

# How do you win – a la F1

Formula One (F1) is the most prestigious motor-racing competition on the planet. Every season, from March to December, 10 F1 teams participate in races across the world. The 2022 season features 22 “Grand Prix” weekends on five continents. Each involves three days of events: practice sessions on Friday and Saturday, qualifying sessions or short-sprint qualifying races to determine starting positions later on Saturday, and the actual race on Sunday. Close to half a billion unique viewers tune in to F1’s television coverage throughout the season, and the action on the ground can attract as many as 400,000 live spectators.

It is incredibly hard to win a Formula One race even once. The sport is often decided by margins measured in thousandths of seconds. Everything—from the engineering of the car in the factory to the multitude of decisions made on the track during a race weekend—needs to come together in order to produce a victory. Last year only four teams managed to win at least one Grand Prix. It is even harder to rack up enough points in a season to win either a Drivers’ Championship (for the driver with the highest number of points, awarded according to the order in which cars finish a race) or a Constructors’ Championship (for the best overall team performance). And because the FIA, motorsports’ governing body, regularly overhauls its regulations to increase F1’s competitiveness, putting together a string of championships is nearly impossible.

Nonetheless, there is one team, Mercedes-AMG Petronas (or Mercedes, for short), that has managed to dominate F1 over the past decade. It has put together the longest winning streak the sport has ever seen: In the 2021 season Mercedes won its eighth consecutive Constructors’ Championship. During that

eight-year period, the team won nearly seven of every 10 Grand Prix races it competed in—a staggering feat.

that remarkable series of victories was a team effort, one person was at the helm of the organization throughout—Toto Wolff, the team principal. His role requires him to lead approximately 1,800 people, including an elite group of drivers, the engineers and mechanics who develop and manufacture the car and its engine, and other employees in various supporting functions. Wolff, who assumed the position in 2013, is widely regarded as one of the best team principals F1 has ever seen. And the Mercedes team under his leadership has every reason to claim the title of most successful team in the history of F1—and maybe in all of sports.

How has Wolff done it? How has he led Mercedes to one victory after another? Last year my colleague David Moreno Vicente and I had a unique opportunity to study the team's operations up close, by joining Wolff and his colleagues on the road and going behind the scenes during race weekends, where we watched them working in the garage, practicing pit stops, and conducting race-strategy meetings. We also sat down for interviews with Wolff, his drivers, and many other team members. All of that resulted in a case study, first taught in my MBA class in March 2022, which Wolff himself attended as a guest lecturer. (He even had the Mercedes F1 car shipped to campus for the occasion.)

While working on this project, I learned a great deal about the winning culture that characterizes the Mercedes team. In what follows, I have distilled my observations into six lessons for leaders hoping to cultivate their own winning teams, whether in sports or other realms. During my research I also came to understand how Wolff, with his mindset, values, and actions, shapes the culture at Mercedes. In fact, it was fascinating to discover how much his leadership traits map onto the culture he has fostered. There is a powerful message here for every leader—what you say and do comes to define the

organization you lead—and so I aim, too, to highlight those connections.

[ 1 ]

## Set the Highest Standards—for Everyone

Wolff is a self-admitted stickler for even the smallest details. He told me that when he first visited the Mercedes team's factory, in Brackley, England, he walked into the lobby and sat down to wait for the team principal he would come to replace. "On the table were a crumpled Daily Mail newspaper from the week before and two old paper coffee cups," Wolff recalled. "I went up to the office to meet him, and at the end of our conversation I said, 'I look forward to working together. But just one thing—that reception area doesn't say "F1," and that's where it needs to start if we want to win.' He said, 'It's the engineering that makes us win,' and I replied, 'No, it's the attitude. It all starts with an attention to detail.'"

Wolff also told me about the first time he visited the bathroom in the team's hospitality area at races. "It was dirty," he said, "and I thought, 'That cannot be. This is our home on a race weekend and where our sponsors come with their families.'" To remedy the situation, Wolff hired a full-time hygiene manager, Miguel Guerreiro, who now travels with the team. "I physically showed him how I wanted him to clean the toilet, how to put the brush back, how to wipe the floor, how to put the soap bottles with the front facing forward, how to sanitize the handles, and so on. And I walked him through what I wanted his schedule for the week to be, and how on Sundays, when it is busy, I want him to park himself right next to the bathroom and make sure it is spotless after every guest."

Whenever I teach the case study, we end up talking a great deal about Guerreiro and about why Wolff—with everything he is responsible for—would occupy himself at such a granular level of detail with the cleanliness of the toilets. Is he micromanaging? Perhaps. But he is doing so with clear goals:

to set the highest possible standards throughout the organization, to send a message that no job is too small for even the highest-ranking executive, and to highlight that every single team member plays a part in Mercedes's performance.

Toto Wolff driving a Mercedes-Benz W 196 R in 2019 (left); Wolff at the 2018 Hungarian Grand Prix (right) Jürgen Tap (left); Steve Etherington (right)

Wolff's approach has trickled down into every aspect of the organization. "When I walked into the garage 10 years ago, it was messy," he told me. "Now we're cleaning the floor every time the car has been in there. You'll see no tire marks, no tool out of place. Everything is spotless and organized. I think that affects how we look after the cars too. We're meticulous."

This mindset has contributed to the emergence of an organization that is obsessed with excellence—one that constantly aims to raise its standards and set the benchmark within its sport.

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Put People Front and Center

"I don't run racing cars," Wolff is fond of saying. "I run people that run racing cars." He seeks to make his organization a people-centered one, and he genuinely cares about the individuals he works with. "Each person in the organization has hopes, dreams, fears, and anxieties, and it is important for me to understand what those are—to learn what drives a person," said Wolff. Taking an interest in others is a key trait in any setting, but maybe especially so for an F1 team principal who has to deal with a multitude of very different stakeholders, from drivers, engineers, and other staff members to Mercedes board members, sponsors, the media, and governing-body officials.

Working effectively with world-class engineers in a highly

specialized profession is often a challenge for team principals who, like Wolff, do not have a technical background. One Mercedes team executive I spoke with highlighted the risk of principals being held hostage by engineers—for instance, when something is not right with the car during a race weekend but no one is sure how to solve the problem.

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Race weekends can be roller coasters of emotions, and it is easy to feel pressure as a principal if you don't understand the technical details as deeply as others do. Wolff, however, accepts that. “I don't know as much about aerodynamics as the engineers on the team do,” he said, “but I want to know about them as people, and I enjoy spending time with them, which makes it easier to figure out the best course of action in tough situations.” The effort he makes to build a rapport with his team members benefits all parties, explained one Mercedes executive: “This is a business that is dominated by engineers. It is not easy as an engineer, as you gradually get promoted and find yourself in a position of, say, technical director, to realize that you suddenly, for the first time in your career, have a boss who isn't an engineer. But with Toto that transition has been relatively smooth, because he has spent a tremendous amount of time understanding what it is that we, as the engineering community, are trying to say.”

Wolff knows that “it is not necessarily the best individuals who win races but the team that works best together,” as Mercedes's chief people officer put it. That's why, at the start of his second season at Mercedes, Wolff organized an offsite with nearly two dozen members of his leadership team to talk about the human side of the organization. They discussed their vision for the team, identified the core values they wanted to emphasize, and outlined their ambitions.

Lots of leaders engage in such exercises with their teams, of course, but what makes these effective is the follow-through. Wolff realizes that changing an organization's culture is a slow process that requires a consistent, year-after-year effort. So in Mercedes's annual employee evaluations, the leadership team asks people to self-assess their performance on the team's core values. And the team leaders spend a day each year clarifying their intentions ahead of a new season and summarizing the team's goals in a short write-up that serves to guide their work throughout the year.

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### Analyze Mistakes—Even When Winning

Performing with excellence does not mean that mistakes are never made. When something fails, Wolff is all about what he calls tough love or brutal honesty. "He tells you the truth even if it might not be what you want to hear," as one team engineer put it. "He'll just say, 'This is where we are, this is where we need to get to, and this is how we are going to figure this out,' in the spirit of 'You're not an idiot, but this is why it was an idiotic decision.'"

Wolff's directness has contributed to an organizational culture that places great value on analyzing its race-weekend performances thoroughly, regardless of the result. Win or lose, the team holds debrief meetings and always conducts them in exactly the same manner, with a focus on what can be improved the next time. "After a win," Wolff noted, "most people go home and say, 'That was a good weekend.' They don't go home and say, 'Why did we win?' It's only when they lose that most people start to dig deep. But we have an ethos that we are upset about the small things we do wrong, and so we treat wins the same as losses."

He added, "I remember a weekend in which we surprised ourselves with our straight-line speed. I told the team that I wanted to know what the cause was. We hadn't suddenly witnessed any miracles with our power unit or chassis. So what

was it? If you don't understand what is happening on a good day, you surely won't understand what is happening on a bad day."

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### Foster an Open, No-Blame Culture

In Wolff's view, analyzing mistakes should not lead to assigning fault. In fact, Wolff advocates a no-blame culture and makes a point of—very publicly—backing individuals who make missteps. When he talks about the people on his team, he often refers to them as his "tribe" and defends them staunchly. He explains, "I'm there to protect my tribe, and I will fight back with all I have. I want my people to be able to say 'I made a mistake' and for us to move on from that."

Wolff's approach was on full display in the aftermath of a significant failure during a 2021 race in Monaco. During a pit stop for then-Mercedes driver Valtteri Bottas, one of the mechanics tasked with changing a tire found it to be stuck in its position. As the clock ticked, all attempts to remove the tire proved fruitless, forcing Bottas to pull out of the competition midrace. The tire was so jammed, in fact, that the team had to ship the entire car back to its factory in the UK, where the wheel was cut off with a special tool. "That had never happened in F1. The mechanic was heartbroken," Wolff said. "I stood up then and said, 'Yes, you are going into the history books with the longest pit stop ever for a tire change—36 hours.' But I also made sure to show him and everyone else in the garage and at the factory that I had his back when, after the race, a journalist tried to blame the mechanic. I was sending a message that I am protecting the team."

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It is easy for leaders to declare that they want their

organization to refrain from assigning blame. But living up to that promise when setbacks inevitably present themselves is incredibly hard. "When someone makes a mistake in your company," Wolff explained, "especially when that happens in front of 100 million people watching, the natural thing—almost like a pressure-release valve—is to say, 'It's his fault.' But as a leader you have to fight that instinct and ask yourself, 'How could that happen? Have we not provided the right tools, or the right training, or put the right people in the right place?' In the end, even though I wasn't the one changing that tire, the mistake is my responsibility."

Wolff is also not afraid to be honest with himself and others about his own failures. He recalled one such incident: "There was a race where I had a board member standing beside me in the garage, and rather than being fully available for the strategists, I was chatting away with him. We missed the window to pit the car. In the debrief on Monday morning in which the 30 or so heads of different departments come together, I admitted that I'd had a massively bad moment. I should have been a sparring partner for [my motorsport strategy director], and I was not. I was distracted. That loss goes on my shoulders."

Wolff's reluctance to assign blame to others and his willingness to accept it personally combine to foster a culture that encourages openness. "When they make a mistake, I want our people to know they don't need to lie in order to retain their jobs," Wolff said. "I want the organization to be one in which people feel safe speaking up. We live by the mantra See it, say it, fix it."

That ethos is one that Lewis Hamilton, one of the team's drivers and a seven-time winner of the Drivers' Championship, fully endorses. "I've been in other environments where one person got the blame for something," he said. "But we have to do things together. Even at the racetrack, when you know something has gone wrong and it is down to one person, we



don't single out that person and make them feel bad—we all bear the brunt of it.”

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### Trust Superstars but Maintain Authority

One of the most challenging aspects of a team principal's job is managing the drivers. They are global celebrities, with all the demands on their time that fame entails. In addition, each team participating in a race has two drivers competing in separate cars, which offers strategic advantages but can also create tension. “The Constructors' Championship is a reward for the entire team,” Hamilton explained. “As a driver, you're somewhat conflicted, because you also want to beat the team's other driver for the Drivers' Championship.”

Wolff is quite trusting of his drivers, observed Hamilton. “Some people in F1,” he said, “are of the mindset that a driver has to go to bed at 10 PM and shouldn't do anything but race. I told Toto I am different. I have other creative outlets I'd like to tap into—fashion, for instance, and music—which allows me to do my job best. It helps me be in a happier place. Toto understands that—he has been super accommodating.” For Wolff it's a matter of mutual respect: “We have a pact. The idea is, ‘You perform, and I create a framework for you that allows you to perform.’ He knows what is good for him—I trust him on that.”

For 10 days during the 2018 season, for instance, to commemorate the launch of his own fashion collection, Hamilton walked the runway at a Tommy Hilfiger show in Shanghai, flew to New York and then to London for a friend's wedding, and eventually joined the team in Singapore a day before the weekend's first practice sessions. “Lots of people were in disbelief that I allowed him to do so,” Wolff recalled. “I told Lewis, ‘You know people think I've lost the plot here,’ but he said, ‘Trust me.’ His performance that weekend was from another world. He delivered one of the best qualifying laps we have ever seen and then drove away from the field at the start

of the race. No one came even close.”

Telegramme

Importantly, although Wolff gives his drivers considerable autonomy, he is not afraid to be a strong leader when the situation calls for it. He cited an incident at the Barcelona Grand Prix in 2016 between Hamilton and Nico Rosberg, who also drove for Mercedes at the time. They infamously clashed while leading the race, taking each other out on the first lap. “I felt that they were opportunistic,” Wolff recalled, “putting their own objectives before the team’s objectives. They did not respect that there were a thousand people who worked for them. I had to show the organization that I wouldn’t allow that behavior anymore. After the race, I demanded that both drivers come out to the space where all the engineers were. I told them, ‘Look at everybody here in this room, imagine everybody back at home and their families, and realize how you are making us look.’ I used some harsh words I cannot repeat here. I saw the engineers look at the floor, the drivers look at the floor....I said, ‘The next time you want to drive each other off the road, you think about all the faces here, and then you will think twice.’ And I told them that if it happened again, I would not hesitate to take them out of the car. I said, ‘Don’t challenge me on this—you don’t want to find out what I am capable of.’”

Wolff readily praises his drivers (they “would not be F1 drivers if they weren’t intelligent,” he said), and he understands that anyone can make a mistake. “But they need to know,” he added, “that you have your limits, and that you have a side they won’t like and don’t want to see.”

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Relentlessly Battle Complacency

Wolff deeply dislikes losing. “I cannot stand the humiliation we would face,” he told me, “and I will do everything I can to avoid it. I just cannot take losing against someone. You must never, ever believe that the winning will continue. On the

contrary, I always worry that it could end—that this is the cliff, and I am staring at the abyss.”

Wolff showed his competitiveness in 2018 after Sebastian Vettel, Ferrari’s driver, won a race in the UK in front of a huge crowd of mostly British fans who were supporting their fellow countryman Hamilton. “In the final lap,” Wolff recalled, “when Vettel is celebrating, he tells his team on the radio something in Italian like ‘We won in their home!’ That’s such an insult. It was also the best thing that could have happened to us. We played that segment over and over again in our factory. And by the end of the season, we were champions again.” He added, “For me, the joy of winning is normally much less intense than the pain of losing. The fear of losing stays with me. And that’s helpful—I wouldn’t ever want to get used to it. Getting used to losing is the biggest reason for losing.”

Several executives I interviewed made it clear that this mindset has permeated the culture at Mercedes and in fact may be the key to the team’s winning streak. “We try very, very hard to keep reminding ourselves that our competitors are very good, that they will be hurting when we win, and that hurting generally leads to trying desperately hard,” one executive said. “We work more hours today than we did in 2014, the drivers spend more time in the simulator than they did in 2014, we spend more time going through data analyzing what went right and wrong—everything is levels deeper than what we did back then....It is the opposite of complacency.”

One way in which Wolff fosters ongoing competitiveness is by encouraging his team members—from the engineers to the marketing people—to find out who their counterparts are on rival teams and commit to surpassing them. This motivational strategy is evident from an email he sent to the entire organization ahead of the 2021 season. In that email, after pointing out that Mercedes was significantly underperforming in preseason testing, he added:

It's all there; we need to channel the force into the right direction. And this direction points to Milton Keynes [the home base of rival team Red Bull]. We have spoken about this in the past: Take the time to find out who your opposite person is there and look at him or her every day. Put the picture right in front of you so you know whom to beat. Each of you in whatever department and role will make a difference for our performance for this season and the seasons to come if you do a better job than this opposite person. Never underestimate the power of our collective group that focuses on our joint mission and target.

Such a focus is vital, Wolff understands, because F1 is a sport of margins like no other. As Ola Källenius, the chairman of Mercedes-Benz, put it, "A lap difference of a tenth of a second on average over the course of a season decides who is going to be champion—that's a few meters on a five-kilometer track. So it is incredibly difficult to win an F1 championship, let alone eight in a row. Everyone needs to have the mindset to want to chase every thousandth of a second all these years." He continued, "If you have won several times, like Mercedes has, you become the one being chased. You are no longer the hunter—you are the prey—but you want to keep the hunter mentality alive. Toto has been masterful at not getting complacent himself, and not letting anyone around him get complacent either."

Although most Formula One fans may pay keenest attention to the performances of individual drivers during race weekends, the real battle in the sport is about much more than that. For a team to win even a single Formula One championship, not to mention eight in a row, every part of the organization has to do superb work all season long and come together with an extraordinary sense of focus and purpose. Such a feat is likely possible only with the guidance of a highly effective leader—someone like Toto Wolff, who has an unwavering desire to compete and understands that establishing a winning culture

is an all-encompassing, never-ending process.