ALISON (00:06):

Welcome to The Breakthrough, where we talk with technology leaders about their successes, struggles and everything in between. I'm Alison Dean, VP of Operations at TheoremOne. Today we are talking with Dr. Ron Glickman, who is currently CIO at everyone's neighborhood grocery store — Trader Joe's — which I just happened to learn was in 43 States. I had no idea! Ron sent me a few of his favorite quotes, and I'd like to highlight one in particular by Socrates that I think is especially poignant:

"The secret of change is to focus all your energy, not on fighting the old, but on building the new."

Hi Ron, good morning. What does that quote mean to you?

RON (00:51):

People get very, very comfortable doing things the way they've been doing them for a long, long time. And sometimes when it's really important to do something different — and the catalyst for change is really not leaving you a lot of flexibility or time to make something happen — people can get really, really resistant, and get in the way of growing themselves, and also making positive change happen in their company or in the world or in their community. So I just really like that. I used to tell my kids, when they were growing up, that it's really hard to stand in the stream and try to redirect the current. It's really much more helpful to go where the current is taking you, you know? And so that's really what that means to me. And I just think it's helpful, you know, to be reminded from time to time that change happens —

ALISON (01:48):

— Boy does it —

RON

— and we all need to be prepared to do our best.

ALISON

And that segues into my next question. How did the pandemic affect project prioritization?

RON (01:54):

It certainly did. I mean, obviously, we weren't anticipating that we are going to have to move an entire workforce from the office — where we collaborate very actively, very regularly. As you can imagine, in a food business, we taste things, we drink things. We talk to one another, we collaborate across departments, and we did not have a work-from-home culture. So the biggest thing for us was we had to get an entire group of people — several hundred, on the West Coast and the East Coast — working from home effectively. So that meant: Get tools like Zoom up and running, get people the equipment that they needed in their homes, make sure their Wi-Fi was working, all of that stuff. And as importantly, make sure

we enhanced our cybersecurity tools, to allow them to do what they were doing, you know, in the safest possible way.

(02:48):

The good news is we had been working on a business continuity plan and an IT disaster recovery plan for many years. And this was really the first opportunity where we said, "The office does not exist. We're executing our plan." So we didn't run around with our hair on fire quite as much as some, but it was disruptive in that this became our number one priority. And, you know, once we got that taken care of, then we started to decide what projects we would continue and which ones we may need to pause for a little while. But we really kept most of the things moving that we had anticipated before the pandemic.

ALISON (03:26):

So I have to ask: Before you arrived at Trader Joe's, were all those things already in place? Or were you the one that said we need these things in place?

RON (03:36):

So we didn't have a lot of that in place when I got there. You know, the company had grown from a very small boutique-y kind of an organization, and under the previous CEO, Dan Bane, we started to scale very, very rapidly. The person that I took over for had been in the role for 13 years; Dan had done an amazing job getting the company to that place.

My job was to come in and kind of assess where we were, and figure out what we needed to do going forward. So, it wasn't like I got to come in and say: "Okay, here's what you all need to do."

You know, I mean, change comes when there's a catalyst driving it. For example, when I worked for duty-free shops, after September 11th, our sales dropped 50% overnight. And the executive team was on a mission to save the business within 90 days, which meant everybody was aligned. We all knew what we had to do and we really got moving.

(04:30):

Fast forward to a very successful company like Trader Joe's. People felt quite comfortable. Back to that earlier quote from Socrates, we thought, "Hey, we've been doing this, it's great. Sales are good. Customers love us. Product is good." But there were still opportunities to think differently, like about how we might make IT services better and position us for the future. So it was my job to, you know, work with the executive team and plant some seeds and — in an evolutionary, not a revolutionary way — make some of these things happen. It's been fun.

ALISON (05:07):

So I was lucky enough to get an early edition of some chapters of your book that I think might be released pretty soon. You talk about managing projects that make work easier. So can you speak about maybe the most memorable example, if there is one, and why?

RON (05:25):

Sure, but I'd like to talk about that from two different sort of perspectives. The first one is using technology as kind of enabler. As you can imagine, at Trader Joe's, like many other companies, we have purchased and implemented systems over a long period of time, which means we have different applications...some overlap, some do unique things. We have databases that have similar information and databases that have unique information. The screens can be difficult to use. And, you know, we found ourselves in a situation where we wanted to make our in stock offerings the best that they could possibly be for our customers: When they came to the stores, the product was available. In order to do that, we needed to give the buyers some insights into what was happening, data that they could only get from spreadsheets and looking at multiple systems to try to piece together a puzzle.

(06:22):

It was almost like they had puzzle pieces on their desk, and the first thing they needed to do was put the puzzle together, and then take action.

So we took advantage of modern technology. We said we're not going to replace these underlying systems — we're going to put a layer on top that makes the user experience really consistent, no matter what system is being accessed for what information. Then we're going to aggregate all of that information, and render it in a way that is actionable to the greatest extent possible, using tools like artificial intelligence and juristic logic to ask: "What are the patterns going on with a particular item and its inventory position? What do we need to tell you, as a buyer, so you know what to do...not 'You've got to go figure out what to do and then do it.'"

(07:17):

That was really, really well-received. And then, over time, we've taken that same user interface and added capabilities without having to replace the underlying system.

The other example is looking at the nature of the work that people are doing. A friend of mine, Tony Dottino, did a lot of research that ultimately got branded as Six Sigma. He was at IBM, did a lot of research back in the day, that led to Lean and Six Sigma. one of the things I love about his work is he talks about the kinds of work we do. And he talks about required activities, things we need to do to make something happen; prevention activities, the things we do to prevent our customers from seeing a problem; appraisal or audit activities, times where I have to look at what you did to make sure it's okay before we send it out — and then failure activities, which is, "Hey, something's broken and now we need to respond."

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(08:24):

When I work with groups of people in companies or outside in the classroom, I like to ask them: "How much time are you spending on required, prevention, appraisal, and failure tasks?" In most groups, there's usually 25-30% spent on appraisal and failure, right? Auditing things and fixing things. So if you look at a million dollars worth of payroll, and you put 30% toward appraisal and failure tasks — you're spending $300,000 on work, that may not be necessary, if you look at prevention and make investments to eliminate the need to do that work. And so while that doesn't make people's work easier, it changes the nature of work. So you're not wasting your effort on failure tasks. You're spending your effort on things that add value, improve your service, make your customers happy. And the cool thing about that is you can often do more without needing incremental investments. You could help self-fund some of the innovation that you want to do, when you think about things in that way.

So those are the two lenses I like to look through when we're thinking about work and making things a little bit better.

ALISON (09:41):

Right. So to piggyback on that: On your LinkedIn, you say you are a CIO who transforms inefficient IT organizations into cost-effective high-performing entities. I feel like that is really what you were just talking about. Have there been consistent themes that you've found with inefficient IT organizations?

RON (10:00):

I think the biggest one is technology. People talk in technology terms and often don't get important things approved and sold. Let me give you an example. When I got to Trader Joe's, a lot of the people in one group were saying, "Hey, we never spend money on technology. That's one of our biggest challenges." I say, "Okay, give me an example." They say, "Well, our network switches in the stores are aging, and we have a lot of problem tickets, and we've got to upgrade our network." The business implications of having network problems in a grocery store are: Your customers can't pay with their debit and credit cards. And if your network is down, right, your stores can't order, can't get product on the shelves in order to be ready when the customers come.

(10:56):

When I went to the president of the company and said, "Hey, we're seeing that about 85% of our customers pay with their credit card every time. Some stores have to go to a different store to place an order. one of our values is 'wow'...the customer experiences. How do you feel about making that wow even better?"

What do you think the answer was? Of course, it's: "How do we do that?"

So now let's talk about what we need to do to invest in technology to deliver that business outcome. So I think one of the big challenges is how to tell those financial stories.

I think the other is, separating how you deal with demand into two categories.

(11:51):

Take the technology demand. You have aging obsolete equipment. You have software that is getting to the end of its life. You have tools that are not going to pass from a security point of view. Those decisions should not be presented to the business as if they're optional. Those should be technology-driven decisions. Obviously you need a business case and to understand risk and reward, but too often IT executives end up asking for permission to do those things; business conditions get sort of stuck, and then end up in a really tough spot when things break. And people want to know: "Why they are breaking?" You don't get to say, "Because you told me I couldn't do the most important thing."

The second category are the business-oriented innovations that are what I would call IT-enabled. And I just want to be ambivalent about that.

(12:45):

I want to work with my business customer, try to make the case for how we're going to improve service, improve sales, make the customer happy. But if an executive chooses not to do that at the moment, I still have to be able to run my shop. And I want to be okay either way. I never like to ask a question that I don't know the answer to. … And then the wasted money on failure tasks can be significant. If you crack that, you fund your own innovation, and that makes CFOs happy. When you can do cool things without a hundred percent incremental investment.

Amen to that. Yeah.

ALISON (13:38):

Yep. And how has your leadership style evolved through the years? Because obviously, you've done many things, Ron. At what point in your career did you realize you were a transformational leader?

RON (13:49):

So that's an interesting question. I would say I started out as an individual contributor, right? I was in college studying business, way back in the day when mainframes were getting popular, and IBM came to our school and I took an aptitude test and I passed by one point. So I became an IT guy, you know? I came up programming and coding and I really liked to do cool, innovative things. I started working with UI kind of technology very early in my career. But the thing that got me excited were my individual accomplishments. Right. I liked being in control of my code. I liked seeing that instant gratification when it worked, when things went into production, that was really cool. I found myself transitioning into more

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leadership-oriented roles, which had nothing to do with my capability as a leader, it was more, "Oh, you're a good coder. Manage coders."

(14:48):

But I learned that I needed to get as excited about other people's accomplishments as I did about my own, or I was going to suck as a leader, you know? So that was one really important thing. And the second thing, I had a boss, Russ Robinson was his name. He was a great mentor of mine. And I used to just not really care about the status reports he was asking for or the administrative assessments, because I wanted to code and do cool stuff, even as I was leading teams, right? So Russ caught me at his office one day, and he said, "Look, if you want to do this supervisory leadership-oriented thing, you have got to place as much importance on these administrative activities that I'm asking you to address as your code. And if you can't get that right, you're gonna flame out in this role."

(15:41):

And that was a real 'a-ha moment' for me. So, you know, learning to get excited about what other people do and recognizing what's important when you're in that leadership role are two things that definitely helped me change my thought process from an initiative point of view. I've always been involved in kind of game-changing implementations. And I just liked the nature of that work, I liked the excitement that comes from doing something that nobody's done before, moving something that someone thinks is impossible. That's the kind of stuff that gets me excited and that's evolved over time.

ALISON (16:20):

Interesting. I don't know how many people, though, would call themselves transformational leaders. I think that's a really powerful statement to own that.

RON (16:29):

So if we break it down a little bit deeper, you know, your podcast is called "The Breakthrough," right? When you think about a breakthrough, what does that mean to you?

ALISON (16:42):

I think for me, it's things that have a lasting impact on the future of everything, right? Things that really changed the course of our lives in some way, like, you know, rocket launches, the computer.

RON (16:53):

Yup. I would agree with that. And the way that I like to think about breakthroughs is I know I'm going for one when somebody tells me they think something's impossible. Like that's how I know I'm in breakthrough land. Right. And, and getting back to resistance and Socrates' quote — you know pretty quickly whether somebody thinks what you want to do is impossible or not. It's the way the human brain works. When we think something's impossible, fear sort of takes over and flows to our arms and legs. So

you can fight or flight, which means it's not in your neocortex where you can think creatively about solving the problem. The first thing you have to do when you're going for breakthroughs is get people to a place where they can not feel fear and think more broadly about what we're trying to get done. So I like to ask people, what would you do if you knew you couldn't fail? Cause then, "Oh, well, if I'm not going to get fired, I'm not going to be poor. If I'm not going —

ALISON (17:55):

— To live in a box.

RON

Right.

ALISON

— I would do these things,

RON (17:58):

That starts to get the outcomes framed up for me relative to getting to that breakthrough. And once people think what you want to do is possible, then you can start thinking about options and implications for making that happen. So for me, transformational leadership is about the conversations that are required to get people from impossible to possible to get nailed down into a non-negotiable outcome — that's big — and then work with people to figure out what is required. There's lots of different ways to get at that. And then empowering the people who are most passionate about their ideas, even if they're not my own. That was an important lesson for me to learn as a leader, too — you've got to let people do their thing, if they want to do it, as long as you're clear on the ultimate outcome. And when you can do that and get your own ego to the side, you empower people, you build trust, you engender and foster loyalty, and all of a sudden things start to happen and you can make these breakthroughs happen.

(19:13):

So, I think it's an important word and that kind of work is not necessarily for everybody. Some people don't enjoy it. They feel super uncomfortable. And you can't have a portfolio of projects where a hundred percent of them are breakthrough-oriented, transformational ideas, because the value's going to be really high, but by definition the certainty is relatively low. So, you know, I like to have a few of those in my portfolio, but you still have to do the marginal improvements, the growth-oriented things, which people don't feel are impossible. Creating that mix as a leader is a really important thing too, to think through in my view.

ALISON (20:01):

So in your 10 years at our Trader Joe's, how many breakthrough projects do you think you've been part of?

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RON (20:08):

I think we've been part of a number of them. But in the context of a successful company like Trader Joe's, everybody is super humble. We are all about the brand, which is in our store, our crew members, our customers. And so we don't really use language like breakthroughs. You know, we have a value system that's about creating these 'wow' experiences. And, that's really what it's been all about. So for me, the breakthrough is getting people who have been doing the same thing the same way for a long time to think differently. Like building that tech we talked about earlier, to help the buyers buy differently and get our in stock position right. That was game-changing for Trader Joe's. For another company, you know, for an Amazon or a tech-oriented company, that might be considered very mundane and sort of everyday sort of blocking and tackling.

(21:07):

So I think it's relative. Like we have traditionally ordered on paper, that's an example —- so, technology is not a thing for us relative to — we don't lead with technology. We want a human interaction. We want our people to spend as much time talking to customers about products as they possibly can. So when we think about ordering, it's a task that has to be accomplished, but not something we want to spend too much time on. So we were doing it on paper. It was working really well. But as computer tablets have, you know, gotten more mature, we've replaced 7 million pages of paper with a tablet, and we've given the people making orders more insights to get that done effectively, and quickly, so they can put the technology down and spend more time with customers.

(22:00):

So that's an example of a customer-facing breakthrough, right? We had our data centers in office-like facilities and warehouses, and in the fullness of time, we've shifted them from those locations to, you know, what I would consider more proper data center oriented facilities, where you have multiple layers of power, you have a hundred telcoms coming in, you have the right kind of fire suppression. People can work in place for 10 days. And so, you know, that's not sexy, but I guarantee now a hundred percent availability from my systems. And, you know, you can't make those kinds of investments in your own building, you're a telecom or something like that. So for me, that's a breakthrough because my guys don't have to be up all night worrying about things that they otherwise had to worry about.

ALISON (23:03):

I dig it. So what do you want your direct reports to remember you for?

RON (23:09):

I think one of the most important things for me as a leader is to help people realize their potential. And sometimes in doing that, it's potential that they didn't even see in themselves, they were blind spots. And so, you know, for me, if people say, man, I am a different type of a leader. I'm more confident. I'm really proud of what I've done. Those things are the most important thing to me because they're long-lasting. It's

not just a transaction, transactional-oriented thing. It's a relational-oriented thing. So, you know, that's one thing and, you know, Colin Powell had a really cool quote that said, essentially, the thing about a leader for him is that people will follow them anywhere, even if it's just to see what happens...

ALISON (24:08):

Okay. So you've talked a little bit about this, but let's talk more specifically about the biggest lessons that you've learned from leading transformational change projects within all the different companies that you've been at.

RON (24:20):

So, you know, it's really about the types of conversations that leaders engage in with the people that they need to sort of come around. For example, a financial conversation around, "How does the reward system work today?" I worked at a supply chain company. We had purchased 50 companies in 69 countries. And my job was to create one enterprise IT organization for the globe. But when I went around and started talking to people about doing things in a common way, they were very, very resistant, you know, and most of it was cost-driven. So for example, if I wanted to have a global network with a guaranteed level of service, it was way more expensive to do that in South Africa than it was in Germany or the United States. So the investment in that network and the cost allocation really hit the South Africans harder than it hit anyone else in the world.

(25:31):

So their attitude was, we don't want to do this, and more importantly, the people whose companies we bought were being paid for earn-outs right. So profitability was the most important thing for them. But what I learned was, you know, the reward system really matters. When we decided as a business that creating that network experience was important, I worked with the CFO to take the financial implications out of what the business considered controllable. Now it doesn't impact your earn-out. Now it doesn't impact your bonus. And all of a sudden people are like, okay, we'll do that better network service for free. It's all good. But overall, the company as a whole saved money and improved service, but it was the individual business unit or the country that really suffered. That was a super important lesson for me. Another one about people is really understanding people's appetite for change and how comfortable they feel, being in change.

(26:43):

If you have the skill to do the job that I'm looking for, and you have the will to learn in action and the personal resiliency to reflect on mistakes, learn from them, and course correct, then you're going to be what I call a high-potential person. And you need to be in a role that's about a 70% fit. You know, you need seven out of the 10 competencies to be successful, and you're going to learn the other three by

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doing that work and learning. The knowledge that you have is critical, but the role that I need to place you in needs to be very well-defined with clear boundaries.

And what I learned from driving transformational change programs is that oftentimes executives get really annoyed with the highly valued people, because they're not willing to change.

(27:47):

They're not willing to do things differently. They resist things, right. And I found those people need to be rewarded and put in roles where they can contribute in the short term, even if they leave over the long haul because without that knowledge you can be in big trouble. So it's sort of, for me, understanding, "What is your skill to do the job? What is your will to address change and how do you get people in the right seat for them so that they can make a contribution when you're driving these kinds of changes?"

And the third thing for me, and then I'll stop on this topic, is understanding where you sit with an individual or a group on trust and agreement. Lots of people think those words are synonymous. I've worked for people who only trust me when I agree with them. And that's a really tough spot to be when you're trying to make big things happen. So trust is key. And if you have that, then you can go between agreement and disagreement and still move quickly. So if you and I have trust, but we disagree, we're going to collaborate. We're going to compromise. We're going to support one another. We're going to agree to disagree. And if I'm in that place, then I know I can make things happen.

ALISON (29:08):

Okay. I dig it. I dig it. So in documenting change journeys within organizations, you mentioned there are very few leaders that dedicate a discrete phase to responding to crises rather than reacting to them. At what point in your career, or after what strategic change initiative, did you assess the value of doing that?

RON (29:28):

You know, people get stagnant. And so they realize that a change needs to be made and then they make plans and they get them approved and they go and implement them. And when you start a project, you know the least about what you're getting into, and you create a bunch of assumptions about what that world is going to look like, right. As you move through time, reality sets in. People screw you. They told you one thing, they meant something else. You didn't have all the information, things cost more than they needed to. COVID comes. And all of a sudden your timing is off. Lots of stuff happens. And you know, most companies don't anticipate all of those things and they try to get from implementation to fruition or success without saying, especially in big transformational breakthrough types of changes, certainty is not guaranteed.

(30:31):

So, let's talk about the fact that we're going to have breakdowns. Let's have a model for dealing with them when they show up, let's celebrate the fact that you brought me a problem so that I can help resolve it and

we can get back on the road, you know? It's really important to have that phase for dealing with issues and recognizing that, you know, between beginning and implementation and getting to an end state, there are going to be lots of challenges. And if your culture is one that ignores them, that resents them, that blames people for things that don't go well, you're going to have a tough time getting to the end state. And it happens far too often, that the projects get canceled for exactly this reason.

ALISON (31:21):

Okay. So how much time do you think a company or a team should spend on that phase sort of evaluating what problems may occur within a project? Is there a sweet spot amount of time for wondering what problems may arise?

RON (31:38):

I think that's a fair question. I would argue you should not spend a lot of time thinking about what you don't know in the future, but what you should spend time doing is preparing for the inevitable place you're going to get to when you have a problem. And flipping it on its ear, instead of saying that's a negative thing we should fear or be angry about, it's a positive thing and we should know that as soon as possible. I used to tell my kids, I have all these kids analogies, but when they were really small, it was like, if you tell me the truth, I'm not going to punish you. Because I can't help you unless I know. And the older they got, you know, the more complex their problems became and the risks of failure from those mistakes was massive.

(32:25):

Right? And it's the same kind of thing, you want the truth and you want to know early. So I think that that's really the idea. And, you know, I mentioned Colin Powell earlier, one of his books where he reflected on the weapons of mass destruction, debacle, he talked about a learning that he had, and he said, if he had to do it over again, he would ask his people to break their input into three categories. The first is what you know, and what you know is a fact that can be verified by three different external sources. The second thing is, is what you don't know, and trying to be honest about things that you just don't know. And then the next one, the third one is: What do you think? His point was, do not represent what you think as if it's a fact, because that's what got them in trouble on the web.

(33:25):

As ambassadors director, people were telling them, they thought there were weapons there, but they presented them as a fact. And we went to war like that. So I really liked that model.

And so when we're going for breakthroughs, I tell people you're going to have breakdowns, because breakthroughs mean people think that it's impossible. Breakthroughs mean it's never been done before. Breakthroughs mean there's going to be lower certainty and higher value. So when a breakdown happens, we call it a breakdown, and then we get together and we say, whatever the facts, what do we know? What don't we know? What do we think? What were our assumptions that led us to this place? And what,

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if any, course corrections do we want to make? And then we get going again. And it's just for me, a more collaborative, healthier sort of approach. I found that it's really, really helpful, but it is a leadership dynamic that really brings that to the table.

ALISON (34:31):

Can you talk about the change curve within organizations, or any times that you've specifically lifted someone out of what you call a depression state and were able to move them into more of a commitment state? And you sort of alluded to a lot of this in your leadership currently, the transformational leadership style that you have, but maybe just some specific times that you can think of about that?

RON (34:54):

Sure. I mean, so first the concept in my mind is that whenever we're going into something new, whether it's a project or a new role or a relationship, you know, we have expectations about how that's going to be. And normally, because we're doing it, we feel really good about it, right? And so you're at the top of the change curve when you're entering something and you really don't know what's going to happen. You've just made a bunch of assumptions, right. As we go through time we can kind of discern fact from fiction and our assumptions prove some right, some wrong. Oftentimes we can feel less excited about the situation that we're in. And, you know, in a worst-case scenario — to the valley of despair, or a feeling of depression. And you know, what I try to encourage people to do is to never make a decision to change when you're in that place.

(35:49):

one, anticipate that it's going to happen, because we all have multiple changes going on in our lives at the same time, and we're going to be in different places. But when you get there, recognize those feelings, and then think about what has changed. It doesn't mean you're a bad person. It just means some of your assumptions were a little bit optimistic. Try to course correct and move yourself to a better place. And then after overcoming that challenge decide whether or not you're in the right place or you want to make a change. And I think that's — we all go through these — these types of change curves. And I think they're really, really important.

I'll give you an example. My daughter has a learning disability. She went to a school in Vermont, a two-year school grade school for kids with learning disabilities.

(36:45):

She did really, really well in college. She called me about, you know, a year and a half in and said, "Dad, I'm doing great. I want to go to a four-year school. I've done this research. And the University of Arizona has a great program for kids with learning disabilities. It's called the Salt Program, best in the nation." So how do we help her? So she enrolls, she goes to school — about three weeks into it, we have a

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breakdown. I use this stuff at home too when I can. It's like, all right, "Well, let's talk about that. What were your assumptions?" Well, she assumed that she was going to have small classrooms, like where she went to school. "I had 15 kids in my class. I got 400 kids in my freshmen, you know, stats class. It's overwhelming to me.

(37:36):

I had PhDs who taught me the way I learned. I have peer tutors here. These kids are smart about their topics, but they don't know how to help me, you know, with what I'm doing."

And the last thing was like, "I need help planning my schedule and the office for that doesn't open for three weeks after the students get going. I'm going to be like toast by then." So I was like, "Okay, what do you want to do about it?" And she decided she wanted to leave and go back to the other school, finish up. And then she did, and she found her way to another great school to get her four-year degree. The key point is there's no shame in recognizing that your assumptions were wrong. Right.

(38:25):

My parents would've said, "Well, just get back in there and don't embarrass the family. You said you were going to do it, just try harder, you know, try and get harder." Is it going to help that? Right. So this idea and, you know, on that really a great example, she was super excited for assumptions that were wrong. She was very uncomfortable. She made the decision, worked her way back, and now is really proud of the fact that, you know, of course, she graduated, but also she dealt with a tough thing and that builds resilience. It builds persistence. It helps us gain confidence, you know? And so, you know, those are the things that I think are really important when we think about changes that we're going through.

ALISON (39:05):

Right. Okay. So shifting away from family, maybe has there been a time that you've regretted firing someone?

RON (39:16):

No. I've never, I've never regretted firing somebody. But I have regretted not understanding their point of view, their capability, what was in the way of helping them to be successful. Early in my career, I was about to change, you know, I didn't think much about the highly valued people with knowledge, but not the tolerance for change. And, and I wish now that I would have thought a little bit differently about people and tried to find opportunities for them to thrive, given whatever their strengths were. But I found to a person — whether it's been a layoff or a termination for cause, or just a disagreement on where we were heading — people get upset when they're in that situation. I've been fired. I get upset. But when you find yourself on the other side of that, with a culture that is more suited to who you are, your authentic self, a boss that can support you, people that you're excited about, a pace that works for you, you're going to be happier. And

you know, my thing is when we're driving these big change programs, they're not optional, you know, and, and you can disagree with what we're doing, but I need you to commit to making your best effort, right. And commitment comes from the heart and agreement comes from up here, and I'm cool with a disagreement discomfort, but we all have to be moving towards that ultimate objective, or we have to make decisions that are best for the companies that we work for. And for ourselves.

ALISON (41:02):

What is the most crucial aspect of a company's IT strategy? You've talked about many things, but is there one thing that is the most significant to you?

RON (41:13):

I think it's alignment with the business strategy. You know, I have always worked in retail and supply chain-oriented technology groups. We are a function that is designed to enable a business strategy. It is a means to an end, not an end in itself. And I think that that is really, really critical for IT leaders to think about because oftentimes, well, let's take digital transformation as an example. That's a buzzword, and, you know, my understanding is it's about using modern technology to replace manual processes. It's using modern technology to improve performance,make profitability better. Well, that's what we've been doing. I've been doing that for 30 years. We just haven't called it digital transformation, right? So you come into my organization where I work at Trader Joe's. You don't come in and ask me about our digital transformation strategy.

Ron (42:14):

You ask me, how am I helping my business to deliver 'wow' customer experiences, have amazing products in the stores at the lowest possible cost, give our crew members what they need to engage in really awesome experiences and relationships with their customers. Now if there's technology that can help to drive that, we're going to do it. So that's what I mean about coming in and saying technology is an end in itself. I have to replace my network without connecting it to anything, you know, you're going to get stuck more often than not.

ALISON (42:56):

When do you think a company should seek outside help regarding their IT strategy? I ask this because, obviously, you spent time at Cognizant. So is there a time when it's really important to bring a new perspective in, or not?

RON (43:11):

It's a great question. So another one of my favorite quotes on your list is from Einstein, who said, "No problem can be solved by the consciousness that created it." We need to see, to learn to see the world anew. So if you've been doing something the same way for a long, long time, and you actually need a

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breakthrough, I would suggest that you're not going to get breakthrough thinking from a group of people who have successfully been doing things the same way for a long period of time. And that's a great opportunity to seek outside guidance, to help you see the world anew. To give you options and implications to think differently about what you're trying to do. So that's where I like to bring that kind of thought leadership in.

There are other times when boards and senior executives don't trust their IT groups. It's a cost to be minimized.

(44:12):

They don't like what they're hearing. So they're going to go outside, you know, to bring somebody in, you know, as a way to drive change without necessarily owning it or being accountable. It can get rough when you take that approach. And there are companies who just want to abdicate, and other companies, you know, tell them what to do and do it, and then they can be blamed when things don't go well. I mean, that's just so far from my own sort of ethos that, you know, I don't go there. But there are a lot of companies who feel quite comfortable, you know, spending money on consulting and strategic services. And listen, you can get great ideas, but those companies in my experience are — they have their own P&Ls, they have their own cultures, they have their own drivers. And it is really, really rare that your outcomes, your objectives, your reward system are going to be as one. And when things get tough, people do what's in their own best interest. And that's when it can be really, really sticky.

ALISON (45:18):

Now we're going to use the buzzword that we love so much: 'digital transformation.' Can you tell us about one or two digital transformation projects that you found especially compelling or difficult?

RON (45:31):

Sure. But I'm going to tell you that I'm a contrarian — no project that I've ever done has been a digital transformation project at the tip of the arrow. That's not why we do things. But we have had digital transformations as an intentional consequence of a project that we're working on.

I think cybersecurity is a great example. You know, five, six years ago, we didn't really have much from a tools and technologies perspective. You know, today I can tell you that we have a very significant set of tools. We have operational procedures that, you know, are looking at threats proactively and reactively. We have lots of artificial intelligence and heuristic logic looking at patterns to know if you sign onto the HR systems all the time, but not the financial systems. And I see your user ID try to hit the financial systems.

(46:32):

I'm going to get an alert that tells me I need to go check that out. We're looking at email traffic patterns, patterns outbound to countries that we don't send data to. So, you know, our cybersecurity strategy is in fact a digital transformation initiative. But we didn't say, "Hey, we got to do digital transformation. Let's

pick cybersecurity." You know, it just doesn't work that way. Right. So, I would say that the biggest one before it was called digital transformation was at the duty-free shops after 9/11. one of our strategies was to move from an internal, very decentralized IT organization to a more global group with a lot of offshore sourcing, not only to reduce costs, but to improve service and get 24/7 eyes on glass and turnaround on things. And we moved 7 million lines of code offshore in a 60 day period of time. And that was a Herculean effort. And the folks I worked with on that, on that team, as well as Cognizant, our partner at the time, you know — we did some pretty innovative stuff.

ALISON (47:48):

To switch gears a bit — what future innovations are you excited about? Anything coming around the corner that you really want to dig into?

RON (47:57):

Great question. There's more stuff that I'm worried about than I'm excited about. But I tell you what I'm excited about: I'm waiting for RFID technology to get sophisticated enough to eliminate the checkout stand in the grocery store, when you can get reliable RFID kind of codes on every product at a low-cost where customers ought to be able to walk out the door and get scanned accurately and check out. You ought to be able to fly a drone into a store or in a warehouse and take an accurate inventory. And so, you know, those would be really cool innovations — not this sort of halfway. How do we make people get out of the store faster? For me, the breakthrough, the transformation is how do I get rid of the checkouts? Put the stuff in your bag and go, you know, that would be amazing.

(48:50):

And I think we'll get there, you know, in the fullness of time. I'm really, really worried about devices being in the middle of interpersonal relationships and becoming megaphones for, you know, for hate, for different fact patterns, for things we wouldn't do in front of our children, in front of our friends, in front of people at church, at the synagogue. I mean, people do things with their devices that just, you know, are violating social norms to the point that I have real concerns about how we're going to get that under control for the next generation.

ALISON (49:33):

We should. I recently watched "The Social Dilemma," so I think it's definitely something we should be talking about.

RON (49:39):

Yes, indeed.

ALISON (49:42):

I don't know what the answer is either.

RON

So, I am worried about that.

ALISON

What are the most important lessons that you've learned from your mentors?

RON (49:48):

The most? Well, my father-in-law was at Xerox park when they invented the mouse. He was part of the team on the star project that did that and a super smart engineer. He used to talk to me about all kinds of different things. Some I understood, some I didn't, but he told me that it was most important to clearly define the outcome with your people and your team, and then really support the person who's most passionate about getting there. I mentioned this earlier. Even if it's not your own idea. I've just found that to be so incredibly powerful over years, and in developing people and building trust and driving loyalty — and making stuff happen. And then learning, being able to say, you know what, I disagree with that approach. I wouldn't do it that way, but I can commit to you. And if you win, I'm going to learn something. And if you don't, you're going to learn something. And so it's a win-win situation, to sort of have that idea. That's one of the more powerful things that I've learned.

ALISON (50:59):

And you've taken that with you. So I think, to sort of punctuate this whole conversation: Is there a recent breakthrough that you feel you've had that you can talk about?

RON (51:11):

Look, for me, personally, it wasgoing back to school and getting my doctorate in education. I love to teach, I was teaching as an adjunct professor at Cal State in LA. I was getting a lot of really good feedback from my students about the curriculum and the way we were going about it. But the scholars, you know, did not like adjunct professors. They didn't like business people. There's a whole bunch of vitriol going on in that cultural dynamic. And I just said, fine, I'm going to go get my doctorate. I'm going to learn your vocabulary. I'm going to do research on this class. And I'm going to try to make a case for what's happening in your language. And I'm going to try to get through. And it was scary, I mean. I haven't been back to school forever, you know, but I made it through.

(52:01):

My research is on preparing Latino and Latina college students for leadership in California, first-generation in their family to go to school in particular. And, you know we came up with some really interesting insights to help inform the curriculum at these colleges. And so for me, that was a breakthrough. I was scared. I didn't think it was going to happen. I got depressed out of the change curve and, you know, I made it. So for me, that was, that was a personal, personal breakthrough.

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ALISON (52:37):

So do you think you'll go for any other degrees? Or are you done?

RON (52:40):

Done. I'm teaching. I, as you mentioned earlier, I've tried to write a book to get some of these ideas on paper. I'm hoping it'll be like recipes, ingredients for recipes of change, where people can look at them and apply them in their own context at whatever level is useful. Hopefully that will be worthwhile. So that's my plan. I just want to teach.

ALISON (53:07):

Okay. So here at TheoremOne, specifically, there are two books we encourage anyone who joins to read. one is "Extreme Ownership." one is "Radical Candor." And from what I've read so far in the early stages of your book, I think your book could definitely enter in as one of those required readings, because I think there's a lot of little gems in there, especially for a consultancy type organization, you know — how to approach all sorts of problems, realities, what have you. I'm just really excited for your book, Ron,

RON (53:36):

Thank you. Well, you're going to be my editor. You've just volunteered. And I was like, you never know if this stuff sucks or if anybody's going to be interested. So I'll look forward to working with you on it.

ALISON (53:48):

I mean, I think recipe books or anything like that to empower change, to make people feel comfortable with change, to make people feel like change is okay...I think all that is amazing. Is there anything wrong that we did not touch on? What would you like to leave all of the people with?

RON (54:04):

We've covered a lot, and I really appreciate you including me in your podcast, but what I want people to understand who might be listening to this is that you can be a leader in any role that you're in. You don't have to have a title. You don't have to have, you know, coercive power. You can find your strengths and think about what authentic leadership looks like to you, and really go out there and collaborate in a relational way, not a transactional way, to make positive things happen in your work and in your community and in the world. And we all need to be doing that. No one should feel like you have to be born a certain color or go to a certain school or hang out with certain people or live in a socioeconomic category to be a leader. Leadership is something that can be learned. And I would encourage everybody to find the sweet spot for them and go out and make a difference.

ALISON (55:06):

I think that's a great way to punctuate things. Ron, thank you for streaming. "The Breakthrough" is brought to you by TheoremOne. The show is produced by Blake Veit, managed by Mikaela Berman, and designed

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