

Chapter 1

The Guy in the Cape

Leading from the Front

I only have a quote to share with you today: “Your job as a leader isn’t to keep people happy; it is to generate disequilibrium and keep them productively uncomfortable.”

—AK, CEO Message #20

BP: Fast-forward eight years from our first meeting in that abandoned office space where ING Direct was born. Arkadi Kuhlmann and I are on a train leaving New York’s Penn Station, bound for Wilmington, Delaware, headquarters of ING Direct USA. The Canadian experiment had been a historic success, and he’d been invited to the United States back in 2000 to do it all again, this time in the world’s richest and most competitive financial services market. And just four years on, it was already happening, even bigger than the first time. Now, by any measure, he is a player: the CEO of the fourth largest deposit institution in the United States, a high-profile bank executive who made lightning strike twice. In most corporations, he could now write his own ticket. But, as the train clatters its way through the Northeast’s gritty heartland, we aren’t talking about golf or stock options or career strategies. He is telling me how difficult it is for economically marginal Americans to get a simple bank account. He’s fulminating

against the predatory lending practices of credit card companies in the United States, and their bait-and-switch marketing tactics. Seemingly with little left to prove, his evangelical fire is undimmed. Arkadi Kuhlmann is still trying to save the world.

In almost three decades of working with organizations to build their brands, I've met a lot of CEOs. They're a different breed, but they're by no means all the same. Some have been bureaucrats and professional managers. These are the bosses whose skill is operating the human machinery of an organization. Some have been technically superior practitioners of whatever it is their organizations sell. These are the bosses whose authority comes from being the best at what they do, and whose leadership is about setting a professional standard. And a few—the best of them, from a branding point of view, at least—have been charismatic leaders: the bosses whose authority comes from an inspiring and genuine sense of purpose, a purpose not served by the status quo as they see it. Where managers want continuous improvement, these leaders want to start over. Where an established order wants to evolve, these leaders want to revolt. They're the leaders who leave the world different than they found it, the ones who permanently change the game.

It's the most dangerous way to lead. A CEO like this is always a target for cynics, outside and inside the organization. A CEO like this has to depend on moral suasion, and not the more common Skinnerian carrot-and-stick approach, to make people show up in the morning and get the job done. And a CEO like this can never afford to have a single inauthentic moment. If they get caught out of character, their authority vanishes instantly. Think *philandering televangelist* or *gambling baseball hero*, and you get the idea of how hard and how fast they can fall. Yet, as thin as the ice of moral leadership always seems to be, it's always these bosses who make history. Whether it's nation building or selling lattes, personal computers, and cheap airline tickets, the chief executives who end up having the most lasting impacts are the ones who were on a mission to make people's lives better by turning the status quo upside down. Sure, they all spend their days in the management trenches as any boss must. But these people, as the Oscar Wilde cliché goes, always seem to be looking at the stars.



The ING Direct story simply couldn't be completely told without an honest look at the motivating role that leadership played. There probably wouldn't be a story at all, to be frank. ING Direct declared itself a rebel with a cause in an era when elaborate business models were more the fashion, when entrepreneurs spent more time with venture capitalists than they did with consumers, and when being clever got more attention than being authentic. Between this and the fact that nobody thought at first that consumers would even want what we had to sell, it was obvious that no mere manager was going to make this idea fly. And certainly the boss's job couldn't just go to the best banker. Bankers were, after all, the enemy. So the job went instead to this animated guy sitting across from me on a southbound commuter train, telling me how Americans prize freedom above all, and that the surest kind of freedom is to have some money of their own, quietly growing in a savings account.

Are success stories like ING Direct just cults of personality? Do stories like this happen only when fate decides to put the right person in the right place at the right time? Those leaders themselves might fear so, at least privately. But I'm not so sure it's just coincidence. Organizations don't decide to start revolutions; people do. And they begin with one person, a leader, someone at once bigger and more human than the cool, pinstriped alter ego they seem to show the world. For more than a decade, I've been in a unique position to both observe Arkadi's leadership firsthand and, just as important, observe the effect of his leadership on the way his organization behaves when he's not in the room. From this vantage point, it's not hard to deconstruct ING Direct's founding leader and find a template that neatly fits the most transformational leaders in modern corporate life, and certainly describes the man who led the charge at ING Direct. From this observation—and a certain amount of interrogation during the writing of this book—it seems to me there are five fundamental things that it takes to be a leader of a company that is a cause. They aren't all from the standard CEO playbook, and they aren't all easy or warm and fuzzy. But they are what it took to bring ING Direct to market and grow it profitably, against all odds.

A Calling

BP: Which of the following corporate vision statements would light you up? Which would make you most want to join the team?

Try this one: “ING Direct is a virtual bank that deploys technology to efficiently deliver retail financial services to its customers and passes the costs saved by that efficiency on to them in the form of superior interest rates without fees or service charges.” It’s an accurate description of the business model, but did it thrill you? Did it make you want to sign up as an employee, or go online and give ING Direct your nest egg? No, huh?

Then how about this one: “ING Direct wants to lead Americans back to saving.”

That statement was seminal for ING Direct. In every sense, it was a spiritual beacon for the enterprise, a strategic true north as they built the bank, from day one to today. And it mattered not just because of the nature of the mission it described—inarguably a worthwhile thing to do—but because it *was* a mission. Inherent in the moment those words were scribbled down on a whiteboard somewhere, a decision was made that the idea behind this bank wasn’t just a revolutionary business model, but a business model in the service of a revolution.

The truth is, though, it didn’t start out that way—not exactly. During ING Direct’s earliest days in Canada, its advocacy for consumers began and ended with its product, a high-interest savings account. In a market where there had never really been consumer choice before and where banks were paying next to nothing on the money savers were salting away, it seemed like enough: empowering choice, and a better product. But Arkadi is not a corner-office CEO. Then as now, he liked to take regular shifts in the ING Direct call center, staying close to the business, serving customers. And they, as it turns out, were the real inspiration. The revolution began not in a boardroom or in some mountaintop epiphany, but at a call center workstation.

AK: It’s true—my emotional investment in the ING Direct brand came from working the phones in Canada. That’s where I found our true purpose. I got to hear, firsthand, what people were dealing with when it came to their money, and I found myself identifying with that. I got converted by our

customers. By the time we went to the United States, I knew what we had to do. Now, it just needed a battle cry: leading Americans back to savings.

In the summer of 2000, we were working on the advertising and marketing for the U.S. launch of ING Direct. Lots of creative ideas swirled around the room and with the advertising agency we were working with in the United States at the time. A number of shirtsleeve working meetings in a hotel conference room saw the discussions going around in circles. I had already drawn the ball icon on a napkin a few weeks earlier, but something was missing. We needed a point of reference. Someone said, "In Canada, we used 'Save your money.' Well, that is what we want Americans to do, too." But how would they see this approach? As preaching? As protesting? If it was really good for American consumers, then we should say it plain and clear. So let's . . . lead Americans back to saving! Right? Yes, they used to save. They were self-reliant. Families stuck together and taught their children about money around the family kitchen table. Okay. We would go after those same sentiments and support them in all our messaging and actions.

It then got really easy. Do good and make saving cool and smart for Americans just like you and me. This was a real democratization of money. And here was the next big thought: "Main Street." Now, I could picture the ideal customer. The story line and the products fit together, aligned to a consumer who had been misled or abandoned by so many financial institutions and now needed a positive message. There would be no bashing, only talk about good and helping everyday people by providing them with what they really needed and wanted—a simple way to make their money work for them.

For me, the day brought closure to the worries about how we would fit into this marketplace and why we should build a new type of bank. If Canadians were subdued in their response to a new approach to everyday banking, Americans would be a lot more vocal and exhibit stronger views. We certainly could not change messaging when so much marketing money would be spent on building a brand. The key was getting the message out and finding new ways to explain the same money values in a way Americans would understand.

Of course it did not stick from day one. There were a few weeks of back-and-forth over this vision. Do we need something better or is there a higher ideal to talk about? And if we were leading Americans back

to savings, then how would we help accomplish this? That debate was even tougher. Good service, good prices? Everyone claims this, so we would just not be believable. So, instead, we would simplify. We would make our products simple, allowing customers to save time and money. I really believed that this would challenge us every day to be an enterprise of continuous improvement. It took many weeks to sell this to the staff and embed it into the staff orientation and the sales and service platforms.

Things were taking shape. Each of these steps to organizing the thoughts behind the business gave me energy. I felt that things were clicking, and this confidence was contagious. At times it felt like a party every day. Problems were sorted out, and the tests of will when new people joined us were manageable. I had always wanted to serve and to make a difference. For me, this direction was natural. I wanted to be on the side of the angels and did not worry when I was accused of being Pollyannaish. I felt confident in the vision and the mission, and it fit like a good glove. Another thought stayed with me: If we were to take on the big players in the United States, we needed to be a rebel with a cause—daring, brave—and be willing to gamble everything on it. The brand mission sure had these qualities. The first year was good.

BP: For Arkadi, a calling like “leading Americans back to saving” makes the leader’s job description pretty simple.

AK: For a company that is built on a cause, shaped by and with its brand, the leader needs to carry the torch. Our credibility in the marketplace and the confidence of the people we employ can work and be sustained only if the leader can lead a company of people. We too often forget a company is fundamentally a company of people. The passion, the personal sacrifice, the belief that the cause, expressed by a vision, is real and can be actualized must come from the leader. Our personal as well as business experience is such that all people, including consumers, gravitate to a leader who will succeed—one who is on the right path and doing good.

My job is to take uncertainty out of all situations and remove doubt. You will follow someone only if you agree with them and are convinced by them, but most important if your belief is reaffirmed. I know good

people can do great things if they can take risks that are worth taking, believing what they're doing is right and that it does good. It's the journey, the battle, that makes us human, but more than that it makes each of us count! I am privileged to serve, to earn my role in this venture and its cause every day. Win or lose, I know we have made a difference. I do not need the speeches, plaques, or awards. I know.

The Guts to Make It Personal

BP: When people judge the leaders of organizations like ING Direct, the difference between a cynical opportunist and the real thing resides in the character the leader came with. Yes, the leader's got to have a calling that motivates the enterprise, but it's just as essential that this calling comes from a real place. Otherwise, the "calling" can seem like a marketing invention, and the boss's moral authority can be pretty fragile and the leader two-dimensional. The boss can't be a creation of the mission or a skill for it; he has to be its author, and who he is as a person has to authenticate it.

Arkadi Kuhlmann probably wasn't born to start a bank, but those who know him well believe he was sure born to start something. His life and career have been a study in the power of positive disruption. ING Direct's chief information officer, Rudy Wolfs, on the team since 1999 and a man Arkadi calls "a true warrior," characterizes his boss as "a consistently optimistic contrarian"—never satisfied, yet never discouraged.

Lightning struck at ING Direct, but it had been looking for a place to land for a long time. Arkadi had been a career-long proponent and pioneer of using technology to reduce the cost of banking since the days of handwritten passbooks. And he has, for as long as anyone who knows him can remember, been a deep believer in the importance of what he used to call a personal "war chest"—a believer, in other words, in the duty everyone has to themselves to have savings. Consumers lit this fire for ING Direct, but the fuel came from a value system. This connection between what people needed and what Arkadi believed in, more than any other factor, defined for him the way he would have to lead ING Direct: It would be evangelical, and it would be from the heart.

AK: If this was the last day of my life, what would I do? I would think about those that I have had the privilege to mentor and coach. What shaped my leadership style? I started as a teacher. At university, I flourished in business school because of the interaction among the analysis, judgment, and people. Developing a business is a challenge of human nature. I have always believed that things get done only because someone wants them to get done. This, to me, was truer in business than anywhere else. As a boy, I delivered newspapers after school. I made money and had to deal with a wide range of good and bad customers. The money went to my mother, but I got something more valuable. The determination to persevere through all weather and obstacles imprinted on me a desire to win. A desire to belong was also a key driver; performance at work would be the ticket to success. With no connections, no legacy, my journey would be that of a typical immigrant: Work hard, promote ideas, and make something happen. For me, this became a way to make a difference.

To stand out, I did it by being creative, hardworking, and, above all, vulnerable in a very personal way. Along the way, as in all personal journeys, I was given a break, a chance by great people who allowed me to learn and to try things. My deep sense of gratitude for those opportunities left me with a great desire to give back. So I think, as a leader, I, in turn a mentor, give people a chance and look for their values and motivations. Giving back is the path to personal fulfillment. As a leader you must know who you are, what you stand for, and what you want to build. Above all, everyone needs to know this, too, consistently and clearly. It's tricky developing a reputation and not falling for your own PR. Only by being honest, vulnerable, and willing to deal with the good and the bad do you have a chance of beating the odds. So, a kid from Toronto ends up building a new bank that can be sustained because a lot of others said, "Yes, we want to be part of this vision. We agree and we are committed." And I simply said, "Let's do it. I will promise you a worthy battle. It will test you, but, most important, you and I together will earn our success."

BP: If there was any doubt about whether the opportunity shaped the leader or vice versa, Arkadi's history is matched by a personal ethos that he wears plainly on his sleeve. ING Direct has its own philosopher king.

AK: There is a lot of searching these days for different ways to look at business: business and the role of art; business as seen through the eyes of

sports; business as entertainment! The headlines are everywhere, crowding the stage of everyday news and commentary. Maybe it's to explain the role of business or how it impacts the way people relate to business practices and ideas—what it means to how they see their lives. My view is that values and how they are continually born and reinterpreted are a necessary social function in which business plays a role. Today we are voting as much with our dollars as we are with the ballot box (the democratization of money!). The more things appear transient due to all the change in the world, and the more things are commercialized in everyday life, the more we as consumers yearn for meaning, solid values that reflect who we are and what we stand for. We say, save your money. Be self-reliant. These are watchwords for a stable foundation to manage the ups and downs of everyday life. Where is this going? To me, it means there has to be a spiritual element to what we do. A spiritual approach to business gives it a sense of purpose and stability that cannot be created in any other way. Business is not a religion per se, of course, but it still has to do good. To do good, you have to think of customers and their beliefs. A company with a cause that turns itself into a self-actualizing brand has a spiritual dimension. You can feel it, but you are always one step away from touching it or describing it. It's spiritual.

BP: And it's personal. It seems to me that when a leader is intellectual about his mission, it invites debate. ING Direct's leader made it instead about belief, and that really did make for a lot less doubt.

A Powerful Enemy

BP: There's a picture on the front page of the November 30, 2006, issue of the financial services industry journal *American Banker*. It accompanies an article about the publication's Banker of the Year awards dinner. Arkadi, to his own amazement, has been named Innovator of the Year, and has been invited to the celebratory banquet at New York's posh Pierre Hotel to accept the honor and address his colleagues in the banking business, the very people he's been pillorying since ING Direct's U.S. launch in 2000. The photograph is a posed affair, showing all of the honorees that night sporting forced-looking smiles and resplendent in black tie. Except for Arkadi. His tie is vivid orange. He's in the lion's den, and he knows it. If there were ever a situation in which he might be

tempted to take the edge off his rhetoric, this would be it. And if there were ever a situation in which doing so would be a fatal mistake, this, also, would be it. Taking the podium, he says, grinning,

“I do feel honored—and threatened—getting an Innovator of the Year award from the competitors who have dismissed me over the years. Does this make me more likable, or have we risen above the fray?”

American Banker doesn't quote this in its story, instead blandly reporting the part where the CEO of ING Direct later said, “We have a great bunch of people . . . who have shown tremendous faith and signed up to an idea and a plan that looked really shaky, to put it mildly.”

I think this is what's called irony.

It's pretty obvious that the ING Direct story wouldn't be the same without an enemy. With no wrong to right, there's no job for a white knight. But the fact of a broken status quo in retail banking does more than create a business opportunity or a strategic convenience. Having someone to blame for a broken status quo also creates a tremendously effective leadership tool. When a brand is a challenger, even an outsider, it doesn't need to think of its competitors in tactical terms anymore. Its competitors become a monolithic enemy, a dragon to be slain. For the people who work at ING Direct, that makes coming to work a bit heroic, and more of an adventure. It's also a critical ingredient in promoting employee loyalty. For most people, it's easy to exchange one job for another; for ING Direct employees, leaving the company would be like walking out of the theater in the middle of an action film. Meanwhile, for the people who market and sell ING Direct's products—including me—having an enemy's image taped to the wall focuses and simplifies the brand's message and offers a sort of compass for product development: If a bank would do it, it might be a bad idea. If a bank wouldn't dream of doing it, you might be onto something.

Less obvious is what having an enemy means to the leader himself. In choosing to lead the pirates rather than the navy, Arkadi has exiled himself from an industry that, for a successful CEO, is filled with plutocratic temptations. When your bank is a cause, nowhere more than at the top is it essential to remember that the status quo has a powerful gravity. Arkadi keeps his edge by constantly being aware of what a fragile target a cause like this is, and how it's not only competitors that might find it threatening. He has been quoted often as saying he feels like he's

“leading a Southwest Airlines owned by an American Airlines.” It’s not comfortable, not for anybody. But there’s nothing like it for preventing complacency.

AK: I have three enemies that follow me. Invented or real, the outcome is predictable. First, it’s the corporate pragmatists. The money guys are in a sense trying to use me even while I in turn am trying to subvert them. In a way, their interests actually run counter to our cause, our vision to brand a blending of business with social consciousness. The financial services industry is full of traditionalists who say, “We can be innovative and cool. We can be cutting edge.” They let money rule in the hopes of fame and good financial payback and they all follow the same pattern and same corporate approach.

Second, it’s the Judas factor on the team. There is inevitably a wrong pick or a close, trusted person who has, does, and will betray us. In our “dirty dozen,” there has often been one who didn’t truly buy into what we were trying to do. I constantly test and watch for the signs that someone could turn, and if it happens, deal with the situation quickly and firmly.

BP: Strong language. But there’s no room at ING Direct for doubters, or even for cynics, however benign they might seem to be. It would be devastating to the culture of the company to be seen tolerating someone senior who didn’t have unflinching commitment. The whole organization is built on the belief that it’s doing something important and good. Someone close to the top and visibly skeptical would make it all seem like a lie. For ING Direct’s culture, its motivation, and its competitive energy, that would be shattering.

Still, even when someone has to walk the plank, it doesn’t have to be a defeat for the cause. Arkadi sees it as just another chapter in the story.

AK: When you attack the status quo, when you ignore industry norms and conventional wisdom, and when you make yourself vulnerable as a leader, you’re going to get stabbed in the back at some point. By definition, you’re asking for it. It’s inevitable, and you can’t let the fear of it isolate you. What matters is not that it happens, but how you deal with it. The key way to deal with betrayal is to leverage it for the vision and the folklore

of leadership. It's a trial that you and your team go through together, and it makes you strong. Getting stabbed in the back can be useful if you use it as a lesson in the value of trust and strength of character.

BP: And the third enemy? No surprise here.

AK: It's our competitors. They play hardball, or are just nasty.

BP: Which brings us back to the dining room at The Pierre. Arkadi gives as good as he gets when it comes to competitors, and never hints that the fight is anything but real and personal. The harder they play, the harder he comes out swinging. "The banking industry is a bust," he has said publicly. "The consumer always loses." Against them, Arkadi has a simple strategy.

AK: Stay in the ring with your enemies. There's no option of giving up. You can't back off your position; you can't get soft. You're in for the duration. If you're going to play the rebel card, there's no compromise.

The first rule is to convince them that your views are on the side of the angels and that you are not going away. Psychological pressure is important in waging a competitive battle. Stay objective; never publicly make it personal or single anyone out. Attack what those competitors stand for, but not who they are. The best battles, the ones that bring out the best in people, are the battles over ideas. Being good (which is all too often confused with being right) will prevail. You have to trust that. As the saying goes, the softest pillow is a clear conscience. But the best thing about a clear conscience is that you can win even in defeat. You preserve your moral authority, which is the most valuable asset you have. I believe that's what makes a great leader, and an effective one in leading people into battle.

An Inner Circle

BP: February 2007. Arkadi had just finished speaking to the Delaware State Chamber of Commerce, a home game, so to speak, that had taken months to schedule. A local newspaper, though, described his speech as "worth the wait," as he alternately shocked and charmed the audience, reportedly including eight bankers, with more scathing rhetoric about

what's wrong with the banking system and how ING Direct goes about being different. One unusual theme turned up in this particular presentation, though: people. Picking a team, he declared, is one of a leader's most basic responsibilities, and is too important a task to rely on mere formal interviews and tidy curricula vitae (CVs) as the bases for making decisions, apparently, if his demonstrations of palm reading and numerology techniques were any indication. More than skill, he told the audience, motivation and character are the things that separate loyal, enthusiastic workers from paycheck-collecting journeymen. Don't hide behind the safety of a good-looking resume, he said. Hire people who have experienced rejection and have something to prove to the world.

Back at ING Direct, some staffers bristled a little at being described to the world as misfits looking for redemption. But they were selling themselves short. To Arkadi, they were the best because they had heart. Skills are easy. They can be learned if people don't have them already. But drive is in them or it's not. The hunger to be inspired is in them or it's not, and so is the need to make a difference. And nowhere is this more vital than in the people who are closest to the boss: the inner circle. These are the people who make the leader's vision visible and real to the people who touch the customer every day. They translate it into behaviors and processes. They endorse it by example. And they turn it into an unseen hand that guides the daily decisions that any business has to make, even when that business is a rebel with a cause. The inner circle turns one leader into an enterprise-wide force.

As a partner to ING Direct, I've seen the power and importance of this firsthand. Even in a company as high touch as this one is, the CEO is a busy guy. You don't see him often or for long. But you do see the people he has chosen to trust with the vision and, paraphrasing Emerson, you really can know a CEO by the company he keeps. And these people are much more than their resumes. Consider the first voice I heard when our relationship with ING Direct began: Jim Kelly. Spend some time with ING Direct's chief operating officer, and you'll learn two things about how important choosing that inner circle is.

First, for all his brusqueness and irreverence, Jim is plainly an exceptionally intelligent and instinctual manager. In more than a decade, I've rarely seen him hesitate or misstep on a matter of strategy. He's a strong and able leader in his own right, and more than capable of thinking and acting independently. So, when he represents a decision or a request

from the top, you simply take it seriously. I've seen many senior and middle managers over the years curry the favor of their teams by presenting themselves as helpless pawns and victims of their masters, making the leader into a kind of common enemy. From people like these, you can only conclude that the boss is fearsome, but not much else. Far, far too many company cultures operate like this. But when someone of Jim's character and quality represents the boss, he also translates, makes operational, and endorses what the boss stands for. An inner circle made of people like this not only extends the will of the leader, it also adds value to it.

The second factor has to do with loyalty. No leader is perfect or omniscient. Every leader has moods and flaws, and the best ones are as emotional and mercurial as they are brilliant. In those imperfect moments, a leader's ability to lead is really in the hands of the inner circle. If a leader has an inner circle composed of people who are indiscrete, or who try to collect social or political capital by presenting themselves as smarter and cooler than the boss, then that leader's humanity becomes a liability. If that goes on long enough, eventually the boss can no longer lead effectively. But if a leader's inner circle gets the vision, if they are able to see the big picture and trust the boss's motives under any circumstances, then this gives the rest of the team confidence. And again, in all those years, through thick and thin, even in the heat of the most vigorous debates about the business, I've never witnessed a disloyal moment from Jim. That kind of respectful loyalty inspires the same. There are people on my team who have hardly been in the same room as Arkadi for five minutes, yet consider themselves loyal soldiers for the ING Direct cause. That's a tribute to the quality of the people he has around him, and to his focus on character and fit as essential companions to the skills that earned them the job. And it's maybe the best example I've seen of this one leadership skill that nobody seems to write books about: achieving genuine loyalty not by creating dependency in your team, but by connecting with them. In other words, it's not enough for you to need each other. You need to understand each other, too.

AK: A calling comes from a personal need for achievement. The motivations can vary, but the need to prove or achieve something is imprinted on one's personality. That's what I look for first. If you have it, you can readily see it in someone else. I think it's an instinct that we subconsciously

recognize in one another. The body language changes and the energy level in a conversation goes up when you talk about a worthy vision or a goal. Leaders have always rallied others to join in the hunt. Man has always had a lot to prove, sometimes to others, sometimes to himself, but the best want to leave a mark that says, “We were here and it made a difference.” Not everyone runs on this dynamo, but you can’t make a lot happen without it.

Rudy Wolfs is a great example of this. When I met him, it was easy to see where he came from and what he wanted. He’s resourceful and has a passion for ideas and how things work that’s infectious. But what really made him different was that he needed to achieve something. Now, it will take a while to figure that out, but the hunger was clear from day one. That was enough for me. We needed people like Rudy, and he is as solid as they come. Solid, to me, means trust and a confidence that things will get done. It’s like in the movies when the captain screams, “Give me all the engine power you have!” Rudy will get the last drop.

Building an inner circle is a matter of collecting characters and personalities. You need color and unique skills to manage the human side of any team. The idea that a pile of resumes makes a team is ineffective and stupid at best. To be clear, this is not politics or sports. It’s business, and the stage is everyday life. So everything counts. My inner circle knows that they are there, and that loyalty and trust are not only central, but also the only real payoff for fighting alongside one another. Who are you going to stand with?

The Possibility of Failure

BP: It became known at GWP as The Friday Call. Sometime shortly before 5 PM at least every other Friday, my phone would ring and it would be Jim Kelly, then head of marketing at the fledgling ING Direct in Canada. Sometimes, he’d speak. Other times, he’d just groan. The conversation usually went something like this:

“Hi, Jim. What’s up?”

“We are so screwed.”

Sigh. “Fine, thanks, Jim. And you?”

“Oh, man . . .” You could almost see him at his desk, his free hand cradling his forehead like a character in an aspirin commercial. “Kuhlmann’s

on the warpath. (Insert impending and potentially fatal business crisis here.) You've gotta help me think of something, pal, or we're both going to be looking for a job."

It took some getting used to during those hectic first months. The odd bit of furniture at the office got kicked, there was some drywall damage, and telephone handsets never seemed to last as long as the phone company felt they should. But there was a kind of genius in it. The traditional rhythm of business had always been explained by business school professors and management gurus as "Make a plan; deploy the plan; wait for results; rinse and repeat." But this was different. This was happening in real time, every day. There was no "wait." If you felt too safe, even for a second, you would be playing the enemy's game.

If victory is certain, how could a cause be inspiring? If an idea has no mortality of its own, what would there be to fight for? Nothing is more fragile than an unproven idea, and ING Direct has been no different. But what has been different is the deft way that Arkadi's leadership never let anyone forget it completely, even in the moments when we seemed to be winning decisively. It kept our fighting edge, and it still does. As the Orange Code promises, "We will never be finished."

AK: It's true that if you do not move forward, you are sliding backwards. It's psychological. We have had a lot of steady success, but the team doesn't rest. There are stops and mental breaks, but that is all that they can be. If the business needs creative destruction to move forward, then so does the team. Only the best will last. I do create crises to focus on the issue of the day. It's necessary to get the best out of people, and maybe from myself, too.

Of course, there are always pressures to just get things done right and on time. Logistics is a mechanical process, and attention is always focused on markers to gauge the process you're making. Managers hold weekly progress meetings. It's like putting on one shoe after the other: automatic. But a company of people actually has a rhythm like a beating heart that rises and falls and varies its pace. Sensing this, I have always consciously made decisions to slow things down, speed them up, or somehow shift the pace. All human activity understands this concept, pace, yet in management we tend to ignore it and think activity is flatlined like the two-dimensional work calendars we look at every day. Connectedness and relevance come from involvement that is, in its pure form, emotional.

Keeping tension going, whether it's real or artificial, is like being in charge of the music at a party. One instinctively taps to the beat.

We operate on the concept that there can be no downtime, and you have to test everyone, all the time. I am clear that I see things on a number of levels and operate on that basis. It's always a change-up, always disequilibrium. It's positive one day, negative the next. But it's never, never indifferent or gray.

BP: This constant state of impending crisis and creative destruction is not for the faint of heart when it comes to being on a team like Arkadi's. It creates a continuing feeling in the enterprise, somehow, of being potential prey to some outside force. By itself, you'd imagine that this would be a tough corporate culture to have to function in. For some people, it has been. But, as ING Direct gets larger and more successful, it could run the risk of believing its own press. It could run the risk of becoming complacent and thinking that it knows all it needs to know. Its most dangerous predator could become its own corporate ego. Crisis is Arkadi's way of keeping the enterprise small in its own collective mind, as if it were a perpetual start-up that is just relieved and happy its doors are still open. Prey, after all, that doesn't learn to be tuned in to its environment, adaptable, quick, and smart, ends up as dinner. Prey that *is* all of these things stays alive and prospers. Prey feels safe only when it's awake, not when it's complacent. And its humility makes it stronger.

A former employee of mine once complained about ING Direct, "You just never win with these guys!" He doesn't work for us anymore because he never understood that this was exactly the point. If you win, that means the game is over.

One of the reasons you tell a story like this one is that you hope that other companies and managers might learn something from it. When you pioneer something, and you get more right than wrong along the way, you have a sort of moral duty to share what you know. When it comes to the role of leadership, what we know about the ING Direct story is three things: We know that charismatic leadership was a critical factor in its success. We know that the five strategies described in this chapter seem to describe that leadership. And we also know that, at the end of the day, it comes down to how authentic any leadership and its operating style are. This is not some oversimplified alternative playbook for CEOs. It's a reminder that the ones who make a difference operate

from personal belief, know who they are, and stay true to both of those things. When your company is a cause, leadership can't be a science.



Back on the train, we're pulling into the station in Wilmington. Arkadi has been quiet for a while, making notes for something that is happening the next day. He doesn't mention what, but it has his full attention. That's how it is when you lead from the front. You see what is next before everybody else does, and you have to be ready. Ordinarily, the top executive of my largest client would expect and be entitled to a nice restaurant meal this evening, to celebrate the day's work. Instead, the CEO of ING Direct drops me off at my hotel and drives himself home. There is still so much work to do. The battle is far, far from over.