay?' I'm going to re-hire you on one condition - that in the next ten minutes on a white board, you are going to explain to me, in a new hires eyes, what assets we have to bring to bear that will make you thrilled to be here. That's an exercise of gratitude.

CD: **It sure is.**

TS: It corners a person to stop, drop your baggage, you're gone, you're part of the problem, okay, I will give you one more chance. Tell me what you've got to work with? Here's another exercise that you can do as a leader, and a lot of CEO's that do this, it will change your life. When you wake up in the morning instead on going online to check your email the first ten minutes you are awake, don't do that. Most important meal of the day is breakfast not just for your body's metabolism but for your emotional metabolism. Calm versus frenzy, fight versus flight, right?

So when you wake up in the morning, do this - take the first ten minutes while coffee is being made to identify 2 people at work that helped the business succeed yesterday. Who were they and more importantly be very specific about the difference they made either measurably or psychologically for the business. Then finally, and this is for the make or break, through, identify their intentions - *why* did that marketing director apply so much energy to that creative breakthrough that is changing everything? Why did he do it? Because the more you dial into intention the more you realize that you are not alone because the answer is always going to be that the *mission is worthy*.

CD: **Intention verses impact. I keep a gratitude journal. I sleep better when I write down two to three things that I'm really grateful for that day. It's a mindset shift.**

TS: It's a mindset shift a lot of times when I go back to that marketing director and say, 'Listen Lou, this is a big deal you did yesterday and it could make a big impact and I want you to know that the member of the team and your leader, I appreciate you for it.' What do I hear back from Lou? 'I would do anything for you boss.' What do you feel as a leader? Wow! I'll give you another twist on it - a lot of times we have meetings as leaders they can be project meetings, they can be team meetings, they can be meetings as leaders, I want to talk a little about sequencing.

Apply gratitude to have better sequencing at meetings. Start out with what is going *right*. What do we tend to do when we pull everyone into a room? We put the poker in the fire, we say is everybody here and we start sticking people in the eye. And then at the end of the meeting, we go 'Why can't anybody take criticism? Why was this a reactive meeting? All I got was a bunch of excuses. Fire them all.'

No, no, no, no. Strong leadership. That's what Jim Goodnight does at SAS. He starts out with what's going right. Because if nothing is going right, then fire them all.

CD: **Frontload your meetings with what is going right, instead of what's wrong.**

TS: If you start out with your meeting like this, number one you are going to differentiate because if you practice the art of being a great client, listen to me business leaders, you are going to get the A Team on your account. Don't think that in a company there isn't a B Team or a C that gets assigned to the demon customer and if you start off meetings with enthusiasm and say, 'Here is what is going right. We are hitting our impression accounts; you are doing a great job negotiating with the customers.'

The messaging is not driving itself now. Understand that if I sequence, I'm still accomplishing the same thing. The objective of the meeting was to improve the messaging but I've done it in a way now that the beginning of the meeting creates chemical flow which produces an enzyme that makes us much better at leveraging our brains capacity.

Instead of a meeting that starts out with stress and creates cortisol which causes people to become defensive and more primal and they literally become dumber during the process.

CD: **Before your very eyes.**

TS: A lot of business implications.

CD: **Tim, I'm sure that many of the leaders who are listening would like to know how they can have more resources from you or learn how they can bring you into their organizations.**

TS: Absolutely, just email me. I'm at tim@timsanders.com. I'm happy to talk about a webinar, a conference call, or maybe even a talk at one of your upcoming events. Or just to give you some encouragement. I'm a leader's leader, very empathetic as you know, Connie, and very interactive.

For the rest of you, as you know, you can go to TimSanders.com and download a free eBook. It's called *Feed Your Mind Good Stuff*. Its 35 pages that has a lot to do with leadership lifestyle design. That's TimSanders.com

CD: We're grateful that you've joined us, Tim. I encourage you all to pick up a copy of *Today We Are Rich* and pass on copies to other leaders who you know. I promise you it is a game changer and I challenge you to apply Tim's principals to your life. This is Connie Dieken. Thanks for listening to *The Influential Leader*. See you next time!