CHRIS: Hey, I think you'll enjoy today's discussion that Stan and I have with Jim Hackett. Jim's a retired, business executive in the U.S. He spent his early years at Proctor & Gamble, and then over three decades at Steelcase, where at the age of 39, he became the youngest CEO in the history of Steelcase. Spent many more years there, and then when he left Steelcase in the 2000s, joined the board at Ford Motor Company and spent a three-year window as the CEO of Ford, and ultimately retiring from there, late in 2020.

Just a really exceptional leader, range of experiences, and very, very humble in his thoughts on leadership and his reflections on his own ups and downs throughout his career. So, Stan and I both really enjoyed this discussion and I think you'll get a lot out of what Jim Hackett has to offer.

Now, over to discussion.

STAN: Jim, thanks again for joining us. And the focus today is leadership. And the reason I was excited about this is you've led real stuff. You led Steelcase for a generation, you led Ford Motor Company. And so, from a pretty young age, you led big stuff, but different stuff, different kinds of organizations. One of the things I found was as I, as I moved through different units, I led a Special Forces aid attachment, Green Berets, as a young officer.

And that was a very different kind of leadership then when I lead larger organizations of younger paratroopers, a little less experience. And then when the environment in which we were in changed, difference between peacetime and wartime, that my leadership style, one, evolved with age and experience, but also changed with circumstances.

And so, the first thing I had to do was understand the environment which I was trying to lead. You know, so in Afghanistan, it was a 46-nation coalition of about 350,000 people total. And that was very different. So, I'm going to ask you to give me context on Ford, the most recent. So, what was Ford and what was the leadership context and environment for that adventure?

JIM: Well, I could listen to your history because I will just start by telling you as we work on this together today, that's what I was, I was a student of others that I had so much admiration for, and we can weave some of that in. As I walk into the Ford situation, you know, I've had a lot of experience by now and unfortunately, you know, my predecessor on Friday leaves and I start on Monday.

So, I wasn't candidly expecting this assignment, you know, I'm sitting in the boardroom and they asked over the weekend, would I step in. I've had experienced twice that happening. When I was at Steelcase, it was the same kind of scenario, and when I stepped in at University of Michigan to help with athletics, it was the same story.

Each time, Stan, my instinct was that I want it to kind of stabilize, create kind of an equilibrium about change with them. You know, even if I had an instinct about a lot of change I would do, my message was to get them to accept that we're going to be okay. You know, this isn't a crisis of a vacuum. And candidly, I know how to do this, but I need you. And so, my observation to

you is that, one of the first problems I had as I was growing into being a leader, was finding out the authentic self. So, I have this random interaction, which doesn't need to take up time, with Bill Marriott, the famous found… you know, he was second generation CEO of Marriott. I got asked to go see him. I was running, Steelcase was private, Marriott was private. And we were talking about how to extend the vitality of these businesses. And I was young and impetuous, and I said,

“Mr. Marriott, it's simple for you. You just go to Las Vegas, you know, everyone's building a hotel, you can make a lot of money.” And he looked at me. This is in a book that somebody wrote. He had this peace in his eyes that I can only tell you was extraordinary. And he says, “Well, I can't do that.” And of course, I now know why I just didn't associate his religion, and, and the principle of, you know, competing in Las Vegas, and Marriott is in Las Vegas, but in a way that meets their objectives.

But I was flying back on a commercial airline. I looked out over the skies and I thought, how do I get that peace in my eyes that I know who I am, as I lead? And so that's a transition moment for me, Stan, that now, if I can figure that out, I can go into any situation with confidence and that's what I was striving for.

STAN: Well, that's fantastic.

CHRIS: Jim, I'd love to pose a question, frankly, at both you and Stan. But we'd love to get your thoughts first and Stan, you may want to build on it. In the military, I led units, at smaller numbers, but you both lead organizations that are part of history, right? Both in the military and Jim and your career.

I'd love to get your thoughts on for other leaders out there, the difference you felt, and maybe it ties to your previous commentary there, the difference between taking over an organization and taking over a part of American history, like a Ford. What’s the feeling walking in the door, how has that, how has that moment different than another CEO leadership position?

JIM: Well, and I suspect the general feels this way. You know, look, these are rare spots, but not for our ego purposes. It's rare in the sense of matching what you want and what it needs. And, and so for me, I grew up with three older brothers. We all loved each other, but it was really competitive, and I was the youngest.

And so, I remember this notion that if I wasn't competing, then I wasn't really living in the family. And so, as I got into business and had these different kinds of assignments, now I'm at the top, so I'm not competing really with another person, but I'm competing with lots of competitors. I'm competing with the enemy, in the general sense.

And so, I want to win. And so that's the mindset. You go into a Ford, you say, look, this company won a lot of the intersections of battle that it had. But there's no guarantee that the next one's theirs. And so, I described that as a form of fitness, and how fit are we for what the battle's going to be in the future?

So both at Steelcase, even at University of Michigan, I tried to insert in the teams a way to be objective about how great they could be, but objective about how we compete, you know? And so, in athletics, you know, there's a constant heartbeat of watching other game films of other people. In business, you can do benchmarking, but I would even trade that, because I thought what would happen is you start to rationalize. Well, the reason Tesla is growing better is because Elon doesn't make any money. No, he's growing faster because he's got a good idea and he's very intelligent. And so, this notion of setting fitness as the objective for everybody, including the top person, and being true to that and trying to figure out what does it take to win? You have to make that clear. That's the beginning, Chris, of having a shared mindset and then wanting something better for all of us, you know, wanting to be a winner, not just wanting to play. Not just participating by proxy, but you got to go in there and be committed.

STAN: Wow, Jim, that, that really brings to mind a conversation I had more than a year ago with Doug McMillon and I was in his office one day and we were talking about change and he goes, "We have two and a half million people that are part of the Walmart team. So, when we go to turn the battleship, that's a pretty big endeavor."

I want to ask you something because a lot of our listeners and friends asked the question about scaling and growth. You know, smaller companies hit critical inflection points of 50 or a 100 or more people. What's the difference in leading at scale when that scale is massive?

JIM: Well, and I want to imbue something that, and I know Doug really well, so this isn't a challenge. What I know he's talking about and I agree with, but I want to, I mainly draw a parallel between what you did and I had to do is every day the product we worked on was life and death. Well, so you would be amazed at the pictures I'd get from people. They were very appreciative. These cars or trucks were crushed, and they walked away.

And so that this phrase called Built Ford Tough and it would find its way into the, you know, the conscience of everyone, what we were doing. Now, when I walked into the role out of the board, I remember thinking the precision is so high in everything we do that I'm worried it's not making us competitive.

Maybe slowing us down like the aircraft carrier referenced. And I thought, Stan, this is the way I kind of go at problems. I go, these aren't idiots running the company. So, what would cause all this precision, you know, I need to seek to understand. And I reasoned that it's because it's life and death. And by the way, Ford in its storied history has a Pinto story, you know, or something that failed miserably.

And so therefore, these things have shaped the conscience of the company and the culture in terms of having things happen precisely. Now, we would often reference the military as a way to train and discipline yourself so that you can move quickly with that precision.

But I started to feel in later years that it was, there was an advantage. I don't think at long-term is there was an advantage for startups because they didn't have to be precise. You know, they could

think of, again in battle where you could have a rogue unit that didn't have to play by any of the rules, didn't even believe in the values that Americans believe in and you had to compete.

You know, we had similar kinds of challenges in that, as small meets big, imagine they're going to recruit somebody that's really outstanding as an engineer that I want. They say we're only 90 days old and 90 days old seems cooler than 90 years. We're not older than 90 years, but 90 years old is an extraordinary accomplishment.

And I had to flip that now to say that time and tested means you're coming into something that's really going to be vital. But I leave you with that impression that, that I feel like, the precision of what automotive has to be is now competing with the digital world. And we can go talk about this, so in digital warfare or digital commerce, machines are already inherently precise. And so, you've got to think about clock speed, which is a term I use about how fast things cycle while you're thinking about competing. And you're accountable for both ends of this, in the design of the business you build,

So, I'll leave you with one truth. I did a startup inside a Steelcase before I was a CEO. It was my, kind of my favorite time. So, I could scale a lot faster… ideas and, and agility of ideas, but I could never build the platform and the rigor and the precision that the big could have, that you need.

So, they need each other is my answer to you. You need, you never lose the consciousness of what it's like to be small and agile, even as you get big, but you need to respect what big brings you and the stewardship that comes with that.

STAN: It's an interesting thing. Chris and I served together in JSOC, Joint Special Operations Command, which is counter-terrorist force.

And I spoke to the commanders of JSOC yesterday and they asked me to come in and talk about kind of how it was. And now I'm sort of a relic that they pull in. But the interesting part was at the small team level where Chris was closer, at that point than I was, our precision and excellence of execution was essential.

And it was non-negotiable because it was their lives and death and also our success on the battlefield. But as we went to scale it, we had this interesting tension that we always had to maintain that you're referring to. Not only did we have to get bigger and get faster as a big organization, but every execution, whether it's building a car, or executing a raid, had to be great because the cost was too high if we gave it up.

And so that was an interesting balance as we, as we took it forward. And one, I know you lived.

JIM: Yeah. And the interesting thing, this is, you know, this is a self-regard, you know, where I could have been better in the, in the 41 months I was in that role. I followed really two people before the Alan Mulally, who you know, legendary comes into the business, it's in super crisis and he takes the objectives way down. Way down. There's really no talk about the future. And he

was quite confident that that was right. And he ended up being right. The company doesn't go bankrupt. They never asked for a loan. By the time I get in the role, the product line's the oldest in the industry and propulsion, which is, you know, electric versus gas is in flux.

Everything's being connected. So, I'm going to give you a hint of this. If you had an F-150 three years ago, and our engineers do get car data from that, from the internal computers, three years from now, we will have a hundred million years worth of data on that same vehicle in three years. In other words, it would take in a hundred million years, three years ago, what we're now going to have.

So, the competitive question in the future, and Alan and I being indifferent about this, is I've got to get the organization ready for you're in marketing, or you're a battlefield, a leader, and you have a hundred million years worth of information coming to you. What kind of decisions do you now make? In fact, there's a lot of literature and science I read, which is you can see, you can almost not ask a human to do that.

So, this is why machine learning is finding its way. Right. But both, I bet the three of us would never give up our human control of things. And that's the way I thought about running forward, Stan. And so, this is the answer to the big as well. The big now in the future gets the advantage of that a hundred million years of information.

See the small can't have it because we sell a million F-150s per year. This new Rivian startups, a new truck that we were partly invested in with Amazon. Now they'll sell, you know, 80,000 a year. So, they, and they'll all be wired, but they can't have the kind of data we have. So, now Ford's got a new advantage by being big, and this is what happens. These cycles come and go like that. I think.

CHRIS: Can I… this is sort of an observation maybe, and then we just love the get your thoughts, because both of you are talking about the importance of organizations in today's world, especially having the power of scale, but also keeping a very agile mentality.

And one of the risks there, I guess there were the pendulum can swing back and forth. I mean, coming up in the SEAL teams, when the idea that McChrystal was putting in place inside those forces was, you know, faster front-edge thinking, agility. I mean, we had different terms for it, but it's the same as that today's business lexicon, that can easily get absorbed by aggressive units as, "Great there's no more rule book. Right. So, we can just do whatever we want."

So, if you have a lot of those personalities, they'll sort of slew towards the agility side of the conversation and forget the importance of the precision at scale. So, any thoughts or lessons you've learned over your career about how you communicate as a leader to keep both of those sides of the conversation and balanced?

JIM: Well, I may, I may actually yield to you two on that. I bet you're better at communicating, but I can, I could be on your team thinking about this with you, because I want to tell you where I come from on this. There's a famous physicist who ends up running the Santa Fe Institute,

which is we come to the center of complex systems theory, Geoff West, and he wrote a book called *Scale* that's in the last five years, kind of a "should read."

So, I referenced that in one of the things he discovers, this is a little, my dad was a veterinarian, so I know you can roll with me on this. If you map mammals: a mouse to an elephant, on a chart, it's a perfect line measuring their heart rate versus their mass. So basically, it means this: that the mouse heart is beating much faster than the elephant's heart and the heart slows at a rate so that it can get bigger so that mammal can get bigger. Now here's the kind of Nobel level discovery he figures out is that as you go up the ruler of the mammal size, the rate of the heartbeat slowing is predictive. So. if the mouse is a hundred, then next mammals 60, and the next man was 60% of that.

Now hold that thought. If we're starting thinking about the design of systems, military systems or industrial systems, it means as we grow, you can't have the same amount of energy you had at the first index. That's what 60% of is. It's less energy. That's enough in my world, that's cash or capital, you know, or number of people.

And so, one of the things I did when I stepped in the role, knowing this law in nature exists, and I would talk to Jeff about there can't be natural laws that don't touch business. So, you know, he would often counsel me. As Ford built factories, you know, they would do copies of them because they had the precision and refinements.

So, thinking military as you deploy. So, when Stan was saying, as you grow, if we give a new group the mantle to grow, we also say to them that you've got to have a scale, you've got to find a way that you don't need as much energy to be just as good as the last one. So that takes a lot of creativeness.

Another way of describing it, it's still abstract. So, I pardon this, but in nature you see it shares platforms. So, we, the three of us have 99 and a half percent of the same DNA. This is why this virus is so troubling. We have 97 and a half percent of the DNA of a mouse. That's why they use mice for testing. But think of the diversity between me and a mouse and so it, but it relies on the platform for that energy efficiency.

So, let's go to that group that wants to be aggressive for a moment. You'd have this in business now to get very literal and a multi-divisional company. And everyone would say, look, I just want to run my own division, Jim. I don't need to hear from headquarters. And I would say, but you need, I'm going to go back to the metaphor, you need the scaling law, or you need the metaphoric DNA sharing, or you can't do it. You see what I mean? You need parts of us. And if I could get them intellectually to understand why would natural systems devise themselves, the way they were. Who are we to say, you know, we don't have to have regard for that.

Now I would have a 50% hit rate, you know, intellectually with people on that when we don't know what the hell you're talking about to others who had more respect for platforms when I was done. So, in your world, that's communications, you know what? We have to have a platform communication so we can all hear each other.

As a platform, you know of when you're not in earshot, how do we make decisions? You know, that's less rules, but it's a platform of ideas. I would call them frameworks for you to do reason when I'm not in the room because you gotta be able to do that at the line that I'm not standing on, but you've got to use these frameworks. You know that because then I have to trust. I don't want to micromanage.

A third thing was then that give respect for the diversity of thinking. So, in other words, if somebody's on the edge, in your case, actually had better ideas for the platform, we had to prove that we were the, you know, we repivoting constantly with the influence of that.

And so that was how I argued the fitness, a moment earlier in our discussion, every year I'd have a fitness review and the edge would be able to tell the core what it needed, you know, in order to compete. And then we would, we have a famous question we borrowed from strategy theorist, Roger Martin, who's one of my favorite. He would say you don't… you ask the question this way, how might we *dot dot dot*. Or what would you have to believe, *dot dot dot*. So that you don't, so the edge person is making a claim to headquarters and headquarters will look, edge, you don't understand. That isn't what they were allowed to say.

The corporate headquarters had to say, how might we give Chris what he needs? Or what would I have to believe as the corporate guy to actually understand why he needs that? And then now you're working together, you know, on a new design. I hope I didn't lose you with the mouse and elephant, but it has guided me a long time.

CHRIS: No, West's book made its rounds inside of McChrystal Group when it came out. So, I'm a huge fan. I'll turn to it to Stan here in a second, but the… no, I think that that framing I think is great, that's a great takeaway. Stan McChrystal was known for doing something similar in the when he would do battlefield circulation asking forces non-obvious questions that couldn't be answered yes or no, or we're doing great.

More along the lines of what would we do different…what would you do differently if you couldn't go home until this was won? Well, that changes the entire thinking, like no end of the deployment until victory, then here's 10 things we'd have to do different tomorrow. Well, okay. Let's start implementing those.

JIM: Well, you know, Stan, I walk into a Ford dealer dress like I am today, you know, really casually. And I go back to the repair shop, this older man, you know, just picturing covered in grease. And I said, "Hey, you know, Joe, If you knew the CEO of Ford, what would you tell him? That he needed to understand?"

And I can't curse, but you know, there was a lot of language that came out and he described with an adjective. I need to find, you know, think of the word, bad word part, you know, and he couldn't find a part for the repair. So, I said, well, come with me. And we go into the service manager and I said, the service manager, he can't find bad word part.

Tell me, you know, what's going on? Now that repair guy doesn't know I'm the CEO at this point, the parts manager does. And he starts to show me the system that goes into our company that helps them find the part, and my God is a nightmare, you know? And, and so I told that story all over the company. And I'd get cheers from the dealers because they are the edge.

They're saying, “Hey, you now are hearing us.” And I probably got some rolled eyes inside that said, well, Jim, you don't understand why that's so screwed up and how the history… yeah, I do, but it's not fit, you know, there's the out, you don't blame anybody. It's just not a fit enough system for that repairman. So, we're in the middle of fixing that right now.

STAN: Well, that's, that's a great story. I'll open with a quick story. Another analogy, not as good as yours. When I was a battalion commander, we were told that the Chief of Staff of the army was going to come visit Fort Lewis, Washington, and that we should prepare to give a little demonstration of what my organization did.

And so, we had a bunch of soldiers prepared to do this thing and we rehearsed it for a week or so. And then the afternoon that he's supposed to come, we're all already, we've gotten people lined up. We get a call about one in the afternoon that says, “the schedule changed. The boss is not going to come. So, everybody stand down, thank you.”

And of course, on the one hand, the soldiers we're happy that they didn't have to do it, but on the other hand, after all that prep, they weren't happy because they'd done the prep and then now, they wanted to do it. And I used to tell rising leaders, as you get bigger, your body starts to become like a dinosaur and you have a big, long tail. But your brain doesn't get any bigger. And so, you turn and you ask one of your assistants, is it okay if we modify the schedule this afternoon?

And they go, “Oh yes, sir. Of course.” And you don't understand that your tail is knocking over all of these other things, having an effect. You are not malicious in intent, but you are having a very negative impact on the organization.

And so, I try to tell them, as you get this big dinosaur body as you become a CEO or a general or whatever it is you are, understand the impact of that and your limitations and develop communications and people around you that make up for the fact that your brain is not bigger, but you can affect.

So now that was a long way of asking you: because you started your leadership journey younger than most at a senior level when you took over the CEO job at Steelcase, I want to ask two parallel questions first. How did the role of CEO evolve in American business over that period?

And then I'm going to ask parallel to that: how did Jim Hackett evolve as a leader?

JIM: Yeah. And, but can I borrow that dinosaur story? That's just fantastic. And I just need to say this to you because there's so much that I've seen you do in this regard. And it is one of the principles and I'll get to the change, which is, you know, you can't really lead if you don't have

what I call the intersection of high empathy and high ego. So, you know, I would start a talk with senior people and say, “Look, I'm going to draw an ego empathy chart, and it's okay to have a really strong ego because I need strong points of view and you've got to believe them, but if you don't have empathy, then you're just arrogant,” you know? And you're, we can't deal with you. So that's such a great story.

I would tell you that that chart, ego empathy, someone gave that to me when I was younger inside Steelcase growing up the ladder, so to speak. And when this opportunity came Stan, it was a member Friday-Monday kind of dynamic where the one was leaving, and I was being asked in.

And I was reluctant, I saw better people than me, older and more tenured. And so the confidence, it was not lacking, but I was just, you know, I was pretty abject about, I don't have all the experience. And now the team, the owners of this company, the Pew family, particularly, were quite nurturing about it in the way that he said, look, he said, if you screw up, you can go back and run HR.

I mean, everyone laughed. But what I would witness for you is: I make up parables to try and teach from, it's like the dinosaur one. So, I know you guys are fit as hell. This is a different form of fitness. I used to… before I had both hips replaced, you know, I was pretty good runner and I would say to my team is, imagine we go run up a mountain and we got an Apple Watch on and we get the time.

And because of the way we're all wired, we know the next time we come for whatever event we want to beat that. But here's what's happened, to your question Stan, in the time that I sat in these chairs, is that the time not only got faster, but the mountain grew. So it's… and this is the nature of what West talks about, is the compression of competitiveness is more like a pinwheel.

So, if I draw a straight line and say, this is things speeding up over time, but if I make the time go in a pinwheel and it's speeding up, it means it's also compressing. And this is why technology is such a disruptive force because you think, “Hey, I just got, let's just pick…. Doug. I just got my backend of Walmart in place, you know, and we're, and we're achieving record numbers of efficiency, which he was, and then Amazon goes out and buy 67, 767s, you know, they changed the whole way they speed up delivery to customers.

So that's what's happened is, is in the time you and I first learned to lead, a lot of that has been helpful, but this mountain we're scaling is just taller and faster. Now I have tons of energy and I didn't finish at Ford thinking I'm too tired. But what I thought was, it's compressing so fast that we need somebody who's thinking faster than I am, and that there was lots of people, again, that can do that because you have to almost aim ahead and I don't want to lose the audience with that because there's truths about leadership you can count on. We just talked about having empathy and listening.

But when you think about competing, again, and in the way natural systems are, they don't get to have a debate. They don't have a board, they don't have a command, they just live, they thrive or they die, they are very Darwinian. And when you understand the way natural systems thrive,

they're constantly building capability, because of what might ail it, or, another thing I learned from Santa Fe is they're not willing to give up the virtues of things that made them great.

So, a second observation for you, over that time is I learned that's a truth in board rooms. I was in 700 or 800 board meetings with different companies I was on and the jobs I have and you would see a really successful enterprise. Because I was there so long, you'd realize that that great idea now isn't fit enough. And yet we would hold onto it too long. So, I'll finish that long answer with saying, if you and I ran the Pony Express, imagine we go in the boardroom at that time and say, I have a great idea. Let's get rid of the pony. You know, the board would have said, “What the hell is he thinking about? It’s in our name!”

But because the railroad’s coming, and the railroad faces the post office and the post office faces FedEx, each one of those virtuous aspects of that dominant player are going to change. And so, I think this is in warfare and military as well. And so how do we keep… this as the way I'd flip it back to you, you know, how do you keep yourself up to date about that pinwheel, you know, so that you're constantly learning what's coming at you?

What would you say the biggest advantage you had in that regard, or biggest help?

STAN: Yeah, it's a great question. And I would say that being surrounded by people like Chris, and I'm not just trying to throw compliments out, but what I found was I would get connected to an idea. And one of my weaknesses is that… I guess it's strengths and weaknesses, is I don't give up on something. I grab something and I push ahead until I accomplish it. Even if it may not be completely rational, you know, partway through it. And so, what I learned was there were people around me who were more thoughtful and quick-witted than I was, and I am practical enough to listen to them.

And so, I would argue that I think that's where both of us had to go was we got into leadership at scale, to understand that our contribution was in enabling an ecosystem where the really smart people and their very agile minds, could contribute in a way that that actually saw problems, because I knew I was never going to come up with a design process or a construct that that was the solution to the problem, but I could create an environment in which that solution was possible.

JIM: Well, and your steadfastness. See, it’s not a weakness for me, because, really, because the non-linear things that are all coming, you know, at that moment need someone, this ego empathy, that steadfast about what the organism needs, you know, that's where humans have an advantage over nature.

And I would say to you that people would look at me at times, both at Steelcase, there were some really tough times in Ford and say, you know, I've never seen you… I guess they would say lose a cool, but I could get pissed off, but it was more about like you: the dog with a bone kind of thing. They just wanted me… I wanted them to feel how determined we had to be, but I wasn't going to let any news knock us off our focus, you know, at any given time. And I really mean

this. There weren't many days when I went to bed, I mean, I had a lot of stressful times, but I didn't doubt that that's the way to lead.

I don't think you can do that. I don't think you can go to bed going well, I gotta be a different guy tomorrow. That's what I meant earlier when we said you gotta be authentic. So, when you hear yourself saying, I know instinctively that we got to drive through this, the world needed you to feel that, you know, for it to be safe.

And I feel that way about Ford and Steelcase when I was leading them.

STAN: I think that's true. Chris.

CHRIS: Some of what I'm hearing you say. I hadn't heard that pinwheel, description that you just offered and it makes great sense. The… being out of the military now for almost a decade, one thing that I do feel strongly that the military gets mostly right, and there's a long history to this is, is the staffing function. And I think it was ahead of its time relative to the industry. By, you know, going back hundreds of thousands of years, because those senior leaders, you know, think of a, you know, a general in the Roman legions, they knew most of their life is going to be boring.

You're just moving huge forces across the continent. And then sometimes it's going to be pure chaos. Right. So they surround, they started building out staffing models and you can just see this in the history, to adjust for the speed of the pinwheel, so to speak. Because when it's sped up in conflict, they needed that staff that could do what Stan just described, run up and down the lines. I'm going to stay singularly focused on defeating this enemy across the field, but we also have to run all these other traps.

JIM: I would tell you that business is still behind in that. Because I didn't, I heard speakers like Jeff Immelt who would go study the Army and he would come back and say, you know, he learned so much about running GE if he could send people up to West Point for a weekend.

I think because of the life and death and the courage that it took for people to compete in those environments, you had to refine things that business folks… you know, now life and death, isn't, it's around our product, but it's not the, it's not the way they're getting up and going to work every day.

So, we don't… I don't want to cause them that kind of fear, but we could use that in business at times, in a sense of urgency and commitment to the desire that Stan just exhibited. The commitment to, we can't let this go. Now I'm going to, I'm going to praise Ford here. When Ford would have a crisis, we had a factory burned down there was a supplier last year in the middle of the pandemic, not one of ours. So we actually had to build a facade over the… actually a tornado knocked it down. We had to build a facade over the top of it, because all the tooling was still there in 24 to 48 hours. I mean the kind of deployment you're used to.

And Chris, you know, when I think in history, I think what the military taught us and you got to go back when corporations first are formed in the fifties after World War II, they just mimic everything… because the people are coming out of the military running corporations. So, the command structure, communication structures, moving large logistics, piles of things, that's worked really well.

What's coming at both of us, I'm you mean you're probably dealing with this sooner, is I'll just leave you with this interesting insight. If a vehicle is autonomous in the future. And it can move and going to be any size, it can be the size of her breadbox or the size of a big Maersk container. Where do you put piles in inventory? And when do you start moving things and you know, and how do you sequence? Because it's a machine, the whole network of goods, there's now a machine and they're going to move really fast. And so the battle of retail is going to undergo a huge change right now. The military, likely … is dealing with this before us.

So, I keep hoping that I keep learning from how you're dealing with rapid deployment, rapid goods, using robotics and drones. And that's all finding this way in our world as well.

CHRIS: Yeah, it's really, there's a whole other discussion about what that "near-in future looks like for us, where things are in just perpetual motion, essentially.

JIM: And if you were raised on factory floor at Ford, you know, you learned the Toyota production system, which became the Ford production system. Very rule-based. But now, you know, you're planning on the goods being stored and just in time now, they're moving before that because the data is telling us, , it's just an exciting future.

And it means that like, as I get older, we need a whole bunch of Chris's and the people coming behind you, you know, that have been trained in this new way of, I'm going to use the word combat, not in a disrespectful way, but you know, in the combat of marketplace, just such new techniques are coming to fore.

CHRIS: Jim, I'm going to turn it over to Stan for the final question here, but, I want to say thanks for taking the time, really fascinating future ahead of us. Stan.

STAN: That's great. I would tell you one of the sad parts is there aren't a whole bunch of Chris's available. You know, and I've been lucky enough to be partnered with him for a long time now. And so, I consider myself an expert on the subject, but that's what we'll need.

But there aren't a whole bunch of Jim Hackett's either. And one of the things that comes through in our conversation is: I remember the oldest description of genius. It says a person who could hold opposing thoughts in their mind at the same time. And while what you described as not opposing, what you described was being able to hold the thought of what is happening strategically, almost at the theoretical level of business or leadership, and simultaneously what is happening with the mechanic, who's trying to find a part.

And the fact that both of those are realities, I don't think leaders can be one or the other and serve an organization at scale well. But the people who can do that opposing ends at the same time, all the time, you know, make a huge contribution.

So let me thank you for all you've done. Let me thank you for the wisdom today and, let me thank you for what I think our listeners are going to find is just an extraordinarily valuable conversation.

JIM: What about a pleasure to be in your company and thank you for all the listeners to you for both of you. So, loyalty, serving your country, keeping us safe, taking care of our people, and then extending your wisdom in the making our, you know, our businesses more fit, I think is just a wonderful stewardship that you continue.

So, I appreciate you both.

STAN: You're so kind.

CHRIS: Thanks, Jim.

STAN: Thanks, Jim.

CHRIS: So really interesting discussion with Jim. You know, the first thing that I… a question to bounce off you and some thoughts, but the first thing that really jumped out at me was, I had not met Jim Hackett before and having met a bunch of, you know, senior Fortune 100 executives, senior military officers, there's a sort of a reflective humility there with Jim that I think has, is pretty unique at, at that level. Just curious if that struck you the same way.

STAN: Yeah. It surprised me. Remember being a little older than you, I grew up in a car generation. Henry Ford. I had never met a CEO of Ford motor company before, so that was pretty interesting to me, but I also remember back the legacy of the cars from the Henry Ford era. And then I also was coming of age just as the Pinto was put on the market, an absolute disaster. So, I have these conflicting views of the car industry. One, it helped build America, on the other hand, in the sixties and seventies and eighties, it lost its way.

And so, I wasn't quite sure what to expect for somebody who is sitting at atop, something that's iconic, but clearly has a little bit of rust around the edges.

CHRIS: What did that feel like for you in your military career? I'm assuming when you took over the Ranger Regiment, that that was maybe the first time in your career where you felt like you were stepping into the, you know, putting on the jersey of the best quarterback, or playing for the, you know, the ultimate team. I mean, there's a pressure, when you step into that legacy position, as you just noted about someone like Jim.

What did that, what did that feel like? Because my sense is you, it can make you, play not to lose, right? There's a bit of a risk of, you're just protecting the legacy rather than thinking about what the organization should be going, going toward.

STAN: Yeah. That's exactly what happened to me. When I was selected to command the Ranger Regiment, even though you're very happy about it, you were a little concerned because this is the first level where you've got this wide range of people who are stakeholders. You have an opinion about how that Ranger Regiment ought to be run.

And if you screw it up, you know that there are people just sort of waiting in the wings to criticize. There are seven veterans' groups associated with the Ranger Regiment. They all have got a view. And then of course, you've got current Rangers as well. And so, there's this idea that maybe I ought to just keep it on the slow, steady that direction there are. And that way, if I stick with the status quo, I won't be wrong. At the same time, when I took over, I had a view that the number of things had to change. And so, there's one idea I need to push for change, or I won't be doing my job. On the other hand, if I pushed too hard or get it wrong, I'm going to be the guy with a black mark in the history of the Ranger Regimental commanders.

CHRIS: Yeah, I think it's an interesting question and I've seen this now in the corporate space as well for a decade. There is an interesting pivot in a lot of executives' careers, same in the military, the first time they feel the pressure, that legacy pressure, and it's, I think there's some important lessons there.

You know, there's the tradition in the military that some listeners might not be familiar with, of changing, turning over command. And when you do that, essentially the former commander leaves quickly, right, and gets out of the way and allows the next commander to come in and establish how they're going to run the place.

And you sort of don't want to see the previous commander around for quite a while. Cause it'll confuse folks. That said, you know, Jim's a leader who's stepped into, you know, he led one organization for a long time, led Ford for three years, relatively much shorter than his previous position.

So, which brings to mind for me, like how do you think about setting conditions for, I guess, two questions really: How do you step into that if you're coming behind a really strong leader? And then if you've established change, how do you set conditions for the next person to be able to, run it from day one and you sort of hand over the guide on and get out of the way?

STAN: Yeah, I think it's art more than science because the reality is, the context of the job continues to change. So, one leader leads in one set of conditions and they are either very successful or not depending on one where they are, but the next person's going to have a different task because the sea state has changed. The winds have changed. All of those things have shifted. And so, I think what we've got to be able to do is create in the minds of the organization the expectation and in other stakeholders, that this leader is going to have to chart a different course. We have to make that okay. If we say, if we're going to execute all the policies

Chris Fussell put in, then the person who follows Chris, who's never going to be quite Chris, isn't going to be successful.

But if we say that era necessarily is over, now the new person has got to deal with the new situation. Then I think we help as much as we probably can.

CHRIS: When I was in the SEAL teams, I was part of the change of command between two leaders that you would know both well. Then it was, it was very funny. They had turned over command two previous times. And so, the incoming commander, there's a tradition in the Navy where you say something like all procedures will remain in place until further notice. And the incoming commander said, but I've done this. This is my third time taking over from so-and-so.

So, I'm well aware there are no procedures right now, but there will be before too long. But yeah, it's really interesting to think about that and how much process, if you feel like you're running, and this is something we talk with leaders in the corporate space all the time about if things are going okay, how much of this is based on personality and how much repeatable processes in place that someone else can take over and then adjust accordingly?

Did any reflections there on when you started to develop a sense of, you know, leadership charisma and personality in balance with a disciplined process?

STAN: Yeah. I think you hit a key point because any leader can come in if they've got a fairly forceful personality and they can push things a certain way, but if it takes the majority of their energy and effort to do that, two things happen.

One, the strength of the organization is actually weakened because the processes and the subordinate leaders that need to be important in there don't do as much because there's not space for them to do it. Also, that senior leader takes away the white space or the additional capacity for them to focus on far ridgeline kind of things.

So, I'm a great believer that as much as possible, create an organization where routine things happen routinely. And they happen with a high level of discipline. They're adaptable, but they are still, there's a forward momentum. And then the leadership has the ability to figure out what needs to change.

They've got the time and space to be able to focus on that. Well, he's had an exceptional career and it's great to see he's still very engaged and, helping future leaders. So, we appreciate Jim Hackett and his team for finding the time to talk with us.

STAN: A great gentlemen.

CHRIS: Thanks everyone - looking forward to seeing you here next time