



# Raymond A. Mason School of Business

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LEADERSHIP & BUSINESS PODCAST

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## EPISODE 166: BRAD MARTIN – QUALITIES OF GREAT LEADERS

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### Ken White

From William & Mary in Williamsburg, Virginia. This is Leadership and Business, the podcast that brings you the latest and best thinking from today's business leaders from across the world. We share the strategies, tactics, and information that help make you a more effective leader, communicator, and professional. I'm your host, Ken White. Thanks for listening. There is no one path to a leadership position. Some people are asked to lead; some are assigned. For others, leadership is a goal. At an early age, Brad Martin sought leadership roles. As a 20-year-old with no political experience, he ran for public office and became the youngest person ever elected to the Tennessee House of Representatives, where he served for five terms. Later, he turned to business, where he became the CEO of Sachs Fifth Avenue and its predecessor firm for nearly 20 years. During his tenure, the value of the company's stock increased more than twelvefold. Martin's leadership journey also took him to higher education, where he served as interim President of the University of Memphis, his alma mater. He's currently chairman of RBM Ventures and CEO of the Riverview Acquisition Company. He visited the William & Mary School of Business last month as part of the 10th annual McGlothlin Leadership Forum. He joins us to discuss leadership. His experience and the attributes he says are critical to being a successful leader. Here's our conversation with Brad Martin.

### Ken White

Well, Brad, welcome to William & Mary. Thanks for joining us on the podcast. I appreciate your time.

### Brad Martin

Gee, Ken, it's absolutely terrific to be here today.

### Ken White

Well, thanks. You're interesting as a leader, and that you sought leadership roles at an early age. What drove that? What made you do that?

### Brad Martin

I felt like I really wanted to get involved in some serious things. And initially, it was public policy. It was politics. It was issues in the community, and in high school, I had done service projects and things of that nature and felt motivated to serve and thought, gee whiz, do I want to get in line or do I want to go the head of the line and have the opportunity to really sit down and try to have an impact on things. And so, really, the only way to do that is to find a leadership role and jump right in. And I was privileged to do that.

### Ken White

If you think back to your 20 21-year-old self, did you know what you were in for at that time?

### Brad Martin

No. When I was 20, I decided to run for the Tennessee House of Representatives. And my friends, I think the most encouraging thing I heard from anybody was it will be good experience. You will get your name out in front of the community. Later on, it'll be helpful when you want to pursue a career in politics. But I told my friends, no, I plan to win the election, and winning the election is how I could go have a seat at the table and deal with some of these community issues that I thought were serious, and that needed some attention. And so I just jumped in, ran for office, and kind of in spite of no experience and probably no qualification, I won.

### Ken White

Yeah. What a great story, right. What a great story. And I imagine incredible experience at that age.

### Brad Martin

Well, it was clearly when I showed up as a 21-year-old member of the Tennessee House of Representatives, there were kind of two approaches I could take. One was act like I knew everything about everything because I'm 21. And here I am, boy wonder. Or I could show up and say, I'm here to learn. I actually gravitated to the most senior and, in some instances, the oldest people in the legislature and just sopped up everything I possibly could from them to really help me understand how to get things done.

### Ken White

Interesting. And that was just the beginning of many leadership roles. And when you talked to our students here, you said that you shared some attributes that you've seen in successful leaders throughout your career, seven in particular. And I thought for our audience. We just sort of walk through them.

Brad Martin

Sure.

Ken White

The first one, purpose-driven. A successful leader is purpose-driven. What do you mean by that?

Brad Martin

I think that you really have to show up for a reason that people are willing to follow the leader. And so it could be in the not for profit area because there is something absolutely critical that you've got to do for a population or a community or a neighborhood, or it could be in a business where you believe there's a service or a product that is absolutely important to people, to customers, again, to communities. So I think there has to be something more than the work involved in any successful enterprise and the leader's job. One of them is to define what that is. What is it about we're doing that is important and therefore purpose-driven.

Ken White

Principles-based.

Brad Martin

Yeah. I think you have to stand for something. Many of the great leaders I have seen are very clear in what they believe in. if it's their personal integrity, if it's their transparency, if it's hard work, if it is relationship-oriented, if it's service oriented. So again, I think if you follow a leader, you want someone who you understand and can sign up for what they believe in what their principles are. And if you're comfortable with those, jump on that team and be willing to be part of that team.

Ken White

Interesting, you say the best leaders need to and have a growth mindset.

Brad Martin

Yeah. I hate working with people who know everything about everything. I absolutely find that boring and unproductive. I want people who want to learn. I want people who want to get better. At our session here last night, I was taking notes from this enormously successful speaker that we had. I learned so much last night, and I'm going to share those notes with my business colleagues, my family members, et cetera. And again, I've seen the best just want to get better. And you do that by being willing to change and being willing to grow.

Ken White

I think early on, for many people in their career, they assume the leader knows everything. And then once they get in, they realize sometimes the leader knows the least amount in the room.

Brad Martin

Well, I think that's right. And I think that's why you better be darn good at asking questions and also establishing a relationship of trust with the people that you work with. I mean, you really want to know the truth, right? I would visit one of our Department stores. I remember one day I visited one of our stores and terrific store manager. And I said, Ralph, I'm here to talk about the business. I said, what can we do at the home office with better advertising to support your store? Nothing, everything's great. I get great support from the advertising department. Okay. How about Merchandising? I said I'm sure there's something we could do in women's apparel or men's or home furnishings. No, I get great support. I got everything I need. It's all fine. I think a third issue I asked him related to staffing or funding for the budget. Everything was perfect. And I told him, Well, that's great because the company is running a 7% sales growth rate. You're running two. And if everything that the home office is doing for you is fine, we must have a problem with the store manager.

Ken White

Oops.

Brad Martin

He said, Well, actually, there are a few things that I think we could do better, but he needed to understand not only did he have permission to tell me what I needed to do better, what my colleagues at the home office needed to do better. We have to know that. And the only way you can get that is to have a relationship of trust.

Ken White

Interesting. Collaboration is key; you say to good leaders, you have to have a collaborative mindset.

Brad Martin

Yeah, you really can't. Particularly as the organization gets larger. You can't do everything by yourself. And what I found as our team got bigger and bigger is there are a number of jobs that I couldn't do at all. In fact, I told our team one day my goal was to have a series of leaders around me, all of whom could do their job better than I could do their job. A I wanted that sort of talent. But B, I wanted everybody to have the opportunity to chime in on, to push back on, to challenge each other. Really interesting experiences where I knew

darn well what the decision was I wanted to make. And but by fostering an environment where my colleagues could push back, challenge, question, argue, we ended up getting to a better place. There was one particular instance where I had told my management team I was going to promote a particular person, and they clearly had a different point of view. And they went around the room and told me why that was a bad decision. And I looked at my colleagues and said, Well, you know, this is my decision. I'm the CEO, but I'm supposed to be collaborative. I'm supposed to let you weigh in value your opinion. So what we're going to do is I'm going to wait six months just to show you how much I respect your insight. But I know I'm right. Within six months, that person had left the company. I had fired that person, so I was about to promote someone who would have been a disaster. My colleagues had the permission to tell me it's a mistake, even though they knew I felt otherwise. And by collaborating and listening and letting them win one, we got to a much better place.

### Ken White

We'll continue our discussion with Brad Martin in just a minute. Our podcast is brought to you by the William & Mary School of Business. The great resignation of 2021 continues. Record numbers of people are leaving their jobs. Gallup reports almost half of all professionals in the US have their eyes on other opportunities. If your company or organization is interested in retaining your best people, consider enrolling them in one of our MBA programs for working professionals. William & Mary's part-time MBA, online MBA, and executive MBA programs are each designed for the professional who works full time. So both the employee and the organization benefit from the experience. Employees want to feel supported by their employers. Show them your organization cares by investing in their growth. Check out the MBA program at William & Mary by visiting [wm.edu](http://wm.edu). Now back to our conversation with Brad Martin.

### Ken White

For that up and comer, that new professional, it's critical that they speak up and share their mind. That's what the boss wants. But for some, that's pretty tough to do, especially when you're early in your career.

### Brad Martin

Oh, sure. You just really don't want yes, ma'am and yes, sir, all the time. Right. Because you just don't want the salute, and let's go. You typically have attracted people with new talents and different talents and immediate understanding. You want them to show up with that day one and feel comfortable. Now you've got to create the environment where they can do that on a risk-free basis, where they can feel safe. And they also can say, I don't quite understand that issue. Help me better see how you're thinking about that.

Ken White

Successful leaders communicate with clarity.

Brad Martin

Yeah. I think that that's hard. It seems sometimes that the more intelligent one might be, the more difficult it is. I mean, I remember one instance where I asked a very smart, highly educated, IV-type MBA to do a session on return on invested capital for our store managers. And I watched the draft of the presentation, and I had a lot of trouble understanding. Now, this was a finance guru, but I didn't need the finance guru to show me everything he or she had learned in business school. I needed a store manager to understand here's how much we spend on the building. Here's how much we spend on the merchandise. Here's how much we spend on the equipment. Here is the revenue we generate. Here are the margins associated with that. Here's what you can do to impact return on invested capital. So simplifying complicated matters is really important for a great leader.

Ken White

You say the best leaders are willing to accept accountability.

Brad Martin

Yeah. That's something that I think can be a challenge for all of us. For me, I was willing to because my only job I ever had in the department store business was the CEO. It was a small company that we acquired. I was the lead investor. I became the CEO without having any idea what I was doing. So I clearly was accountable for performance. The thing I had to learn was to drive accountability throughout the organization, too. I know there were instances where I would say, Gee, this person in finance is great at accounting, but not very good at transactions, but I'm good at transactions. So I'll help that person. Or this colleague in apparel is really good at women's, but not men's. But I'm pretty good at men's apparel. I'll help that. And I would tend to do that with six or seven or eight or nine or ten individuals in my organization. Next thing you know, I'm doing part of their job, not mine, and their accountability is diffused by me being involved in doing their job. So really, driving that accountability throughout the organization is a key element of leadership.

Ken White

So the leader being accountable but also holding everyone else accountable to what they're supposed to be getting done.

Brad Martin

Absolutely. And if you don't, it's not fair to the organization, and it's not fair to the team, and they know it.

Ken White

Or the person.

Brad Martin

Exactly.

Ken White

Yeah. I've had so many interviews with human resource professionals who say people know when they're not performing. They're the first ones to know. As a matter of fact.

Brad Martin

It's really the company's fault. And the leaders fault if they're not because they're obviously not in the right job.

Ken White

Believe everyone matters.

Brad Martin

Yeah. This is a big deal to me. We actually operate on a first-name basis at the company. We had an organizational chart where we actually put the customer at the top of the organizational pyramid and the CEO at the bottom. I really looked at my job as a servant leader-type responsibility. And while the CEO's job gets a higher degree of compensation than somebody working in the distribution center. The human value of the individual we're the same from my perspective. And so very, very important to me that we had an organization where every single individual was treated with dignity, with value, and had the opportunity to be everything that individual wanted to be in the work.

Ken White

I assumed then people felt very comfortable approaching you regardless of what they did for the organization.

Brad Martin

Absolutely. There's no question. I had many relationships throughout the organization. A couple I can recall. One evening I'd work late, stopped, and got some a quick bite to eat. It's about 830 at night, and I decided I'm going to drive over to this kind of suburban locations, see the store. So I walk in about 30 minutes before closing, and I see one of our

associates in one of the departments. Barbara and Barbara said, Brad, I'm so glad you're here. Thanks for coming. And I'm so glad you didn't tell us you were coming. And I said, well, why Barbara? She said because we're kind of busy. I got a lot to get done. And if we had known you were coming, we would have had to drop all of the important things we're doing to get ready for your visit. So thanks for coming. Thanks for not telling us. So is that sort of an environment that you really want to work in?

Ken White

Well, that leads to your last one. And that is personal authenticity being yourself?

Brad Martin

Yeah. I think that, as I always quote Oscar Wilde, who said, be yourself because everyone else is taken. People get it when you are authentic, and they get it when you aren't. And I think they want to work with and for somebody who brings the honest, authentic self to work. Not something they've read in a textbook seen on TV or attempting to model because there was a successful entrepreneur executive somewhere that they heard that's the way you manage.

Ken White

Has leadership changed since you at the beginning of your career? What I mean by that is culture is a little tough these days with a lot of gotcha mentality out there. You make one mistake. It could be on the front page of the Wall Street Journal. Has that changed or what has changed, I guess, is my real question. What has changed with leadership from the time you started to today?

Brad Martin

I think the existence of the digital and social world just magnifies everything and gives a voice to everybody that didn't quite exist obviously before that. And that's good and bad. It's good that there's no filter in terms of access to bringing the spotlight on something inappropriate behavior. It's bad in the standpoint that there's no filter for unfair or unaccountable, if you will, observations or postulations. I think that there's a lot of sensitivity associated with the social world that I never had to deal with before. But I think you always have to operate on the assumption that what you do will be second-guessed, questioned, pushed, and be comfortable in your own skin. I had many successes. I had many failures, and I was never really permitted myself to be defined by either. I am who I am, and I had a better idea than the person writing about me. I was never quite as good or quite as bad as I tended to read.

### Ken White

Great point. This might be an unfair question, but as you look back at the leaders whom you worked for over the years, are there a few that really stand out that helped you and affected you positively?

### Brad Martin

Oh, there are so many, I think the Pope said. Part of all I have met and anybody that comes on the podcast and talks about being a self-made man or woman, throw them off, cut them off. It doesn't exist, right? You can work hard, and you can overcome a lot of obstacles. But I guarantee you each of us have had mentors, supporters along the way. I knew nothing about the department store business, and ex department store retired executive took me under his wing. And when I was CEO, the company said, I'm going to teach you something about the business. Fred Smith, the founder of FedEx unbelievable executive who taught me the humility associated with executive leadership as well as the absolute critical importance of culture. Henry Loeb, the former Mayor of Memphis, Mayor of Memphis when Martin Luther King was killed, a political leader who was quite controversial, also had this very, very private part of him that was involved with providing a lot of personal support to disadvantaged and disabled people. And Loeb taught me there are no little people.

### Ken White

What advice do you have for a young professional who thinks leadership is something they might want to have in their future?

### Brad Martin

I'd say, just go for it, just go for it and be prepared. In my view, the biggest risk you're going to face is the risk of embarrassment. So what, right? If you don't lay it all out there, you'll never have that opportunity. So don't worry about the risk of an embarrassment. You're the only one that's going to remember that for very long, and then just pick yourself up and do it again and again and again.

### Ken White

That's our conversation with Brad Martin, and that's it for this episode of Leadership & Business. Our podcast is brought to you by the William & Mary School of Business. The great resignation of 2021 continues as record numbers of people are leaving their jobs. If your company or organization is interested in retaining your best people, consider enrolling them in one of our MBA programs for working professionals. William & Mary's part-time MBA, online MBA, and executive MBA programs are all designed for the professional who works full time. So both the employee and the organization benefit from the experience. Employees want to feel supported by their employers. Show them your organization cares by investing in their growth and future. Check out the MBA program at

William & Mary by visiting [wm.edu](http://wm.edu). Finally, we'd like to hear from you regarding the podcast. We invite you to share your ideas, questions, and thoughts with us by emailing us at [podcast@wm.edu](mailto:podcast@wm.edu). Thanks to our guest Brad Martin and thanks to you for joining us. I'm Ken White. Wishing you a safe, happy, and productive week ahead.