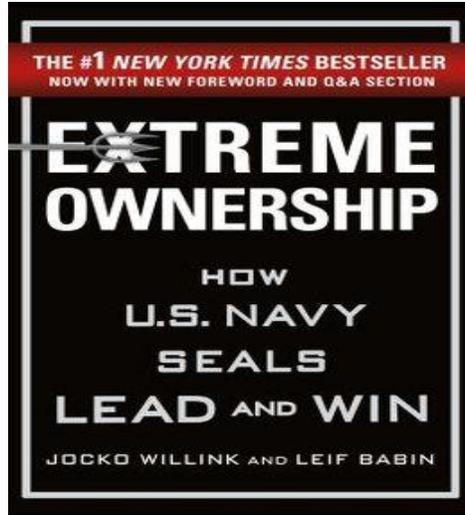


*Extreme Ownership*  
*How US Navy SEALs Lead and Win*



Filtered Thought Leadership  
“Top Business Books Summarized for Financial Planning Leaders”

**July 2020**

**By Eddy Ricci, CFP®**

Presented By

**lead**  *advisor*

[www.lead-advisor.com](http://www.lead-advisor.com)

*Accelerating Firm Building and Career Advancement for the Wealth Management Community*

**Active Search & Recruiting | Resources & Research | Concierge Advice & Consulting**

---

**lead**  *advisor*

RICCI, CFP® 1



[www.lead-advisor.com](http://www.lead-advisor.com)

## **Active Search & Recruiting**

We provide insight and time leverage for firms and practitioners looking to grow their team. We actively find talent with a niche focus in wealth management.

## **Resources & Research**

Check out our simple tools and content for geared for both career seekers and employers in the wealth management space.

## **Concierge Advice & Consulting**

We help our clients think creatively about practice growth, facilitate study groups and other customized engagements to provide our perspective from talking to wealth management professionals every day on the front lines!

# Contents

<b>Introduction.....</b>	<b>4</b>
<b>What is Filtered Thought Leadership?</b>	
<b>Preface for This Edition</b>	
<b>Key Concepts &amp; Ideas .....</b>	<b>5</b>
<b>“Extreme Ownership” Summarized</b>	
<b>Eddy’s Commentary for Financial Planning Leaders.....</b>	<b>10</b>

# Introduction

## What is “Filtered Thought Leadership”?

The purpose of “Filtered Thought Leadership” is to provide the “key concepts and ideas” from today’s top business and leadership books to professionals in the financial advice industry. I am not sure if I love the phrase “filtered” but you get the point.

It’s tough to argue against reading more, as we know it will help us be better professionals and leaders - however it can be tough to find the time and focus to complete recommended books. I found in my financial planning career, countless books were recommended to my peers and I, even given as gifts. The majority of us had good intent to read these books however we rarely make the time to complete the books we know we should be reading.

This is an attempt to summarize books in a few pages, specific to the concepts that can best help people in our profession. This will be a tool to keep advisors and leaders aware of key studies, trends and ideas that will aid their conversations with prospects, candidates or the advisors they coach.

The final pages offer my perspective on how the core concepts could be implemented by leaders in the financial planning industry. I offer the key concepts FIRST, without my suggestions, so that you can think freely of how you could apply before seeing someone else’s take on implementation.

We purposely omit fancy fonts, pictures (unless necessary) and stick to basic text to comply with reading “on the fly” and avoid formatting issues depending on your device.

## This Edition

“Extreme Ownership”

By Jocko Willink and Leif Babin

2017 Published

My nephew, who is currently going into his sophomore year of college, had his internship canceled due to COVID. Needing some additional hands in the business, I asked if would want to intern for me in which he decided was a better summer activity than helping his dad paint the house. One of the first projects I had him work on was to do research on the books that kept appearing on business best seller lists and that were being used by CEO’s. I wanted to see what he found compared to books I had found in the past and considered relevant to financial planning leaders.

He said he kept on seeing “Extreme Ownership” appear, a book that has been referenced many times in conversations, but I had not yet read. Without a doubt, I think this is a timely read as we are in tune everyday with how leaders are owning are showing ownership throughout the uncertainties we are seeing in 2020. It is also timely to have a book written by those who protect our freedom as we approach the 4<sup>th</sup> of July.

# Key Concepts & Thoughts

---

The book is broken into three sections: Winning the War Within, Law of Combat and Sustaining Victory. Each chapter starts off with a real world experienced that one of the authors had as a Navy SEAL and then talks about the key principle at hand and how it is applicable to business. For the sake of our summary, I will omit the stories of combat and talk about the applicable business principles at hand.

## Winning the War Within:

Chapter one explores “extreme ownership” and how no matter what the organization does, the leader must own everything in his or her world. They take ownership over everything in their mission. You never blame subordinates - you either give them the proper direction and training and then after that, if they are still underperforming, you need to make the tough call to terminate and replace.

Extreme ownership eliminates emotion and ego. Jocko shares an example that where he had to make a VP of Manufacturing realize that HE himself was the problem. It was his plan, his people, etc. - Jocko helped him see that he was full of excuses. The coaching he implemented with the VP was on how he was going to lead differently...and believe it...not saying it to save face.

Chapter Two shows how Leif was called into a financial services organization because the CEO didn't feel like they were “winning.” Here he references how the Chief Technology Officer in the firm was defensive and reluctant to Leif coming in as an “Extreme Ownership” consultant. In Leif's dialogues, the CTO resorted to saying “we are making the right decisions” and Leif would coach him back to the fact that all of the executives admitted that the organization isn't winning...therefore they aren't the right decisions. The CTO is considered a “tortured genius” by Leif. This is when someone throws excuses and blames others because he or she doesn't believe people are appreciating the genius in what they are doing. The CEO ended up firing the CTO. This connects back to the title of the chapter...“there are no bad teams, only bad leaders!” There are two types of leaders - effective leaders and ineffective leaders. That's it.

Chapter three talks about the power of belief. If the leader isn't a true believer in the mission then they will not take the risks necessary to overcome the challenges necessary to win....and

not able to convince others, who must execute the mission. Instilling belief in that they are part of something greater than themselves is critical to everyone down to the people on the frontlines. Great leaders can detach from the immediate tactical, ask why and understand how it is pushing towards the strategic goal.

Many organizations MISS the time and attention to explain why the frontline troops are doing what they are doing. In this chapter Jocko shares an example of a company that rolled out new sales compensation. All the managers didn't believe in the plan and was afraid that many of their salesforce would leave. They were afraid to ask the CEO WHY she was doing this, and the CEO assumed that the competent managers understood the plan. The breakdown was the managers comprehended the how and what of the plan but not WHY the plan was being instituted. Without the managers believing in it, likely the salesforce wasn't either. The CEO should have explained the WHY and the managers should have demonstrated more ownership by having the courage to ask the boss "WHY" the change is happening.

Ego clouds and disrupts everything and the most difficult one to deal with is often your own. EGO drives us to want to win and can be a good thing but becomes a problem when personal ego trumps the team mission. Chapter four looks at an example that Jocko was called in to help a CEO with a leadership issue. Gary, a CEO, was upset that a drilling superintendent on his team make a big decision without running it by Gary which cost the company money. Gary realizes this person is more knowledgeable about the business, has more experience and is important but was blaming him for this mistake. He was concerned about his approach to confront the superintendent because he didn't want him to quit however he wanted him to know he needs permission for decisions like that.

Through Jocko's coaching, he helped Gary realize that this was Gary's fault as the leader/CEO. He wasn't clear enough on procedures. He advised Gary to share with the superintendent that "our team made a mistake and its my fault...we weren't clear enough...you are an extremely skilled and knowledgeable superintendent who knows more about the business than I do and it was up to me to make sure you knew the parameters." All ego was dropped. The issue was connected back to the mission and how to accomplish it - not the mistake by the team member.

The Laws of Combat:

**COVER AND MOVE:** Cover and move is the most fundamental tactic by used by SEALs, and it simply means teamwork. Often times an individual or one division of an organization can be so focused on what they need to do that they forget about how it may affect others and the mission. Before being quick to view other divisions as hinderance to your performance, how can you build stronger relationships and collaborate towards a common goal.

**SIMPLE:** Combat comes with a lot of complexities so simplifying processes are critical. Plans need to be communicated clear and concisely and everyone must know their role in the plan. You must brief so the lowest common denominator understands! Leaders must order subordinates to ask questions so leaders can further clarify. Sometimes leaders get so passionate and emotionally attached to their complex plan that they don't understand the complexity is a "fatal fault." Is the plan simple enough for everyone on the team to understand it and play it back?

**PRIORITIZE AND EXECUTE:** SEALs say "relax, look around, make a call." To implement prioritize and execute in any business, team or organization a leader must:

- Evaluate the highest priority problem
- Lay out in simple, clear and concise terms the highest priority effort for your team
- Develop and determine a solution with input from key leaders when possible
- Direct the execution of the solution focusing all efforts and resources towards this task
- Move on to the next highest priority problem. REPEAT.
- When priorities shift within the team, pass situational awareness both up and down the chain
- Don't let the focus on one priority cause target fixation. Maintain the ability to see other problems developing and rapidly shift as needed.

**DECENTRALIZED COMMAND:** Human beings typically cannot manage more than six to 10 people. SEAL Teams are made up of 4 to 6 people called "fire teams." Decentralized command doesn't mean Jr. leaders operate their own program, it's that they fully understand what is within their decision-making authority. Leaders must determine how much they should be involved and where they can best position themselves to command and control the team. Jr. leaders need to have full faith that their leader will back them up on their decisions.

Chapter 8 discusses work with a regional vice president of a wealth management firm. Jocko saw an inconsistent org chart that the RVP said, "he doesn't share with the team members because he didn't want people feeling like they were reporting to their peers" .... That was the first problem - people need to know where to report and who to ask for help. Second, Jocko observed a batch of 22 people in the org chart together...which the RVP said was a big branch office in which all 22 people reported to 1 branch manager. He then saw an area of the org chart that had 2 people - that too, was a branch office. This made no sense to Jocko. Neither SPAN OF CONTROL worked. The 22 branch wasn't growing as quickly as it used to because of span of control issues and the 2 person branch was suffering because the manager would need to go out and personally produce in order to make enough money, so they cared less about growing the branch!

## Sustaining Victory:

PLAN: Mission should describe end state of the operation. The commander's intent is the most important part of the brief and must be understood by everyone. The leader needs to manage and delegate the entire planning process but be careful not to get caught up in the details. "Stand back and be a tactical genius". The best teams employ constant analysis of their tactics so they can adapt their methods and implement lessons for future missions. The Leader's checklist for mission planning:

- Analyze the mission
  - Commanders intent and end state
- Identify personnel, assets, resources and time available
- Decentralize the planning process
- Determine a specific course of action
- Empower key leaders to develop the plan for the selected course of action
- Plan for likely contingencies through each phase of operation
- Mitigate risks that can be controlled as much as possible
- Delegate portions of the plan and brief to key junior leaders
  - Stand back and be the tactical genius
- Continually check the plan against emerging information
- Brief the plan to all participants (Emphasize commander's intent)
- Conduct post operation debrief after execution.

Leading Up the Chain: One of the most important jobs of any leader is to support your own boss - your immediate leadership. Leadership must always be a unified front to the troops. Use caution and respect when leading up the chain and don't blame your boss. Instead, examine how you can better clarify. Don't ask your leader what you should do, tell them what you are going to do.

They use an example of how a sales force in the field was fed up with corporate. Leif asks the question - "does corporate want you to fail?" in which the response was "no" ...then it is up to you in the field to inform them of the challenges on the ground versus throwing up your hands in frustration." In this example the field manager invited corporate out to observe his day to day to get close to the issues on the ground and enhanced the relationship.

Decisiveness and Uncertainty: Waiting for the 100% right and certain solution leads to delay, indecision and an inability to execute. SEALS are taught to default to aggressive and proactive

and to be decisive among chaos. Too many leaders try a “wait and see” approach and want to be 100% right. Leaders must be seen as able to make tough choices.

Discipline = Freedom - The Dichotomy of Leadership: A leader must lead but also understand when they should follow. The dichotomy of leadership: confident but not cocky, courageous but not foolish, competitive but gracious loser, attention to details but not obsessive, strong but have endurance, a leader and a follower, aggressive but not overbearing, quiet but not silent, calm but not robotic, close with the troops but not so close that one becomes more important than another or more important than the good of the team and not so close that they forget who is in charge, able to execute extreme ownership while exercising decentralized command.

## Eddy's Commentary

My first reaction to reading Extreme Ownership was simply feeling a sense of gratitude. Gratitude for two reasons. One, thankfulness for what the military does to protect our freedom. I've always been thankful for military personnel but reading about some real - life scenarios deepened the appreciation. Second, I am thankful for the financial advice industry for already teaching me many of the applicable business and leadership principles discussed in this book around ownership. I am thankful that many of my mentors and colleagues have taught me and embraced many of the concepts shared in book by experience.

In chapter one, Jocko tells the VP of manufacturing that he is the problem. He is quick to say that no one is perfect, but at the end of the day, he is the problem for not getting results. After assuring the VP that he has the knowledge and capabilities, he says he needs to **LEAD DIFFERENTLY** and to **BELIEVE** he is the problem. I think this is helpful coaching that can be applied to coaching talented managers or talented advisors through underperformance.

**Remind them that they have the capability to perform at a high level however, they must own their results and chose to LEAD differently.** What may that look like if you lead differently?

There are no bad teams, only bad leaders: If you are leading a firm or a team of advisors and there are underperformers, how do you work with them? Do you tend to give up on people too quickly or do you pour too much into them for too long? Can firm leaders have a predictable triage system for their underperforming advisors? In the spirit of extreme ownership, an advisor's underperformance is the leader's fault. One of the best exercises you can do as a firm leader is to go over the last year of advisor hires. Look at the advisors that are no longer with the firm. Have you and other leaders in the firm go down the list and share if the firm "recruited them wrong" or "developed them wrong." Either way - their failure was the leader's fault.

So, what additional resources, training, mentoring do we give people before we make the tough call to terminate them, so they don't affect the rest of the team. Is this all based on gut? Is this all based on performance minimums? If you were to design a "additional training or termination triage system" what would that look like?

Which "tortured geniuses" in your organization need to be confronted?

Having the troops understand not just the how of the mission but the why of the mission was the glue of the operation. I think for financial firm leaders, this first comes back to an in - depth interview in the selection process built with intimate questions that gets to the heart of the career disturbances and career goals. How often do coaches or managers reflect back on the selection process notes to understand the “why” behind each advisor’s mission in the career. How do we “re-in-depth” at certain career intervals to see if the mission is still intact or how it has evolved. We know that the A.E. Gray, who wrote “the common denominator of success” shares the more you go back to VISION, not activity and skill, when coaching an advisor in a slump, the faster and stronger they will come out of it.

If there is an organizational change, are managers thinking about how much time and communication needs to be made around the “why” over the change. New support systems, new rent charge, new comp program. There was probably a lot of time spent by leadership in determining the change but how much time was spent on ensuring everyone understand why the change?

Decentralized Command is key. It’s nice to see span of leadership control can be an obstacle in all industries. Do you know what your span of control is for each leader to advisor? I often see firms that have the right span of control “rolled up” but aren’t thinking outside the box enough to spread it out. Meaning maybe there are 5 leaders and 35 new advisors that need attention. This is on the cusp of a span of control issue but could be okay if there is a decent amount of those 35 advisors with a bit more tenure. But let’s say under further inspection, one leader is working with 15 people while another leader is working with 2. How can we be more creative, especially now in a VIRTUAL world, around spreading out span of control?

Next time you as a firm leader are hosting a team meeting or doing planning, keeping in mind the “commander’s intent” concept, can build more connected advisors.

In leading up the chain, they use an example of how a “field” employee is frustrated with corporate policies. Likely this is familiar territory for many managers and advisors affiliated with a major broker-dealer. These can also be the most frustrating conversations for managers to engage in with the advisors in their office. Jocko’s simple language, “do you think corporate wants you to be successful or fail?” and then getting to work on what additional information corporate needs from you and what your advisors need from you or corporate may help.