This session from the 2017 CFA Institute Annual Conference covers:
• Proven strategies that will help you maximize your success in your current position or your dream position
• The importance of perceptions in the workplace as well as the key relationships that you must have in order to ensure your success
• The power of authenticity and the role it plays in powerful leadership

VERONICA DAGHER: Good morning and thanks John. So, as John mentioned, if you've had the pleasure of seeing Carla Harris speak before, you know we're in for a real treat. She's full of energy, enthusiasm, and plenty of inspiration. You can check out her full bio online, so I'm going to just tell you a little bit about her.

Carla Harris is a vice chairman, wealth management, managing director, and senior client advisor at Morgan Stanley. She was appointed by President Barack Obama to chair the National Women's Business Council and was named by fortune as one of the 50 Most Powerful Black Executives in corporate America. She is the author of Strategize to Win and Expect to Win. She holds seven honorary doctorates and an MBA from Harvard Business School. I’d like to welcome Carla Harris.

[MUSIC PLAYING]

CARLA HARRIS: Well, good morning [INAUDIBLE] CFA Institute! Good morning! It is sincerely a privilege and an honor to be here, and I thank my good friends Julie and Laura for inviting me here. Because as they know, ladies and gentlemen, there are few things that I enjoy more than talking about what I like to call Carla’s pearls, my — [CLEAR THROAT] hard
earned and hard learned — pearls, after being a woman on Wall Street for almost 30 years. Yeah, that’s an amen, ya’ll, uh-huh.

I dare say that I have learned a few things about not only surviving, but more importantly, thriving in the seat that you sit in, or the seat that you aspire to sit in, and that’s what the pearls are all about. As you heard, I have had the privilege of writing two books, Expect to Win and Strategize to Win. And especially since Expect to Win has been out since 2009, I’ve now traveled all over the world talking about the pearls. And over and over and over, people ask me why did you write that book? Why are you so honest about everything that happened in your career? And I will tell you why.

When I walked out of the lauded halls of Harvard Undergrad and Harvard Business School, I embraced this whole concept of a meritocracy, especially in financial services. Success was merely a function of how smart you were and how hard you worked, yet when I started out my career, it didn’t quite work out that way. You see, I thought I was pretty smart— magna cum laude, Harvard Undergrad, second-year honors Harvard Business School — pretty smart, huh? I’m from the South, so I knew there were very few of those boys in the Northeast that could outwork me, yet that combination did not equal maximizing my success.

So, I had to ask myself, what is missing in this success equation? And being the anal person that I am, I went to the dictionary and I looked up the word meritocracy. And I don’t care whose dictionary you go to, if you look up the word meritocracy, you will see the word objective somewhere in that definition. Yet in all of our evaluative equations, there is a human element, and if there is a human element, by definition, it is subjective. It cannot be 100% meritocratic. So, what are some of those other things that really inform your success equation? And that’s really what the pearls are all about.

Now ladies and gentlemen, you’ve heard that I’ve been on the Street for almost three decades, so yes I am a seasoned — not old, seasoned — deal-making gal. So, I’d like to make a deal with you this morning. I will agree to tell you exactly how it is, if you will agree to ask me anything that’s on your mind when we get to Q&A. Do we have a deal? OK, let’s get started.

Two of the pearls that I’d like to leave you with are found in Strategize to Win. It’s this whole concept of currency. There are two types of currency in any environment: performance currency and relationship currency. But I want you to think to yourself that a dollar is not a dollar is not a dollar.

Performance currency is the currency that is generated by your delivering that which was asked of you, and a little bit extra. Every time that you deliver on an assignment above expectations, you will generate performance currency. It works just like the stock market. Any time a company says to the Street that they will deliver $0.25 a share in that quarter and that company delivers $0.40 a share, that stock goes up. Every single time. And so will yours.
Performance currency is valuable for three reasons. Number one, early on in your career and early on in any new environment, it will get you noticed and create a reputation for you. Number two, early on in your career and early on in any new environment, it will get you paid and promoted. And number three, it may even attract the sponsor. And as many of you know, the sponsor is the most important relationship in your career.

A mentor is a nice to have. A mentor is the person that you can tell the good, the bad, and the ugly to. So by definition, it has to be somebody that knows you very well, and it has to be someone that you trust. You never choose someone as a mentor because you perceive that they have been successful for a number of years. Because if they don’t know you very well, they cannot be a great mentor to you. They can be an outstanding advisor — and oh yes, an advisory relationship can mature into a mentoring relationship — but a mentor’s job is to give you tailored advice. Tailored specifically to you and to your career aspirations.

So, if I know Mary and I know Helen, and they both want to become executive vice presidents and I’m a good mentor, I would give them two different strategies because they are two different women, and my job is to give them tailored advice that they can successfully execute. Your mentor does not need to be within your organization, nor do they need to look like you, but they must understand your context. And frankly, you can survive a very long time in your career without a mentor, but you will not ascend in any organization without a sponsor.

The sponsor is indeed the most important relationship that you can have in your professional life. And as I just said, the mentor is the person you tell the good, the bad, and the ugly to; the sponsor is not the person you tell the good, the bad, the ugly to. The sponsor is the person you tell the good, the good, and the good. Because this is the person that is carrying your paper into the room. This is the person that behind closed doors, will argue passionately on your behalf as to why you should get the great bonus. Why you should get the promotion, why you should get that next grade assignment. Make no mistake, the sponsor is the person that is spending their valuable political and social capital on you. So, there needs to be a very good reason why this person is spending their valuable political and social capital on you. And you need to be able to articulate why you are worthy of spending this capital on you, and if you cannot articulate why you are worthy, I tell you to retreat from looking for a sponsor until you can articulate your own value proposition.

So, if you have good performance currency in any environment, it raises your level of visibility in that environment such that a sponsor may be attracted to you. And frankly, that’s nirvana, when any of us go into any environment and someone says, “Frank I’m going to make it happen for you. Nancy, don’t worry about it, I’m going to make sure that you get there.” That’s nirvana, but that doesn’t often happen for all of us. So, if you have good performance currency, it raises your level of visibility such that when you exercise your power to ask someone to be a sponsor for you, it heightens the probability that that person will say yes. Because after all, everybody loves a star.
So, good performance currency helps that conversation, but here’s the issue, ladies and gentlemen, with performance currency. Over time, performance currency starts to experience diminishing marginal returns. Early on, that buck is worth about a buck fifty. But over time, that buck fifty works its way right back down to a dollar. Why? Because now you have created a new standard of excellence. Everybody knows that you will deliver. Everybody expects that you will do a great job. So, there’s no longer any premium associated with your deliverables. The currency that now becomes most important is the relationship currency, and relationship currency is worth about two twenty-five, and it never experiences any diminishing marginal returns.

Relationship currency is the currency that is generated by the investment that you make in the people in your environment — the investments that you make in the people in your environment. None of us work in a silo any more. We’re all working in highly interdependent environments. So, at a minimum, you must have a relationship with every seat that touches your seat. If the only person that knows that you’re doing an outstanding job is your boss, then your ability to ascend is going to be vulnerable. Why? Because that person may leave the organization, they may lose their seat at the decision-making table, or they may lose their juice. So, it’s your job to make sure as many people as possible in the organization is aware of your outside contribution.

So often, I hear people say, “Well, I’m not quite sure why my career is not moving and why I’m not ascending. I do an outstanding job, I just keep my head down, I work really hard. I don’t engage in all those relationships, or all those politics, I just let my work speak for me.” But guess what, the work does not speak. You must put your work in context. And the only way that you can put your work in context is through the relationships that you have in that environment. And again, often people say to me, “Well Carla, it’s so difficult to build relationships in my professional environment.” And I will humbly submit to you that it is no more difficult to build relationships in your professional environment than it is in your personal life. It is simply frequency of touch. Frequency of touch.

If you think about the person that you’re close to in your personal life, perhaps it’s someone from college. Think about how you got close to that person. Maybe you stood in the registration line together, or maybe you were both Econ majors and you said I’m going to be late for class, save me a seat. Or, are you going to the keg party this weekend, let’s walk over together. Let’s get a group to go to the football game. Frequency of touch. And when you are trying to build a relationship, particularly with a client, let alone with people within your environment, the easiest way to do that is to communicate that you are listening. That you are listening to that person. Why? Because everybody values being heard. Everybody values being heard. So when you say, oh did I hear you to say X? Did I understand you say Y? Let me repeat what I think I heard you say. The person is naturally thinking, “Wow he was listening. Oh she heard me.” And you have naturally created currency in that exchange that you can use to start to build that relationship.

And here’s why relationship currency is so important. Your ability to ascend in any environment, ladies and gentlemen, will be a function of somebody’s judgment. Judgment about whether or
not you're ready. Judgment about whether or not the team will follow you. And judgment about whether or not you will ultimately be successful. And ladies and gentlemen, judgments are directly influenced by relationships.

Let me prove it to you. Everybody in this room has power. Hard earned, personal, influential currency. But I ask you, ladies and gentlemen, how many people in this room will use their hard-earned, personal, influential currency on somebody that they do not know? Mm-hmm, exactly. So, remind yourself that your inability to ascend will rarely, if ever, be a function of whether or not somebody likes you, but it absolutely will be a function of whether or not somebody knows you. Your performance currency may get your name on the short list that is being discussed behind closed doors. But when your name is called, if there isn’t anybody in the room that will speak on your behalf, they simply go to the next name. And it has absolutely nothing to do with your ability to do the job, but everything to do with whether or not someone feels like they know you well enough to speak on your behalf, and give you a shot at that opportunity. So, relationship currency is the most valuable currency.

So, when you find yourself working, working, working, and you’re not investing enough in the relationships, or if you feel like you are stuck in your environment, that should be your red flag that perhaps you have not invested enough in the relationships and your environment. Because the performance currency gives you the opportunity to move, but it is the relationship currency that truly creates the mobility, inside or outside of the organization.

And now, I’d like to give you a few pearls around powerful, impactful, influential leadership. Because I believe strongly that you can lead from any seat. You can lead from any seat. Oh, it’s nice to have the title, but at the end of the day, you can lead from any seat. And I’ve had the privilege of taking hundreds of companies public, so I’ve had an opportunity to witness firsthand powerful, impactful, influential leadership and not so much. So, I have formed my own view around what I think powerful, impactful, influential leadership looks like in the 21st century.

And it’s all around the letters in the word “leader.” The L stands for leverage. Powerful, impactful, influential leaders understand that there is no monopoly on intelligence. You won’t always have the best idea, you won’t always have the right idea, but somebody on your team has the intellect, the experience, or the access to the relationships that will allow the team to successfully prosecute whatever endeavor might be in front of you. But if you’re a powerful, impactful, influential leader, you will create an environment where those who are working with you — notice I said with and not for — those who are working with you, want to contribute the outsized idea. They want you to want to give you that out-of-the-box thought because they know that they will get the “Atta boy” or the “Atta girl” for their contribution. And they know will be no retribution for making a mistake.

If people who are working with you feel that there will be retribution for a mistake, they’ll never give you the outsized idea, and that will negatively accrue to your leadership status. But if they
know that they can give you those ideas, you want those ideas, you will solicit their voices, they will give you those ideas that will allow your team to lead in any environment. And that will positively accrue to your leadership status in that environment.

The E — the first E stands for efficiency. Powerful, impactful, influential leaders are very clear about what success looks like for the team. If you are not clear about what success looks like, you create a tremendous amount of frustration on the food chain. You're unhappy because you can and should get more from your team, and you don’t understand what you need to do in order to do that. They're unhappy because they know you're not happy and they don't know what it takes to get you to happy. So, there's frustration on the team, which again, will negatively accrue to your leadership status. Even if you are operating in an environment where it is unclear what the future looks like, it is still your job as a powerful leader to define success, even for a short period of time. For the day, for the week, for the month, for the quarter, let alone the year. And don't be so afraid of making a mistake that you're not clear about what success looks like. Because obviously, every experience that we have gives us one of two things, the lesson or the blessing. Either you get that thing you will going for, or now you know how to do it differently — and both are valuable.

So, as the leader, it’s your job to define what success looks like. And oh by the way, you will fundamentally tap into that human thing that we all have, and that is a need to excel. When people know what they are playing for, they are naturally motivated to outperform. But when they don’t know what they're playing for, people tend to retreat. And that lack of productivity will negatively impact your overall team. So your job as a powerful leader: Define what success looks like.

The A — the A stands for authenticity. And I feel strongly that your authenticity is at the heart of your power, and it is at the heart of powerful, impactful, influential leadership. Your authenticity is your distinct, competitive advantage. Because nobody can be you the way that you can be you. And the day that you got your current opportunity, somebody else didn’t get the job. Because you were the best person for the job. So, the last thing that any of us should ever do is to submerge that which is uniquely you. Any time that you are trying to speak or behave in a way that is inauthentic to who you really are, you will create a competitive disadvantage. Because you’re using valuable intellectual capacity that you could use to really hear what your client is saying. Valuable intellectual capacity that you could use to demonstrate that quick-twitch response. Valuable intellectual capacity that you could use to co-create with that person on the other side of that table. As quiet as it’s kept, ladies and gentlemen, most people are not comfortable in their own skin. So when they see someone who is comfortable and confident in their own skin, they will gravitate towards you. They absolutely want some of that. If your success, like mine, depends upon your ability to successfully penetrate relationships, the easiest way to penetrate a relationship is to bring your authentic self to the table. When you bring your authentic self to the table, people will trust you. And trust is at the heart of any successful relationship.

This was indeed an interesting lesson for me to learn. As you heard from Veronica, I am a singer. I've done three CDs, five sold-out concerts at Carnegie Hall, but when I first started in this business, I
didn’t want anybody to talk about the fact that I was a singer. I wanted to be known as a no-nonsense, hard-driving, analytical quantitative investment banker. I’m not here to sing and dance, boys, let’s not get it twisted. Didn’t want anybody to talk about that until I saw the client reaction. My colleagues would often take me into a pitch and say, “Oh this is Carla Harris, our capital markets banker. But what you really ought to know about Carla, she’s an amazing gospel singer. She does CDs, she sang at Carnegie Hall, Radio City, Lincoln Center.” And there I am, rolling my eyes until I saw the client reaction. “Oh, you’re a singer. Oh I so admire people who can sing. and I personally love to sing, but my family will only let me sing in the shower. And maybe you could talk to my daughter about how she integrates her love of the arts in her academics.” And there we were, having a 15-minute meeting, before the meeting. Are you with me, CFA? The meeting before the meeting.

So, when I sat down to pitch, they heard me with a different ear. They saw me through a different lens. Because Carla Harris the singer was allowed to be in the room with Carla Harris the banker, I naturally differentiated myself from the other five bankers that would come in there and pitch that same IPO that afternoon. So now, whenever I go into a new situation, oh I bring Carla Harris, investment banker. I bring Carla Harris, the prayer warrior. I bring Carla Harris, investment manager. I bring Carla Harris, the singer, Carla Harris, the writer, Carla Harris, the speaker, Carla Harris, the golfer, Carla Harris, the football fan — I bring all those Carlas to the table. Because I don’t know which Carla will be the one that will connect and allow me to own that relationship in a proprietary way.

Ladies and gentlemen, your authenticity is at the heart of your power, and if you are in the leadership seat, it is imperative that you bring your authentic self to the table. Why? Because you will then motivate and inspire those who are working with you to bring their authentic selves to the table. And any time any of us is in an environment where we can be who we really are, we will always outperform. And that will accrue to your leadership status in that seat.

The D — the D stands for being decisive and it stands for diversity. I had the great fortune of hearing Meg Whitman speak when she was CEO of eBay, and she said something that I will never forget. And that was, “The price of inaction is greater than the cost of making a mistake.” Even when you are in an environment where you do not have all the data, you must be decisive. Yes, you must gather data. Yes, you must solicit opinions. But at the end of the day, you must be decisive. If your team feels that you will never make a decision, then again, you will inspire a lack of productivity that will negatively impact your leadership status. Oh, he has to talk to another five people. Oh, she’s got to do some more — don’t bother doing that, just wait and see what happens. And that lack of productivity will hurt your team. So no matter what, you must make a decision. Even in the face of making a mistake. Just take a page out of the technology industries book, fail fast. If you’re going to fail, fail fast. Take the lesson and move on. Let it inform the next success.

And oh and diversity. By the way, we are all competing, in some way, around innovation. And if you are competing around innovation — because frankly, I can’t think of any industry where
innovation is not the dominant competitive parameter — if you are competing around innovation, you need a lot of different ideas in the room, because innovation is born from ideas. If you need a lot of ideas in the room, you need a lot of perspectives in the room. Because frankly, ideas are born from perspectives. If you need a lot of perspectives in the room, you have to have a lot of experiences in the room. Because perspectives are born from experiences, and if you need a lot of experiences in the room, you must start with a lot of different people in the room. Because experiences are born from people.

So, to get to that one idea that will allow you to obtain and retain a leadership position for your team or your firm, you must start with a lot of different people in the room. You must make sure that you have diverse teams.

The other E stands for being engaged. If you’re a powerful, impactful, influential leader, you must engage with your people. Sure, a “my way or the highway” type leadership style might get you to the leadership seat, but it will truncate your one way because you are managing by fear. And when you are managing with fear, people will only give you the job description. And I don’t know about you, but as a leader, I want the outsized contribution, I want the extra. I don’t want just the job description.

And oh, by the way, if you are managing or you are trying to attract and retain Millennials, you must engage. Because they have had a high degree of engagement their entire lives. They expect that engagement. If you are an ivory tower leader and you are not speaking to them, you will certainly lose your best Millennial talent. Because when someone comes to recruit them, they’re going to be very transparent about the job, very transparent about the description, very transparent about the money, and very transparent about the path and the trajectory. And if you are operating in an environment of obscurity, that obscurity will never compete with that transparency. So, you must be transparent and you must engage.

And oh by the way, those of you who are men who are managing women, the way to retain your high-potential women is also engagement. Because let me let you in on the secret, gentlemen, when a woman decides to leave an organization, it is only after she has had an extended conversation between her left ear and her right ear. And once she has made the decision to go, there is nothing you can do to turn her around. Yes, ladies, yes? Can I get an amen? So, if you don’t want that to happen in your environment, you must engage. How did she like that last assignment? What is she interested in doing? What’s the stretch assignment? How did she like working with Tom? No, he wasn’t a good guy? OK, you won’t work with him anymore. But you must engage, don’t let it get to the conversation where she approaches you first.

And 21st-century leadership demands that you have a high degree of engagement. It is clear that’s not how we were managed as Boomers. We were told keep your head down, work really hard; if you don’t get fired, you know you’re doing OK. But that won’t work with the Millennials, they expect the feedback, so we can’t expect them to be OK with the way that we manage. We must
change who we are as managers and leaders if we’d like to retain them, and be the organization that is the preferred organization for the best talent to work in.

And then finally, the R. If you’re a powerful, impactful, influential leader, you must be comfortable taking risks. You must be comfortable taking risks. Fifteen years ago, you could create a competitive differential for yourself if you had information that other people didn’t have. But today, information is a commodity. So, the way that you differentiate yourself in any environment is to show that you’re comfortable taking risks because it says to the marketplace that you are comfortable with change. And change is one guarantee that you will have in your personal and your professional lives. But interestingly enough, as I traveled around, especially during the financial services crisis, all I heard from people was oh, don’t take any risks, don’t take any risks. You know, just keep your head down, don’t rock the boat. You know we’re having another restructuring, we’re having our third reduction enforced, just keep your head down.

Well, CFA Institute, I’m here to tell you that keeping your head down will not keep you from getting shot. So, as I like to say, you might as well keep your head up so you can see the bullet coming. No, I say that in jest. Because what I’m really trying to tell you is that whenever we are in a tough economic environment, or especially when we are in uncertain environments, it’s never the time to keep your head down. Because the issue with keeping your head down is that you submerge your voice. And when you submerge your voice you become irrelevant. And when you become irrelevant, you put a big target on the front, and a big target on the back. It’s especially during those times when you should say, “Oh I know that we’re trying to preserve our margins, I got a couple of thoughts about that.” “I know we’re trying to cut costs, three ideas about that.” “I know we now have two people doing the same job that eight people were doing, that sounds like a process redesign. I’d like to take that on.” Translation to management, wow, she’s not worried about the layoffs. He’s not worried about losing his job. She’s trying to put points on the board. He’s trying to move the ball down the field. He, she, is a keeper.

And remember, whenever we are in an environment and everybody else is besieged with fear, and everybody else is ducking, you have clear vision. You have clear vision to see the opportunities. It’s exactly those times when you can markedly accelerate your success at work. And especially when there is change, ladies and gentlemen, it’s usually accompanied by chaos. And chaos breeds opportunity. That’s not the time to step back and duck, that’s the time to step forward and say, “I’d like to take that on.” “I’d like to manage that group.” “We clearly have a gap and it’s going to impact our competitiveness, we need to do X, and I’d like to do that.”

And if it’s something new that’s in that environment — remember that whenever you are asking to do something new that has never been done in your environment, you must educate and sell. You have to make sure that you educate the organization on why it is good for the organization to let you do that new thing, and you must also price it for them. Because if they’ve never seen it before, they don’t know how to value it. So, when you are educating and selling, you should also
say, “And this is how much you have to pay me to do this. This is new, but this is what I think it’s worth, and this is why.”

But change is something that you must embrace if you are going to lead in the 21st century. And change, frankly, is something that’s inevitable. None of us are the same as we were yesterday. It’s going to happen. The trick, if you want to lead, is to take control of that and lead the change. And if you are faced with a risk and you’re not sure if you should take that risk, ask yourself three questions. Will that new thing give you skills and experiences that you would not get if you stayed in your current seat another 12 months? Second question: Will that new thing expose you to people, relationships, or networks that you would not get if you stayed in your current seat another 12 months? Third question: Will that new thing now generate new branches on your personal decision tree of opportunity? I.e., you could go off and do some other things that you wouldn’t have been able to do if you stayed in your current seat another 12 months. If the answer to all three of those questions is yes, you should absolutely take the risk.

And I tell you, when I ask myself why we don’t take more risks, the only thing I can come up with is that we’re scared. We’re just scared. It’s fear, and hear me clearly, fear has no place in your success equation. Fear has no place in your success equation. Any time you approach anything in your life, personally or professionally, from a position of fear, you will always underpenetrate that opportunity. And any time I feel it creeping of the back of my neck, I remind myself of that old Southern saying, fear is just false evidence of things appearing real. It’s really not there. Because what’s the worst that can happen if you take a risk and it doesn’t work out? So, you fail, but guess what, failure always brings you a gift. And that gift is called experience. Now you know how to do it better. Now you know how to do it differently. Now you know how to do it successfully. At the margin, it is always worth taking the risk.

And as I close, I tell you that success does not just happen, you must be intentional. You must be intentional about your communication — you don’t ask, you don’t get. You must be intentional about your performance. Always create a report card where you can underpromise and overdeliver — it works every single time. And you must be intentional about your relationships. You cannot do it alone. If you want to maximize your success in the seat that you’re sitting in, or the seat that you aspire to sit in, you must both expect and strategize to win.

I thank you and the floor is now yours.

[APPLAUSE]

VERONICA DAGHER: Thank you so much, Carla. So much to draw from there and a lot of great insight. We also, not surprisingly, have a lot of great questions from the audience. There is a theme to some of these questions and this is actually my first question too, so I want to start off here.
“How do you deal with the people above you who may be threatened by you?”

CARLA HARRIS: Yes and I get that question often, and often I find that the people above you who are quote, threatened, are generally people that I would characterize as insecure. And an insecure boss is one of the worst people that you can possibly work for because generally they can't help you advance, or are not interested in helping you advance. So, the easy way to manage an insecure boss is data overload. Because when somebody is insecure, the number one thing that they are terrified of is getting found out. Because generally they're not that good, so they are deathly afraid that you are going to expose them. So what you need to do is to go overboard in your communications — data overload. Every time you have a meeting with somebody — oh, I had a meeting with Tom. Let me tell you what happened in that. I thought you might be interested in this. Oh, I know you're interested in this, here's an article. I've already outlined some things. Oh, this is what I heard that we're thinking about, and this is what I got out the town hall.

Lots of interaction, and your human reaction — when you know that that person is threatened — your human reaction is to run the other way. And as I like to say, don't hate, gravitate. Go this way, right? And make sure that you're spending lots of time with them. That will make them comfortable and they will feel, therefore, that you're not coming for them. And they will relax a little bit, which would give you an opportunity to build relationships around that person. You must, must, must invest in relationships around that person because when they start to feel threatened, they will react. If you have lots of other relationships, then you make their reaction the outlier.

VERONICA DAGHER: Similar advice for dealing with a bully or a derailer within your organization?

CARLA HARRIS: Yes, well, a bully's a little bit different. The easiest thing to do with a bully is to call them out, is to say, I see you. Because once you say to a bully, I see you, you take away all the power.

VERONICA DAGHER: So calling them out, saying specifically, I know —

CARLA HARRIS: Right, so for example, let's say that you think somebody is a derailer or they are straight out bully. Then I believe in management by walking around. And we're going to call him Steve, right? So you say, hey Steve, can I speak to you for a second, in the conference room? And then say, Steve, you and I have been working together for a long time, but I start to feel that there's a little negative energy or something in between us here. Am I doing something that's causing this reaction from you, or am I missing something? Because if there's something in the air that is prohibiting us from really working together, because I have a lot of respect for you, then I want to understand what it is I did so we can correct that right now. Because something doesn't feel right. Am I missing it or am I just making it up?
Now, Steve may say, oh, you’re just making it up, you’re just making it up. Bully found out, but he will stop the behavior. Or he may tell you that there is something that’s bothering him, and this is what’s going on. And now, it has been revealed and you know how to deal with it. But call it out, don’t let it just stay and think it’s going to go away because the act of saying hey, something is wrong. Did I do something here? You’re not blaming Steve — you say, maybe it’s me. But you’re giving it an opportunity to air, which will give you an opportunity to manage it successfully.

VERONICA DAGHER: Do you run the risk of escalating a situation, though, if you do that — if you call it out?

CARLA HARRIS: No, it’s all how you approach, right? So you that’s why you don’t want to approach it in a way that… “Hey, I see you derailing me. Every time I say X, you say Y. That’s a problem for me.” No, you’re approaching it in a different way. And so I don’t think it escalates from there because again, if he’s doing it deliberately to derail you, that’s going to make him stop or it will slow him down. And remember, your antidote is to build lots of relationships around Steve. Because you want to make him the outlier, especially if he’s putting negative noise about you in the marketplace. Everybody else is like, oh no, Veronica’s great, she’s fabulous. So, you want to make Steve the outlier.

VERONICA DAGHER: What advice do you have for folks who are introverts? Some folks in the financial industry, that’s more of their nature, and so building relationships just may not come as naturally. How do we overcome some of that obstacle?

CARLA HARRIS: If it’s not natural, practice. As much as I may seem like an extrovert to you all, it was not natural for me to build these relationships. Because I had been sort of type-A personality, keep my head down, work hard. But it was in doing that, that I realized that that wasn’t enough. That in order for me to really maximize my success, I was going to need to have somebody in the room, carrying my paper and speaking on my behalf. Which meant I had to invest in those relationships. So, it wasn’t natural to do so. Literally, put it on my calendar — coffee with Paul, lunch with Lisa, you know, drinks with so-and-so. And every time it was on the calendar, it got done. And I looked at every one of those opportunities as a way to practice.

And the same thing — and I just wrote about this as an addendum to Expect to Win because it’s going into reprint — is I go into a conference like this, and I think, oh my gosh, there’s 1,000 people and I really need to make some connections. Oh man, what am I going to do? So I developed a plan. In the beginning, in the early stages, I said OK Carla, success today is just get 10 business cards. Don’t matter what you do, just get 10 business cards. And I’d go to somebody and say hi, here’s my card, can I have one? Just to get 10 and go check! Until, then I could say, now you need to have a conversation with one of the speakers. You need to have five questions that you ask. So, I would set goals until they got much easier. And now I can come into a conference of 1,000 people and work the room. But it was purely practice. And for the introvert who is already
an accomplished person, you know how to set goals and achieve them. And so that becomes a goal too, and the more you practice, the easier it gets.

And even if you run into a curmudgeon — somebody who just rebuffed you or just a nasty dude — well, at the end of the day, you look at it and say, guess what, that’s my practice. Hey practice, how are you? Just keep working with them. And then you’ll find that it gets a lot easier.

VERONICA DAGHER: So much talk about automation, robotics, we’ve seen major changes in the financial industry. We’re set to see even more changes. What are the skills we need to be building, so 5, 10, years from now, we’re not automated out of a job?

CARLA HARRIS: Yeah, well, listen, I’m not saying that there are certain skills that you need to build to keep from being automated. I think the game is to understand how things are shifting, and where you can fit in this new value proposition. Because I don’t think that our industry will get so automated that people fail to value the human interaction and the perspective. Because at the end of the day, we’ve always had numbers. We’ve always said numbers don’t lie. But at the end of the day, somebody needs to give you a perspective around those numbers. So even what’s going on in the industry today, with passive investing and the returns there, I still think that as people get more wealth, life gets more complicated. And they still will want someone’s perspective on what they’ve seen and how they might think about managing that, even on top of whatever the numbers may say.

So, I don’t think that we’ll ever get to the point where having that human perspective will not be valued. So, now you need to think to yourself, well, if this part of my job can be handled by an algorithm, what else do my clients value today that I can actually improve, build upon, change? I’ll give you one simple example: It used to be the case that in wealth management, perhaps you would meet with your clients twice a year, maybe once a quarter. But now, I don’t care whether you are a Boomer or a Millennial, we’re all used to a higher level of engagement. It wasn’t so long ago that if somebody called you on Monday, and they called you back on Wednesday, you were like, well thanks for returning my call so soon. Now, so soon means in the next 5 minutes or the next 10 minutes. And so the question is, how should you engage with your clients now? How frequently should you engage with your clients? That’s a thought that maybe you didn’t have two years ago, so you should be thinking about how do you innovate out of the role that you are in now? Even if you love it, how do you do it differently a year from now?

VERONICA DAGHER: Got a couple of questions around sponsorship.

CARLA HARRIS: Yes?

VERONICA DAGHER: What do we do if our sponsor retires?
CARLA HARRIS: Yes, love that question. Listen, just because your sponsor leaves the organization, doesn’t mean that he or she has lost the juice. So if your sponsor retires and leaves the organization, and … let’s call her Veronica. Now, Veronica, you know that you were an outstanding sponsor for me. I wouldn’t have been able to get promoted to this or get that or get exposed to this. Now that you left the organization, I need another sponsor. Who do you think would be a really great sponsor for me because I plan to stay there X number of years and I clearly need that kind of coverage. Veronica will now say, oh, I think you should think about so-and-so and so-and-so. You may say, well, I don’t know either of them very well. Can you make an introduction for me? And that is nirvana. Because once Veronica calls on your behalf, the person now knows why Veronica is calling. And if that person says yes, they are now open to building that kind of relationship with you. That’s the way I would leverage my sponsor’s power that still exists in that environment.

And even if your sponsor was fired and left under not-so-great terms, there's still somebody in that organization that they have some power with that you should leverage.

VERONICA DAGHER: What if we're in an organization where it's small and there's not an appropriate sponsor, or you think someone would work out for you, what do you do then?

CARLA HARRIS: Yes, even in an environment where they’re small, somebody's a sponsor because somebody is making the call on who's going to get the next assignment, who's going to get that office. So, that's the person that you want to focus in on, building that relationship with that person. And then I would tell you, if it's a small environment, put yourself in the position to sponsor somebody else. Because one of the things that I've learned is the easiest way to grow your power is to give it away. The more you give it away, the more influence you ultimately will have.

VERONICA DAGHER: How much time do we need to be spending on fostering a sponsor relationship, fostering the relationships within our firm? I mean our work days are so busy to begin with.

CARLA HARRIS: They are busy, but I have to tell you, most of us default and overinvest in the performance currency when you're already good at that. And another hour and another 20 minutes on that thing is not really, at the margin, going to change the value of the person that you are giving it to. It might make it slightly better, but you have to remember, you want to maximize the value of the recipient. So, those extra 20 minutes or an hour, you should spend on investing in a relationship. So, even if you do it for a couple of hours a week, that is better than zero. So, I'm not going to tell you it should be 50% of your time, because it doesn't necessarily take that much time in a professional environment.

We spend more time building relationships personally, but in a professional environment, people sort of feel like they know you even with a light touch. If you've had four touches with somebody in a week, and it can be as simple as, hey how was your weekend, on Monday. Or on Tuesday,
hey, I know we got this town hall, I kind of want to ask this question. What do you think about it, Veronica? Is that good question, or how should I say it differently? Or hey, Wednesday — I’m heading down to get a coffee, can I get you one? Friday — hey, what you doing for the weekend? Four touches. Four touches in a week. Those light touches are the kernels that you can use to start to advance that relationship. This is much easier than you think.

VERONICA DAGHER: Generally speaking, women tend to have a tougher time with that. They spend more time focusing on the performance rather than the relationship. What tips do you have for women in overcoming some of that tendency to overfocus on performance?

CARLA HARRIS: When you feel, that at the margin, you’re reading something again, that should be your alarm bells. Wait, I could spend another 10 minutes rereading this for the 15th time, or I could go out and talk to my team and say, how are you doing. That should be your alarm bell. And you’re absolutely right. Veronica, I don’t often give gender-specific advice, but here is one place that I do differentiate, it’s on the performance currency and the relationship currency. As women, we overindex on the performance. Why? Because it’s clean, it’s objective. Once the work is right, it’s as requested, it’s without mistakes. And if you judge me on that, hey, I’m comfortable with that. But now this sort of murky relationship thing — we’d much rather deal with black and white than the gray.

So, one of the things I say to women is, if you are not moving, that is your clear sign that you have not invested enough in the relationships. So take three months and just focus on four people and focus on building those relationships in 90 days. The work is not going to suffer, you’re never going to drop the ball because you’re good. That’s who you are, you’re never going to drop the ball. So have no fear about that. But now, 90 days, four people — focus on it.

VERONICA DAGHER: This is a good question here. “What’s your advice for a mid-career professional who’s thinking about a career change within the financial industry?”

CARLA HARRIS: Yes, I think if you are a mid-career professional — and I’m going to define that as 7 to 10 years in — and you see something else that you would like to do that you think will add to your intellectual or your experiential tool chest, it’s a very good time to do it. Because as I said, we’re in a flux time right now and chaos breeds opportunity. So, now is a good time to be able to leverage what you’ve done. But what I will say is the following.

Number one, don’t put yourself in a position to take a pay cut. Because once you start below, very difficult to catch up. So, leverage the skills that you have, and it matters not if you have not done that thing before. Because there are very few jobs where your prerequisite experience is the dominant affirmative factor in your getting the job. All you need to do in that interview is to communicate to the interviewer that there’s several other things that you have done for the first time and you’ve done them successfully, so that the interviewer can hear, well, wow, he did those things
for the first time and he did them pretty well. So now, I will assume, I can extrapolate, I will build that he'll be able to do this and do it really well for the first time.

So, all you need to do is show the experience that you've had, how it’s relevant to the new opportunity, and give some evidence of how you've done that before. But don’t take a step back if you don’t have to.

VERONICA DAGHER: Another sponsor question, how do we overcome an age gap, if you’re trying to develop a sponsor relationship?

CARLA HARRIS: Yes, I don’t worry as much about the age. Don’t make that an impediment. So if you’re the younger person and the other person is older, is that the question?

VERONICA DAGHER: They didn’t specify, but it could go either.

CARLA HARRIS: So, let’s go both ways. If you’re younger and the other person’s older, that’s sort of the traditional way. So, I don’t think there should be any particular challenge there. Or if you’re the young female and they’re the older male — people ask me about that all the time — again, I wouldn’t get myself crazy about that, as long as you are focused and behaving like a professional, then I don’t think that you have to assume that there’s going to be any kind of feeling of discomfort.

If you are the older person and the person above you is younger, and you’d like them to sponsor you. Again, respect the position. Again, don’t get preoccupied with the age and say — and let’s call that person Mary. Mary, I’m going to need a sponsor. You guys are thinking about who’s going to take on this new territory. I’d love to be able to do that. You’ve seen my work, you’ve seen the client reaction. I hope you feel comfortable that you have enough exposure on my work to support me when they’re talking about me behind closed doors. This is something that I really want, and here are the three reasons I think I’ll be good. And here’s why I think I’ll be real value added to the organization.

So I would not have that discomfort at all. Focus on the fact that the person’s in the seat, with the power, not the number.

VERONICA DAGHER: What career advice do you have for Millennials who are starting out?

CARLA HARRIS: Yes, I wrote a whole book about that. Well, in my book, Strategize to Win, the first third is really dedicated to those who are trying to get the opportunity that they want. So what I say to Millennials, in particular — three things.

Number one: You will have an opportunity to have five or six different careers, not jobs. So, you shouldn’t think about compromising yourself and follow someone like me who’s been in the same place
for 30 years. Because you may compromise your money and your power platform, given the rate of change that’s happening in the environment today. Now, if the company that you’re with is doggedly committed to reinvention, then they may offer you a value proposition that argues that you stay there because they keep offering you an opportunity to expand and to grow. But that’s number one.

Number two, focus on the content, not the job. So often, Veronica, people have said to me, I really want valuation skills, so I have to go to M&A. Without realizing that, well, if you are a sale-side research analyst, you’re going to build models, you’re going to value companies. And if you’re a credit analyst, you’ve got to know how to value companies, especially on a relative basis. So, there are three jobs, not one, that will give you valuation experience. So, focus on the content, not the job.

The third thing I say to Millennials is the following… In your early days of your career, you want to get the following skills: you want to get management skills, presentation skills, analytical skills, and strategic skills. And there are lots of jobs that will expose you to those four. If you can get those four in your first five years after college, in particular, now you have amplified all the choices that are front of you. By industry and by seat. So, focus on that first and then you can always specialize as you go forward, around the industry and around the specific thing that you want to do.

VERONICA DAGHER: Valuable advice. we're running out of time, so I want to close with two personal questions. “The first one is how do you get so much energy? Where does that come from?”

CARLA HARRIS: I think I was just blessed with a lot of energy, and I love, love, love sharing the pearls because these are things I didn't know when I started my career. So, if you think that I've had any success, it would have been markedly different and faster had I known some of the pearls that I shared today.

VERONICA DAGHER: Interesting. And there are several requests — and you don’t have to honor it — but I'm sure everybody would be happy to hear. Several requests for you to sing a bar or two of —

CARLA HARRIS: Aha! OK. Well, let's see. I told ya'll I was a deal-making gal, so we might make a deal here. I am a gospel singer, so you know a gospel singer has to have a choir.

[LAUGHTER]

VERONICA DAGHER: We can do that!

CARLA HARRIS: So, let's do a little call and response. I'll sing a line and you give it back to me. And the song is called “Expect to Win.” It was written by a group from Brown Memorial Baptist Church in Brooklyn. They heard me speak on Expect to Win, and they wrote a song called
“Expect to Win.” And it became number 10 on my last album, “Unceasing Praise.” So I’ll agree to sing if I sing a line and you sing a line. Are you with me?

VERONICA DAGHER: Yes!

CARLA HARRIS: All right. And we’ve got to sing the chorus. Here we go. Expect to win. No matter what you’re up against, don’t give up. Don’t give in. Oh yes, you can. Not fear, but faith will win the race. Don’t give up. Don’t give in. Expect to win. Go ahead, CFA Institute! Yeah!

VERONICA DAGHER: Carla Harris, everybody.

CARLA HARRIS: Well done, well done.

VERONICA DAGHER: Thank you.