

# Holleman Business Succession Forum

## **KATHY KOLBE**

Chairman of the Board  
Chief Creative Officer  
Kolbe Corporation

Interviewed by Vernon W. Holleman, III

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**THE HOLLEMAN COMPANIES**

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## INTRODUCTION

Mr. Vernon Holleman: Hello, and welcome to this edition of the Holleman Business Succession Forum. I am excited to be introducing my interview with Kathy Kolbe. She created a test that I first took in my early thirties, and instantly I had tremendous clarity on what drove me. So, I instantly fell in love with the test and what it tells us about each other, started implementing it in my own business and also helping other business owners use it as a tool for their own succession planning, and in particular bringing children in the business. Of course, as you'll learn in this interview what is interesting is that although not a traditional continuity plan Kathy absolutely followed a father who was studying goes on in the brain. Her father was E.F. Wonderlic, who invented a test in the 1930s to help businesses clarify things before they hired people. And you'll hear some technical things in this interview that Kathy describes that are technical terms that she uses in her test. So, you can find more information about her test and all the work she does at [www.kolbe.com](http://www.kolbe.com). But, I think what you want to hear in this interview is not only an interesting story about how she challenged her dad at a young age, but also how she set out on her own path and what she discovered there. And then also I would like you to listen for how the test helps businesses, in particular family businesses, understand the strengths of family members and key employees, really any employee, for that matter, and how that can help the business not only continue long term, through multiple generations, but also how it can grow more effectively. So, do please enjoy this interview. I hope you get a lot out of it. Thank you.

## INTERVIEW

Ms. Kathy Kolbe interviewed by Mr. Vernon W. Holleman, III, May 20, 2011.

Mr. Vernon Holleman: Kathy, welcome to the Business Succession Forum that the Holleman Companies does. We're thrilled to have you.

Ms. Kathy Kolbe: Glad to be here.

Holleman: You have spent a vast majority of your career, if not all of it, focused on one of the three aspects of the mind. Take us through, and help the guests understand, for starters, those three aspects and your original rooting in that.

Kolbe: Well, I grew up in an environment where everything was cognitive. How smart are you, how can you figure out this game, how fast can you do it, how well do you do it, can you get the right answer and how soon, because my dad created the original personnel test, the Wonderlic Personnel Test, which was his way of converting an IQ test, which had just come into being at the time he was working on this, into something that can be used in the short form for workplace selection. And in our home we were constantly being tested. It was a game. It was always how long is it going to take for the sun to set, how many steps is it going to take you to get over there, how many minutes is it going to take before you catch a fish. But I always had a different take on the answer because my answer would be weird, but I could prove it would be okay.

The other thing was that we discovered -- I discovered -- it was discovered, without having a term for it, what now is known as severely dyslexic. So, rather than that being a negative, because we didn't have pathologies for everything then, it was fun, because Kathy was different. It was fun for me, because it always meant I could find another way around it. And that sometimes would be something I could create that would make it harder for others, because I knew I was good at things they weren't good at. So, I always saw it as an advantage, not a disadvantage. But, as I got older, in high

school, they were saying well, you're pretty creative and you can do this and that, but it was always you're not so good at this and you're not so good at that and you're not so good at the other thing, and one thing you should never do is try to write. So, I went to Northwestern Journalism School because why major in something you can do. Major in something you want to do that's hard for you and learn how to do it. So, with that background, the cognitive is something I studied a lot.

But cognition only has to do with how well you learn the right answer, how well you learn what you're taught. There is this other part, which is the attitude, the affect, the personality. I was extremely shy, very shy, but my personality was to be very assertive when it came to let me do it my way. Get out of my way and let me do it.

Holleman: Now, did some of that come from, correct me if I'm wrong, you were the youngest of four?

Kolbe: Uh-huh.

Holleman: And then what were the -- were you all relatively close in age and what were the sex differences?

Kolbe: Well, I have a brother who is 11 months older. So, you know, the Irish twins there. And I have a sister who is two and a half years older, and then one who is seven years older. The one who is seven years older was an outstanding, brilliant, straight A student, marvelous singer, comedian, actress. I mean, she just had so many wonderful gifts and talents, and we were always collecting roses that we would take to give her after some kind of performance. She was just out there, very outgoing personality. And she was a wonderful big sister, because she let me tag along in everything. So, I learned about so many things I never was good at doing. Her voice

teacher is the one who me told Kathy, there must be something else you can do, because you will never be a singer. So, I just -- I had the attitude, and I'm sure it was from the family, at least from my big sister and my father, that it doesn't matter if you can't do that. Go do your own thing, and you're fine. It was never, as I say, pathologized or negative that I -- what I couldn't do. It was well, go find something else.

Holleman: And was everybody conscious that Dad was running a company that was starting to be influential in the country?

Kolbe: Well, Dad was CEO of a financial services firm, and he got up and went to work every day. We lived in the suburbs of Chicago, and every workday he'd go to work and he'd come home at dinner. And that was what he did. We ran the family business. It was this funny little thing, down in the basement, where we had these piles and piles of tests, and we would analyze the questions, one by one. Before I could read, I was doing fence postings of item analyses, I would later learn to call it, of questions on the Wonderlic. And shortly after I learned to write I was writing questions for the Wonderlic, because I was interested in that. And I loved talking to him about it and arguing with him about it.

But we kids and our mom would take printed versions, put them in a box, and ship them, write the invoices, and very few phone orders, but when we got a phone order the phone would ring upstairs, because we only had one line upstairs, and someone would pound on the floor. If you're down in the basement, that would mean okay, they're asking a question that I don't know the answer to, run up here and tell me the answer.

Holleman: Yes. Now, how old are you at that point? Give me a year, if you would, please.

Kolbe: Well, I'm 71 now and when I was -- golly, I was born in '39 and so in the early forties -- by the mid-forties I was doing all the fence posting. Into the late forties, early fifties, I was questioning everything I saw saying I don't think this is fair, Dad. This is not fair. I don't see any results from women. This is not fair because we're giving extra points for people who are older. Why should old people get more points, and so that means it's not really a fair test, that you really get dumber as you get older and we're faking it. And I used to just question everything. But, those questions were always offline because the work we did was after school and on Saturdays. I mean, you did not go out and play on Saturday until you put in your three or four hours working on the Wonderlics.

Holleman: Okay.

Kolbe: It wasn't Dad's. It was ours. I never thought of it as his. And I knew, because I learned to type by the time in -- I was in junior high I was typing invoices. And I could see the names of the companies, and it was every major company. You couldn't get a job in a major company in America without taking the Wonderlic test.

Holleman: Even though he was doing it as a side almost --

Kolbe: He did it as his -- it was his graduate thesis at Northwestern, and then he went on to make money. His promise to my mother was -- because she was a homeless orphan who had no financial security as a kid, and he had taken care of her from the time they were 14 years old. And he told her that he would bring in a solid substantial living until their youngest child graduated from college. If I had known that, I wouldn't have gone to college. Because to me, that was just a hoot anyway. I didn't -- I, I was an extra activities major, not a student. Although I loved learning journalism, but it was really all

the projects I did that were the fun part, and the learning part. But the day after I graduated from college my dad quit his job, his corporate job, and started his own business. I now know he was probably a Quick Start entrepreneur.

But, the Wonderlic business was ours. We did the work. We put those boxes in the little red wagon and we pulled the wagon from our house down several blocks to the post office, and we mailed those boxes to the customers. And so it was not something that Dad did every day, and I was kind of surprised later that it wasn't so recognized that it was a family business. It was E.F. Wonderlic. By the way, he was always called Dr. Wonderlic, and not always for nothing he was -- he didn't get a Ph.D. He was one class away from a Ph.D. At the time to get a Ph.D. in industrial psychology you had to complete coursework in German. Well, my dad probably had some of the same issues I have and learning a foreign language was a joke. And he finally said you know, I've got to raise four kids, I've got to put money on the table and who cares about German, and he quit. So, that's probably one reason it never bothered me not to have a Ph.D.

Holleman: So, tell me about some of the questioning and back and forth from an early age, and then we'll fast forward a bit.

Kolbe: But Dad, I know smart people who don't know enough to come in out of the rain. I don't want to play with smart people. I was always interested in sports. On my soccer team I want good soccer players. I don't care who is smartest in terms of who is captain of the team. I care who knows how to put the team together, and I don't think that has a thing to do with their Wonderlic result. So, why are we using this in business, why do people use it to hire. He said well, some people are smart enough to learn to do stuff, and some people have trouble learning. And I said so, I have trouble learning, you

tell me, and so I -- oh, I would do the artful dodge. I would cut deals. I would always get out of doing the things that were hard in school because I was good in other things, and I cut a deal. I said but, you can't cut a deal on the Wonderlic test, Dad, so those of us who are good at cutting deals don't show up here. And he would look at me and say you're talking about stuff that we don't know how to measure, and I said who is this we.

I'm going to figure out how to measure it, because I don't think it's fair. If you're determining who is going to be on the team and what role they're going to play and who is going to be the president of the company and who is going to sit down making the sandwiches and who is going to -- I said I just don't think this makes sense, Dad. Now, I understand smart is nice. And some of the smart kids that I knew in school -- of course, we didn't have a friend whose Wonderlic score we didn't know. I didn't date --

Holleman: Was that a requirement?

Kolbe: Yes, pretty much.

Holleman: Yes.

Kolbe: Well, you know, everybody wanted it, because they knew their parents didn't get a job, their older siblings didn't get a job, without the Wonderlic. So, it was a big deal they could come play at our house and take the Wonderlic, and they would get a chance to see how it worked. And I would always say to them, I can teach you how to take it. I don't mean cheating. I would never, ever give them the answers. But there are some ways to take the Wonderlic where you can increase your scores. That's the thing with the places, I can show you how to get a better score. The kids who don't hang out with people who know about testing, and I always feel so sorry for the kids who come from cultures who don't get the coaching, because it's not just about IQ on a test like



Wonderlic, it's about how test smart are you and how much do you know about how to take it. Of course, I knew how to write it. I knew the formulas. So, I -- without telling them the answer, I could say well, and I not going to tell you in this interview, but there are ways you can get a better Wonderlic score, as you can with any cognitive test. My dad would say yes, but that's proving you're smart enough to figure those things out. I said or lucky enough to be in an economic group where you get --

Holleman: Yes.

Kolbe: -- as -- the older I got, the more I learned about economic cultures, the more unfair it seemed. So, Dad and I -- by the way, he was my hero. I loved my dad so much, and we were so close. And he loved that I argued with him. He just loved the intellectual debates we could have. And he was a banker, among other things. He would take me to banking conventions with him, and the requirement was after every session that we would sit in on or every cocktail hour we would go to he would say what did you see. And I would debrief him by saying well, this guy didn't believe a word you were saying when you were in the cocktail party and they were talking about something. I'd say, I could just tell he didn't believe you. He said why not, what were the clues. And I would give them the clues, and he would say, well, I think you're right about this, right about this, wrong about that. So, he was always testing me and he just loved it, that I cared so much about people's reactions. So, he was my constant tutor. And I -- then I would say -- I mean, he -- we'd have that conversation, and I would say and none of that would show on the Wonderlic.

Holleman: Yes. Did you all ever work together traditionally?

Kolbe: Well, we baited hooks together and we went to a lot of sporting events together. You know, all of that was part of what I now realize was my life's work. But the interesting thing is the last thing I did with Dad was a trip to China in '79. And while we were on the train, beeping along -- you don't really beep along on a Chinese train in '79. You agonizingly slowly slither. We had a great deal of opportunity to talk. I had lived in Arizona for years by then, several years, and so we hadn't had as much personal eyeball time. And we agreed to write a book together. Now, the book was going to be on leadership. Dad had many theories of leadership, and he and I always talked about those things, what makes a good leader, what -- and he was so intrigued that I had started a business.

I think frankly he was a bit jealous, because I got away from the family businesses, that became the test business, a bank, a this, a that, and it started being much more economically driven than ideas driven, I think, for him. I think he was more entrepreneurial than he -- the entrepreneur started all these, but then I think it ended up getting to be Fact Finder Follow Thru things, and now what I see was my dad started going through the stress of what kind of a monster have I created, it's bigger than I ever wanted it to be and there are all these employees I have to deal with, and their issues. I saw that happen to my dad and to his business, and he brought in the only son to be the -- and it was very sexist, extremely sexist. He left the business to my brother, and he left the -- all of the money. I didn't get anything. I got ten cents on the dollar of what I should have gotten, in terms of inheritance. I now know that's one of the greatest gifts he could have given me, was no money -- no significant money. Because I was totally free to do my own thing my own way. I was not tied in any way to Wonderlic business. And

I had the freedom that I needed to do what he had never been able to do. But, now I know why some of those last conversations I had with him about leadership were so interesting, because what he was seeing was I was getting to lead in an environment and in a way that I was passionate about, and what he had had to do was lead in order to make money. Coming through the Depression, coming through having four kids, having a spouse who desperately needed to have consistency -- I think my mom was a Follow Thru, I know she was, was she a Follow Thru, and I say that because I was supposed to make my bed every day. I never have figured out why that matters. But it does to a Follow Thru.

Holleman: Sure.

Kolbe: So, these were things that drove him to have to be in charge of meeting many, many people's needs, whereas he saw me say I'm going to do it my own way, I'm going to do my thing, and it's based on a passion I have, not to prove my dad wrong. It was never about that.

Holleman: Yes.

Kolbe: It was to, to look at all those things I had seen that nobody had figured out how to assess, nobody had figured out how to help people be who they were, and I was going to do that. I had no intention of writing a test, ever. I never, ever went that direction. It was all about writing, counseling, talking, and I didn't even think of it as a career. It was just that was my being, that was who I was, that was what I was about. But it never materialized as I'm going to start a company, that wasn't my intention, or I'm going to write a test. Those just happened because it was the right thing to do.

Holleman: So, you had a hunch early, from the very early days of the basement work?

Kolbe: More than a hunch, a drive.

Holleman: A drive that said there's more here.

Kolbe: Yes. I knew it.

Holleman: So, to some degree what I hear you saying is that you were really continuing his work. Finishing is probably too strong a word, but continuing early rooted --

Kolbe: I was doing my work, not his work.

Holleman: Okay.

Kolbe: I'm not continuing my dad's work. I'm doing my work, which was inspired by questions I had --

Holleman: Yes.

Kolbe: -- when I was doing his work. But, I would never --

Holleman: Sure.

Kolbe: -- I have never worn the cloak that says Kathy is finishing her father's work.

Holleman: Yes.

Kolbe: She is going to make his mistakes right. What he did was brilliant, absolutely brilliant. What he did was pioneering. But he -- what he did wasn't what I wanted to do.

Holleman: Sure.

Kolbe: And I didn't think it was so wrong, except when it came to some of the gender, age and race bias, not in his work but in the way it was used.

Holleman: Sure.

Kolbe: My work was always my work. He saw it that way and I saw it that way.

Holleman: And let's talk about that work, the conative part of the mind. Help our listeners better understand that, and what that is.

Kolbe: Conation is that thing inside us that is our drive. It's driven by our instinct. It's driven by our modus operandi, that internal characteristic, that pattern to our action, that makes us who we are. I believe it's connected to our very soul, and we're born with it. And it's not genetic. You are who you are. And it's not learned. It's not cognitive. Cognitive behavior is learned. Conative behavior is what it is. When we say well, that's just Charles -- which I was saying about Barkley again last night, he drives me crazy but Charles is Charles. And I don't think anybody would want to change him. When we say someone is who they are, what we're usually talking about is the conative self. Not their personality and not their intelligence, but the way they take action. What they -- it's not what they do it's how they do it.

So, I look back at it and I think of the four kids in my family I'm the one who most took action the way my dad did. But what I saw was he didn't have the freedom to be himself. And I wasn't going to be that person who didn't get the freedom. I was going to do it, and do whatever it was I was doing. And I've done many things, but what I have always focused on was trying to help other people have the freedom to do it their own way. I didn't learn the way teachers taught. I learned the way that worked for me. I pretty much put my fingers in my ears when they were telling me what to do, because I knew what they told me wouldn't work for me. That's the dyslexia part.

Holleman: So, we're sitting here now and you've got several family members working with you, including a son. Help us understand some of the processes you

thought about as David, your son, was coming into your business, based on your experience and your work in conation.

Kolbe: I have two birth children, and one of them is in the family business. It's not really a family -- but is a family member in the Kolbe Corp, and that's David. The other one is a psychotherapist with whom I have the same kind of arguments I had with my dad. It's just a hoot. If you listen to the two of us talk, it's so reminiscent. In this case, it's her saying but Mom, it's not all about conation. It's just a riot to hear us talk.

Holleman: History does tend to repeat itself.

Kolbe: Yes. And in this case it's just so funny.

Holleman: Yes.

Kolbe: It's so funny, because it's the cognitive conative from the other perspective. So, she is a fabulous psychotherapist who uses conation but thinks Mom, maybe you go a little overboard. And David was -- I mean, he's a born Fact Finder. He's always been a Fact Finder. He always wanted to argue about the facts, the details, the specificity, and he became a lawyer.

Holleman: So, you knew early you were going to be paying for law school.

Kolbe: He was always saying it's not fair. He would come home and he would say it's not fair, and he would give me all the details of why something had happened that wasn't fair, and at the end I would say yes, but it is kind of the way it is in school. And one of his big things was how bad the food was and unhealthy the food was. And we now laugh about that so much, because he used to do the documents and do the study and give it to the schools, and, you know, you shouldn't be feeding us this stuff, it's not healthy for us. But, that was David. And when he went into law, and it was one of his

law professors who recruited him for his firm and said I want you to take over my firm someday, David found law had no passion for people. And you argued sometimes when it -- you were hurting for the person you were arguing against. And he said I can't support something just because I'm getting paid to do it. I have to do what I believe in. And he decided he had to leave law, and his boss said I'm so glad because if I had the chance to leave now I would for the same reasons, the every 15 minute billing and all that stuff, but it is more complex than that. Well, I had always told my two kids that you can never work at Kolbe, because I had seen what had happened with the ones who stayed with the Wonderlic business, whereas I had had the freedom to go be myself. I said you have to go do your own thing. And then I would say --

Holleman: That was a hard rule you had?

Kolbe: Yes. But I started having employees rip me off, badly, and I would have to deal with intellectual property rip-offs and lawsuits and I started to realize what I really need around me are people who I can trust, absolutely trust my life's work with, and I was having a lot of trouble with employees who I could not trust. So, I started to think well, maybe what I should say to them is you can never come here and work until you have succeeded somewhere else, because that's really true.

Holleman: Quite different.

Kolbe: And it's different. And so I said that to them. I said, you know, it may be that someday you will want to come in here and that, because you guys care about what we're doing and have an interest in it, I think I've always been wrong when I said you can never come work for me because I -- it's my business, and I don't want you to be in a family business. It will never be a family business. It will always be a mission. Once

you've proven yourself somewhere else, if you're interested you can come back into the business. Well, then Will and I married and merged -- blended three more kids into the mix, and now his daughter, who, interestingly enough, has close to my M.O., and my son, who has my husband's M.O., are in the business, both having succeeded in their own right in their own fields first. So, they came in with confidence.

Holleman: Yes.

Kolbe: And I think that's a huge difference.

Holleman: And one you would articulate to any other business owner, I assume?

Kolbe: You should never let your kid come into your business until your kid has experienced working for others, and succeeding. They can work for others and fail. Don't then bring them into your business because you want to buck them up, because they'll always feel I couldn't make it anywhere else so I came here. They need the confidence of having succeeded somewhere else. Then when they come in your other employees also know you're not getting them because they're weaklings. You're getting them because of their strengths.

Holleman: And, as we wrap up, focus a little bit on strengths and what the Kolbe test does for fitting --

Kolbe: Well, I've worked with a lot of family businesses. And to explain Kolbe as you use it in a family business, a couple of cases come to my mind. I'll talk about one where the mom and dad, who had been running a business that became very successful, came to me and said we want to get in the RV and start traveling and we want to just dump the business and turn it over to our kids, and we have three kids. The son -- the oldest son, who we want to turn the business over to, has been a great salesperson but



every time we give him a leadership role he messes up and fails us. I love the fails us.

Don't use that phrase.

Holleman: No.

Kolbe: He fails us and we get angry and we send him to another course on leadership and he comes back and makes the same mistake. We tested him. He was a Quick Start. His natural drive is to start a business or to go out and do things to build the business. It's not to manage the business. He didn't have the background or follow through to do that. The daughter, they said, is a real sweetheart, we love her, and she's hardworking, and she's in our accounting department. Everybody really loves her and she does a great job, but she really gets bored a lot of times and we're not sure whether she's going to stick to doing that. But that's -- she's good at it, so we're really happy with that placement. We tested her, it turned out she had the Fact Finder insistence accommodation to Follow Thru and Quick Start, perfect for their stage in their business to manage the company. Then there's the third son, and they said well, he's basically our big problem. He's got all kind of issues. He wants to be a racecar driver, and he's basically a jerk. But we love him, we all love him, but he can't go spend the money being a racecar driver. We tested him, and he was a combination Implementor Quick Start, resistant to Fact Finder Follow Thru. So, I said look, here's what you need to do. Trust me, do it, you will all be happy. Don't, trust me, you're going to have a miserable family and business situation. Make your daughter the CEO, but give her some time to move into the role. Bring in an outside CEO to train her, because you haven't given her a chance to really be in leadership. But, she's your future CEO. Have your son take over the sales part of it and product development, because that's his niche. And he loves the

business, he loves you, he works well with this daughter, and I don't think there would be a problem but you've got to figure out that he doesn't mind that she's the CEO because he's got his own niche, and he's got to have some authority in that niche that she doesn't mess with. And that's really important.

Holleman: You bet.

Kolbe: It's really important that one sibling doesn't get to decide the other siblings' pay scale, and that's a decision that's made by the family or the board but it's not one sibling over the other. And then your third kid, why don't you set up a separate business, a racecar driving thing, set him up in business. Give him some of the money that the others get through salary. Give him a chance to succeed or fail. Tell him we'll go watch you, and we'll go support you, but you're not in the family business. You're in your own startup, and we're investing in your startup. But if you don't make it work money gone. You will go do something else. The son now is a major racecar driver. He makes a ton of money, probably more than all the rest of them. The daughter is a highly successful CEO who tripled the business the first year she was CEO. And the marketing sales guy has developed all sorts of new products. Mom and Dad beep around in that RV and just have a marvelous time. So, they did it. It worked. But if they hadn't done it that family was doomed to all kinds of terrible interpersonal relationships, and I don't think the company would have grown. They would have ended up being taken over.

Holleman: Sure.

Kolbe: It's not always that clear. I make it sound simple. It actually is simple, but it's not always that people will listen to the conative, because they have no personal experience with it. So, we sometimes have to be in their face about do it, try it, trust us.

Holleman: Yes. But we could talk for hours on this, and I know we have to wrap up. The last question would be if you had one question you could ask your Dad, and one truth you could tell him, what would those two things be?

Kolbe: Why did you give the son all the power? Was it on purpose so I would be free? I like to think he did it on purpose, but I don't know. It may also have just been the sexist era. One thing I could tell him? I think he knows it all. I really don't think there is a thing I have to tell him, because I truly believe he knows everything I'm doing and why I'm doing it, and I think he shares my life with me.

Holleman: Great answer. Thank you very much.

Kolbe: You're very welcome.

(Whereupon, the interview was concluded.)

CERTIFICATE

I hereby certify that the foregoing is a true and accurate transcription, to the best of my skill and ability, from a digital recording.

ELECTRONIC DOCUMENT\_\_\_\_\_

Jane W. Gilliam, Transcriber