

Ep #57: The Tenets of Leadership: How to Build a Top-Notch Team with Brad Szollose



Full Episode Transcript

With Your Hosts

Dr. David Phelps and Evan Harris

[Dentist Freedom Blueprint](http://www.DentistFreedomBlueprint.com) with Dr. David Phelps and Evan Harris

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You are listening to the *Dentist Freedom Blueprint* podcast, with David Phelps and Evan Harris. Navigating you through the uncharted waters of a turbulent economy with straight-forward advice to transform your practice into a self-sufficient cash machine, compound your net worth assets, and multiply, multiply, multiply your passive cash flow streams.

David: Welcome back everyone. This is Dr. David Phelps, host of the *Dentist Freedom Blueprint* podcast and also owner and founder of the Freedom Founders mastermind community. Got a great friend on the call today. You're going to love what we have to talk about. This gentleman is a recognized thought leader, entrepreneur, business coach, and speaker who specializes in transitioning leaders from the industrial age to the information age.

He co-founded a company called K2 Design, Incorporated which became the first dot com agency to go public.

During his tenure at K2, the company experienced 425 percent growth and received the Arthur Andersen Enterprise Award for Best Practices for Fostering Innovation. This is a company that actually went from two business partners to four with 60+ employees and offices worldwide.

My expert today is known as a web pioneer. He's a Generation Y, millennial expert, as well as a keynote speaker. He's also the award-winning author of the international bestseller *Liquid Leadership: From Woodstock to Wikipedia*. My good friend is Mr. Brad Szollose. Brad, how are you doing today?

Brad: Fantastic, David. Thank you so much for reading all that. I'm sometimes blown away when I hear it because it seems like I was in a movie. It was just a crazy ride back then.

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David: Well, I tell you what, I think they could make a movie about your story because it's so relevant to today and what we're going to talk about. One of the things that I wanted to ask you real quick was the subtitle of your book "From Wikipedia to Woodstock," so were you at Woodstock?

Brad: No, I wasn't. I was a little too young.

David: Okay.

Brad: But I had a stepbrother who my father labeled a hippie and he went to Woodstock. Now, I cleaned that up for your audience by the way. My father used other expletives. Then I had a stepsister who loved playing Simon and Garfunkel. So I got a taste of it, got a little taste of Woodstock.

David: Excellent, excellent. Brian, I got to tell you that going to graduate school and professional practice training, dental school, medical school, veterinary school, that training is all about developing one's very specialized skills in doing something, very precise services, as you well know. The problem that I found—you know, I got out of school, I had these skills, which still I had to work on.

But there was never a course, never a class anywhere in my college or my graduate school that talked about leadership. I wouldn't even know what leadership was back then. Since then, I've learned a lot more about leadership. Your book is about leadership. Why is that important? And especially talking to our audience who really everything that we do as doctors and dentists and chiropractors, it's really about what we do. But we don't think in terms of leadership or a team, can you talk a little bit about that?

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Brad: Absolutely. My father was a chiropractor and I learned very early on I wanted to be a graphic designer. So that meant I wanted to be an artist. My father looked at me like, "What is wrong with you?" Because my father had a bachelor's degree in mathematics. I mean he was a brilliant guy, chemistry, math, that's what he excelled in. So he looked at me like, "What is wrong with you?" And I wound up becoming a noted graphic designer and creative director in New York City.

The only way I learned that I could command respect and get hired because I was freelance, I was running my own personal business, was I had to get a team together that not only respected me but wanted to jump through hoops with me. Wanted to walk on flaming coals, jump through hoops, get the work done, and when another job came up, they would think of me first when it was time to get hired.

Now in our day and age, David, you know this, nobody really teaches you how to be successful when you get out of college. A few of us get some college courses, like I had a portfolio class to show off your work, but the business of what we do we learn a little bit about it. But how do you become a brand? How do you become a leader in your office? How do you become the go-to person that everybody looks to?

That's something we're not always taught and that's why it's so important today because, guess what? We have a glut of people doing everything. Everybody wants to become a crime scene investigator, so they go to college for it. Everybody wants to be a lawyer, or a dancer, or a graphic designer. So we have a lot of people coming out of college.

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So how do you compete with that? How do you set yourself aside so that you stand out in a crowd? And I'm not talking about billboards and business cards. I'm talking about what can make you the leader in your category? That's a very powerful thing to consider in this day and age because the market is saturated. Am I right?

David: You're exactly right. What's happening in the healthcare field, Brad, of course is what I call the commoditization of that whole industry because we have the influences of the Affordable Healthcare Act, which is in turn in conjunction with insurance companies, are essentially doing all the quote "marketing" for doctors today. In fact, they're controlling the patient flow and therefore they also control the reimbursements.

Doctors, dentists, chiropractors, veterinarians, have all become so used to just having patients brought to them because they become a provider to a specific insurance company. Now they've been commoditized and when they want to break the chains, so to speak, from that kind of addiction to the insurance companies it's hard to do. What I see typically is doctors and dentists, and I was the same way, look, I was the same way.

It's like, well I know my skills are really good. I take all this continuing education. I have the greatest and latest high technology. I've got lasers and I can do implants and I can do cosmetics and I can do all this great stuff. I can list all of the credentials I've got, all the letters after my name, I belong to all these great study clubs and et cetera, et cetera. Is that what we're talking about?

Brad: No.

[Laughter]

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David: Well, I thought I had something going here.

Brad: Here's the funniest thing. If you say, "Okay, yes, you need all those degrees. You need all those college degrees. But you hit the nail on the head. It's become commoditized. I have friends in medical practice, they have to have a staff to do paperwork for them all day just so they can get \$20, \$40, or \$60 out of whatever is going on, the Affordable Care Act, Medicare. So, yes and no. You've got to keep those skills relevant but most of us are in businesses that are based on word of mouth. Am I right?"

David: Well that's exactly right. So this is what I think we've come back to again is as highly trained, highly educated, we've gone through all these years of school and we still think it's all about us. You talked about getting a team onboard that will jump through the hoops. You and I both know how important that team is. Doctors today, especially in my generation, I'm a baby boomer all the way. Typically, I would have staff today that are definitely a generation below mine.

So how do we bring on this new group of millennials, the Gen Y, who from my vantage point, Brad, look like they're all about what's in it for them. They want to work on a different schedule. They're kind of like, you know—how do we break that impasse? Because that's what I'm hearing from my doctors today. It's like, "Man, I just can't find any good staff." Where's the impasse? How can you help bridge that gap?

Brad: I'll help you. You mentioned it, we're boomers. I'm a boomer and I grew up, if I own the business and I'm writing the paychecks and I'm the guy who founded this,

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“Then I’m the risk-taker and you better jump through hoops and do what I say because I’m in charge.” That’s not working anymore because that’s a 20th century model and it used to work because everybody used to obey the rules. But people are changing.

People are educated and their habits have shifted. So we have to shift with that. There’s several things you’re going to have to do. That is you’re going to have to look harder for better millennials. You know, I think when we first met, David, I said this to you, “If I want to take an army and take a country. I will do it with an army of boomers so easily because they’ll obey me.”

David: Right.

Brad: Because if I have the captain’s bars, you guys will just do it. And I’m a boomer so I know, we have that structure. “Be afraid of your boss. You know, your boss is not your friend.” Now you have a generation that comes along and they want to be involved in everything and they’re a peer and things like this. They’re college educated. So what do you do with that? Well find millennials that can actually do the work and they hustle. That may mean you may have to hire and fire and hire and fire until you find one or two that can do that.

Then guess what you do? You take those millennials and you say, “The next time we hire somebody, I’d like you to be the person who helps hire the next round.” Because what do we do when we hire people? We hire people who are like us.

David: Brad, how is the information age that we’re living right now, how does that change the values of the Gen Y generation and what are those differences between baby

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boomer generation and that new generation? What's going on there that we need to be particularly cognizant of so that when we are trying to build our culture, as you said, we can do it in a mode that fits for both of us.

Brad: Right. Well yeah, it has to be a good fit. But we may be looking at your new hires through the wrong lens. Like you're looking at somebody and saying, "That kid is doing this. Why are they doing that all day? And blah blah blah." We may be missing the data. What it is is that they haven't—this is probably one of the best examples with millennials and boomers. We have a very different way of doing things. David, do you remember your first job? Were you afraid of your boss? Let me ask you that.

David: Yeah, yeah. Definitely. I wanted to please my boss, yeah. I definitely was afraid. I took them as an authority figure and I wanted to please.

Brad: Right. So you jumped through hoops. You did what you had to do and you were kind of scared of them. So you learned to look busy. You learned to look busy at work. So you created busywork for yourself and you started running around and creating projects at work and showing your boss or your immediate supervisor so they would look at you and go, "Wow, that kid's got moxie. That Dave Phelps, he's going to go places."

The reality is the next generation has been raised completely differently. They've been raised not to fear authority. They've been raised to work hard and you may be surprised at this but millennials hate inefficiency. One of the things that happens is when a millennial has finished their work because we give them work based on time and buckets to fit into those time periods and time

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slots. When they're done, they don't pretend to be busy like we did.

So they can look like they're lazy and they just get things done and sit back and go, "I'm done." And they're waiting for work to be handed to them. They don't know they're supposed to hustle. They don't know they're supposed to do these things because they were raised differently. You have to teach them, "Look, as soon as you're done with your work, get back over here. I've got more for you." I hate to say it. It's just that's the way it is. It's the nature of the beast. And guess who raised millennials, David?

David: Yeah, exactly.

[Laughter]

Brad: Boomers. Boomers raised millennials.

David: You're looking at right at me, I can tell.

Brad: I'm looking at your picture, yes. But I want everybody to know this. Baby boomers, you raised millennials to be exactly the way they are. And now you need to understand them.

I know that's a sting that I just put out there. But I've sat at workshops, I've done keynotes and trainings, and I have the highest-level, C-level people sitting with me and they're like, "God, they're entitled. They're this. They're that." And about an hour later, their jaw is wide open and they're looking at me and they realize the behavior they see in the new employees that drives them crazy is the exact same behavior they instilled in their children.

They yelled at their kids, they go, "You don't let a boss tell you off. You tell him off. You don't stay at a company you

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don't like. You give him—you give them hell. You quit if they don't treat you right." And now we're shocked when employees come up to us and act exactly the way we raised our kids.

David: Yeah.

Brad: I'm going to show you how to manage that behavior when I get down to Texas coming up in a couple of weeks.

David: That's going to be great. Yeah, coming to the mastermind and just getting a great exchange of ideas. This is just kind of a lead-in to the frustrations that you know and I certainly know, my own experience, that come up.

But take me one more step. I know that you have a management model called ROWE, it's results only management model. So that's what you were talking about, how millennials hate inefficiency. You built something that's all about results, which obviously as a business owner, I'd love to work on results. Again, I just never, I've never looked at my businesses through that lens. So I've got to make a change. I've got to shift, right?

Brad: Exactly. And this is hard to do. Anybody listening, I want you to understand, it took a while for me to learn it as well because that boomer mentality. "I'm the boss. Shut up. Do what I say." My dad taught me that. And that's how we were successful, but with results-only work environments what you do is you have to choose people according to skillset first. That means you may have to move people around.

You look at the person's resume and it says they invented Teflon back in the 70s or something. I always like to joke about that. But then you have to think again and you find

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out—and this happened with a good friend of mine. He owns one of the largest internet companies here on Long Island. They do internet websites and do online initiatives and they even build apps.

He had a young man who could program the daylight out of any web ... that he had. And he decided, I'm going to have them come into meetings and explain what we're doing. Well this young man suffered from a little bit of autism and when he got up in front of clients he didn't know when to stop and he didn't pick up on facial cues. So he would go on and on about the most boring stuff.

So my friend called me up. He goes, "Brad, I really don't know what to do because he's one of the best employees I have." I said, "Well take him out to lunch. Find out what he's passionate about." So he took him out to lunch and they had some back and forth, had some fun.

Then he came back and he called me up and he says, "He loves to write." I said, "So put him on your pitch projects for new business development." So he started working with the team and writing these incredible proposals for clients. They started training him and helping him actually rehearse when he spoke in front of clients so he knew when to stop and start and look for certain cues.

All of a sudden, because they had shifted this employee into a new space and a new way of doing things, they were now landing two and four million dollar projects that they couldn't land before. If they had just gotten rid of this young man, moved him over into another place, they wouldn't have been able to take advantage of this

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incredible ability that he has that wasn't really on his resume.

David: Wow. No kidding.

Brad: Their business grew like 300, 400 percent because of repositioning this young man, putting him into a new space. You're looking at results. You're looking at skillsets. You're looking at things that you need to look at differently while you work with a person. We all know it happens. You hire somebody. Two weeks later, a month, you go, "Hmm, this person isn't exactly what I thought they would be." So start working with their strengths instead.

Here's another side of this, David. A lot of people complain about this with millennials, does anybody know how to show up on time? You know what I mean?

David: [Laughs] Yeah.

Brad: If that's important to you, then you have to tell them that it's important to you. The thing about millennials is this: Yeah, if they have to be there at 9:00 a.m. to answer the phone, then they better be there at 9:00 a.m. But here's the thing, is that truly important to your business? Or is that something that you need to—that just gets in your craw?

For some of you, yes, the person must be on time. For other people, it's sort of like, well maybe that's something you're holding onto from the past. Because I don't know about you, David, but I go ballistic about being late. I don't like to be late at all. With my wife, time is kind of a suggestion for my wife. But when my wife has to be on time, oh my god, we're out the door in ten seconds flat.

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We all have a good chuckle over that, we know how that is, being married.

But time, is that the most important part of your business or can you readjust? To move from rules—this whole list of rules that we all picked up over the years—and shift it into results. What rule can you drop that's not important anymore? It's sort of like we always—there's a lot of different rules.

Like most of us have to make phone calls when a text will do. Or vice versa. You really should get on the phone instead of texting. Finding out the skillset that the people that you now have onboard are passionate about and love to do. Seeing how you can utilize that to make your business better. You may find that millennials, almost all of them are really comfortable with social media. If you don't utilize social media for your business, Instagram, Snapchat, things like that. I mean, it's very powerful what's going on.

A good friend of ours, Tony Rubleski, his fiancée, she has expanded her business so quickly just using social media. And I think that you can find out the skillsets quite easily by kind of rolling up your sleeves and taking some of your employees out to a one-on-one meeting over dinner. Learn some of the secrets that they don't really hand over to you during the workday world. But they would love to do it.

David: Right. I take it that millennials want to be part of something but most of them, they're not looking just to show up for a job. They want to be a part of something. So it's our job, is it not, as leaders to create a vision and impart that vision. But not do it from a top down and

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creating the culture that you're talking about too, to have a team that will jump through the hoops, they've got to be a part of something.

If we learn to utilize the skillsets and the qualities as you just mentioned that the millennials have that we as boomers don't have, that's when we've got something that can work but that requires what you call in one of your chapters, and one of your rules, is about change and reinvention.

Brad: Right.

David: You know, so many of us, I know change is hard for me, but how do we use the millennials to help adapt that change and make things happen?

Brad: Well take a look at a company like Netflix. In 1996, Reed Hastings tried to return *The Right Stuff* to his local Blockbuster I believe it was. He got really upset because they charged him \$40. So he turned around and goes, "You want to know something? I'm going to start a company that eliminates this." Now if you remember back then, all the tape places where you could rent VHS tapes, they said late fees were a one billion dollar industry. I'm going to say that again, a one billion dollar industry because people can't return things on time.

It isn't so much that they're lazy. It's sort of like, "Well, we didn't get a chance to watch the movie." Or they have to work and they never get back home in time to drop off the video because the place closed at 7:00. Well they did that on purpose. So the whole thing came under fire and they all put their shoulders up and went, "What are you going to do about it? Nothing. That's the way it is."

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So Reed Hastings turns around and he decides we're going to do a monthly fee, that's all it is, it's like a club. I'm going to mail to you all the videos that you like, in a form you like, DVD, each month, you just drop it back in the packet and let the mail bring it back to us.

He literally took his time, grew organically, did infrastructure slowly. Because they started in 1996 and if you remember in '96, we didn't really have the infrastructure to buy things online the way we do today. But people who were buying with their credit card, handing their credit card over while they were sitting on AOL.

David: Right, right.

Brad: They literally put a lot of trust and faith into this new company and over time, by 2004 and the dot com bubble collapsed and all this other stuff. Guess what? All of a sudden, they're a real company, multi-million dollar. They drove Blockbuster out of business.

I want you to understand how this happens. Here's a guy who was passionate, upset, and angry enough to do something about it. Start a company, because that's what a lot of entrepreneurs do, they start a company based on need or frustration in the marketplace. But here's what Reed does that's powerful. And you can adopt this. Every Friday, Reed has a sit-in where employees are allowed to present proposals that are a million dollar idea for the main page. What button? What idea? What thing could they put on that main page that will get customers to click through to this particular video or this streaming that they have now.

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It became so competitive they started giving out major bonuses to employees that created some of these ideas. They challenged people. They said, "Look, you're going to do this, here's the reward." And guess what? They put their money where their mouth was. And it got even more competitive because now they started to offer this challenge to any company outside of Netflix they give them one million dollars in startup capital if they came up with a million dollar idea for Netflix's website.

So challenging the next generation to come up with something that will take your business to a whole other level and then backing it up with either paying them or putting them in the driver seat or running a particular division, I'm all for that. I mean, I did that at my own company when David Centner came along in 1994 I looked at him and he kept talking about the internet.

I said, "Well, I didn't really think the internet was going to be anything." It was '94. It was email. It was grey backgrounds. So I made a joke and I said, "David, if you can sell one million dollars' worth of internet services, I will not only make you a partner, I'll make you the CEO." Well in nine months, he sold 1.5 million dollars and then the following year he did 4.3 million dollars. The year after that, 7.3 million dollars.

I challenged him, gave him a direction to go in, and when he did it, I made him full partner. That guy became my rainmaker simply because I gave him a challenge and he accepted it. You can do that with millennials. David was a Gen Xer, a young guy from Florida, real hip and cool. Let me tell you, he went to Wharton, and he just lit the company on fire because he was passionate about it, passionate about the internet. You know, it isn't like when

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we were kids, David. You went into a company and how many years did it take before you got a promotion?

David: Right.

Brad: Today you have young people who are chomping at the bit who want to move faster, who want to move up in the organization. Give them a chance to do that. And by the way, some of you have very small practices and there's only a limited level you can go to. So start another company, let them run it. Work with it, partner with them, show them how to do it.

You can't let go of that talent. You've got to do something to keep them there. Once you see that they are exploding with passion, then you can start helping them. You benefit from it as well because you start making money with it.

David: Here's my takeaway for our listeners, which again, are primarily professional practice owners, Brad. That would be, many of them would like to bring in an associate, maybe an associate to be just an associate or maybe an associate that eventually would have an opportunity to come in as a partner or maybe a partner that will buy out the practice. So we're talking about transitions.

Again, what I see so often is this conflict between the boomer who has his way of doing things and what's been so-called successful to him and he tries to bring a millennial in who they have no meeting of the minds. The expectations aren't there. I love what you just said, to me it sounds like a whole challenge opportunity. Again, finding the right one, obviously that's key. But then giving them the challenge to do something within the practice. Letting go of the reins because you want to do that

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anyway. I mean, that's why you bring someone in, right? That's why you bring an associate or a partner in.

You want to give something up but you've got to bring the right person in and give them a challenge. I think that we could build a model around that that could really help the doctors because that's where lots being left on the table, I think.

Brad: The associate, partner, buyer challenge. Bring in five people. We're going to pay you for three months to come in here and prove to us that you're worthy of this and you're going to get an intern fee. But if you show that you're worthy of being a partner, being able to have this business, that we can pass it on, here's what you do. At the end of three months, the winner gets the prize.

David: There you go.

Brad: I think it's really—they like games so much, make it a game.

[Laughter]

David: I think what we're going to do is we're going to use that particular concept at the mastermind in some of the breakouts and you would be key to help develop that. But I think if we could do something like that, just one of the elements that you'll bring to the mastermind next month. Or actually, this month. I mean, the docs would love it.

Listen, Brad, I've got to tell you, thank you so much for your time today. Thanks for laying out some of the key tenets of what *Liquid Leadership* is about. I know it's going to be a great opportunity to have you with our group in just a few weeks.

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Brad: I am excited and jazzed to be there, David. I am really looking forward to not only answering questions but getting everybody so excited. Because you've seen me present, I just have a lot of fun with it. We're going to go back in time a little bit, how's that? Just for the boomers in the audience, right?

David: Take us back to Woodstock. [Laughs]

Brad: You got it. Before we close, I want to say a little something about Gen X as well. They're ready for leadership positions, my friends. Some of you are very frustrated with millennials, well now it's time to step up to the plate and I'll help you out with that. So I look forward to it.

David: Awesome. Brad Szollose, thank you so much.

Brad: Thank you, David

David: We'll see you in a few weeks.

Brad: You got it, David. Thank you.

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