

Steve Murphy 00:00

I don't think so I think I got a really good briefing document and I have an idea of kind of the questions you'd ask and have some ideas of what I think would be content that would be useful. So with that, I think I'm ready. Okay, cool. And then just to make sure I had your name, title, everything right, Steve Murphy, CEO of Epicor. That is correct. Okay. Oh, he's got to check. You never know. Yeah, things change all the time. Alright, cool. And have you ever used Riverside before? I have not. Okay. So the only thing I've ever said is when we're done, just don't hang up right away. Like, I'll say goodbye. Thanks for joining me, and then I'll push stop record. But don't hang up yet, because it's gonna upload all your audio and video so that I can download it and then put it all together and do a video and audio file. Okay, fair enough. All right. And I will record my end directly to my camera that's in front of me here. And unless you have any questions, I guess we'll jump right in if that works for you. That sounds great. All right, cool. Hey, everyone. Welcome to a another conversation for the future of work podcast. My guest today is Steve Murphy, the CEO of Epicor. Steve, thank you for joining me. Hey, Jacob, great to be here. Thanks for the invite, and look forward to talking to you, of course. So why don't we start off with just some background information about the company? For people who are not familiar with Epicor? How many employees do you guys have? What do you guys actually do? Yep. So we have about 4300 employees, and we are in 129 countries around the world. So we're a big software company. And for the most part, we make and sell software that focuses on the make moves sell supply chain. So if there's a product required to build a house, or build a car, or repair a car, or maybe you see it in a hardware store, we probably are part of that supply chain, it's either the factory that makes it or the distribution center that's running on it, or the actual retail store in our systems, the software tends to be everything from the back end, accounting, and keeping track of inventory up to the paperwork, like receipts and and things like that, that you might want to check out. So I wouldn't say it's always super sexy, but it's been a very busy business, especially in the last two or three years with COVID, where all these supply chains have had to really step up their game. So that's, that's where we are and where we compete. Cool. Well, before we get into a lot of the work related stuff, I'm always just really interested in the personal stuff. So why don't you give us a little bit of background information as far as where were you raised? How did you grow up anything about baby Steve that you can share with us? Sure, sure. You bet. My dad was in the US Army. He left the army when I was a kid and took a civilian job as an accountant in a factory in Sacramento, California. And we lived about 40 miles east towards Lake Tahoe. So kind of in the out of the country. And I grew up out in the country, on property in became very skilled at fixing things, whether it was a bicycle or a motorcycle or a car, and was kind of a kind of a country kid that grew up out in the middle of nowhere and really liked building, fixing, repairing. I think that's why I became a mechanical engineer the degree by degree. And that was a big part of it. I'm one of five kids of my siblings. We're all very close in age. And now that I've got three kids on my own, I know that my mom by the time she was 28 had five children, which sounds it sounds very difficult, very difficult to say the least. So big family on fourth in the lineup. I've got a younger brother who's a CEO, also my brother Dennis, and which company is he running? He is a CEO of Hayden homes in their I think they're the biggest private residential construction company in there. Washington, Oregon, Idaho, and they build I think I've done a couple 1000 houses a year. Wow, that's crazy. Yeah, a lot of homes. Very cool. Alright, sorry. I didn't mean to interrupt you. Go ahead. Keep going. Well, I mean, that's that was early days. And I think that thinking about where I grew up at about 10 or 12 years old, I remember the school library out in the kind of this country school got a computer, and it was called a trs 80. A they bought it at a Radio Shack. And it wasn't, it wasn't much, but I got a book on how

to program and we programmed in Fortran 77, which had just come out. And probably this was probably like the late 70s. And I quickly realized even as a little kid that this was something that was going to really change the way people worked. Because if you understood a problem once and you could convert that to a set of instructions forevermore that computer could solve that exact crime and you can get to where you could put a pretty sophisticated problem there. So as a kid, I learned about computers and programming, and it was something I always kind of hung on to. And although it wasn't computer science in college, it was always something I was kind of good at because of it. And that's, you know, that's really the basis for software as solve a problem once and then forevermore, it's been that that's been automated. Yeah. Um, so how do you go from that to becoming CEO of this massive organization living in the middle of nowhere, you know, was that path like? Yeah, that's a great question. Well, it takes time. For starters, I think that by deduction, you rule out what you do and don't like as you move up through the organization. But one good story would be I graduated college with a degree in engineering and went to work as a manufacturing engineer, for Procter and Gamble, a large very large company, and was, was good at it. I was good at optimizing production and solving problems and about maybe a year into a year or two into my job for shop, the CEO of p&g, and actually, at AG Lafley, Allen Lafley, was doing a plant tour. And I was very impressed with the guy could tell he was an engineer, but he seemed to know everything about the business and the finance. And at the end of the session, he said, Good job or something like that. And I said, Hey, I had asked him this question. I said, How did you get to the top? And he said, well, well, I, I went, and I got my union card. And I said, What's that he goes, I went to Harvard Business School, and I kind of laughed, I didn't really know what it meant. But I did along the way, realize that accounting and finance, if you're an engineer, you got to understand that too. And if you do really understand that, that you can probably be reasonably successful in business. But you got to like it, you got to really like, You got to have some natural curiosity around it. And you got to get up in the morning wanting to do an operational job. And if you've got all those things, you can work your way up, and you'll probably Jacob, you'll probably do almost every job known demand within or woman within the company, on your way up. And that will be one of the strongest advantages you'll have if you work your way up through, you know, through a industry because you'll typically not be fooled by anything, there'll be very little you didn't do or don't know. Yeah. I'm curious, how much of your success do you attribute to how you were raised or your background versus your work ethic? And, you know, studying going to a good school? Like, what's the balance there? What if somebody said, Why did you get to where you are? What would your response be? I'd say it's like 70, or 80%. How you were raised in your background? I'd say it's more more than the education. The education. Yep, the education helps. But if, like certain behaviors and characteristics imprint at a very young age, I think it really helps with being successful. So for instance, when I was a kid, because we lived out in the middle of nowhere, and I was one of five, and we were middle class, I quickly realized that there were some things I wanted to get them, you know, if I wasn't going to be a criminal, I was going to have to work for them. And I wasn't going to steal. So I started working as a very young kid mowing lawns, fixing lawn mowers working, you know, as soon as I was 16, the closest job close by was a lifeguard. So that was the one that paid the best. Prior to that, a variety of things were out of necessity, I really learned the cause and effect on making money. And I think that was a huge factor. I think the other thing was, if you're exposed to some degree of necessity at a very young age, like, my kids aren't that my kids are, you know, they have a lot more than I did, and I kind of worry about it. But if you're just you're exposed at an early age, you adapt to that or you don't, but if you do, there's some great lifelong lessons around success. And what it takes to run a

successful business, I think so maybe it's 7030. Because the 30 isn't minimal, you know, that extra Third, if you didn't get the education or you don't have the background, it'll be hard. I'd say above some level probably above like a sales rep or sales director level or entry level engineer, it'd be hard to move much more if you don't have an education in some of the right places. But it's, that's true to this is a somewhat confidential, I'm going to share it. Two of the people on my senior staff did not finish college and I didn't know that until at some point, there was some reason why I became aware of that, but not everybody goes to college, not everybody finishes college. Yeah, it's interesting. I feel like and I don't know I mean, you're running a large organization, but if you like, years ago, there used to be this this huge emphasis right if you You want to do? Well, you have to go to college, you have to climb that ladder, you got to pay your dues. And that sort of neglects a lot of the people out there who are very scrappy, who were just, you know, talented and clever and who are looking for alternative means, or are able to create alternative means for themselves to become successful besides just going to school. So, I mean, I actually think it's awesome, that you're able to find that talent outside of a traditional talent pool, because most people think you can only recruit from colleges. So I'm curious, like, when you look for talent, or maybe these members on your executive team, obviously, the conversation didn't come up at the beginning, but what were you looking for? What is it about these people made you say, you know, what, they're going to be great at what they do. You know, one of the big ones for me is, if somebody has gotten to the point where they understand that successes, you know, you get measured more on and out much more on an outcome than on activity. And for a company like ours, it's both, but in the end, the results we get, you know, we've got to get them. We've got to take the moral moral high ground and be proud of the company we work for. But then we do look at the results, and somebody could be really busy and not be getting results. Okay, well, then you probably have to adjust what you're working on. So that keep working hard, but get the results. I think that's, that's a lesson a lot of people never learned, though, which is, hey, if I'm working hard enough, or I'm doing enough, or I'm busy enough, that should be enough to be promoted, when in fact, this part of it, but adapting that to whatever the outcome isn't getting it so that you get the result, whatever it is selling more software, or hitting the deadline on the release date for the new product, or whatever it is, those kinds of things. They really count. And it takes a bit of courage to accept that that's, it's it's a, it's a tough reckoning, when you finally realize, hey, that's what I'm on the hook for. And it's a little terrifying, right? Because you realize, well, that's kind of amorphous. But that's the reality of business. When you do accept that you start to be much more successful, because you quickly qualify in or out things you're working on based on whether or not they're contribute contributing to the result. Yeah. So you mentioned something earlier, I think, yeah. See, my family said four or five kids? I have three, I have three. I'm one of five. But you're one of five and you have three? That's what I got three. Yeah. So I mean, I find it particularly interesting that one of your brothers is also a CEO, because, you know, those are pretty good odds when you have a family of five and two of them are CEOs of large, successful companies. So it kind of makes me wonder like, what, what did your parents figure it out? Because clearly, like, how did they? You see, I'm saying like, they must have done something to CEOs, family. What is it about what how they raised you guys? Yeah, I my brother's name is Dennis Dennis Murphy. And Dennis and I talk all the time, we'll probably talk today. And we talk business like it is a weird thing that we're both CEOs, because the the shorthand you have in communicating with someone else who's had this job, it's kind of almost uncanny. I think that for us, both of us, my dad, when he left the military was an accountant, and worked as an accountant. And both of us learned accounting at a very young age, from my dad, for a variety of reasons. And you know, in one case, he opened a little business with child

labor, we got to work at it. But I quickly quickly realized, as did my brother, Dennis, what fixed and variable costs were and if there was going to be a bonus based on how much money the business made out of minimize overhead and other things to max out the bonus. So we'd make as much money as possible. And this was he and I when we were little, like 10 11 12 years old. So I think it doesn't hurt that at a very young age, we both understood how businesses work. So that was part of it. But we both had this necessity thing too, which is, if you wanted something you were going to have to work for it. And the truth is, is my parents, as we all got older, my parents became more successful, and there was more money for the family budget. So the necessity thing lessened as time went on. But for the most part, that concept of okay, you got to be scrappy, and make it happen for yourself, Jacob, I think that's the biggest part of the answers. He and I both had that and for whatever reason we both are unusually driven against goals. Like he gave us a goal, either one of us and we were very similar. Like, we look the same. We talk the same, we have the same approach. Yeah, that's interesting. So I have two young kids, one is turning two one is turning six. And so I like that approach of teaching them to be scrappy, and teaching them a little bit about the business, the finance like how those things work, because it's interesting my daughter, for example, like if something We bought her a piggy bank, for example. And you know, we're starting to give her the concept of money. And you she broke the piggy bank. And I was like Naomi, you broke your piggy bank. She's like, Oh, I'm not worried. You'll just buy me a new one. And I'm like, Whoa. We're not just buying you new things every time you break them. And immediately I realized, like, she doesn't understand the concept of like, Where does money come from? How do you buy these things? Like what is required to get money? So I'm trying to teach her that same thing. And it's, it's interesting how kids just are unaware of any of this stuff. And you gotta Yeah, Mommy. Yeah, hey, you know what? Good on you that you're doing it, it'll pay off. And it may take repeated exposure. But the younger they get that concept, the better and I people will ask me from time to time other you know, parents friends, what do I some of the questions you asked? Like, what do I look for in somebody in my feeling is the best indicator of someone's ability to succeed business is just the sheer breadth and depth of jobs they've had in the past. I think it's just, it really is. And that's kind of like by deduction, the more you've done, the more you know, your likes and dislikes, and it'll help you find something that you're good at. And you like, which once you find that you're probably unstoppable. Yep. Couldn't agree more. Let's talk a little bit about your first job. You said Procter and Gamble. Yep. So when you think back to your first job, and when you think about kind of the business world now, how different is it? Like, what was it like? Back then when you were working at Procter and Gamble, obviously, we didn't have cell phones, we didn't have social media, we didn't have zoom, we didn't have a lot of these things. So when you think back about work at Procter and Gamble versus work now, is it really that different? I don't think it's that different. Now. I don't I think that we, we take advantage of as we should, working remotely, where it makes sense because commuting difficult and flying across the country is expensive and time consuming. So those are some very real changes driven by some great technology. So for instance, if you've got a team you work with, and everybody knows each other, you've met in person, and you've you know, broken bread and all those things, then you could do a remote session on, hey, we're going to have a requirements discussion to know whether or not this tide packing line should be stainless steel or molybdenum, whatever, you could have a real technical conversation, what I would say is that first meeting, whether it's p&g or us or somebody else, you really do need to do that in person, you get to know each other. And then you can be more remote and take advantage of Newtonian physics, time and space. Okay, fine. I think that that's a real change. But I would still say that, whether it's Epicor, or Procter and Gamble, or anyone else, my expectations if

somebody really wants to grow their career, develop their network, find people that will invest in them, you know, mentors, you're probably going to have to come into the office three days a week, you can probably be in there three, work from home, too, but you cut it any less than that. And there'll be a real, a real difference around how much you develop or become a part of the company, and how much everybody trusts each other. I think those are very real things. That hasn't changed, I think. But I do think that work from home ability, at least a little more, is a bit of a game changer in that you could have people who live somewhere where it's much more affordable, and they like it and they commute a longer distance three days a week. And that's I think, for families in the Bay Area, for instance, that could be a really big positive, you could have somebody that lives in Sacramento, kind of where I used to live, and they come down here two or three days a week, that's doable, it would be near impossible for it to be or five days a week. That's probably the biggest change. But I think the face to face interaction in the way we work, that part, our need for real relationships. I don't think that's lessened. And I think that for anybody you marry wants that understands that and appreciates it, you know, on a human level, they'll do just fine if they make the most of that. But it'd be hard to completely ignore it. What about as far as leadership like, I'm trying to imagine, you know, your first leader, your first boss at Procter and Gamble, and can you share anything about him or her? What, what were they like? Were they very commanding control back then? And you know, just I'm gonna tell you what to do. And you do it. It was it. This would have been 1992. So 30 years ago, and the first boss I had was excellent, was absolutely outstanding. And he I still talked to this guy, like I talked to him as recently as last week. Turns out he at this point is the chief operating officer for a big company that uses our software. You guys still talk? We still talk and I'm gonna go visit him. I'm gonna go we're gonna go do a session and they're in Salt Lake City. I'll fly out and see But a few months, but what I would say is, it was it was more. Here's what I'll say it was more white males in the leadership jobs 30 years ago, that's changed quite a bit. I think when I look at like, just kind of we get a lot of data around diversity and who does what? I think that as far as in the software business, it's we've got a lot more gender diversity, for sure. More women in positions of leadership. And in the last, you know, going back years ago, the last big job I had at Oracle, the CEO was a woman. So I think that that's made for quite frankly, more diversity, better companies more success, as far as command and control, probably at least a little bit. And that might have been because p&g tended to hire ex military academy graduates, or ex military service. I think p&g was on the cutting edge of kind of new work systems around really engaging the employees. But it was just starting. And I do think maybe it's me, but I think we're more database these days about in a good way about really trying to make sure that we understand the decision before somebody goes out and tries to be bossy about something. And I think that's that has been a change of cultural change around taking people's needs, and concerns into the decision more before you make it. And that's good business, too. I mean, if you think about Jacob, maybe this is this is at the root of it. And I apologize for my stream of consciousness. But what I'd say is, I think that it's good business, if you really take the time to treat your employees respectfully. And you're much more likely to have a happier employee that wants to stick around and give you you know, give you all I got, and I think that that is that has not always been the case. Nowadays, I think, in a good way. There's a lot of momentum behind that. And it's I'm a big believer having seen both sides of that. Well, I think it's just super rare that anybody is talking to their first their first boss. So when you told me that? Yeah, I mean, clearly this person must have done something. Well, what is it about this person? Because honestly, I don't know anybody who still talks to their first boss. I don't talk to any of my former bosses. I didn't like any of them. I thought they all did, at least in my opinion, a bad job. They weren't human at all. They were like robots. So why

why this person? I mean, what what is it about? My first boss was the he was super smart, really high IQ. But he was a great people manager, he was absolutely fantastic. When it came to managing human beings, and you know, one of the points of talking will be, you know, emotional availability. But he was he was emotionally available. Like, if he was mad, he tell you, he was mad. But more importantly, like, if he was concerned or scared about something, he would sit us down and talk about it like, Okay, here's the deal, this is the thing we need to be worried about. And that's extremely powerful. Because what all what happens all too often in a boss leadership situation is, you're scared of your concern, and it comes across as you're angry. Because you don't want to show anybody that you're worried about anything or concerned like, Oh, that's a sign of weakness. It's exact opposite. It's a sign of strength to actually show your true emotions in people. They, they respect it when they see it. So the first guy I worked for, was extremely honest about how he really thought and he got great work out of me and everybody else, because we believed in him, and we knew we could trust him. And when we could, and like no exaggeration, I really, you know, everything I said, I really will be taking a team, an Epicor team to meet with him and his team. And it's I don't know if it's July, June or July, but this summer. One of the reasons is, you know, how good my relationship is with that guy, still a friend and yeah, but people skills, and his ability to engender trust and others, which is not easy. He was great at that. Well, it sounds like what you're describing is vulnerability, like he was very good at it being vulnerable. And it's actually the that's what my next book is gonna be about. It's going to be all about vulnerability and leadership and why that's actually strength and not a weakness. So we can talk a little bit about that for a few minutes and emotional availability. So I'm curious to hear your perspectives on on vulnerability. And in your case, it sounds like because this person was vulnerable and open and transparent and authentic with you, you were able to create that connection. And I think a lot of leaders struggle with that. They're scared to be vulnerable. They're scared to admit mistakes or ask for help. How do you any suggestions on how to get over that or have you seen or experienced that in your career where some people are just not willing to do it? Yeah, So you're, you're correct to. Yeah, you're, you're absolutely correct. And very few people hope everyone listened, who's listening to the podcast, listen to what you just said. Because being vulnerable, it is. It's a bit nerve wracking, but at the same time is not a sign of weakness, I'll say it again, it's like think about it, when you see someone else that's willing to be vulnerable, you realize, like, as a human on the human level, like, I got to respect that. Now, it doesn't mean you're, you know, sobbing or crying for no good reason, or, you know, constantly sharing all the bad news. But what it does mean is, you're, you're sincere in how you really feel and what it's going to take to maybe overcome a big challenge. And I think it's, it's really almost 100% of the time, your employees will not confuse kindness with weakness, they're two very different things, you can be very kind and vulnerable and be extremely strong. And quite frankly, if you're kinda invulnerable, you'll be a lot stronger, you'll have a lot more capacity to be tough when you need to be because you weren't faking everything else. So it's just one of those things, you have to try it for yourself, and take a little risk, and it does work. And you know, it's maybe terrifying to be vulnerable, but boy, it, it's just fine. Do you do any situations or stories pop to mind like for you, when you were personally vulnerable at work, either with your current job or previous, where you kind of had to open up and what the impact was, for sure. So I've been here at the helm of Epicor for about five years, and I stepped into a turnaround. So five years ago, this was a large software company that was declining revenues have declined about 2%. Year over year, in a business that shouldn't be declining, it was a healthy business, healthy market we were selling into but had lost market share margins had slipped in the business was declining. And it was kind of a demoralized situation where a lot of people were disappointed. And I knew enough

about the company, when I took the job to know that it was, you know it was going to be a chore is going to be a challenge. And for that first month on the job, I spent all week, every week, traveling around the world meeting with employees face to face, and literally being very vulnerable, saying, Hey, here's the deal, here are the mistakes that have been made. And here are the two or three changes we have to make. And we will make it if we do this, we all know we have in our case, we have great products, people love them, they're going to buy them. And you know, if you're willing to stick around with me, we're going to turn the company around, we're gonna do really well. And we have we far exceeded my wildest dreams. But having said that, it took a while. And I definitely had more than a few meetings in the beginning, where I had people that were furious. They were pissed off, and they let me know it and they let me have it. And it's about the culture or about you. It had nothing to do with me it had to do with the you know, literally this would be in some cases, the second second or third. One case, it was the third day on the job. I mean, I started working on Monday, and it was a Wednesday. And the question was, why did we lay off employees in one location? And with with a belief that we hired employees overseas somewhere and I let you know, heard the whole thing out? I said, I don't think it happened that way. But I said I'll I'll find out. And I'll investigate whether or not what you think happened happens. And it turned out that it hadn't quite happened that way. But I think you could certainly make the assumption if you're an employee, that if you saw some layoffs in America, and you heard we were hiring somewhere overseas, that Oh, it must have been, you know, causality. But no, they were they were mad about budget cuts for the most part. And in some cases, they were right to be mad about them. I think I could completely understand it. So how do you define vulnerability because it seems like it could be different CEOs that I talk to explain it in a different way. Some people say it's to being open and honest. Some people say is admitting mistakes or asking for help. And other people feel that vulnerability is very much about letting people into your life as well. You know, talking about your family talking about a hard time that you're going through. Do you go so far as to do that as well, like the people know, things about you on kind of a personal level? Yeah, I'd say that it depends on the person. I mean, human beings, you know, people over time, become in work situations, you only become real friends. And from time to time, you'll find that, like the guy that I worked for a p&g 30 years ago, you'll find that you do have a friendship that transcends the workplace. And I've got, I'll say three of those, three, three, and all three of my still talked to and could talk to them about anything. And then there's kind of a next level. probably count on one hand or two hands, people where you would share something personal that you think is relevant It, it's related, it could be related to work. But it could be a personal situation where you could just say, for instance, hey, I'm going to be out of the office Tuesday and Wednesday next week. But with these people having to be out of the office, I'm dealing with taking care of a family member or something like that. I think that that's important that if you've got enough of relationship, somebody, you do share that, because it's, it's appropriate. And for the other person, they're really gonna understand a lot better, what you're doing, why you're doing it. And it does show a quite a bit of vulnerability, vulnerability and trust. I think back to the first part of your question, though, I actually think one of the biggest things that people struggle with in the top job, or one of the top jobs is, when you do make a mistake, which you are destined to make, from time to time, do you actually raise your hand and say, Hey, that's my fault. That is my fault. I got that wrong. And, you know, we're going to remedy this. And here's probably the lesson learned, I think that's harder than in some cases, in sharing personal information about yourself or your kids or, you know, whatever it is, I mean, if you really want to, you really want to show taking some risk, and publicly acknowledge a real mistake you made and what you're going to do about it, you got to meet it. And if you do that, again, it's very

liberating, because it's hard to do, but it's liberating. And it will allow you to correct whatever you need to correct and move on. What's the biggest mistake you've ever made at work. And to give you some context, the biggest one I heard so far is from the CEO of Ronstadt, who said, he made \$150 million mistake for his company. And then he had to go in front of everybody and explain that. I don't know if you could top that one. Well, I think I would say that we, we had a I don't think you can entirely blame me for this one. But we had a \$2.45 billion offer to make an acquisition about a year ago. So we're at two and a half billion on this one. And I think we got beat by 1%. So somebody paid 50 million more than us, or 25 million more than us, I think it probably would have been worth it, to take the bid up another 75 million and get it. And I would have to take responsibility for not getting that acquisition, because in the end, you know, the board differed demand the decision. So that's probably the biggest from a financial perspective. That's, that's pretty big. Right? Yeah. And so how did you address it? So like, you know, it's one thing to make a mistake? Did you beat yourself up over it? Like, how did you address your team, your board to talk about it in a human way? Well, we we debriefed on it said, Well, what would it take? And and not everyone agreed, I mean, a couple of board members probably would have voted against it, but I would have probably had enough support to go do it. I think that to be very specific. My conclusion was an acquisition of that size, if we weren't absolutely certain on it. And this was going to happen again, we probably ought to focus on acquisitions that were smaller. Fifth, we're big enough company that a 50, or \$100 million acquisition is not that, you know, not that big for us. And we do we that's what we've done. So for the last six quarters, we do one of one of that size per quarter. And my you know, my counsel to the group was, the lesson learned here for me is, in the you've seen with the stock market, it's crashed in the last two months, but prior to that, prices were very high. And we were probably gonna have to pay a really high multiple, and I said, I'm still willing to do it. But the the level of which I'm willing to overpay, it's at 100 million, maybe I pay 120, for something worth 100. But I don't want to pay 2.6 billion for something worth two, four, because that's more risk than I'm willing to take. So that was the lesson learned. And I think you can tell an honest conversation when you hear one? No, that was an honest conversation. So people, they respect that. I'm curious, there's, and I don't know if you agree this is the relationship between being vulnerable and competent. So for example, like thinking about your first, your first boss, it seemed like he was very vulnerable and open and transparent with you. But it seems like he was also good at what he was doing. What if the situation was reversed, and he wasn't good at his job. And he was vulnerable. So he wasn't good at what he was doing. But he still asked me all the time, he still admitted to mistakes, but he didn't have that competence level with your person. I think you're correct. What I'd say is, I think you're correct about the correlation. I think that the more competent you are, the more likely you'll be okay with being vulnerable because you feel confidence about your competence. And it'll give you a lot of latitude to go, Hey, I'm fine. I'm okay with it. Back to your prior question. I think that if somebody is not good at their job, and they're very vulnerable, I think most people are in this world are good, if not everybody But most people are and I think that they would try to help that person. So I think it would help them improve faster. And I think that when somebody's you know, assuming they're open to whatever the suggestions are, if you're vulnerable, you got to accept the feedback, not all of it, but most of it, and then try to improve. And if you do that, I think the probability of improving is a lot higher. And I can remember jobs I wasn't that good at were when I finally asked for help and meant it, I got help. Yeah. Well, it seems like you're a vulnerable person, meaning like, you're okay with sharing personal information about yourself to a select group of people that you trust. But broadly speaking, you're okay with admitting mistakes? You're okay with asking for help. Do you remember the last time you asked for

help from somebody at work? Yeah. Today, I asked for help today. on two different occasions, yes. And in any key series share a story or context around what you asked for help on? Yeah, so in one case, what I will say is I went I had a board meeting, and there's a very specific issue we're working on. And the nature of a corporation with governance on a board is I'm one of seven on the board. So I can't just tell the board what to do. But sometimes on board level issues, I feel very strongly about something, but I need help. And I asked for help from the board on something that had to do with it's, it's a organizational issue around people. And I think the board's gonna back me up on it. But this was about three hours ago. And you saw I was gonna ask when, when you ask for help? What's the response that you get to people ever look at you and say, Oh, my God, why is this person CEO? If seiza? If Steve's asking for help? Or what do you find whether it's from your board or from your employees around you? When you ask them for help or admit that you've made a mistake? What do you find the reaction is from those around you? Yeah, you know, I think that most people want to help and are willing to help. When you ask for help, or you admit a mistake, you have to really be extremely sincere, I mean, down down to your bones on what it was what the mistake was, you probably need to be ready to talk about what the likely remedy is, and you may not know what it is you're like, Here, here's what I think we should do. But But what what do you think, and my experience has been assuming you do those things, the vast majority of people are more than happy to help. And it's also true that once you're in a position where you're in charge, if that's all you do, you got a problem. It's like we put you in the job, because you probably you should know, in most cases, what to do. And I typically do but not always, nobody does not always. So I think that so long as you don't abuse that or use it as a Dodge, which I think that's unlikely, I think people are very willing to help. And, you know, but be prepared to discuss why you know, what you want and why and what the likely solution is? That's not unusual. Have you ever had anybody throw something like that back in your face, like any vulnerability or something you shared with them, whether it's personal or business related, and just try to use it as a way to hurt you or bring you down? Not even once? Not Not a single time? Wow, never in your career at all. Never in my career, I somebody may have said something behind my back, but I never heard about it. And it's never let me put it this way. I, I was, you know, I'm CEO of Epicor, wide, large, large, very large software company, I was the president of open text, which was about a \$12 billion public company. And then I was a senior vice president Oracle before that. And the only reason I gave you those examples is my desire, you know, to tell them, you know, whatever, it's like a mistakes made, or here's what we need to do, or here's where we blew it. It has never limited my career ever. Never. I've had I have had people like, I work with go, I can't believe you said that. And then I'm like, Well, I, I, it's the truth. People know the truth when they hear it. I gotta ask you for a story around that. Do you remember a time where somebody said, I can't believe you said that? I absolutely do. Yeah. Can you share what the context was? Yeah, I mean, there was a, there was a time in a meeting, where I was like, Uh, I would have either been a vice president or senior vice president. And I told the CEO of the company, this was a large public company that the new product was not nearly as good as he thought it was, and that we wouldn't be able to sell it unless we made a significant improvement to how the software handled the specific capability and hospitality for hotels. And I definitely got kicked under the table by my boss, who like we that you shouldn't have said that, but it was true. And it turned out we did make that improvement we had to and I didn't get fired over it. But I could have I could have. Yeah, it's a good thing you didn't Yeah, I mean, you hear all sorts of crazy stories, right? Where people share things. And then you know, here's what, Jacob, here's what I'll say, I think that, for me, if somebody brings something up, like, Hey, Steve, I think that we really wasted a lot of money on bringing that product to

market. And here's why. And there's actually some specificity around it, you're able to substantiate your claims, it's very unlikely that's gonna make me mad, I might be like, Well, gee, it feels kind of bad to hear that or we screwed up. And, but if in addition to that, they also say, here's what I think we should do to correct it, you're probably going to come away from that exchange, better off all parties. Now, people just kind of complain, hey, this place is, you know, one horse operation, it's all screwed up, whatever it is, there's not much value there. So there's no guarantees that anyone's going to think you were anything other than complaining. But if you have a legitimate concern, and you bring it up, I think most responsible leaders will listen to that and try to course correct. Have you ever cried at work? I don't think so. Let me think about that. No, no, I haven't. Have you ever screamed or yelled at work? Yes. It's, it's, it's been it's probably been 10 years. So I'd say so this is so for anybody listening for the for the listenership, Jacob, what I'd say is, much rather cry at work and scream at work. I am not proud of the fact that I've screamed at work. I haven't screamed at work for a long time. And I think there was a realization in my early 40s, that, that it's really inappropriate to raise your voice. Or be mean, there's no need for it. And it's, it's destructive. And it's really just an indulgence in how crappy you're feeling. And it's just not fair. So if you come to that realization, as a leader, you probably can find a way to eliminate that behavior. And I've eliminated it. But But I haven't, I can think of two instances where, you know, it was inappropriate, and I apologize to a couple people. And like that was that was just wrong, shouldn't have done that. And, but it's, it has happened, it happened. It's interesting, you mentioned something about like, Oh, you're probably just feeling crappy. And one of the things I've been talking to some psychologists and researchers on vulnerability, and one of the things that they keep telling me is that people who are more self compassionate people who treat themselves better tend to be more vulnerable. And people who don't treat themselves well, you know, negative self talk, beating the beating themselves up over all the time, not having any compassion for themselves, those people tend to be less vulnerable. So I'm curious, from your perspective, do you do anything for self care for compassion for taking care of Steve that allows you to kind of show up and be more open and vulnerable with other people? Yeah, I think I do. I mean, I hear here's what I'll say is I, I definitely take time to, to work out like four big workouts a week. And, you know, as far as time with my family, been married 22 years, you know, time with my wife, on a daily basis to talk about work. That's a big part of it. I think having someone you're really close to that you completely trust that you can share the toughest parts of your job with is incredibly valuable. It is for me, like, you know, it'd be able to, at the end of the day, after dealing with whatever the tough issues are to be able to tell somebody literally anything and everything. What you think you did well, what you didn't do well, your fears of what could happen. I think all that makes it a lot easier, a lot easier to be vulnerable. It gives you like a second opinion. I mean, it gives you an ability to like, think about was I right about that? Was I wrong about that? And it's one plus one definitely was three or more than twice as confident about your decisions, if you can do that. So I think, you know, you ask a great question. I think that there's a lot of isolation that's happened in the last couple of years for people personally. And that's probably made them a lot less vulnerable, because they have nobody outside of work. And then where when they're in work, they're probably way too closed off. Yeah, it makes things really tough. So what about as far as like, Do you do anything like meditation or daily gratitudes? Or any anything like that? I do. I'm a Catholic. We go to church on Sundays from time to time, not every Sunday, but you know, whenever whenever possible, and praying and meditation are pretty similar. So that's one where, whether it's meditation or praying, that's almost a daily thing. But I wouldn't say I've got any, like, structure around meditation like that. That would be an exaggeration, but whatever. Definitely get in my head and you know, focus.

Usually it's just kind of the equivalent of, you know, a prayer. Yeah. And positive self talk, it seems like, yes. So I wanted to wrap up, we have like 1010 12 minutes left, and asked you to send over some some of your favorite tips or action items that you think people can implement. And the ones that you've sent, I've done like 600 episodes, these are some of my favorite ones that I've received, I can tell you really put some time and effort into them. So I wanted to spend the rest of our time going over this. And the first one that you said is assess your leadership profile. So can we talk a little bit about that? I think you said, in other words, what bigger message to your tone facial expressions, body language and words tell others around you. So why is your leadership profile so important? Yeah, I think it's a really big deal. People. People watch you very closely when you're much more closely than you realize when you're in a leadership role. And one piece of feedback I got probably 12 years ago, from somebody I really trusted at work was, hey, you'd be a lot better your job. If you were more aware of, kind of, when you're in a bad mood, or when you're really feeling a little like, frustrated, like how you come across as being angry, when in fact, you're really just concerned. And I thought about it, I thought I didn't even know I was coming across as angry. But I see the body language, the way I move, the way I focus the way I look. That's, that's very true. Me, I do seem like I'm ready to lunge across the table and punch somebody in the face. Sometimes, when in fact, I'm just thinking about, like, a piece of information that said, we've got a bigger problem than I thought. And when you're in this, the job I've got on a regular basis, you get negative information that will, I won't say it'll terrify you, but you'll be like, Okay, that's a problem, we're gonna figure that out. And it takes a lot of discipline to be self aware, you don't need to change, you don't need to be artificial, you don't need to not feel how you're feeling. But you do need to be very aware of how people perceive you, you know, your temperament, your body language, your tone, and make sure you don't have some kind of a, a short circuit where, again, I'll come back to the like, and when for me is a feeling of concern, or even being afraid, will often look like I'm angry or mad. And I've gotten a lot better at the, you know, Jacob, the best thing for me is, if I'm concerned, I just said, Now, it's like, before I can even give off body language, it says a malby Hey, that really concerns me. Because the margins up on that product, they start to slip, then we have we're gonna have to reduce investment in it. And that means, you know, whatever we'd have to lay people off or whatever it is. That's not the case. But that's an example, right? Is that something that you can practice? Because self awareness, I know is an important thing for leaders. And it's something a lot of leaders struggle with? How do you practice self awareness? It sounds like in your case, somebody actually pointed it out to you and said, hey, you know, you'd be more effective if you paid attention to that. But you know, what, if nobody ever told you that, you can totally practice it. And would, it's a lot easier than it used to be, you could have somebody, an office mate, or somebody you work with, have them get the iPhone and film you in a meeting, or when you're giving a presentation, or when you're dealing with feedback, or whatever it is, and look at yourself and say, Well, how did I respond? What does it really look like? Because we have in our mind, an image of what we think we look like who we are how we talk. But when you actually look at it, like with some serious focus, it isn't. There many years of filters, you know, between what we think of what's happening, and when you break it down, it isn't always the linkages you expected, it looks a little different. It's worth looking at. If you're, if you're in a position where you're managing people do it, there'll be at least one or two surprises that you'll want to correct and love it. Alright, so assess your leadership profile, everyone should have a good understanding of their emotions, thoughts, behaviors, it's something I've talked about written about many times. The second one that you said is play up your strengths and address where you need to grow. Once you have a better understanding of how others perceive you, you should have an idea of where your strengths and

weaknesses lie a big part of self awareness there as well. So play to your strengths. How do you how do you do that? If you're not the CEO and other people control your job and the tasks and the projects you're working on? How do you make sure you're focusing on your strengths? Yeah. And I think it's a it's a darn good question. So if you think about, it's on a sliding scale. Hey, if you're the CEO, you literally have 100% Pretty close to 100% control over what you do during the day. Eventually you get fired if you're not doing the right things, but you probably could go, you know, months or years, doing the wrong things so you have a lot of control. That's true. If you're the entry level process engineer like I was at p&g, you have a lot less control, but you have some control. Like even if you know, if you're running the process engineering group for a warehouse at Procter and Gamble, well, maybe an hour or two every day is your own. And you can always pick up an extra project or two where it plays your strengths. When I think back on so one of the things back in the warehouse, the first distribution center I worked in, we had an A hp 3000. It's an old software system for inventory management, I remember picking up the book and saying, Well, I'm going to learn how this thing works in case anyone ever needs to reprogram it. And which ended up happening. And I remember being able to figure out how to reconfigure forklifts moving through a warehouse, so that they could be optimized for the location travelled by understanding that thing, knowing that someday that I might have to do that. And that helped me stand out. So I think that for whatever free time you have, and you have some, figure out a project that you could work on that back to Jacob, you'd be good at. So plays your strength. And just as important, it's got to be relevant. Like, you could pick something you'd be good at. But if nobody cares about it, or it doesn't contribute to the overall success of the business, that's a problem, although there's a lot of stuff that people would get excited about. Because it contributes culturally, or because it gets people more engaged. So it doesn't have to be some super boring program, program, the computer system for the warehouse, I mean, that that was exciting to me, but find something that is relevant that you're good at, and you will play to your strengths. And people will notice that. Yeah, no, I love that one. I mean, it's kind of like take the job for the right reason. And because if you just start taking jobs, and following the paycheck, you're gonna find yourself one day in a position where you're kind of like, you know, I'm getting money, but I'm not really enjoying what I'm doing or why I'm doing it. So knowing 100% True. And I think that other people I've known that have been very successful, you know, very, you know, fractional 1%. They do something they really like, they do something in it. They probably on the way did some stuff that didn't like but I mean, I'd say like I I really liked my job, I probably could say I love it. But I haven't loved all the jobs I've had, but this one's a really good one. Yeah. And the last one, which I loved, don't ghost, acknowledge other people's feelings, pay attention and actively acknowledge how other people feel. Because failing to realize their emotions can result in stalling effective action. This, I think is a huge one. And I love kind of the way that you phrased it don't go. Yeah. So can you talk a little bit more about that? And have you seen this happen? Oh, yeah, I've seen it happen. And you talk about an incredibly powerful ability, if you could turn it on. So if you are in touch with your own feelings, and you are able to be by doing that, you'll likely be in touch with other people's feelings, which if you're in a leadership position, but a specific example, let's say you've got somebody who is being recruited like one of your star employees, and they're getting offers on the outside, if you're actually in touch with your feelings, in the you're in touch with their feelings, very high probability, you'll be able to detect that before they would have told you. And they'll feel like they can tell you, it's like, Hey, I see I'm not sure if I'm going to leave are not it's a possibility. So and so's offering me a lot of money, whatever it is, that is worth its weight in gold, because you might be able to save them, you might be able to keep them and who knows what kind of compromise you come to that

they'd be thrilled with. But the converse is, if you're shut off, they'll be shut off. And what you'll find out is one day they come in and say, Hey, Steve, I'm leaving, I'm going to go to work at the competitor, you know, they tripled my money, or whatever it is. And the only way your early warning system could work would be if in fact, you are open to how you're feeling in Europe and how they're feeling. I don't think there's any way to do it. Yeah, yeah. No paying attention to emotions. And it's something it's tough right to even know like, how to talk about emotions, and what all the different emotions are and like, you know how to properly go over them. So I love kind of being into I guess it teaches you empathy as well like, recognizing emotions, being able to connect with those emotions, self awareness of vulnerability, like all of this kind of plays together. It seems that it definitely does and in business situations, in some ways, it can be once you are a little better at this. I mean, it took me a long time and I still got a long way to go but because people try so hard to control their emotions in business. There's actually a lot of clues out there that could be easily picked up with just a slight change in emotion just a little one you're like, that probably means something, chances are probably does. Yeah, couldn't agree more. And I think you're right. When people you can pay attention to those emotional cues and how people are feeling, you'll be able to really do wonders, I think, for a team for culture for leadership for everybody around you. But if you, as you say, just kind of ghost them and don't pay attention to them, you're going to have a hard time. And I think it also makes people feel pretty bad too. It makes them feel horrible. And they'll always assume the worst. I mean, it's like a, if you're in a leadership position, you go somebody or ignore him for not even on purpose, but just not not aware of where enough of them, the assumption they're going to make is probably between 10 and 100 times worse than whatever it is, it could just be It was a busy day, or a busy week. But going out of your way, just a little bit to acknowledge somebody, send them a note, send them a thank you note, stop by their office, whatever it is, those things don't take long. And they literally they take seconds, and makes a huge difference. Yeah, I couldn't agree more. Steve, I love this conversation. Thank you so much for joining me, where can people go to learn more about you? Do you talk about any of this stuff anywhere? A blog, LinkedIn profile? Anything that you want to mention? I don't have any of that. I think I heard about you in about this podcast you did. And I thought that was very worthwhile. So I'm glad to be available. There. We we are epicor.com. That's that's the company see my profile. And Steve Murphy. There's a lot of us on LinkedIn, but he put in Steve Murphy CEO, it'll probably be me that comes up and this little bit of information there. But I very much appreciate the very real questions that you asked and I think the area you're focusing on, is probably more likely to help somebody be a successful leader than all the accounting and finance in the world, quite frankly. Well, I appreciate the compliments. Steve, thank you again for joining me. I really, really appreciate it. My pleasure. All right, and I'll just push stop recording