



Art of Leading

Powerful insights from top leaders.



Simon Freakley

You Have To Be Very Candid With People In A Compassionate Way



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Simon Freakley, CEO of the consulting firm [AlixPartners](#), shared his key leadership insights in my latest "Art of Leading" interview. [Subscribe here](#) to receive future interviews.

Q. What is your playbook for leadership?

A. A lot of what governs good business is what governs good relationships. People need to be respectful of each other. People often have differing views, and that is good, but they have to express their position or their preferences in a respectful way, with the belief that everyone can work together toward the best answer.

People tend to project onto businesses all sorts of otherworldly elements and attributes. But at the end of the

day, it's a collection of similarly motivated and spirited people who've come together in the pursuit of a strategy and an agenda. So the currency of what makes human relationships functional is ultimately what makes a business functional.

Q. How did you learn that lesson?

A. My father owned a small boatyard—he made beautiful leisure craft that were between 25 and 70 feet long—and he had about 20 employees at one point. At the beginning of every day, he would go from workbench to workbench and talk to each employee about their projects and how they were going and what their issues were. He made sure that they understood the vital part that their work played in the whole project.

It was a very early mentorship in how to get the best out of everybody.

All his employees were different and he would listen to them exactly the same way. He would treat them all with the same respect. If they had an idea that he thought was terrible, he would never say that. He would listen to them and then roll that into what he wanted in terms of an outcome, but in a very gentle but strong way. He worked six days a week, and I spent every Saturday and all school vacations trailing behind him. It was a very early mentorship in how to get the best out of everybody.

Q. What were early lessons from when you first started managing people?

A. I joined Arthur Andersen straight out of university and qualified as a chartered accountant. It was in the recessionary period of the mid-80s, and I was put straight into the restructuring practice because they were so busy. A lot of medium-sized businesses were having trouble, and we would go in and run the businesses and try to sell them.

Because I had grown up in a small business, I found myself with a very early opportunity to do the things that I love. And I learned from my more experienced colleagues not just how to run businesses, but also how to sell them.

I did that for about eight years, and then I left with a number of colleagues to join a smaller company doing restructuring work. The CEO, who was also one of the two founders of that business, became quite ill and had to drop out of the business for a while. Even though I was the youngest partner, he felt that I'd be the best person to run it. So I got my first CEO role at age 34.

He gave me the job on one condition, though—I had to have a mentor. I wouldn't have a choice in who that would be, and I had to meet with him every week. That mentor, Leslie Lewis, was without a doubt one of the most important influences in my life. I met with him every week for about 12 months.

Q. What was the key lesson that he shared?

A. I was working ridiculously hard at the time and it was a very busy period in my professional life. He said, "For our first session, I need to have three hours with you." I said, "I don't have three hours for anything." He said, "No, we'll need three hours." When we had that first meeting, I was thinking for the first hour that this guy doesn't seem to have any interest in business and all the things I was struggling with, like time management and effective agendas.

He was only interested in how human beings operate. What are their fears? What are their anxieties? What excites them? What discourages them? About two hours into this three-hour meeting, I realized I'd completely misunderstood the purpose of this mentorship. The mentorship wasn't to teach me business. He gave me a master class over the course of a year in understanding people and the broader context in which we all move around the world.

He'd say things like, "You never tell anybody anything that they don't already know." I'd say, "Well, how can that be possible?" He said, "As a leader, you're worrying to death that you have this difficult news to share with somebody, but people sort of know it already. They know if you're going to have to let them go or they know if you're going to have to make a difficult choice. The most important thing is that you're very candid with people in a compassionate way. You're sharing with them the knowledge that, at some level

of consciousness, they're already aware of. The authenticity of those moments is the foundation of your relationship with your people."

Q. What do you think is the hardest part of leadership?

A. I always say that a chief executive has to be their own chief communications officer, because you have to work out what's important to speak out on and what you're going to say, and you also have to decide what you shouldn't speak out on. Employees in particular expect leaders to speak out on so many issues now.

The multiplicity of things that leaders have to focus on can be utterly overwhelming.

So you have to decide what is central to your mission, what's authentic, and then be proactive in speaking out on those things. By the way, you still have to increase revenue and shareholder value over time. The multiplicity of things that leaders have to focus on can be utterly overwhelming.

Q. How do you hire?

A. I always ask people, what gives you energy and what takes energy from you? I ask that question because typically the things that give people energy are the things they're good at, and the things that take energy from them are the things that they're not good at. I observe them quite closely as they answer the question, because their whole energy tends to change as they answer the question.

Then I'll say to them, "Tell me something that you've achieved that you're really proud of." I want to see their pride in that accomplishment, and it could be anything, like how they mentored a colleague or achieved a big strategic milestone. I'll also ask, "Tell me about a big disappointment that happened in your life. It doesn't have to be about your work, but tell me about a time when you'd really set your heart on something and it didn't work out. And were there any lessons from that?"