



The Key To Reinventing Yourself After 42 Years As CEO? Maintain An “External Lens.”

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Alan Trefler, founder and CEO of Pegasystems, shares his key leadership insights on external lens leadership, chess master lessons, and building curiosity-driven teams in this Art of Leading interview with The ExCo Group’s Adam Bryant.

Q. You are in a rare club of chief executives—you’ve been CEO for 42 years.

A. I describe myself as “founder and still CEO” of Pegasystems.

Q. I’m always intrigued by how leaders scale themselves and stay a step ahead of where their company needs to be. You always have to be reinventing yourself. How do you do that?

A. One of our values is to have an external lens. What are you doing to make sure that you are looking outside yourself and outside the company? What’s interesting these days? What are the things that leaders in this space are doing that sound smart? What are the things that people are doing in this space that sound dumb?

And you want to make sure that the things that sound smart actually are smart when you evaluate them, and that the ones that sound dumb aren’t just something you missed, because someone else saw something that you didn’t see. That external lens keeps us fresh.

Q. How do you make the time to get that external lens?

A. You get pretty good at stealing minutes here and there. These days, you can use AI to investigate almost anything and to answer almost any question. The most important external-lens moments come continuously as you see things and explore things. A lot of it is about asking the follow-up question of “why?”

I’ve told our teams that the time when people used to wait to be educated and trained to do something is gone. We live in a world of continuous availability of knowledge, of insight, of experiences, and we need to develop the antennae to be always picking that up.

Q. How has your leadership style evolved over the last five years?

A. I’ve developed both greater patience and greater impatience in different areas. I’ve come to realize that when you want to drive significant change, you have to give people time to internalize that. At different points, I was perhaps too impatient about the pace of change that I was seeing other people wanting to adopt.

But I’ve also come to realize that there are some people who are just never going to get there. And one of the best things you can do is to recognize that early, and not burn cycle-time while you avoid going through the pain of letting somebody go who doesn’t want to be part of a new direction. It doesn’t mean that everyone has to be 100 percent aligned. But once you see that someone is not a good fit for the new direction, you’ve got to make a change.

Q. Imagine somebody joining your leadership team from the outside. What else should they know about your leadership style?

A. They should know that I am pretty self-critical. For some people, when they look at, say, a system or a document, the things that leap out to them are the things that are awesome. For me, the things that tend to leap out are the things that probably need improvement or might not be quite right. Then I try to appreciate the things that are awesome.

That can be a little disquieting for some people who may have worked in a more self-congratulatory culture. In some businesses, that is what leads to people being asleep at the wheel. That’s something we work hard to guard against.

Q. You are well-known for your accomplishments in chess, including achieving a master rating while you were in college and being co-champion of the 1975 World Open Chess Championship. How does chess inform your leadership style?

A. Chess is a game of perfect information. You, your opponent, and any spectator can see the exact same thing, and yet people can have very different opinions about the strengths and weaknesses of each player’s position, and what the strategy should be.

It’s similar for business. We need to be able to articulate informed opinions. Some of those opinions will be critical or point out weaknesses. Others may point out strengths. You can’t be biased toward either of those. You have to be able to call them all out or you won’t know how to make the right moves. We value people who can understand different points of view but can then make a compelling argument. That shows that they can look at the position and the options and bring a balanced mindset to the discussions.

On a related note, one of the things I don't like about AI these days is that you don't know how it came to certain recommendations, and you're never going to know, in some cases. I value AI, but part of what humans can and should do is try to support their opinion by going beyond confirmation bias. They need to put as much energy, if not more energy, into finding the things that they might have missed.

Q. What do you do to make sure your leadership team operates as a true team?

A. The only way you can do that is in the selection process. You've got to hire for curiosity. You've got to hire for open-mindedness. You've got to be intolerant of people who talk behind each other's backs. One of the principles I've espoused is that you should talk to people, not about them. And, as I said, you have to be impatient about people who exhibit behaviors that are contrary to those values.

Q. So what questions do you ask in interviews?

A. I ask people to teach me something. Ideally, I will learn something when they do that. But what I'm looking for, more than anything else, is whether the person has a passion for understanding things. Do they think they should understand things they don't have to? That curiosity and ability to explain things is invaluable for helping a team accomplish terrific things together. People will want to share what they've learned to make the team better.

Q. Over your career, I'm sure you've done a ton of mentoring and coaching of your senior executives. What themes come up most often?

A. Very high on the list is listening. Senior leaders often are so confident that they know what the other person is going to say that they don't actually pay attention. I also encourage people to ask questions instead of making statements, particularly if there's a disagreement.

You have to understand how the other person came to their position. First of all, that may make you change your opinion. Second, it may change theirs as they try to explain it. And third, that approach works way better than just saying things that are going to bounce off them because they are not listening.

Q. Leadership is getting harder every day. What advice would you have for someone who is about to step in the CEO role, particularly about how to keep the job from overwhelming them?

A. The job is, by its nature, somewhat overwhelming, so you need to decide if it's right for you. You really need to calibrate the extent to which you are going to be able to exert control and accept the lack of control over lots of things.

The important part is deciding what you need to respond to. You often get information that will make you think that you should be acting right away about something. Or the signals may be weak and you have to learn how to pick up insights from those weak signals. How do you follow up and get those investigated quickly while not having an outsized impact because the CEO is asking about them? That can affect your ability to get good information about what's actually happening.

Q. What is it about your background or your disposition that enables you to be in an overwhelming job for 42 years?

A. My father was a Holocaust survivor, and he wasn't scared of anything. He taught us that you need to have the confidence that you'll find a way to get through any challenge or problem. I learned, when I'm going through a difficult time or in a tough situation, to just react to the content of the moment rather than react to it emotionally.

Chess is useful for learning that, as well. There are times when you realize you've just made a horrific move. A lot of people collapse after they've done that, but the folks who are good can balance themselves and say, okay, given where we are, what do I do now?