

Disrupt Yourself Podcast

EPISODE 165: HUBERT JOLY

Welcome to the Disrupt Yourself Podcast, a podcast where we provide strategies and advice for climbing the S curve of Learning™ in your professional and personal life. Stepping back from who you are to slingshot into who you can be. I'm your host, Whitney Johnson, and today our guest is Hubert Joly, former CEO of Carlson, member of the board of directors of Ralph Lauren and Johnson & Johnson and currently chairman of Best Buy, where he was previously CEO for seven years.

When Hubert took the job of CEO at Best Buy, they were in shambles. Word on the street was, they were dead, pushed off their S curve, but Hubert saw a different future for Best Buy and he created it. The stock price more than quadrupled. He was named as CEO of the year, the company was in crisis, he turned it around. At this moment, every company is in some sort of crisis. We've all been disrupted. It's not about deciding if we're going to jump to a new S curve, we've just been pushed.

Who better to talk about what to do next to them than Hubert Joly. He's smart. His enthusiasm is infectious. A delightful human being.

WHITNEY Welcome Hubert. Thank you so much for joining us.

HUBERT Well, thank you, Whitney. You're being very, very kind.

WHITNEY So let's walk back to the beginning to your early days. Tell us where you spent your childhood and what you wanted to be when you grew up.

HUBERT So Whitney, I grew up in France in a middle class family, three brothers, a very happy family. What did I want to do when I was coming up? So when I was 10, I first wanted to be a vet, because my godfather was a vet and he would take me with him and we would take care of cows and sheep and so I discovered nature. But then, after a while I said, "No, that's actually not what I want to do, that's what he wanted to do, but that's not me."

In my teenage years, at some point, I decided that I wanted to be in business and I wanted to run a company. At some point in my life I wanted to go to business school.

And at some point, you know, maybe in my 40s, I would be running a division of a company and that's what I wanted to do. And initially, it was because it felt I liked the topics of economics and business, also felt glamorous.

And then over time, I evolved my thinking in terms of, "Why, why do I want to do this? right? What's my...?" is this big question that everybody's talking about these days, I think, which is critical in this crisis, which is, "What is the purpose? What is my purpose in life?" And I thought that business could be a force for good. So back in the '90s, way before the trend around corporate purpose, I was giving conferences around, you know, the purpose of a corporation is not to make money, it's to contribute to the common good.

And I felt that as a business leader, I could make a difference in the world, leading an organization, making a difference in people's lives and using the platform as a way to make a difference in the world.

WHITNEY

So in the '90s you're saying, "The purpose of a corporation is to contribute to the common good." What did people say to you? Like did they look at you like, "What are you talking about?" Or did people say, "Aha, I get it." Like what was the response when you started having that conversation with people?

HUBERT

If you go first to the individual level and if you ask people what, you know "Why do we work?" And you know, "What is work? Is it a punishment or, you know, a curse because we sin in paradise, right?" The original sin and a rabbi once told me, "Did you know Hubert that man used to work in paradise?" Right? We were given the creation to embellish it, so work is not a punishment, pain in work is a punishment, but work is part of our fulfillment.

We're the only beings that actually work and we're called to contribute to the creation by working. And the quest for meaning I think is essential to every human being, right? Everybody has probably read Viktor Frankl's book, *Man's Search for Meaning*. It's essential to every human being again, if you say to people, "Look, a company at the end of the day is a human organization made of individuals working together in pursuit of a goal."

Of course you need to be profitable, but it's more an outcome. The reason for being, the purpose has got to be different. And, you know, when I was the CEO of Best Buy, I actually told our shareholders that our purpose was not to make money, but to enrich lives through technology by addressing key human needs.

WHITNEY

So Hubert, can you just connect the dots a little bit for us? So it's the 1990s, you're now in your 30s, I think in your 30s, yeah, in the 1990s and you have this thought.

HUBERT

Yep, you're good. You're good with math.

WHITNEY

Oh, well, let's hope.

HUBERT

Good.

WHITNEY

So, you have this thought of like, "I really want to focus on purpose." But do you have any sense of where that came from? I mean, is it something that happened when you were growing up, the influence of your parents? Because it's a fascinating question and I think people would be really like, so where did that come from? Why, is that so, as you said, so important to you?

So, I can talk about a couple of pivotal moments. One was a couple of monks. So, I had a friend from college who had gone on to go to business school, worked in consulting, and then joined a religious congregation in France. And, you know, he once asked me together with another friend to help them with their organization, the organization of their worldly affairs. And following this together with one of his colleagues, asked me to write with them an article about the philosophy and theology of work.

And so I said, "Okay. Let me do this if I'm competent to this." But one of the things I did is I took a biblical index and I looked at every passage in the Bible that talks about work. And contrary to public, you know, to common wisdom, work is actually a good thing in the Bible, we're all influenced socially. I was influenced by this notion that work was a punishment. And in French, the word for work is travail, which where it comes from the Latin *tre paliare*, which means torture, right? So, there you're have it.

And, you know, labor, when a woman goes into labor, it's painful. It's the same word. So we have this notion, but when you actually look cover-to-cover with the help of a biblical index, you actually see that we're called to serving others in the golden rule of, you know, do to thy neighbor, is there's an orientation that we're called upon to follow, to do good in the world through work. And so that became the topic of the article, so that was fruitful.

And then the other moment was learning from a client. So, I was at McKinsey & Company at the time and one of my clients was the CEO of Honeywell, a computer company, and he was also a former McKinsey partner and so he felt comfortable lecturing me and a couple of my colleagues. And he just got back from a seminar and he shared with me a framework, which I've always then carried with me, which is we started to say the profit of a corporation is not to make money.

So in business you have three imperatives, you would say you have the people imperative, which is you need to have, you know, if you're going to be in business, you need to have a team, a good team that's properly trained, equipped with the right tools, the right motivation. Then you have the business imperative, which is you need to have clients that you serve effectively and that you make happy. And then you have the financial imperative, choosing to have, you know, happy shareholders. At any sense, you should refuse any tradeoffs between these three and actually consider that they are ordered.

So, the excellence on the people imperative is what leads to excellence on the business imperative, which then leads to excellence on the financial imperative. But, but then you should not confuse an imperative which is a necessity and the goal or the purpose and to say if you step back, you know, what would be the purpose of a human organization? Is to, it's probably the fulfillment of the individuals and their contribution to the common good. He was not coming at it from a religious standpoint, like my two friends, the monks, he was coming at it from me a management and leadership standpoint and so this deeply influenced me, he gave me a number of tricks.

For example, he said, "When you do a business review, don't start with finance. Don't start, even if it's the monthly results you're looking at, don't start with the financial results, end the meeting with the financial results. Start with a review of what's going on with people and organization. Then, the business side, customers' products and so forth and finish with finance. If you do this, you will always have time for finance, because your CFO will make sure that, you know, you pay attention to the numbers.

But if you start with the financial results, you will not have time for a review of people and customers. And so, you'll miss the opportunity to actually work on the, on the key drivers and you're confusing the outcome measure with the purpose." And, by the way,

an excessive focus on profit is very dangerous. Number one, if you focus too much on results, you, you forget to focus on the drivers. Number two, anybody who believes that the net profits of a corporation calculated according to U.S. GAAP or IFRS is a representation of economic reality is wrong.

WHITNEY Hmm.

HUBERT It's just a norm. And you know this Whitney, because you've got, you've grown up in that world. You know, accounting norms are very arbitrary. So, imagine you're a medical doctor, right? A general practitioner and you're very focused on the temperature of the patient, which would be, let's say the profits. Well, maybe what you're going to do is you're going to put the thermometer in the fridge or in the oven depending on what resource you want to achieve, but you're not treating the patient. And so, profit is a bit like this, it's a measure, but it's not the reality of the organization.

WHITNEY Such a great metaphor. I don't, yeah, this idea of the thermometer, how you can manipulate it. If you know you want it to go up or down, just put it in their refrigerator, fascinating. And it's interesting that you know-

HUBERT And people have done that of course. Think about some of the greatest, you know, corporate scandals in this country, yeah, think about Enron and/or Qwest or a few others. Right? We, we all know who they are.

WHITNEY Right. Right. Yeah, and what's also interesting is I asked you to talk about your business philosophy and how you came to it. And it's fascinating that it was both this conversation and this experience that you had with your friend and colleague who was studying to be a monk and studying the Bible and looking at the Bible dictionary and where it says, you know, lists work. And then, also from a McKinsey consultant, so just completely different poles, but still arriving at a similar conclusion.

HUBERT Yep.

WHITNEY All right. Let's, talk about your career now, what you've done. Now, you've got this purpose in place and, and this mindset and this approach and this framework for how you're thinking about life. Your career is actually the stuff of legends. Your role as CEO of Best Buy, I think is a great example of that. You turn the business around, it was very much struggling. Can you talk us through one or two things that you did immediately as soon as you took the reins as CEO?

HUBERT So Whitney, the traditional manual for a turnaround is cut, cut, cut. In fact, a lot of analysts and, you know, people well intention was telling me you're going to need to close a number of stores and fire people and so forth, so like if people were the problem. So, we did the opposite, so we started with people. And so, one thing I did, the first week on the job I spent working in stores in St. Cloud, Minnesota and in Minneapolis, so that I could listen to the front liners, because I felt that they had, they would have the greatest insight in terms of what was going on and sure thing, I learned a ton.

So, for example, I learned about, you know, showrooming and how people were coming to the stores. And they were frustrating that sometimes the customers were leaving, you know, empty-handed because they felt they could find the product online cheaper. I learned that a search engine on the website was not working and they gave me an example - type in Cinderella and we found Nikon cameras. So, listening to the front liners, then focusing on building the right team. You know, we all know this in business, if you have the right team you can do wonders. And my approach to change management in a turnaround was to change management, that's what you had to do.

I get paid a lot to say these things. And the image of the leader who is the smartest person in the room and knows everything that's, I think that's was, may have been okay in the 20th century, but that's not the approach today. So, we worked together with the team to co-create the plan, didn't try to go for a perfect plan, because in the turnaround, I think the key thing is to get going and get some energy going.

So I have this image, which is the, or the bicycle theory. If you try to lead, to direct a bicycle at stand still, you just can't do that, if you fall, right? I mean, except you're really good. So if the bicycle is moving, if it's not moving exactly in the right direction, it doesn't matter, you course correct. So in eight weeks we created a plan that we presented to the investors and which we called Renew Blue and we got going.

And there was a number of principles, again, the opposite of what you do in a turnaround. And so, my turnaround manual is first you focus on increasing revenue. It's amazing what revenue can do to help in a turnaround as opposed to a shrinking company. And so that leads you, of course to take care of the customers, so we say to match online prices, making sure our prices were competitive, we invested in the online shopping experience, we now ship as far as Amazon. We're investing in the customer experience in the, in the stores.

We partnered with the world's foremost tech companies like, Samsung and Apple and Microsoft and Sony, they all invested in our stores, because they needed a place where to showcase the fruit of their billions of dollars of investments. And so all of this was contributing to the revenue growth and customer satisfaction. The second thing we did, so as relates to cost, we have taken \$2 billion of cost out as part of the turnaround.

But first focused, you first focus on what I call non-salary expenses, so all of the expenditures that have nothing to do with head count. And at most companies, people rarely see that, but it's the vast majority of the cost structure. Certainly at Best Buy, it was probably in the SGNA, while it was probably 70% of the, of the cost structure. And, in fact, non-salary expenses were about three quarters, probably of the \$2 billion of cost, we took out.

An example, you know, so we sell a lot of TVs, right? And as a result, we break a lot of them, because they're beautiful, they're big, but they're very thin now. And so we probably broke for about \$200 million of TVs every year, if you can imagine.

WHITNEY

Wow.

HUBERT

And so we had a project to reduce the TV junk out, working with the manufacturers on the design of the TVs, on the design of the packaging, on how to transport them, how to put them in the warehouse. We educated the customers on how to put them in their car if they wanted to take them themselves, how to install them and so forth. So that's a great saving, because who wants to buy a broken TV, right? No one.

So you help the customers and you save money at the same time. So the third thing is you go after compensation and benefits. Benefits are a big part of the cost structure, so let's think about the health benefits, right? So if you can work with the workforce to improve wellness, you know, people are going to be healthier and you're going to save on healthcare costs. And you only go after a head count as the force lever, if one, which is revenue plus two, which is non-salary expenses plus three, which is comp and ben is not sufficient.

And you end with that because people are rarely the problem. They're not just a resource, they're the source of what's going to take to move the business forward. So our plan was largely articulated around that and, you know, we turned the business around

and then we moved to, but that was later on a new phase of growth, which was purpose driven around, you know, which we call Building the New Blue around this idea of enriching lives with technology by addressing key human needs, so that was the beginning of the journey.

WHITNEY

Oh, I love that. And so, I'm thinking of, you know, you talk about people first in the meeting and when it comes to cutting costs, you let people go last.

And so it's revenue first, non-salary expenses second, then you've got comp and benefits, and then people are the last to go. And, and so interesting to think about all the different ways that you looked to drive revenue. And so now, I'm going to ask you the, what I think is an obvious question. Today, every company is in crisis and so what are your thoughts and just kind of riff on this for a moment. How are CEOs that you're talking to thinking about this crisis and how are you thinking about it? And how would you, if you were called to move into a new company today as a CEO and needed to go in, or how would you apply this methodology? And just how are you thinking about helping a company turnaround in this current situation?

HUBERT

Well, I think, like in the case of Best Buy, because there's a parallel between the Best Buy crisis of 2012 and the COVID crisis, right? Because in both cases it's the all you can eat menu of challenges, right? You have a health crisis, you have a human crisis, you have operational challenges. How do you operate in this environment? You have strategic challenges, because everything is changing, you have cash, financial challenges.

So in both cases, this is all you can, the all you can eat menu of challenges. So for me the same principles apply, and I call this leading with a sense of purpose and humanity, so start with people first, then go to customers and treat profits last. The way CEOs, and I'm so inspired by what I'm seeing around the country in terms of the, the CEOs and no CEO is defining their performance today on the basis of their ability to hit the guidance, right?

Or you know, how to maximize earnings per share. It starts with people. So, when this thing hit, it was all about the safety and wellness and wellbeing of the employees. And by the way, it's not just safety, it's all of the human needs. We, you know, people say you need to bring your whole self to work. Well, you know, now we work from home. So it's all intertwined on Zoom calls now. Have you noticed, right, we see kids, we see dogs.

And so this, the entire human being, so it's the safety needs, but also the need for transparency, the need for trust, the need for meaning, you know, the need for respect, the need for mental health. And so, companies have deployed extraordinary initiatives to take care of that. Of course, people have tried to delay, you know, following people as much as possible, they've increased the compensation of people on the front line, they made sure that people were safe. There's been ongoing communication, you know, with a lot of, I was to say TLC and a bunch of CEOs, they do, of course, video now allows you to do so many extraordinary things.

So people do office hours, they do happy hours, that means the employee in Shanghai or in Paris, you can actually see that, they can actually see you all the time, whereas you will only visit them in the past, you know, infrequently and so a lot of attention to people in the initial stage. I think that, you know, people see most CEOs see this in phases. So, there was the shelter in place phase, which we're coming towards the end of, then there's the reopening, and then there's going to be thinking through post-COVID.

So, if I move to reopening - lot of attention to, you know, being clear about our purpose, right? So at Best Buy, getting our purpose is to enrich lives through technology by addressing key human needs. Do people need technology these days? Of course, they

do. Home office - people are working from home. They're learning from home. They need to feed the family, so refrigerators. So we've been considered an essential business in most states and so we had to continue to operate. And so reviewing the processes to ensure we could continue to provide products and services to customers, while paying attention to safety of both employees and customers.

So Corie, my successor, who is an amazing leader, decided even though she could have kept the stores open in most states, she decided to close them, because she didn't feel that she could operate them safely. Went in three days to contact-less curbside pickup and thanks to all of the investments we had made together around our digital capabilities, she's declared, I think a month ago that we'd been able to keep at least 70% of the previous revenue. So a complete reinvention of the business.

Now that things are reopening, she's thinking of, she's re-opened 200 stores through appointments, which is actually a great experience because, you know, you're sure you're going to be able to deal with the kind of associate that you're looking to, maybe an appliance specialist. And from an economic standpoint, you know, hopefully if you take the time to make an appointment, that means you actually want to buy something.

And I think there is an idea that I think that can provide hope, because, you know, this is a very severe crisis. Companies are affected differently, but many companies are going to see demand shrink, some copies are going to disappear. And so we need at some point to focus on thinking about the strategy going forward. So it's a reset, not a restart.

And I think companies that think about their strategy going forward with a focus on their purpose. And you know, in your book around disrupting yourself, you talk about embracing constraints, so one of the new constraints is safety. But if you think about how to work around safety, I think this will lead to enormous innovation, so let me give you a few examples. I gave one already for Best Buy, but another one, Adobe, the software company. Every year, you know, in the old world they would gather about 15,000 of their customers and partners in Vegas for a big event.

Well, this year, of course they couldn't do it right?. And so they did it digitally. They were able to reach 80,000 people.

WHITNEY

Wow.

HUBERT

So think about the reach that this gives you.

WHITNEY

Right, right.

HUBERT

So think about it now with telemedicine, right? Telemedicine was its, in its infancy before the crisis. I think, the, the federal administration has removed a number of barriers. So the number of Telemedicine consultation has gone up by a factor of probably 100 if not more. So you can improve the customer experience, increase the reach, reinvent businesses completely.

There's a whole host of ways you can do this remotely and touch actually a much larger number of people. So I think that the advice is, think about your purpose, think about the constraint which is safety and innovate with the help of technology to greet more reach, a better customer experience, and a whole new business model.

WHITNEY

I think it's, I think it's interesting how we just keep coming back to purpose as our anchor and, and the reopening phase. Yes, you could be tactical, but I love what you said is. "Look no, you've got to focus on what your purpose is, because once you do that and

also you think about your people and the safety of your people, which you've mentioned is a top priority. Then, you can go to the business and then the profit will come, because you're going to be willing to innovate around your business model and you'll figure it out, because you're focused on, on purpose and people and then everything will fall from that." That's fantastic.

HUBERT

Thank you.

WHITNEY

All right. Question for you. What in your life has prepared you for now for what you are doing right now? I think it's interesting you're managing from the one or two conversations I've had with you; you are managing through this. Not to say it's not hard, not to say it's not tremendously difficult, but you're managing through. What are one or two events that you've had in your life or practices that you follow that are allowing you to remain in an upbeat, optimistic, realistic, but optimistic, we're going to get through this approach?

HUBERT

Oh, I must give credit to my wonderful coach, Marshall Goldsmith.

I, yeah, I think that in Marshall Goldsmith.

WHITNEY

Yay Marshall!

HUBERT

Yes, in his infomercials. I think I can be his before in his after picture. You know, what it, what I look like before Marshall and then now. What are some, the things that I've learned from, from Marshall that are really helpful? So, if I go back, I started to work with Marshall back in 2009. And, I grew up in, I went to business school, I was top of my class, I went to, worked with McKinsey. So, I really believe that being smart was really important, that's how you were successful.

And Marshall has written this wonderful book, *What Got You Here Won't Get You There*. And I think around page 25 or 30, he's got a list of the 20 quirks of successful people. Or Marshall only works for successful people too, right? Help them get better. And I had 13 out of the 20 quirks.

And a lot of them around wanting to be the smartest person in the room, adding too much value. And so, you know, I grew up in a world where the role, the leader was somebody really strong, like some kind of superhero, I'm going to say Superman, right? Because it was a male dominated world, that's going to have the answers, work with other smart people, create a strategy, ask other people to translate this into an implementation plan and in putting incentives in place and hope that good things happen.

And we all know now that the role of the leader is not to be the smartest person in the room, but to create an environment in which others can be successful. And that completely changes the mindset. And so amongst the implications, you know, is the role of the leader in creating energy, right? Because people look up to you and, and if you, if you degrade other people, if you're depressed, the entire organization is going to be depressed and it's going to be degrading other people.

So you have really to pay attention to how you lead, what kind of a leader you want to be. And so I've also learned that, I am not the product of my circumstances, but of my decision, I think it's Steve Kobe who said that. And so, I don't control the, the virus, right? I did not create it, I. There's a Latin phrase which is, *illegitimi non carborundum*, so I translate it right? So it is, don't let the bastards grind you down.

WHITNEY

Hmm.

HUBERT And so the virus is a bastard let's agree, right? It's devious, it's a, it's, it's a bad thing. But why should I give the power to the virus to decide how I feel? I get to decide how I feel. And so I get to decide every day that I can try to be the best version of myself and try to make a positive difference on people around me. So, you know, I grew up in France as we, as I mentioned. In France, you know, if I do a bit of a caricature, we've been pessimistic in France, since Voltaire and so a long time ago, two centuries ago. And one of things I love about this country is the Jeffersonian optimism and the pursuit of happiness.

WHITNEY Hmm.

HUBERT And even when the country is down, and this is not a perfect country, right? The, but we get, I'm so impressed Whitney, by how business leaders around me are trying to do the best they can to lead through this crisis, not criticizing others, not looking for excuses, right, "We love this leader. He's got the best excuses in the world. He's the world champion of excuses!" No, that's not who we want as a leader. We want people who feel they can make a difference in that lead with a, with the sense of purpose and, and humanity. So, I think a lot of what we've talked about in my journey around purpose. And then Marshall, I give him the credit, he helped me discover feet forward and focusing on trying to be better.

WHITNEY The question I'm wondering is, what did that intervention look like? Do you remember? Because you're saying, Marshall really came in and said, "Hey, Hubert, not the smartest guy in the room." Well, you may be, but you can't tell everyone you are.

 And do you remember that moment of intervention? What did that look like? What did that sound like? Because I think people are going to be really curious of what happened, because that's a pretty big, that's a 180, tell us a little bit more about that.

HUBERT Yeah, yeah, yeah, and before Marshall, if somebody had told me, "Uh, this guy is..." And I always say guy, because this is a man, this used to be a man dominated world. Fortunately, we've certainly at Best Buy we've been able to change that. But this person-

WHITNEY Yay.

HUBERT Yes, my successor is a woman. More than half of the board is, is women.

WHITNEY Yes.

HUBERT And if this person is working with a coach, I would have said, "What's wrong with them?" You know what, and what Marshall, so Marshall came in and it impressed me that he was working for a great leader, so I said, "Okay. That's cool." And then I realized, a hundred percent of the top 100 tennis players in the world, oh they have a coach, right?

 A hundred percent of the best football teams have a coach. In fact, every football team has a coach. And so, as business leaders, we should have a coach, all of us. And then of course in Marshall's approach, you know, so of course he does a 360, talks to everybody on your team and your board, tells you everything you're doing well, since send that to me as a separate document.

 And then, the next day, send a document with suggestions and he told me, "Look, you don't need to do anything about this, it's your decision, right? These people don't get to decide, and you may want to do nothing or you can decide to pick one, two or things that you want to get better at." And if you put it this way, who doesn't want to get better at something?

In tennis, I've been wanting to improve my forehand for the last 10 years, so I've been working with my coach John. And I think my forehand is now better. So, as a leader, there's always something I want to get better at. Now, which was painful with me was in the next step, which is when I had to sit down with my team and said, "All right. Thank you very much for all of the positive feedback. Based on what you've told me, I've decided to work on these three things, number one, number two, number three, sounds easy to do. Really hard.

And then I told them, "Look, I'm going to need help to work on these three things. So, I'm going to follow-up with each of you to ask you for advice on these three things. It was excruciating pain to do this, but I think if I reflect on all of this, I think, and it has an implication for this crisis. You know, again, if you have the model of the superhero, you know, I think if things don't work, you know, the model of the leader today, somebody much more human, much more vulnerable. And there's a question is how do you, how can you be like that, like the leaders that are leading our companies today?

I think it starts with taking care of yourself. So Hortense le Gentil, our common friend, has this image, so if you're on a plane, and you know, you hit turbulences, the steward or stewardess, the flight attendants tell you to put the mask on yourself first, before you can help others. And leaders in this crisis need to do this. They need to hit the pause button, reflect on who they are, what kind of a leader they want to be in this time of crisis, how do they want to be remembered? So hit the pause button and reflect on that.

You need to establish a daily routine to be able to meditate, you know, take care of your health physically, but also your mental and spiritual health. At the end of the day, maybe reflect on the day, ask yourself some daily questions, "Have I done my best to be this, this and that for, you know, the people that the employees, the customers and so forth?" And then, think about the next day and what, you know, what kind of day do you want to have tomorrow? Use all of your body parts, not use your left brain, right, but your heart, your soul, your guts, your whole person.

Make sure you have a good support system and that you're going to pace yourself, because this is going to be, so take care of yourself so that you can take care of others.

WHITNEY

Yeah, so good. And we're going to talk a little bit more about Hortense le Gentil. I can't pronounce her name as beautifully as you do, but we'll talk a little bit more about that in just a minute. One of the things I think is interesting as I'm listening to you talk is that, when you had this, let's call it intervention of here are all the things you bear that you're doing well and here are a few things that you could work on. But you get to choose, right? It's your choice.

HUBERT

Yep.

WHITNEY

You use the word excruciating and I think that, that's so fascinating and I wonder if a part of what's happening right now is because we are all addicted to being right. This is something that Judith Glaser said, who was our colleague and part of the Marshall Goldsmith 100 said, "We're addicted to being right." And so, when we hear about things that we could do differently, it is excruciatingly painful.

And I do think, and I, I'm curious about your thoughts is that at this point in time, because we're already in a lot of pain, that's excruciating and in many ways, there's this wonderful quote from Albert Camus, I think a fellow Frenchman who said, "In the depths of winter, I finally learned that within me there lay an invincible summer."

And I just wonder if part of the opportunity that we all have right now for this reset, for this reopening phase, if you will, not only of businesses, but of our lives, is to say, "Okay.

It is excruciating what is happening. But maybe it's more excruciating if I don't take this as an opportunity to change and to be different and to do things differently than I have in the past." Any quick thoughts on that?

HUBERT

Yeah, this is so essential. So, a mistake I made for a long time was to confuse performance and perfection.

And again, there's a story with one of the monks. So this monk Father Samuel once told me that, you know, the quest for perfection is evil.

Strong words. I said, what do you mean? Because I've been on that journey for a long time and say, "Well, you know, of course he's a religious man, right? He's a monk. And he says, "Well, the fallen angel, which is the devil, thought he could do it all himself." And in this case, clearly a he, right? Because only a he could think that.

And so, he says he leaves God and sets up his own business, because he doesn't need anybody else. And then, Samuel the monk said, "In contrast, Christ comes to touch us in our imperfections, in our vulnerability where we're the weakest."

And forget about if you're not Christian or religious, think about this and **Brené Brown** of course talks about this - if you're not able to be vulnerable, you cannot connect with other people. Love is about connecting vulnerabilities. If it's, you can admire somebody who is perfect, you cannot love somebody who is perfect. In order to be loved and love somebody, I think we all experience this, we need to accept our imperfections and not see the imperfections of others as a problem.

Because from a business standpoint, if you're really driven by perfection and you're working in a team, and of course on the team, you have human beings and these human beings, of course they're imperfect. So, all of a sudden they become an obstacle to perfection. But if you are not driven by perfection, but by doing great things together and the journey is as important as the outcome, then you get to know each other and by the way, none of us need to correct everything that's wrong in us. This is, you know, we're always going to be wrong.

So sometimes it's better to focus on, you know, growing the wonderful qualities you have and, and so have an expansive view of life as opposed to - we need to correct the imperfection. So, I think in this crisis, if we thought for a moment that we were controlling the world and that as a species, we were all powerful, ooh, do we have an awakening? And then we say, "Well, life is a mess. You know, and we don't control it." But that doesn't mean that we cannot be loving, that we cannot do amazing things for our fellow human beings and for each other.

WHITNEY

Hmm. So beautiful and the thought that just came to me the piecing together is that one of the reasons, and this is something I personally struggle with. I tend to want to go straight to the task at hand, not to the business and to the profits, not to the people. And yet, one of the things that you just said that really drew this out for me is that if we will talk about the people first, then we leave very little room for perfectionism.

HUBERT

Right. Yep, that's right.

WHITNEY

And so one of the reasons it's so important is to crowd perfectionism out of the room, because it's such an obstacle to anything that is productive or dare I say magical. So, thank you for making that connection for me.

HUBERT

Hmm. Thank you for giving me the opportunity to.

WHITNEY Okay. So, as we start to wrap up, so you in 2019 passed the baton as CEO of Best Buy, and in 2020 you are passing the baton as an executive chairman. One of the questions that I often get from people is how do I know what it's time for me to jump to a new S curve when I'm at the top of that curve and it's time to jump? How do I know? Can you just share with us some thoughts, like, you know, reflections on how did you know it was time to pass the baton?

HUBERT And, I must say Whitney, very, very proud of how we've managed the succession at Best Buy. Because in many ways, the way to evaluate, you know, your impact is in what stage you leave the organization and how well it's going to do after you're gone. And the transition to Corie Barry has just been spectacular, she's such an amazing leader. So, the story is that, you know, in the second half of 2018, I started to spend more time on this question of when would be the right time.

And I felt it was the right time. I reached that conclusion, you know, gradually between the end of 2018 and the beginning of 2019. Number one, I felt I had accomplished quite a bit of what I had set to accomplish when I joined the company in 2012. Second, I felt that the team that I put in place, you know, they were doing amazing and I was really impressed by them. And so I felt that you know, that they could take it to the next level. The other thing that was more tactical is that we had, I've said that in this, in the fall of 2019, we would do an investor meeting to update the investors on our strategy and lay out the next, you know, phase.

And I felt that the people who should be standing in front of the investors should be the people responsible for carrying out the strategy, going forward. And altogether, I was content with what I had accomplished. I had been the CEO for maybe 15 to 20 years of different companies. I had become a grandfather, so really a combination of things. It felt ready and it's, again, using all of your body parts, right? So your brain, you know, your heart, your soul, your body, you have to listen to your body.

These are not full-time jobs, these are all the time jobs and being a CEO for 15 or 20 years, yes, it's pretty demanding.

And so, we had worked extensively on succession planning and executive development and I felt that, you know, as a board we had good options with a good solution. And, and so that made me feel comfortable that we could do it and pass the baton to the next generation.

WHITNEY Mm. So good.

HUBERT The other thing, the other thing, we would add is that I also felt very excited about the next chapter you have, because you have something to look forward to. And so, I feel that the next 10 to 20 years are going to be very exciting. I have a ton of things I want to do. I think I can make a difference in a different way, but that was very important as well.

WHITNEY Okay. And we want to talk about that in just a second. So basically, you'd gotten to the point where you'd accomplish, you had this S curve and you're like, "Here's what I want to get done." You got to the top of the S curve. You also had people that were coming along that S curve, you wanted to give them the opportunity and you had something to jump to, which was, let's talk about that. What is next? Where can people find you if they want to further engage? Just tell us about what this new S curve is, is looking like for you.

HUBERT So it's very exciting, so my purpose doesn't change. My purpose is to try to make a positive difference on people around me and use the platform I have to make a positive difference in the world. And, specifically for this next phase, I feel that I can add my

voice and my energy to what I feel is a necessary and timely re-foundation of business and capitalism around purpose and humanity. And I can do this in a variety of ways.

I'm writing a book which is going to be called *The Heart of Business*, where we've done 13 out of the 15 chapters. It's going to come out early next year. I'm joining the faculty at Harvard Business School and then, I'm on a number of boards. And finally, I want to, you know, it's about giving back, so it's helping others, helping other teams, executives, you know, get the benefit maybe of some of the things I've learned.

So, you know, I can do this. Go to books who teaching through boards and who mentoring and coaching and together with Hortense le Gentil we're experimenting a dual approach to coaching, combining our skills around the person and, you know, inside, who you are, your true self and connecting it to the leader you're meant to be, in my business background and passion for purpose and humility. So, we're trying to create some good in the world.

WHITNEY Oh, so exciting. So, I guess, if people want to find out more about you, do they go to a website Hubert Joly, like what's the best place for you for people to go?

HUBERT Yes, [LinkedIn](#) is a good place.

WHITNEY [LinkedIn](#). Okay.

Okay. Awesome. Okay, so, this brings me to everyone, you are about to get so excited. So, here's what's going to happen, we are going to be doing something very special. So if you have a something that you would like to understand, to know help on, if you will submit a question to wj@whitneyjohnson.com we're going to select up to three people for a 15 to 20 minute conversation where we - so Hubert, myself, two exceptional executive coaches including Hortense le Gentil and my business partner, Amy Humble, we are going to troubleshoot with you around a business challenge. Isn't that amazing?

So, the four of us are going to collectively troubleshoot with you around a business challenge. And all you have to do to be eligible is to include a question, something that you're trying to figure out, something you're grappling with, send it to wj@whitneyjohnson.com, we will select three of you. And, this episode is going to be airing on May 26, and so the entries for us doing this with you, will close on June 2nd.

It is going to be so much fun and we can't wait to have this conversation with you all. Okay. So, Hubert, as we wrap up, anything you want to say on that or any final thoughts that you would like to share with our listeners?

HUBERT I very much look forward to this opportunity and the final thoughts is, you know, again, take care of yourself before you take care of others around you. And then think about this next phase in this crisis as in the opportunity to reset versus just restart and disrupt yourself, disrupt your business. I think this idea that you have in your book of embracing constraints and reinventing your business around purpose and safety, I think is a very promising, very exciting idea.

WHITNEY Hubert, thank you so much for joining us, it has been an absolute treat.

HUBERT Thank you Whitney.

What a delight to hear from such an accomplished heart-centered leader. Hubert is a talented storyteller, fun and inspiring.

As you heard in the interview, I had a number of takeaways real-time. First, around keeping my task-focused approach at bay and focusing on people first. That's not my nature, and it will continue to take a conscious effort. But when I make the effort, I've seen the fruits of that.

I also loved Hubert's discussion of work and what he learned as he studied in the Bible and with his friends who are monks. When we can plant our feet in who we are and what we believe and then draw the biggest circle possible, one that can include knowledge and information, from as many sources we can put our hands on, we will climb our S Curve as a leader faster.

Following the interview, our engineer and interview producer Melissa Ruty shared a reflection she'd had when Hubert talked about being the smartest person in the room. Years ago, she'd heard a sermon from pastor Andy Stanley where he shared that the greatest measure of maturity is what we do with authority and power when it is given to us. As in - what do you do when you discover you are the most powerful person in the room? Stanley tells the story of King David to show us what not to do, but then he talks about the last week of life of Jesus. When gathered with his disciples, Jesus was the most powerful one in the room, and what did he do? He washed their feet.

We'll link to the [video in the show notes](#) with some timestamps in case you don't have time to watch the entire lesson, but I wanted to share this powerful segment from the end:

What do you do when you are the King?

What do you do when you are the most powerful and influential person in the room?

What do you do when you have got the whole world in your hands?

John says He (Jesus) got up, put a towel around his waist and washed the disciple's feet.

When you're the most powerful person in the relationship, you leverage your power for the people you are in relationship with. Whether they're in your family, on your team.

So powerful.

Reminder that if there is something that Hubert, Hortense, Amy and I can do to be of help to you with a business challenge, please email wj@whitneyjohnson.com by June 2 and give us an idea of what you would like help with in that email. We'll choose three people to have a 15-minute conversation within the hopes that we can be of service to you.

Thank you again to Hubert Joly for being our guest, thank you to sound engineer Whitney Jobe, producer Melissa Ruty, managers Sarah Duran and Macy Robison, content contributors Virginia Kivlighan, Jennifer Richardson, and Nancy Wilson.

I'm Whitney Johnson

And this is Disrupt Yourself.