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Your Opinions Are Respected (and Required)

By ADAM BRYANT

*This interview with **Alan Trefler**, founder and chief executive of Pegasystems, a business technology company, was conducted and condensed by **Adam Bryant**.*

Q. *Do you remember the first time you were somebody's boss?*

A. If we go way back, it was when I was working with my dad in his business. When he came over from Europe at the end of World War II, he established the family business, Trefler & Sons Antique Restoring.

Sometimes he would give me interesting assignments that would involve trying to coordinate people, all of whom were older and more experienced than I was. So I didn't really have the authority, and I really didn't have the right level of experience, but I had a lot of enthusiasm. I found that with the right level of enthusiasm, you could actually get other folks to follow your lead or, better yet, do some things themselves that they knew how to do better than you, even without having to push them.

Q. *What about after your first formal management role?*

A. I had just graduated from college and was in a situation where I walked into a job as a project manager, despite being grossly underqualified for the role.

I was a pretty good software engineer, and I managed to trade on that to actually get a leadership job running a small team. It was a project for Citibank. I spent my first day reading the documentation about the project, and two days later, my boss was called off to another job and I was on my own. And the project, the day I started it, was already six months late.

I did survive it and actually learned a tremendous amount by not having blown myself up in the course of doing that. But it was a pretty traumatic experience. I've tried to make sure that when we bring people on at our company, we never subject them to anything remotely like that.

Q. *So what do you do?*

A. We invest a lot in trying to put people through a learning curve. So we have very extensive training in just about all the jobs in the company, to get people feeling like they have their feet under them before they're thrown in, particularly before they're thrown in with customers. The most dangerous thing about that first experience for me was that if I had made a bad impression with the client, you could almost never undo that. You really need to make sure that the initial impression is one that shows you're capable.

Q. *And in terms of leading that first team, what was your approach?*

A. One of the things I've always believed is that content matters a lot. So what I did was immerse myself in what we were trying to achieve. I spent a couple of days sitting with the customer and watching and understanding their business at a pretty deep level.

And then I dived into the technical realm. And I think I was able to convince my teammates that I wasn't just going to be the next guy who was going to get blown up leading them. Coming into something that's already in a little bit of trouble, people are wondering what your survival rate will be.

It was, frankly, a bitter experience to be so excited about starting a new job and working with a Wall Street bank, and then to discover that you're sort of up there on the high wire, really exposed and without the right skill set.

Q. *Can you elaborate on how "content matters" and how it plays into your philosophy of leadership and management?*

A. When people ask what the company is like, I say the culture we try to encourage is a "thought leadership" culture. You hear people throw around that phrase a lot, but to us, thought leadership means some very specific things. We focus on each of the words. So, you have a thought when you have an opinion about something. You actually need to have an opinion that is hopefully a unique or complementary opinion to the opinion of others. As William Wrigley Jr. said, "When two men in business always agree, one of them is unnecessary."

I think having an opinion is important, but it's not enough to have an opinion — it has to be an informed opinion. So content really matters, and you need to understand the context of what you're trying to have an opinion about.

And then the second part of the phrase "thought leadership" involves the concept of, what does it mean to be a leader? And ultimately, you're only a leader if somebody's willing to follow you. And the characteristic about leadership that we focus on in that context is persuasiveness.

As a company, we don't rely on formal authority. I often tell people that if somebody cites me as

the reason for doing something, they should throw them out of the office. If I want somebody to do something, I will personally find them and tell them.

And, short of that, people should do things because they've become persuaded or because they end up sharing the opinion of somebody else that it is the right thing to do. The people who know things should get to make decisions.

Q. *What are some other lessons you've learned about leadership?*

A. People in positions of responsibility who have thought about things a lot often believe that because they've thought them through, they will be clear to others. I think people also overestimate their ability to be understood.

And so, without a pretty healthy amount of repetition, reinforcement and triangulating about what you actually mean, you can't translate it into concepts that people will hear and be able to internalize. The first step is to get somebody to understand what you're saying. The next step is to get them to accept it. And then the ultimate step is to get them to act on it.

I think you need to make sure you're reinforcing the messages in all of those stages. Are you really being heard? Is it something that the person actually thinks is consistent with their values — which is a question that all too often is just not asked by leaders of projects or leaders of companies.

The greatest weakness I routinely see in managers is that they assume that the folks they're dealing with have a similar set of values, a similar set of motivations as they do. It's very, very common for managers or team members to project their value system onto other people, and not look to see if the other people have that value system or accept those goals. They often assume that it's obvious that those goals should be accepted.

The act of reinforcement is a way to try to guard against that, to make sure you're not just assuming that because somebody can repeat what you've said that they necessarily accept it. Once you become confident that they accept it, you can't just assume that they're going to act on it. You need to be able to make sure that you follow up or that the right actions are taken.

Q. *What else is important to the culture you want to create?*

A. I used to play pretty serious chess when I was young. It's very easy for me — though I find it is difficult for a lot of folks — to recognize that a lot of the things you do are mistakes.

One of the things, at least for me, that was very important to becoming a good chess player was losing a lot of games. And you get to the point where, when you lose a game or when you make a

mistake, you don't go beat yourself up. You try to learn something from it.

So we try to encourage, though it is difficult, an attitude that things can be better, and you'd better be learning from what you're doing as well. If you're going to be successful and really do something meaningful, you need to constantly be testing whether what you're doing is good enough.

Q. *How would you say your management style has evolved?*

A. I think it took at least a decade for me to appreciate the importance of thinking through what it meant to have a management style. In the early days, it was really just sort of a frenetic team. It's only as the company grew that I began to realize that I needed to change some of the ways that I managed as a leader.

Q. *How so?*

A. Listening better was something that required some conscious thought and discipline. I also had to make sure that my tendency to have very, very strong opinions was not drowning out the opinions of others.

And so the way I handled that was that I actually started to formalize the idea that it's important for everybody to have opinions. When the company was small, there were only so many opinions I think we could tolerate. As a company grows, you have more capacity to have opinions, and you need to make sure you're fostering that or you're not getting real value.

So that brings us back to the thought leadership concept. Once you tell everybody that it's their job to have an informed opinion and, by the way, it had better not be the same opinion as everybody else's, then you're sharing some of that responsibility. And you obviously need to be able to listen if you're going to actually hear those opinions.

Q. *So let's talk about hiring.*

A. It's important in interviews to understand boundaries. I find that people, when they interview, often spend a lot of time on stuff inside the circle of what that person knows and what the interviewer knows.

One thing I always try to do in interviews is learn something I don't know from the person. So I'll look at somebody's résumé, and I'll find something that they probably know better than I do. And I'll ask them to explain it.

I've had people explain to me how the engines of a locomotive work, and how they did archaeological research and digs. What I find is that having somebody show that they can explain

something to me is actually a pretty good indicator of a few things. One, that they actually know how to explain things, which is a very important part of ultimately being a thought leader.

And a second thing is that you get to tell whether they like teaching. I believe that really good people in the business context are folks who want to share information and want to explain. And if you see enthusiasm around that, that can be very telling.

I also always try to find some things that are beyond the limit of what the person knows. So if somebody, for example, is applying for a position in marketing, I'll talk about technology. I would expect that pretty much everybody who's working for a technology firm knows something about technology. But I'll go beyond what they actually know about concepts like different types of computer interfaces or different types of technology.

I do it for a couple of reasons. One, to see what the actual boundaries of their knowledge are, because what people know tells you a lot about how they've behaved in the past. But the other thing that's interesting is how people react to not knowing something. Are they curious? Do they respect content, and do they actually like to dig into things? It's about that inclination. It's not just whether you have capacity to dig into things. It's whether you like to dig into things.

I'm also interested in people who build sustaining relationships. One question I've found to be extremely powerful as a predictor of how well people will do in customer-facing roles is to ask for specific names of people they've worked with as those people moved between companies or roles, or as the candidate moved between companies and roles. So is there any evidence that they have built relationships that they sustained beyond a single business interaction? And I'm really quite specific, and I ask them if it would be O.K. to talk to those folks. A lot of people don't have those sorts of relationships. I find that to be a really useful predictor of whether they are relationship-oriented, which I think is important not just for dealing with customers — it's important for dealing with people inside the firm as well.