

COWBOY UP

Jeffrey Hayzlett spurs on marketers and business leaders to act as agents of change

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“I believe most leaders and employees know when their old ways of doing business must change or their businesses will die, yet they don't act. They have the ability to enact big changes, but too often they just don't. ... So, how do you learn to act like an agent of change? How do you get your employees to buy into the changes you need? How do you change your business in a charismatic, effective way that instills enthusiasm and results in profits? The same way I do: You get up in your business. If something sucks, get rid of it. If it isn't working, change it and own those changes. Refuse to tolerate problems and passivity. Period.”

No one would call Jeffrey Hayzlett yellow. The Sioux Falls, S.D., resident bills himself as a cowboy and that label manifests itself in everything from how he dresses (boardroom meets Badlands) to how he talks (rife with saddle-and-spur-starring analogies) to how he doles out business advice (see the passage from his new book, *Running the Gauntlet*, above). The hard-charging, affable former CMO of Kodak left his post at the Rochester-based company in 2010 to remake himself into a global business consultant, a budding TV celebrity and a best-selling author by trying to lay bare some of the hard truths about business and, to use a term that he might use himself, being a straight shooter.

Hayzlett preaches the gospel of change, of “adapt or die,” and in *Running the Gauntlet: Essential Business Lessons to Lead, Drive Change, and Grow Profits*, he aims to offer readers inspiration to effect change at their own organizations. *Marketing News* recently caught up with Hayzlett to discuss marketers' ability to act as change agents in their organizations, whether the current economic environment is conducive to change and why Kodak's efforts to change its business strategy are faltering. For a podcast of the full interview, visit MarketingPower.com/podcasts.

Q: ‘Change agent’ is a commonly used term in business now, but how would you define it?

A: I like to refer to it as ‘agents of change’ because it's more than just one person; you have to have lots of people inside the company. But when you look at a change agent, you're really talking about a catalyst for growth within an organization, someone who sits back and says, ‘I gotta do things differently than the way that we're doing them to get a different kind of result.’ It's someone who will act like that catalyst to really get the fire started.

I'm from South Dakota originally and I call it being a white buffalo in a herd of buffaloes. These people stand out and they're attacked by the wolves, and people try to drag 'em down, they point at them, but we all know who they are in an organization and these folks will stop at nothing to make sure that they do what's right for the good of the company.

Q: Do you think that marketers can be effective change agents since it's their job to have the customer data at their fingertips, to know the companies' product portfolios, to know the brand strategies, to know what the companies are through and through?

A: I think marketers are the perfect agents of change and they really should be because they're the only ones that span the entire organization. They're the only function that really looks at the inception of the product all the way through its delivery and customer satisfaction. ... Really, it's marketers who span the entire length of the silos that are in these companies, so I think it's the perfect role for marketers to play, being able to drive that change and to really own growth in the company.

Q: It's all well and good to try to be the instigator of growth or the motivator, but how can marketing worker bees—you know, those who don't have the CEO's ear—actually gain traction for these change ideas?

A: Well, I think they have to be cheerleaders. I think they have to be not just problem seekers, but problem solvers. And it doesn't make a difference if it's just in your area. It's really getting out there and helping the organization as a whole—as I said, crossing the silos.

And then I think that they've really gotta be the brand ambassadors. We talk about a brand as a couple of things. First of all, it's

something you put on a cow or a horse—that's where it originally came from—and then it's something about being the promised delivered, so they've gotta be the stewards of the way we offer up the brand and deliver the promise to customers. Who better to do that than all of these worker bees or all of the people involved in making the product and delivering it?

Q: Now, what kind of change are you hoping to inspire here? Obviously, in this economy, some companies might be hesitant to make too many changes if they don't have to, so are you talking about overhauling different aspects of the company or are you trying to inspire even small changes that will improve the delivery to the customer and the whole customer experience?

A: It's really about an attitude. It's really about saying, ‘Hey, we're not satisfied with what we have.’ We go into meetings and say, ‘Why?’ because people will always, in the meetings, go, ‘Well, this is the way we've always done it.’ Well, why? Is there a better way?

It's really about the innovation of a company, about the mood and the inspiration that you take from that and being able to say that we're going to do things differently and not take this laissez-faire mentality, you know, hands-off. For the most part, that's the silent killer in most businesses. If you look back and you sit back on the hubris of your success, you're just going to die. You really have to adapt or die and you really take that mentality into it no matter what you're doing.

And especially in today's economy, this is when companies should be looking to take giant leaps forward to say, ‘We're going to operate differently,’ and for marketing, it's a must.

Q: Do you think they'll take that risk, though? The whole ‘If it ain't broke, don't fix it’ mentality could be valid in this economy, as well, because there's a big risk of faltering if you take risks.

A: Yeah, but come on: We're in marketing. What's going to happen? No one's going to die. My advice to marketers is put some tension in the system.

You know, there's an old saying in sports: No pain, no gain. Why don't we have that in business? Why don't we have the people who are taking us from the center of the table and moving us to the edge of the table? Now, HR and legal, they want to take us and move



us back to the center of the table where it's politically correct, and that's OK; I understand that. But that's their job. Their job is to make sure that we don't fall off. For marketers and leaders—this is really about leaders, a leadership statement more than a marketing statement, because you don't have to be in marketing to do it—it's about creating tension in the system, saying: 'Why can't we do things differently? How do we do it differently?' and pushing people to the edge of the table without falling off.

Q: In your book, you set out some guideposts for how to get this change done and you stress transparency through and through. You say that executives who are trying to push through change have to map out their goals for change and share all of the details with their teams up front and get them all on board. But so many executives are averse to being that transparent. They're more about only releasing these details on a need-to-know basis. Is that why we don't see as many change agents out there?

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A: I just think it's the safe thing to do and that's why we have mediocre companies and not great companies. That's why we have only a few great leaders and not lots of great leaders because people are unwilling to take the risk of being transparent.

Q: One of the key aspects here—and maybe *the* key—is personnel and making sure you have the right team on board. But isn't the biggest part getting people motivated to make your goals *their* goals, to get them to be as excited and passionate about what you want to get done as you are and to dedicate themselves to pushing it through? How do you get that kind of excitement and passion instilled in your team?

A: It really boils down to mood and what drives the mood. ... That's the No. 1 thing inside a company I talk to people about is mood, mood, mood. You can have great products, great service, but if people believe that their best days are behind them and not in front of them, then there's no way that you're going to get to where you need to go. If the people don't believe in where you're going as a company, then they're not going to help you get there, so you really have to instill the right kind of mood and make sure people really believe in the message and what you're talking about, where you're going and what your direction is, and are able to drive that.

Sometimes ... you might not have the right team. If you don't have the right team, change it. And that could mean you're going to have to let people go, you have to fire people, you have to replace people or you're going to have to move people into other departments where they're better suited than in the leadership positions that you need. It's really about driving the mood in the company to get people excited and make them believe that their best days are ahead of them.

Q: Give me some examples. Let's say that you have to work with the team that you have in place and you're coming up against some resistance, and you have to find a way to motivate these people to get on board with the changes you need to make. There are only so many effective change agents out there, only so many effective leaders like Lee Iacocca or Jack Welch or those guys. There's a limited number of them for a reason and one big reason is it's hard to get people on board with your goals. Do you have an example of how you get it done?

A: Inside of Kodak, when we were making some changes at Kodak—and the jury is still out on whether they're going to continue to make the changes that they need to make because they've kind of slipped back the last couple of years. They were doing some great progress and making the transition to digital, but they're still putting too many bets across the board and at the same time, they were adhering to 'We're a film company' and you can't be a film company because you're dead—because nobody buys film anymore. [The key to getting people on board with the necessary changes was] really getting around an operating strategy, so we focused in on, 'What do we need to change?'

People would say, 'We need to change the culture.' Well, the culture is the culture. I am Kodak, you're Kodak, you know, this person is Kodak. And that culture takes a long time to change and it's just something that kind of develops, so it's really about an operating strategy and what we did was put in FAST: focus, accountability, simplicity and trust. FAST, which stood for, you know, speed. Fast. Our mantra was even if we screw up, let's just do it faster. ... It's really about saying we're going to operate faster than we've ever done before, even if we screw up, because no one's gonna die. Even if we launch a bad product, even if we make a mistake in our marketing department, it's OK. Let's just start heading in the right direction.

I think that's a good part of it, where you have to instill the change: Here's where we're going and here's how we're gonna operate to get there.

... You want to be able to give them the way to be able to operate with one another and change the company.

Q: How do you keep people going? Now that you've gotten them motivated, now that you've set out the goals ahead of time, are there progress reports? How do you keep people on track to make sure that you're all still heading toward the same goals? Especially with so many change-oriented people working on the same project, could there be too many cooks?

A: There certainly could be, but what are your conditions of satisfaction or mutual conditions of satisfaction?

For everything that you do, for every task or promise, there's a customer and there's a performer. If you're very clear about what the conditions of satisfaction are and who's doing what, you really can't have the confusion, so one of the things I spend a lot of time doing is setting up conditions of satisfaction. What are my promises to the chairman of the company that I'm going to deliver—the four, five or six promises that I'm going to deliver from marketing as chief marketing officer? Then each of my staff—my operations staff, my branding team, my B-to-B and B-to-C, my online team and maybe my communications team—what is each one of them going to do? What are their five or six promises? They can just take those and cascade them down, and if you're doing that, then you shouldn't be having a lot of cooks in the kitchen. You should have alignment about what the top-level goals are for the company. My promises roll up and my chairman will take one or two of those promises that I give to him and put them into his plan that he's going to give to the board of directors, which should support the overall goal for the company. So you shouldn't have a lot of that stepping on one's toes if you're clear about what your conditions of satisfaction are.

Proper planning is always something that we should do in marketing and I think a lot of times, marketers spend more time talking about the brand, talking about the look and the feel. But more and more chief marketing officers are coming from the business than coming from the creative side. I think the age of the CMO as the chief creative officer is dead. I think the new digital CMO is going to be coming more and more from the business side and more focused on the business goals rather than the branding goals.

Q: You also are seeing a lot more marketers, though, rising into the CEO role.

A: Well, you're seeing a few more of those because they're coming from the business. ... It's very rare that you'll see a CMO who has a creative background move into that CEO role, but you will see more business people do that.

Q: I was just wondering if maybe marketers moving into the CEO role was evidence of this whole change agent mentality being important right now. If marketers are the best change agents and at least some companies are elevating marketers into the CEO position, they realize that marketers have the depth and breadth of experience to make the changes necessary to keep the company going.

A: If they're driving the right kinds of goals. I mean, I know a lot of great, talented CMOs who I wouldn't want as the leader of a company, but they're great at what they do in those roles—just like I know some great CFOs, chief legal officers, chief HR officers, as well, that I don't know that they'd necessarily make great CEOs. That's a breed of itself. It really sits above the fray and is able to play strategically the chess pieces across the board in a very logical and speedy way. ...

You look at a guy like myself: The longest I've ever stayed at a place is two years—although I did stay at Kodak for four years. That was the longest and up until then, I was the average CMO, meaning I would move from job to job to job because I was very tactical—strategic overall, but tactical in that I was much like a hit team that came in to make changes to a company to turn it around.

Q: Does that make you unpopular?

A: Sometimes. Only for the first few weeks. You're not a good leader if you can't rally the troops behind you. And then when you walk away and it falls apart, that's not a very good thing either.

Q: Actually, throughout your book, you use Kodak as an example to flesh out your points on how change agents should map out their whole process, and to good effect, but the elephant in the room is that Kodak is now faltering big-time and is in pretty dire financial straits. You use the phrase "adapt or die" in your book and you've said that in this interview, and Kodak obviously has had to adapt, but thus far, it's not panning out for the company. Is it because the strategy is faulty or is it because, maybe, it's fallen short on the execution in terms of rallying the troops and getting personnel to really get behind these goals?

A: Both, or all of the above. You're talking about an insular culture of a company that truly was rallied around film and suppressed innovation for a long time. They invented the digital camera in 1975—they invented it—and then it sat on the shelf for a long time because they didn't want to

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mess with the film, meaning they didn't want to mess with the margins of the company. ... If you went around just as recent as four years ago, a lot of the people there would tell you that they're a film company and they're not. They're not. They have the only product that people would actually run back into a burning building to save, so they're really about emotional technology. They help people to make, manage and move images and information. That's what they do.

They're making the transition from a B-to-C business to a B-to-B business, but the problem is they're trying to bet on the B-to-C business at the same time. You can't do that. You have to pick your battles and decide where you want to go. They've made too many bets across too many things. Now, they could have gotten lucky until the economy hit and when the economy hit, then you've got to get really, really lucky and that's not likely to occur in today's world. So they made some bad choices along the way.

Now, can they jettison off some things? Yeah. The company makes, in a lot of areas, substantial amounts of profit, but they have many bets across a lot of things that they shouldn't be messing with. And most business leaders know, just like you go to the fair or go to Six Flags, there's a little cutout that says, 'You must be this tall to ride this ride,' and they have not measured across a number of their businesses to say that if you haven't met in scale by this time, you should jettison it. That's a bad move by the leadership to do that.

Q: Does it hurt you to look back and see your former company struggling like it is?

A: Kills me. Kills me. I love the people and I love what George Eastman had started out to do. ... But just because they're having problems doesn't mean it's not still a great company, doesn't mean it doesn't have great technology; it just means on the plan that they have today, they're faltering. The plan that was working four years ago was winning, and was winning to the tune of, in some cases, hundreds of percent increases in sales against 'Big Ink' and some of the others. It was making some substantial progress. The problem is the way in which the leadership wanted to go was different than the way others wanted to go and sometimes you don't stay for that reason.

Q: Depending on how all of this plays out, would you ever add an addendum to your book?

A: No, I think that there are some good things and some bad things in everything you learn. Just like in a marriage, there are some great things and some bad things and hopefully, you don't throw one out with the other. My marriage is working, so I won't say anything about that, but I'm just saying that the relationships with companies and where they want to go just doesn't work sometimes. **m**

As the AMA's newest expert contributor, Jeffrey Hayzlett will be offering up his insights and expertise to AMA members in a variety of formats throughout the year. Starting this month, catch him on AMA TV. In February, tune in for his presentation in the AMA's next virtual event. And starting in March, read his new *Marketing News* column on how marketers can be agents of change within their organizations. For more information, visit MarketingPower.com/marketingnews.