



LESLIE PRATCH

Founder & CEO
Pratch & Co

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Leslie Pratch is the founder and CEO of Pratch & Company. A clinical psychologist and MBA, she advises organizations on the human dimensions of executing corporate strategy. She specializes in helping private equity investors and Boards of Directors of public and privately held companies identify whether executives being considered to lead companies have the psychological resources and personality strengths needed to succeed.

pratchco.com
 leslie@pratchco.com

ON EDUCATION AND CAREER PROGRESSION

Over the past two decades I have evaluated 566 prospective business leaders for 84 organizations. My journey was no accident. I fashioned the tools and developed the capability to do this work from graduate degrees at multiple universities. I sensed that the ideas that intrigued me just *had* to be valuable to others, just had to impact their success. I just had to figure out how to put them in play

As a graduate psychology student at the University of Chicago, I established a talent program for high potential professionals at Arthur Andersen. When I added the study of clinical psychology, I discovered I had a knack for using sophisticated clinical techniques to assess personality. To use these techniques outside of research I'd need a license in Clinical Psychology. I transferred to Northwestern University Medical School; I received a Ph.D. in clinical psychology. My Ph.D. dissertation used data from research I was conducting at the University of Chicago Graduate School of Business. My research developed a psychological approach for predicting the emergence of leaders from a high performing group. After graduate school, I worked with State Farm Insurance Company where I developed a competency framework for the whole organization. From this work I developed my own executive competency framework. It is the foundation of the work I do today. I added an MBA concentrating in finance and competitive strategy from the University of Chicago. This gave me the tools to understand the issues my clients and their candidates face.

BUILDING PRATCH & COMPANY

The world is changing ever faster. Organizations need leaders who have not only strengths in coping with change but welcome and embrace constant change. That is not so much a skill as an orientation to the world; to seek change as an opportunity, not to defend against it as a threat. This mindset demands an open perspective and a stable mentality.

Every person's mind develops its own unique structure: its



Leslie also recently published a book, *Looks Good on Paper?: Using In-Depth Personality Assessments to Predict Leadership Performance* (Columbia University Press; 2014) in which she shares insights from more than twenty years of evaluating executives and offers an empirically based approach to identify executives who will be effective within organizations – and to flag those who will ultimately very

likely fail – by evaluating aspects of personality and character that are hidden beneath the surface. She compares candidates with impressive careers and tries to determine which ones are likely to act with consistently high integrity and exhibit sound, timely judgment when faced with unanticipated business problems. Central to effective leadership is a psychological quality called “active coping,” which she defines and explores by referencing case studies, historical figures, and her own scholarly work.

grooved patterns; its second-nature behavior; each contributes to activity without conscious effort. *Active Coping* is my term for the structure that creates simultaneous stability and openness to change. That is why active coping is integral to my model for predicting business leadership. Making predictions about leaders, whether executives or politicians, reduces the risk of failure in leadership. Pratch & Company identifies strong and competent business leaders and separates these candidates from future “time bombs.”

Over the years, I’ve worked with colleagues who learned to deliver elements of Pratch and Company’s Active Coping AssessmentSM services. As the economy and issues in my personal life change, I practice some active coping of my own.

ON GENDER AND ENTREPRENEURSHIP

It was Keynes who told us that knowledge is not subject to the law of diminishing marginal returns. I created an opportunity to get paid to do what became Pratch & Company’s foundational research. My clients and I are each gaining a healthy return on our investment.

In 1990 I submitted a proposal to the University of Chicago Graduate School of Business (now Booth) to lead research to predicting effective leadership. Booth had a problem: How could it reliably select students who would emerge even stronger from a rigorous program for developing leaders but avoid choosing those who would not hold up under those pressures?

Booth appointed me Principal Investigator to conduct longitudinal research into the relationship among coping style,

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motivation and leadership effectiveness. The project lasted four years and studied two elite cohorts of Booth MBA students. The school added a team of statisticians and assistants. The findings supported my hypotheses and were replicated and published in peer-reviewed academic journals. This research validated both the model and methodology. More to the point, it gave me the confidence to take the *Active Coping Assessment System*SM to the Street. I incorporated Pratch & Company and I have funded operations with profits from the business.

You asked about gender bias. Its ever-present rumble was a powerful motivator. Validated legitimacy of my ideas drove me to intense research of the subject matter so that I could compete on equal terms in the marketplace. Forging ahead made sense – even “dancing backwards in heels.”



“I want to see human capital assessment and management become an ingrained part of the plan for creating value when private equity firms are contemplating buying, then building, a company.”

“MY LEADERSHIP STYLE IS COLLABORATIVE BUT DIRECTIVE WHEN NECESSARY. PRATCH AND COMPANY’S CULTURE IS TRUST-BASED. INTELLECTUAL CURIOSITY, INTELLECTUAL HONESTY, COLLABORATION, TRANSPARENCY, ACCOUNTABILITY, MUTUAL SUPPORT AND RESPECT CONSTITUTE THE BACKBONE OF OUR VALUES.”

ON CONTINUING PROFESSIONAL DEVELOPMENT

Empathy and making accurate predictions are critical. I track the results of all my work; I follow the decisions that emanate from my work and evaluate the success of candidates selected. I review what it tells me about what Pratch & Company must adjust. In addition to my client activity, I continue to publish aspects of my research to contribute to the field. *The Journal of Private Equity* and *Harvard Business Review*, for example, have published my articles, which emphasize not only the academic aspects of my work but also translate it into its implications for leadership selection.

ON RISK TAKING

I am an independent thinker and a creative risk taker when it comes to work that will produce meaningful results for my clients and me. It was a big risk to develop and validate my own system for assessing executives to predict leadership performance. It was a leap of faith to stake my career on it. I took that leap because I believe my *Active Coping Assessment* is the only system that really works. Failed leaders litter the corporate countryside, litter that is expensive to clean up. Thanks to Pratch & Company’s *Active Coping* approach, my clients have avoided costly failures.

ON GENDER AND THE CONSULTING INDUSTRY

Throughout my entire education and career, females have been in the minority. I’m used to a four to one gender ratio. Being a thought leader gives me legitimacy and I enjoy sitting round the business leadership table with both males and females.

ON LEADERSHIP

My leadership style is collaborative but directive when necessary. Pratch and Company’s culture is trust-based. Intellectual curiosity, intellectual honesty, collaboration, transparency, accountability, mutual support and respect constitute the backbone of our values.

ON COMPETITIVE ADVANTAGE

Pratch & Company’s competitive edge resides in its proprietary, *scientifically proven* assessment system for predicting superior leadership performance. Private equity investors and their

consultants use past performance as a key predictor of future performance. But past performance shows how a leader met the demands of the past. It says nothing about how that leader will handle the challenges to come, how he will open his mind to and even welcome unpredictable circumstances, whether he will remain stable in unforeseen conditions. Personally, I have exploited an MBA alongside clinical skills. I understand at a sophisticated level what my clients are trying to do with their companies and investments: I can understand quickly and think critically about their investment thesis; understand the strategy of their firm; and distill the implications into a specification for the tasks at hand for the candidates we are evaluating. Having a strong understanding of business sits me firmly in the chair as a business discussion partner, not solely as a skilled psychologist.

ON WORK LIFE BALANCE

My friendship circles revolve around ping pong, reading, music, and relaxing at the beach. I meditate, get six hours of sleep, and run or swim daily.

ON FUTURE CHALLENGES

My goal is to see that private equity investors exploit all critical variables for their success. No savvy investor makes an investment and then reviews it only when his bank balance turns negative. Such an investor monitors financial health constantly. But many private equity investors will hire a team of executives and only check on team progress when they discover that something is working poorly. But they could monitor human capital health in real time and make sure its vital signs indicate a strong and healthy body. I want to see human capital assessment and management become an ingrained part of the plan for creating value when private equity firms are contemplating buying, then building, a company. I want to continue to help my clients develop more productive relationships with their portfolio company executives and help them work better internally as integrated teams leading private equity firms.

THREE THINGS YOU WILL NOT LEAVE HOME WITHOUT

My breathing and my occasional focus on it, my eyeglasses, and a copy of my favourite poem. ■