FIFTH EDITION | CHAPTER 1

BEST PRACTICES OF THE BEST DEALMAKERS

Dealing With The CEO

Never has there been a more important time for dealmakers to understand the increasing complexity of the CEO's role. M&A, as a tool for corporate growth, is realizing unprecedented scrutiny and Sonenshine captures succinctly here what the changing face of leadership means to dealmaking.

~ David Fergusson | Editor

Marshall Sonenshine

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BEST PRACTICES OF THE BEST DEALMAKERS

Drawing on the experience and expertise of the "best in class" M&A professionals, The M&A Advisor, the world's premier financial leadership organization, together with Merrill Corporation, the leading provider of technology-enabled platforms for secure content sharing, regulated communications and disclosure services, publish the quintessential dealmakers guide series – The Best Practices of the Best Dealmakers. Profiling the proven strategies and unique experiences of the leading M&A practitioners, this series is distributed in regular installments for industry professionals in both print and interactive electronic media. Previously published features and chapters are also available in the online libraries of Merrill DataSite and The M&A Advisor. We are pleased to present **"Dealing With The CEO"**, the introductory chapter of the 5th Edition of this series – *Leadership in Modern M&A: Exclusive Insight from Global Dealmakers*. This chapter sets the stage for the dialogue to follow in the ensuing chapters, with and about today's leading Chief Executive Officers and their advisors.

Dealing With The CEO

Business is about leadership. Deal makers have the unique challenge of leading complex corporate strategic transactions while advising ultimate leaders – CEOs of large companies. This challenge, which our current volume of *Best Practices of the Best Deal Makers* series addresses, can be understood with reference to three business topics discussed in this essay: (1) leadership theory, (2) dramatic new financial market demands on corporate leaders, and (3) the unique and often intense collaboration between CEOs and their advisers. Theory, market, and practice define the deal-making process that CEOs and deal makers manage.

The first topic, leadership theory, elucidates the unique blend of tasks and traits that typify successful CEOs. The second topic, current dynamics affecting corporate and public leaders, including the current shareholder activism movement, underscores accountability because CEOs and other corporate leaders today are under greater pressure than ever before to deliver results to their constituents. The third topic relates an understanding of these dynamics affecting success in the C-suite to success in deal making. Deal makers must know their customers, and generally their most important customers are CEOs, a class of business leaders often extraordinarily talented and always uniquely pressured. The best deal makers understand this most special class of customers.

1. Theory: A Brief History of Leadership Literature

Much ink has been spilled over the subject of leadership because the concept is so deeply embedded in countless areas of human life. Ancient texts from the Old Testament to early Greek poetry to Roman histories to Shakespeare were all consumed by the subject, as have been virtually every modern historian, political scientist, and business theorist. Today, with the publication of *Leadership in Modern M&A: Exclusive Insight from Global Dealmakers* as part of the *Best Practices* series, we incorporate one of the oldest topics in history into one of the most modern subjects in business, the contemporary practice of mergers and acquisitions (M&A).

In discussing leadership in the M&A context, we do not paint on an entirely new canvas. For one thing, with the rise of economics and business as twentieth-century academic disciplines, much has already been said about

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business leadership. The late Peter Drucker, arguably the father of the modern American management theory, wrote prolifically on the subject, observing that the CEO of an organization is actually just another worker, with a very clear job to do and an ability to be rewarded or fired depending on how he or she performs. This notion of leadership as "job" as opposed to "power" may seem obvious today in our era of governance and activism, but that is only because by now the job of leading companies has been vetted as a subject for the better part of a century. Drucker observed that leadership implies no particular personality traits – great leaders may be extroverts or introverts, academically skilled or not, magnetic or dry. What great business executives have in common, he argued, were simply (or perhaps not so simply) the following succinctly stated traits:

- They ask what needs to be done and they do that.
- They ask what is right for the enterprise as a whole.
- They devise action plans.
- They take responsibility for decisions.
- They take responsibility for communicating.
- They focus on opportunities more than problems.
- They run productive meetings.
- They reference "we," not "I."[1]

Here, in one compact list, is Drucker's manifesto, a business leadership theory in a few deliverables at which not all CEOs actually excel but by which all CEOs are ultimately judged. In the course of this first century of business theory, Drucker would be joined by numerous other brilliant business theorists, some of whom would continually revisit the question of personality theory as it relates to leadership and success in business, notwithstanding that Drucker seemed to deemphasize personality in favor of his focus on tasks. Indeed to review the literature on leadership is to recognize an inevitable and understandable tension between what one can measure – tasks and results – versus what one can merely observe (i.e., temperament and character). Drucker was not saying personality does not matter, only that it does not drive results to the extent actions do.

One business theorist who brilliantly vetted personality as it affects leadership and whom I knew well as a client and colleague was the late Dr. Abraham Zaleznik of the Harvard Business School faculty. I first met Abe

1. See Peter Drucker, *The Effective Executive* (New York: Harper & Row, 1967).

when we represented the family-owned American newspaper and television group Freedom Communication, on whose board Abe served. Abe was no conventional business school professor or director of companies. In addition to his business credentials, Abe was a trained psychoanalyst, and he was highly attuned to not just the tasks of leadership but also the inner life and motives of leaders and how those inner drives might lead them to become either great leaders in a broad sense or mere managers in a narrow sense. For Zaleznik, mere managers accomplished midlevel, largely conventional organizational tasks in exchange for mostly personal career rewards, but great leaders discern and find ways to develop new insights that benefit the broad enterprise, even if not immediately their own lot in the enterprise. Managers plodded through their career moves; leaders transcended their parochial interests.

Abe's 1977 signature monograph, "Leaders and Managers: Are they Different?" [2] is among the most widely read articles in the history of the *Harvard Business Review*. Here, Abe charted a course that bridged the divide between Drucker, who was mostly concerned with effectiveness, and psychologists such as Abraham Maslow, who were concerned with what makes leaders tick internally and what effect they may have on others inside a business, organization or team. Abe borrowed from William James, who conceptualized that people with tumultuous lives, whom James called "twice born," become leaders precisely because they feel separate and thus exceptional.

Less known about Abe's iconic article was that it became the basis for his much larger book, published in 1989 and now long out of print, called *The Managerial Mystique*[3], which questioned the values and sensibilities of the then newly minted MBAs in the third or fourth decade since the midcentury dawn of the modern Business School movement in American universities. Too many of these MBAs, Abe feared, including those from his own Harvard Business School, were psychologically uncreative, risk averse, self-centered careerists. By contrast, real leaders thought outside the box to devise, as Drucker argued, "what needs to be done," whether or not that was in their job descriptions or their self-interest. They thought for the enterprise ahead of themselves–which was, as Drucker noted, why their talk was peppered with "we" more than "I."

The remarkable thing about Zaleznik was that even when he viewed leadership through the lens of personality, he tended to ratify Drucker, who eschewed studying personality theory and instead chose to focus on organizational behavior. Drucker had spent decades consulting to CEOs, and from that

2. See Abraham Zaleznik, "Managers and Leaders: Are They Different?" *Harvard Business Review* (Jan. 2004).
3. See Abraham Zaleznik, *The Managerial Mystique: Restoring Leadership in Business* (New York: Harper & Row, 1989).

experiential data set compiled his management theories. Zaleznik does not discredit Drucker but elucidates him, for Drucker himself could not have been eviscerating personality as important to leadership, though he correctly noted that no single personality type correlated with good leadership. Zaleznik suggested that the effective executive's clarity of focus, as championed by Drucker, often was a clarity born of a "twice born" personality structure.

Another Harvard Professor, John Kotter, continued vetting the difference between managing and leading, noting that both require "deciding what needs to be done" but with different emphases. Kotter's examples include (1) planning and budgeting versus setting direction, (2) organizing and staffing versus aligning people, and (3) controlling activities and solving problems versus motivating and inspiring people.[4] Kotter, like Drucker and Zaleznik, saw none of this as mystical or exotic but as mostly a kind of organizational work, albeit inspired by broad sensibilities about people and work.

Without engaging in cultism about leadership, the late and iconic USC Business School Dean Warren Bennis was far more concerned with personality-driven elements. For Bennis, leadership required engagement in shared meaning, a distinctive and compelling voice, and integrity and adaptive capacities, all of which are personality-driven traits. Indeed, Bennis and Robert Thomas theorized that business leaders who can deliver these skills often draw on "crucible", or formative, life experiences, similar to James's and Zaleznik's "twice born" people that are deeply personal and render them insightful and compelling to others.[5]

A decade after first encountering some of these works on leadership, and two decades into my own professional life as a lawyer turned investment banker counseling CEOs, I was recruited to teach a private equity course at Columbia University Business School. The course has been both a survey of private equity as an asset class, comparing it to other asset classes in the investment world, and a professional training class, teaching students how to negotiate complex buyouts, growth investments and other transactions that are mainstays of the modern private equity movement. In my ensuing years at Columbia, one of the readings on my syllabus would be a study called "Choosing a CEO: Which Characteristics and Abilities Matter?"[6]

4. See John P. Kotter, "What Leaders Really Do," reprinted in *Harvard Business Review On Leadership* (HBR Press, 2011).
5. See Warren G. Bennis and Robert J. Thomas, "Crucibles of Leadership," reprinted in *Harvard Business Review On Leadership* (HBR Press, 2011).
6. See Steven Kaplan, Mark Klebanov and Morten Sorensen, "Which CEO Characteristics and Abilities Matter?" in *Journal of Finance* (May 2012).

The CEO Characteristics study vets one of the most important decisions that private equity investors and other deal makers make: whom to back. These investors typically see themselves as backing a particular CEO and management team, as opposed to merely buying into a company. Thus, the CEO study asks, simply, What characteristics of CEOs drove successful returns to venture and buyout investors? The study reviews a broad range of personality surveys of CEOs, as administered by a consulting firm of psychologists retained by various private equity firms interviewing CEO candidates for their venture, growth or buyout portfolio companies. The conclusion is at first blush disappointing: personality traits seem almost irrelevant. Some of the successful CEOs were "team players" or "warm" or "magnetic" and others who were equally successful were none of those things. Exactly as Drucker had argued, what matters most in leadership is not personality trait but task, as in what did the executive actually make happen, get done, do? But personality structure can inspire and facilitate one's ability to be a focused leader who gets the right things done.

Did the CEO characteristics article resurrect the mistaken belief, whether attributed to Drucker or others, that personality or style of leadership simply does not matter? I think not. It merely found that success correlates more with particular tasks than particular traits. One must be careful not to overgeneralize from the data set. First, the study merely shows stronger correlation between success and tasks rather than personality traits such as warmth or collaborativeness or likability. That is hardly a rejection of the importance of personality, assuming appropriate focus on the most relevant business decisions and tasks. Presumably successful task-oriented CEOs with disappointing personality traits might have succeeded *despite* (not because of) their personality deficits and might have succeeded *more* had they been both task oriented and better with people.

Second, it is possible that the study by its design focus on private equity portfolio companies. The study was measuring success-leading companies that required a particular pattern of fidelity to task above all else, which is not necessarily the dominant agenda of all companies. Task matters greatly in private equity deals because those deals are principally about growth from something the private equity investor deemed predictable at the time of investment.

Private equity seeks to change enterprises through near-to-medium-term growth, and in this context tasks drive growth for debt pay down in buyouts

and maturation for earlier stage investing – the private equity data set may not be a subset of CEO requirements in other contexts. Consider, for example the importance of task to certain early-or growth-stage tech companies such as Uber, which must take a defined template – compete with municipal taxi services and private limousine services with tech-enabled gig economy driver services–and drive that model through multiple cities. Venture capitalists backing that model need a task-oriented CEO at the helm. Similarly, private equity firms backing a leveraged buyout may need systemic replication in the production of mattresses or the opening of new stores for a restaurant chain to drive growth and repay buyout debt. Strict adherence to task may matter more than other skills in this private equity–driven context than in other contexts in which culture or new strategic inspiration may be more important than task. Here, advisers must remember that CEOs come with remarkably different missions.

Jim Collins wrote passionately about leadership, meaning companies and corporate leaders often navigated among issues of strategy, operations, and personality as a kind of game of 3-D chess. Collins conceptualized five levels of management: highly capable, contributing team member, competent manager, effective leader, and executive, who has vision and humility and other characteristics of interest to Zaleznik and others focused on the internal personality of leaders.[7] But Collins was talking about large mature companies competing in multiple businesses, such as 3M and Procter & Gamble, not companies classically ripe for leveraged buyout. Indeed, the broader the swath of businesses or organizations, public or private, that one considers in discussing "leadership," the less one can rest on task alone as opposed to a broader matrix of characteristics. Presumably, even Drucker, in studying his particular clients, might have focused on a particular kind of business—companies that were retaining his services—which may have been a subset of his own subject. Perhaps in some companies, such as larger public companies or family-owned businesses with longer-term horizons, task matters less than (or at least does not as overwhelmingly trump) leadership style and personality in determining CEO success. Still, in today's equity and M&A market, most investors, if forced to choose between good personality and good task master, would prefer task. A CEO with a bad personality can harm a business or succeed less grandly than he or she might otherwise have succeeded, but only an effective task master can drive growth.

7. See James C. Collins, Good to Great: Why Some Companies Make the Leap ... And Others Don't (New York: HarperCollins Publishers, 2001). See also Jim Collins and Morten T. Hansen, Great By Choice (New York: HarperCollins 2011).

In the go-go years leading up to the financial crisis, CEOs seemed to enjoy ever-growing compensation and powers. American companies vested the chairman role in the CEO, unlike their British counterparts who thought CEOs, being human, should be overseen by nonexecutive chairmen and sometimes even executive chairmen. Some excesses in CEO remuneration in the United States were curtailed by "say on pay" rules included in the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010, but these rules deferred to shareholder votes. In the end it was shareholders—often led by activists—who provided a market check on CEO power, pay, performance, and tenure. Alongside those changes were broader corporate governance reforms to destagger boards, redeem poison pills, and otherwise render boards more responsive to owners than to executives. In this reform era, broadly commencing with the 2008 financial crisis, CEOs became less imperious and more accountable, and personality theory increasingly crept back into the literature not as peripheral but rather as mainstream wisdom about leadership.

Prior to the 2008 crisis, management theorists argued that even extreme narcissism is often correlated with productivity of business leaders and thus must be tolerated.[8] Still, one also finds research cautioning that narcissism run amok can cause broad harm to an organization and that at the extreme end of a spectrum of narcissism is sociopathy.[9] One Harvard psychologist argued that sociopaths may constitute about 4 percent of the general population and comprise a similar or perhaps higher percentage among business leaders. And of course, they can do tremendous harm to organizations precisely because they have such undeveloped morality. I know of few deal makers who do not at least occasionally claim that a particular executive is a sociopath or narcissist. Of course, this is not clinical talk but rather vernacular, jargon, or shorthand reflecting aspects of the culture of business leadership.

The rise of personality traits in management theory has coincided with yet another development, the idea of emotional intelligence, as championed by Daniel Goleman. By profession Goleman is a psychologist, but increasingly his work has been redirected to business management literature, as reflected in a recent Harvard Business Review book called *On Emotional Intelligence*, featuring a compendium of essays by theorists including Goleman and others.[10] Emotional intelligence here is posited as self-awareness, self-regulation, motivation, empathy, and social skill—in other words, all the soft skills that are

8. See Michael Maccoby, The Productive Narcissist: *The Promise and Peril of Visionary Leadership* (New York: Broadway Books (A Division of Bantam Doubleday Dell, 2003).

9. See Martha Stout, *The Sociopath Next Door* (New York: MJF Books, 2005)

10. See Harvard Business Review, *On Emotional Intelligence* (HBR, 2016). Goleman's iconic bestseller, *Emotional Intelligence*, was first published in 2005.

not about task but about social insightfulness and interaction. In this schema, Drucker's focus on task is still paramount, but personality still matters, even more than earlier management theorists believed.

Indeed, it is precisely because both task and personality affect leadership that all leaders, including CEOs and presidents, are ultimately evaluated principally by what they do and secondarily by how they affect people around them, who must also work productively and collaboratively. All deal advisers, whether lawyers or bankers or consultants, learn quickly to understand their CEO clients and CEO counterparties along this dichotomy of task and personality. We assess what the CEOs' task priorities and his or her style of decision making and interaction are, as we tailor our work accordingly. We advisers are ultimate students of leadership, as was Peter Drucker in his decades as a management consultant before becoming a theorist and founding contributor to modern management theory.

2. Market Forces: Advising the CEO in an Era of Shifting Understandings of Leadership

To return to the core question, we deal makers represent and counsel CEOs, who are generally unusually talented and demanding people from whom in turn much is demanded. We do this in markets that are often shifting quickly in ways that can redefine the mandate of CEOs. Indeed, CEOs today work in an environment in which information flows freely, markets react continuously, and in many critical periods of time, finance can often displace real economic factors affecting companies. Consider several rather dramatic macroeconomic factors all at work at the time of this writing:

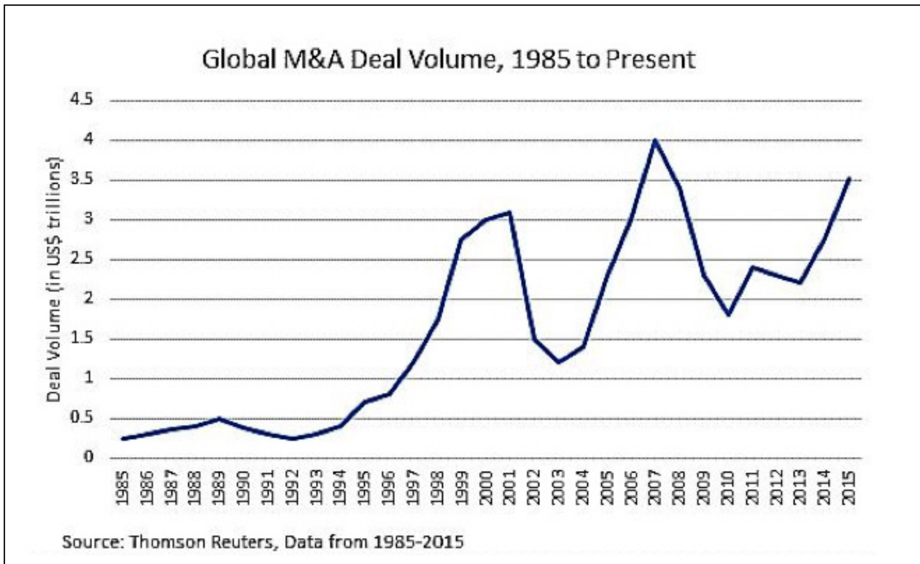
- As the first decade after the 2008 financial crisis concludes, interest rates are at such historic low levels that in many swaths of the global government bond market, they are actually negative, something essentially unheard of in modern capitalism. Low rates have forced a rotation of capital from fixed income to equities, driving up corporate stock valuations and leaving institutional investors on a search for returns, by increasingly pressuring companies and their CEOs to wring out inefficiencies, deliver dividends, and consolidate. Markets are metaphorically in the C-suite.

- Shareholder activist funds have grown rapidly, well past $150 billion in the United States, and institutional investors worldwide continue to demand governance and strategic and financial changes to corporations.
- Great Britain voted to leave the European Union after decades of membership, driving the pound sterling down 10 percent and the Dow Jones Industrial Average down 600 points in a single day. Geopolitics whipsaws the metrics of business.
- Economic growth and public policy shape management. Growth in most markets after the 2008 financial crisis remains anemic, job recoveries in the United States mask low work participation rates, tax inversion deals were all the rage and then suddenly restrained, and antitrust authorities that had been quiet are now active.

In a word, in today's economic environment things change dramatically for CEOs navigating global strategy and deals.

The range of shifts in market and governance assumptions today is too broad to discuss in a short essay, but two shifts are worthy of comment here: the growth in M&A as a core competency of modern corporate life and the rise of shareholder activism as a check on CEO and board power.

M&A is now core to management. A generation ago M&A required specialized knowledge mostly held by bankers and lawyers, whereas today virtually all large cap companies and most upper-middle-market and even many middle-market companies view M&A as an ordinary part of their business and employee executives and managers with meaningful M&A experience. This shift is a direct result of the shear growth of mergers, alongside broader equity market growth, over the past few decades.



Today, many companies are comfortable executing buy-side deals without the assistance of buy-side bankers. Acquisitive companies increasingly employ ex-merger bankers specifically to cut out the outside bank. Comcast hired its former senior M&A banker as its head of M&A in 2016 and virtually immediately acquired DreamWorks for $3 billion with no external investment banking adviser except to provide a fairness opinion. Companies and private equity firms still routinely use bankers for the more labor-intensive task of selling businesses, but buying is now a narrower market for bankers. In this new context, many bankers have been reduced to "task," though the best ones are still valued for judgment and insight.

Second, the proliferation of boutique bankers has made it more customary for companies, when they choose outside advisers, to look at individual talents of individual practitioners much as they do in retaining law firms or other advisers. The deal business may be at once more meritocratic and more personal today than ever before.

A generation ago, the Harvard Business School professor of investment banking, Samuel Hayes III, reviewed a curious survey asking clients and their bankers separately what caused their business partnership. The divergence in the responses from each constituency surveyed was telling: bankers imagined

they had been hired for their relationship building. They cited that they really knew their clients personally, spent time with them, and earned their trust on a personal level. That may be true, but clients tended to explain their choices with reference to good old task: The firm they hired got things done that the CEO and the company needed to get done. Hayes found that clients said far less about the relational elements on which their bankers had prided themselves. Perhaps today, because there are many ways to hire execution services, the answers at least sometimes might be more integrated and less divergent from both constituencies—that is, perhaps clients and bankers would agree that advisers just possess a particular blend of execution skill and personal trust to get the nod.[11]

Market voices are now in the C-suite. Beyond the core nature of M&A now, something else is at work today, something far broader and more consequential about the very nature of leadership. As noted earlier, the age of activism has replaced the era of entrenchment and imperial governance of companies with the current era of accountability. As these market forces have mounted, legal impediments to shareholder democracy have been dismantled, starting with easier access to corporate proxy machinery in the early 1990s and continuing through ISS and other shareholder voting blocs in today's market. The evidence is overwhelming: Boards have been destaggered and include more outside directors; CEO tenures have often been cut short or companies reorganized or sold under activist pressures; poison pills have been redeemed or simply not renewed, to the point of near disappearance; and even relatively small shareholders have been able to drive large changes, often over CEO objections.

In the past few years numerous companies have chosen to negotiate board seats with activists in lieu of waging what might be losing proxy fights. In one notable choice, when top activist fund Trian took a stake in GE, GE CEO Jeffrey Immelt invited Trian to make a presentation to GE executives on its views on corporate change.[12] In the hands of lesser CEOs than Immelt, this accommodation might have been seen as a sign of weakness, though in Immelt's case it was a sign of his confidence as CEO and his realism about market expectations that CEOs show openness to key investor views. The winds had shifted decidedly in favor of openness to ideas and enhanced accountability to institutional investors, including for first-tier CEOs.

11. The surveys were conducted by Crane and Eccles and discussed in Hayes's book on Financial Services. See Dwight B. Crane and Robert G. Eccles, "Customer Relationships in the 1990s) in Samuel A. Hayes, Ed. Financial Services: Perspectives and Challenges (Harvard Business School Press 1993) (reviewing 1980s and 90s surveys conducted by Professors Dwight Crane and Robert Eccles and citing R. Eccles and D. Crane, Doing Deals: Investment Banks at Work (Harvard Business School Press, 1988)).
12. See, e.g., Peggy Hollinger and Miles Johnson, "Activist Nelson Peltz Takes Stake in GE" in Financial Times online Oct. 5, 2015.

The restatement of CEO powers mirrors a restatement of presidential and other government powers in the post-2008 crisis era as ultimate constituents (voters are the shareholders of democratic governments) have voted to take back power and ramp up accountabilities. Here again, the evidence is unmistakable, whether one focuses on Donald Trump's end run around the Republican Party, Bernie Sanders's notably well-supported challenge to the Democratic Party establishment, or the momentous vote by British citizens to exit the European Union in direct contravention to the advice of both a sitting Prime Minister and his opposing party leadership. These watershed events in the public sphere mirror the shift in power toward ultimate constituencies in the corporate sphere.

Where, then, is leadership today in the corporate and public spheres? It is in the throes of a correction from centralized power to greater accountability to ultimate stakeholders—owners in business and voters in politics. This is not a bad thing, nor in all cases, an efficient thing. This is a cultural trend, a tectonic shift reflecting digital information flow and constituency demand, to be understood by business leaders and their advisers. Today, the adviser to the CEO must reflect, to his or her client market, pressures on the CEO. The adviser must know to which pressures the CEO might bow and to which he or she might buck. The adviser must know how to deliver strategies and opportunities that can add value, including value that may not be immediately apparent to activists or other public market participants. His or her job is more nuanced, more complex, and more driven by accountabilities because his or her clients' jobs are as well.

In this era of new leadership nostrums, of new challenges for business leaders and their advisers, we are all on new footing, saddled with market forces that are more present in the board room, the C-suite, and the banker's briefing materials than ever before. This is the new essence of leadership now, at this time, in the long game of business.

3. Practice: Deal Makers and Their CEO Clients

To develop and negotiate deals, one must develop and deal with people. That does not mean deal makers are necessarily emotionally balanced people. Some are, and others are not. Like their CEO clients, they may be anything but balanced. But at least when on the job, they must not only understand strategic, financial, legal, and market issues; they must also be able to read the

room, win confidence, discern unstated motives, and negotiate outcomes. They must represent, support, and advise CEOs and sometimes correct their faults. Their ability to navigate among those differing modalities defines their results as leaders of a sort different from their clients.

What, then, are we to make of the intense odd couple—the sentient and role-shifting deal maker as adviser to the mostly task-oriented but also sentient CEO? The pairing is always important, for this team is among the most symbiotic in business life, at least during the term of a deal's process. To his or her CEO client, a deal maker is part muse, part consigliere, part mouthpiece, and part servant. To his or her staff of underlings the deal maker may be their CEO. And to the broader board of directors and owners, the CEO is a fiduciary, though ultimately all deal actors on behalf of companies—CEO, other executives, bankers, and lawyers—are hired help.

The deal maker is an obsessive task master and task doer. He or she has to be. Deals comprise numerous tasks that must be managed and executed. But tasks alone will never create a deal; tasks can only execute a deal inspired by more gooey material relating to people, business dynamics, and the negotiation of what John Maynard Keynes called "animal spirits." Thus, the subject of leadership in the deal context is complex because leaders play multiple roles in relation to multiple parties. That is why deal people are so interested in the topic of leadership: Deal people serve leaders, negotiate with other leaders, lead teams, and follow orders, often all in a single day's work. The present fifth edition of the *Best Practices of the Best Deal Makers* series thus appropriately takes a microscope to leadership as its own topic within deal making. After all, deal makers lead deals that often transform whole companies and even industries, but they advise and mediate among CEOs, who lead much larger enterprises and are used to calling most of the shots. That is complex stuff, indeed.

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