

TRAINING TRI-SECTOR ATHLETES

Society needs leaders confident in the nonprofit, government and business worlds, says Brunswick's **NICK LOVEGROVE**

WHAT DO THESE ISSUES have in common: international terrorism, income inequality, climate change, infrastructure, education, healthcare, crime and corruption? Clearly, they are among the most vexing challenges of our time. But more than that, they represent complex, multi-disciplinary problems with various stakeholders who hold contrasting views on cause and effect, and have even greater disagreements about possible solutions.

For that reason, such problems cannot be solved solely by governments or any other single sector of our society. They can only be effectively addressed by government, business and civil society working together to provide lasting, sustainable solutions. For that, we need more leaders to be tri-sector athletes – able to engage across the divisions between the private, public and nonprofit worlds.

While they will likely have developed their broad capability by working in each of the three sectors at various stages of their careers, these individuals are distinguished as much by their mindset as by their experience. They can appreciate the needs, aspirations and incentives of people in all three sectors; they can speak the local language. When challenges arise for our organizations, we need leaders with those skills to help navigate the complexity of the modern world.

For instance, in 2008 and 2009 when the financial crisis threatened to wreck the global economy, the response was led by tri-sector athletes such as Hank Paulson and Tim Geithner in the US, Mark Carney in Canada, and Adair Turner in the UK. And some of the most successful CEOs in today's business world have played important roles in addressing major social challenges – people like Indra Nooyi at PepsiCo on water security, Paul Polman at Unilever on environmental sustainability, and Howard Schultz of Starbucks on the development of jobs and skills.

Yet as the tri-sector leaders who are needed to address such challenges are becoming more valuable, they are also becoming harder to develop. This is the result of a widening disparity between salaries in business, government, and at nonprofits, and the differing incentives and cultures of the three sectors. As Jack Donahue, a professor at Harvard's Kennedy School observes, "government is impermeable and business is sticky."

That's unfortunate, because research suggests that people who have succeeded in crossing sectors have had notable careers as leaders. Many have consciously sought to broaden their career experience and professional capability by doing so, and as a result have developed and applied six distinguishing traits of tri-sector athletes:

Moral compass Successful tri-sector athletes find ways to pursue overlapping and potentially conflicting professional goals. They do so by applying a very robust moral compass that enables them to build their career with a coherent purpose and secure sense of "right and wrong," so that they can navigate through conflicting motivations when they need to. Tri-sector athletes in business pursue not just shareholder value, but also "public value" – gain for society as a whole, not just for the corporation. As Bill Gates has argued, a "hybrid engine of self-interest and concern for others serves a much wider circle of people than can be reached by self-interest or caring alone."

Intellectual thread Many tri-sector athletes concentrate on a particular issue or theme over time, building subject-matter expertise in the process. This bolsters their credibility and capacity to cross sector boundaries, magnifying their effectiveness when they do so – they are no longer a "jack of all trades, master of none." In turn, by moving between sectors, they also increase the salience and impact of their subject-



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matter expertise. This was illustrated by Julius Genachowski who spent more than a decade at IAC, the innovative media and technology company, before returning as Chairman to the US Federal Communications Commission, where he had started his career.

Transferable skills Business executives excel at allocating scarce resources to capture attractive market opportunities. Government officials bring competing interests together to create legal and policy frameworks. Nonprofit leaders devise creative ways to further the social good. Tri-sector athletes acquire elements of all three skill sets and, as they apply them to new challenges, they strengthen their ability to work across sectors. This enables them to recognize the similarities in seemingly unconnected situations, and sometimes

identify unorthodox solutions. (See the example of Steve Rattner on the next page.)

Contextual intelligence To select the right tools in their repertoire, tri-sector athletes must not only see parallels between the sectors, but also accurately assess the differences and translate across them. This is rooted in the very simple observation that *context matters*. Success often depends on an elevated ability to understand and adapt to different types of environments. For instance, the distinguished businessman and environmentalist Roger Sant took the style and approach he used in his early career in government and successfully applied it to a large energy business when he founded and ran US company AES. He used it again in another context when he chaired the World Wildlife Fund and other environmental nonprofits.

Integrated network When you ask people about the secrets of their success, they typically talk about other people – mentors who helped their careers, partners and collaborators who helped them tackle a difficult problem and friends who helped them through difficult times. Each of us has a network. Tri-sector athletes build broader and more diverse networks in order to strengthen their leadership teams, convene the groups needed to address knotty problems, and widen their own range of professional opportunities.

Prepared mind Tri-sector athletes build their careers according to the principle laid out by Louis Pasteur, “In the fields of observation, chance favors only the prepared mind.” They recognize that they must be prepared to make professional and personal choices – to be ready emotionally, intellectually and financially.

To paraphrase President Kennedy in his declaration of America’s commitment to go to the moon, people choose to be tri-sector athletes not because it is easy, but because it is hard. It is always inspiring to meet exceptional people who are building brilliant careers dedicated to addressing some of our society’s most difficult problems.

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But in most parts of the world, the tri-sector athlete is not yet the prevailing model for leadership success. For those who are willing to embrace the challenge, it requires tough choices, sacrifices and discipline. The result for the individual will be a more consequential and fulfilling life and career. Society, in turn, will gain a leader with more robust and creative approaches to our most vexing problems.

To help achieve those results, we need to change the way we select and develop future leaders in business, government and the social sector. We need to incorporate tri-sector issues in formal academic and executive training; set up exchange programs so that mid-career leaders can build cross-sector networks; and make the tri-sector experience a talent development priority for business leaders and prospective CEOs.

Only then will we create more of the tri-sector athletes we need to tackle the challenges of the 21st century.

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STEVE RATTNER, THE “CAR CZAR”

Successfully leading the government’s effort to save the automotive industry drew on all the skills in his broad, tri-sector background

In 2009, without a day of experience in the car industry, Steve Rattner was appointed US “Car Czar” by President Obama. In the midst of a full-blown economic crisis, Rattner went on to lead a turnaround in the fortunes of the US automobile industry.

His story illustrates the capacity to transfer skills and experiences from one sector to another. Now a high-profile financial news commentator and Chairman of the investment company for Michael Bloomberg’s philanthropic assets, Rattner began as a reporter on politics and economic issues with *The New York Times*.

That led him to investment banking, where he spent more than two decades, while also taking on nonprofit and political

leadership roles. When the economic crisis hit in 2009, Rattner was asked by the incoming Obama administration to lead the task force that charted the auto industry’s recovery

path. “It turned out this was a problem we could fix,” Rattner says. “The financial restructuring skills that I and others had brought to government were directly relevant.” But that financial background was only one part of a broader skill set, drawn from work in public, nonprofit and private business.

“That’s why they wanted me,” Rattner says. “They thought that I could navigate this sensitive set of issues. I was certainly not hired because of my auto experience, which was precisely zero.”



Steve Rattner led President Obama’s Task Force on the Auto Industry in 2009