

INTRODUCTION

CALL TO THE POST

Leadership is a quest.

—Max DePree, leadership author

It was the quest of their lives.

They were gunning for the Triple Crown, needing three big wins in a row: the Kentucky Derby and the Preakness, which they had, and now the Belmont Stakes.

Penny Chenery had saved her father's Meadow Farm, a sprawling 2,600-acre racing stable just north of Richmond, Virginia. After courageously refusing to sell the farm despite family pressure and financial distress, she acquired a special horse by way of a coin toss with a competing stable.

Chenery called him Secretariat. He was a magnificent thoroughbred with a blazing red coat, white "stockings" around three ankles, and a big white star on his forehead. His voracious appetite matched his big, broad frame. When she first saw "Big Red" prancing around in a field, Chenery wrote a single word in her diary: "Wow!"

Growing up in Quebec, Ron Turcotte—too small to be a lumberjack—labored with workhorses in the logging fields. With his passion for horses, he became a hot walker, cooling thoroughbreds after their workouts, and then a jockey. As a jockey, he earned a reputation for an unrivaled work ethic and unimpeachable integrity while winning often.

Trainer Lucien Laurin, a former jockey himself, was on the verge of retirement. As a trainer, he had won more than a thousand races. Having won the Kentucky Derby once before, he declared, "I want another shot at the Triple Crown."

Chenery and her talented team pinned their hopes on Big Red, and he had been taking the racing world by storm.

The first Triple Crown test came at the ninety-ninth running of the Kentucky Derby in 1973, with more than 134,000 people—the biggest crowd ever—at the regal Churchill Downs racetrack in Lexington.

It did not start well.

Secretariat broke last. He was up against archrival Sham and eleven other fearsome contenders. But Big Red ran each quarter mile

faster than the one before—precisely the opposite of most horses at such a trying distance—accelerating even through the finish line a mile and a quarter from the start. He won by two and a half lengths in a thrilling late surge with a track record that still stands.

Next up was the Preakness at the Pimlico track in Baltimore, Maryland, with its tight turns. Secretariat broke last again, but then surged forward early in the race, to the surprise of all, picking off the competing horses one by one. Big Red won by two and a half lengths, again with Sham in second.

With two of the three victories needed, they were poised for racing glory. It had been a quarter century since the last Triple Crown champion. Many commentators dismissed the possibility of another one, given how the sport had changed over the years, with foreign buyers taking promising thoroughbreds overseas, as well as advances in technology, medicine, and breeding that equalized the racing field. But the Meadow Farm racing team had captured the nation's attention. In the run-up to the Belmont Stakes in New York, Secretariat had appeared on the cover of *TIME*, *Newsweek*, and *Sports Illustrated*.

Called “The Test of the Champion,” Belmont has the longest dirt track in thoroughbred racing, at one and a half miles. Race day brought stifling ninety-degree heat and humidity, but at post time the crowd was totally focused on the starting gate.

Announcer Chic Anderson called the race:

And they're off . . . Sham and Secretariat are right together into the first turn . . . Sham getting a head in front as they move around the turn . . . They're on the backstretch. It's almost a match race now . . . Secretariat now taking the lead . . . The lead is increasing. Make it three, three and a half . . . Secretariat is blazing along . . . moving like a tremendous machine . . . Secretariat by twelve . . . Secretariat by fourteen lengths on the turn . . . Secretariat is all alone . . . Secretariat is in a posi-

tion that seems impossible to catch. Secretariat leads this field by eighteen lengths . . . Secretariat has opened a twenty-two-length lead. He hits the finish . . . twenty-five lengths in front . . . An amazing, unbelievable performance by this miracle horse.¹

But Anderson was wrong.

It was impossible to judge such a wide margin of victory from the announcer's booth. Confirmed after the race stewards studied the video, Secretariat won by a staggering thirty-one lengths—about a hundred yards—cutting an astonishing two and a half seconds off the track record and setting a world record that has stood for almost forty years.² The Triple Crown was theirs.

Spectators were awestruck. Kent Hollingsworth, editor of a leading horseracing publication, said, “I don't believe it. Impossible. But I saw it. I can't breathe. He won by a sixteenth of a mile . . . He ran so far beyond known reference points, he left us with no measurable comparison.”³ Award-winning sportswriter Hugh McIlvanney wrote, “None of us can ever expect to see the like of that again.”⁴

Author Marvin Drager wrote, “The superlatives were endless . . . One called it the greatest performance by a racehorse in this century.” Others compared it to the best feats of Joe Louis (boxing legend), Jesse Owens (track star), and Jack Nicklaus (golf superstar). They dubbed him “Super Horse” and “Horse of the Century.”

“When he accelerates,” wrote Pete Axthelm in *Newsweek*, “he produces a breathtaking explosion that leaves novices and hardened horsemen alike convinced that, for one of those moments that seldom occur in any sport, they have witnessed genuine greatness.”

Secretariat holds the record for the fastest Kentucky Derby and Belmont Stakes ever. He would have set the track record in the Preakness except for a clock malfunction. Jack Krumpke, president of the New York Racing Association, said, “He was a power that transcended racing.”

At Belmont, Turcotte and Secretariat rose to a state of peak performance, demolishing the field behind them.

THE TRIPLE CROWN

The story of Meadow Farm and Secretariat, as we shall see, is about more than astonishing athleticism and the will to win. It is also about teamwork, heart, character, stewardship, flow, adversity, and inspired leadership. The Meadow Farm racing team accomplished three significant things: they achieved extraordinary results, they achieved them with honor, and their results have stood the test of time. Their record was excellent, ethical, and enduring (what we call the three Es). They rose to the occasion of their three big races. It was the ultimate triple, and thus an apt metaphor for the focus of this book: building (1) excellent, (2) ethical, and (3) enduring organizations.

Accomplishing such a triple requires a different brand of leadership. We call it *triple crown leadership*. Like its counterpart in thoroughbred horseracing—the “sport of kings”—it is all too rare. Since 1875, there have only been eleven Triple Crown winners, making it “the most elusive championship in all of sports.”⁵ To achieve it, a horse and its racing stable must win three brutally competitive races in different states over five weeks. The thoroughbreds race at distances from one and a quarter miles (in the Derby) to a punishing one and a half miles (at Belmont) in whatever weather and track conditions exist on race day. For jockeys, it is a complicated challenge of race strategy, strength training, diet, and teamwork with a thousand-pound animal. At speeds approaching forty miles per hour, a fall can be fatal.

Each May, the Kentucky Derby starts the run for the Triple Crown. Some hail the Derby’s “Run for the Roses” as “the most exciting two minutes in sports.” Others call it the “fastest two minutes,” with a dozen or more thoroughbreds hurtling at breakneck speeds, their jockeys perched precariously on their backs, millions watching on television, and tens of thousands of racing fanatics at the track in tailored fashions and exquisite hats drinking mint juleps and cheering for their favored steed.

Triples in any context are difficult and rare. Triples in baseball are rarer than home runs. Triple plays are even rarer. The batting

triple crown goes to the player who leads the league in the same year in home runs, batting average, and runs batted in. The last time that happened was 1967. In other sports, scoring a “hat trick” of three goals in a game is rare, as is nailing a triple axel in women’s figure skating. Only occasionally does a film win best picture, best director, and best actor or actress at the Academy Awards.

For organizations, achieving excellent results is rare enough—much less doing it with integrity and staying power.

FAILED LEADERSHIP

Unfortunately, in our world today, we see too much of the opposite. Today, we are witnessing failures of organizational leadership at a massive scale. For example, look at:

- The global financial crisis and European debt crisis
- The bankruptcy of Lehman Brothers and the abuses at AIG, Countrywide, and Fannie Mae
- The worldwide “Occupy” protest movements, with the “99 percent” hurling invectives at the corporate malfeasance and government corruption of the “1 percent”
- The Deepwater Horizon oil spill in the Gulf of Mexico and the way BP and other leaders passed the buck
- The recent breakdowns at two paragons: Toyota (massive recalls due to safety and quality problems) and Johnson & Johnson (product recalls, lawsuits, allegations of kickbacks, and more)
- The recent scandals at the International Monetary Fund, FIFA (the international governing body of soccer), and governments in Italy, India, Germany, Russia, Indonesia, China, Brazil, Japan, Nigeria, Austria, and more

- The Penn State sexual abuse scandal, where leaders looked the other way

There are many underlying causes in these debacles, but a common denominator is failed leadership. The sad thing is that we are repeating history. Five years ago, there was a stock options backdating scandal. A decade ago, it was Enron, Arthur Andersen, WorldCom, HealthSouth, and Adelphia. There were scandals in the Olympics, baseball, cycling, the Red Cross, the United Way, the Catholic Church, and, yes, horseracing. Go back also to the savings and loan crisis and junk bond craze.

Is this record acceptable? Can't we do better than this? Are we content to suffer through cycles of crises and scandals every few years, even as the stakes rise with the interconnectedness of financial markets and technology systems? That we have arrived at this unhappy place again, facing these risks, speaks to the depth and intractability of our problems. It is all too clear: we need better leadership.

Despite these challenges, we are optimistic about the prospects for change. We see encouraging signs from many organizations around the world, but we need new approaches applied more aggressively and broadly. It is time to raise our sights and standards, time to change our organizational imperatives, and time to raise our leadership game.

This book addresses big questions: What kind of leadership does it take to build excellent, ethical, and enduring organizations? How can we lead ventures for both high performance and positive impact on all stakeholders? How can we avoid breakdowns in performance, integrity, and sustainability? We know it is possible, because we have seen it in action and been part of it at times.

Most people want to be successful, maintain their integrity, and have a positive impact. These aspirations are powerful, but they are under attack from organizational dysfunction, ethical compromises, and unsustainable practices.

Too many talented people labor in organizations that do not live up to their values and aspirations. Too many leaders sell out, succumb

to short-term pressures, and take the easy way out. The rationalizations are legion: “That’s just the way the world is.” “Everybody’s doing it.” “It’s just this one time.” “It’s not really hurting anyone.”

The central message of this book is that leaders should commit to the overriding aim of building excellent, ethical, and enduring organizations. With the right kind of leadership, these three pillars can be mutually reinforcing and dramatically raise performance, engagement, and impact. Using certain leadership practices, we can address the root causes of our problems and set our organizations on a remarkably higher trajectory.

THE QUEST

*Perfection is not attainable, but if we chase perfection,
we can catch excellence.*

—Vince Lombardi, legendary coach of the
champion Green Bay Packers

Along with Coach Lombardi, we propose something radical: that we “chase perfection,” embarking upon an epic quest for the triple crown of excellent, ethical, and enduring organizations. Some people view “ethical” and “enduring” as implicit in “excellent,” but ethical and enduring are so important, and so often neglected, that we draw them out for special emphasis. Today, there is so much focus on making your short-term numbers that the ethical and enduring dimensions get drowned out.

Those undertaking this quest can expect to encounter daunting obstacles. With the leadership practices in this book, we fill their rucksacks with tools for the trek. Such quests are part of human nature. Through the ages, seekers have pursued truth. Explorers sought to circumnavigate the earth by sea and by air. Adventurers raced to the poles, to the depths of the ocean, and to the heights of Everest. Astronauts sought to demystify the heavens and walk on the moon. Patriots seek freedom for their people.

What is your quest? Are you chasing power or riches, fame or glory, recognition or approval? What is your organization’s quest?

Crushing the competition? Enriching the officers? Enriching shareholders? No wonder the 99 percent are shouting.

For decades, the aim of most businesses was singular: to maximize short-term shareholder value. We are now suffering the consequences of that maxim taken to the extreme, ignoring the caveats to do so honorably and over the long term. Instant gratification predominates. Those who focus solely on profit and share price today face a backlash and a barrage of questions: What about ethical boundaries? What about negative externalities and social impact? What about long-term value creation and sustainable practices? Even Jack Welch, famous for driving for shareholder value as GE's former CEO, has said, "Shareholder value is the dumbest idea in the world. Shareholder value is a result, not a strategy."⁶

But there are also problems with the alternatives. "Doing well by doing good" is a noble maxim, but putting blind faith in it is destined to disappoint. The "win-win" is not automatic. In fact, it can be elusive. Choosing to operate ethically and sustainably is only the beginning. Leaders must figure out how to do that while achieving excellent results, maintaining the viability of the enterprise so it can run the next race. There are real tradeoffs and tough decisions here. It requires strong leadership and lots of midcourse corrections.

Today, we do not need more of the same old approaches. We need a quest that raises our sights, summons our passions, unleashes our talents, and calls our better angels to the post. Building an excellent, ethical, and enduring organization is difficult, but it can be done. It requires a commitment from many people over many years and a different brand of leadership.

Notably, that leadership is not what most people think, and it is certainly not just about the person at the top. It is a job for leaders throughout the organization, even those who do not think of themselves as leaders.

This quest is a worthy and inspiring endeavor—perhaps the seminal leadership challenge of our age. It is a quest we must undertake if we are to address our challenges and honor our aspirations.

OUR RESEARCH

This book draws upon our own leadership experiences as well as research and interviews with leaders in more than sixty organizations in eleven countries: Austria, Brazil, Canada, China, France, Germany, India, Japan, Sweden, Taiwan, and the United States. The organizations include global corporations; social enterprises; education, government, and military organizations; turnarounds; and startups. We interviewed leaders from Cisco, eBay, GE, Google, Infosys, KIPP, Mayo Clinic, Princeton University, Share Our Strength, Spotify, the Strategic Air Command, Xerox, Zappos.com, and more, as well as horseracing experts. (For the full list and more detailed information, see the appendix.)

We went beyond the usual suspects. Ever heard of the company that cleaned up the most dangerous buildings in the United States, turning a toxic plutonium site into a wildlife refuge? How about the dying small town that survived a devastating tornado and transformed itself into a world-leading community?

Of course, none of the organizations we cite is perfect. They have all made mistakes and will surely stumble again. *Triple Crown Leadership* is not a success study designed to list great organizations. Others have attempted that task, only to see how fleeting that mantle can be. *Triple Crown Leadership* is about a quest, not a list. We journey into quest land, not list land, seeking the leadership practices that build excellent, ethical, and enduring organizations. Our focus is not retrospective but prospective—looking forward using the early markers and signposts we see today from pioneering practices. The book is written by and for leadership practitioners, supported by research.

Triple Crown Leadership also builds on the work of esteemed leadership authors, from Peter Drucker and Warren Bennis to Michael Beer, Jim Collins, Bill George, Robert Greenleaf, Ron Heifitz, Rosabeth Moss Kanter, James Kouzes, Marty Linsky, James O'Toole, Barry Posner, and more. We draw upon their findings and build on their insights.

WHAT'S IN IT FOR YOU?

Triple Crown Leadership is for those who seek high performance, integrity, and impact. Senior executives from CEOs to board members will find practical applications here. Managers and aspiring leaders will gain a road map they can use to lead more effectively. Even the everyday worker, not necessarily interested in leading, will find tools to succeed and thrive.

We do not view leadership as the sole prerogative of people with fancy titles, corner offices, and loads of frequent-flier miles. That is one of the fallacies that has held so many enterprises back. We purposefully focus on *leadership*, not the *leader*. Triple crown leadership is a group performance, not a solo act.

We also view leadership as a choice, not a position, a trust, not a right. Leadership is a way of thinking, being, and acting that we—*every single one of us*—can apply in all settings. Triple crown organizations don't just expect leadership from the upper echelons. They encourage and develop leadership from all quarters. They promote a pervasive leadership dynamic and in the process build a culture of character.

Triple Crown Leadership covers a wide array of organizations across sectors, industries, and continents. The book is rich with new concepts you can begin implementing immediately, a framework for how to contend for the crown, and stories of leadership in action, plus an exciting trip to some of the greatest horseraces of all time.

WHY US?

Those embarking upon this quest are wise to scrutinize their guides: who are Bob and Gregg?

We have been CEOs of and officers in a wide range of organizations, from small businesses and social ventures to global corporations traded on the New York Stock Exchange. We have worked in

an array of sectors and industries—high and low tech—including universities, a foundation, and a think tank.

Perhaps most importantly, we have worked in some of the most challenging environments of all: startups and turnarounds. We have been at the launch of pioneering new ventures—scaling at blinding speed, unable to hire people quickly enough, and learning the hard way by making every mistake in the book.

We have been called in to lead turnarounds, including some doozies: reversing \$100 million per year in negative cash flow and cleaning house after government ethics investigations, attacks by short sellers, and libelous rumors. Our organizations have won awards, and we have been at both ends of terminations. We have worked against dirty competitors, confronted ripping-mad investors, and tried to reenergize burned-out and disenchanted employees. We have seen turnarounds through to successful completion, finally thriving after years on life support.

We have worked with narcissistic leaders and suffered the consequences of myopic strategies and good-old-boy boards. We have seen more rounds of layoffs and “near-death experiences” than we care to remember, with dire consequences for good people.

Fortunately, we have also been blessed with incredible colleagues and wise mentors. We have emerged from our challenges with stronger organizations, successful turnarounds and startups, lessons learned, and experiences that have shaped our character and given us hope.

We have traveled a similar journey, father and son, a generation apart, coming to the same conclusions about leadership, now eager to share those insights with you.

We are fed up with poor leadership, dysfunctional organizations, unethical and unsustainable practices, and recurring scandals that crush dreams and wreak havoc on people’s lives.

We have seen great leadership in action. We have been privileged at times to be part of it. It changed our lives. We know it can change yours too.

At certain times, we are all called to the post of leadership. The bugle sounds. It is time to mount our horses for the race ahead. Look

down the track and envision the race you want to ride. Much depends on you. We wish you Godspeed on your triple crown leadership quest.

CHAPTER ROAD MAP

Chapter 1. The Triple Crown Quest: Excellent, Ethical, and Enduring

In their quest for excellent results, most organizations fall short. Some cut ethical corners. Meanwhile, leaders today face new expectations about social impact and sustainability. The real question is not just how to achieve the results imperative, the ethics imperative, or the sustainability imperative, but how to achieve all three. Like the famous Triple Crown of horseracing, it is difficult—but not impossible—to achieve. It requires a different brand of leadership, one that builds a culture of character and infuses organizations with a powerful new leadership dynamic.

Part One. Triple Crown Leadership Practices

Chapter 2. Head and Heart

Triple crown leadership starts with new approaches to choosing, developing, and rewarding people. Most organizations focus on knowledge, skills, and experience—“head” issues. Triple crown leaders, by contrast, recruit for all that plus character, emotional intelligence, and “fit” with the organization—people with both “head” and “heart.”

Chapter 3. The Colors

Triple crown leaders employ their organization’s shared purpose, values, and vision as sacrosanct “colors” to represent their quest. The racing colors worn by the horse and jockey trace their lineage to medieval knights, whose colors represented their honor. In organizations, the colors are standards by which people can judge their options and make decisions. The purpose grounds, the values guide, and the vision inspires.

Chapter 4. Steel and Velvet

Triple crown leaders know when to invoke the hard edge of leadership—the steel bit—that demands excellent results, insists upon ethical practices, and resists the allure of short-term thinking. They also know when to invoke the soft edge of leadership—the velvet stroke—that patiently builds the culture of character. They collaborate and “bite their tongues” to let others lead. They get beyond their natural leadership style. Triple crown leadership requires the judgment to flex between the hard and soft edges of leadership, depending on the situation and the people, without appearing to be inconsistent.

Chapter 5. Stewards

On the racetrack, it takes more than just a great horse to win. It takes effective teamwork from the owner, trainer, jockey, veterinarian, grooms, stable staff, and more. So it is with organizations. Triple crown leadership is a group performance. People are empowered by the organization’s colors, not the authorities. Triple crown leaders foster stewardship. In horseracing, stewards are the external officials who regulate the race. Inside triple crown organizations, stewards develop and protect the organization’s colors and culture of character. They work on the enterprise, not just in it. Here we define new responsibilities for the board, CEO, officers, and people without formal authority.

Chapter 6. Alignment

Triple crown leadership aligns organizations to achieve extraordinary results, sometimes achieving peak performance. They execute remarkably, yet retain the flexibility to make midcourse corrections. These organizations can achieve a state of “flow,” like Secretariat and jockey Turcotte in the Belmont Stakes. Here we provide a step-by-step system for aligning organizations for their triple crown quest.

Part Two. Leadership in Action

Chapter 7. Breakdowns

Why do some organizations fail to achieve their desired results, cross ethical boundaries, or fail to endure? Why do some high-performing organizations fall from grace, sometimes into disgrace? We examine three instructive examples: Toyota's unintended vehicle-acceleration crisis, the raft of problems recently at Johnson & Johnson, and the rise and dramatic fall of a storied horseracing dynasty at Calumet Farm. We address where they broke down and highlight leadership practices that could have kept them in contention for the crown.

Chapter 8. Turnarounds

How do triple crown leadership practices apply in turnarounds? What must leaders do differently to tailor their efforts to the unique challenges of crisis or transformation? We examine several cases—Rocky Flats, Sensormatic, and Cisco Systems—to draw out the keys to leading turnarounds aiming for the three Es.

Chapter 9. Startups

Startups face three unique challenges: extreme uncertainty, time pressure, and resource constraints. Here we examine the leadership adjustments needed to address those challenges and explore what entrepreneurs can do to position their ventures for high performance, integrity, and impact.

Chapter 10. Social Impact

Leaders today must address social impact as well as performance: What impacts are they having on employees, customers, shareholders, suppliers, communities, the environment, and the world? These questions apply to companies, nonprofits, and new hybrid ventures. What leadership practices can help organizations fuse financial performance with social impact so that they are mutually reinforcing? Here we look at several examples across sectors.

Chapter 11. Snapshots

How can we assess progress in building excellent, ethical, and enduring organizations? In this chapter, we take snapshot looks at Infosys, KIPP, and Google to determine how they are faring in their triple crown quest and what kinds of challenges they have encountered along the way.

Conclusion: At the Post

For too long, we have settled for mediocre results and watched leaders pursue short-term financial results at the expense of ethics and sustainability. We have settled for naïve prescriptions about sustainability without figuring out how to reconcile it with the results imperative. For too long, we have given up on the triple crown quest. Here we call aspiring leaders to the starting gate with a new race plan for building excellent, ethical, and enduring organizations.

Appendix: About the Research

Here we provide an overview of our background research and interview process, including a list of the sixty-one organizations from eleven countries we interviewed.

Postscript: Sport of Kings or Business of Knaves?

Like all industries, horseracing has its ethical challenges. In this postscript, we note the issues—from performance-enhancing drugs and gambling to responsibilities to jockeys and horses—and the efforts to address them.

Note to the Reader: Throughout the book, we quote extensively from the leaders we interviewed. All quotes from those leaders are from our interviews with them, unless otherwise indicated. We use “Triple Crown” when referring to the horseracing championship and “triple crown” when referring to organizational leadership.