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## Former Xerox Exec Encourages CEOs to “Debate and Commit” to Stay Ahead of Change

Steve Sanduski: Today's guest says that if you really want to grow your business fast, you need to build a team that will disagree with you. Now, I know that may sound a little counterintuitive, but when you hear him explain it and describe how you can effectively implement this idea, I think you're going to see that it makes a lot of sense. Hi, everybody. Welcome to the CEO Coaching International Podcast. I'm your host, Steve Sanduski. And my guest today is Gerry Perkel. Gerry has been a CEO of a software company, a hardware company, he's been the Division President of multiple business units in large companies. And he has experience in global markets, mergers and acquisitions, and it's facilitated successful and profitable exits for shareholders.

Gerry is also a coach here at the CEO Coaching International, and he has decades of experience, including time with two Fortune 500 companies, Tektronix and Xerox. And while he was the Division President at Tektronix, he led the sale of the color printing and imaging division to Xerox for approximately \$950 million. So with that, please enjoy my conversation with CEO Coaching International's, Gerry Perkel. Gerry, welcome to the show.

Gerry Perkel: Thanks, Steve. Happy to be here.

Steve Sanduski: Yeah, well, we are happy to have you here as well, and we've got another great topic lined up today. And what we want to be talking about here is this idea of how to build a team that's going to disagree with you if you want to grow. Now, that might sound a little contradictory, but I think you're going to share some light with us here on why that's not actually a contradictory statement. So what does that actually mean about building a team that might disagree with you and how does that relate to your business actually growing faster?

Gerry Perkel: Yeah, I agree. It does sound a little counterintuitive sometimes, but what I have found in my time is that the most important thing is to have the best ideas. That it's much more important to have the best ideas as to how to run the business, than it is for those ideas to be mine. And in order to accomplish that, you need a group of people in your leadership team that's very comfortable with disagreeing with you, and pushing back and telling you that you're wrong when

they think so, so that you can have that debate and that discussion that brings out the best ideas that the group has to offer.

Steve Sanduski: So that naturally leads me to, well, how do you know when it's the best idea? Do you have any parameters? Or how do you really zero in on, "Well, this idea is better than that idea." I know it's going to be situation dependent, but you have any thoughts on how do you actually determine, "Well, this idea actually is really the best idea."

Gerry Perkel: Well, I think it comes from experience a little bit, but also the discussion and debate of the group. If you get people really engaged, they begin to push the best idea up and you can see which ones people support, which ones they don't. And then there's various methodologies. If you have a number of ideas, and you have to choose among them, allowing people to cast votes and et cetera, et cetera is ways to do it. But I think it's the interaction you see from all the people around the table.

Steve Sanduski: And when someone is in the room there, let's see, you've got your Executive Team there and you're debating some of these different ideas. How do you, as the CEO, set the stage, set the context so that people are going to feel comfortable disagreeing with you? Is that something that you typically do or how does that happen so that your team knows that, "Hey, I can tell the boss, I think you're wrong. And here's why."

Gerry Perkel: Well, I think it starts from the very beginning. When I first get involved working with a leadership team, I talk to that as one of my core values, that it's very important to me that we have a lot of aggressive debate on the various topics that we're going to have and that I want people to speak their minds. And I do not have any problem with them disagreeing with me and pushing forth their ideas. So I try to establish that from the very beginning.

And then over time we adopt that as one of the operating principles of the group. And if we have to remind people at various times, we do. And if you have to ask questions to pull them out, pull their ideas out on the table, you do that. But, well, I call it as debate and commit. We have to have a very strong, rigorous debate of what we're going to do, and there's a time for debate. Then there's a time for implementation. And when we move to the implementation side, everybody's got to commit and get on board as if it was their idea that carried the day, even though it might not have been.

Steve Sanduski: Now, have you run into many situations where the team is pretty much like yes-man and yes-women, where they're basically doing what the boss wants to do? Do you see that very often in organizations that you've been involved in?

Gerry Perkel: Yeah. I've seen that in a lot of organizations. Some that I've led, and in particular, I think more often in ones that I've observed, because I've tried to really not have that in my organizations. But yeah, I've been and it's really

dangerous, I think, when leaders have a lot of yes-people around them, boy, they can go drive right off a cliff if they're not careful. And you really want to have people that are going to push back. I think it's very important.

Steve Sanduski: And I know sometimes folks will have like a designated devil's advocate, so to speak, someone that is designed to poke holes and whatever the idea is that's being debated. Have you seen something like that being used before?

Gerry Perkel: I have seen that, I've seen also methodologies where you say, "Okay," have somebody to make the case for maybe an idea that wasn't theirs or to switch people's roles up a little bit. And then I think also oftentimes a very good way to keep this on track is by having an outside person being facilitating the sessions, particularly if you're in like an all day planning session or something like that, having somebody else who can push buttons in a different way than the boss can, when the boss is leading the session.

Steve Sanduski: And when you're getting ready to make a decision, we can't operate with 100% complete information. At some point we just have to say, "Okay, there's still some uncertainty here. We think this is the route to go. This might be hard to do." But if you had to put a percentage on it, and what I mean by that is if you're making a decision and if we had perfect information, that would be 100%, but we're never going to have perfect information. How much information do you typically like to have, maybe on a percentage basis, before you would actually say, "I've got enough information, I'm ready to make a decision and move forward?"

Gerry Perkel: Well, I think that depends a lot on the decision. If this is a fairly minor decision or one that if you go in the wrong direction, you can quickly course correct and go in a different direction without creating much harm to the business. Then you don't need a lot of information. I think you can move forward. If it's a large strategic decision, a bet the business kind of a decision, then you probably feel like you need a little bit more. And there, I think it also depends on what you're in the group. If you really have a group that's willing to aggressively debate the topics, and there's a lot of alignment, then I don't think you feel like you need quite as much information. Because in my experience, even if the decision is a few degrees off course, if everybody's committed to it, they'll get it back on course as they begin to the implementation of it.

So it depends a little bit on the decision. My teams would probably tell me that they're ready to go maybe a little faster than I am sometimes, I might be a little more on the analytical side, but you feel your way through that and decide when you're ready to go and then go. You can't wait until you have all the information or somebody else will have beaten you to the punch competitively. You have to be able to move at a good pace to be able to make sure you're staying competitive.

Steve Sanduski: And you mentioned this idea of debate and then commit. And so if you've got someone who disagrees with the decision that's been made, how do you get them, or how do they in their mind say, "Okay, I disagree with this, but I'm part of the team. I'm part of this company. I'm going to commit to moving this forward." Is it just that you've just got to have the right people and they have to go into it understanding that they're not always going to "get their way" and they need to move forward? Or is there anything extra that you might do as the CEO with the team when someone may disagree with an important decision or direction that the company is taking?

Gerry Perkel: Well, I think it's important to make sure that they get fully heard. So if they have a strong belief that whatever decision we're about to take going say down path A is the wrong way. We want to make sure that their viewpoints get out on the table completely, giving them the full chance to air their concerns or their thoughts. But secondly, it's about having some operating principles as a team. And the teams that I've been involved with, we've adopted that as an operating principle, that we're going to use the debate and commit process. At various times, we'll review our decisions. We'll be back as a team, taking a look at how are we doing? And should we be making course corrections? But as we're out in the organization implementing them, we've got to be implementing them, like I said, as fully committed way as possible.

Steve Sanduski: You mentioned this idea of having operating principles as a team, and you mentioned debate and commit is one of them. What are some of the other team operating principles that you work with?

Gerry Perkel: Well, I think in that debate, we talk about, it's very important is that anything goes so long as it's not personal. What I mean by that, attack the ideas vigorously, don't attack the people that are bringing forth the ideas. Secondly, as the leader, it's very important that you not just talk the talk, but you walk the walk here. And what I mean by that is if you shut down discussion as soon as somebody disagrees with you, well, then nobody's going to buy into the fact that you really want vigorous debate. So you've got to be able to let that debate go and that discussion go and engage in it and maybe even look stupid, because your idea turns out to be flawed, because people have got data or experience or examples why it's not going to work. So you have to really be able to walk the walk and not just describe what you want.

Secondly, another key operating principle was focus on the things that matter. You're running a business, there's a hundred things you can focus on, but you can really boil it down to a few that if you really make those things happen, then everything else begins to take care of itself. And so I think focus is one of the key operating principles that we operated with. And then a third one would be operating with integrity in everything we do, how we deal with each other, how we deal with customers, the outside world vendors, et cetera, et cetera. That was another one that to me was very important, because without integrity, you don't have anything.

Steve Sanduski: Do you have an example of a company that you were running and you had an important decision that the executive team needed to make, where there was some disagreement in how you actually applied some of these principles that you've talked about here?

Gerry Perkel: In the last company that I was running, there was some new technology starting to become available. This technology, if implemented, had the potential to basically over time displace and wipe out a product line that we had that was quite successful. It was that kind of a difference in technology. And we were having a lot of discussion debate as to whether we should go implement that because the current product line was successful and profitable. And you hate to see that go away by implementing something new, which is a bit unknown and untested. And we had a lot of discussion. There were a lot of folks that wanted to hold off and wait at the time. But we had a lot of discussion.

And at the end, I think what became apparent was if we don't do this, somebody else is going to, and if somebody is going to make our product obsolete, it better be us, so that we can capture our customers as they convert. And so we had this long discussion and ultimately not everybody agreed, but we decided that was the way we were going. And once we did, we went a hundred percent in that direction and turned out to be quite successful as it turned out.

Steve Sanduski: And in that particular example with the existing line of business that you had, that was still selling and was profitable, did you continue to sell that for a while? Or how did you think about making the transition between the existing product is going to become obsolete, while at the same time we're trying to come out with this new type of technology? How did you manage that switch over there?

Gerry Perkel: Well, we brought the new product out and did it in the best way possible for its success. And then we let the marketplace take care of what that transition was going to be. In my experience, most times when these new technologies come out, for some customers, it's immediate swap over, but there'll be other customers where there's certain small, maybe subtle features of the older technology that they like better. And so they hang on for a while. And so you don't want to push those folks to have to move when they're not ready to, because it could be very profitable customers. So the key is being able to really understand what's going on in the customer base to manage that in a way that you don't get stuck with inventory of old things that you don't want, but also not pushing people too fast. So it's a matter of really listening to your customers quite a bit in those situations.

Steve Sanduski: We're talking here about this idea of you've got folks on your executive team that are going to disagree with you, and that's important because it's going to help flush out the very best ideas. Have you ever run into a situation where maybe you have someone who is being maybe passive aggressive? And if so, how have you dealt with that situation?

Gerry Perkel: I have. And that to me is among the most frustrating to deal with. And I used to use a term that if you buy in and you agree in this forum, you give up the right to disagree when you move to the next meeting. When we come back and I'll revisit this as a group, we can have that discussion, but you've got to go implement this. And sometimes it's people just getting used to the debate and commit approach. So some discussion and training can get them over the top.

And then there's others that just can't operate in that world. They're what I'll call true believers. They have to believe in the idea 100% in order to implement it. And business is just too complicated for that. Nobody's smart enough to have all the right ideas. I learned that a long time ago. So you're going to have to take on other people's ideas. And when it becomes a point where people can't operate that way, well, then maybe they don't fit in the team and can't operate with the operating principles that we're looking for and we need to make a change.

Steve Sanduski: And have you had situations where someone was that true believer and they just disagreed with the decision that was being made and they realized, or maybe you realized that, "You no longer can work here because we're just not on the same page. We have such a difference in our vision or direction for where we think the firm should be going, that this is no longer a good fit." Has that happened to you?

Gerry Perkel: It has. It was an interesting situation where I was appointed to be the leader of the business. And one of the people that was a candidate for that role, that didn't get it, ended up in that role. And even to the point where doing some subtle undermining of my leadership. I had a conversation with him and said, "Listen, you don't have to operate this way. You just have to operate this way if you're going to work here. Lots of other places, they operate differently, but this is the way we're going to operate. And this is what I need from the person that's in your role. And you have to decide either you're in or you're out, we need your support and your strength in this to be able to be successful." Ultimately, the person went elsewhere and we replaced them and actually got someone much stronger and had a lot of success.

Steve Sanduski: So let me see if I can summarize here what we've talked about on this particular topic, in terms of if you want to continue to grow the business fast, you've got to be comfortable having an executive team that will disagree with you at times. So I think, I really identified three things here. One is the team needs to be comfortable in disagreeing with the leader. You need to encourage these alternative opinions, be comfortable telling the boss that they're wrong. So basically set the context, set the stage that it's okay that we disagree. We need to vigorously debate. So I think that's point one you talked about.

Point two is this idea of the debate and commit principle where we are going to debate it, but once we've got all our cards on the table here, we are going to make a decision. And once we make that decision, we all need to commit to it.

We need to implement. We need to push this through the rest of the organization. And then maybe the third thing you talked about is that sometimes you may have a passive aggressive situation. Sometimes you may have someone on the team that this is such a big decision that they just cannot commit. And if that happens, then you need to be able to recognize that, have the conversation with them and say, "Hey, this is how we operate here. And there are other places that may operate differently, and this may not be the right fit for you." Would that be a fair way to summarize the three points that you talked about here?

Gerry Perkel: I think so. In fact, I've heard in some environments, people actually call it disagree and commit. I like debate and commit a little better personally because I'm not looking for people to just find reasons to disagree, but even to take it to that level. And I have a name for this style that I talked about and I call it constructive confrontive, and that I want people to be confrontive, be aggressive with their debate, but do it in a constructive way, so it's not personal, et cetera.

Steve Sanduski: Okay. Tell me a little bit more about some of your thoughts on leadership. So you've run companies, you've run divisions. You've taken companies from millions of dollars to hundreds of millions of dollars. You've had companies that have had really nice exits. What are some of the key things that you have learned over the years that you think are really helpful for CEOs and entrepreneurs to really understand as they want to continue to grow their business and possibly have a nice exit at some point?

Gerry Perkel: Yeah, I think one of the things that I've learned is when you have these kinds of styles or things that are very important to how you're going to drive the organization, you need to find, as your organization gets bigger, you need to find ways to get those principles pushed down in the organization and to give people a chance to see you model those things down further in the organization, not just at the leadership team. One of the things I did at in my last company is we formed this thing, we called the no such thing as a free lunch, free lunch program.

And what we would do is we took all the employees and we figured out what month of the year they started with the company and we divided them up into 12 groups and I'd hold, I'd invite all the people that say in March, joined the company in March, we're going to have a free lunch on whatever, Wednesday at noon. Come meet me in a conference room, we'll bring pizza and whatever. And just get together with people from all over the organization, all different levels of the organization and just have a conversation with them. And any subjects allowed, you can talk about anything you want and feel free to disagree with me. I'd like to hear your different points of view.

And if I couldn't get them going, I'd ask them the question. "Well, okay, here's the question. If you were CEO, what would you do?" And usually that starts to

stimulate a conversation. And once one person asks a question, then everybody gets a little more comfortable. And that's a way of pushing down some of these principles and getting ideas and thoughts and getting connected to the organization a little bit. And I always thought being able to know what's really going on in the organization is important, because as a CEO, oftentimes you're buffered from many parts of the organization by levels of management. And you want to have a good sense for what's really going on? How are people feeling? Are they scared? Are they excited? Are they motivated? Et cetera, et cetera. So that was something that I tried to do pretty frequently.

Steve Sanduski: Yeah. I think that's such a important point there about, as the CEO, it's so easy to be isolated in that you're just around this bubble of other executives and sometimes you don't really hear what's going on at the front lines. And so when you do something like you just described there, you've got an opportunity to meet with people at all levels of the organization and hear what's going on at their level, what their concerns are, what their challenges are. And I love your question about, "Well, what would you do if you were the CEO?" And I would imagine you've probably got some good ideas coming out of that question.

Gerry Perkel: It certainly frees them up. And they usually, the first thing that happens is they all laugh a little bit and then hopefully somebody gives even an outrageous idea, because then it frees up everybody to be able to think that their idea can be talked about as well.

Steve Sanduski: What other ideas do you want to share here, lessons that you've learned over your long career?

Gerry Perkel: I believe that when you've got shortfalls in achievement of some goals that you're trying to do as an organization, it's usually more due to poor or incomplete planning than it is in poor execution. It's in my experience that if you really thought out what you're trying to accomplish, and you really built a good plan, and if you have good people, they'll find a way to get it done, they usually execute pretty well. They might be aimed at the wrong thing. You might have established a process that's not very good or have a goal that doesn't make any sense or is unattainable. But my sense is if you do the planning right, and you really have thought it through and you have good people, they'll find a way.

So focus on that planning and the strategy and thinking about where you're trying to go and how you're going to get there before you start executing. Because once the execution engine gets going, it's going to go implement what you told them to implement. And if you were wrong, you're going to implement a lot of what was wrong. And so really focus on that planning and how you're going to go get there.

Steve Sanduski: All right, Gerry. Well, three more things here that I want to run through with you. So one is, is there anything else that you want to add here on this particular topic, as it relates to having an executive team that is going to challenge you a



little bit, and then the three principles that we talked about, anything else that you want to add on that topic or any other lessons learned over your career?

Gerry Perkel: Being vulnerable as a leader, letting people see that you're open to new ideas, it makes a huge difference. And in my experience, it's really set the stage for having a lot of great ideas, ones that I would never have had. And you're hoping that you put a bunch of people around you that are smarter than you in many different ways, so that you can, your job is to tease out those best ideas and put the energy of the company behind them to go implement.

Steve Sanduski: Well, you are a coach here at CEO Coaching International, and I'd love to hear a little bit about how you think about coaching, maybe a little bit about the coaching philosophy that you're working with here. How do you think about coaching here as a coach at CEO Coaching International?

Gerry Perkel: The reason I got coaching CEOs is, as I reflected back on my career, there were many times when I felt I had really nobody to talk to. And what I mean by that, there's plenty of people around, but there's certain topics you can't really share with your staff or you can't really share with your board. And so it's nice to have somebody to bounce some of these ideas off and to push back on you and give you a little bit of ideas and guidance a little bit. And so that's what I decided to get into it for it. Because I think I have a lot of that to add and I saw the need from my time when I was a CEO.

Here at CEO Coaching International, I've been very excited about the people that we have here doing coaching. First of all, very talented, very experienced, very successful people and a lot of coaching experience that has enabled us to build some very, very strong best practices in how you coach, in how you plan and in how you help CEOs be as successful as possible. And I think that's what's led to the track record that CEO Coaching International has established.

Steve Sanduski: And then, as a coach, you're working with a client, you mentioned that one of the benefits of having a coach is that this is someone that you can talk to. There are times when you can't talk to someone else in your executive suite. There are times when you can't talk to someone on your board of directors. And so having this outside unbiased third party person. So how do you view your role as far as, are you someone who helps them come up with ideas? Do you help point out blind spots that they may have? Do you challenge their assumptions? What are some of the things like that, that you do as a coach that can help that leader be more successful as a CEO of their organization?

Gerry Perkel: I'd say yes, yes, and yes, to your three points. It's some of all of those things. It's helping the CEO come up with ideas. We're not going to bring the market expertise and the particular knowledge of that particular market that the CEO and the staff has, but we can bring a set of best practices that can help them sort through the direction they're trying to go, make sure they have a plan and a set of goals they're trying to achieve and help them to implement and measure

the progress towards implementing those. And help them come up with new ideas, help them figure out ways to build stronger teams all across the board. And I think that's what we try to do and what I hope to be able to do as I continue to work with clients and give them a place where they can use as a sounding board, they can have us help them hold them accountable to the kinds of things they're trying to accomplish and be somebody that can really help them be much more successful than they might be without us.

Steve Sanduski: Excellent. Well, let's just wrap up here with a couple of rapid fire questions. And the first one I'd like to ask you is we've been talking about leadership here. So what is a leadership trait that you have seen tends to kill success? What's maybe more of a negative leadership trait that you've seen out there?

Gerry Perkel: Well, I'd say the number one is ego. If you just get too focused on yourself, too big for your britches, if you will, you'll miss a whole lot of good stuff that could be implemented in the business. I think the number one key success factor for a leader is self-awareness and knowing what they're good at, what they're not, trying to be better with the things they're maybe not good at. But if you think you're great at everything, you have all the best ideas, you shut down so much of the value of an organization. And so, ego is probably the number one that gets in the way. And everybody has some of it, but it's when it becomes too pronounced. That's what I think can get in the way.

Steve Sanduski: Maybe when it turns toward arrogance as opposed to confidence.

Gerry Perkel: I think certainly you want to have confidence maybe even on the verge of cockiness, but when it starts to get to be arrogance, you run the risk of shutting down some of the discussion and debate and that's what's really important.

Steve Sanduski: All right. And then a second one here, are you someone who likes to take risks or you someone who tends to follow the rules?

Gerry Perkel: I'd say I'm more of the ask for forgiveness than for permission side of things. So a little bit more on taking some risk. But I would call it calculated risk and knowledgeable risk. So I don't mind taking risk, but I want to know what I think the chances of success are. What would I get if I succeed and what's it going to take to get there. And then I always want to make sure it's within the laws and that sort of stuff, I don't want to ever cross those lines. Always want to do it in an ethical way, but I would say it's a little bit more going down the risk path than just following the rules.

Steve Sanduski: Great. Well, I think we will wrap it up right there and appreciate you being on the show here. And to learn more information about Gerry and about CEO Coaching International, visit us at the website, which is [CEOcoachinginternational.com](http://CEOcoachinginternational.com). So Gerry, thanks and look forward to all the great work that you're doing here with the clients at CEO Coaching.

Gerry Perkel:

Thank you, Steve. I enjoyed it.

To inquire about our coaching services and programs, please call **1-866-622-9583**.



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