

**STYBEL
PEABODY &
ASSOCIATES, INC.**

**360 SURVEY FOR DAVID,
FOUNDER AND MANAGING PARTNER OF INVESTMENT BANK.**

October 2019

EXECUTIVE SUMMARY:

There is a close relationship between your predictions and the interview data collected.

You said they would score 9 on the Loyalty Index and they did.

They agreed with all the positive attributes you predicted they would say.

They were more complimentary than you were about changes they have perceived in your behavior: you are more willing to “pull the trigger” quicker on people who are not doing a good job or have someone pull the trigger for you. They notice that change and appreciate it. You didn’t mention it.

You did not mention that you are unclear about your exit goals for Investment Bank. This is an area of concern you have not addressed. People want clarity.

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Ten people were interviewed. All were asked the same questions: (1) David’s strengths relative to his job at Investment Bank, (2) David’s greatest weaknesses relative to the job at Investment Bank (3) anything else I should know that would help David?

Connor
Maddie
Rob
Tanya
Bruce

Pam
Victor
Alice
Charles
Frank

STRENGTHS RELATIVE TO JOB

DAVID IS THE HUB OF THE WHEEL

Everyone I spoke with explicitly stated that they were at Investment Bank because of David. They are inspired by his vision, his tenacity, and having a relationship with David.

INCREDIBLE EMOTIONAL INTELLIGENCE

David is very savvy in the way he handles people. He intelligently invests in his firm in ways that not everybody would. The culture at Investment Bank reflects David. He is strategic. He is collaborative. We are egalitarian. David treats everybody equal.

Not a classically trained banker or researcher. But he is a quick study on these topics. He has made himself into a trusted adviser for his clients. For better and for worse, they lean on him to help them out of tough situations.

He knows how to sell his ideas. David is very persuasive in a very non heavy-handed way. Has a good sense of humor. He is intense yet he does not appear intense.

David is a very good salesperson. He is very good at communicating with clients and outside parties. He is good at reading people. He is good at bringing people together to nail down the issues when they are together.

David's style is to be interested in what each person has to say. He creates a positive vibe.

David is extremely bright, experienced, and credible. But what drew me to David was his communications skills. It is the best I have ever seen. David is very good at influencing people to do what needs to be done. For example, we work

on behalf of one stakeholder in a situation where there may be many stakeholders. David is good at addressing the business needs that need to be addressed and then understanding the emotional needs of each stakeholder. He backchannels individually so that the collective does what needs to be done. I wish David was in Congress!!

David continues to evolve. He's learning to talk for 20% and listen for 80%. He's doing a fantastic job.

DAVID'S INCREDIBLE WORK ETHIC "SETS THE TONE"

David has a tremendous work ethic. Everybody knows that he could be a part time owner/ceo. David's work ethic is through the top. He sets the tone for us all. He walks the talk: he works hard and sets high standards for himself. David reinforces us with his own behavior.

Has an amazing energy. David works very hard. He is a loyal employer and wants people to be successful. David's attitude trickles down the organization. He has been a mentor to me. He gives people a shot to step up. He is patient when people make mistakes.

He is covering 25 mandates as CEO. David is totally approachable. He is a busy guy but makes the time for you.

David has an immense amount of energy and drive. He is our best salesman. He is our best closer.

Others may not measure up to his level of work. He sets a high bar.

TENACIOUS

He has a level of tenacity equal to his energy in the business. That tenacity is great. Our tagline is "when failure is not an option." And David lives it. He is not going to give up. He will chase things down and he will be successful. David leads by example.

David is very tenacious.

FLEXIBLE

Not constrained about typical ways of thinking about our industry and our market.

David adapts and changes as the market change better than others I have met. We first focused on strategic advisory services. But then we developed into the five services we offer today. We have reinvented ourselves a number of times.

HAS CREATED A CULTURE THAT IS INCLUSIVE AND TEAM ORIENTED.

He has done a good job at fostering a positive atmosphere here. It is very community-like. There is a lot of interaction between us all. David brings us lunch and we sit down at the communal kitchen table. If someone is left out, David will come around and find that person.

HIGH INTELLECT COMBINED WITH COMMON SENSE:

He has a high intellect level but in addition he has street sense or common sense. He can put applicability into the intelligence.

David can conceptualize different outcomes. He keeps 4-5 steps ahead of others.

David is very intelligent. At the same time, he is balanced, down to earth.

Has a good way of communicating his vision.

AREAS FOR IMPROVEMENT

DAVID IS A “LEADER,” IS TRYING TO BECOME A “GOOD LEADER” BUT HAS YET TO MAKE THE TRANSITION TO “GREAT LEADER.”

There is nobody who could step into David’s shoes. There are managing directors who are deep into their industries, but they could not take David’s role. Maybe Matt Kunkle (has potential). If David was hit by a bus, Investment Bank would be greatly challenged. The hole with David gone would be huge.

This is a reality: a lot of people are here because of David and the opportunity to work with David. But if the firm grows and everybody desperately wants David’s time/attention, it will be challenging. He is aware of it. This is a very real challenge.

Why do we work here? “I work here because of David.” That is both a strength and a weakness for this company.

David, try to focus on quality time moments. You don’t have enough hours in the day to focus on quantity of time with each person or mandate.

CONTINUE TO “HIRE LONG AND FIRE SHORT.”

Three participants commented that David had taken a long time to hire people and a long time to fire people if they were not pulling their weight. This was creating a problem for morale at Investment Bank as everybody needs to be fully involved.

People want David to continue to “hire long.”

David has taken steps to be more decisive in making firing decisions or having others do it for him. They applaud David for this and say he is moving in the right direction.

David is getting better at this: he waits too long to deal with nonperformers. We are a lean organization and when someone is not pulling his or her weight it impacts lots of us. David is now willing to act quicker. That is good. He is placing more responsibility for making these difficult termination decisions on others. And that is good.

DAVID IS SPREAD TOO THIN TO BE EFFECTIVE IN GROWING INVESTMENT BANK.

He tries to do a lot on a flat structure. David might find life is easier if he had an someone to assist him. He has a COO in the West Coast. David has 25 mandates. He is spread a little thin. He doesn't seem to mind.

I think it is a problem.

Look a year or two out, and David's schedule will have an impact.

Everybody is maxed right now. Sure, you can bring in more bodies to bring in business (sales). You still need someone who can manage them. I don't know what form it could take.

I think we need a COO in the East Coast where the bulk of the employees are.

The challenge for David is managing his schedule so he doesn't bite off more than he can chew. At this level of size and activity he does a good job. If we grow....

David needs to take more things off his plate.

David is spread too thin. I've seen people complain that they can't get time with David. And that's because David is working on deals. He struggles to balance time management and priorities. His way of dealing with the problem is to put more energy into the problem. And putting in more energy only takes you so far.

Because David is spread so thin, when he is in the middle of situations he often does not have a full grasp of what really is going on and does not know he does not have a full grasp. David is touching 18-20 clients a day. That's too much. He needs to better lean on his team. He could benefit from focusing on a few important things rather than be spread so thin.

David clearly has Attention Deficit Disorder. David's natural speed is to do twelve things at one time. If you need David's focused attention, you are going to get frustrated.

David needs to find people to delegate and they should provide the focus. That's not David. David works effectively in sound bites. And not everybody works well

in sound bites. He's got limited time to focus and to mentor other people. He is very bright. It would be very good if he could slow down to finish some of those teaching moments.

THE DOWNSIDE OF DAVID'S STYLE IS THAT PEOPLE MAY BE TOO WILLING TO TELL DAVID WHAT HE WANTS TO HEAR VERSUS WHAT HE NEEDS TO KNOW.

David is so natural and so good in working with people, he can steer people into agreeing to a course of action that they will not be happy with.

David is a fair person. David is a persuasive person. He is so persuasive, there are times he convinces himself everybody is OK with a course of action when they really are not.

David is good at getting people to agree with him during the time decisions must be made. How people feel after the fact is based on their interpretation of reality after the fact. I have seen situations where David feels like there was a great conversation and agreements were made. But there was no real commitment to the agreement by the other party. People simply didn't tell David. And David didn't ask.

INVESTMENT BANK IS A COMPANY THAT HELPS CLIENTS ACHIEVE EXIT GOALS.

WHAT ARE DAVID'S EXIT GOALS FOR INVESTMENT BANK?

David might want to convey what is the end goal at Investment Bank.

What is the plan: build up a book and exit? Grow? What is the big plan?

I don't know what it is.

What are we working towards?

My question is this: what is the end game for David? Our business model is to help companies grow and then to exit. What is David's goal in growing the business?

David, know this: if there is no David, there is no me at Investment Bank.

Part of the reason I do what I do is because I like what I do. And a big portion of that is because David gives me the freedom to work my ass off at what I love.

IF PEOPLE ARE NOT MEASURING UP TO DAVID'S STANDARDS, HE MAY NOT GIVE PEOPLE WARNING SO THAT THEY CAN CORRECT THEIR BEHAVIOR. HE JUST IS 'DONE' WITH THEM.

When David is done with an individual, he is 100% done. It is like a light switch. It was "on" and not it is "off." David was a fan and then he stopped being a fan. If the person had more warning, perhaps they could have done something about it before the light switch went off. David thinks he confronts conflict proactively. I do not see that he does.

He's learning to deal with confrontation. In the past he didn't like to deal with confrontation.

OTHER COMMENTS

David is unique. He has a maturity that is different than most people in their early 40's. You usually don't find that in leaders of David's age. For investment bankers of David's age, "it is all about me." David understands that it is about making the pie bigger so that we all get a bigger piece. He is not selfish. And that is a big strength in attracting good people.

David is an excellent communicator, and very fair. He manages a lot well. He is an unusual mix. He doesn't have the obnoxious ego of so many CEOs I know.

EMPLOYEE LOYALTY INDEX

David predicted the number would be 9. And the average was 9.3 with a mode of 10.

This suggests that David correctly understands there is a tribal esprit de corps that surrounds David and is contagious.

10. It is a collegial place. Investment Bank attracts very smart, kind, thoughtful people. You can do as much as you want. There is no clever person in the room looking to cut people off at the knees. The people at Investment Bank are professional and great workmates. There is a lot of cool stuff going on.

7.5 I will recommend Investment Bank if someone knows the business and is a solid go-getter. The person must be comfortable on their own and learning on their own. For such a person, I would certainly recommend Investment Bank.

For a job candidate who needs a lot of mentoring and a learning setting, I would be more hesitant. As a smaller firm Investment Bank has less resources for training.

8. That is a high grade for me. That is in the direction of "always." It is high because Investment Bank is an exceptionally talented group of individuals. This is a team-oriented culture. David sets high expectations. There are good people.

The overwhelming credit for this high score goes to David.

I would not give Investment Bank a 10 because this is not an easy place to work. You must manage yourself with self-confidence.

10. I would give a 10 if the person is between 37-50. At that age they usually know what they want in a job.

Someone should be competent, flexible, and shirt sleeve.

10. If the person is smart enough, wants to work as hard as we work. I have brought in personal friends who have worked for the company today. We don't have the perfect work-life balance.

10. I give it a 10 because of David. He is highly credible. David has high integrity. And the degree of integrity across Investment Bank is very high.

9. I give it 9 because I drank the Kool Aid. It is a different firm with a new value proposition in an old industry. That is exciting for me.

When our value proposition works it works extremely well.

We have a good team; we are growing fast. It is a fun, challenging place.

It is fun to build a different model in the marketplace.

It is intellectually and emotionally challenging.

You must be competent. And you must be a self-starter.

CONCLUSIONS AND RECOMMENDATIONS:

The portrait that emerges from your predictions and how others talk about you is similar: charismatic, visionary, and successful. Everybody I spoke with is at Investment Bank because of you.

If you wish to have a lifestyle business, then make no changes. You are perfect.

If you wish to grow the business, then the loyalty to David as a unique person needs to be moved to a focus on valuing a unique Investment Bank culture that exists independent of David Client.

I am reminded about Steve Jobs' biography. In his first phase at Apple, everything revolved around Steve and the talk would be about what Steve would want or what would please Steve. In his second phase at Apple, he had experienced the culture at Pixar. And Pixar wasn't focused on one charismatic individual. It was team centric, collaborative, and culture focused. In Steve Jobs' second phase at Apple, he tried to focus on the Apple culture. And he spent time preparing Apple for leadership without Steve Jobs. By the time Steve Jobs died, people outside Apple wondered if Apple would survive without Steve Jobs. But the leadership at Apple were confident that it would. And it did.

I see Investment Bank at a stage where David could become Investment Bank's greatest strength and greatest liability at the same time. A way out of it is to focus on Investment Bank Culture and have David's hands on the tiller less of the time.

If one person does not understand your exit plans for Investment Bank, I assume others also do not understand it.

SUGGESTIONS:

The key dilemma facing David was expressed by one of the participants:

How do you maintain the truly great things about this place yet grow the company without destroying those great things? And those great things are great culture; team spirit; flexibility; and hard work.

David, take at your calendar over the past twelve months. How much time do you give yourself for reflecting on where the firm should be going versus being knee deep in the daily details? Jeremi Suri is a University of Texas professor and author of *THE IMPOSSIBLE PRESIDENCY*. (New York: Basic, 2017).

His research includes examining the appointment calendars of recent U.S. Presidents.

Franklin Roosevelt's daily schedule included few pre-arranged meetings or ceremonial events. The lack of over scheduling allowed FDR ample time for "flexibility and improvisation." It allowed him "time to consider new information, carefully decide on his chosen course of action."

FDR's successors Harry Truman and Dwight Eisenhower used the same technique of under scheduling their time.

John F. Kennedy changed all that.

He embraced a more frantic leadership style, participated in more meetings, and was there to preside over ceremonial events.

According to Professor Suri, Kennedy spent most of his time "managing messes(and) not leading."

Later Presidents suffered from the same over scheduling malady.

A review of your calendar might be revealing.

Is there enough time for thinking about the future?

Is there enough time to carefully listen to all sides of issues? Is it a calendar for someone who is leading the company into the future or managing the messes of the present?

You've got a COO on the West Coast. Do you need a COO on the East Coast to manage the daily mess and inevitable crisis?

You can't grow Investment Bank if the real culture is, "Let's ask David what he thinks?"

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People are so loyal to you as a person, they may not be honest with you.

Some people express the idea that they allow you to live under the illusion you have convinced them when you have not. They don't want to hurt you or they want to avoid disagreeing with you.

You are SO good at convincing people on the spot, you may need to ask for a level of honesty that people around you are reluctant to provide.

Consider using phrases like, "On a scale of 0-10 where are you on this issue?"

Interpret the responses this way:

9-10 I'm in agreement and committed.

7-8 I'm verbally agreeing with you and half hearted in my commitment.

5-6 I'm not committed and am uncomfortable continuing this discussion.

0-4 I'm not in agreement and not committed. Let's discuss further.

Your mission should not be "getting to yes." It should be "getting to 8 or 9."

More structurally, it could be creating a Board of Directors or an Advisory Board of outsiders you respect you do not have the emotional allegiance of the people on your team.

For example, the WALL STREET JOURNAL reports that in February 2016 Chicago Mayor Rahm Emmanuel correctly predicted Donald Trump's nomination as the Republican candidate, election as President, and named four states considered safe for Hillary Clinton as going to vote for Trump.

Why did he "get" the reality of the election when all the "smart people" in media, polling, and politics did not?

Hi secret was having an Advisory Cabinet of people whom he admired but did not think like him or were looking to him for favors. He also gave himself time to step back from the “daily mess” and talk with others who did not think like him.

The very qualities that make you such a special person in the lives of the people on your team may also be qualities that make them hold back on opinions for fear of disappointing you.

As an individual you should feel complimented!!! As a leader you should feel alarmed!

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How do you retain that special spark that is Investment Bank and leverage it? How do you grow without creating levels of management and an institutional structure that stifles creativity? How big is “big enough?”

As you bring in more people, there will be more pressure for structure and predictability. And that may negatively impact the client responsiveness/creativity you love about your work. This is not a problem to be “solved.” It is a dilemma that constantly must be “managed.”

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The recruitment process might currently be described as “slow to hire and getting faster to let go.”

What happens if growth requires faster hiring times? What happens if David is no longer around?

You want to bring aboard people with (1) competence to do the job (2) better than average emotional intelligence and (3) a nonhierarchical and team-based way of doing things.

Consider using an emotional IQ test or use the Argyris Technique to see how candidates might handle a case like the one in the attachment.

Below is an article about the Argyris Technique plus sample cases:

[PSYCHOLOGY TODAY ARGYRIS TECHNIQUE](#)