

Hello everyone. This is Wayne Rivers at FBI where *We Build Better Contractors*.

This week I want to talk about a book, *The Power of Peers*, and why every CEO needs a peer group. This book came out in 2016 written by Leon Shapiro, who at that time was the head of Vistage, which is the largest peer group organization in the entire world. I think they have over 30,000 members. That's a big number. Started in 1957, and there are lots of peer groups out there, depending on industries. So, we run peer groups for contractors, but if you're not a contractor, there's probably a peer group organization out there for you. There's YPO, there's TAB, The Alternative Board. There's Remodelers Advantage, if you're a home remodeler, there's ConnectWise, if you're in the IT business, if you're an automobile dealer, there's NMC. Somebody is running a peer group in your industry, almost certainly.

So, Stanford Business School says that two-thirds of CEOs, two-thirds of CEOs get zero outside leadership advice. Those that do get help, how do they get it? Well, they read. They hire consultants, they hire coaches. They attend industry events like the AGC convention that we always go to. They go to maybe a business school for executive education, but peers can do things that none of those other resources can do, and they can do it uniquely well. So, 10 things that Shapiro talks about in his book that peer groups can do uniquely well. The first thing is affordability.

If you were going to get 15, 16 industry experts in your office, and these are seasoned people with great minds for business and all that, if you were going to get them in your office, what would that cost you? Just think about a meeting where you have your lawyer and your CPA present. How much does that cost you? There's no way that anybody would be willing to pay for 15 or 16 industry experts to come and sit down, especially twice a year. The affordability aspect of a peer group is unsurpassed. Second thing is, your peer group reduces complexity. I agree with that a thousand percent. Third, they provide objectivity. Hands down, absolutely true. Number four, they reduce blind spots. Again, true. Number five, they empathize. Empathy is a word often used in today's business world. The reason peers can empathize with you is they literally are walking in your shoes.

It makes perfect sense. Six, they allow you as a leader to be vulnerable. As leaders, we think we have to be like Gary Cooper in *High Noon*. We have to be the strong, silent type. We can't show weakness. We can't show lack of information on any subject. We always have to be the expert, et cetera. Peer groups are unique, and you can really be vulnerable and be genuine with your peers. They're in it for you and you're in it for them. It's a unique experience. Seven, they provide accountability. If you think about your advisors, your banker, your lawyer, your CPA, et cetera, you can fire all of them. They work for you. They're beholden to you in a financial sense. Your peers, they're there because they want to be there. You can't fire them. They're the CEOs of their own companies. You can't get rid of them.

So, think about the power that they have to give you real feedback and hold you accountable as a leader. It's really tremendous. They can provide confidence. I can remember a member in our peer groups that wanted to get into a different kind of delivery method in his construction company, but they'd never been there before, but he came to the peer group meeting with this question, and the other members had been there doing it for some time, and they were able to say, A, B, C, D, E. They absolutely gave him the confidence he needed to march off in a new direction, and it's been a big hit for them. They've grown and prospered as a result. The ninth thing, they provide reciprocity. And the way that Shapiro wrote about it, he said that they're selfless in the pursuit of self-interest, and in other words, they're selfless in sharing with you because they have their own self-interest in mind, and they want the same. They want reciprocity.

Makes sense, doesn't it? And then the 10th thing, maybe the most important, your peer group doesn't just answer your questions. They question your answers. Does that make sense? They question your answers. So, you've come to a conclusion, "I'm going to promote Sally or Jim." And your peer group comes in, "Let's think about that for a minute. Let's walk that back and just dissect it a bit."

And they question your answers. They cause you to defend the business conclusions that you've come to. And that's a great thing. If you can't make a business case for a business decision, then it is probably not that great of a decision, right? So, there's an African proverb that Shapiro writes about, if you want to go fast, go alone. If you want to go far, go together. And I'm here to tell you, as a peer group member myself, if you're the leader of a company, especially a small company, and you haven't found your industry peer group yet, go out and do it. It'll be the best business decision you ever made. I'd like to hear from you what's on your mind about peer groups and the power of peers.

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