

Praise for Transactional Intelligence

"For decades we have taught leaders to develop their IQ and their EQ. *Transactional Intelligence* names a third intelligence — the ability to conduct human exchanges that produce ethical outcomes. Practical, teachable, and long overdue."

— DR. MARSHALL GOLDSMITH is the *Thinkers50* #1 Executive Coach and New York Times bestselling author of *The Earned Life*, *Triggers*, and *What Got You Here Won't Get You There*.

"I've spent years watching culture get built or broken one conversation at a time — and knowing something was happening beneath the surface that I couldn't quite name. TQ gives you that language. Once you can see the structure underneath your exchanges, everything about how you lead changes. This book is the missing piece I didn't know I was looking for."

— CHESTER ELTON, author of *Leading with Gratitude* and New York Times bestselling author of *The Carrot Principle*

You've Been Working at the Wrong Layer

Have you ever been in a meeting where there are lots of words spoken but seemingly nothing came of it?

— STEVE RUCKMAN, Western Digital

You have just read about Marika in a conference room and Joe and Joni in a kitchen.

What was missing in the room with Marika is the same thing that was making Joe work seventy-hour weeks for thirteen years. It is the same thing that was making Joni sit at the edge of a business that, for years, did not know what to do with her. It is the same thing that was making Marika doubt herself for a decade despite being one of the most valuable people in her organization.

We have been pointing toward it across two chapters without giving it a name. We are going to give it a name now.

The Layer Underneath

What you have been seeing, in both rooms, is a layer that runs beneath every conversation between human beings.

It isn't a layer that can be simplified or isolated as just the words people use, just the tone of voice, or just the body language. It isn't just the personalities in the room. It isn't meeting management, or best practices, or active listening, or any of the techniques people are taught for handling other

human beings. These are all real. They matter. They are aspects of what is going on. But they sit on top of something larger — the architecture of human exchange itself, the structure beneath what people say to each other and what comes of it.

That layer has been operating in your life for as long as you have been having conversations. Longer than that, actually. For as long as you have wanted something from another person. Before you had language. Before you understood what was going on around you. You were transacting.

In fact, you were probably better at it when you were younger. Before you had been taught to concern yourself with the noise that gets in the way of being heard, of making sense, of getting what you most need from the people around you.

The layer is not new. Nothing is being added to your life by this book. What is new is the language. The layer has not had a name in business or in management or in most of the spaces where people work and live and try to understand each other. Marika could not see it for ten years. Joe and Joni could not see it for thirteen. Their inability to see it was not a personal failing. It was the absence of a vocabulary for something that has been running through their lives the entire time.

The work of this book is to make that layer visible.

What We're Calling It

Transactional Intelligence™ (TQ) is a structured methodology for navigating the hidden layer beneath every conversation — the human exchanges that produce every outcome. TQ makes those exchanges visible, so you can move through them consciously rather than be ruled by forces you cannot see.

Sit with the second sentence for a moment.

Move through them consciously rather than be ruled by forces you cannot see. That is the entire promise of this work in one line.

Marika, for ten years, was being ruled by forces she could not see. Joe and Joni, for thirteen years, were being ruled by forces they could not see. The forces were not external. The forces were not malicious. The forces were the structure of every exchange they were participating in, every day, without having a way to notice that exchanges had a structure at all.

Once Marika could see it, she could move through it. Once Joe and Joni could see it, the marriage and the business they had been grinding themselves down inside began to function differently. Same people. Same skills. Same effort. A different layer.

The intelligence we are pointing at is not in the head. It is in the room. It is in the moments between people. It is what allows two human beings to actually move forward together rather than past each other.

When People Say “Transactional”

A note about the word *transactional*, because we have to clear something out of the way.

You have heard people say, with a curl of the lip, *that conversation felt transactional*. They mean it felt cold. Calculated. As if the other person was running a script. As if the warmth had been removed and what remained was a kind of cynical exchange, a thing each party was extracting something from.

The word in that usage describes the absence of human connection. It describes someone treating other people as instruments. It describes, often, a manipulation.

They are not wrong about what they felt.

What they are wrong about is the conclusion. The cold conversation was not the absence of transacting. It was bad transacting. Forced transacting. Low TQ transacting. Transacting where one party moved past the others, took what they wanted, and left.

That is still transacting. It is just transacting done badly.

Most of what is happening out there in meetings, in conversations, in negotiations, in the small daily exchanges that move human work forward, is bad transacting. That is the diagnosis the book is making. It is also the reason the book exists. The word *transactional* has not been broken by misuse. The reality the word describes has been broken by people who do not know how to do it well.

This matters because we are about to ask you to take the word seriously. To use it precisely. To recognize when you are doing it well, when you are doing it badly, when the people you are exchanging with are doing it well, when they are doing it badly. To stop reaching for *transactional* as a slur and start reaching for it as a description.

There is one more thing to say here, and it is important.

Some of what good transacting requires is not warm. There are moments in any consequential exchange where the work gets cold, hard, even icy — moments where someone has to deliver a number, hold a line, decline an offer, end an arrangement.

High TQ does not avoid those moments. High TQ does not soften them, either. High TQ moves through them deliberately, without breaking the exchange or pretending the moment is something it isn't.

Life is transactional. Sometimes it is hard. Sometimes it is cold. That is not a failure of transacting. That is what transacting actually is when the stakes are real.

High TQ is not the promise of warmth. It is the capacity to be precise, accurate, and complete in whatever register the exchange requires. Sometimes that register is warm. Sometimes it is not. The skill is not in the warmth. The skill is in the completeness.

This is the first thing the book asks you to hold. When you have called a conversation *transactional* in the pejorative sense, you have been describing transacting done badly — not the absence of it. The fix is not a different word. The fix is doing it well.

What Expertise Cannot Reach

We are not the first to notice the gap. My dear friend Dr. Richard Frankenstein has spent decades in medical leadership — a practicing pulmonologist, a hospital chief medical officer, a senior elected officer of the California Medical Association. He put it to us plainly. A decade of training, medical school and residency and fellowship, produces physicians who are among the most rigorously prepared professionals in the world. They are trained, with supervision, in the clinical encounter — how to handle the difficult conversation, the bad-news disclosure, the patient who arrives angry. That preparation is real, and it matters.

What it does not address is the layer underneath every one of those encounters, and underneath everything that surrounds them: working across teams of vastly different expertise, navigating complex organizational structures, managing overbearing regulations. The transactions that fill every working day.

In some ways the training works against them. The credential becomes a reason not to look at the layer underneath. They are trained to be the expert. Nobody trains them to transact.

Medicine is not the exception. It is the clearest example of the rule.

Law school produces lawyers who can argue with precision and cannot reliably manage the client relationship that determines whether the argument ever gets made. Engineering programs produce people who can solve the problem and cannot move it through the organization. A CPA or CFA can read a balance sheet in their sleep and still watch a partnership negotiation dissolve without knowing why. An MBA teaches strategy, finance, and operations — and produces graduates who can analyze a market and cannot reliably close a deal, repair a partnership, or move a stalled initiative. The expertise is real in every case. The transactional layer was never part of the curriculum.

That is not a criticism of those programs. It is a description of the gap this book addresses.

Expertise earns you the room. TQ determines what you do once you're in it.

A Word About What This Is Not

Before we go further, we want to be clear about what this book is not, because the territory near it is crowded with things it could be mistaken for.

This is not a self-help book. We are not going to promise you happiness, fulfillment, or a better version of yourself. People who promise those things are selling you something they can't promise. What we can promise is a more precise understanding of what is happening in your exchanges with other people, and a practical way to produce better outcomes in them. That is a real thing. It is also a much smaller thing than self-help books typically claim. We would rather offer you something true than something inflated.

This is not a personality assessment book. You will encounter a small number of distinct types in this work, and you are about to learn what they are. But we are not in the business of telling you what kind of person you are so that you can put a label on yourself and feel known. The types exist as a tool for navigating transactions, not as a typology for understanding human nature. The question this book asks you to ask is not *what kind of person am I?* but *what does this exchange actually require, right now, from me and from the people I am exchanging with?* Those are different questions. The first is about identity. The second is about practice.

This is not a sales manual. The methodology applies in any consequential exchange between human beings, not only commercial ones. It applies in the boardroom and in the bedroom. It applies when you are negotiating a contract and when you are trying to make peace with a sibling. Treating it as a set of techniques for closing deals would be like treating a language as a set of phrases for ordering food in a restaurant.

You would miss almost everything that the language is actually for.

What this book is, finally, is a way of seeing. Once you can see the layer we are pointing at, you cannot unsee it. It is the kind of knowledge that, after a while, becomes ordinary — as ordinary as being able to read, or as being able to recognize a tune you have heard before. We are going to teach you to see it. The seeing is the practice. The practice is the book.

What You're About to Learn

The first thing you need is visibility. Before you can do anything with a transaction, you need to be able to see it. So we begin by defining exactly what a transaction is — not colloquially, but precisely — and distinguishing it from the surface interaction most people mistake for it. Then we walk through the structure of a complete transaction: the exchanges it contains, the sequence they follow, and the places where most people stall, loop, or exit without knowing they've left.

Once you can see the structure, we give you a way to navigate it. Not a checklist — a set of disciplines that govern every consequential exchange. Each move has a specific job in the transaction. Each one is learnable. And each one addresses something most professionals are currently leaving to chance.

Then we put the full model together. By the time you see it assembled, it won't feel like instruction. It will feel like recognition. Because you will have been building it for the previous several chapters, and you will have seen it in the stories from the field — from executives and teachers and founders and negotiators and parents who lived these chapters before you named them.

And at the end, we talk about what happens next. How you raise your TQ. What the path of development looks like. How you can practice in real conditions with real stakes.

That last part matters more than anything else in this book. Because TQ is not a reading comprehension project. It is a practice. And a practice requires an environment designed for navigating consequential transactions.

The work that follows takes for granted what some still treat as opposing — that transactions, done well, are how transformation actually happens.

You know what TQ is. You know what it isn't. You know the layer underneath — and you know what it costs when no one in the room can see it.

Every transaction has a structure. Most people have never seen it.

That changes now.

What Comes Next

You've just read Chapter 3 of *Transactional Intelligence*[™] — *HIGH TQ: Why It Matters More Than Expertise*.

Want to know exactly where TQ is costing you? Take the free TQ Diagnostic before you read another chapter.



tqdiagnostic.com