



ON LEADERSHIP

BY INSIDE US, LLC

Interview with Vivian James Rigney and Adena Friedman for the On Leadership Series

Transcription

Vivian James Rigney

So over the last 14 years, I've had the honor to work with the executive leadership team of Nasdaq, both individually and as a group. So I'm especially happy to welcome you today, Adena, to this discussion in sharing more about your journey on leadership, as it were. It. But before we jump into the journey, I'd like to take us all the way back. Becoming CEO of a company, was that something you wanted as a child? Was that something you always had, or did you have something else in mind?

Adena Friedman

Well, first of all, Viviani, it's great to be here, and you've been an executive coach to me since 2009, so it has been 14 years. I remember distinctly our first meeting together and when I became the CFO of Nasdaq, and it was the first time I'd actually really ever gotten leadership training or coaching in any way. So you've been with Nasdaq for the journey as well as with the journey. So really it's great to be here. Right. As you know, kids, we grow up with a lot of different ambitions, and what's great about being a kid is that the sky's the limit, right? You could be, in your mind, anything in the world. So when I was a kid, I wanted to be an astronaut, and then I wanted to be a professional tennis player. Then I wanted to go to the UN. And be on the Security Council. Then I thought it would be really interesting to be part of the political ecosystem. But ultimately, I landed on business. And it was interesting because I did actually do internships on the Hill. I did Model UN when I was in high school, so I really did try to understand what those jobs entailed. And what I found ultimately, that landed me in business was the speed business. When you have impact, you can have very significant impact in the business community, but everything happens a lot faster. And so I know that I'm a relatively impatient person. I'm also someone who has a lot of energy. I want to be able to apply that energy and be able to see the outcome of that energy as fast as possible.

Vivian James Rigney

Right.

Adena Friedman

And the business community was really kind of more my thing once I got here. And I started at Nasdaq as an intern right out of business school. And so I had an opportunity to say, well, what would I want to like? As you look up the organization, where do you ultimately want to be? And back then in the didn't see myself as CEO, but I did actually see very early on that I really thought the COO job was pretty cool, and so I had a chance to talk to the COO and understand how do you navigate to that level. And so that was kind of my early ambition here.

Vivian James Rigney

So you've always reached for stars, for a better word, back from the astronaut, the astronaut days and here we are today, chair and CEO of Nasdaq, one of the most renowned and impactful companies in the world. 5000 people, 38 countries. Describe to me what's it like to work at Nasdaq. What's the culture like?

Adena Friedman

Well, first of all, Nasdaq, we've had a great history of innovation. We were the first electronic market ever to exist in the world that was kind of brought us into this kind of innovative culture. To start, we really were there to disrupt the establishment in markets. And I think that we've really carried that in our DNA throughout our 52 years, now 52 year history. And today, I would say Nasdaq is a responsible innovator. We are an innovative culture. We really try to bring innovation into the capital markets and now into the broader financial system. But our job is to make sure we do it in a responsible way. Also within the company, I think people are truly accountable to our mission. They really carry that accountability personally and as a team. And there is a really strong sense of team. And what I love about that, it's a low ego, team oriented. Let's just get it done, let's find the right path forward, let's do it as fast as we can and make sure that we are bringing our clients along for the journey. And lastly, I would say that we're collaborative because of that team culture. We have a real sense of collaboration, but we don't get stuck in what analysis paralysis that some collaborative cultures can get stuck in. We really do use that collaboration to bring ideas into the room, make sure that we debate those ideas and we have an open debate, but then ultimately make decisions and go as fast as we can.

Vivian James Rigney

Wonderful. Which is a good lead into my next question. So you have an executive leadership team that is accomplished, dedicated, hardworking. But I wanted to ask you about your learning curve in having that team work effectively together. So we have different personalities, we have different backgrounds, and the art of leadership is where the sum is greater than the parts. What's your experience or your learning or take on that.

Adena Friedman

Yeah, well, first of all, you've been part of that journey. So, Vivian, you've been working with us as a leadership team and kind of helping us really optimize how we operate as a team. And so there's been a big transition for us and there's a big transition for me as I think about kind of my career journey. When I first started working with you as an individual, the big leap forward was going from being a manager to a leader and what does that mean? And so we really talked about the job of a manager, especially at Nasdaq, was to kind of know everything right, I recall, and to really drive your team to make sure you're executing well against that. But the manager has to kind of have the sense of knowing everything. I think once you get to a leadership role, you can't know everything. So you really helped me understand as a leader. The job of a leader is to empower your team to do their best and to be their best and to be accountable and responsible for their functions, and then to help empower them to kind of be able to drive the business forward. So that comes to now as a leadership team here at Nasdaq, we really are always practicing that, and we're never perfect. We use very specific tools that are available to us. Something called a hats exercise that Brad Peterson brought in that really helps us debate topics in a way that allows for open discussion and debate and no one gets defensive. How do we bring good ideas forward? How do we make sure we're not bringing forward bad ideas? How do we make sure that, as a team, we all have an equal voice in being able to discuss new things and new ideas? So we try to use tools that really help bring that debate into the room. We also use tools to make sure that or kind of ways that we can make sure we trust each other. And we have incredible expertise in each of the leaders at Nasdaq, but we have to trust them that they are making the right decisions for us to carry our business forward. So what can they really own and are fully empowered to activate? And then what needs to be brought up to the management committee? And that's been kind of a big part of our learning together as a team.

Vivian James Rigney

Right. And look, the last five years have defined a lot of success for Nasdaq. In fact, the company has transformed itself significantly from being a more markets based finance company to a tech, a solutions company for clients. But along that way, the leadership team has had to reinvent itself, which is hard to do. So almost here, like redesigning a plane and you're flying it at the same time. How does that happen?

Adena Friedman

Yeah, it's a great question, and it's been a really fun journey. If we're going to use the plain analogy, we've been really thinking about how do we leverage the great foundation we have as a market operator? And as a market operator, we're incredibly innovative. We have, in our opinion, the best markets in the world. We operate them extremely efficiently and effectively. We bring incredibly advanced technology into our markets. We have amazing engineers in our markets that really design and create hyper scalable, hyper resilient, hyper low, latency market infrastructure. And we now provide that market infrastructure to 130 other markets around the world. So we've been able to take our role as an operator and become a technology partner to the world's markets, which is pretty neat. So that has been a big part of our foundation. So if we take that as an innovative foundation, let's then say, okay, now we want to be a SaaS solutions provider to the industry, the broader industry. So when corporates come public, how do we make sure that they can become great public companies in terms of their investor relations and governance solutions, their ESG capabilities to make sure they communicate well with investors? Well that's not just expertise and we have expertise that we've brought into the organization but we also have to innovate and kind of bring innovative ways for corporates to do that at scale. And so that would be an example of us expanding our remit but still along the lines of our foundation and kind of expanding from the markets to do something more. Same with our market tech, providing that to brokers and banks, our anti financial crime capabilities going from being a market surveillance provider to a trade surveillance provider now to a broad anti fin crime provider. So all of those things really I think collectively we start with our core and we start with the responsibility we have to our clients and we broaden it out. Now in terms of leadership, that has meant that we need to make sure that we have leaders who understand the foundation but are not afraid to carry it forward into new areas. And so there's been, we've had management changes, we've brought on some new leaders but a lot of the leadership that we have here has been come up through the organization. We haven't had to go outside too much in order to be able to.

Vivian James Rigney

Bring which is quite unique. It's not typical.

Adena Friedman

Yeah, I think we really try hard to focus on succession. We really try hard to make sure we're building skills that allow the next generation of leader to be successful but they also have to demonstrate their ability to be adaptable, to be curious and to be client first.

Vivian James Rigney

Yes, if we look at the last three years it's been incredibly challenging for leaders for all the reasons we know. And human nature is such that we tend to want to turn the page, we want to move on, we would just want to look forward. But in the world of leadership there are things that would have been learned through the difficulties, through the stress over the last three years that people that leaders want to keep, what do you want to keep and propagate that you will never forget. That is a permanent feature of leadership going forward?

Adena Friedman

Well, I think the most important thing we've all learned is that every single one of our employees has a life beyond work, right? And so we can't just kind of know the person just for their work product. Knowing the full person actually means that in connecting with them and helping them navigate their lives as an employer means that we're going to get the best out of them, that we're going to be able to help them through their career but also through their lives. Make sure we kind of create the right balance, but also without sacrificing the performance orientation to the company. Right. And I think that COVID really opened our eyes. We were literally invited into people's living rooms and studies and kitchens for a year of working remotely. And so therefore, as we bring people back in, how do we continue to allow them to have the complexity of their lives coexisting with the opportunity in their careers? So I think that that's actually the biggest learning out of the last three years that we have to make sure we don't lose. And that means different ways of working, different ways of career development, really, and also different benefits you can offer employees to make sure that they can manage their lives and their careers together.

Vivian James Rigney

Right. There's one thing I remember just hearing about. I think that the first few weeks of COVID you were on a zoom, obviously, with a company at large, and your dog came into the meeting and you stopped the meeting for a few months and introduced your dog, and people had never seen that side of you as a leader before. Right. Because COVID forced us to our homes, to real life, as it were, to things happening.

Adena Friedman

Right.

Vivian James Rigney

And that was a moment, I remember hearing that and having a good laugh at that.

Adena Friedman

Yeah, I know, it was great. She became my work companion every single day. Every morning she'd come up and lie down and she'd be like, okay, we're going to work day.

Vivian James Rigney

But that ability to show our humanity and to use that as a leadership strength. So I'd like to pivot more into leadership qualities, if I may. Tell me about the importance of the word curiosity and how does that apply itself in modern leadership today?

Adena Friedman

Oh, I think curiosity. I always say that people ask me, what's the most important quality that you look for in an employee? And I think curiosity, low ego and curiosity are the two that I really focus in on. It's important that we recognize the world's changing very quickly, and if we think that we can operate in a static environment, then we will very quickly fail. So I think that you really look for that person who is curious about what has been and what could be and make sure that they maintain that curiosity throughout their careers. It gives them a chance, frankly, to have a much more full career and to be able to be curious about learning new things, introducing new constructs, new technologies, new capabilities, but also making sure that they can put it into the context of what's going to drive the company forward. And I think that curiosity is one of the most important characteristics we look at for both entry level early career people as well as for leaders.

Vivian James Rigney

Yeah, when I talk to leaders, one of the things they always say to me is that time is the resource that they're always chasing. They're always trying to guard it. They're always trying to protect it. But as a coach, when I dig down on that, very often becomes energy is the finite resource. So misplaced energy impacts time and not the other way around. What's your take on that?

Adena Friedman

I love the way you say that. I think that's exactly right. People that do ask me what's the hardest part of the job? I see time management. But what it really is, is optimizing your energy. You're absolutely right about that. So I have a lot of energy, but at the same time I can use it for things that are complete distraction, that don't take the business forward. So every single day, and I wouldn't say every single day, but pretty much every day I kind of go home and I say, did I contribute to the success of Nasdaq today? Did I actually further the business purpose? Did I improve a part of the business? Did I improve one of our employees capabilities? Did I do something that actually contributed to the success of the company? And if you think that way about every hour that you spend, I think it'll help you really coalesce around how to manage time.

Vivian James Rigney

In looking at the last three years that we've been going through, I mentioned earlier about the pandemic, but just the last six to twelve months, and you're a student of history and you're a student of what's happening in the world and that you're an enthusiast, and you described it earlier on. There's so much happening and there's a lot of disruption. There's a lot of volatility with companies. The tendency in human nature is for people to retreat when the storm clouds come. They just want to get through the storm so they get back to what they know. They get back to the basics and just try and get through it. Companies that excel, the ones that move the furthest, they know how to harness that energy. They find a way to harness those winds, to put the sale up, as it were, and to break through. How do you see you and your team and Nasdaq as a company and your culture harnessing the volatility which is all around us today and which looks as though it's going to continue for a while. What's the way to fully utilize that?

Adena Friedman

Well, I think that there are a couple of different things to think about. First, if you are truly dealing with a crisis, you want to get through the moment of that crisis and then learn as much as you can from it. Right? So you do have to first and foremost focus on getting through the crisis. But once you are through those crisis moments, the most important thing you can do is learn and improve. And I think that they always say, never waste a great crisis, or whatever the saying is. But it is so important that you are able to take the business and take it to a new level on the back of something like that. So that's one but if you're just dealing with a lot of volatility in the world around us, we see that as actually a huge opportunity for us to engage with our clients. Our clients are dealing with all that volatility too, and they're trying to figure out how to navigate through it. Whether you're a public company and you're trying to figure out what does that mean in terms of changes in your investor base. If you are a bank and you're trying to figure out what that means in terms of how criminals might be coming in and trying to take advantage of their sides by default, right. You look at the markets and you say, well, how can we make sure that we are as resilient and scalable as possible? You use this as ways to engage with your clients, find new capabilities you can develop for them, and then carry that forward. And so if you are a company that's already well run, you're already making sure that you're kind of already on the front foot going into this volatile situation. It really gives you a much better ability to catalyze the business forward when that happens.

Vivian James Rigney

Right. Who impresses you as a leader, as leaders, what do you find interesting about them and what do you aspire to in learning from others that went before you or others that are around you?

Adena Friedman

Well, I do look at leaders who have been able to take a company and establish company with a good track record that may have gotten a little stuck and they've been able to successfully unstick them. Right. And they really kind of are able to pivot them towards a new direction. They're able to catalyze a large organization to kind of bring the company forward, build new energy, a new mission, and drive it forward. And I think Satya Nadella at Microsoft has done an excellent job of that. And at the same time, you look at Satya, he's a very humble person. He's humble and confident at the same time. And that humility kind of brings that authenticity to the team and allows them to feel excited and kind of with him as he's carrying the business in a new direction. So I do admire kind of what he's done with that company. And I would say I do try to emulate that within Nasdaq.

Vivian James Rigney

Right. I'd like to pivot now towards your journey itself and your learnings along the way, if I may. When I met you initially, you were here working at Nasdaq, and then you made a big move. You moved to Carlisle and you were CFO there for four years. You helped bring Carlisle Public and then you returned to Nasdaq. It's people's, leaders in their careers, it's always that question in their minds of what is the right time to make a move? When do you know that you have to learn something new in order to progress and making that call. What's your experience on that?

Adena Friedman

It was a really hard decision. So I would say I'm not going to give the best advice to everyone, but in my particular situation, there were a couple of things that catalyzed my decision to go to Carlyle. One was the opportunity itself was very exciting. I wasn't running away from something, I was running to something. And I think that's very, very important. When you're making your career choice, even if you're not in a great situation, don't run to just the first thing that comes along. Make sure you're running to something that's a good opportunity that you get excited about. And the reason why Carla was such an exciting opportunity was they were going to start on the journey of going public. And as a CFO, the opportunity to take a company public is kind of one of these defining moments as a CFO. So it was a really, really exciting, especially coming from the market that takes companies public. It was a really, really exciting opportunity. I think the second is the people. So I think I interviewed with seven or eight people there, and that made a huge difference to me, because I knew who I was going to be working with. I respected everyone. I really felt connected to them. I felt like this was a team that I could come into and have a positive impact, but also they could have a positive impact on me. So the cultural connection was also important, very important. And then lastly, it was an opportunity to learn something really new. It was a bigger platform, it was a bigger team. And so for me, it was a great opportunity to learn. And so, for all of those reasons, it was the right moment for me to go make that move. And I really am so happy I had the chance to have that experience right.

Vivian James Rigney

And I was happy to be part of you during that journey. It was quite a transformative journey along the way. One question I love asking, and it's a tough question, and it's uncomfortable. For some leaders with great success and a great sense of achievement, there's an inherent risk that results in the rise of an ego. And you alluded to it a few moments ago. And that can cause chaos in companies. It can cause chaos in teams and impact culture to a huge extent. How do you center yourself and how do you stay grounded and how do you ensure that that remains in the culture of the organization so people are connected with reality, that people are grounded and all those values become something that strengthens the company as opposed to taking away from it?

Adena Friedman

Well, I think, first of all, personally, my family helps me stay grounded while I go off and do this job. It's like, oh, yeah, you're going to do that, but I need you to help me with this, or they're very grounding, both my children and my husband. I think the second thing is you have to remember every single day I'm here at the behest of our shareholders and at the behest of our board. I'm here to make sure that Nasdaq is successful as possible. It's not about me. It's about the company. And if you always focus on why you're in the role and what gives you the right to be in the role, you're going to remember that it's not about you. It's about your ability to make a positive contribution to this amazing organization that's owned by someone else. Now, obviously, I'm a partial owner as a CEO, but I'm one of your.

Vivian James Rigney

Custodian, in a way.

Adena Friedman

Custodian and a fiduciary to the owners. And so I think that's the second and then the third thing is the team. I think the team helps you stay grounded. They remind you that you're not perfect. I do 360 reviews every year. And so, Vivian, you get a chance to tell me why I'm not perfect every year.

Vivian James Rigney

Right.

Adena Friedman

And so taking that feedback in learning from it, always recognizing you can improve, is something that I think is actually a really, really important part of a leader. And then, lastly, the higher up in the organization you go, the more you have to learn. The minute you think that you know everything you need to know, you should either leave the organization or you're wrong. Right. There's so much to learn as a leader, so making sure you stay open to learning, I think, also keeps you humble.

Vivian James Rigney

Yeah. Learning is a true gift in terms of leaders being successful in sending through an organization, what got you here won't get you. There is a phrase that just resonates every time, every time I hear it. And with that, you're a mountaineer. Or sorry, I'm a mountaineer which you're aware of. And you're a mountaineer in climbing the heights of corporate America. I'm a mountaineer, physical mountaineer in terms of what I've achieved in the past. When I look at that, it's almost like when you're younger in your career, you have all these things you want to do. You want to prove that you're good enough. You want to prove that you work hard enough. You want to learn as much as you can. You're gaining the experience. You're absorbing as much as you can to prove. And the ambition feeds that. And you keep doing and proving and doing and proving. Bit of perfectionism probably comes in there as well for the leaders who are most successful. And you come all the way up, all the way up, all the way up. And at some point, when you have to lean into being a leader who can lead at scale, all of that which was in the past, almost like a backpack full of rocks that were ballast, it helped one become strong. It helped you to give you the things the knowledge, the awareness, it becomes deadweight. And one has to release the dead weight in order to let go, to lead at scale. And not just for the individual, for yourself, for example, but for all those around you, the team and the rest of the company. How did you go through that journey and letting go? What did you have to be disciplined about in freeing yourself up to be able to lead at scale?

Adena Friedman

Well, first of all, I did not climb on Everest like you did. But you are giving a good analogy.

Vivian James Rigney

Smart person?

Adena Friedman

No, but I do think that it is really hard to let go. What got you there is not going to get you to the next level is something that you and I talked about the very first time we talked. So this idea of going from being a manager to a leader, what got me to get to the point of being given the opportunity to be the CFO was the deep knowledge and expertise I had within the business. My business experience, the deals that I'd done, and all of the intricate details that I was involved in to drive those deals to success. But once you get to a leadership role where you have a much bigger mandate, if you get stuck in all the details, you're not going to see the big picture. You're not going to be able to carry the company forward and carry the strategy forward. It's a very different thing to empower others. So you have to find satisfaction in new things. So I always found satisfaction in diving into details and getting deals done. Let me just be honest, it's hugely satisfying, know this. But I learned to get a huge amount of satisfaction in the success of others and to feel like I contributed to that success by mentoring them, by sponsoring them, by giving them the tools to be successful, by advising them, and to watch them then be hugely successful is incredibly gratifying. So you just need to find that satisfaction in the success. You drive to new things, right? And let go of the things that really were fun. And frankly, it's scary to do it, by the way, because then you feel like, gosh, I don't know everything anymore. Am I going to make a mistake if I'm going to forget something? But that's what those people are there for. So you do have to make sure the key to that is making sure you have the right people in the right seats. And one of the things I say to my team is if you have to start doing someone else's job in order to feel like you are able to be successful in your job, that maybe you have to look at whether or not you have the right person in the right seat. Because at the end of the day, your job is to elevate the company and carry it long term forward. And. The people within the organization are there to make sure that we have all the steps in between to make that.

Vivian James Rigney

And transferring the accountability.

Adena Friedman

And transferring accountability. So it's shared accountability.

Vivian James Rigney

You operate at great pace. You're fast thinker as you described. How do you recharge and how do you create that space to recharge and how important is that in your eyes?

Adena Friedman

Well, definitely this is an intense environment and I actually love that intensity. And it's funny because I come home on Fridays and at the end of the week and my kids and my husband call it the work edina. You're still in the work edina mode, which means I'm talking fast. I'm bringing all this energy onto the dinner table. And so it's really a matter of I do need Friday night to kind of remind myself to go from work mode to home mode. And by Saturday, one of the things my husband and I do every weekend is we have kind of what I'll call a date day. So Saturday is our day. We often don't do things with other people. We might we'll play sport together. We'll do we'll have, you know, play games together. We'll do puzzles together. We just have a lot of fun. We make pottery together. My husband's a potter, so we try really hard to have that decompression day every single weekend. And then by Sunday, as you go through the day, you start to think about work again. I get on the train, I come back up to New York and sort of get back into work mode. So I do need that day, though, to really recharge and to disconnect and so that I can reconnect with energy.

Vivian James Rigney

Understand so important. A lot of leaders talk about one common trait is that they are passionate and hungry for learning. What are you learning at the moment? Tell me about your current learning curve.

Adena Friedman

As everyone knows, generative AI is the new thing. But AI has actually been a journey for us for several years. So we've been positioning the company, putting almost every one of our solutions into a cloud infrastructure. We're now migrating our markets into the cloud, which is the first company in the world to do that. We have almost every one of our solutions now as cloud either in the cloud or cloud ready. That creates a foundation for us then to take advantage of all the technology innovation that the cloud providers are bringing in on AI, generative AI. So then you have to say, well, what is so you learn all about what is generative AI? What are the pros and cons? What are the risks and benefits? It's so fun. So I have to say that that's been a really fun area. But that's an example where it's come onto the scene in the last six months.

Vivian James Rigney

Right?

Adena Friedman

It's a game changer for the next several years and learning about it. Don't be afraid of it, but be very mindful of the pros and cons risks and benefits, so you can drive it in the right direction. That's what I'm learning right now. Super fun.

Vivian James Rigney

Perfect. One final question. With all the things you've learned, who you are today, accomplished, all your achievements, the balance you found you just described, if you could go back in a time machine all the way back to the youngest you and whisper some wisdom in that child's ear about life, what would you share?

Adena Friedman

Okay.

Vivian James Rigney

What would you whisper?

Adena Friedman

So I've always been a very goal driven person, very destination oriented individual. And I think that's actually, obviously helped me get to where I am. But I wish that I had enjoyed the journey a little bit more along the way now. It doesn't mean that I want to still be where I am, but just how do you take those moments to make sure you're enjoying the journey a little bit more?

Vivian James Rigney

Right? Having more fun?

Adena Friedman

Yeah.

Vivian James Rigney

Great. Adina. It's been a real pleasure, and thank you so much for being very open and real with us today. It's been an honor.

Adena Friedman

Great. Thanks again. Thanks so much. It's been really fun. Thanks, Vivian.