



It's Not Easy Being Alpha

A guide to vulnerability for M&A practitioners

"Push your perfected self out of your own way"

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Editor's Note: At the 32nd Tulane Corporate Law Institute in early March, Mr. Davis revealed his journey, after two divorces, from shame and despair to his new life. He has advice for those in M&A on how to change their lives. At a time when the world is gripped by a pandemic and all the upheaval it has wrought, it seems a good time to hear his words.

I was an M&A lawyer at Torys in Canada, and I've never left the world of corporate law. I'm a deal lawyer, like a lot of people in this room. It is my role as the chief legal officer at Ontario Teachers but I can't count the number of LinkedIn invites I get, or emails, or tweets, or cold calls, or text messages, or come to work and there are these cleverly arranged meetings, all of them about the same thing. Big data, right? We all hear about it a lot. All powerful knowledge-based systems or cloud-based platforms that can provide the best technology and materiality scrapes or algorithms optimized for better deal outcomes. I hear it all the time. Cool stuff maybe. Sounds cool, anyway. You see, there's just so much focus everywhere on the race to have the best technology that can do our jobs faster and more accurately and with greater insight and with better outcomes, which is why this talk is going to have nothing to do with that.

It's not that I think that that stuff isn't important. I really do, but it seems like it has all the focus, which is why I want to talk about something different that deserves just as much, or in my opinion, more focus than the tech developments in our industry. This talk will focus on a simple idea, which is that exploring our human

capacities for authenticity and vulnerability and embracing those capacities can transform how we do our jobs as professionals. I'm going to tell you my story and what I've done and you can then make your own choices. I certainly made my choices and the outcomes have been nothing short of groundbreaking.

The content of this talk goes back to 2:00 a.m., one evening in June, 2012. I'm alone. I'm in my early forties and no matter how I try, I can no longer escape the fact that my deepest fear is being realized. I was going to get divorced for the second time. Seriously, how did this stuff happen again? How did I make such a mess of my life? I work. I was a superstar lawyer. I was a celebrated leader, and I won tons of awards, but my marriage is a total disaster again. You see, a few years after my first marriage ended, I married my second wife, a beautiful woman ten years younger than me. We bought our first home and we were going to have beautiful kids and live a fairy tale life. Instead, it all just fell apart.

And here's the thing. When you get divorced once, everyone can relate. People say, "Don't worry, it was a starter marriage." But when you get divorced the second time, do you know what people say? . . . You've all answered the question. Nothing. That's it. No one even wants to acknowledge it. It's like you're carrying an illness. So there I was in the middle of the night on some given Wednesday knowing it was over. I was going to be the twice divorced guy that no one would ever want to be with. I was damaged goods and I knew that I would be alone. No kids,

no grandkids, no family vacations, no college graduations. Just work.

Speaking of work, I knew that even my performance was unsustainable because nothing could save me from the shame of failing at not just one, but two marriages. You see, the anxiety in people finding out about my marital disaster had started to permeate every aspect of my life. I felt completely and forever broken. If you want to know how exactly that felt like, all I felt was shame. In particular, the shame of being inadequate in the areas that matter most.

In fact, I was so consumed with shame that it was all I could think about, all the time. At work, at home, when I went out with friends. I couldn't get away from it. And the pain, it was, it was intense. It drove me to find out what was actually causing it. I wanted to understand what the concept of shame was actually about and how it worked. What is shame anyway? How is it different from sadness or loneliness or depression? You know what I did? I Googled it, right? Just because I was caught in this shame spiral, it didn't mean I had lost my sense of curiosity. Actually, that's probably what saved me in the end.

Shame is defined as the painful feeling of humiliation or distress caused by the consciousness of guilt or short comings. What underpins shame is an excruciating form of vulnerability. It's the idea that you are going to be disconnected. *It's the idea that you are going to be disconnected.* It's the fear of disconnection. It's a feeling that burrows right into one's very identity. In researching shame, I ran into a Ted Talk by Brené Brown. You know what? It blew my mind. Who here knows Brené Brown's work? We got a few hands there. For those of you who don't, she is the world's leading authority on shame. She's literally a shame researcher. I know.

She unpacked the concept of shame for me. Brown positioned it like this, that it's the excruciating belief that you are permanently flawed. Here's the important part. Because of those flaws, you feel unworthy of love and belonging. Deeply flawed, and therefore totally unworthy. It couldn't have summed me up better at the time. She also explains in her research how we all have shame and we all are flawed. She describes what separates those who can live with shame from those who cannot. In her research, she found that there was one variable that separated those who can live with shame and still felt the sense of belonging, from those who struggled with it.

The first group felt worthy of love and belonging, notwithstanding their flaws. The second group did not. That's it. These people felt worthy and they did not. You know what?

Understanding that helped me rediscover my self-worth, my courage. It helped me build resilience. I learned to forgive myself because I hadn't done anything wrong. I just hadn't done things right. The answer wasn't shame. It was learning to deal with my failures in an open and vulnerable way. So I went deeper. I read everything I could get my hands on. I'm still doing it today. Immersing myself in behavioral economics and psychology, I wasn't prepared for the powers of the principles that I've learned, which are now starting to show up all over modern leadership theory.

To be clear, I am not the guy who spends his time culturing his own kombucha or getting in touch deeply with my inner soul. Sometimes I think I've tried to aspire to be that guy until I try another yoga class or download another mindfulness app, and you know what? It just never seems to work. I'm being honest when I say that what I learned has influenced every aspect of my career and my life. And I'm talking about the root of where shame comes from, and that is vulnerability, which is in fact core to the human condition. And you know what? I know it's an uncomfortable word. I know that when people hear the word vulnerability, they think of it in a touchy/feely way because it's a feeling often equated with weakness, particularly by men. But that couldn't be further from the truth. Our capacity to embrace vulnerability is our best measure of courage.

Just think about it. Bravery without feeling vulnerable, what is it? It's recklessness. It's hubris. Courage requires being vulnerable. The moment I accepted that idea, I could transform this feeling of vulnerability from a paralyzing fear into an energizing power that has caused increased engagement, performance returns, and overall productivity at my company like nothing I've ever seen before. You see, the secret is not to hide things that cause you pain, but to bring them out in the open where they can be shared and dealt with. There's a catharsis from getting the perspective of others and there's a connection to revealing yourself to that. Once you overcome the fear of vulnerability in your own mind, you can see it for what it actually is. Just another rite of passage that all of us have to go through. But we don't have to do it alone.

I chose this subject because I wanted this talk to be a meaningful moment in the careers of the people in this room. The technology, the big data that everyone's talking about, it's meaningless without the people applying it. I want you to see that people perform their best when they work

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in a culture that embraces vulnerability without the fear of being judged by their imperfections.

This is a talk about vulnerability as a way of neutralizing shame. It's also a message about how embracing vulnerability is key to the future of our business. How it's necessary to establish trust, and how it's the birthplace of productivity. Innovation and adaptability don't exist without vulnerability because being vulnerable means willing to take chances, accepting that things are changing. I'm not interested in these ideas as buzzwords. You've given me the great honor of being here as your keynote. So, I wouldn't waste your time or mine talking about something superficial. This is a talk about the changes that I honestly believe can cause a major breakthrough in your professional lives.

Let's get to that. If I were to sum up every conversation I've had with managing partners across law firms, across the globe, in the last 15 years, I'd say this: "We're all striving for creativity, innovation, trust—that's a big one—as well as courage, adaptability." Here's the thing. You can't have any one of those without embracing vulnerability. The price of those powerful abilities is a willingness to be vulnerable. Creativity requires thinking differently. Innovation requires a willingness to fail. Trust. requires allowing yourself to be exposed to another. *Allowing yourself to be exposed to another.* In all of these cases, until you become comfortable with the first emotion, vulnerability, the others, they're closed to you.

Let's start with our profession and talk about the tension between vulnerability and client relationships. In particular, let's start with a need to be perfect. How many of you have been burdened by a desire for perfection? Some of you are still there. How many have you, on the other hand, love admitting your mistakes? In fact, how many of you somehow feel that as a result of your success and your reputation that others expect you not to make mistakes? It's not easy being an alpha, right?

A culture of vulnerability, on the other hand, makes it possible to take bold moves, to risk failure and innovate at great speed. It's premised on the idea that you are imperfect and that you will, not might, but you will make mistakes. It could also create an environment where mistakes are mitigated because people are willing to admit them and fix them faster. When people are freed from the need to be perfect, they're free to experiment. Moreover, the culture it creates is

one where anyone can speak up and challenge the laws and take ownership. But in a culture of perfection—I've seen this—none of those things happen because the risk of a new idea or a challenge to the leader just isn't worth the pain of rejection or the risk of looking dumb. I know this now because my team challenges me all the time.

We made it a core part of our culture and you know what? It's working. We attract the best at Ontario Teachers' because they want to get the best results together, with others, not in competition with them. They feel supported and not threatened. I think that's why we're so attracted to leaders that encourage openness and collaboration. It's like we crave authenticity and humility from people in power, so we too can be open and better at imperfections. Perfectionism? It's a killer. Trust me. I know. It was bred into me. Maybe that is true for some of you. I was actually taught to feel my mistakes as failures. It either made me feel angry or just hurt.

Can you remember the question that you always have to answer at a job interview? What's your greatest weakness? Perfectionism. I'm a perfectionist. That's my greatest weakness because we all know it is perceived as a strength. I've spent a lot of time researching perfectionism and I see the damage it does in the workplace, and I know it to be crippling. Honestly, in fact, it is literally a mental health disorder that it is spread by dangerous role modeling, by impossible demands and through the use of social media. They can actually test for perfectionist attitudes. It's on the rise, along with all the psychological disorders that go along with it.

There are three different types of perfectionism and all are increasing at significant rates. The first one is self-oriented perfectionism. This is when you tell yourself you're not good enough. You're not smart enough. You're not rich enough. You're not promoted enough. You're not fit enough. The second one is called other-oriented perfectionism. This is the one where you hold others to unattainable standards of perfection. The one that is metastasizing the fastest is what they call socially oriented perfectionism. Parents, listen up. This is the one where the society, the culture, is making people feel like they need to be perfect. It shows up in the school yard. It shows up in businesses, and it shows up in law firms when we hide or overreact to mistakes, when we accept impossible deadlines, and when we place them on ourselves.

It's fueled by instantaneous communication and social media and the intense pressure to look good. I'm telling you, it takes true courage and leadership to recalibrate the culture and to set a

new course. That's why I'm talking to you about it today. Back in the day, when I thought I had my role, because I was perfect, guess what I did? I tried to teach my perfection to others on my team. I made them successful by turning them into copycat versions of myself because, "Hey, it worked for me, right?" I cracked the code on the sole path to success and others would follow my lead. I wanted to create a bunch of mini-me's. How do you think that went? I heard someone laugh. It didn't go well.

So let me tell you the story about when Ontario Teachers' bought Copenhagen and Brussels Airport. We purchased it from Macquarie in exchange for our stake at Sydney Airport. Pretty cool. Three inter-conditional share purchase deals, four currencies, four regulators, three different legal regimes. A colleague of mine was handling the legal aspects of the deal, and when she went on holiday I decided I would cover for her.

I rewrote the deal structure and everything as how I would have done it. I was her boss. I wanted to teach her. But in the process, I really damaged her self-esteem. Now, the deal got done, but I did almost irreparable harm to our relationship. Here's the thing, I'm pretty sure that her approach was just as good as mine, but I thought mine was better because it was just mine. My alta-perfect ego enslaved me, and I think I wanted her and the business folks to see how smart I was. I thought it was smart, that my way was paramount. From a different lens, that's just called showing someone else up. I was her boss. I believed I was there to develop her, not compete with her. I was actually driven by the right motives, but perfectionism led me into the trap of personal infallibility.

I tell you, thankfully, after much work, and many mea culpas and realizations, she has since forgiven me, but I learned something very powerful from that experience. Trying to make others become like me? Well, that's a sure-fire away to make sure no one even wants to be around me. If you want a seat at the table, make sure that you're somebody that others want to sit with. When I put experiences like that in the context of everything that I've read, all that taught me to accept how imperfect and flawed I really am. We all are. Paradoxically, I've discovered that's where my strengths lie.

As Leonard Cohen sang, "Forget your perfect offering. There's a crack in everything. That's how the light gets in." Sometimes I get asked the question whether I worry about encouraging sloppiness or incompetence at work. Absolutely not. I demand striving for excellence from myself

and from my team and how we do our jobs, but I just don't demand perfection, because so many amazing ideas are left unspoken or sacrificed in the pursuit of perfection. Excellence, it means playing to win by achieving the highest quality under the circumstances, flaws and all, but perfection means playing not to lose, no matter what. Is this making sense to you?

Some of you may be thinking, "You know what? This is so easy for him to say. I'm a client. When push comes to shove, do I want anything less than perfection from my counsel?" I've worked on deals with the top firms across 30 countries, whether it's an airport in the UK, a water distribution company in Chile, an online sales platform in China, a micro-lender in India, or the ports of New York and New Jersey. I'm so grateful for the opportunities that I've had at Ontario Teachers' and I have learned so much from them. So, do I want our external counsel to be perfect? That's like asking me if I want them to be able to fly. It doesn't exist.

In fact, if I want superpowers from you, it wouldn't be perfection. I want you to have the ability to turn back time. Wouldn't that be cool? Wouldn't you actually prefer that than perfection? You guys are still in the billable hours business. Imagine what you could do. But I can tell you, when counsel are trying to convince me that they're the smartest or the best, they all sound the same. It's the same thing when you tell me that you have the best technology available. I find it impossible to trust someone if they're claiming to be perfect and the best at everything. It's the counsel who have owned up to their mistakes and recovered quickly with a sense of resilience. You all work as market leaders. We won't decide that you weren't excellent because something failed. I've learned that people who don't make mistakes usually don't make anything at all. Failures, well, they can make us all better if we trust each other and own up to them and grow from them.

You know what else? Celebrating your imperfections? It can be liberating. It allows you to live with ambiguity and uncertainty in every area of your life. When you finally let go of that perfection version of yourself, you will say goodbye to that anxiety of feeling like an imposter. I can promise you that. Let me ask you, how many people in the room have ever been asked to keep their professional separate from the personal at work? Nobody. I'm guilty. How many of you know that's impossible? A fact. We are feeling things that think, not thinking things that feel. The personal, which is often code for the emo-

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tional, is always with us, whether we want it to be or not. You can't hide your emotions forever. They eventually will become apparent.

You can only manifest your distress through disproportionate anger or inappropriate frustration. I can promise you this, unless you can be authentic, you can't perform your best at work. Too much energy is spent in trying to hide. It's only when you come to terms with your own imperfections that you can bring your best self to work. Every step you take towards being more open in a vulnerable way will be a deposit on the trust account you have with your stakeholders. Once they decide that you're for real, they'll choose to be loyal to you.

I know it's a difficult subject, but if any of this sounds familiar, it's because I think we're all going through our own versions of this story. For me, it was a second divorce among solidly married friends whose kids were already starting school. Until I spoke about my feelings, I thought the world would reject me when they found me out. You know what? Now I know they have a name for my condition. It's called being human.

Here's something that I get asked a lot. Should we actually choose to be vulnerable? That seems bonkers. No one here chooses to be vulnerable. It's a thing we all spend our lives trying to avoid, right? We're all alphas and we're at the apex of that food chain and we'll do whatever it takes to stay there. We want to be invincible. Others want that from us, right? It's oxymoronic, but I found that we need to be vulnerable in order to be less vulnerable. Look, we all know that we're going to fail at some point. In fact, I think that's what we're afraid of. What would happen if we were totally okay with it? I just asked you a question. You decide what your answer would be.

Here's what I learned: imperfection is not the boogeyman. Fear of being judged is foolish, as foolish is. What if the fear of being vulnerable was overcome by knowing that you're worthy of all the success and accolades you perceived, despite being flawed? What if your ability to elevate your own performance was a direct function of your imperfections? What if your imperfections were actually the different perspectives that helped your team to discover new and better ideas? Honestly, that's what I've experienced.

That's why diversity and inclusion are so crucial. It's not simply about the color of your skin or the god you pray to. It's about the experiences you have because of your different makeup, your

different history, your uniqueness, your particular experiences. To think differently, we need to allow ourselves to express our differences. For me, going through what by all accounts were two massive failures, two failed marriages, it led me to deeper insights into relationships and feelings and psychology, and behavior. I'm not that introspective but I now have that perspective that I otherwise wouldn't. It made me into the leader I am today. Think about it, do your special imperfections, do they give you different insight?

These aren't just words. This is the science of human accomplishment. The more open we are to contributions from people who face their failures, the more they contribute to our success. In fact, when I interview people about joining Ontario Teachers', I ask them about their failures. I want to hire people who have failed and can talk about it. People who will feel differently than others on my team. I want to be clear. I'm not suggesting that you abandon boundaries. Boundaries are important. You need to meet each situation with appropriate discretion. See, vulnerability manifests itself differently in different people, at different levels, at different points in time. The context can be a failed deal, not getting that promotion. It actually can be giving feedback to an associate or receiving feedback.

I'm simply suggesting this, that you allow yourself to be truly authentic and accept your imperfections in all aspects of your work, including with your client. One of my experiments that I did in 2018 was designed to create a workplace of trust around this idea of vulnerability. We had people coming in for a meeting from London and Hong Kong to Toronto, and we decided to have it offsite. And rather than explore changes in M&A and the new law of privilege, we decided to explore positive psychology and empathy. We watched the Brené Brown video on "The Power Of Vulnerability." That was my idea. Four of my senior leaders shared personal stories of their vulnerability. Not cute stories. Real stories. That was their idea. I didn't know they were going to do that. Then the plan was to discuss what we had just seen in small groups of tables of eight. We were going to talk about that video and the stories shared.

But something different happened. In these small groups, people started telling me their own stories, real stories. Discovering an affair. An abusive boss. Being passed over for that promotion. And you know what? Our engagement scores have gone up, way up, ever since. Innovation is now in our bloodstream in this division. Emails go out to the entire division starting off, "Okay,

this is me stepping outside of my comfort zone." Imagine that kind of environment, right? The feedback I get, I can promise you, nothing's held back. Especially from my senior leadership team. I don't wonder what other people are thinking, and I get to be the same with my CEO and my exec team. This is how we treat each other.

If you want to know the reason why I think embracing vulnerability on a team is so powerful, it's because of this. Being vulnerable is the heart of human connection. We're hardwired to survive through community. Isolation, it literally leads to death. The way to achieve community is to be truly seen by others. You can't truly see if you can't be vulnerable. You have to show who you truly are and when you're truly seen and accepted, you feel a sense of belonging and feel safe to take chances. Look at professional sports when a player tries to take the crazy shot and he fails, do you think their teammates say, "You suck, you're off the team"? No. They support them because they need a sense of safety and belonging to enable that person to make that shot again and again.

The next time your colleague makes a bold move and ends in failure, pat them on the back. Say, "Hey, that took courage," and encourage them to take that shot again and again. I understand that embracing vulnerability, it's not easy. It never gets easy. No matter how great you are, it is something that will make you instinctively uncomfortable. It makes me instinctively uncomfortable. Perhaps I'm making some of you instinctively uncomfortable, but that's why it actually has to be modeled by leaders. Otherwise, no one will do it. It gets easier, and you'll get better at it, and it'll become another strength that you're proud of. In all my work, I discovered that my team, our board, my clients, respect me even more when I reveal my reconciliation with imperfection. I'm told it makes me more approachable and relatable. The whole reason that I'm here today is because I shared my story more publicly last year. People really connected to it immediately. I've talked about these ideas at many venues around the world. The response has been extraordinary.

In case you're wondering, my life has changed for the better. When I started to approach life this way, I became the general counsel at one of the top performing pension funds in the world. I fell deeply in love and revealed my imperfections to my beautiful wife, and despite what the stats say, I'm in my third marriage, we have so much fun together, and we can recognize when we need each other. We've been together for six years. You know what she tells me? I'm a good husband,

with a chance of becoming great. I have two stepdaughters, Tessa and Tracy. I adore them. I feel surrounded by their love just simply by saying their names. I'm a different person because my willingness to change and be authentic, and I'm not saying my life is now perfect. It isn't, but it's like I'm used to embracing the struggle and I work harder on narratives than I do at my work, and believe me, I work hard enough at work.

That's the one thing I know about everybody in this room. We all have an appetite for hard work. Now we just have to develop a hunger for a different kind of hard work. It's not the hours or complexity that makes it hard. It's making the human connection by willingness to be human. That's what makes us indispensable to our clients and colleagues. You see, in doing this work, I realized something. I used to want to be the smartest in the room. Now I want to be the guy that is trusted by the smartest in the room.

Which brings me to a critical element in our profession—trust. Like perfectionism, we have a much better understanding of trust than we ever used to. I used to think that people had to earn my trust. It's like through this period of dispassionate and objective observation, I would eventually decide if I can trust someone. That's what I would like to tell myself. Here's why that's not true. Vulnerability and trust are totally interdependent. You can't have one without the other. Think of that. Trust is created by signaling vulnerability, a dependency, a need, and what the receiver does with that signal. Vulnerability is a given. Trust is developed based on how that vulnerability is treated or respected or reciprocated. It's as simple as that. They call it a vulnerability loop. I know it's counterintuitive. If you don't believe me, look up vulnerability loop, and then try it.

This is why we create incredibly strong bonds. When we find ourselves in crisis situations with others. Our survival depends on being authentic and open with each other. If you want to know why I've been at Teachers' for 16 years. I'm now on my third CEO. It's not because I'm the smartest lawyer they've ever met. I think it's because they trusted me. They can be open with me, and I am with them.

Getting back to where we started: A.I. What about that? All the smart people are trying to sell you that technology. They're trying to sell it to me, too. They're trying to make us obsolete by automating the services we provide. I think that I agree with them, insofar as it relates to the knowledge-based aspects of our job. We can't compete, nor should we try. I'm saying

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leave striving to be the smartest to the machines rather than undermine our relationships with it, because your future depends on the one thing that cannot be replicated. Real authentic relationships nurtured by the real authentic you.

Alexa or Siri may give you the data and process the facts you need, but they can never give you that deep bespoke guidance that we crave. It's artificial intelligence, not authentic emotion. Trust, that's the hallmark of the most lucrative enduring relationships. There's no algorithm that will ever be able to play the role of confidant. To be clear, these providers are coming at us all the time. We spend hundreds of millions of dollars on legal services every year and they want that money, but they don't have the one trait that you all have: human emotion. I've never seen software cry. That's the essence of my message today.

Vulnerability and authentic emotion, they're not just feel-goods or nice-to-haves. They are the powerful differentiators against the technological barbarians at the gate. Algorithms will never have the instincts that enable them to relate on a visceral level. Give it a shot. I'm doing it right now. I prepared for this talk, but I'm being spontaneous. I managed the risk, but I didn't try to eliminate it. That's the balancing act that leaders need to perform. I know it can feel scary exposing yourself, but if you want to differentiate yourself and leave your unique legacy, you may discover that all you have to do is push your perfected self out of your own way.

That's it. That's my journey. I went from trying to be the smartest in the room, to being the person who was trusted by the smartest in the room. One more thing. This way of working is just so much more fun, honestly. Let me leave you with

this message. There is no shame in the struggle. Our imperfections are actually what make us magic. Our vulnerability is how can we make a difference in a world that can seem indifferent. I know you may not be able to change the world, but you can change your world. If we each do that together, we might just change our world, beginning here, beginning now. Thank you.

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