

“Mandel stands out...a true master of leadership”

—WARREN BENNIS

IT'S ALL  
ABOUT WHO  
YOU HIRE, HOW  
THEY LEAD...

and other *Essential Advice* from a  
SELF-MADE LEADER

---

MORTON L. MANDEL

with JOHN A. BYRNE

A *Warren Bennis* BOOK

## More Praise for *It's All About Who*

*It's All About Who* tells us exactly how to change the world—how to lead, how to execute, and how to do it all with integrity—from a remarkable man who has spent the last seven decades building a life of extraordinary meaning and exceptional business success. For those starting out on their careers, the book will show how to adopt the leadership fundamentals that matter most. For corporate veterans, it will reignite their passion, commitment to high performance, and belief in what is possible—for leaders and for entire organizations. Leaders at every level should read this essential book. Mandel shows us that each of us is capable of achieving far more than we can ever imagine, if we are just shown the way. This book lights that path brightly.”

—**Frederick M. Lawrence**, president, Brandeis University

“Mort Mandel has led an extraordinary life of impact and meaning, and his book is an inspiration to read. It immediately sparks ideas about what you might do differently to be a more effective leader—and a more effective contributor to the world.”

—**Jeff Bradach**, cofounder and managing partner, Bridgespan Group

“This book makes it clear that Mort Mandel’s success was a function of thoughtful principles and intense personal discipline. Very few can emulate his accomplishments, but everyone can benefit from the wisdom of his well-articulated management philosophy.”

—**Stephen Hardis**, former chairman and CEO, Eaton Corp.

“Mort Mandel is an exceptional social innovator and entrepreneur who has created and led highly successful organizations in the independent and business sectors. Mort’s insights are spot-on and a must-read for those who aspire to excellence and high achievement in building organizations, developing and leading people, and making a difference in the world.”

—**Scott Cowan**, president, Tulane University

“Morton Mandel endows life with multifaceted meanings: physical, social, institutional, academic, intellectual, and cultural. This book is a true opportunity to learn through Morton’s own missions how to examine the ‘who’ of any individual wishing to educate and lead by the five criteria that constitute the right combination of life’s meanings: intellectual firepower, values, passion, work ethic, and experience.”

—**Menahem Ben-Sasson**, president, Hebrew University of Jerusalem

“This book is a total gem! *It’s All About Who* is one of the rare books for leaders across all generations who truly care about achieving unprecedented results. Through real stories that illuminate and inspire, Mort’s truth will resonate with both your intellect and your heart—and it’s filled with practical ideas about people and priorities you can use immediately. Thank you, Morton Mandel, for taking your precious time to inspire and guide us.”

—**Saj-nicole Joni**, confidential CEO advisor; best-selling author of *The Right Fight*

“In today’s changing world, inspiring leaders such as Morton Mandel stand out. Rarely do you find someone whose work in both the for-profit and non-profit worlds has shown that people, execution, and integrity make all the difference. Thanks to *It’s All About Who*, we are reminded that leadership is about driving change, making a difference, and having a lasting impact—a single individual has the power to change the world. I highly encourage you to learn from this book how to put his leadership wisdom to work in your life.”

—**Rivka Carmi**, president, Ben-Gurion University; pediatrician; award-winning geneticist

“Mort Mandel is an inspirational leader whose disciplined adherence to his principles and values has produced amazing results in business and philanthropy. The insights he shares in this remarkable book will be valuable to leaders of organizations around the world.”

—**Barbara R. Snyder**, president, Case Western Reserve University

“Self-made leader and social entrepreneur Morton Mandel is likely the most successful person you have never heard of . . . until now. In the short time you’ll spend reading *It’s All About Who*, you’ll get every hard-won lesson learned by one of the few CEOs Peter Drucker deemed a master: the ABCs of people, how to solve your most persistent business problems, the rules for a successful partnership, and more. No matter where you are on your leadership path, this book will make an enormous difference in your outcomes. Get your copy today.”

—**Laurence Weinzimmer**, Fortune 50 strategist and author of *The Wisdom of Failure: How to Learn the Tough Leadership Lessons Without Paying the Price*

IT'S ALL  
ABOUT WHO  
YOU HIRE, HOW  
THEY LEAD, . . .

and Other *Essential Advice* from a  
SELF-MADE LEADER

Morton L. Mandel

with John A. Byrne

 **JOSSEY-BASS**  
A Wiley Imprint  
[www.josseybass.com](http://www.josseybass.com)

Copyright © 2013 by Morton L. Mandel. All rights reserved.

Published by Jossey-Bass

A Wiley Imprint

One Montgomery Street, Suite 1200, San Francisco, CA 94104-4594—[www.josseybass.com](http://www.josseybass.com)

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning, or otherwise, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without either the prior written permission of the publisher, or authorization through payment of the appropriate per-copy fee to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, 978-750-8400, fax 978-646-8600, or on the Web at [www.copyright.com](http://www.copyright.com). Requests to the publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, 201-748-6011, fax 201-748-6008, or online at [www.wiley.com/go/permissions](http://www.wiley.com/go/permissions).

**Limit of Liability/Disclaimer of Warranty:** While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by sales representatives or written sales materials. The advice and strategies contained herein may not be suitable for your situation. You should consult with a professional where appropriate. Neither the publisher nor author shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages. Readers should be aware that Internet Web sites offered as citations and/or sources for further information may have changed or disappeared between the time this was written and when it is read.

Jossey-Bass books and products are available through most bookstores. To contact Jossey-Bass directly call our Customer Care Department within the U.S. at 800-956-7739, outside the U.S. at 317-572-3986, or fax 317-572-4002.

Wiley publishes in a variety of print and electronic formats and by print-on-demand. Some material included with standard print versions of this book may not be included in e-books or in print-on-demand. If this book refers to media such as a CD or DVD that is not included in the version you purchased, you may download this material at <http://booksupport.wiley.com>. For more information about Wiley products, visit [www.wiley.com](http://www.wiley.com).

### **Library of Congress Cataloging-in-Publication Data**

Mandel, Morton L.

It's all about who you hire, how they lead – and other essential advice from a self-made leader / Morton L. Mandel, with John A. Byrne. – 1st ed.

p. cm.

Includes index.

ISBN 978-1-118-37988-2 (cloth); ISBN 978-1-118-46139-6 (ebk.);

ISBN 978-1-118-46140-2 (ebk.); ISBN 978-1-118-46141-9 (ebk.)

1. Leadership. 2. Management. 3. Success in business. I. Byrne, John A. II. Title.

HD57.7.M354 2013

658.4'092–dc23

2012030060

Printed in the United States of America

FIRST EDITION

*HB Printing* 10 9 8 7 6 5 4 3 2 1

# CONTENTS

---

EDITOR'S NOTE BY WARREN BENNIS	xiii
FOREWORD BY JOHN A. BYRNE	xv
PROLOGUE	xxi
<b>1 It's All About Who</b>	<b>1</b>
Hire the best • Seeking the enthusiastic yes • Five key things to look for • Hire when you don't need to • Provide experience, demand the rest	
<b>2 The ABC's of People</b>	<b>11</b>
A simple truth revealed: relentlessly seek A players • Get rid of the C's • Your first loyalty is to the organization • Know the difference between what is acceptable and what is possible • A's attract other A's	
<b>3 Building a Rich, Deep, and Ethical Culture</b>	<b>21</b>
Why it pays off big-time to (1) Do what's right and (2) Treat others with respect, fairness, and decency • Never abandon principle • Being scrupulously honest is enlightened self-interest	
<b>4 What Happens When You Ignore Culture, People, and Values</b>	<b>33</b>
The soft stuff is the real stuff • In deal making, too little attention is paid to culture fit • People, culture, and values bring competitive distinction • Often the so-called little things make a difference	

- 5 What I Learned from Peter Drucker 51**  
Improving the team is the leader's primary job • Put your best person on your biggest opportunity • Meet regularly with the second- and third-level staff as CEO • Meet and greet the rank-and-file before management
- 6 Killing Yourself for Your Customer 69**  
Why superior customer service is a huge missed opportunity • Find a need and fill it • Create a culture dedicated to service • Always ask yourself how you could do better • A company devoted to customer service is in the business of exceeding expectations
- 7 Principles Make a Difference 79**  
Rules make "doing" easier and better • Smart policies liberate employees • Commit an organization's core learning to written, visible guidelines
- 8 Factbooks: Key to Personal Discipline 89**  
How thoughtful standardized practices lead to better performance  
• Great execution requires discipline and focus • A painstaking devotion to the details • Break down a manager's tasks into small manageable steps  
• Hold yourself and everyone accountable
- 9 Why We Swung Our Acquisitions Bat to Hit Singles, Not Home Runs 95**  
Buying niches, not size, is safer and better • Look for undermanaged businesses • Make carefully calculated risks, not bet-the-company gambles • Try to hit singles, not home runs
- 10 Lighting Candles 103**  
Lighting even one candle changes the world • Allow others to come up with and to help shape ideas • Group ownership brings a better result  
• Involvement leads to understanding • Understanding leads to commitment

<b>11 A Gospel of Wealth</b>	<b>115</b>
Pursue philanthropy as systematically as business • Bet on people • Select tough, persistent problems to tackle • Create mission statements, clear goals, and formal work plans	
<b>12 Using Business Ideas in the Social Sector</b>	<b>121</b>
Sound management practices work in every setting and are a huge “missed opportunity” in philanthropy • Powerful results can come from seemingly simple business tools • Benefit from the lessons of the best performers • Commit to the continuing development of people	
<b>13 An Olive Tree</b>	<b>129</b>
A simple truth re-lived: treating others in the proper way pays off big-time • Make your company a great place to work • Fully satisfy your customers • Fully satisfy your shareholders	
<b>14 Yes, I Can!</b>	<b>137</b>
My leadership journey in business and philanthropy started when I first believed “Yes, I can” • Believe in yourself and your ideas to make the world a better place • Success does not come only from breakthroughs but also from hard work	
<b>15 Some Beacons to Steer By</b>	<b>147</b>
Reducing stress is not an easy task—but worth tackling in a serious way • Carefully plan every workday • Diet, exercise, and sufficient rest • Adopt a formal personal system to help get more results • Think big, start small	
<b>16 If I Could Do It Over Again . . .</b>	<b>157</b>
Why I would do the same thing over again in a heartbeat • Search for personal fulfillment • Do something significant with your life • Respect who you are and how you have lived your life • Love what you do	
APPENDIX	163
ACKNOWLEDGMENTS	173
THE AUTHORS	179
INDEX	181



# EDITOR'S NOTE

---

Warren Bennis

WE KNOW THAT LEADING PEOPLE AND ORGANIZATIONS IS A NEVER ENDING, often herculean task. It is why there are so many books and articles on the subject; we need this fuel of new ideas, tried-and-true practices, and inspirational real-life stories to help us become better at it. It never gets easier.

Mort Mandel's ideas and experience are exactly the kind of "fuel" anyone, new leader to sage veteran, can learn from. If the primary task of a leader is reminding people of what's important, which I think it is, Mandel's insights are invaluable. For nearly fifty years he, along with his brothers, did just this. They built a company as well as nonprofit organizations that systematically embodied certain standards, like hire with an "enthusiastic yes" or not at all, insist on transparency . . . or pay a big price, be scrupulously honest, and many more you will find here. On every page here, Mort is telling you "Listen to me. I know. I have been around the block a few times and have learned a few things. Here is a playbook."

Having studied and written about leadership now for many years, I have to say that the folks who still truly inspire me are the ones who have *done it* successfully. There are few in this category, and of them Mort Mandel stands out. People often ask me for leadership advice. I point them to the true masters. That would be Mort, who has walked the talk, and the results speak for themselves.

# FOREWORD

---

John A. Byrne

OVER THE COURSE OF A LONG CAREER IN JOURNALISM, I've met and interviewed many of this generation's greatest corporate leaders: Jack Welch, Andy Grove, John Chambers, A. G. Lafley, and Jeff Immelt, among countless others. Then, one day out of the blue, I received a telephone call from a friend who asked me whether I had ever heard of Mort Mandel. I had to confess, I hadn't. But the phone call led to a meeting and then to numerous interviews and the book in your hands.

Management sage Peter Drucker once put Mort in the company of Andy Grove and Jack Welch. I think he did Mort an injustice. Unlike a Jack Welch, an Andy Grove, or a Lee Iacocca, whose corporate achievements define their public personas, Mort has lived in two worlds all of his years: the world of profit and the world of social impact. Even as the chairman and CEO of a New York Stock Exchange company for more than three decades, he was spending as much as a third of his time in the social sector. Mort strongly believes that his experience in the social sector made him a better corporate executive, just as he is convinced that what he learned in business made him a more effective social capitalist.

What makes Mort unusual, if not unique, is his selflessness in pursuing a life of purpose. From his earliest days, he understood that there was much more to a successful life than building wealth—though as a self-made billionaire, his is a quintessential rags-to-riches story. Mort understood that a life without meaning, purpose, and commitment isn't a life at all. So he devoted a large share of his time, while building his business with his brothers, to improving the human condition by bringing better leadership to social causes.

As a writer helping Mort tell his remarkable story, I could easily have lapsed into a modern-day version of Horatio Alger. After a childhood spent in the most humble of circumstances, Mort and his two older brothers scraped together \$900 in 1940 and went into business as a distributor of auto parts. From a Cleveland storefront on Euclid Avenue, the brothers built Premier Industrial Corp. into a national company that by 1960 went public and in 1964 was listed on the New York Stock Exchange. For thirty-four out of Premier's thirty-six years, Mort led Premier as CEO to record earnings, selling what many would consider fairly humdrum products—nuts and bolts, circuit breakers, chemicals, lubricating oil, and firefighting equipment.

A hundred dollars invested in Premier stock in 1960, when Mort led the company's public offering, had grown in value to \$23,200 by 1996, when Premier merged with England-based Farnell Electronics in a \$3 billion deal. That comes out to a 232-times return, even without accounting for the reinvestment of some \$417 million in dividends the company paid to shareholders during that period.

What's more, this record was accomplished the old-fashioned way—with hard work and uncommon integrity. There was no high finance, balance sheet tricks, junk bonds, tax dodges, or other

financial gimmickry. Throughout its history, Premier boasted an immaculate balance sheet and a clean income statement, with virtually no debt, generous cash flow, and consistently high returns on capital. The financial results are testimony to exceptionally high standards and careful control of risk.

Since the sale of Premier, Mort and his brothers have built a highly successful private trust company, Parkwood Corp., to manage their wealth; created a private equity firm in Israel that owns and runs two fascinating businesses; and have devoted much of their time to philanthropic efforts that, among other things, have nurtured a new generation of social leaders in Israel and have lent sorely needed support for the humanities in both the United States and Israel. That latter commitment—backed by a recent investment of some \$50 million in funding—comes from Mort’s strongly held belief that a civil and engaged society must learn the wisdom of its forefathers, the philosophers, historians, and writers from whose knowledge and experience all of us can benefit.

Telling Mort’s story—and sharing with readers the powerful ideas that led to this success—would ordinarily be enough. But it wouldn’t do Mort’s journey or his beliefs justice. As a result, *It’s All About Who You Hire, How They Lead, . . . and Other Essential Advice from a Self-Made Leader* is not your typical CEO biography, nor is it yet another management book to add to a wonderful bookshelf loaded with advice and counsel from such wise thinkers as Peter Drucker, Tom Peters, and Jim Collins. Instead, it is the story of a man and the ideas that have allowed him to be enormously successful in business and also to craft a life of significance.

For all of Mort’s corporate accomplishments, his greatest source of pride is in the social sector. One example is the recruiting and training of a corps of 450 outstanding leaders who are transforming K–12 education in Israel, building schools in which Arabs and

Israelis sit side by side as classmates, and also bringing together religious and secular students in the same schools. No less crucial, Mort has helped shape the lives of a multitude of Jews by devoting extraordinary time and money to strengthen the leadership and effectiveness of Jewish Community Centers in America and also around the world. Among other kudos, Mort received an award from President Ronald Reagan at a ceremony in the Rose Garden at the White House for his leadership in neighborhood renewal and revitalization in Cleveland. For his considerable contributions to the humanities, Mort was recently elected to membership in the American Academy of Arts and Sciences in the company of a number of others, including Ford Motor CEO Alan Mulally, jazz icon Dave Brubeck, documentary filmmaker Ken Burns, and songwriter Paul Simon.

What Mort learned about management and leadership as a hands-on volunteer leader and philanthropist has been as profound as what he learned building a highly successful growth company. He believes that running the United Way or IBM is much the same, except in the measurement of outcomes. IBM generates profit; United Way touches and improves lives. What they share in common to get those results is great leadership, disciplined execution, and a rich culture built on respect, fairness, decency, and integrity.

Mort strongly believes that one of the largest problems hampering the impact of nonprofits is that social sector leaders fail to devote enough time and thought to the management issues that will build the kind of institution that will ultimately be most helpful to the people they are trying to serve.

Respect for the individual, superior client service, and the pursuit of excellence are core values that can deliver as much impact in the social world as in the corporate world. These ideas

work in all settings. These guiding principles apply to all firms that serve people, whether they are universities, hospitals, charitable organizations, or multinational corporations. They are the essence of great leadership—and the basis of Mort’s belief that a single individual has the power to change the world.

(My favorite story about Mort involves the only time one of his businesses suffered a work stoppage. Over a four-day period, in the dead of a winter in the mid-1990s, strikers picketed outside his plant in Wooster, Ohio. Mort saw to it that the company took a pickup truck, filled it with sandwiches and Thermos bottles full of hot coffee and tea, and made sure that the employees striking against him were well fed on the picket line. Mort considered those employees members of his extended family. Some of them had worked for Premier for twenty-five years. Sons followed fathers in that plant. “Why wouldn’t we treat them well?” asks Mort. Why, indeed.)

With his mind, his heart, his hands, and his money, Mort Mandel has created a life of meaning. As a result, he has much to teach all of us—MBA candidates, entrepreneurs, and managers and executives of companies, hospitals, schools, and nonprofit enterprises. What does it take to start and build an enduring institution from the ground up? What does it take to transform a social enterprise into a high-performing organization that touches the lives of people around the world? What does it take to live a life of which you can be proud? The answers to these questions can be found in the lessons Mort teaches us.

Most remarkable, perhaps, is that even at the age of ninety, Mort does not merely welcome the future but believes that he still has a firm hand in shaping that future and lighting a few more candles in an often dark world sorely in need of light.

You’ll be better for knowing him.

# PROLOGUE

---

IN ONE OF THE EARLIEST PHOTOGRAPHS OF MYSELF, I'm not much more than three years old. Wearing a long-sleeve white shirt and overalls, I'm sitting on the step in the back of my parents' dry goods store in Cleveland, Ohio, that led to our small apartment. My eyes are fixed with a mixture of awe and admiration on the woman across the room.

The woman is my mother, the single greatest influence on my life. Almost everything I am, almost everything I became, I owe to her—from the core values that formed the foundation of my life—integrity, respect, honesty, and generosity—to the highly effective habits of a life of discipline, reason, entrepreneurship, and hard work. Ma gave me the moral compass that helped instill purpose in my life and the lives of my sister, Meriam, and my two older brothers, Jack and Joe. So it's fascinating to me that my three-year-old eyes are drawn by the quality of her strength and her presence.

In a black-and-white picture taken in 1924, my mother is standing behind the wooden counter of her store, confident and strong, remarkably and some might say surprisingly proud, given



the circumstances captured in the photo. There are no customers in the place. The inventory is sparse. There's more space between the dresses on the back racks than there are dresses. By today's standards, it's old, poorly lit, and not very inviting.

The picture shows a struggling business that is barely surviving. Yet my mother betrays no sign of disappointment. If anything, she is full of pride and self-assurance. With dark, penetrating eyes, she stares at the lens of the camera being held by Meriam. She seems oblivious to the plain environment around her. In fact, she looks proud enough to have owned a successful business, not one inadequately stocked with whatever she could convince the wholesalers to sell her.

That photograph says a lot about my mother and ultimately about me. My mother was not merely a survivor. She was a warrior. She literally carried my sister and two brothers through two of the great tragedies of her time: a World War that engulfed her homeland, and terrifying anti-Jewish pogroms that led to the beatings and deaths of scores of innocent Jews in Poland. My father had already left for America in 1913, planning to send for his family once he became settled in Ohio. A year after he arrived, however, World War I erupted, and my mother and siblings were temporarily lost to him, as they struggled to evade the horrors and dangers of war.

On her own at the age of twenty-six, Ma willed herself through a war-torn Poland filled with burdens and hardships. To keep her children alive, she occasionally smuggled food across war lines. Once, a Cossack stabbed her with his sword, leaving a permanent scar on one of her thighs. She hid her children in a nearby school to save them from violent beatings, if not death. At other times, she concealed my brothers and sister in the haystacks of a nearby cornfield or in the attic of a sympathetic Polish neighbor who was willing to risk her life to save them from harm.

In those years, Galicia in southern Poland was a forbidding place for its large Jewish population. Anti-Semitism was rampant. My late brother Jack recalled going into the bathroom of a church at the age of five. While he was standing at a urinal, someone tapped him on the shoulder, and when he saw that Jack had been circumcised, he shouted “Yid, get out of here!” Food was scarce. Jack remembers longing for meat so badly that he once suggested to my mother that a cat be killed for food. “You can’t do that,” he recalls my mother telling him. “Cats aren’t kosher.”

Much worse than a racist comment or an empty stomach, though, were the pogroms, the riots meant to wreak havoc and fear on the Jewish neighborhoods. Occasionally on Friday nights, angry, drunken mobs roamed the unpaved streets. The homes of Jews were routinely invaded and looted; people were clubbed and trampled to death. My mother and siblings were eyewitnesses to unspeakable atrocities and brutalities.

After waking one morning to streets strewn with body parts and blood, the result of an especially horrifying pogrom, my mother became determined to get herself and her children to America. With the help of the Red Cross, my mother safely got her children to Rotterdam and onto a ship, the *New Amsterdam*, that crossed the Atlantic and reunited the family with my father. It’s why my brother Jack often called my mother “a woman of valor.” It’s why my brother Joe says that no matter what the dangers, my mother would have figured out a way to save them.

When she and her children made the passage from Europe to America, my brothers were so used to being hungry that they gathered an oversupply of herring and bread on the boat and hid the extra food in the pillowcases of their bunk beds in steerage. It was the first time in their lives they saw more food than they could eat. When they finally arrived at Ellis Island in June of 1920, my

mother had all of \$1.50 in her pocket. They were so forlorn and scraggly looking that my brother Jack joked that he was surprised our father didn't disavow his family on sight and run away. My brothers and sister spoke only Yiddish. Rose, my mother, was just thirty-three years old. Meriam was ten; Jack was eight, and Joe was six. This was the first time our father laid eyes on Joe. I would come into this American world fifteen months later on September 19, 1921.

As it turned out, the dry goods store in the picture would fail, and this was the second store my parents owned that would go under. We moved from one apartment on the east side of Cleveland to another because my parents often couldn't come up with the monthly rent. I slept in a room I shared with my two brothers, and I wore hand-me-downs. Yet we never thought of ourselves as poor. No doubt, this is because of the love and devotion my parents showed each other and us. If anything, I felt powerfully fulfilled because of the honesty, decency, generosity, and kindness my parents showed and taught us. I soaked up those values and beliefs through osmosis, and they have become the guideposts for my life.

When my father developed multiple sclerosis in his mid-thirties and eventually became completely bedridden, my mother served as his caregiver and sold clothing out of suitcases on city streets to put food on the table. It was my mother's perseverance, her tenacity, her utter devotion to her children that not only kept us alive and well but ultimately helped make us enormously successful.

My bond with her was profound. She would come home from work during my school years to serve me lunch, often a scoop of baked beans and a roll, and then take the streetcar downtown to buy more things from a wholesaler to sell door-to-door in the morning. When I enlisted in the U.S. Army during World War II,

I wrote her every day I was in uniform, and she wrote back every day as well. I was probably the only soldier at mail call who was never disappointed.

Truth is, she made the American dream our dream. From this poor, humble background, my brothers and I created a business that would eventually make all three of us billionaires and fifty-six of our six thousand employees millionaires. We started out seeking to earn a living, to become financially comfortable, and ended up with financial success far beyond our wildest expectations.

From a tiny company that sold auto parts in the 1940s, we built a global distributor of industrial and electronic parts with sixteen divisions and nearly a billion dollars in annual revenue. That company, Premier Industrial Corp., was a profit-making machine. We had succeeded in converting what could have been a commodity business into a true value-added business with strong margins. My brothers and I stopped thinking about money. We simply thought about winning and giving back.

Through all these thirty-six years, we often reflected on what our mother taught us—both consciously and subconsciously—and I attribute a lot of our success to the values and behaviors we absorbed from her. We ran a business that was principled, not opportunistic, always trying to do what was best for our employees and our customers. While most businesses focused heavily on the what and the how, we put our emphasis on the who—finding the best and most passionate people, getting them in the right jobs, and motivating them to higher levels of excellence. We placed special emphasis on two core objectives: first-class leadership and disciplined execution. Early on, we learned that if you found a customer need and filled it, success would inevitably follow.

For me, business became an art form. If I were an architect, I'd want to build a cathedral or an art museum—not put up

garages or warehouses. Creating a world-class business institution was such a challenge. We adhered to our core business principles, which have stood the test of time: “Killing Yourself for Your Customer,” “Always Trying to Raise the Bar,” and “A Focus on Our People.” Those simple aphorisms have a profound effect on a business when you live by them. That’s exactly what we did. Those ideas allowed us to take a business in which we invested \$900 in 1940 and transform it into a public corporation that we merged for \$3 billion some fifty-six years later.

We were lucky, too, to realize early in our lives that when true wealth became a by-product of our success, we did not own that wealth, but rather were merely its custodian, charged with using it for worthy purposes. Even though our family had little, my mother often gave what she could to others, whether a sandwich to a hungry man who showed up at our door or a few dollars to a neighbor who needed to buy a dress for her child. Ma had a pushke, a tin can, into which spare change was dropped for helping others. It was a permanent fixture in our apartments, a center of caring and kindness, even though we had so little at the time. We were taught the joy and obligation of helping others. This has made our lives more meaningful, and had an everlasting impact on my brothers and me.

It’s why my brothers and I used our business success to also become social entrepreneurs at an early age, long before we acquired true wealth. The world can be a dark and chaotic place. My life’s goal is to light as many candles as possible to brighten the prospects of the less fortunate in this world. Yes, I’ve been lucky to make more money than I could ever need in my lifetime, but even more important, I’ve been very fortunate to discover that by giving back, I could find an extraordinary amount of meaning along the way.

## *Prologue*

I've served as chief volunteer officer for a large number of high-impact community organizations that tried to provide light in many places of darkness. I have founded, either alone or with others, more than a dozen 501(c)(3) nonprofit organizations aimed at improving the quality of professional leadership in the social sector, rehabilitating inner cities, and revitalizing Jewish education around the world. I didn't do this as a well-intentioned person who lends his name to a cause; instead, I rolled up my sleeves and applied every ounce of my ability to lead and manage organizations in the social sector, trying to ensure that our efforts reached as many people as possible. Those experiences touched my life in serious ways: I owe much of my sense of self-worth to my deep commitment and immersion in the nonprofit sector.

I write this book because I believe that my story and my ideas, though perhaps not unique, are both enduring and of possible value to others. I know there are some who believe the American Dream has become more elusive. I don't. There is as much opportunity for smart, creative, hard-working entrepreneurs today as there was back in 1940 when my brothers and I went into business together. If I could live my full life again, turn back the clock to that day in 1940 when I had only a few dollars to my name, I would do the same thing in a heartbeat. One thing is for sure: I owe much of my success to the strong woman in that dry goods store so many years ago.

## CHAPTER 1

---

---

# It's All About Who

IF YOU ASKED ME TO SUM UP EVERYTHING I KNOW IN THE FEWEST WORDS, I would do it in just four: “It’s all about who.”

All my adult life—from the businesses we started to the businesses we bought, from the charitable causes we’ve created to those we serve—I’ve been completely devoted to hiring and keeping extraordinary people. This isn’t just talk or wishful thinking. My belief in the power of exceptional leadership is the most important principle I follow.

If you studied the CEOs of the largest Fortune 500 companies, I’d bet that less than 10 percent of them would be on fire about this the way I am. Jack Welch and Bill Gates know this and are prime standard-setters. When Welch was CEO of General Electric, he said, “I don’t want GE to be known as the best product factory. I want it to be known as the best people factory.” Every world-class organization is indeed a people factory because everything depends on people. All the rest is commentary.

It’s why I also strongly believe in the ability of a single extraordinary person to change the world.

The forces that influence an institution the most are the human forces—the people who manage it, inspire it, lead it, and build it.

And success starts at the top. If you look at the history of the world, it's largely the history of exceptional people, for good or for bad—Abraham Lincoln and Winston Churchill, for good; Josef Stalin, for bad. Leadership is what makes an organization soar, or fly a flat line to mediocrity, or, sadly, plummet to the ground. The great institutions of the world—whether they are for-profit or nonprofit enterprises—are defined by the quality of their leadership and the people who follow those leaders.

When you have the right people in the right seats on the right bus, as Jim Collins puts it, something magical happens. Smart strategy, strong culture, and perfect execution tend to follow. When you have mediocre people leading your team, it negatively impacts strategy and culture, and perfect execution tends to be very unlikely.

Most people instinctively know this to be true. But many leaders do not make the commitment needed to build a team with only the best people. More often, organizations compromise. A company has open positions it needs to fill. They have three people to promote. They're under pressure from colleagues or customers to fill each job because work needs to get done. So they make the compromised choice. They interview a handful of outside applicants and say yes quickly to fill a position, or they promote someone from within who they're only mildly positive about. There is compromise everywhere. That's why there are so many B and even C players in so many important positions.

Sometimes, employers are not willing to pay up for the best talent. They seek to pay less than what's needed to acquire excellence. That is a poor trade when they could seek a highly qualified employee whose contribution to the organization can be worth many times the cost. Exceptional people are likely to produce more



growth and more benefit than people who are average and will work for less.

I don't settle. I will spend weeks, months, even years recruiting, sifting through available people to find the extraordinary. The dream of every leader should be to have the right person in the right job at the right time. It's a very challenging goal. Hiring and promoting are both highly subjective. Although we may never achieve perfection, that's what we should want.

Only recently, I waited four years to hire the person I wanted to succeed me as head of the Mandel Foundation. I had gotten to know Jehuda Reinharz, then president of Brandeis University, over the years. So had my wife, Barbara, who sits on the board of trustees at Brandeis. Jehuda had joined the Mandel Foundation board in 2005. In my book, he is a world-class educator, a widely respected scholar, a humanitarian, and an undisputed A player. So I pursued him for years before getting him to accept the job. I'll let Jehuda tell the story:

Mort's way of doing things is gradual. Four years ago, he began to broach this idea. I was visiting him in Palm Beach, and we went for a walk along the beach. He asked me what I planned to do after I left the presidency at Brandeis. I had been president for twelve years, and I had two years to go on my third five-year term.

"Let's talk about what you're going to do," Mort said. "Would you be interested in working with us?"

"Yes," I told him. "What do you have in mind?"

Over time, we started talking about more specific things. He asked me where would I want to live, how would I work with him, how much should I be paid. Two years prior to the end of my last term, we put together a list of the things we agreed to: how often I would see him, how we would communicate. It was very detailed.

I felt it was my duty to tell the board at Brandeis that this would be my last term. When I did, they started working on my wife, Shula, and me

and ultimately made a very sweet deal for me to stay a fourth term. I had to tell Mort immediately, of course, and I knew it was going to be a difficult discussion. I didn't want it to impact our friendship. There was no way I was going to do it on the phone. It was hard for me to disappoint him.

So I went to New York in the fall of 2008 to see him at his apartment. He did not get angry. He listened carefully. And then he said, "Tell me why."

I told him I wanted to finish some of the projects I started, and I wanted to make sure that all of the initiatives and programs already in place were in good shape. The conversation was very difficult for me, but Mort put me at ease. He didn't torture me. Before I left his apartment, he said to me, "I might try to find someone else." I left, started my fourth term at Brandeis, and it was as if nothing had happened. Half-jokingly, Mort would sometimes needle me and say, "I still like you."

Then, a year ago, I announced to the board I would leave early, before my last term was up. Mort knew immediately because his wife, Barbara, is on the Brandeis board. He called me and said, "Well, do you want to work with us now?"

My decision was to go with Mort. Frankly, I did so because I believe in what the Mandel Foundation does. He's enormously smart, and I respect him. I'm working for him because I believe in what he does. I felt enormously honored the first time around. He was willing to wait four years before my term was over.

Mort was so gracious. He said, "I have a list of candidates that consists of one person. That person would be a home run for me and for the foundation. It's you." When people knew I was leaving Brandeis, I had six other offers. When my wife asked, "Why Mort?" I told her that when I get up every morning, I want to be able to say that the person I'll be spending my day with is someone I respect and is fun to work with. That was critically important to me. I don't know anyone who works as hard at philanthropy as Mort does. He really believes he has made and will continue to make this a better world. I respect that.

To me, Jehuda was what I call an “enthusiastic yes.” He shares the vision and the passion that my brothers and I have for our philanthropic work. In January 2011, Jehuda started as president of the foundation. He is an exceptional leader who will not merely continue the foundation program but will enrich it. That’s worth waiting for, and that’s worth being enthusiastic about.

I have to rate a candidate as an enthusiastic yes to hire him or her. On occasion, I turn down a candidate recommended to me by my colleagues. I’m sure that my colleagues are sometimes frustrated by some of these decisions, but they trust me and ask, “What did I miss?” They know I’m focused like a laser on getting the absolute best person in the job. Every time I turn down a candidate who made it through a series of interviews, I’m also reminding everyone that hiring the best people in the world is what we’re all about.

There’s one mistake I made earlier in my business life when it comes to people: only hiring when there was a defined need. One day, I realized that if we could afford it, it’s just as important to hire exceptionally talented people even when you don’t have an opening. On occasion, when we found a gifted person, an A player beyond doubt, we’d hire her and “park” her in the organization. At first, we would just give the person something to do. Always, after a few months, she was working ten-hour days and making a big contribution. Inevitably, we found an important role for her, or she found it on her own. I never regretted hiring an A player.

What do I look for? Five key things, in this order.

1. Intellectual firepower
2. Values
3. Passion
4. Work ethic
5. Experience

I always put brainpower first because intellect is the most important of the raw materials we work with. From intelligence comes thoughtful analysis, asking the right questions, good judgment, and better decisions. I want the smartest people I can find to join our organization. High-potential people like to be with other high-potential people. When I interview candidates, I'll often ask them to bring me through their lives. I want to know what their family history is. I want to know how well candidates performed in high school and college. I want to know whether they also reached beyond their academic achievements . . . to demonstrate some leadership potential.

Frankly, I want to know if their grade-point average (GPA) was 2.7 or 3.9 out of a possible 4.0. Even if they've been out of school for many years, a GPA can represent four years of evaluation, not a sixty-minute impression during a brief interview on a busy day. It may not be necessarily true that a 3.9 GPA will do better than a 2.7, but the odds are with you. Just like the manager of a baseball team who puts a right-handed pitcher on the mound to face a right-handed batter in a crucial at-bat, I play the odds.

So I'm looking for the Phi Beta Kappa, the captain of the debating team, the president of the student council. It's no coincidence that seventeen presidents of the United States, thirty-seven U.S. Supreme Court justices, and 131 Nobel laureates have been members of Phi Beta Kappa.

I'm also looking for the person who rose quickly in another organization and was rewarded with an important leadership job. What challenges did that executive overcome to get something meaningful done? How did that person apply his intelligence to the job to make something happen?

My hurdle for brainpower is high, but once it's jumped I'm on to the next most important attribute of success: values. Ultimately,

all the intelligence in the world isn't going to help a person who lacks basic integrity and compassion for other human beings. I'm looking for honesty, decency, respect, kindness, generosity, and consideration.

Getting a fix on a person's values is admittedly difficult. Values are easier to discern once you have a person on staff, but much harder to recognize in an interview. You have to sense them. I can pick up some fairly good clues by the way candidates speak about their parents, their teachers, their role models in life. I want people who have been inspired by others, who are generous in giving credit to those who made a difference in their lives. I'm looking for people who want to help others in need, who have demonstrated kindness and consideration to the disadvantaged. Some of this may be subtle. It's what you can interpret from a tone of voice or a face lighting up. But this tells me a lot about a person's purpose in life.

Passion has become an overused word in recent years. Still, it's the level of enthusiasm and interest in work and life that makes someone stand out above the rest. It's a fire that burns deeply within us. Once tapped, it can bring you to places that few other people can go.

Unlike values, passion is easy to spot. You either have it or you don't. There is a spirit or fervor in people who have passion. You can often feel their energy. They also are infectious team members. They ignite the passion in others. They get others to care as much as they do about accomplishing the possible and the seemingly impossible.

My fourth hiring attribute is work ethic. I work hard. I do so because I'm passionate about the work I do, and I feel good when I'm highly productive. I expect the same from the people we hire. We want people who embrace work, who understand that it's not

something you do only to earn a living, but rather something that can help define who you are in this life.

During interviews, I try to get a feel for people who have a strong work ethic. You get that from learning they worked during high school and college, whether they worked weekends, what they sacrificed at times to work instead of play. At some level, work is about sacrifice: giving up some time with your friends or your family to perform your job at the highest possible level of excellence.

Finally, we come to experience. Experience, though important, is the last of the five things I look for because it's something you can provide your staff. We can't give them more intellect, better values, passion, or a strong work ethic. But we can give them experience by providing an opportunity to learn a discipline or a job. That's why we can make a compromise when it comes to experience, but we will never compromise on the first four.

When I recruit talent, I want to be as sure as possible that the person I'm hiring has all of these attributes. That requires patience and work. And then I will do whatever it takes to bring that exceptional person on board. Only last year, I found someone I came to believe would make an ideal chief investment officer for Parkwood Corp., our trust company based in Cleveland that manages the family's interests. This person would eventually succeed me as the person who would have the final say on our investments. I'll let Jon McCloskey tell the story of how he came aboard.

I had to meet Mort five times during the recruitment process over a five-month period—the first time in New York City at his apartment, then in Palm Beach at his home, then in Cleveland, and in Palm Beach again. They were all-day affairs. I slept overnight in his home twice. Honestly, I

wondered what I was going to say for twenty-four hours while with him. At the end, it's the reason I accepted his offer. Mort invests a lot of time in getting it right. He spent the time to get to really know me—no one else ever did.

It was a sign of his true investment in people. All along the way, he was straight and honest. He'd say, "Let the process play out. We'll meet again and I'll let you know if my green light is still on, and you let me know if your green light is on. Once it's red or yellow, we can be big boys and part ways." As it turned out, there never was a yellow or red light.

After four of the five meetings, Mort asked me to come to Cleveland and bring my wife, Alison. I wasn't surprised that it was part of his due diligence. I still didn't have an offer, but clearly Mort was getting ready to give me one. We lived in San Diego, and Mort wanted to make sure my wife would come with her eyes wide open. He didn't want me to come and have my wife not like it and be unhappy. So he was retiring those risks one at a time.

We flew to Cleveland in early January, and when we left San Diego it was seventy-two degrees and sunny. When we reached Cleveland, it was cold and gray, and snow was everywhere. When the plane descended through the clouds, it was like breaking through the atmosphere and going to Mars. I'm thinking to myself, "This is not going well." We rented a car, and I had to scrape the ice off the windshield. The snow was falling so hard I couldn't see the road ahead of me. It was all of ten degrees, and we were in a complete, white-out blizzard.

Mort met us for dinner that evening, and he was super charming. Despite the weather, Alison was sold. She felt so good about the dinner we had with Mort that she impulsively gave him a big hug as we were leaving.

Years ago, the famous management guru Peter Drucker sat down with me and gave me some of the best advice I have ever received. I asked him how we could make our company grow faster. He told me to put my best person on my biggest opportunity.

Skeptical, I asked Peter a tough question: “If my best person is a dentist, would I put him in charge of running a brass foundry?”

Peter didn't hesitate even a moment to answer.

“Yes,” he insisted. “Let me tell you what that dentist will do if he's your best person. He'll walk into that building, tour the plant, and speak to the employees. He'll immediately realize he doesn't know anything about a brass foundry. But he's going to get his people together and figure it out. He'll try to find someone on that team who is highly qualified to run the plant. If he doesn't come up with one, he'll find the best foundry man in the country. The dentist will soon learn how to improve the leadership and the culture and reinforce the values. He'll know the importance you attach to perfect execution and killing oneself for the customer.”

In my view, what makes institutions great is all the soft stuff, which I think is the hardest stuff in business.



## THE AUTHORS

---

**Morton L. Mandel** is a leading philanthropist, business leader, and social entrepreneur. With his two brothers in 1940, he helped create Premier Industrial Corp., one of the more successful companies in the history of the New York Stock Exchange. As chairman and CEO of Premier from 1957 until 1996, Mandel brought the company public in 1960. He then led Premier to record profit and revenue for thirty-four out of the next thirty-six years.

Mandel now serves as chairman and CEO of Parkwood Corp. and its wholly owned subsidiary Parkwood Trust Co. He also serves as chairman and CEO of the Jack, Joseph, and Morton Mandel Foundation.

**John A. Byrne**, the former executive editor of *BusinessWeek* and editor in chief of *Fast Company* magazine, is the author or coauthor of ten other business books, including two *New York Times* best sellers. With legendary General Electric Co. CEO Jack Welch, he wrote *Jack: Straight from the Gut*, one of the most successful business books in history.