



**Feeling small:**  
Dave Hitz's  
leadership is  
compared to  
that of a kinder-  
garten teacher.

# Preshrunk

**Executive coaches are getting to be such a fad that one wealthy company cofounder wound up with two of them.**

**BY MARY BETH GROVER**

IT'S ONE OF THOSE EXCRUCIATING moments. David Hitz is waiting to be reviewed—sitting outside an office like a refractory kid about to see the principal. His boss has weighed in, and so have his subordinates and peers. At stake is his new job: vice president of engineering at \$500 million (sales) Network Appliance, a Sunnyvale, Calif. firm he cofounded and one of the fastest-growing data storage firms in the U.S. “People have been asked lots of questions about me, including what are my least-good traits,” worries Hitz, 37.

Who will deliver the Hitz verdict? Not Daniel Warmenhoven, his boss and

the company's chief executive—this isn't an annual salary review. The disciplinarian here is Isabella Conti, a clinical psychologist from El Cerrito, Calif. She's one of the species of management consultants known as executive coaches.

You might have seen some hanging around your company lately. General Electric, Sony and Johnson & Johnson use coaches. Ernst & Young will spend \$2 million this year on them. At Hewlett-Packard a few people in human resources spend a lot of time finding coaches for hundreds of employees.

Why has this kind of industrial psychology become a fad of late? The tight job market for one. Given how hard it is

to find executive talent, especially in the technology sector, it makes more sense to repair a defective manager than to toss him out. And let's not forget that the strong economy leaves rank-and-file employees less willing to put up with a boss who has rough edges.

That's where coaches come in. They have long worked with chief executives to massage problems and devise strategies. Now they're glomming on to managers and entrepreneurs. “So many companies have mushroomed from startup to huge overnight,” says Conti, whose clients include Autodesk and Silicon Graphics. “You've got all these 30-year-old vice presidents with no management experience.”

Like David Hitz. Last August he was put in charge of Network Appliance's 250 engineers despite the fact that no one had ever reported to him. He knew nothing about how to inspire or hold a

team accountable to a goal. So his boss, Warmenhoven, brought in Conti.

It started with lots of paperwork—five personality tests and a detailed questionnaire about work history, going back to the first time he ever earned money (helping neighbors with a garage sale at age 9). Conti met with him four times, shadowed him in meetings with his staff and other executives and talked to many employees about him. It's a process she and her cohorts call "360-degree feedback." Now, six weeks or so after their first meeting last October, Conti offers her diagnosis.

Hmmm. Not so good. Turns out

months about his management skills. Then they'll meet again and develop a plan to deal with any "problematic" behavior. Cost so far: \$14,000.

Conti is looking for repeat business. About a quarter of her clients continue once-a-month sessions for six months after getting an action plan. She trails them for a day, then offers a critique. That runs \$3,000 a day. "Theoretically, this could go on forever," sighs Hitz.

In his case, it has. Hitz had his first coaching experience five years ago, shortly after Warmenhoven became the new chief executive. At the time Hitz was openly feuding with one of the

separate sessions held in a rented hotel room. The problem, according to Warmenhoven, was that Malcolm, while brilliant, couldn't stick to his decisions. That drove Hitz crazy. "David is sitting here trying to implement, and Mike's trying to think up all these new ways to improve the product," says Warmenhoven. "But you can't keep changing the specs, and you can't keep changing the target. At some point you've got to get product to market." Warmenhoven pushed out Malcolm a few months later. (Malcolm, founder and chairman of newly public Cacheflow, calls the whole experience "very distasteful." His recollection is that Hitz thought he was indecisive and a micromanager, a charge Malcolm denies.)

Hitz felt vindicated, but continued his sessions with Kyle because of a new problem. He was spending his time designing and writing software, an important but hardly indispensable task. Now that the company had a new chairman—the famed venture capitalist Don T. Valentine, whose Sequoia Capital owned 15% of Network Appliance—how could Hitz defend his job? He had reason to be paranoid: It was Valentine who'd brought in Warmenhoven to replace Malcolm as chief executive in the first place. "I told him I was concerned about my role now that Dan was here," says Hitz. "Valentine said, 'Why don't you go off and buy a house in the hills?'" Valentine doesn't recall the exact words but adds, "At no point did I ever want to give him the impression that I wanted him to leave."

Kyle's solution to Hitz's identity crisis: Become the "corporate shaman"—the guy who dances around the fire and finds out where the buffalo are. In practice that meant herding customers to seminars about company products and beating his drums on Wall Street. Hitz took to his new role. More analysts started following the company, which was added to the S&P 500 stock index last June—and he got a new job title.

More shrinking may lie ahead. "I see this as a positive experience," Hitz insists. A guy with \$650 million in company stock can afford to think positive. **F**

## Head Coaches

Sure, you can hire an executive shrink for about two grand a day. But why be a cheapskate if you can get your hands on the real thing?

**JOHN P. KOTTER** Harvard Business School

**Clients:** CNA, Edward Jones, Ernst & Young

**Specialty:** "The world desperately needs more leaders. We're trying to do something about it."

**Cost:** \$5,000 an hour to take on one individual per year; gets \$60,000 to \$100,000 a pop for speeches.

**MARSHALL GOLDSMITH** Rancho Santa Fe, Calif. consultant

**Clients:** Johnson & Johnson, Sun Microsystems, GE Capital

**Specialty:** Making nice guys out of "arrogant know-it-alls who are never wrong."

**Cost:** \$70,000 to \$100,000 a year. Takes no payment unless subject's behavior has changed.

**JAY ABRAHAM** Rolling Hills Estates, Calif. author and publisher

**Clients:** HBO, Shearson Lehman, cosmetic surgeons

**Specialty:** Turning corporate underperformers into marketing and sales whizzes.

**Cost:** \$40,000 per day for private consultation, \$20,000 per diem for groups.

**DAVID ULRICH** University of Michigan professor of business

**Clients:** Lucent, Andersen Consulting

**Specialty:** Branding leaders. "I help managers develop a point of view of what it means to win."

**Cost:** \$10,000 to \$20,000 a day.

**GARY RANKER** Manhattan consultant

**Clients:** General Electric, Sony, Harcourt General

**Specialty:** "Achieving more productivity through good interactions"—and taming nasty-tempered executives.

**Cost:** \$50,000 to \$150,000 a year. "Our work is more in-depth and lasts longer."

that Hitz's EQ (emotional IQ) is alarmingly less than his IQ. Specifically, chides Conti, his management style is way too lenient. "Her comment—and I think it was meant to goad me a bit—was that was a good score for a kindergarten teacher," Hitz recalls.

Worse, his personality tests show he's analytical and introverted. Great traits for an engineer, but terrible qualities for a leader who needs to listen to and empathize with his subordinates so he can whip them into a frenzy of productivity. She also suggests keeping a log of his insights over the next few

company's other cofounders, Michael Malcolm. "We were at each other's throats," Hitz recalls. "We were both kind of telling Dan, 'Look, the other guy doesn't really see things right, and you probably are going to have to choose, and I think you should fire him.' Dan's response to that, given that his goal was to keep us both, was to send us both off to a corporate shrink."

Warmenhoven chose David Kyle, an organizational behavioral specialist in Portland, Ore. who charged more than \$10,000 per manager. Kyle began working with the two warring cofounders in