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EPISODE
11

Bob Danzig

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Episode #11

John Bowen and Bob Danzig



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Best of success,



John Bowen
Co-founder, AES Nation

John Bowen: As entrepreneurs, we all struggle with the opportunity to provide leadership to our team to really make our vision a reality. Well I have a special guest today, a fellow entrepreneur who has led a multibillion dollar company, 20 years as CEO of Hearst Newspapers and has made a huge difference. He's going to share with you lessons that he has learned along the way of how to have really innovative leadership and create that lasting change and he has done it not only in his business but also has shared this message with over a million individuals. You don't want to miss this.

Bob I am so excited to have you joining us with the magic of Skype from Cape Cod, I'm on Silicon Valley. Bob Danzig, it is a privilege to be with you today.

Bob Danzig: And my privilege to be with you John. I can see that happy, smiling face on my screen.

John: Well, excellent. I can see yours as well. We were introduced not that long ago by one of our coaches here are at CEG Worldwide and she shared with me how inspiring you were and I had the chance to talk with you, read your conversation Bobby... and I just saw all the life lessons going from foster child all the way to being CEO of one of the most prestigious publications in the world, write many of your paper along the way and at the same time steer through one of the most challenging times. How did that all happen? You've had a very rigid life and Bob how old are you now? You're... is it 82?

Bob: 81.

John: Okay 81. Yeah you've been out there really making a difference and you haven't stopped and I know as a fellow entrepreneur, that inspires all of us. But maybe give us a little background before we go on the lessons that you're going to share with us. How do you go from bouncing around foster homes to being CEO of one of the most successful businesses out there?

Bob: John there's always a risk of sounding tried in the response to these but I've recalled this very vividly and there about being open... open to the good people across your path. And reach out and offering you... they offer you a chance to sip at their stream of life and the first one that I remember was the social worker moving me to another foster home who raced over, took my hand and every time she never made for a year, took my hand, looked my eyes and said, "Never forget you are worthwhile." And that lady, May Morris made me feel like a person for the first time. Well the drift... would be floating around the foster care system. I never forgot her words. They were tattooed on my mind. So I believe that these things started by being open to the people across your path and offer you, offer you the twig of possibility.

John: I thought of those people who have touched me along the way and it's those little surprises in life. Oftentimes, when we're beaten down a bit, that somebody recognizes the value within us that gives us the confidence and she was exhibiting tremendous leadership in a trying situation for you.

Bob: Well, John, that's true. And the second most important one also came from another woman who was accidentally on my path. She was the office manager at the newspaper in Albany, New York and hired me as the office boy. I worked for about six months. I did not know that she had been a foster parent. She later told me that when she found out I came from the foster care system, it had sense in her to take an interest in me and once more complaint phones as she said to me I was..." Scared to death John that I was going to get fired.

She sat me down she said, "I've been the office manager for 15 years and I have been observing you and then she leaned across her desk John and said to me, "I believe you are full of promise." And that moment, I was 17 years old. That moment, she gave me permission of ambition. I never forgot her words.

We have those moments in our lives. Everyone watching this, could shut their eyes and see those moments. I call them angel threads in the tapestry of our life. She was an angel thread of my life. I never, never ever after that felt that I was unworthy.

John: Nobody accomplishes greatness on their own. And we all need each other to do that and those little points of inspiration, it just reminded me how important it is to pay it forward to others as we go through that lesson because the opportunity to make a difference in somebody's life is often just a few words.

Bob: I agree John and we have to be, as leaders we have the privilege of what you just described, and now extraordinary success has come my way. We don't realize sometimes how deep and etching we make in other people's lives by a kind gesture, by a compliment, by a celebration of people. I do this all the time with servers. I find that about a server in a restaurant, they've got a story to tell and I acknowledge them. If you get the habit of acknowledging the so called average folks who cross your path, that habit carries with you when you deal with the extraordinary people in your path.

John: Everyone has so much to be grateful for. We are very privileged to be able to acknowledge other people. I mean the joy that we can bring to them, the inspiration you can bring to them, gets paid back to us many fold. It's amazing to me. What I'm really interested and fellow entrepreneurs, is you have the classic American dream as net room clerk to CEO.

Bob: You know I went in the navy. I went in the navy on the ship. I had never read a book in all the years in foster care. The guy in the bunk above me was an English lit major from NYU. He brought with him all of the modern library classic work, there was nothing to do with the ship above and around the ocean. He adopts me and has me read all of his books. He talked about the character, the development, the new answers.

So I get out of the navy and go to college nights. I was star student John. I'm not smart. I was just well-tutored by that guy. Unbeknownst knowledge to me, the publisher of my newspaper was on the board of trustees of that college. I wrote some of the story for the literary publication. He plucks me out and said, "I'm putting you to a 12-year program to plausibly succeed me."

And that program for 4 years, I go to Stanford University and a Fellowship program. I come back. He drops dead. I succeed him. Never saw a profit loss statement John. Never saw a balance sheet. I didn't tell that the corporate folks would've told me I was going to be a publisher of that newspaper. I just ascribed people who I did not choose to have in my life who offered the gift of opening the door of opportunity.

My choice is doing you take the doorknob or not? I think entrepreneurs are in the habit of taking the doorknob and then opening it for other people. It has happened to me over and over and over again.

John: Well how do we do that more effectively Bob? Because as entrepreneurs oftentimes, we're driven individuals, we're focused on getting results. We want to make a difference in the world. A lot of times, particularly people who have started the business from day one and run with it, we got to enlist other people and roll them in our vision. We've got to help them. How do we do all that? That's a lot.

Bob: Well, John. My number one rule: We all have our rules. I'm not saying this is the number one for everyone. But the number one rule for me is to find where to celebrate the talent of the organization. You celebrate the talents okay? And I'd give you an example of what I did. We have 6,000 folks for this newspaper company. They're all over the country. We have 59 newspapers. How do you celebrate when you're sitting in New York City in the corporate office? I can tell you how I did that okay?

Well, I think the number one starting point for an entrepreneur is be aware of what it means to celebrate the shared talent who are really helping create that business with them. And that's why I think we do it because when we do that, the folks who are engage with us have their talents flow more robustly. You can't manage that. You invite that by effective leadership and you lead by celebrating the colleagues.

John: So many people, yourself included... myself... I've always been in financial services and I didn't ever want to be a leader. I wanted to really make a difference individually with helping people and so on and then as we built scale and I started other companies, all of a sudden got the classic accidental CEO type and I struggled with this management leadership a lot.

Bob: Well, John I have some conviction and probably all of your viewers and colleagues have convictions also. My conviction is this; management is about today. Leadership is about tomorrow. Management is about process. You had to set a process for this very podcast, for doing now the camera, the testing, the guy who does. Management is about process. But leadership is about purpose.

You have a noble purpose in what you're doing with this podcast okay? And that managing my dues was feeding the bodies of organization, alright? You've got to feed the body. But leaders...is about nurturing the spirit. When you nurture the spirit of a person, you invite excellence. So I think it's just getting into the habit of leaning towards leadership just 51% of the time. Management gets stuff done. But management in my judgment, my experience, never raise you to an extraordinary level. Leadership does that and the leadership as expressed by strategy, by talent, by celebrating your colleagues. I don't think it's complicated. I really don't. And I could give you examples of the places that we bought where the spirit culture was dull.

John: Let's talk about that Bob because many entrepreneurs that build a business and then they want to get scaled and they decided they can only grow so much organically so they're going to go out and acquire other businesses, and many people are disappointed on acquisitions. They're buying something that is not working quite as well, different culture, all that... and acquiring groups like other fellow newspapers and making it work, how did you do that?

Bob: Well, John we have some guidelines that emerged over time because those things soften up and certain things become apparent to you. One was we're not invading this place. We're partnering with them. Number two, to have an attitude and posture of how do we make ourselves one with these folks? I'll give an example of that if you wish it alright? We bought news firm from San Antonio. We bought our competitors in San Antonio. Life long, career long hot work competitor, we buy them. They start from a position of enmity and hatred. So I decided to acknowledge that. I'd say, "If I were you this is how I would feel about us, alright?" And then I went there every single Tuesday for two months. And I was at different departments every single Tuesday. Tell me what's on your mind okay? Then every Tuesday night at the local publisher, have a dinner at his home for the spouse and etcetera. I sent Tiffany gifts down for the wives, Tiffany gifts down for the men. So that by the end of a couple months, we were one. We were one. We weren't the acquirer. We were the partner. I think

you have to invest in the kind of thinking that creates partnerships of the people that you're acquiring. They're going to start off distant, suspicious, angry, you're the winner, they're the loser. Acknowledge that and then work to make them partners... Think of over how awful we did that.

John: Well and the thing that we appreciated Bob in reading about your books and we'll go back to your books a little later when we talk about resources because I think they're a great resource for our audience... is not only do they pay attention to the big details and leadership part that you just talk about it and just mention it really quick. Now I'm going to go back to this, you paid attention to the little things and I was surprised with the attention and I'm kind of ashamed as I read it because I've never done this with the spouses...you made time for the spouses that are going through some of these challenges with the Tiffany and flowers and so one.

Bob: Sure did as a matter of fact, my colleagues used to teach me that the saddest people in New York City when I left was the florists because I always sent flowers to people, okay? And Tiffany's, but we had a pretty good deal with Tiffany's but nevertheless I believe that you have to find a tangible way to celebrate folks. We have 6,000 folks. We have people all over the country. But everyday I was in New York City, my assistant, Marge Murphy would send a note of "Bobby is here today." And by 4 o'clock that day, that papers have the name of someone worth celebrating the organization. One sense of what they did. And if they're married their spouses' names and their home address. She typed those up never more than 20. And I took them on the train with my personal stationery, wobbling on the train, writing a personal note to everyone. If John were with us in San Francisco and had done something valuable, I'd be writing a note to John. I'd send it to your home address where you are loved. And if you have done something extraordinary John, I might send flowers to your wife saying, "Congratulations... the good news for your John." Now if you won a state-wide prize for example at something, then I might send some of the Tiffany gift to your wife, same note, "Congratulations... the good news to your John." You will get home and your wife will say, "What are these flowers? What is this Tiffany?" And you would tell her what you have achieved where you worked, okay? It's amazing John, the impact of that.

John: Bob, I'm going to re-purpose that in my business and use it. I do send those notes but I send it oftentimes in email, not as often as I should in handwritten note. And then when I do send the handwritten note, I'd always send it to the business and boy what a brilliant idea, sending it to the home so that people around them that love them, they can open it up and share it with them. And the gift too.

Bob: My successor said and asked me for 5 years John in New York City. We were talking about traditions we will maintain. You're brought it in the next day, every note I had ever sent to his wife. Every card that was ever sent. He said, "You can bet your boots I'll continue to do

this." When you celebrate people John, they become the marrow of your excellent performance. They really do.

John: Certainly, in the foster home they don't teach leadership. They don't teach you how to run multibillion dollar businesses. If you're going to look back, what was the breakthrough that really accelerated this success? Either when you were CEO or getting the CEO that would be a lesson that could help other entrepreneurs.

Bob: Well, this might be helpful to them John. That is transparency and candor, okay? You were loaded this earlier. When I took over the Hearst Newspapers, we had a bunch of broken props we sold for the country, mostly losers, big city losers, all unionized, deaf note papers, they're kind of drifting along, drifting, feeding off the profits of our magazines and televisions. So when I ran a board meeting, Randy Hearst was alive at that time, he said, "Bob what's your first priority?" I said, to get off welfare. We're a corporate welfare. That became my theme with our folks. We're going to get off welfare. We're going to develop strategies to confront this. We are on welfare. We're going to develop strategies together and we're going to identify the talent that can get us there. So we emphasized talent. We emphasized strategy. We emphasized risk taking. And we celebrated success.

And John it's amazing what happened. I went from being a worthless state in our company to being the leading cash creator by the time I stepped away. That wasn't me. They were all these packers I just... you start that with transparency, candor, and you engage people to join you in the journey. I never felt I was equipped to mandate what we should do. I'm just not that good or smart. But I was equipped well enough to know what was reasonable strategy, what was unreasonable strategy. And how do we become strategic rather than operational? See, operational is managing a place. Strategic is leading a place. There's a real difference between the two.

John: Why don't you share with us what are you doing now, what you're really passionate about? Share with us what you're really doing now.

Bob: Number one John, I sync babysitters. I know the things I don't know how to do well. I sync people who can do those things for me and I create these teams of babysitters. And they did the step that I can't do.

Number two, as I think you have to be open to real ideas that come your way. John, in the last two years I have written five movie treatments. I've made one proposed TV reality show, being pitch fried now. I have an agent in Los Angeles pitching these movie treatments okay. They're all based from my book except two. My wife and I are doing a movie treatment right now about a book I wrote last year, *Shakespeare Lives on Cape Cod* and in addition to that, I just made these four DVD series.

And John, I'm booked to speak all over the country and there's this vantage to being 81 because you're draped in applied wisdom. You may not be wise, but you're draped in applied wisdom so I am booked to 2015 as a speaker. I'm doing a new book right now. I'm doing what's called *Fresh Start Moments*. I'm passionate about that because I think among other things, it can become a reality TV show. So you lubricate the pathway of your life by being open to the things that come your way and you surround yourself with baby sitters to do the things you can't do. It's worked pretty well John.

John: Did you ever retire, try retirement in the classic sense?

Bob: Oh no, no. I wrote my first book, *The Leader Within You* to be released the month after I stepped off my corporate office. They wanted to release it the year before. I said no, no, no. Release the book when I leave my company. I went on nationwide book signing tour for almost a year. I had huge publicity on this book. It amazed me, okay. Prague Magazine made a feature out of bundle, 37 of my new readers. So I became a professional speaker. I'm in the Speakers Hall of Fame. It was just about being ready to embrace the next. I never gave a moment's thought of so called retirement. Retirement is just new things, that's all.

John: And I'm so glad you didn't do that. I mean that's one of the things I see, there's so much wasted talent when people check out early. You've learned so much in your life and your ability to communicate that and share it with us is greatly appreciated Bob.

We have a segment. I call it The Book of the Day. Tell me a book that you would like to share with your fellow entrepreneurs that has made a difference in your life.

Bob: They're going to find this one John. When I was in the navy, they had a book sale. I picked up a book for 10 cents. The name of the book was *Today Is Here* by a vagabond poet named Don Blanding.

John: I want to put it up. Amazon does have that; I think they only have one of those. I'm going to order it here but you might want to check it here.

Bob: Well anyways, that book has been such a source of inspiration because he writes his homilies, not difficult poetry, and he draws beautiful stuff. I keep it in my car John and I read it at stop lights. I've never at a stop, I get a horn once in a while. I have found that book over all these years being such a comfort. It's like a friend in a car with me. *Today Is Here* by Don Blanding.

John: With all the lessons you've learned Bob, what would be the one insight that you would want to share with your fellow entrepreneurs so that they could make a bigger difference in the world?

Bob: Fire adversity and fire ego. Terminate adversity and terminate ego. One of the great benefits John of going out of the foster care system? I had to survive. I had to become a survivor. That matured in my business life to perseverance. So difficult things come up no matter what your business is, what is your fond... or whatever may be. If you're a persevering type of chooser, then you'll fire the adversity. You start with that mindset. I'm not going to let this dictate my life. So you start off with that.

The second is to fire ego. I find ego as such a drowning thing for so many people. I just made these DVD series, the videographer came to my home he wanted to do something casual... the lights on my white hair, I've got a double chin sitting on this couch, etc. I'm looking at this thing and said, I'm not going to put that out to the world. And the second DVD, walking around the house, I said, this is great content! I've got to fire my ego. The ego is in the way looking the white hair or the double chin okay? So there are these moments in life where your ego is inviting yourself to be in command. I think you have to fire your ego then and take charge of yourself.

John: Well, one of the things that your fellow entrepreneurs know is adversity shows up and I said, nobody gets through life unscarred and most of us have many scars but it's how we choose to deal with it that makes all the difference in the world.

What can the viewers and listeners find at your website at BobDanzig.com?

Bob: John, they're going to find all my books. They're going to find MP3s downloadable. They're going to find eBooks and printed demands, which are by the way what I believe the whole world is coming to. I would never go back to a standard publisher again because only an author sells a book, okay? If you're going to sell it, why sell it for 12% when you can get 85%? So all my books, there's CD packages, there's audio packages, and there may be some video packages. I don't remember because there are so many projects going up on that site and they're all fulfilled by some of the elves. I don't touch anything John. And these new DVD series, will be on that website also.

John: What I really appreciate is your willingness to share your insights on the podcast but also the books, I've had the chance to just read two. I'm going to go back to your website here. *Conversations with Bobby* I have finished. I've just started *The Leader Within You* and that's very prescriptive and it's been a great lead so I appreciate them. Looking forward to getting the DVDs as well.

Bob there's so many key takeaways that I have from our conversation. I am understanding the difference between management and leadership. Leadership is purpose and having that clarity and listening to people and to do that consciously.

Second, is I'm going to call it "don't forget the little things." And the ability... and that's your celebration. That's a huge takeaway and that's one that I have dropped the bone I know fellow entrepreneurs and some of my partners have dropped the bone out of the way and it's not only the individual but it's the family... it's our whole business and I don't care whether you only have 50 employees, 6,000 employees, or hundred thousand... you can celebrate that. It's just so important.

And then the, "fire adversity and fire ego." As we have more and more success, it's so tempting to get caught up in ourselves, read the press releases. The adversity... Fire it and just dealing with it.

Bob I want to thank you again for taking the time today from Cape Cod and sharing with us your wisdom, giving us the tools to really go out there and make a difference.

Bob: John my great pleasure. I've enjoyed seeing you smile throughout this whole thing. You also are very well prepared. That's very impressive John.

John: Well it's great to have great guests who are out there making a difference and what we have is we all have an opportunity to make that dent in the universe as Steve Jobs talks about and certainly Bob has. And he's given us the tools to do that. There's a transcript again at AESNation.com. Never forget, your clients, your customers, current and future, they're all counting on you. Don't let them down. Wish you the best of success!

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John Bowen
Founder and CEO
Financial Advisor Select