

# 10 Things You Need to Know To Become a Great Leader

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They fired me. They fired me as CEO. Then they fired me as a board member. Then they took away my shares. And now none of them ever talk to me.

I started the company, I had the initial idea, I raised \$30 million for it from A+ investors (i.e. "rich people"),

I bought two companies for it, I hired the first 50 employees, and then I was shown the door.

The reason? I was a bad leader. Here are some things I didn't know about my own company: I didn't know what our product did. I didn't know any of the clients. I didn't know how much money we made. I didn't know how much we lost. And I had crushes on the secretaries and maybe two or ten other employees.

I would've gladly stuck my tongue in the ears of any of those employees. Eewww!

But why was I fired?

I just didn't do anything... for... anyone.

I never wanted to talk. I would lock myself in my office and people would knock and I would pretend not to be there.

If anyone wanted to talk to me about "vision" I would just nod my head and say something like, "make it happen", like I was Captain Picard on the Starship Enterprise.

Being a leader doesn't mean you are the guy who runs things.

Being a leader doesn't mean you created something or you did something great in the past or some other person has given you

any kind of authority.

Being a leader happens RIGHT NOW, today, and can be done without money, without authority, and without anybody. First, you have to lead yourself.

It's a mindset. I'm going to make a list. Forgive me. Feel free to add to the list or add your own experiences in the comments. In fact, I would really appreciate if you can add to this list.

After running 20 or so companies (most of them failures). After investing in 30 companies (most of them successes) after advising or being on the board of a dozen companies (most of them successes) and after being married twice (50% success rate), I have a sense of what I think a leader is.

I may be wrong but this is my list.

#### **A) MORE SUCCESS FOR OTHERS THAN FOR YOU**

Most important by far: you care about the success of others more than you care about your own success. Everyone around you needs to ultimately become better than you.

That's how you lead. The light is in front of you and you take them to the light and then go back.

If all the people around you achieve more than you, then life will be good. You don't have to believe me. I've seen this happen repeatedly.

It doesn't matter if they are employees, investors, friends, spouses. If you just focus on this one principle in all of your actions then you are a leader. Today: figure out how the people around you can have a successful day.

Hint: don't stick your tongue in their ear.

#### **B) YES, AND**

I just wrote a book called *The Power of No*. Buy it because your life will be better (and I am not ashamed of plugging it).

But now I'm about to tell you to say "yes".

Claudia had an idea for a joke this morning that she wants to start a talk off with. I had a suggestion to change it. I didn't say, "Don't do that. Do this." I said, "Yes, and..." a technique used in improv comedy.

What does it mean? I trust Claudia and value her thoughts so I if I just say "no!" it shows I haven't given enough respect into the time she put into coming up with an idea.

So I say "Yes, and" ... and say what is good about her idea and then how I think it can be made even better and why. I give all of her ideas and thoughts respect and add to them rather than ever subtract from them.

**CONSTRUCTIVE CRITICISM WORKS LIKE THIS:**

a. "Yes, and" □ b. List what's good □ c. How you would improve □  
d. Figure out the vision that is the base of the idea that you are talking about. e. Connect the "Why" of what you are suggesting to the initial vision. Does it work better than the initial idea? f. Be open to the fact that you might be wrong. ALWAYS ALWAYS you might be wrong.

### **C) GRATITUDE**

I was talking to Lewis Howes yesterday. He's an athlete turned multi-million dollar webinar and LinkedIn expert after living on his sister's couch. He was on my podcast a few months ago.

I don't have a voicemail set up on my phone. But Lewis told me his voicemail says, "before you leave me a message, tell me one thing you are grateful for."

He says the messages people leave blow him away.

I always imagine a good leader is surrounded by people who call their mothers at the end of the day and tell them, "Mom, you can't believe what I did today. Let me tell you about it."

Not that every day is fun. Because some work isn't. But make sure every day your employees can call Lewis Howes and they have at least one new thing they can be grateful for.

Maybe they learned a new skill. Maybe they met a new client and created value for that client. Maybe a client they hated was fired because you can't let your employees get the disease that bad clients are all too happy to spread.

#### **D) THE 30-150 RULE (OR...THE VISION RULE)**

Below 30 people, an organization is a tribe. 70,000 years ago, if a tribe got bigger than 30 people there's evidence it would split into two tribes.

A tribe is like a family. With a family you learn personally who to trust and who not to trust. You learn to care for their individual problems. You know everything about the people in your tribe.

At 30 people, a leader spends time with each person in the tribe and knows how to listen to their issues.

From 30-150 people you might not know everyone. But you know OF everyone. You know you can trust Jill because Jack tells you you can trust Jill and you trust Jack.

After 150 people you can't keep track of everyone. It's impossible. But this is where humans split off from every other species.

We united with each other by telling stories. We told stories of nationalism, religion, sports, money, products, better, great, BEST!

If two people believe in the same story they might be

thousands of miles apart and total strangers but they still have a sense they can trust each other.

A LEADER TELLS A VISIONARY STORY. We are delivering the best service because... We are helping people in unique ways because... We have the best designs because... We treat people better because...

A good story, like any story ever told, starts with a problem, goes through the painful process of solving the problem, and has a solution that is better than anything ever seen before.

First you listened to people, then you took care of people, but now you unite people under a vision they believe in and trust and bond with.

Companies live and die on this. One company I advise got built up by buying 200 regional offices, now they are unifying them under one brand.

The key to their success is how powerful the story will be that they tell of that brand. Why are they delivering the greatest value? People need to believe in the story.

By the way, this is how humans killed everyone else. Because now we could plan and coordinate in much larger groups than any other species. That's why there are no other sapiens left on the world. Only homo sapien sapiens (i.e. "humans").

Proof: within 3000 years of humans first landing in Australia, no species was left that could put up a fight with us. We killed them all.

Yay humans!

## **E) CHANGE**

Everyone has pain they don't want to feel. For instance, I might feel pain if someone makes fun of my looks. I used to feel pain if someone questioned my net worth, which I equated

with self worth. If I'm CEO I might have pain if the "numbers" go down.

So we do things to hide the pain. We might wear nice clothes not because we like the clothes but because they are buffers for the pain: nobody will make fun of my looks.

Imagine all the things we do as buffers for pain. We might avoid going to the store because we don't want to run into the people who cause us pain. We might hide some numbers because we don't want investors to think we are bad CEOs.

Soon, everything in our lives we might think give us pleasure (because we are now avoiding all the pain) are actually just buffers against pain and change.

When you can get rid of the buffers against pain and change life becomes more insecure, but we become FREE.

We live in a bigger world, a world where risk and beauty go hand in hand and we are no longer afraid of the underlying pains.

A leader is always prepared for change. And realizes that pain is just opportunities to live in a bigger and more abundant world.

This is the secret that most people forget when they build their brick houses and hide inside from the outside world so pain doesn't seek them out.

## **F) DIGNITY**

The other day someone cancelled on my podcast at the last minute. I had rescheduled other meetings and even changed the time I would see one of my daughter's plays so I could interview this person, a very very successful entrepreneur.

She wanted to now reschedule but I said "no", even to the detriment of my podcast and all the people who work with me on

the podcast who were looking forward to the interview.

I wasn't angry with the person. She's running a business and was probably very busy. And people reschedule all the time. I just didn't like that it was last minute. I had studio time booked and no space to fill it.

I have a vision for my podcast. Everyone who comes on are people who have transformed their lives and created the lives they wanted to. I want my listeners to be helped by the transformative stories of my guests.

The world is changing very fast and it's scary. I want to help people be less scared and I know I am less scared when I hear the stories of my guests and learn from them.

Although I'm relatively new at podcasting (7 months), I treat my podcast as if it's already achieved the dream I have for it. The place where people come on to help others deal with the crazy changes happening in our world and economy.

If I don't treat my own projects with respect then how can I expect others to?

If I don't treat myself with dignity, then how can I expect the people around me to treat me, or even each other, with dignity?

## **G) THERE'S ALWAYS A GOOD REASON AND A REAL REASON**

People come to you every day with problems. The problems are usually very good problems. "The client is asking for too much". Or "Jill didn't do her job right" or "My car broke down".

One time an employee asked to meet me outside the office. She was crying. I asked her what was wrong. She was afraid she was doing a bad job with a client.

And she was. But it turned out the real problem was she heard

one of my business partners talking poorly about her behind her back and this was affecting her every day at work.

This was the real problem that had to be fixed. And it did. And then everything, employee, client, partner, etc went well...

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