Foreword by Rich Karlgaard, Publisher, *Forbes*

THE POWER OF PEERS

How the Company You Keep Drives Leadership, Growth & Success

LEON SHAPIRO · LEO BOTTARY

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To the family members, friends, colleagues,
and competitors who inspire us to be our best selves
and make the world a better place.

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INTRODUCTION

You Don't Have to Go It Alone

The 1957 movie *Twelve Angry Men*, starring Henry Fonda, is among the most heralded feature films in history. Receiving three Oscar nominations, including Best Picture, the movie boasted an all-star sup porting cast that included Lee J. Cobb, E. G. Marshall, Jack Warden, Ed Begley, and Jack Klugman, to name a few. These actors portrayed jurors who came from various walks of life and professional backgrounds, ranging from stockbroker, marketing executive, and architect to house painter, watchmaker, and inner-city hospital employee. They were not referred to by name in the film, only by their juror numbers.

As many of you may recall, the story revolves around this group of jurors working together to decide the fate of a boy who was accused of killing his father. After the judge delivered his instructions, they were sent to the jury room to begin deliberations. A guilty verdict would result in a mandatory sentence of the death penalty. A preliminary vote revealed that eleven of the twelve jurors believed the boy was guilty and, at the start of deliberations, those eleven jurors were convinced that all the talking in the world would not change their decision. Juror number eight, the lone holdout, wasn't sure whether the boy was guilty or not, but he thought that a boy's life was at least worth a conversation.

This confidential conversation among twelve anonymous jurors, which took place in the confines of one room, consumed ninety-three minutes of the ninety-six-minute film. No special effects. No elaborate action scenes. Yet you couldn't take your eyes off the screen. The stakes were life and death. The drama was palpable. The diversity of perspectives and the willingness of the jurors to dig deep and ask the hard questions revealed that much of the evidence was unreliable and it was unlikely the boy could have committed the murder. One by one, with what began as an eleven-to-one guilty vote, the jurors changed their minds, resulting in a unanimous verdict for the boy's acquittal. The collective wisdom of the group prevailed.

Coincidentally, in the same year the film was released, Bob Nourse assembled a group of CEOs in Milwaukee, Wisconsin, and called it The Executive Committee, more commonly referred to as TEC. Bob's vision was clear: *If you bring together CEOs with diverse experiences from noncompeting industries who share the dream of growing healthy, vibrant companies, there isn't any problem they can't solve or any goal they won't achieve—as long as they work together.* By collaborating in a confidential setting, these CEOs would help one another make better decisions. Here, the stakes are high as well. The lives of company employees, their families, and their communities depend upon the decisions and good judgment of the executives who fuel the engine that drives the world economy. Being a CEO or small business owner is not a responsibility anyone needs to bear alone.

In *Twelve Angry Men,* the jury reached a wise decision because the members listened to one another's perspectives (shaped by their diverse backgrounds and experiences) and were relentless in their examination of the evidence. Despite conflicting personalities and some very intense moments, they were eventually united by their pursuit of the truth. As the deliberations so clearly illustrated, not a single member of the jury, not even juror number eight, would have ever come to such a certain conclusion by himself. As a group, they uncovered the truth and reached the right decision.

THE VALUE OF BEING IN A CEO GROUP

Leon shares a story that captures the value he discovered after joining a CEO Peer Advisory Group:

When I joined Vistage as CEO in April 2013, I was both excited about the opportunity and confident that my experience had prepared me well for the role. I had spent most of my career working in membership organizations and leveraging the power of peers as a learning and collaboration tool. I was assuming the leadership of a fifty-five-year-old business where I would be surrounded by hundreds of ex-CEOs (Vistage Group chairs/facilitators), an experienced board of directors, and a culture that espoused helping CEOs become better and more effective leaders. With so many advisors and so many resources available to me, I thought, "What could go wrong?"

On Thanksgiving night of that first year, I woke at two a.m. and could not fall back asleep. I assumed it was a "turkey hangover" and decided to get up and do some work on a strategy presentation for our upcoming board meeting. I had been struggling with conflicting strategies and choices for weeks, and while I had received lots of feedback from my discussions with my leadership team, my board, and key stakeholders in the community, it was time to make some tough decisions.

I sat and stared at my laptop for hours, getting nowhere fast. I was inundated with advice and counsel from very talented, experienced, supportive, and caring people. I had many advisors who wanted to help me. However, there's a reason the expression "It's lonely at the top" is used so frequently.

All of the advice and counsel I was getting, while well intentioned, was largely subjective. Board members would listen and offer input, but too often they didn't have enough information, or they were guided by investor requirements. My management team, wanting to be supportive, had a natural propensity to tell me what they believed I wanted to hear or to protect the interest of their function and staff. My friends and family were supportive but not always willing to tell me the whole truth. Paid advisors and consultants had a narrow view based on their particular expertise and were also motivated to maintain their relationship with me for as long as possible. There was nowhere for me to turn that would allow me to be myself, authentic and transparent, let alone share the perspective of what it was like to walk in the CEO's shoes.

The truth is that after joining Vistage as CEO, I initially resisted joining a CEO peer advisory group. I believed at the time that, as a new CEO, I brought a fresh perspective to the business that would benefit the organization in ways existing employees could not. I did not want to become an "insider" too quickly. Moreover, I felt that the depth of my experience around peer learning meant that I understood the value proposition as well as anyone.

It wasn't until I actually joined a Vistage group that I found the objectivity, diversity of experience, and perspective I needed. My group was willing to tell me the hard truth without sugarcoating it. My fellow members would unabashedly question my assumptions and ask, "Why not?" if they thought I was dismissing obvious solutions or succumbing to self-limiting beliefs. They offered a sounding board, listening to all of my ideas without judgment. They found a way to help me refine my thinking and gave me the confidence I needed to act on those decisions with conviction.

The other CEOs in my group held me accountable to any and all commitments I had made. I finally had a trusted and safe space where I could be truly transparent and share without fear of judgment. Until I experienced being in a group, I had no idea what I was missing.

CEOS STRUGGLE WITH ISOLATION

According to a study conducted at Stanford Graduate School of Business, nearly two-thirds of CEOs do not receive outside leadership advice.[1] These CEOs struggle with isolation and a sense that they are lonely at the top. The implications of this isolation can be detrimental to a CEO's effectiveness, particularly in the fast-changing, increasingly complex world in which we live.

Those CEOs who seek outside help to address their feelings of isolation typically read leadership books, hire executive coaches, retain consulting companies, attend industry conferences, and/or enroll in CEO executive development programs offered at business schools across the country—none of which addresses the problem at its core. The solution to CEO isolation can't be found in a book, learned in a course, or gleaned from a coach alone.

The answer lies in working with a group of CEOs from diverse industries who can empathize with the complexities of the position, provide different perspectives to shared challenges and opportunities, and create a culture of collegiality and accountability that eliminates the isolation and inspires improved personal and organizational performance. By working with their peers in a manner that's highly selective, strategic, and structured, CEOs can transform garden-variety peer influence into something much more powerful—something we call *peer advantage*.

LEO'S INTEREST IN CEO PEER ADVISORY GROUPS

The prospect of writing this book with Leon inspired me to reflect on my own journey and consider what events moved me to become so fascinated by our peers and peer advisory groups. My first professional peer group experience began when I joined the Worldcom Public Relations Group—a consortium of more than 100 of the best-in-market independent PR agencies in the world. In the mid-1990s, I founded Bottary & Partners Public Relations, which was headquartered in Jacksonville, Florida. Because my firm would frequently compete with other PR agencies that had multinational offices, I applied and was accepted as a Worldcom PR Group member. I saw it as a way to give me a set of trusted, best-in-class independent agencies with which I could affiliate and extend my firm's reach and capabilities. While being a member achieved the intended marketing objectives for the firm, I was most impressed by what I learned from the other agency principals. The meetings afforded me the opportunity not only to exchange ideas and best practices with other agency leaders, but also to build trust—a crucial element when it came to sharing client work.

Later, as both a student and an instructor, I actively participated and played leadership roles on learning teams at Seton Hall University, Pepperdine, and Northeastern. Because these teams are comprised of mid-to-senior level executives and educators, the participants tend to learn as much or more from one another as they do from the academic material or the instructor. The experience at Worldcom Public Relations Group and in higher education piqued my interest in joining Vistage when a position became available in early 2010. I was particularly intrigued by how CEOs would be helped by fellow members who are in completely different industries from their own. I spent a great deal of time attending Vistage Group meetings around the country and soon learned that these CEOs had far more in common than not, and what they didn't have in common only served as learning opportunities for sharing industry best practices that could be applied anywhere. By stepping outside of their companies and industry silos, they deepened their knowledge and expanded their worldview. I eventually joined a Vistage Key Executive Group and a Vistage Inside Group (a group of VP level Vistage executives who focus on collaboration and professional development). All of this led to my pursuing an Ed.D. in Organizational Leadership, with a focus on how peer advisory groups deliver learning value to CEOs.

WHY WE WROTE THIS BOOK

Quite simply, we want to introduce more leaders to the power of peers. While thousands of CEOs and business owners will tell you that being part of a CEO peer advisory group has transformed their lives and their companies, too many others don't avail themselves of this resource. By giving new language to what CEO peer advisory groups are all about, we hope more CEOs and business owners will discover how much they (and their organizations) can benefit.

When we first considered the idea of writing a book, we joked about the episode from Seinfeld where Kramer unveils the coffee table book about coffee tables. If you recall, Kramer showed us how the book itself doubled as—you guessed it—a coffee table. Although we work for a company that's in the business of assembling and facilitating peer advisory groups here in the US and around the world, the last thing we wanted to do was write the Vistage book about Vistage. The Vistage Board and Executive Leadership Team agreed. Our charge here is much bigger than that.

To describe all the currencies that comprise the value we receive from our peers, we examined a great deal of research and reached out to colleagues and competitors alike so they could share their insights and stories for this book. While some of the names and companies portrayed have been changed to respect confidentiality, all the stories are true. These interviews were invaluable to helping us paint a more complete picture of what peer advantage is all about. Our job was simply to ask the right questions.

Without giving it a second thought or that much effort, we experience the power of peer influence every day. It's been that way our whole lives. Imagine if we gave it a second thought. Consider what would happen if we were more purposeful about how we harnessed that power. The truth is, we can help each other in ways we can't find anywhere else. If you want to grow as an individual, become a better leader, and prepare your organization to meet the challenges of the future, simply step up your level of engagement with a group of peers you respect and who are committed to the same goals, and watch what happens!

There are very few books, at least in the business and education arena, dedicated to those who stand beside us. We thought our peers and the value we glean from those relationships deserved a closer look.

HOW THIS BOOK IS ORGANIZED

The book is divided into three distinct parts. Part 1, "Peer Influence in a Complex World," examines why peer influence matters for CEOs and business leaders. It begins by tapping into a principle you intuitively understand and have experienced: who you surround yourself with matters. It explores the pervasive power of peer influence and how, for as long as you can remember, you've experienced it each and every day—sometimes in obvious ways and other times without even noticing. We focus the conversation by examining the four most common ways we engage our peers, recommending a new set of peer engagement priorities specifically for CEOs and business owners, and introduce the five factors that make peer advantage possible.

Peer advantage is not an individual pursuit; it's a group endeavor. Part 2, "The Five Factors for Peer Advantage," identifies the essentials for any CEO peer advisory group that wishes to enjoy the fruits of peer advantage. If you're already convinced as you read this introduction that peer influence is something you'd like to harness and leverage to greater advantage, feel free to start with part 2. (You can always go back to part 1 later.)

Part 3, “Leading with Peer Advantage,” suggests that organizational and business growth begins with you. You’ll read how other CEOs have grown individually and how peer advantage has changed their lives. You’ll see that stepping outside your company and industry, and working with a diverse group of your peers, will give you a better vantage point for meeting challenges and identifying future opportunities.

Surround yourself with the right people and employ the five factors for realizing peer advantage, and there isn’t a challenge too big to meet or an aspiration too lofty to achieve. Let’s get started!

1

Are You a Peerless Leader?

CEOs are faced with a singular reality: there are very few people they can rely upon for impartial advice. It's just not that easy to find individuals who know precisely what it's like to sit in the CEO's chair. We'll introduce you to CEOs—from a range of industries and from companies of various sizes—who have turned to their peers to help them become better leaders and build stronger companies. Meet Paul Caskey.

In 1983, a year after receiving his bachelor of science degree in chemical engineering, Paul Caskey joined CCP, Inc., a contract manufacturer of hair bleaching powders for the cosmetic industry. Located in northern New Jersey, the company had just $640,000 in sales, employed ten people, and had never turned a profit. Paul was named general manager and reported directly to owners who were not active in the business.

Within a few short years, Paul grew the company to $4 million in sales and was named CEO. With more than 90 percent of its revenues derived from hair bleach products, the company continued at a pace of slow, steady growth. Having begun at CCP pretty much right out of school, Paul realized that, as leader of a growing company, he would soon test the limits of his knowledge and experience. Paul understood that—with absentee owners, a lack of exposure to industries outside his own, and no one in the organization who knew what it was like to sit in the CEO's chair—he needed help.

LONELY AT THE TOP

Paul's situation was not unlike that of many CEOs, whether they are new to the position or have served as a CEO in the past. As we touched on in the introduction, a study conducted by the Center for Leadership Development and Research (CLDR) at Stanford Graduate School of Business, Stanford University's Rock Center for Corporate Governance, and The Miles Group revealed that many CEOs struggle with isolation and a sense that they are "lonely at the top."[1] Nearly two-thirds of CEOs do not receive outside leadership advice, while 100 percent of respondents stated that they would be open to making changes based on feedback. Stephen Miles, CEO of The Miles Group, stated, "Even the best-of-the-best CEOs have their blind spots and can dramatically improve their performance with an outside perspective weighing in."

The idea that being a CEO is a solitary pursuit is a misapprehension. Author and founder of Virgin Group Richard Branson once said, "Many people think that an entrepreneur is someone who operates alone, overcoming challenges and bringing his idea to market through sheer force of personality. This is completely inaccurate. Few entrepreneurs—scratch that: almost no one—ever achieved anything worthwhile without help."[2]

To address the feeling of isolation that can be so limiting and constraining for anyone leading an organization, CEOs typically draw from a broad range of resources including coaches, consulting companies, industry events, and executive education. These are all worthwhile and effective pursuits, and according to CEOs we interviewed from myriad organizations of varying sizes, they are among the most popular ways CEOs learn, grow, and address being *lonely at the top.* Paul tried something different.

HOW CEOS TEACH ONE ANOTHER

Paul filled the gaps he believed could limit his ability to successfully lead CCP, Inc., into the future by joining a local CEO advisory group. The group was made up of a dozen of his peers from various industries.

Initially, Paul questioned how such a diverse group could help meet his unique needs, thinking, “How will CEOs who know nothing about my specific business or my industry help me?” Also, given the size of the group, he wondered, “How much time are we really going to spend on issues that impact my company?”

Similar to Team In Training, a sports training program in which people who want to complete a marathon or other endurance event surround themselves with others who share the same goal, a typical CEO advisory peer group is made up of high-performing CEOs who want to grow as leaders and build thriving organizations. By coming together, CEOs help one another realize their respective individual goals. Rather than learning by reading case studies, they work in real time on actual business issues. Being part of a group provides each CEO a broader range of perspectives than she would likely receive from the people at her company.

CEO peer groups also provide another important benefit. Once CEOs become exposed to the value that comes from engaging with their own peers, they begin to see their organization horizontally as well as vertically. They pay more attention to the power of peers in their organizational structure and start to tap into the key influencers more frequently. This peer power, when channeled properly, serves as a wellspring for driving organizational excellence.

SOLVING A SEASONALITY PROBLEM

Paul’s CEO advisory group meetings typically started with a check-in, during which group members offered brief updates on what was happening in their lives personally and professionally. One August morning, when it was Paul’s turn to talk about what was going on at his company, he briefly shared a situation that he dealt with each year during the summer months. Paul explained that when it comes to manufacturing hair bleaching powders, the amount of moisture in the air matters. A lot. Think of the chemistry of hair bleaching powders as similar to that of solid rocket propellant—the substance can react violently with moisture. Therefore, it was too dangerous to manufacture the bleaching powders during the humid summer months, and Paul’s company had to cease production. This resulted in a 25 percent underutilization of the company's facility during that period.

When Paul finished offering his overview, he assumed the next person would take her turn. Instead, one of the members asked, "Why is that acceptable? Isn't there anything else you could be doing instead?" Having grown up in the hair bleach business, Paul had never considered alternatives that could resolve the issue of seasonality.

When Paul returned to his company, he asked himself why the situation was acceptable and began to explore his options. First, he and his team identified items that could be produced using equipment the company already had in place. Knowing that it is easier to gain additional business from existing customers than to attract new ones, he focused on items that his current customer base would need. Soon after, CCP embarked on a line of bath salts, fragranced talcum powders, and drawer sachets, all of which could be manufactured with no modifications to existing equipment and would be purchased by CCP's existing customer base. While these products are produced year round, their production tends to be heavily weighted in the summer months to gear up for the Christmas/Hanukkah holiday season. Furthermore, these products were not hazardous and they carried higher profit margins because the formulas were developed at CCP.

Within a year, CCP added $4 million in sales at higher profit margins, which doubled the business, dramatically increased profitability, and removed the seasonality problem. Within five years, CCP grew to $12.5 million in sales, with 120 employees producing numerous items for the hair, bath, and body markets, and Paul eventually moved on.

Paul suggested that the real value from this peer advisory experience didn't come from peers answering his questions; rather, it came from CEOs questioning his answers. As Paul reflected on his group experience, he noted several other major benefits he would not have received anywhere else:

- **Impartiality**—Employees and board members, regardless of their espoused objectivity and true sincerity, have a personal stake in the outcome of business decisions. Fellow CEOs are not burdened with that extra layer of consideration—they have no agenda other than to help one another. They can ask the hard questions and challenge assumptions without regard for sacred cows, personal relationships, or other organizational/industry blinders. It's an eye-opening experience for many CEOs when peers look at a specific challenge through a completely impartial lens.

- **Shared challenges**—While the CEOs in peer groups may serve entirely different types of customers in widely varying industries, they share common challenges regarding employees, growth, profitability, executive development, technology, and uncertainty, to name just a few. In fact, their diversity enhances the group's learning by the breadth and depth of their background and experience. The more they talk, the more they realize how much they have in common and how much they can learn from one another.

- **Learning**—While they share challenges, the myriad industries they represent, the size of the organizations they lead, and the depth of their experience set the table for rich conversations about proven practices for effective leadership. Sharing ideas across industries, differing stages of growth, and changing business challenges enriches the learning experience. By helping one another through this process, these CEOs will also share their personal triumphs and failures. This display of trust creates an environment in which the CEO can be truly vulnerable, open to learning and growing. And unlike one-to-one executive coaching, which can be a rich complement to the peer advisory experience, peer advisory groups harness the unique power of the group dynamic.

- **Empathy**—If you've never been a CEO, it's nearly impossible to put yourself in a CEO's shoes. It's difficult for most of us, regardless of how much we care or how objective we believe we are in offering counsel to our CEOs, to imagine what that's really like. Fellow CEOs are looking at the whole picture because that's what they do every day—they can identify with their fellow CEOs. The empathy that one CEO shares with another is felt not only professionally but personally as well.

- **Owning the solution**—Unlike consulting firms, which offer recommendations, peer advisory groups help individual members come to their own conclusions about the actions they are prepared to take to achieve a particular goal. The dynamic of owning your own solution versus implementing a recommendation that's been imposed on you can make all the difference in the world when it comes to effective execution.

Paul recalled that when he started at CCP there were only ten employees. During his tenure, the number of employees grew to 120. Paul credits the peer-to-peer experience he gained in his CEO group with enlightening him to the power of peers and the way it factors into building a winning team. Not surprisingly, Paul credits his people for the role they played in driving organizational excellence at CCP.

COMMUNITIES OF PRACTICE

In 1991, Etienne Wenger-Trayner and Jean Lave coined the term *communities of practice,*[3] which was described a decade later as "Groups of people who share a concern, a set of problems, or a passion about a topic, and who deepen their knowledge and expertise in this area by interacting on an ongoing basis."[4] The structural characteristics of a community of practice include having a domain that involves a common knowledge base around a shared purpose, a community willing to collaborate, and a practice with a shared set of approaches, language, and tools. All of these elements are present in a CEO peer advisory group.

Those who lead these CEO communities of practice do so by:

- Using open-ended questions to promote active problem solving
- Creating social interdependence and setting clear goals through collaboration
- Creating an environment of trust, confidentiality, and transparency
- Utilizing tools that help participants organize their knowledge
- Playing the role of facilitator rather than coach

When we talked to Etienne and Beverly Wenger-Trayner, who today are active researchers, consultants, and authorities on the topic, they explained that communities of practice have been around since the dawn of human existence, but once they had a name and a common language, it became easier to talk about them and cultivate them intentionally.

While studying historical cases of apprenticeship with anthropologist Jean Lave, Etienne recalled, "Initially, we were studying apprenticeship as a way to rethink learning. We found that an apprenticeship is often not just a relationship between a master and a student. We noticed this whole community around the master that acts as a learning curriculum for the apprentice. A lot of the learning interactions were not with the master, they were with one another. This is essentially where the term communities of practice comes from."

In an article cowritten by Etienne and William Snyder for *Harvard Business Review* in 2000, they noted that communities of practice were common in classical Greece, where "corporations" of craftsmen had both a social purpose and a business function.[5] The members trained one another and worked together to share innovations. During the Middle Ages, guilds offered a similar resource for artisans.

MASTERMIND GROUPS

In early American history, Benjamin Franklin organized a group of twelve friends called the Junto to provide an ongoing forum for structured discussion.[6] The group's original members included printers, surveyors, a cabinetmaker, a cobbler, a clerk, and a merchant. They met on Friday evenings to talk about morals, politics, and natural philosophy. Franklin stated, "Our debates were to be under the direction of a president, and to be conducted in the sincere spirit of inquiry after truth, without fondness for dispute or desire of victory."

In 1743, the Junto would become the American Philosophical Society, created "to promote useful knowledge in the colonies" and still active to this day.[7]

In business, Napoleon Hill's book *Think and Grow Rich* described the advent of the mastermind group and how both Andrew Carnegie and Henry Ford credited their mastermind groups for much of their success. Hill regarded these groups as the secret to the success of all great men and foundational to all outstanding personal achievements. A mastermind group called the Vagabonds included Henry Ford, Thomas Edison, President Warren G. Harding, and Harvey Firestone—a pretty formidable collection of peers![8]

MILLENNIALS SEEK CONNECTIONS

While it may be fascinating to imagine being in a peer group with Henry Ford and Thomas Edison, or the interesting conversations Ben Franklin must have led during Junto meetings, the richer conversation may lie in the role peer advisory groups will play in the future. This is particularly important because, as of 2015, millennials represented 45 percent of employees in the workforce—and 28 percent of them served in management roles.[9]

While 82 percent of hiring managers regard the millennial generation as more technically adept than previous ones, this generation is also characterized as caring a great deal about their work colleagues.[10] They may have grown up in a digital world, but they are hungry for in-person experiences as well. And because many of these employees have experienced group work as part of their educational experience, their inclination to collaborate rather than compete is already translating into the workplace. Best-selling author and business advisor Chris Brogan added, "There is a big appetite for face-to-face meetings, particularly when it comes to closing a deal. I'm also seeing a trend toward young people engaging more deeply with smaller affinity groups as opposed to using social media as a means to amass a high number of followers."

Bob Berk leads a group of high-potential millennials, from a range of small to midsized companies, who participate in quarterly leadership development sessions with their peers in the Chicago area. Their full-day and half-day face-to-face sessions give them a chance to build trust and dig deeper than they would have the opportunity to do online. They can't get enough face-to-face interaction.

In communities of practice, both past and present, learning is what happens in practice. "The essence of a community of practice is that you don't detach the practice from the practitioner," Etienne Wenger-Trayner said. "You don't detach knowledge from the knower. You don't detach learning from the learner. Becoming a good CEO is not just acquiring knowledge and skills; it's embodying these as a way of being a certain kind of person. It includes who you are. You cannot detach who you are from an understanding of the practice. I think that's where a community can become really transformative." CEO peer advisory groups don't study and analyze case histories from other organizations; they work on their current issues and challenges in real time, so that those challenges of practice drive a shared learning agenda, with the ongoing learning from that agenda being fed right back into the practice of what is happening in their own companies. It is an iterative cycle of practice informing a learning agenda, which informs practice.

THE PATH FROM PEER INFLUENCE TO PEER ADVANTAGE

Often, business leaders enlist peer engagement in varying degrees outside of peer advisory groups. Understanding the ways we engage our peers can help us discern the difference between the peer influence we experience every day and the *peer advantage* that can result from a more strategic and structured approach. In essence, we work with our peers in four distinct ways: we connect, network, optimize, and accelerate.

We **connect** with our peers in person or online. The people we connect with are typically acquaintances—though they may be people we've never met—with whom we exchange information or share a common interest, even if only temporarily. Think in terms of attending general business gatherings in your local community, seeking opinions about vendor experiences on Yelp, or connecting at the most basic levels on LinkedIn.

We **network** online, at conferences, or at local business events and socials in a more selective and more purposeful attempt to advance personal and professional interests. Connecting and networking tend to be individual pursuits and are, by far, the most common ways we reach out to our peers.

There's a difference between the peer influence most organizational leaders experience when they connect and network, and the peer advantage that can be realized when leaders work with others to optimize and accelerate. This is among the fundamental principles of this book. We **optimize** when we work together in teams to bring a high level of excellence to achieving a common goal. Leaders often form organizational "tiger teams" to tackle special projects. The Blue Angels, the U.S. Navy's flight demonstration squadron, conducts debriefs following every (what we see as perfect) flight to talk about how they can do better the next time. Top sports teams participate in practices that are often more rigorous than the games to ensure top performance when it truly counts. The work of optimizing tends to take place among a more homogenous group of peers and be temporary in nature, determined by either the length of a specific project or the span of a season.

We define **accelerate** as the ultimate means for gaining peer advantage. It's what top CEOs do when they work together as part of a diverse group on an ongoing basis. The objectives are to help one another meet tough challenges, achieve lofty organizational goals, and grow as leaders. Examples of groups that serve CEOs in this manner are CCI, Entrepreneurs' Organization (EO), True North Group, Vistage, and Young Presidents' Organization (YPO), among others. Other groups that employ the accelerate concept are those led by the Milken Institute and the World Economic Forum. These groups bring together highly influential people from various walks of life to address many of society's most complex challenges.

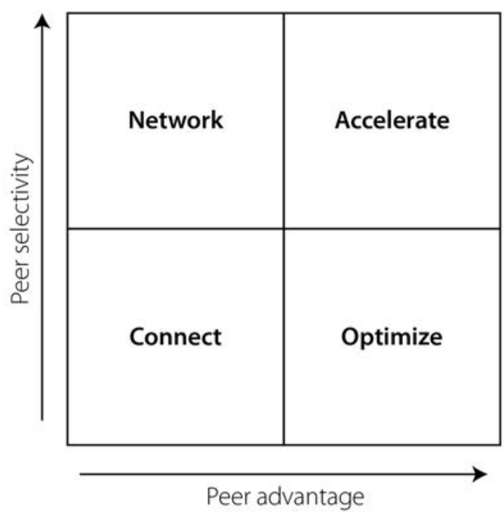

FIGURE 1.1 Peer Engagement Framework

PEER ADVANTAGE IS PEER INFLUENCE OF A HIGHER ORDER

Whether you want to double the size of your company or build an exit strategy, being around a select group of people who share your commitment to success is a transformative experience. Peer advisory groups that optimize and accelerate business growth employ five factors that are essential to the group experience and to achieving desired outcomes. We'll spend part 2 of the book describing these factors in great detail because they are so essential to a group's success:

1. Select the right peers—find true peers who share your commitment to excellence.
2. Create a safe environment—cultivate an atmosphere that is judgment-free, inspiring open dialogue and deep learning.
3. Utilize a smart guide—someone who can effectively facilitate the conversation.
4. Foster valuable interaction—establish a process that encourages rich and meaningful conversation.
5. Be accountable—honor a shared expectation that you will do what you say you will do.

Later in the book, we will address the following questions:

- What does it take to harness peer advantage?
- How can peer advantage inspire individual growth?
- How can peer advantage help you solve complex challenges and lead in a world of uncertainty?

SUMMARY

No CEO, business owner, or organizational leader should ever have to go it alone. While there are myriad resources available for CEOs who want to learn and grow, there's no better way to combat the feeling of being lonely at the top than being part of a CEO group. Learning in communities is as natural to humans as breathing, and being part of a community that shares a domain, a willingness to collaborate, and a common purpose can be a truly transformative experience. Next, let's consider how the pervasive nature of peer influence permeates our lives and provides a platform for taking your business and your life to new heights.