

# Defining Leadership

## An Interview with Wilbur Ross

**EDITORS' NOTE** Wilbur L. Ross, Jr. was sworn in by Vice President Mike Pence as the 39th Secretary of Commerce on February 28, 2017. Secretary Ross was the principal voice of business in the Trump Administration. Ross is the former Chairman and Chief Strategy Officer of WL Ross & Co. LLC and has over 55 years of investment banking and private equity experience. He has restructured over \$400 billion of assets in the airline, apparel, auto parts, banking, beverage, chemical,



Wilbur Ross

credit card, electric utility, food service, furniture, gypsum, homebuilding, insurance, marine transport, mortgage origination and servicing, oil and gas, railcar manufacturing and leasing, real estate, restaurant, shipyard, steel, textile and trucking industries. He has been chairman or lead director of more than 100 companies operating in more than 20 different countries. Named by Bloomberg Markets as one of the 50 most influential people in global finance, Ross is the only person elected to both the Private Equity Hall of Fame and the Turnaround Management Hall of Fame. He previously served as privatization adviser to New York City Mayor Rudy Giuliani and was appointed by President Bill Clinton to the board of the U.S.-Russia Investment Fund. President Kim Dae-jung awarded Secretary Ross a medal for helping South Korea during its financial crisis and, in November

2014, the Emperor of Japan awarded him the Order of the Rising Sun, Gold and Silver Star. As a philanthropist, Ross has served as Chairman of the Japan Society, Trustee of the Brookings Institution and Chairman of its Economic Studies Council, International Counsel Member of the Musée des Arts Décoratifs in Paris, Trustee of the Blenheim Foundation, President of the American Friends of the Rene Magritte Museum in Brussels, and Director of the Palm Beach Civic Association. He also was an Advisory Board Member of

Yale University School of Management. Ross is a graduate of Yale University and Harvard Business School (with distinction).

### What have been the keys to your success in business?

A willingness to take calculated risks; thinking outside of the box; resilience when faced with setbacks; constant, detailed research; and expending as much effort as may be needed to achieve objectives.

### Did you always know that you had an entrepreneurial spirit and desire to build your own company?

Investment banking and private equity are entrepreneurial activities, but I became a late-blooming, full-time entrepreneur at age 63 when I bought from Rothschild the private equity business I had started for them.

### What interested you in serving in government as Secretary of Commerce?

It is the most complex conglomerate in the federal government with its role in trade policy, making economic development grants, operating 17 space satellites and more than 200 domestic and 73 foreign offices, and running the Patent and Trademark Bureau. In my case, it also required having to hire and equip 400,000 part-time census takers during the pandemic, overseeing all of our offshore fisheries, managing the National Institute of Standards & Technology, the Minority Development Agency, the administration of certain disaster recovery relief funds, the National Travel and Tourist Agency and the National Weather Service, and acting as the President's telecom policy advisor. It is widely viewed as the voice of business in the government and originates 40 percent of all of the economic statistical data issued by the U.S. Government.

### What do you feel are the characteristics for effective leadership and how do you approach your management style?

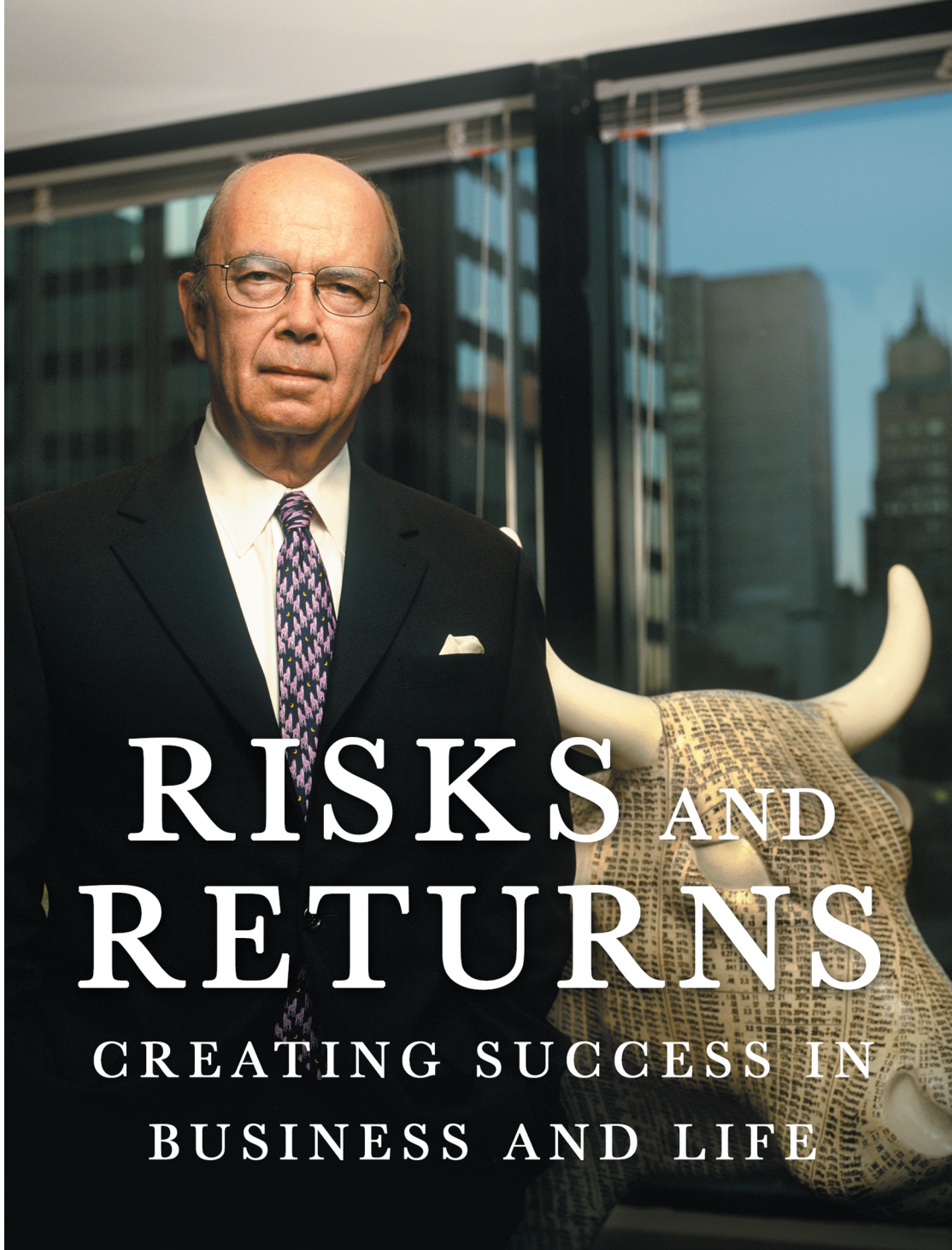
Leaders delegate authority but retain ultimate responsibility and coach immediate subordinates so they can ultimately replace the present leadership. This involves publicly crediting them for their successes and only privately discussing their missteps so that they don't repeat them. Leaders must give subordinates increasingly important tasks as they perform earlier initial ones well. Assignments and the

**“Leaders delegate authority but retain ultimate responsibility and coach immediate subordinates so they can ultimately replace the present leadership. This involves publicly crediting them for their successes and only privately discussing their missteps so that they don’t repeat them.”**



# WILBUR ROSS

FORMER US SECRETARY OF COMMERCE



## RISKS AND RETURNS

CREATING SUCCESS IN BUSINESS AND LIFE

related deadlines must push your subordinates but should be just within reach if they apply themselves. The hardest thing to get over is that you could probably do their jobs better than they can, but your real task is developing them to the point where they can do your job better than you can. That defines successful leadership. If you don't make yourself obsolete, you have not done your job properly. Notwithstanding my definition of leadership, I am very hands-on and detail-oriented. I believe that the

only dumb question is the one you failed to ask. I also believe in detailed quantification of everything – “if you don't measure it, you can't manage it” is my mantra.

**You are heavily involved in philanthropic work and support many causes. How do you approach your philanthropy and decide where to focus your efforts?**

My approach has two elements: small amounts, such as buying tables at or co-chairing benefits which is mostly a function of who asks.

Just about every charity has some appealing aspects, but I don't have enough money to fund everyone, so the key is whether the request comes from a close business or social relationship, especially if he or she responds to my charitable requests; more substantial amounts depend on the extent of direct structural involvement by me or my wife.

**What interested you in writing the book, *Risks and Returns: Creating Success in Business and Life*, and what are the key messages you wanted to convey in the book?**

The sale of my business and the end of my government service gave me time to reflect on my prior life. Lots of interesting anecdotes popped up, many of which contained messages that could be useful to others at various stages in their evolution or suggest public policy changes that could benefit everyone, so I started to write them down. I had created some 260 pages of individual squibs when Ian Hyland, an Irish publisher I knew from turning around the Bank of Ireland, offered to publish a book if I did one. As a sanity check, I submitted a fairly final draft to a group of my peers, asking them to consider whether they liked it well enough to provide a written review that we could put on the cover. I knew they would only agree to a public endorsement if they thought it had real merit. What I did not tell them was that if they were not willing to stand behind it, I planned to scrap the whole project – no one declined. Steve Schwarzman, Ken Griffen, John Paulson, Bret Baier, Larry Kudlow, Leonard Lauder, Deborah Norville, Thomas Peterffy, and Richard LeFrak each wrote enthusiastic reviews. That made the dozens of prior revisions seem worthwhile. Now, I pray that the broader public will find the book interesting and useful. If so, it will fulfill my long-discarded college-age dream of becoming a writer. Yale's very strict Daily Themes course had used up all my material in two weeks, thereby saving me from a life of poverty.

**What advice do you offer to young people beginning their careers?**

The only one who can hold you back is yourself, so get out of the safe room and reach out every day for a new opportunity. Stop whining about your dumb boss or how boring the work is. Focus on how you can improve yourself and ignore distractions from that goal. Make yourself indispensable to your boss by always being there and always being prepared, but don't act like you think you are indispensable. Indispensability is not a self-bestowed accolade. In short, don't settle for doing just enough to keep your job which is such a loser's mentality and simply guarantees that you will never succeed in your career or in life. Yes, this will mean you occasionally will have to postpone self-gratification, but so what? Society does not owe you success just because you exist. Most people probably will not fully accept this advice and that will make it easier for you to succeed. Remember Rudyard Kipling's saying, “In the kingdom of the blind, the one-eyed man is the king.” ●