

ICONIC FORMER CEOs ADVISE TODAY'S C-SUITE

We spoke with **Ajay Banga**, **Maggie Wilderotter** and **John Sculley** to find out what today's top leaders and next-gen CEOs should—and should not—consider as they look at the opportunities and promise ahead. Their answers may surprise you. By *Colleen Marble*

If you have been anywhere near the C-suite over the past decade, you know how rapidly leadership roles are changing. What used to be a clear command-and-control hierarchy has evolved into something much more collaborative—with greater transparency, agility and accountability demanded of all stakeholders.

That would be tough enough, but that is not all that has changed. Today's CEOs have either just navigated the toughest year of their careers or they have inherited a business that has been battered by a global pandemic. *Inc.*'s Q4 2020 CEO confidence survey found that the most significant post-pandemic leadership concern is not boosting revenues or regaining market share, although both are critical issues. Instead, CEOs are worried about low morale and fatigue, both of which can hamper recovery in the days ahead.

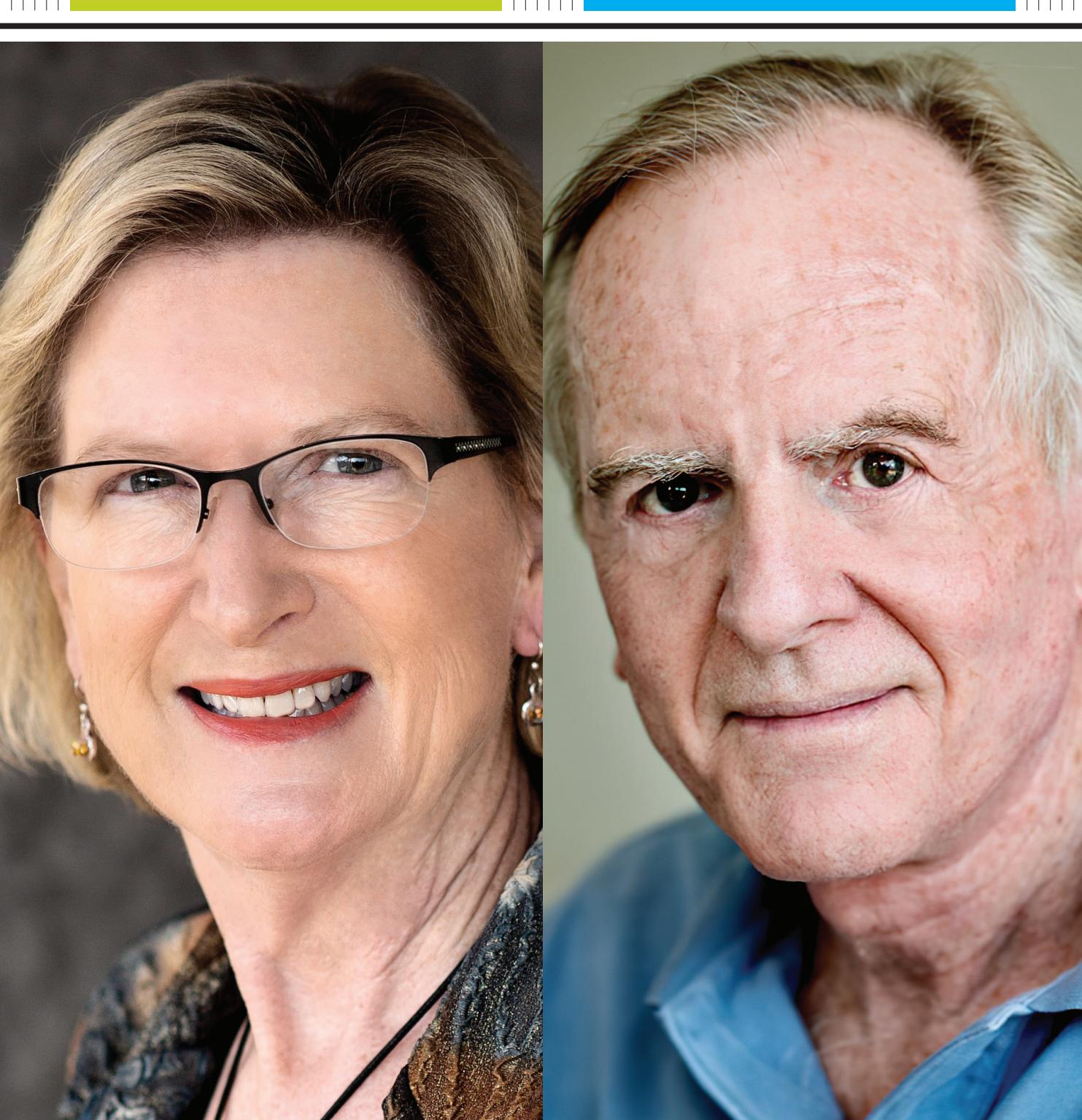
A new era is emerging that will require a different kind of leader—one who is rooted in the time-tested lessons of the past yet willing to take risks to create a bold future for their >>>

COURTESY: AJAY BANGA, MAGGIE WILDEROTTER, JOHN SCULLEY



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—Ajay Banga, former CEO, Mastercard



"Being a CEO is mental; it's emotional; it's spiritual; and it's purpose driven. If you don't slow down, you're not doing yourself, your companies or your constituents any favors."

—Maggie Wilderotter, former CEO, Frontier Communications

"We can't know what tomorrow will bring. Adaptive innovators are less likely to be caught off guard because they are always working on the very edge of what's possible."

—John Sculley, former CEO, Apple, PepsiCo

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companies, all while addressing corporate culture, employee satisfaction, stakeholder demands and societal pressures.

To help modern chief executives reflect on their path forward and the possibilities ahead, this CEO Master Class series shares lessons learned and frank advice from some of the world's most accomplished leaders.

To kick things off, we sat down with **Ajay Banga**, **John Sculley** and **Maggie Wilderotter**, who all have spent decades leading some of America's top brands. Together, they shared hard-earned wisdom and powerful insights that can guide you as you tackle with optimism what may be the greatest opportunities of your career.

Insigniam Quarterly: *What qualities do you see in today's top leaders, and how do they translate into success?*

Mr. Banga: Strong leaders have three very clear attributes. The first is a very deep sense of humility, which allows you to have a perspective that says there's something to learn from everybody. Therefore, you have the willingness to listen, to engage and to be questioned, all of which are part of being a good leader. Along with humility comes a sense of humor, which allows you to laugh at yourself, as well as deliver difficult messages. Humility and humor together give you a wonderful perspective.

The second is the ability to listen. I use the saying, 'God gave you two ears, two eyes and one mouth for a reason.' It's a nice ratio. Listen and watch more than you speak.

The third is decency. Bring your DQ—or decency quotient—to work, and people will follow you because of how you speak and how much you care, and how your hand is always on their back and not in their face.

Mr. Sculley: I look for leaders who are able to explain what they're trying to do, who are able to communicate their ideas to the people who are going to help make that

possible, who can recruit great talent and who can build a team that can actually get you from here to there.

It takes a different type of leader at each stage, so the leader who starts the business may not be the leader who can scale it to be a successful operation. And that person may not be the leader who can manage it when it is of such a size and complexity that most of the work is being done by other people and you're really orchestrating it as opposed to actually doing the work.

Ms. Wilderotter: I think that amazing CEOs are servant leaders. I look at leadership as standing on the shoulders of the people who work for you because they bring your company alive every day. I ran a Fortune 500 company for 12 years, and I was considered the CEO of the people. I was there to get the obstacles out of the way, to clarify, to course-correct and to make sure I had a conduit to our thousands of employees who had to get the work done every single day.

Great CEOs simplify and clarify. They take complex issues and make them easy for people to understand. They're also strategic. They're thinking three and five years out, not just about what happens in the next 12 months. That's not to say we don't hit challenges like pandemics, where the future is very unclear, but you should have contingency plans for what you can do, even in times of uncertainty.

Last but not least, I think all CEOs have to not take themselves so seriously all the time. We're not perfect. Being able to self-assess and learn from what we do, but also humanize ourselves and tell stories with our employees, is really important.

IQ: *To whom should C-suite executives, especially CEOs, look to for inspiration?*

Mr. Banga: These days, they should be looking to everyone around them: the driver who delivered things to your house, the

CEO BIO

Ajay Banga

Mr. Banga worked at Nestlé India and PepsiCo Inc. before joining Citigroup Asia Pacific, where he held several positions, including CEO. Most recently, he spent 11 years as president and CEO of Mastercard, becoming executive chair of the board in January 2021. Under Mr. Banga, Mastercard met its goal of connecting 500 million people to the digital economy, and it has set out to double that number. During the Obama administration, Mr. Banga served on the Commission on Enhancing National Cybersecurity and the Advisory Committee for Trade Policy and Negotiations.

Today, he is chairman of the International Chamber of Commerce and a member of several boards, including Weill Cornell Medicine.



nurse and doctor who ran toward trouble when you were running away from it ... there are so many role models.

People who inspire me, like Gandhi and Mandela, show that one person can make a difference. In the Indian language of Hindi, there's a simple saying that when you point a finger at someone, three fingers point back at you. Don't wait for someone to lead; put your shoulder to the wheel and demonstrate that you're there to be counted on.

Mr. Sculley: I look for people who do it right—consistently. There's a reason they are successful. A great example is Jeff Bezos at Amazon. He isn't just managing for the moment; he's managing, in many cases, many years into the future. That's a terrific role model for builders, the people who are involved at the early stages of a business.

Another type of leadership is demonstrated by Satya Nadella at Microsoft.

Bill Gates led and created one of the greatest companies in the world, but it missed the internet, it missed mobile and it was kind of locked into a Windows framework. In a matter of about three years, Satya completely changed that. I've never seen a big corporation change as quickly and as successfully as it has under Satya.

Ms. Wilderotter: When I was growing in my career, I would look out in the industries I worked in. Who are the great leaders? Who are people that I would go to work for? Who are people who do amazing things? And I would get to know them; many became my close friends and mentors. I ate meals with people, because when you sit down at a meal, you're equals. It's not like sitting in a conference room or sitting across from a desk; there's sort of an intrinsic power in those environments. A meal offers equality. >>>

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CEO BIO

Maggie Wilderotter
After high-profile roles at Microsoft, AT&T and startups including Wink Communications, Ms. Wilderotter became CEO of Frontier Communications in 2004. Over the next 12 years, she transformed Frontier from a regional phone company into a national broadband, voice and video provider with annual revenues of more than \$10 billion.

During the Obama administration, she served on the National Security Telecommunications Advisory Committee and the Commission on Enhancing National Cybersecurity. Today, Ms. Wilderotter is CEO of Grand Reserve Inn and an active member of several boards, including Costco, Lyft and DreamWorks Animation.



Learn more:

<https://www.linkedin.com/in/maggie-wilderotter-a37aa81a7/>

IQ: *If you could have done one thing differently as an executive, what would it be?*

Mr. Banga: Just one thing? We all make mistakes; the key to doing things differently next time is to forgive and forget. People will only come to you to own up to [it] if you're capable of forgiving and forgetting, learning from it and moving on. We all say it, but I don't think any of us do it adequately. As CEO your voice is like a megaphone, so the time you don't do it is the one that people will remember.

Mr. Sculley: A big mistake at Apple was not looking far enough into the future of computer hardware. We used a proprietary processor based on the safest, best technical choice, but it wasn't the best strategic choice when you [consider] what the PC industry would look like [in] five, 10, 15 years.

If we had had a better perspective on that, we would've gone with Intel. Steve Jobs

made the same mistake when he started his next computer [company], but when he came back to Apple, one of the first things he did was to switch to the Intel processor.

Ms. Wilderotter: We tend to make mistakes when we find ourselves in situations that we didn't anticipate. Some of it is that we just don't know what we don't know; other times it's because of who we are or what we do.

When you're chief operating officer at AT&T, people answer the phone. [At] a startup, no one answers the phone, even if you're CEO. So one of the big things I had to learn was, wow, this is a whole different perch. I had to reach deep inside and get very creative about getting in to see potential customers and working the supply chain. We go through trial and error as CEOs, but it's what we do about it that matters. I think we learn from mistakes more than we learn from our successes.



ON TRIAL AND ERROR:
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IQ: How optimistic are you about the post-pandemic business climate, especially with renewed imperatives for transparency and environmental, social and corporate governance?

Mr. Banga: I feel good about where the economy is going, but I'm nervous about the hot spots that remain because the virus has proven tougher than people think. We shouldn't declare victory yet.

I'm also worried about the deep underlying issues in society that COVID has exposed as fault lines: the exclusion/inclusion and racial issues, the digital divide and the K-shaped recovery. These are all different words for growing up on the wrong side of the tracks, or not having access, or not having had the privilege of going to the right school or being lucky enough to have the right kind of job. Those issues were always there, but the pandemic exacerbated them. We need to make sure we're paying the right attention to them.

Mr. Sculley: We've learned a lot about leadership during the COVID-19 era. Leaders have had to think more responsibly. They've had to think about not just their shareholders, but also their employees and how they can adapt to the pandemic conditions. In many cases, they had to make radical changes in their businesses.

Adaptive innovation is every bit as important as outright innovation. I wrote in my book *Moonshot!* that with the right mindset and a passionate commitment to excel, you can be an adaptive innovator who can share in today's transformative moment.

This is true whether or not we experience a crisis. We're always working with incomplete information because we can't know what tomorrow will bring. Adaptive innovators are less likely to be caught off guard because they are always working on the very edge of what's possible.

COURTESY MAGGIE WILDEROTTER

Ms. Wilderotter: I look at how businesses have pivoted over the last almost year and a half. Some have had great tailwinds because of the pandemic, and others have had great headwinds. And the ones that have had headwinds? Well, they've learned about resilience; they've learned about tenacity and grit. I feel good about that.

I also think there's a lot of noise in the system right now. Even if you set aside the fear and anxiety, there are a lot more voices that we have to hear as leaders; we have to synthesize those voices to decide if they add value to our businesses and our employees.

You have to make tough decisions, but they need to be authentic to your culture, your values and your company's mission. As a CEO, I would get input from my board, my employee base, my senior leaders, my top customers and my suppliers because we live in a community, not in isolation. By going through that process, you can make better, more informed decisions, and you can communicate why.

IQ: Looking at 2021 and beyond, how do you think the role of CEO is changing?

Mr. Banga: There used to be the imperial CEO model of command and control, but now you need to be an accessible CEO. This generation's approach toward doing good and doing well at the same time, not just one or the other, is quite enlightening, and it's challenging for everyone to keep pace with it.

It's not a coincidence that people are talking about environmental, social and corporate governance in more passionate terms today than they did some years ago. I'm convinced it's partly because our employees are also demanding that from us, so the environment around the CEO is quite different from what it used to be. And there's nothing wrong with that.

Mr. Sculley: The challenge is that as CEO, >>>

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—Maggie Wilderotter

GREAT EXPECTATIONS
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you have everything coming at you all the time. You have to ask, how do I make the trade-offs between the things that I have to do to deliver results now, versus things that in the years ahead would be a better decision?

What's really interesting about the 2020s is that we are all living in exponential time, which became apparent to us during the pandemic. Exponential time is different from linear time. We're seeing the things that used to take 10 years now being done in three or four years; things that used to take three or four years can get done in one year.

Think of the speed at which things happened that, without the pandemic, might've taken many years. And by the way, just because the pandemic will pass, doesn't mean we're out of exponential time. It's going to continue. So leadership during this decade is going to continue to have to deal with these accelerated rates of change. The focus has got to be on adaptive innovation.

Ms. Wilderotter: CEOs have a lot coming at them that they didn't have to worry about [before]. We also have more diverse employee bases, and being able to appeal to diversity—to promote it and provide opportunities for it—is a new role for CEOs.

I always felt that diversity was good business, but as a woman, I was a minority in leadership. I made sure that 50% or more of my board was women and 50% or more of my leadership team was women in the companies that I ran. They weren't like that when I got there, but they were like that while I led and when I left. I think that's a new thing for a lot of male CEOs, who are still the majority today.

Finally, I think that we can't forget the soft side of leading and the fact that our businesses today are 24/7. We have to replenish our energy for running companies and doing our jobs every day. We say that we've been working from home during the

pandemic, but what we've really done is just moved our offices into our homes. So we don't really have those natural separations that we used to have.

We have to rethink how work gets done, which includes putting time into our schedules to refresh, to rejuvenate, to sleep, to get exercise. Being a CEO is mental; it's emotional; it's spiritual and it's purpose driven. I think leaders need to remember that if you don't slow down, you're not doing yourself, your companies or your constituents any favors. You'll burn out, which is not only dangerous for you personally, but it's also dangerous for your company culture.

IQ: As an experienced CEO, what advice would you give to someone who has just arrived in the C-suite?

Mr. Banga: If you surround yourself with people just like you, then you're probably going to have some blind spots and end up creating more challenges for yourself. The real definition of diversity is surrounding yourself with people who don't look like you, don't walk like you, didn't go to the same schools as you, didn't grow up where you grew up, didn't work with you in your prior three jobs. They will bring these beautiful, different experiences to the party, and they'll make you stronger because they question.

I haven't talked about strategy, great wisdom, understanding the market, being focused on your customer ... those are all things that CEOs talk about and do. But people and culture are inside of all this. I continue to believe that the single most important thing a CEO does is focus on people and culture. If you can do that well, then all of those other things will come.

Mr. Sculley: Perhaps the best lesson I learned came from Steve. He used to say that you need to look at the edge of an industry, not

CEO BIO

John Sculley

Mr. Sculley began his career at PepsiCo Inc., where he rose from marketing trainee to president and CEO of the company. Along the way, he helped create the largest packaged-goods brand in America, thanks in part to the Pepsi Challenge and his leadership of PepsiCo's International Food Operations division.

Mr. Sculley then moved to Apple Inc. During his decade-long tenure as CEO, he grew annual sales from \$800 million to \$8 billion. Since leaving Apple in 1993, he has remained active as a business leader, speaker, author, entrepreneur and investor in high-tech startups.



at the center. He called it zooming.

It's a natural tendency for people to look at things from the standpoint of the expected, as opposed to the unexpected. It's only when you can look beyond the industry as it exists today that you start to see possibilities that don't occur to most people, and that's where builders are most effective.

I'm a builder, and I tend to be involved in things that are foundational to what comes 10, 20 years later. I'm just as proud of that as I am of things that were happening at the time I was a CEO of the largest-selling computer brand in the world. You have to realize that you're not there forever. You're there for a period of time, and there are some things you can do that will affect the here and now. Even more importantly, there are things you can do that are foundational to the company long after you're gone.

Ms. Wilderotter: We have to be lifelong learners as CEOs. We have to learn and reinvent ourselves, and that part of the journey is the best part.

But that means you have to give people permission to give you candid feedback and to tell you not to do things. CEOs are people of action, and we have very little patience. We have a sense of urgency, and we want to fix things. Instead, start by saying, 'Tell me what you want from me in this conversation.' It's OK to give permission to your people to tell you what they really need from you versus just taking orders from you.

Finally, take the time to get to know people who work very closely around you as human beings first and as executives second, because we all have lives and livelihoods that matter. You have to know who you want to be in the foxhole with, and they need to know you. **IQ**

COURTESY JOHN SCULLEY

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