

INTRODUCTION

My Awakening to Conscious Leadership

John Mackey

As the plane touched down in Florida in January of 2001 and I looked out over a world of palm trees and sunshine, I knew my life had come to a crossroads. I wasn't here for a vacation, although I could have used one. I was here at the behest of the Whole Foods Market board of directors. My job and my future were on the line. At a meeting planned for the next day, I was going to be interviewed, along with the other members of the company's executive team, as part of an investigation intended to determine who should lead the company into the future. Would I remain as CEO of the company I had co-founded in 1978 and shepherded for more than two decades? Or would I be asked to step aside and make way for a new leader? The answer was far from clear.

As I disembarked the plane and got my bags, I felt somewhat numb. The prospect of losing so much of my life's work hung heavily over me, and even Florida's sun-drenched beauty couldn't dispel the psychological clouds that darkened my disposition. How had it come to this? Driving away from the airport, I reflected on the series of events that had culminated in this difficult day.

Only a couple of years earlier, the internet boom of the nineties had been in its maximum ascendancy. Like many during the era, our team recognized the profound disruptions that were coming to the retail market as a result of the online revolution. It was exciting; it was transformative; it was all happening fast. How could we be part of it? Looking back on those heady days, I can also admit that, like many others, we were a bit caught up in the moment. We drank our own version of the internet Kool-Aid.

At Whole Foods Market, we hatched a plan to get out in front of the dot-com revolution. We had a loyal, growing customer base that was passionate about natural and organic foods. Why wouldn't they also be interested in a natural, organic lifestyle? In fact, the LOHAS market (lifestyles of health and sustainability) was the hot new sector at the time. And we had a direct pipeline to the wants and needs of those influential consumers. So we decided to make a significant online move. We bought a mail order nutritional supplement firm in Boulder, Colorado, named Amrion and launched WholePeople.com. We took on some venture capital to help fund the initiative. We set about selling food, supplements, books, clothing, travel—everything our target market wanted, and all of it available in one place: online. To focus on this new project, I moved to Boulder to lead Whole People.com. Of course, I still kept one eye on the larger company, but most of my day-to-day attention was on the extraordinary possibilities of this new venture. I'm an entrepreneur at heart, and after many years growing Whole Foods Market into a large national company, it energized me to be back in startup mode.

The saga of WholePeople.com, which ultimately failed, is its own longer story. Our timing was not ideal, the expense of getting the enterprise off the ground proved excessive, and as the dot-com boom turned into the dot-com bust, it became clear that the business was facing dimmer prospects and a much, much longer, more difficult runway than we had anticipated. It simply wasn't going to be the out-of-

the- gate success that we had hoped for. Moreover, our shareholders didn't like the internet initiative, and our share price over that period reflected their distaste. As the internet bubble deflated, it became clear to me and my team that it was time to refocus on what already made Whole Foods wonderful.

In late 2000, we sold a majority ownership in WholePeople.com to the lifestyle brand Gaiam, and I returned to Austin, ready to get back to leading our well- established company. What I didn't anticipate was that a coup was afoot. One of my most trusted leaders on our executive team, plus two members of our board of directors, had decided that this was the moment to replace me, and a battle for control was under way. My job and my future were suddenly in doubt. I wasn't in the envious position that some entrepreneurs enjoy these days, with special super- voting shares and de facto control over their company. Despite having co- founded and built Whole Foods from the ground up, I owned a relatively minor percentage of shares. In other words, I served at the pleasure of the board of directors. But I still had supporters on the board, and I was very close to most of the executive team— many of whom had been with the company since its early days. Together we had helped build the company into the natural foods behemoth that it had become. I was shocked by this turn of events but still hoped I could convince the board that I was, in fact, the right person to continue to lead the company into the future.

In Florida, knowing there was not much more I could do to prepare for the fateful meeting the following day, I decided to do what I always do when traveling and take the time to tour our local stores. As I walked the aisles, stocked with an abundance of healthy, natural food, and as I spoke to the team members who were doing incredible work on the ground, the clouds lifted for the first time in weeks. The mission of Whole Foods reawakened for me, in all of its clarity and relevance. This was what our company was about— not boardroom battles or dreams of dot- com success. This was the heart of Whole Foods— beautiful stores filled with smiling team members, working hard to support our customers in their quest to eat the healthiest and most delicious natural foods possible. This was what I loved; it was my passion and my calling. This was why I'd been inspired to start the company all those years before. I felt my own purpose renewed. I was just entering my prime leadership years. There was so much left to do. I deeply wanted to continue to build this amazing company; I only hoped I would have the opportunity to do so.

When I entered the board meeting late that afternoon, I was still very much in an altered state. The transmission of love and purpose that I had received from the Whole Foods team members I encountered was still fresh, and my anxiety about the challenge I faced had completely evaporated. The board asked me many questions, which I answered from my heart. I didn't defend myself or try to prove anything. I just authentically shared my passion and my conviction in the power and potential of Whole Foods, and my commitment to go forward with the company into the new millennium.

The meeting ended and I flew back to Austin, where I awaited the board's decision. But I didn't just wait. A new realization was dawning on me. Whatever the result of their deliberations, it had become apparent that I needed to grow and change. The entire episode was a wake- up call. My leadership style had to evolve. I was called to step up to a much greater degree of care for the company I had co- founded. Part of the debacle I was facing, I realized, was my own fault. I wasn't just facing an external challenge to my leadership— there was an internal challenge to be confronted as well. I had shied away from being the confident and conscious leader the company needed me to be. In fact, my unwillingness to take that necessary growth step had created a leadership vacuum, and I had been all too willing to

let others step in and fill that void— people who had the drive to be in charge but not necessarily the right skills, motives, or care. When one doesn't appropriately step up and take the reins of effective conscious leadership, that vacuum is inevitably filled by people who want power, and not always for the right reasons.

If I wanted to continue to lead Whole Foods into its bright future, I needed to grow and evolve as a conscious leader. I had to take a deeper responsibility for this billion- dollar company I had co- created. That didn't mean I had to micromanage everything— not at all. I've always had an entrepreneurial focus and been good at keeping my attention on the big picture. But in some fundamental way, I had to fully embrace the role of CEO in all its responsibility and power, and that also meant putting a healthy, productive team around me that represented an effective complement to my strengths rather than an abdication of responsibility. I had to up my game in all kinds of ways.

Over the next several weeks, I did a lot of soul- searching. I spoke frankly with close friends and mentors; I journaled; I read; I meditated; I engaged in some powerful therapeutic techniques. Through these processes, I came to appreciate even more deeply the transformations I needed to personally undergo. I was at a critical transition point; it was no time for halfway measures. The CEO I had been up through 2000 was finished. It was time to become a deeper, wiser, more confident, and more conscious leader.

In many respects, my own journey of conscious leadership greatly accelerated that day in Florida. I went from riding the momentum of my natural skills and entrepreneurial passion to becoming a truly conscious CEO, capable of effectively leading a multi- billion- dollar public company into the future. We are all born with certain talents and qualities of character, some of which make for effective leadership. I certainly had some innate strengths, but like most people, I definitely had some weaknesses as well. And I found out, like many who have gone before me, that being a *conscious* leader is something quite different. It means embarking upon an intentional journey of development. It means purposefully stepping up to a much higher level of integrity and responsibility. This book was born out of everything I learned walking down that path.

In those dark days of 2000, when it temporarily seemed like I might lose everything, I came upon the recognition of the necessity of my own conscious leadership for Whole Foods. It was almost too late. Thankfully, not quite. Soon I got a call from a board member letting me know that the decision had been made to keep me as CEO. But that wasn't all. They wanted to make a number of changes— in the executive team, the board of directors, and the structure of the organization. *Good*, I thought to myself. *I do, too.*

Since that day, Whole Foods has grown from doing about \$1 billion in annual sales to more than \$19 billion annually. In large part, it was the team we put in place in 2001 that oversaw that remarkable period of progress. Whole Foods survived and thrived through those years largely because of the decisions we made after my leadership crisis and awakening. They weren't strategic decisions about market share and products. That would all come later. They were decisions about leadership and people— about who was going to shepherd the company we all loved into a bright future, and the kind of leaders we were all going to become in the process. Out of that dark night came a bright morning. This book is a tribute to that morning light, and my conviction that with the right attitude and

approach to leadership, it can shine for all of us.

WHY WE WROTE THIS BOOK

I first articulated my understanding of conscious leadership as part of a larger project: the book *Conscious Capitalism*, which I co-authored with Raj Sisodia and published in 2013. That book helped catalyze a global movement toward changing the way the world thinks about business, and the way business thinks about itself. It showed that capitalism can be a great force for good in the world. I'm proud that the book has become a bestseller; been translated into a dozen languages; become cultural shorthand for an elevated way of doing business; and inspired leaders and entrepreneurs all over the world to uplift their companies, communities, and countries. In fact, in 2019, Business Roundtable— a collective of CEOs from America's largest companies, responsible for more than fifteen million team members and more than \$7 trillion in annual revenues— issued a formal statement that would have been unimaginable even a decade earlier. In it, they redefined the purpose of a corporation as being to benefit not just shareholders but all stakeholders, including customers, team members, suppliers, and communities.

As I travel around the world speaking about *Conscious Capitalism*, I've noticed something interesting. Among all the important themes the book addressed, there has been a consistent favorite among my audiences: conscious leadership. Readers love what we said on that topic, and they want more. *Conscious Leadership* is the long-awaited answer to those many, many requests.

It's also a response to something that has become ever more clear to me in the years since we published *Conscious Capitalism*: the major limiting factor, both in changing the narrative about business and evolving the behavior of business, is that we need tens of thousands more conscious leaders. It's a well-established truth that an organization's potential is constrained by the abilities of its leader. (John Maxwell called this "the law of the lid.") So if our goal is for business to become more conscious, there is no escaping the imperative for leaders to step up to the challenge personally. And more and more leaders are doing just that. Just as I felt compelled to rise up and embrace a deeper responsibility and care for Whole Foods Market, leaders around the world, in every industry, are responding to the same inner calling. You'll hear many of their voices in the pages ahead. They hail from a diversity of sectors— from retail to commercial real estate to manufacturing to healthcare to technology to venture capital. But they echo the same passions and the same commitment to personal growth and organizational transformation.

Leadership has always presented challenges, but today, amid our rapidly changing global economy, those challenges are truly monumental. Technology is proving increasingly disruptive, global competition is ever present, generational shifts in the workplace are complicating organizational culture, and changing attitudes about the responsibilities of business are putting more pressure on leaders. The sheer diversity of issues that any CEO must respond to requires the wisdom of Buffett, the assertiveness of Churchill, the creativity of Jobs, the emotional intelligence of Oprah, and the patience of Mandela! No individual perfectly meets these multiple demands, but the best learn an invaluable lesson: that leadership is an ongoing journey of service, not a static position of power. Most important,

there is always room for further development.

It isn't easy to become a more conscious leader. It's not enough to simply follow rules or adopt the latest leadership fashions. The term *conscious* implies being more thoughtful, more awake, and more intentional in our embrace of our role and the responsibilities it confers. It's a word one might more readily associate with personal growth, spirituality, or philosophy than with professional development. And that's precisely the point: conscious leadership is first and foremost an inner journey of character development and personal transformation, informed by a powerful understanding of human nature and human culture. It is for this reason that when the time came to write this book, I chose two co-authors whom I've come to respect for their deep knowledge and experience in traversing this terrain.

Steve McIntosh and Carter Phipps are both independent and astute thinkers whose insights and wisdom I've turned to repeatedly in my own endeavors to become more conscious. Steve and Carter cofounded the nonprofit Institute for Cultural Evolution, and I joined the board and help support it financially. Moreover, their writings helped inspire the vision of Conscious Capitalism, and gave me new perspectives on my own inner life and the challenges I faced as a leader. They're well versed in the workings of business, but, more important, they've both delved deeply into the realms of personal and cultural transformation. The three of us share a passion for helping cultural evolution to advance in constructive and dynamic ways, and we all realize that conscious leadership is one of the keys to this kingdom.

To some extent, what conscious leadership means and looks like for each individual will be different. However, in our conversations and interactions with hundreds of men and women, we've uncovered nine distinguishing characteristics and behaviors that unite those leaders whom we recognize as striving to be more conscious. For the purposes of this book, we have organized these into three categories.

Vision & Virtue

Conscious leaders put purpose first, guided not only by profit but by a vision for the value they can contribute to the world. They lead with love— treating business not as cutthroat competition but as an opportunity to serve and uplift people and communities. And they strive to always act with integrity, holding themselves to the highest standards in order to earn the trust of those they lead and those they serve.

Mindset & Strategy

Conscious leaders are determined to find win- win- win solutions to every challenge. They innovate and create value, and build cultures around them that nurture and liberate the creative spirit. They are not blinkered by short- termism; they think long term about the impact of their actions and choices.

People & Culture

Conscious leaders are sensitive to the culture around them and work to **constantly evolve the team**. They recognize how important it is to **regularly revitalize**— renewing their own physical, mental,

emotional, and spiritual energy. And they have a commitment to **continually learn and grow**, both personally and professionally.

Our business community— and our world— has never been in greater need of conscious leaders. Indeed, it is not only companies that need conscious leaders, but governments, nonprofits, educational institutions, the military, and more. While the examples in this book are drawn primarily from business, our intention is that the principles and practices we share can be applied in any sector. When leaders become more conscious, the organizations they lead become more conscious, creating an ever-widening circle of purpose-driven cultures and communities. We elevate business through our humanity, and we elevate humanity through business. In this way, everyone wins.