

A TASTE OF SUCCESSFUL BUSINESS PRACTICES



Proven Advice from Experts
on Personal Success, Leadership,
Marketing and Public Relations,
People Management, Operations,
and Entrepreneurship

JIM PENNYPACKER
EDITOR

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PREFACE

I'VE PULLED TOGETHER EXCERPTS from Maven House Press's bestselling business books to give you a taste of successful business practices experienced by the authors, all experts in their fields.

These engaging, easy to read excerpts offer practical advice, step-by-step guidance, and proven practices that will help you:

- Unleash your potential for personal success by understanding how to fit at work, how to focus on your career to make money, and how to become a paid speaker
- Learn lessons about the nature of leadership, the importance of shared values, and the need for engagement
- Discover new ways of thinking about marketing, marketing research, and public relations
- Understand the importance of people in your organization and what you can do to insure their success
- Get practical advice, tools, and templates to help you manage your business operations efficiently and effectively
- Find innovative ideas about how to start a new business and grow an existing one

And if you determine that you've gotten especially helpful advice from one of the authors, be sure to check out their books.

— Jim Pennypacker
Palmyra, Virginia

PERSONAL SUCCESS

CHAPTER 1

Understanding Work Fit

Moe Carrick and Cammie Dunaway

People who love their work bring an intensity and enthusiasm that is impossible to match through sheer diligence.

— Gretchen Rubin, The Happiness Project

JOHN REACHED OVER and pushed the snooze button once again. It's been getting harder and harder to get out of bed in the morning. He has a big presentation today and a meeting with his boss, and he's dreading both. The job seemed perfect at first, but in two years it's deteriorated to the point where John wonders if he should update his resume and start looking for a new job. His team is functioning poorly and their results are poor. Tension is high between John and his boss because their values are no longer in sync. He doesn't want to share these problems with his wife because he knows she'll worry. There aren't a lot of jobs in his field in their

Excerpted from *Fit Matters: How to Love Your Job*, by Moe Carrick and Cammie Dunaway, Maven House Press, 2017.

town; they just moved his wife's mother to a nursing home nearby, and John feels increasingly trapped. Slowly he drags himself out of bed, dreading another day.

Just about everyone can relate to John, occasionally feeling dissatisfied, frustrated, and even disillusioned with the company they work for. John really hoped to fit at his company, and to happily retire from there one day. Instead, he's checked out, looking for a job elsewhere, and clearly not bringing his A game to his current work. John's stress level is high, and it's starting to show in his relationships at home. What had started out as a match made in heaven – the perfect job – has exploded into a burned-out executive and a job search, expensive for both John and his company.

It's a familiar tale. In more than thirty years of consulting to organizations and leading teams, we've heard story after story of genuine anguish and frustration from people who suffer in jobs and companies that aren't right for them.

Everyone deserves to love their job, and it starts with having a great fit between you and the organization where you work. But, as we said earlier, finding a great fit is neither simple nor easy.

YOU'RE NOT ALONE

If you find yourself struggling with fit at work or longing for more meaning in your job, you're not alone. According to The Conference Board Job Satisfaction Survey (Kan et al. 2016), less than half of U.S. workers are satisfied with their jobs. And a recent Gallup study revealed that only a third of workers say that they're engaged in their current job (Rigoni and Nelson 2016). Unfortunately, instead of pursuing the belief that everyone deserves to be happy and fulfilled in

a job for which they're a great fit, many people just give up on the pursuit of job satisfaction, buying into the false belief that work is just a necessary evil, something you have to do to pay the bills.

Why do so many of us simply accept unhappiness and dissatisfaction as natural elements of work? How do people end up in companies that rob them of satisfaction and even joy? Why do they stay? What are the costs for people and organizations of poor fit alignment? What measures can be taken to increase the odds of landing at a company that's the right fit for you? What should you do if you're suffering at work because of misfit?

We started asking a lot of questions in preparing to write this book. And we found a lot of answers. We found survey data, research, real-world stories, tools, and exercises that not only shed light on why so much unhappiness exists but also on what people – people like you – can do about it. Through our years of experience in consulting to and leading organizations, combined with our research of more than 500 people and over 50 interviews, we've culled potent stories of fit and misfit, as well as trends that shaped our thinking. You'll hear the voices of the people we talked with throughout the book. We also offer ideas and inspiration that will help you take heart and keep searching for a job that's the right one for you at your particular stage of life. There's a company out there that's a great match for you, and when you find it both you and your organization will benefit.

WHAT IS WORK FIT?

We define *work fit* as the degree to which a job with a particular company fits you – how well the job's requirements and the

company's values and culture mesh with your expectations, values, personality, and skills. Broadly speaking, it's the match between an employee and the company for which they work. A great fit at work is akin to that perfect pair of jeans that goes on easy and makes you feel good in your own skin. We know it when we find it, but the search is often long and frustrating, and many employees in the United States and around the world haven't found it, settling instead into jobs they keep for financial motivation – but little else.

It's critical to emphasize that great work fit isn't about looking alike or being part of the same social group, class, race, or gender, often called "fitting in." It's about having a common set of values, desires, and expectations that allow you to bring your best self to work.

When work fit is poor, a job feels like this, said Stacy: "The role was lacking in any opportunities for growth or even a lateral move. There was zero flexibility and employees were micro-managed – phone calls were listened to and timed, and even bathroom breaks were timed. It felt like a people factory, not a team environment. It felt like I was punching a time clock and my contributions and ideas didn't matter." And Andrea said, "Every day felt like 'damned if you do, damned if you don't' because it seemed like nothing I did was ever enough to please my management. In one case, this happened even when I did as much as I could with as few resources as possible."

Figure 1-1 is a word cloud showing what people said about poor work fit, or misfit, in a survey we conducted.

When work fit is great, a job feels like this, said Billye: "I have felt pleasure in my job since the beginning. The joy and pleasure of the work made the difficulties easier. I share beauty with the world;

Great Work Fit Word Cloud



Figure 1-2. This word cloud depicts what respondents said about great work fit in a survey conducted by the authors.

EVERYONE NEEDS – AND DESERVES – GREAT WORK FIT

People are not machines. As humans, we’re hardwired to garner a personal sense of value and purpose through our work. Standard thinking about human needs places meaningful work, which is connected to self-esteem and self-actualization, near the top of the ladder, behind physiological and safety needs. Current researchers and thinkers have elevated connection to others, engagement, and contribution as even more basic to our humanity, closer to our most basic needs for food and shelter.

Researcher, author, and TED notable Brené Brown (2010) emphasizes the importance of wholeheartedness (the capacity to engage in our lives with authenticity). She says that connection and

belonging – both of which are needs we bring to the places we work – are as important as other basic human needs. Similarly, Patrick Lencioni (2002), blockbuster author on teams and organizations, suggests that, more than anything else at work, people crave being seen and valued and feeling like they contribute to work that matters (in any role at any level).

Healthy workplaces and great fit between employee and employer are critical to activating great performance and powerful human connections. We believe that everyone can enjoy great work fit, but finding the right match is challenging since people and workplaces are unique.

Professionals in the United States and worldwide spend a great deal of time at work – more than they do sleeping, eating, playing, engaging in household activities, or with family and friends (U.S. Department of Labor 2014). For many of us today, a large number of our needs must be met in the workplaces we join, so happiness in life largely correlates to happiness at work. When you feel good at work, you have energy and the capacity for creativity and partnership. This in turn creates a virtuous cycle in which the better you feel, the more you contribute to work results. People are drawn to partner with you, and together you get things done well.

Changing jobs is exhausting, but the toll taken from continuing in an environment that's a misfit is incredibly high. Poor work fit erodes employee health and well-being, which leads to stress-related illness, stress on families, and stress among coworkers. We know that stress manifests itself in chronic long-term illnesses such as heart disease, diabetes, anxiety and depression, alcohol and drug abuse, and cancer. It also results in fractured family and community systems. These trends affect the health of employees, their

quality of life, their relationships at home, and their efficacy in the communities in which they live.

A BETTER WAY - THE VIRTUOUS WORK CYCLE

When you enjoy and feel successful at something – a hobby, a sport, a relationship – you look forward to it and want to devote time and energy to doing it well. And it's certainly the case with work. When you love the work you're doing, when it truly uses your skills and experiences in a positive way, it creates a virtuous cycle (see Figure 1-3). Because you enjoy your job, you don't mind working hard, and you're able to tackle challenges with confidence and enthusiasm. Your peers and bosses can see that you're going the extra mile to solve issues and generate ideas, and in turn they respond positively to your efforts. Simply put, the more you like your work the better work you do, the more positive feedback you receive, and the greater your enjoyment becomes.

The evidence, as well as our own experience, confirms that feeling good about work leads to better performance and greater success. Research by Jessica Pryce-Jones (2010) reveals that people who are happy at work:

- Get promoted more
- Earn more
- Get more support
- Generate better and more creative ideas
- Achieve goals faster
- Interact better with colleagues and bosses
- Receive superior reviews

- Learn more
- Achieve greater success

It makes sense – when you're happy and at ease you tend to be more productive. You're more open to learning new things and less frustrated by obstacles and challenges. This confidence means that you make fewer mistakes, and that you're more likely to learn from them. You can view problems as opportunities for growth rather than reinforcement of all the things that are wrong. When you're in a virtuous work cycle, relationships with coworkers and superiors go more smoothly. We're naturally attracted to people who enjoy what they're doing, and we're more likely to give them support or to seek out their input and involvement.

This happiness and sense of purpose spills out into our personal lives. Indeed, the connection between feelings about our work and satisfaction with our overall lives is supported by hundreds of articles and academic dissertations going back to the mid-1930s. One of the most far-reaching studies occurred in the 1970s, when Angus Campbell at the Institute for Social Research at the University of Michigan undertook a massive research project to understand how Americans defined the quality of their life experiences (marriage, parenting, health, etc.) and the impact of those experiences on the quality of their lives overall. Campbell found that satisfaction with work was one of the strongest predictors of overall well-being, accounting for almost a fifth of the variance among those who reported a high satisfaction with life and those who did not. Satisfaction with work was more important than satisfaction with finances and friendships, and equally important as satisfaction with family life (Campbell, Converse, and Rodgers 1976).

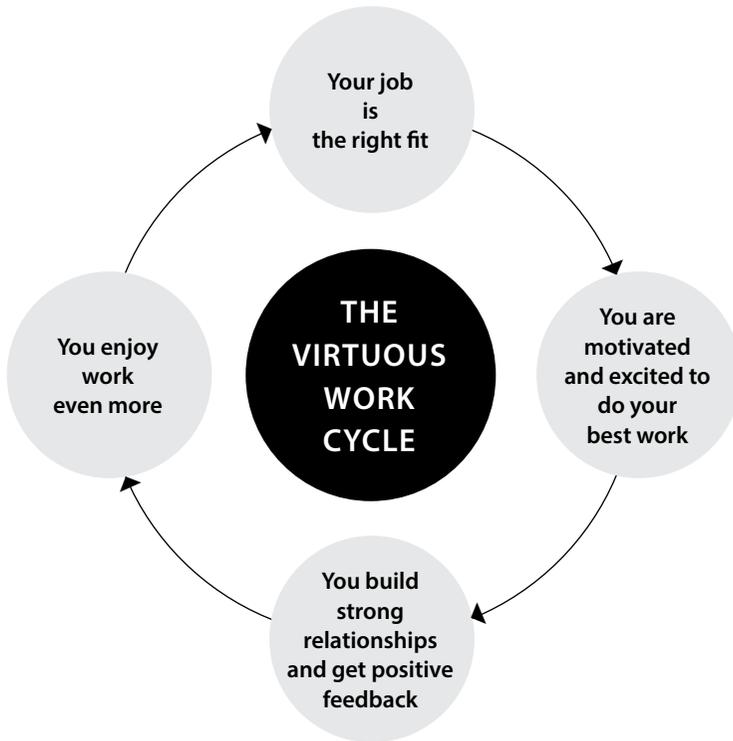


Figure 1-3. The virtuous work cycle is the result of loving your work.

ORGANIZATIONS NEED GREAT WORK FIT

The costs of poor work fit are staggering. When an employee leaves after only a short employment stint, that vacancy leaves a wake of destruction. Many studies have shown that the total cost of losing an employee can range from tens of thousands of dollars to twice that person's annual salary (Bersin 2013). The cost of an employee leaving is astonishing.

But when employees stay in poor work fit situations the cost is even greater. It's expensive enough to replace an employee who

leaves, but imagine what it costs when an underperforming employee doesn't leave but simply lingers on for years. By some estimates the loss of productivity due to employee disengagement costs between \$450 billion and \$550 billion per year in the United States alone (Gallup 2013).

Companies large and small simply do better when their employees are thriving. They make more money, accomplish their missions, produce more, engage happier customers, create less waste, make better innovations, and develop more productive vendor and partner alliances. For the foreseeable future, the human capital of organizations – the employees – will be the main factor in determining which companies will endure and which will churn and burn. Thus, it's good for business to ensure a good match between the employees and the culture of the organization. Period.

THERE IS A PATH TO THE RIGHT FIT

Take heart: great work fit is possible. There's a great fit for every job seeker and job provider; we know it ourselves and we've seen it happen for other people and other organizations.

Throughout these pages we'll share practical advice, reflective exercises, and real-world stories designed to help you advance your understanding of great work fit and how you can achieve it. We'll talk about the importance of getting to know yourself – and how you can go about doing just that. We'll explain the six essential elements of work fit, and we'll discuss how your prioritization of these elements changes over the course of your career, and how to weight them for yourself. And we'll look at how everyone can – and must – handle work misfit.

THE SIX ELEMENTS OF WORK FIT

We've identified six essential elements of work fit. While it's unlikely that all of these elements are great at any point in time, we need at least some of them to be working well in order to feel that we fit well in our organization.

1. **Meaning Fit** – Meaning fit is great when you feel that what you do matters.
2. **Job Fit** – Job fit is great when the responsibilities of your job align with your talents and provide opportunities for growth.
3. **Culture Fit** – Culture fit is great when your values and beliefs are compatible with the practices of your employer.
4. **Relationship Fit** – Relationship fit is great when you like and respect the people you work with and receive appropriate support and trust to do your job.
5. **Lifestyle Fit** – Lifestyle fit is great when your life outside of work is supported by your employer's policies and practices.
6. **Financial Fit** – Financial fit is great when you feel you're paid fairly and when what your employer offers (salary, bonus, benefits, perks, and allowances) meets your needs.

It takes effort to find the path to great fit – and to stay on it. For many of you it begins with asking the question, “How well do I fit in my current situation?” Or, “Am I thriving here?”

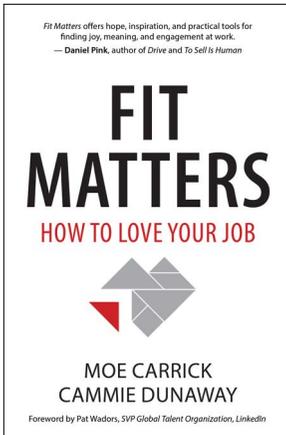
It's time for a new way to work that's compatible with human health, well-being, and satisfaction, and is also good for business

and productivity. Suffering in a job should *not* be an essential part of anyone's career path. Accordingly, we have created The Fit Manifesto (see Figure 1-4) as a guide and inspiration for individuals and organizations committed to ensuring great fit between people and their organizations.

The Fit Manifesto

1. It's possible to feel engaged, happy, and valued at work.
2. People are healthier in mind, heart, and soul when they feel satisfied in their jobs.
3. Individuals who find the right work fit do better outside of work and help create resilient families and strong communities.
4. Work fit varies based on time of life; needs change with circumstances.
5. Organizations do better in all ways (profit, performance, quality, mission) when employees are right for the work and the culture. Companies succeed when the people in them succeed.
6. There is a place for everyone to thrive at work. What works for one person might not work for another. The fit equation is highly personal.
7. A focus on work fit benefits people, organizations, communities, and the world.
8. Fit matters! The global economy demands that people everywhere feel connected and relevant so that they bring their best work to work.

Figure 1-4. The Fit Manifesto is a guide and inspiration for individuals and organizations committed to ensuring great fit between people and their organizations.



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About the Authors

MOE CARRICK is Principal and Founder of Moementum, a Certified BCorp and consulting firm. Her client portfolio includes Prudential Financial, REI, ABB, Nike, Nintendo, Hydroflask, The Nature Conservancy, and others.

A frequent presenter, Carrick has spoken at South by Southwest (SXSW) and numerous TEDx events. She is Certified as a Coach, Sr. Professional in Human Resources, DiSC Practitioner, and Daring Way Facilitator. She earned a BA from the University of New Hampshire and an MS in Organizational Management from Antioch University.

CAMMIE DUNAWAY is a global chief marketing officer, brand consultant, and public board member. She recently served as U.S. President and Global Chief Marketing Officer of KidZania. Previously she was EVP of Sales and Marketing at Nintendo and Chief Marketing Officer at Yahoo!.

A frequent presenter, Dunaway has spoken at South by Southwest (SXSW) and numerous TEDx events. She sits on the board of Nordstrom Bank, Red Robin, and Marketo. She earned a BA from the University of Richmond and an MBA from Harvard Business School.

CHAPTER 2

Careers Are for Making Money

Bobbi Rebell

THE MORE INCOME YOU HAVE, the more financial freedom you will have to do what you want. But we live in a society that celebrates doing something fulfilling. Imagine if colleges listed average salaries next to majors. Would the average student, about to take on heavy student debt loads, really choose a major that wouldn't allow them to ever pay their debt and be financially free?

But we're human. My dad's advice to me when I was growing up was to choose a career that paid a lot so I could do what I wanted, without worrying about money. We compromised on an internship when I was in college. I wanted to be a journalist. He wanted me to work on Wall Street, like he did. So I worked as an intern at CNN business news. I learned to be a broadcast journalist, and I learned about the financial markets. Fast forward and here I am. Find your compromise between doing what you love and what will allow you to pay for the life you want.

Excerpted from *How to Be A Financial Grownup: Proven Advice from High Achievers on How to Live Your Dreams and Have Financial Freedom*, by Bobbi Rebell, Maven House Press, 2017.

CYNTHIA ROWLEY

FASHION DESIGNER

MY FINANCIAL GROWNUP MOMENT

When I was 21 and a student at the Art Institute of Chicago, a woman stopped me on the L-train and asked me whose jacket I was wearing. “It’s mine,” I said, “I’m a designer.”

It turned out she was a buyer for a department store, and she asked me to come to her office first thing Monday with my collection. So I sewed like a maniac all weekend and made five pieces and brought it to her office.

The buyer looked at the first piece and said, “What’s the style number on this?”

Deer in the headlights moment. “Uh, ONE?!”

“Okay, what’s the style number on that one?”

“Um, two?”

She looked skeptical and said, “Where else do you sell?”

“Some of the more upscale mostly European . . . mumble mumble . . . boutiques . . . on Oak Street . . .” Throat clear. “Okay, I confess, I’ve never done this before but if you give me the order I

NOTE: I wanted to make the interviews simple and fun for the Role Models, so I asked them just two questions:

- What was your financial grownup moment?
- What is the lesson from that, or one that you want to share?

A financial grownup moment is that moment when you realize that if you don’t pay attention to money, you’ll never have the financial freedom to live your dreams.

I then added a range of subject matter experts to give readers tangible information and advice for implementing the lessons. And of course I added my own perspectives, along with specific tips and ideas of my own.

promise I'll deliver a beautiful collection and you won't be disappointed." (a.k.a. fake it till you make it.)

I didn't realize I was supposed to ship to the warehouse and showed up at her office six weeks later – with the garments in a competitor's shopping bag. D'oh! But the collection sold out.

That was how I became a designer. I moved to New York, rented a loft, and a few months later held a show. The business went from that first department store sale of women's wear to an international brand with 60 stores worldwide, and lines of shoes, handbags, surf and swimwear, fitness, eyewear, legwear, cosmetics, fragrance, and home furnishings.

MY LESSON TO SHARE

Lots of people encouraged me along the way. But I never looked for somebody to take me under their wing. There's no "right" way to be an entrepreneur. You have to have a vision of where you want to go, short-term and long-term, follow your gut, and take risks every day. It helps to be a pathological optimist and say yes to everything. The smartest thing I ever did was focus on the thing that most inspires and energizes me, and makes me excited to come to work every day. And no matter what the reviews are, never lose sight of the bottom line.

BUSINESS IS ALWAYS ABOUT THE BOTTOM LINE

That last bit from Cynthia is key. Never lose sight of the bottom line. Cynthia Rowley may have taken risks, but she kept her eye on the prize – profits. Business is not a hobby. You're in it to make

money. Rowley was optimistic, but she worked hard. She was ready enough when her big break came, and she had the guts to take chances and recover from mistakes along the way.

TALK TO STRANGERS AND BE NICE

You never know who is a possible business connection. By our very nature, people like to help people. I can't tell you how many people have been helpful to me in my career, with no obvious direct reward for them. Chat everyone up. Ask questions. Learn about other people's businesses and interests. They will often ask questions back, and in many cases they'll offer suggestions or introductions. Always offer to return the favor. The business world works on connections and mutually beneficial favors.

FOLLOW UP ON OPPORTUNITIES, IMMEDIATELY

Rowley may not have been prepared for that chance encounter, but she dropped everything to get that order done, and to get it done well. When someone offers to do something for you, say yes, and get to work. Do a really good job, and lock it in fast.

SAY THANK YOU EARLY AND OFTEN

Send all new contacts a follow-up email immediately. Connect on LinkedIn. If someone does something for you, send them a thank you email right away. Even better, send a token thank-you gift that makes a memorable impression.

I am partial to a local, family-owned business based in New York City called Treat House. They made customized rice krispy treats with the original Financial Grownup logo for me. I sent those treats as thank yous to the Role Models in this book. The notes I

have received from the recipients have been fantastic. I hope those token gifts made clear my gratitude that they took the time to contribute to this project.

Always send to the VIP, the decision-maker, and the team. Most people don't. Getting the team on your side is not only a smart move in the short term, it also creates a base at that company even if your main point of contact moves on to another job. It's also a nice thing to do and makes people feel happy and appreciated.

TO REPEAT, BUSINESS IS ABOUT MAKING MONEY

Cynthia Rowley was realistic about the upside of her business and, most importantly, chose a field where she was talented and could make money. That's not always the case.

CHARLES BEST

CEO, DONORSCHOOSE.ORG

MY FINANCIAL GROWNUP MOMENT

I've been a fan of bass fishing for as long as I can remember. In the sixth grade I planned to start my own business making custom fishing lures. I researched all of the costs for my tiny venture – from the molds and molten lead I'd need to make the lure weights, to the classified ads I'd need to promote my product in *Bassmaster Magazine*. This was before Amazon, Etsy, or Kickstarter ever existed. Ultimately I realized that the start-up costs and the number of lures I'd have to sell to recoup my investment were too much. Instead I became a soccer referee to make some cash.

MY LESSON TO SHARE

The most incredible businesses are started by entrepreneurs who relentlessly pursue their passion, but passion works best with a thoughtful, ambitious-yet-grounded business plan.

WEIGH PASSION VS. PROFITABILITY

Charles Best makes a great point, and it ties into Cynthia Rowley's business philosophy. We all want to follow our passion. We want to make money at what we're really good at or what we enjoy doing. But that doesn't always mean the market will reward us financially for that skill or hobby. It just may not be the career or business that will help us achieve our goals, which should include being financially successful. There's a big difference between a passion that makes a great hobby and one that will lead to financial stability and freedom.

DON'T BELIEVE THE HYPE

We have been indoctrinated by years of seeing those commercials and news reports where someone ditched the high-pressure Wall Street banking job in order to follow their passion for something artistic and fun, like making cupcakes. Or artisanal beer. Or becoming a farmer. And it may be true that that person is happier leaving behind the pressures of that high-stress job. But there's a lot left unsaid in that beautifully-shot, 30- or 60-second ad or 3-minute news report.

First, if the person really did spend 20 years in a miserable and demanding but lucrative job, odds are they've amassed a huge

financial cushion. They had the resources, education, and capital to start the bakery or other adorable small business they now run. And while in this aspirational world they love being up at the crack of dawn to bake cupcakes seven days a week (if you believe the glorified story that they're always hands-on like that), the reality is that they are up at the crack of dawn, seven days a week.

GO IN WITH YOUR EYES OPEN

The lower income these entrepreneurs now make is romanticized because now they're in control. But they're also now dealing with the incredible demands of a small business, which includes employees, payroll, inventory, supplies, rent, price pressures, and all the various challenges of growing a business. It could have been the best choice in the world for them, but stress-free it's not. And, for a while at least, it's probably also not that lucrative. Not everyone can execute a startup. Be realistic about your ability.

Starting your own business can be a great idea, but, as Charles Best points out, it must be thoughtfully researched and grounded in reality. Whether it's custom fishing lures or turning grandma's recipe into the next big thing, be deliberate and measured in your approach. Go in with your eyes open.

BE WELL CAPITALIZED

Serial entrepreneur Shari Schneider learned the hard way.

She had success early on with two wine bars (called Divine Bar) in New York City in the early 2000s when Wall Street was booming. But then she wanted to expand into restaurants. She signed a lease for a prime location on New York City's Upper West Side. But

she didn't anticipate all the red tape involved. Her opening was delayed, and her costs soared. When she finally opened for business, she had a great restaurant and lots of community support. The place was packed. Anyone who came to eat would have thought she was rolling in cash. But financially she was already behind the eight ball. Her business folded within a year.

So if you're going to start a business, make sure that you have enough capital to last much longer than you expect. Anticipate not only little revenue but high costs as well, such as rent and construction.

Also make sure there's a clear need for your business. While this was not Schneider's primary challenge, it didn't help that there were plenty of other restaurants around. Finding a niche that's just emerging is a great way to gain traction right from the get go. That was the case of Betterment CEO Jon Stein, who seized on the need for more-automated investment advice when he conceived his robo-advisory business, Betterment.

Terry Lundgren

CHAIRMAN AND CEO, MACY'S, INC.

MY FINANCIAL GROWNUP MOMENT

I had graduated college and I was lucky enough to have had several job offers. And at that point in my life, since I had paid for college myself, I was completely broke. And I just wanted a car that would guarantee getting me to and from each point I intended to get to and from. I had a broken-down Volkswagen bug that would

occasionally start – but not always. So I really wanted a new car, and I was highly motivated by the highest-paying job. That was Xerox. I got the offer from them. I had basically agreed verbally that I was going to take that job offer. And it was me and about 13 other people who looked just like me, and dressed just like me, and were coming out of school. It felt like we were getting a group offer. But the most important thing was that it was the highest-paying job. So that was my motivation.

And then two days later, Bullock's department store in Los Angeles was offering to fly me there from my college, which was the University of Arizona, for an interview. And I said, well, what the heck. I'll go anyway, because you know it's a free weekend in California, where I grew up. So I'm going to take that opportunity. But I had basically made up my mind (to accept the Xerox offer).

When I went through the interview process at Bullock's I was completely blown away and really impressed with the time they took to treat me like an individual. And, long story short, they made me an offer that, at least in my mind, seemed quite a bit lower than the Xerox offer. I told them I just couldn't take it because I really did need to buy a new car!

So they ended up convincing me to take that job offer. They did sweeten the pot a little bit. But still a lot lower than the Xerox offer. But what they said was: "Well look, you just said that we paid more attention to you. You get to experience how personal we are, and if you do well people are going to notice you at this company. If you don't think you've made the right decision then six months later, go work for Xerox, or go work for someone else, but you will regret not having tried this out for at least six months." And I said, "You

know what? I'm going to take you up on that." I took the job and six months later that college recruiter from the HR office said, "So it's been six months; what do you think?" And I said, "I need another six months because I love what I am doing!"

Long story short: Within 13 years I was president of the company. So I clearly was thinking about money first, as opposed to a career company where I would be a good fit, and where people were paying attention to me, and where I thought if I performed well I would have a chance to break out of the pack and have a great career. I think that turned out to be a good decision.

MY LESSON TO SHARE

I think the lesson is to think a little bit longer-term than the next six months. I think the lesson has been for me to think about where I might imagine myself in the future, and I would do the same thing today. Even in challenging times in business, I try to imagine what the business should look like a year from now, and what steps we need to take between now and then to achieve that vision. So I think just having a longer-term perspective is the lesson that I took away from that experience.

ADVANTAGES TO GOING CORPORATE

Terry was laser-focused on instantly earning money. So he chose the corporate route, and, given his success, that has clearly been a great decision. But he was strategic in his choice. He made sure to position himself where he had the best chance for breakout success. Simply clocking in at a corporate job will often get you

enough money. You'll get a regular paycheck, solid benefits, and a reasonable amount of job security. But it won't get you to a meaningful leadership position. For that you need to be savvy, as Terry was, about where you can be a standout. Xerox would have been fine in the short term. Perhaps even in the long term. But Terry had a gut feeling about Bullocks, and he was right.

And, by the way, Terry did have to put off getting the new car he really wanted. But working at Bullock's, he was soon able to buy a late-model Ford Granada. While he says the Granada was very basic, the engine worked well.

GO WHERE THE MONEY IS

While the most lucrative corporate jobs are usually at the top, and getting one isn't a realistic goal as you're starting your career, it's a good idea to figure out which areas of the company are the most lucrative.

In virtually all cases, that means the place where revenue is created. Sales jobs almost always pay more than, say, production or human resources jobs. And if you're in an area that brings in money, and you're good at your job, you'll have a lot more security should the company have cutbacks. And if you *are* cut, you'll have more value in the job market.

Taking a corporate job when you're young can be a smart financial decision, in part because of the benefits. In fact, according to the Bureau of Labor Statistics, 32 percent of the average salary is in benefits. So it's worth taking the time to learn what you can get.

For example, when I had my first job at CNBC right out of college, the company would pay for me to take courses. I took

advantage of the perk and got my Certificate in Financial Planning from New York University – completely free. Many companies will pay for their employees to get graduate degrees at nights or on weekends. Think about it: no student debt. And speaking of that, if you do graduate with debt look for companies that have policies that will pay some of your debt for you. This is often true at banking firms and consulting firms.

Companies will also often pay for memberships at networking organizations, which can be great resources as well. I was able to get my employer, Thomson Reuters, to pay for my membership to Ellevest, headed by Role Model Sallie Krawcheck, simply by asking my manager.

THE MOMMY (OR DADDY) TRACK

If you think you might want to take a break down the road, say for maternity leave, make sure you do a little research on that as well, and keep it in mind when you're choosing a company to join. It may seem like an obvious thing to research, but many young people take jobs with companies that are not family-friendly at all, and then they're shocked when they can't make it work.

Some may say that you should go for the most lucrative job and worry about family-friendliness later. But for many women (and men), a career they can continue without interruption, even at a lower compensation level, will end up being more lucrative than a career interrupted. Leaving the workforce for years is not a good financial move.

This isn't to say that you can't have priorities other than financial ones. Staying at home may be the right choice for you and your

family. Having a parent at home full time can be priceless. But this is a book about the right financial decisions. So, in this context, any job that can offer career continuity will be a good financial choice.

I found two general scenarios of moms (or dads), who wanted to work, not going back to work after having kids:

Their childcare costs were too high relative to the salary they made.

Their job was so demanding that they literally would never see their children, and they would be paying someone else to raise them.

In both cases the men and women would express regret, at some level, that they hadn't chosen a company or career path that would have allowed them to continue working while raising a family, or pay them enough to be able to afford the support needed to be a working parent.

There are lots of lists out there on companies that are the most family-friendly. While we would all like to change the world, it's a lot easier to join a company that already makes a big, public push to be family-friendly than to try to convince a firm that doesn't make it a priority to change their culture and values.

The good news is that there is now a huge wave of corporations changing their family support policies. Netflix, for example, offers a full year of paid leave for parents. It doesn't have to be a solid year, so there is flexibility. A parent may want to come back for a few months for a special project and then return to their parental leave. Creative policies like this are generating new conversations about options, and many other companies are improving their policies.

According to *Working Mother* executive editor Jen Owens, companies have come a long way in the last 30 years since they've

started keeping track of who does it best. There is more paid family leave, more childcare options, more scheduling flexibility, and more focus on women's advancement. She says that hundreds of companies compete to land a spot on the magazine's coveted list of most family-friendly companies. And as the job market tightens, things are likely to improve even more.

THE SIDE HUSTLE

I am a big fan of the side hustle. It's basically an extra job on top of your primary job, but with a real purpose. In some cases that purpose may be as simple as making more money to pay down debt.

My makeup artist Tonia Ciccone frequently works weddings and movies to make extra cash. She used that money to pay down a ton of credit card debt, boost her credit score, and build enough of a nest egg to buy a fantastic first home. She and her husband Joe are happily ensconced in a lovely home, in a great family neighborhood, and have a beautiful baby girl, Siena.

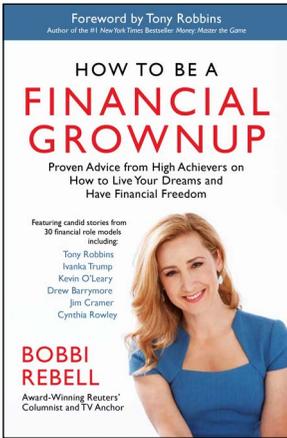
Tonia also made sure that her husband got a new, secure job with union benefits, including fantastic health insurance, before they had the baby. She is always thinking ahead, and it has really paid off.

Sometimes the side gig can be a way to pivot or enhance your career. You might have an idea for a product to sell. You can do that in your spare time and sell it on Etsy. Or if you're ready to write your novel, you can self-publish it. And for entrepreneurs, often the best companies are started as side projects while the founders continue the nine-to-five grind. If you have the time and energy, it's a great option.

YOUR FINANCIAL GROWNUP CHECKLIST

— CAREERS —

- Fake it 'til you make it.
 - Follow up and say thank you to everyone.
 - Make sure a career has earning potential – it's not a hobby.
 - Know where in a company the money is made.
 - Pay attention to benefits and company values.
 - Think ahead to family priorities.
 - Always have a side hustle.
-



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About the Author

BOBBI REBELL is an award-winning TV anchor and personal finance columnist, most recently at Thomson Reuters, the largest news organization in the world. Her business videos have been seen on hundreds of broadcast and online channels around the world, and her Reuters column on personal finance was syndicated to hundreds of newspapers and websites worldwide.

Rebell's work has appeared on countless media outlets including Reuters, Fox, CNBC, CNN, NYTimes.com, WSJ.com, MSN.com, Yahoo Finance, Huffington Post, USA Today, Time.com, Money.com, NYPost.com, PBS, and many more. She was formerly a reporter at PBS (Nightly Business Report) and held various producer positions at CNN and CNBC. She is a graduate of the University of Pennsylvania and has a Certificate in Financial Planning from New York University.

CHAPTER 3

Getting Your Speaking Ducks in a Row

Ken Lizotte

*First ask yourself: What is the worst that can happen?
Then prepare to accept it.*

— Dale Carnegie, author of *How to Win
Friends and Influence People*

DO YOU HAVE ALL YOUR SPEAKING DUCKS IN A ROW? Because without at least some of those essentials you'll be hard-pressed to succeed at locating and landing lots of speaking engagements, no matter what else you learn from this book.

But before we line up these ducks, let's look at what other speakers and event planners have to say about what's worked for *them*. Which is not to say that the results of a survey I took on the matter are carved in stone. Nope, some of these methods might work for you even if they haven't work for others, and some might *not* work for you even though they *have* worked for others. But knowing

Excerpted from *The Speaker's Edge: The Ultimate Go-To Guide for Locating and Landing Lots of Speaking Gigs*, by Ken Lizotte, Maven House Press, 2016.

how the extremes play out may direct you to worthwhile priorities and time well spent. At the very least, studying the experiences of others can give you a place to begin.

Here's what my speaking engagement survey participants told me about the effectiveness of the most commonly recommended techniques for developing new gigs:

TOP VOTE GETTERS

- Referrals and networking
- Publishing

SECOND-TIER VOTE GETTERS

- Employing a speaker marketing rep
- Internet presence
- Contacting event planners directly
- Social media
- Formal proposals

FEW VOTES OR NONE AT ALL

- Media interviews (1)
- Advertising (0)
- Cold calls (0)

The most effective techniques clustered around paying attention to relationships and simply getting out there (referrals and networking) as well as publishing your ideas, preferably in a book. While the first is practiced by most of us in one form or another, the second is often ignored.

Yet authoring a book, or even articles published in reputable journals, reigns supreme for a variety of reasons. The credibility that comes your way can be enormous, amplifying your status as an expert and dazzling your potential audiences with the glitter of your name in lights . . . or at least on the cover of your shiny new book. Many in your audience will envy you for your ability not only to get a book published but also to write a book at all. Others will be ecstatic that they can take you home via your book and learn still more about a topic that has now, thanks to your speaking skills, so stimulated their interest.

Certainly not least among reasons to write and publish a book is the fact that many event planners are swayed to offer their speaker slots to authors, for reasons such as those cited above. A majority of my survey-takers have therefore found that publishing ranks at the top of effective techniques for landing speaking engagements.

On the other hand, note the lowest tier results, where few or no votes were cast for media interviews, advertising, or cold calls. Maybe these methods would work for you, but they were reported to be a pure and utter waste of time by most speakers. Though there do exist potential rewards from media interviews, no one had anything good to say about advertising or cold calls.

SPEAKER NOTES

Media interviews can be helpful by providing you with a nice quote to pull out of a published profile, which you can then add to your website or marketing materials.

For example: “Keynote speaker John Jones is an exceptional expert on the topography of Mars,” said *Science Times*.

Or a published interview might actually lead to an engagement all on its own. This actually happened once to me. I had written a book called *Balancing Work and Family*, and an editor for an obscure, small-circulation office newsletter happened upon it, read it, liked it, and then contacted me to do an interview for the newsletter. I assumed that this would only be good publicity for the book’s sales, but I was later surprised to receive a call from an event planner looking for a keynoter for an HR department’s weekend retreat. Ya just never know!

THE CHECKLIST

So let’s get into it. Consider which items make sense for you and which don’t. But don’t let yourself off the hook, either. If an item seems scary or otherwise formidable, you’d do best to brave your fears and tackle it. The speaking life is not for the faint-hearted.

Motivation

Do you really care about becoming a speaker? Do you feel as though you really *have* to? If you have a fire burning inside you to go out and speak, speak, speak, then no problem here – check this item off your list.

Speaking is a lot like writing a book: some folks really and truly want to do it, and they can't imagine not at least trying to, while others are more ho-hum about it, harboring no special ambition for it. As is true for authoring a book, the more motivated you are to take on the challenge, the more likely you are to overcome it.

But if you don't really want to attain success as a speaker, there are lots of other ways to develop and capture new business. Public speaking, although an effective tactic, is not by any means a necessary one. So decide first if you do genuinely want to become successful as a speaker, and if the answer is yes, read on and learn from this book.

Speaking Topics List

Having made the decision to continue down the path of getting yourself out there on a speaking circuit, you next need to decide what expertise you have to offer. You may of course have multiple areas of expertise and, if you like, you could speak to groups about them all. But you may not want to go that far; you may instead want to narrow down your speaking topics to one or two to take the pressure off. Life is short, after all.

In any event, to be clear about what topics you want to speak about, you need to create a speaking topics list. This consists of maybe five to ten topics, all related to your core expertise(s). Keeping the list down to five to ten helps to not overwhelm both you and your targeted event planners, speakers bureaus, media, etc., all of whom will prefer an easy-to-understand capsule version of your speaking focus. Less is more here, though many speakers make the mistake of thinking otherwise, spilling out 25 or 30 or 50 topics as if quantity

trumps quality. Sorry, it doesn't. Topic overload will only cause event planners to throw up their hands in bewilderment and look away. Too many topics, just like too many cooks, spoil the broth.

Your speaking topics list format should consist of a provocative title and a short explanatory blurb for each topic, maybe 500 words maximum. Don't go crazy and write a thesis here!

In terms of titles, keep in mind the wise counsel of Dottie Walters and Lilly Walters, from their fine book *Speak and Grow Rich* (Prentice Hall Press): "Titles are like headlines in newspapers and magazines. You buy the publication because the headline promises information you need or are interested in. . . . The title of your presentations must have this same sense of urgency – make the public or the corporation or association want it *now*." The authors then suggest this format: "HOW TO _____ SO THAT YOU CAN _____," explaining that a title like this points out a problem and then implies that the presentation content will "contain the answers that the audience members can't find, or don't have the time to find." This they call a benefit title.

To illustrate, David Newman, author of the book *Do It! Marketing: 77 Instant-Action Ideas to Boost Sales, Maximize Profits, and Crush Your Competition* (AMACOM Books) and a very busy speaker and trainer, declares "specific topics beat general topics," offering this exercise as proof:

Which is better?

1. Sales Success Secrets . . . or . . . Overcoming the Stall: How to Get Your Prospect Off the Dime
2. Becoming a More Effective CFO . . . or . . . Seven CFO Negotiating Strategies for Vendor Contracts

The correct answers are obvious.

And as for your blurbs, structure them so that they get to the point quickly, ending with a few takeaways. Here are a few of my own blurbs to give you the right idea:

Thoughtleading: The Art of Separating Yourself from the Competitive Pack!

Studies show that positioning yourself as a thoughtleader will result in more speaking gigs, higher speaking fees, repeat business, and a credibility buzz that outshines the competition. Practicing a thoughtleading strategy can make all these a reality! In this session, Ken Lizotte outlines his pillars of thoughtleading as outlined in his book from McGraw-Hill, *The Expert's Edge*. Highlights include: Why you MUST publish a book, best practices for winning speaking engagements (results of Ken's recent book and survey), how to get the media to interview you, and creative techniques for leveraging the Internet.

The 1-2 Punch! Writing & Speaking to Advance Your Consulting Practice

Consultants who write and publish articles and books and who speak regularly at conferences and business events generate a magnetic pull for their expertise that elevates them above their competition. By practicing the 1-2 Punch, you will transform yourself into an *expert with an edge*. 1-2 Punchers cause qualified prospects to seek them out, command the highest fees and most favorable terms and conditions, and accept only the projects they will enjoy. Attend this program to learn:

1. How to publish articles in reputable business publications
2. Whether to self-publish your book or seek a publisher

3. How to locate speaking engagements with audiences in your target markets
4. Proven tips for writing well and speaking well . . . and closing the sale!

Business vs. Life: Make Them Work Together!

In the midst of chaos, both at work and at home, how can we keep our balance, stay focused, fight off stress, and attain our dreams? Tactics and mindsets exist to support positive outcomes in all such trying areas, which this session will reveal and explain. Attendees will acquire a refreshing approach to life balance and business success that they can take back to their homes and offices and implement immediately. Attendees will also leave the session better prepared to successfully overcome life's curveballs day in and day out, year in and year out, effectively hitting them again and again out of the park.

SPEAKER NOTES

Alan Weiss, CSP, author of *Million Dollar Speaking: The Professional's Guide to Building Your Platform* (McGraw-Hill) and 30 other books, advocates forgoing topics altogether in favor of an emphasis on *value* and *results*. Specified topics, he feels, restrict speakers unduly, boxing them in when what they really should be doing is demonstrating that their work will produce a positive impact on the audience long after they leave the meeting room and return to their work (or home) environments.

He writes, “No company or corporate buyer has ever said, ‘Remember Mary Speaker? She received a 9.9 rating. What a great contribution to our business!’ But they do tend to say: ‘Remember the sales improvements that resulted from Mary Speaker’s work? Maybe it’s time to get her back in here again.’ Focus on your own ego and you might stroked. Focus on the buyer results, and you’ll get repeat business.”

Carol Bergeron, author of *People Succession: Lessons from Forward Thinking Executives in Middle-Market Companies* (Talent Magnet Series) and founder of Bergeron Associates, says that you need to choose your speaker topics carefully. “I try to make my expertise known so that speaking requests are on that topic,” she explains. “I used to speak on a slew of related topics, which admittedly was fun. It was also time consuming and did little to strengthen my brand as a thought leader. Today speaking engagements are focused on a short list of highly interrelated topics, which affords me greater opportunity for creating a rich, valuable, customized experience for each audience.”

Target Audience List

Once you’ve chosen topics for your speaking topics list, your next step is to imagine who would be the best audience to hear them.

In other words: who cares? Fortunately someone will, and thus the next item for you to consider will be who those lucky folks might be. Of course, it could happen (take note here) that once you get your speaking topics list out there, surprises could come your way in the form of interested audiences you hadn't expected and, conversely, seemingly perfect, targeted audiences who, despite your expectations, don't really care about your topics at all. But that's what the get-out-into-the-world-and-see-what-happens process is all about. At this stage you try to imagine who your perfect audience match is, then roll your speaking topics list their way and see what happens.

My own target audience list consists of management consultants (at the top of the list) and similar types of consultants such as IT, finance, and HR consultants, and even attorneys. These groups are a great fit for me because they all see the value that ongoing marketing has for *thinking* professionals. In other words, they take naturally to the notion of positioning themselves as thoughtleaders, so they share my view that the two greatest methods for displaying thought leadership are to publish their ideas and then to speak about them to targeted groups. This literally prequalifies them as good prospects for my company's services, because when they come to hear me speak they're meeting me at least halfway in terms of us ultimately forging a potential business arrangement. They are, in effect, a near-perfect match.

Important Question: What business or population segment(s) constitute a near-perfect match for you? Know the answer to this question and you'll have identified whom to put on your target audience list.

Speaker Sheet

Often called by professional speakers a *one-sheet*, this tool predates our current Internet age and thus in some ways held more value in pre-website days than it does now. The concept is that, arranged carefully on just one sheet, all essential information can be presented by a speaker in an easy-to-read format for the convenience of event planners and the like. Ingredients therefore typically include the speaker's name, contact info, photo, and a short bio, a link to the speaking section of the speaker's website, a cover graphic of the speaker's latest book (if any), two or three brief testimonials, especially from event planners who have seen this speaker's work, a brief target audience listing, and, last but not least, a condensed speaking topics list highlighting the speaker's most popular or relevant topics.

In the old days this speaker sheet might have been taken to a printer and cast in stone by printing up a thousand or so copies. Thus it had to appeal to the least common denominator, come what may. However, with the glorious advent of personal computers, we can now customize speaker sheets for multiple audiences and then just spin them out as needed on our own printers or as an attachment to an email responding to an inquiring meeting planner.

On the other hand, some speakers think that a speaker sheet apart from the one resting on their website page is no longer of value, that its time has come and gone. You could even set up multiple web page speaker sheets for multiple audiences, as well as a generic one. That way you could send an event planner a link to the appropriate web page, or you could print the appropriate page out as needed to hand to an event planner during a meeting.

But however you do it, create a speaker sheet – its succinctness could be instrumental in pushing more than one event planner or decision-making committee in your favor when they're casting about for their next keynoter or featured speaker.

Website Geared to Speaking

It amazes me how frequently I see a would-be speaker's new website go up without a mention of their vital credentials or their willingness and availability as a speaker. If they've published a book, for example, or even articles in a reputable journal, a special tab should be set up to guide visitors toward book excerpts, a link to Amazon, a listing of all published articles, etc. All it would take is a "Publications" or "Published Works" section right alongside the usual suspects, such as "About," "Services," and "Contact Us."

And wouldn't it make sense to similarly include "Speaking" or "Speaking Engagement Topics" as a highlighted tab on your menu? This provides event planners with at-their-fingertips access to info about your speaking prowess.

I know you agree with me on this, so now let me suggest the nuts-and-bolts of a "Speaking" section on your website:

1. Obviously your speaking topics list goes first.
2. Your target audience list under the heading "Who would attend this topic?" List audience demographics that make the most sense to you.
3. Your speaker sheet page, perhaps more than one.
4. Video samples of you actually speaking! (More on this later.)

5. Book covers of all your published books, and links to Amazon to permit browsers to learn more and potentially make a purchase.
6. At least five testimonials (but there's no upper limit). Include a photo of the endorser, his or her name, company, or other identification – possibly in a video format.

WARNING! – do *not* stock your testimonials page with anonymous endorsers, e.g., “Paul G, manufacturing executive” or “L.K., CEO of IT firm,” etc. This only leads to suspicion about whether or not these are real people. If your endorsers prefer strict confidentiality, for whatever reason, then it's probably best to use event planners instead or find other attendees who aren't so uptight. Real, live, enthusiastic humans willing to stand up for you and laud your abilities are what you need.
7. Calendar of past and future gigs.
8. Your comprehensive speaker bio and/or your speaker introduction.

Your Intro

Per that last item, your speaker intro, most speakers simply submit their bio for the host or event planner to read and then wait for the signal to jump up on stage. This is fine, of course, a longstanding speaking tradition.

But Fred W. Green, chairman of the CEO Club of Boston, who sponsors twelve or more speakers each year, believes strongly in an alternative approach.

“An introduction should not be just a bio,” he insists. “Instead make it the first few words of your presentation, something both eye-opening and attention-getting!” As an example, Fred offers this intro from one of his past speakers:

So here we are, knee-deep in recession, and who do we bring to speak to you, but a guy who thinks you should be expanding your business. A guy who has helped companies like Jimmy John’s, Auntie Anne’s, Ace Hardware, and a thousand other companies franchise their businesses.

He has written three books on franchising, one of which we are giving you today as a gift, and a previous one, which he co-authored with the founder of the CEO Clubs, Joe Mancuso.

So, how does franchising apply to the current economic climate? Let’s hear what he has to say. I give you chairman and CEO of Francorp, Don Boroian . . .

Lastly, Fred warns that, in addition to emailing your introduction to the event planner, always arrive at the event with a print copy too . . . in case the host forgets to bring this introductory masterpiece!

Video Samples

You should post a few videos that offer a sampling of your work, especially ones with you interacting well with an audience. The first 10 to 20 seconds will be decisive, so make sure to start off with your best stuff. Event planners are as busy as the rest of us, so you need to grab them right away so they’ll either keep watching or decide right then and there that you’ve got the job.

If you like, your video can be much longer – a full presentation of 60 to 90 minutes or a compilation of highlights possibly running to, say, 20 or 30 minutes. The reason for providing more, even as much as a full presentation, is that, should an event planner really, really, really like what she sees, she just might continue watching as if she were sitting in your live audience. If she finds you *that* good, you'll probably get the gig, plus this event planner as an undying, forever fan.

In most situations, however, an event planner will choose you or not choose you based on those first 30 seconds or less. That's because veteran event planners know what they're looking for and thus will make a gut decision lickety-split. Those first few video seconds, then, are *crucial*.

WARNING! Do *not* stage your video with a few friends up front or, heaven forbid, with no one else in the room at all. Avoid a video sample with just a tight shot of you, the speaker, pretending to be speaking to an audience. Event planners can spot this one from miles away, so go for the authentic – your very best moments speaking to one or more bona fide groups, without artificial setup.

Also, make sure that each video sample represents one of your individual topics and not *all* of them. Otherwise, how will an event planner judge that your presentation on topic #3 would be just as expert and smoothly delivered as your presentation on topic #4? Listen to Dottie and Lilly Walters again on this issue: "It does not work to tell a buyer 'I really speak on leadership, but this (video) on time management will give you a sample of my style!'"

If you do this, say the Walters, then event planners will assume "that you are really a time management person who is experimenting with leadership as a new topic" and so they'll reject you! Andy

Saks, for example, has produced about a dozen customized videos to accommodate his various topics and target industries: “I would say that having a video helps me get many gigs. It gives them something to look at, a kind of audition.”

So demo *all* of your topics on various videos or on a single video “reel.” Don’t just allude to how great you are speaking on a topic that they can’t actually see you deliver.

SPEAKER NOTES

In terms of quality of video, Alex Armstrong, who serves as Jim Bouchard’s speaker manager, advises not to go too crazy in the direction of Hollywood-style production values. “Most speakers bureaus don’t want to see a highly produced video, they are more interested in seeing something current,” she explains. “Even shot with a phone, as opposed to a fancy production with overlays and soundtracks and glitter – many of them actually prefer that!” Instead, she and Jim have focused on substance, developing what she calls short *content videos* that were then made available to their clients and prospects. “It was a big hit,” she says, “a real game changer!”

Projector Laptop Adaptor

Which do you use, a MacBook or a laptop PC? Whichever, get hold of the proper adaptor for connecting with a projector supplied by

the hotel, conference room, or sponsoring event planner. In most cases you won't need it, but occasionally you will (trust me!), so have this piece of essential equipment with you when you travel. It will occasionally prevent a whole lot of sweating just minutes before you go on!

Wardrobe

The simple message here is to dress your best. What exactly that means for each speaker would take volumes for me to explain and for you to study, and it may possibly require a private assessment by a wardrobe consultant. Thus, in this short segment I can't tell you *specifically* what you should wear. However, I *can* tell you to make every attempt to dress your best, given whatever may be your speaking venue's expectations.

For the CEO Club of Boston, for example, men are asked to wear jackets and ties. On the other hand, at the Arizona chapter of the Institute of Management Consultants, where I once spoke to a morning breakfast audience, men show up with jackets *without* a tie! I wore a tie that day even though my personal sponsor, Bill Katz, CMC, told me the night before that, if I did, I would be the only male in the room wearing one. Guess what? He was so correct!

If you're a woman, I'll leave that decision to your discretion since I'm no expert whatsoever in that regard. Also, women typically aren't as restricted as men in their wardrobe choices. The main thing is, don't violate your own "dress your best" rule. Then you'll be all right.

SPEAKER NOTES

I once hired a male speaker who wore a nice jacket and tie. He spent a few moments giving the audience of job hunters the very advice I mentioned above, but then he inexplicably called attention to his scuffed shoes, saying, “These shoes are not my best dress shoes, and so I would never wear them to an important meeting.”

Everyone in the audience had to be wondering, as I was, well then why did you wear them *today*? We weren’t important enough? That’s *not* the message that you want to send to your audience, unless you never want them to invite you back.

In any case, don’t repeat his example! Dress your best, whatever you deem it. Give your audience that much respect.

Book

Great! You have a book (or books) to show your audience or to read from, to sell at the back of the room or to give as a prize for a raffle. Bring enough copies, at least two or three if you’re holding a raffle. Don’t be a cheapskate! Let your book be seen by folks all around the room, which you’ll better accomplish by raffling off more than one.

A raffle is a great idea for collecting your audience’s business cards. These are obviously crucial if you’re to email them a thank-you note and/or your PowerPoint slides the next day, put them on

your contact list, and/or connect with them via social media in order to stay permanently in touch.

Product

This one may take you some time to develop given that much of your product, such as DVDs or CDs, may be based on actual presentations which, presumably, you haven't given yet. Or perhaps it makes sense to wait until you develop your presentation skills so you feel confident that your on-air presence will be the best it can possibly be.

But if you want to ramp up at least *some* product offerings early in the game, take a little advice from speaking guru Darren LaCroix, who outlines how to do exactly that in his free tip video (found on both YouTube and www.darrenlacroix.com) "Get Paid to Speak Tip: How to Start Quickly."

In this video Darren recalls how he got his own speaking practice started by generating two early products, one a book with co-author and already-established speaker Rick Siegel, and the other a set of CD interviews on the topic of humor with already-established comedians and humorous speakers. By beginning this way, Darren not only created product but also acquired a kind of personal mentoring from absorbing his interviewees' lessons learned while traveling down their own roads toward speaking success.

Email & LinkedIn

Does this sound like a "duh"? Yes, perhaps, but while everyone has an email account, some speakers may not have set up a LinkedIn

profile yet. And ignore Facebook and Twitter, by the way, unless you personally enjoy them. LinkedIn is what's crucial for business visibility on social media.

As for email itself, yes, if you want to be taken seriously as a speaker and thoughtleader you want your email address to reflect your domain name. So don't use a commonplace email address like gmail.com, yahoo.com, or – gasp – aol.com! Set up an email address based on your domain name.

And if you don't have a domain name? Get one!

Business Cards

Sure you have biz cards, we all do. But do you remember to bring enough of them? And be sure your card advertises you as a speaker. Squeeze it on there somehow, or even arrange the entire card to promote your speaker business. Make sure that people view you in the light that you wish them to see you.

Back-of-the-Room Product

Books, DVDs, CDs . . . enough said. Bring along whatever products you have if the event planner allows you to do so. Be ready, too, with easy-to-read signage that clearly spells out the price of each item along with whom to make out the check to. When it comes to this precious item, leave nothing to chance!

Speaker Manager

Do you have one? You don't absolutely need one, but you might get a lot out of hiring one.

Excel, Google Docs, ACT, Infusionsoft, Salesforce, etc.

Somehow you must keep track of your speaking gigs. This includes prospects, event planner names, contact info, venues, dates, etc. It doesn't matter what tool you choose to use, just get yourself set up with a tracking system of some kind, then plug in data as it comes in. This will save you a lot of energy and aggravation because you won't have to remember details down the road.

Speakers Bureaus

One seemingly easy way to obtain speaking engagements is to have them come your way from one or more speakers bureaus. Of course, that's their business – securing speaking engagements and passing them on to you after negotiating your fee and travel arrangements. Getting yourself on the roster of a number of bureaus can therefore result in a steady flow of gigs without you so much as lifting a finger.

Sounds like heaven, doesn't it? Except that getting set up with a bureau isn't always easy, nor is it fun and games. For one thing, you'll probably need to have a book of your own that the bureau believes it can sell to qualify as a professional speaker.

Secondly, there's a chicken-and-egg thing going on here too, wherein the speakers of most interest to a speakers bureau will be those who already have well-established careers, to the tune of perhaps 100 or so gigs per year before audiences of a few thousand, and earning speaking fees of, oh, \$10,000 per appearance, at the least.

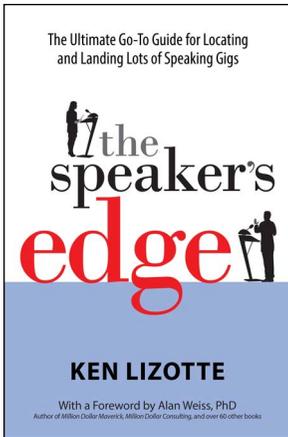
Moreover, a speakers bureau will typically *not* function as a hard-working representative on your behalf, one of their so-called exclusive clients. They will not beat the bushes for you day in and day out. Nope, that creature is something else entirely, namely a personal management firm or a speaker manager or agent.

Speakers bureaus want to earn their 25 to 40 percent commissions (oh yeah!) with a minimum of time and attention spent on coaching and developing you. “We generally field calls or email inquiries from event planners who are seeking a well-known speaker on our list,” a rep at a major speakers bureau once told me. “And typically when they hear what that famous speaker’s enormous fee is, they’ll ask if someone else, with a lower fee, is available. That’s when we dip lower into our ranks and offer them an unknown. But that unknown has to also be really good and proven so that our client will be happy, in the end, with this decision to accept an alternative choice.”

So if you’re relatively unseasoned, but you did make it onto a bureau’s roster, the pressure would be on you to do *great* the first time out, and great the second time out too, and the third time out, and *every* time. If you blow it just once you may not get another chance. Also, don’t expect a glorious, steady stream of gigs right from the beginning. You may be able to build toward that by being great each chance you’re given, but then a bureau may help out with a gig here and there, but that’s all.

As to why speakers bureaus can be so demanding, listen to the words of an event planner quoted in Cathleen Fillmore’s book *The Six-Figure Speaker*: “Many event planners in fact prefer to work with bureaus due to their extra layer of ‘protection,’” Fillmore writes. She quotes one such planner: “With a meeting planner’s

reputation on the line, [we] can't afford to take any risks. A bad presentation affects the entire conference. So we prefer to work with bureaus, [relying] on their expertise to help us match our clients' needs with the appropriate speakers.”



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Amazon Rating: 4.9/5.0

About the Author

KEN LIZOTTE is Founder and Chief Imaginative Officer of Emerson Consulting Group. A Certified Management Consultant, he speaks regularly to organizations on thoughtleading, publishing, creativity, and business success. He is the author of *The Expert's Edge* and four other books. He's published hundreds of articles and has led success seminars at Harvard University.

A popular speaker himself, Lizotte has addressed such target audiences as the American Management Association, the Institute of Management Consultants, the National Speakers Association, the CEO Club of Boston, and Harvard University. He has been interviewed by *Fortune Magazine*, the *New York Times*, *Fast Company*, *Business Week*, *Newsweek*, *Investors Business Daily*, *Writer's Digest*, CBS-TV and National Public Radio.

LEADERSHIP

CHAPTER 4

Twisted Leadership

Charles C. Manz and Craig L. Pearce

WE BEGIN with an extreme understatement . . . These are interesting times for leadership.

Indeed, multitudes around the globe have unprecedented concern about the apparent trend toward centralization and abuse of power by national and business leaders alike.

In fact, the combination of the words *twisted* and *leadership* may bring to mind images of narcissism and self-serving destructive motives and action on the part of so many power holders who happen to be assigned the role of “leader.”

From the outset we want to make clear that this chapter assigns a very different meaning to the words *twisted leadership*. We use these words in the spirit of arguably the best of martial arts, conflict management, and opportunity-focused social interaction strategies that channel not only collaborative but opposing energy and resistance to accomplish common good. The

Excerpted from *Twisted Leadership: How to Engage the Full Talents of Everyone in Your Organization*, by Charles C. Manz and Craig L. Pearce, Maven House Press, 2018.

following is a summary of what we *do* and *do not* mean by *twisted leadership*:

Twisted Leadership IS NOT

Centralized, Top-Down, Abusive, Self-Serving,
Corruption-Prone, Role-Based Leadership

Twisted Leadership IS

Intertwined, Synergistic, Empowering, Developmental,
High-Involving, Process-Based Leadership

WHAT IS THE LEADERSHIP DISEASE

Our business, political, and not-for-profit world is afflicted by a leadership disease. What is this disease? It's the overly simplistic description, formulaic portrayal, and myopic encouragement of a model of leadership that focuses on centralized, top-down, hierarchical leadership (see Figure 4-1). There are many leaders who are infected with the disease – leadership goes to their heads. They think that upon ascension to a leadership role they become anointed in some manner and are thus smarter than everyone else. They begin to think that their will is more important than everyone else's. We've all met them.

We witness the leadership disease in all walks of life. We've even experienced it in academia, the one place in our world where democratic principles, inclusiveness, and openness are thought to be practiced with the utmost rigor. Not always. We knew a dean who would best be described as a megalomaniac. He treated

THE LEADERSHIP DISEASE



Figure 4-1. Image representing the centralized, top-down, leadership as a role perspective that results in corruption, abuses of power, and the waste of human talent.

faculty in an arbitrary manner, bestowing benefits to those who told him he was fabulous, with a blind eye toward any measure of performance when it came to handing out rewards. Treating faculty this way wasn't good, but it was nothing compared to how he treated staff. He was so abusive to staff that it was sickening. People tried to modify his behavior. All the faculty and staff were even deposed in a grievance suit against him, but his buddy, a higher-level administrator (who was also an extreme narcissist), glossed over all his abuse of power. Many faculty and staff (the most successful ones) chose to leave the school because of the dean. These types

of petty dictators, sorely infected with the leadership disease, are everywhere. The question, though, is why?

These “leaders” are often charming . . . in the beginning. And they tend to deliver short-term results. Over time, however, people come to understand them for what they are, and these disease-ridden leaders ultimately move on, only to infect new organizations. But how do they keep getting new, high-level positions where they can lord their power over others? One contributing factor is that many subordinates are just glad to get rid of them, and they fail to inform people in the new, unsuspecting organization of the leader’s true nature. Another factor is that employment laws often discourage people from providing prospective employers the truth about these tyrants.

Educators share some of the responsibility for the leadership disease. Let’s review some of the ideas behind the way leadership is typically viewed and taught today. For the most part, leadership definitions focus on downward influence exerted by someone occupying the role of a designated leader. These definitions assume an unequal distribution of power, where the person in the designated leadership role exerts power over those subordinates or followers below him or her. Perhaps the most egregious school of thought regarding leadership is based on agency theory, a theory that’s extremely popular with business school professors. The essence of the theory is that most people are shirkers, and the principals of the organization have to guard against these shirkers engaging in “moral hazard” – irresponsible or self-serving decision making – and debilitating the organization. With these assumptions in mind, proponents of this theory advocate for ex-

treme controls, as well as tightly bound rewards and sanctions, as the primary tools for keeping people in line. Is it any wonder that this type of thinking promotes power-hungry organizational dictators?

This perspective forms the foundation of much leadership thought and education, which promotes a myopic focus on a centralized and hierarchical approach to organizing and leading people. While enlightened consumers of leadership research would claim that views of leadership have progressed beyond the old image of top-down, autocratic bosses, leadership is still generally taught from the perspective of leadership-as-a-role – that someone has the role of leader, and others are followers. Leaders are taught to exert their authority to influence subordinates to comply with their desires.

This perspective on leadership became firmly embedded in management thinking during the turn of the 20th century, as part of the scientific management movement. Those who use this type of leadership are called strongman leaders or directive leaders. They employ a command and control style of leadership that uses fear and intimidation to obtain compliance.

An alternative type of leadership, transactional leadership, focuses on a more palatable influence that's based on rewards. But it still emphasizes top-down influence. And even the often more positively viewed transformational, visionary, and charismatic types of leadership, in which leaders rely on tools such as inspirational communication or a unifying vision of purpose, place the spotlight on the leader as the primary source of knowledge, decisions, and wisdom, in order to keep the shirkers in line.

The reality of the science of leadership is that some of these more touted leadership perspectives have come under question by an increasing number of leadership experts, challenging the romanticized notion of formal, top-down leaders. Unfortunately, these distorted perspectives remain significant influences on contemporary organizational thinking and practice. Why?

Social scientists point out that people, whether they know it or not, possess clear beliefs about how those in leadership roles should behave, and they judge those leaders accordingly. These beliefs are called prototypes. Often these prototypes are shaped by culture, history, and the media, and they're extremely resistant to change, even in the face of strong evidence. Furthermore, research shows how these prototypes can become socially conceived (agreed to by everyone) and shared between people. Add to this the fact that the popular press reinforces these beliefs by continually printing articles glorifying, or vilifying, singular leaders. (It's easier to report organizational outcomes by focusing on actions of the charismatic leader than to do in-depth investigative reporting. Does the term fake news sound familiar?)

Sadly, the vast majority of students also need to share some of the responsibility for the leadership disease, along with their complicit professors. They demand simplistic leadership models that they can memorize for a test, and they punish the professors who teach more-nuanced approaches to the art of influence by handing out poor teacher ratings.

Thus, there are many forces at play that reinforce the leadership-as-a-role perspective. That said, there are some strong historical roots for this perspective, and we believe that it's always useful to look to history before attempting to move forward.

LEADERSHIP IS A PROCESS



Figure 4-2. Leadership is a complex social process, and leaders can come from any level of an organization.

LEADERSHIP IS A PROCESS, NOT JUST A ROLE

There's more to effective leadership, and to finding a cure for the all-to-widespread leadership disease, than simply becoming adept at using the common approaches to leadership – directive, transactional, transformational, and super (empowering) leader behaviors – to influence others. We have historically been taught that leadership is a role – that someone is the leader and the others are followers. But to achieve truly effective leadership, with and for everyone – that is, by using twisted leadership – we need to revise our understanding of leadership fairly substantially, and we need to view it as a dynamic, unfolding, complex social process (see Figure 4-2).

We need to make a very important distinction here: A manager is not always a leader. A manager has a role as a supervisor of something: a project, function, people, or all of those things.

He or she will have some degree of influence because of their role as a manager. However, a leader can appear from anywhere in an organization or community. Leaders develop influence because of who they are, and people follow them because they want to follow them. People can influence others because they have something that those others need and respect, such as expertise, experience, insight, creativity, or calm in the face of crisis.

This leadership perspective means that instead of just having to rely on one person to lead, any given group can exchange leadership dynamically, based on the context, project, goals, knowledge, experience, or general needs of the group. This then creates a power dynamic within a group that transcends a traditional hierarchy based on one person. Instead it builds on the sense of community that is innate in all societies. For the sake of simplicity, we call this perspective twisted leadership, which consists of the four strands of self-leadership, SuperLeadership, shared leadership, and socially responsible leadership. There have been instances of these strands of twisted leadership throughout history, but typically they've resulted by accident, organically, without conscious intent. Imagine the possible results you might see by intentionally harnessing the synergistic power of these four interconnected strands of leadership in your organization.

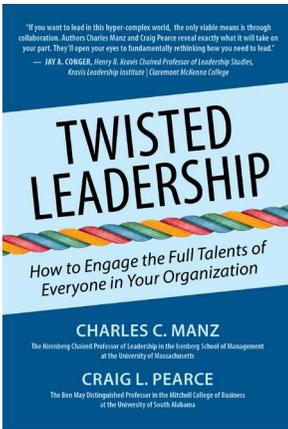
Today we know that twisted leadership can be built into organizations at their inception, or it can be inculcated over time if the organization is more mature. We know that if an organization or group decides to operate in a manner that encourages and enables, for example, shared leadership, it will become part of the DNA of that group. And the same goes for the three other strands of twisted leadership.

EFFECTIVE MEDICATIONS FOR THE LEADERSHIP DISEASE

Eliminating the leadership disease requires a significant shift in how we describe, frame, and prescribe leadership as an unfolding social process, as opposed to leadership simply as a role that's occupied by a specific individual. Developing this alternative approach to leadership involves a focus on four leadership medications that can help end the malignancy of the disease:

- **Self-leadership** – which largely explodes the notion of sheep-like followers by designating everyone as a leader . . . of themselves
- **SuperLeadership** – a practical, hierarchically connected approach to leadership that is centered on leading others to lead themselves and one another (to self-lead and share the lead)
- **Shared leadership** – which describes how nearly every group member can play an important role in a dynamic, interactive leadership process
- **Socially responsible leadership** – which connects leadership to a value base that's concerned with the welfare and needs of all stakeholders

THE PHILOSOPHY OF TWISTED LEADERSHIP is to engage, more broadly, the leadership potential of everyone.



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About the Authors

CHARLES C. MANZ, Ph.D., is the Nirenberg Chaired Professor of Leadership in the Isenberg School of Management at the University of Massachusetts Amherst. In addition to his academic work, he is a speaker, consultant, and bestselling author of more than 20 business books, including *SuperLeadership*, *Self-Leadership*, *Emotional Discipline*, and *The Leadership Wisdom of Jesus*.

CRAIG L. PEARCE, Ph.D., is the Ben May Distinguished Professor in the Mitchell College of Business at the University of South Alabama. In addition to his academic work, he is a speaker, consultant, and entrepreneur. He's the author of *Share, Don't Take the Lead* and the editor of *The Drucker Difference* and *Shared Leadership*.

CHAPTER 5

Values Underlie Everything

Jorma Ollila and Harri Saukkomaa

I DEMANDED A GREAT DEAL FROM THE PEOPLE AT NOKIA, but every chief executive expects a lot from his or her employees. It's like saying that a swimming teacher makes her pupils go in the water. It's essential for getting the job done.

As chief executive I expected everyone in a position of responsibility to have their facts and figures straight. Senior executives don't generally lay their pens down on their desks at quarter past four in the afternoon, as happens in most of Finland's offices. I worked evenings and weekends and so did many others at Nokia. It must often have seemed to them and their families tedious and unreasonable.

No one can know what a chief executive's job is like until they do it themselves. I had observed closely how Kari Kairamo and Simo Vuorilehto set about their duties, but it was only when I took over that I really grasped how wretchedly difficult and onerous it could sometimes be.

Excerpted from *Against All Odds: Leading Nokia from Near Catastrophe to Global Success*, by Jorma Ollila and Harri Saukkomaa, Maven House Press, 2016.

The chief executive's position at Nokia in the early 1990s sometimes felt especially hard. The company's statistics were dismal, the banks were breathing down our necks, and in the backs of our minds was the fear that one of our competitors would buy us out. I knew too that among my closest colleagues were people who were waiting for me to fail and wanted to step into my shoes. I had no guarantee that the company I was leading would take wing. Conditions in the early 1990s were difficult and sometimes my feelings boiled over. I raised my voice, too often, but I also tried to support my management team. Eventually we got the struggling company back on its feet, and this lifted the spirits of the people running it. Our success made us feel we were all in it together and gave us the energy to go on.

As a management tool I sometimes deliberately gave meetings an adrenalin boost. We can all imagine the torpid atmosphere in regular, two-hour meetings where the work of a business unit is minutely examined. Tedium and a lack of meaningful activity are dangerous for a company. They're soporific and they turn the company's management into a bloated Politburo. I wanted to fight this, and so I raised my own levels of energy and intensity. Some people regarded this as ranting.

Leadership is a skill that can be learned, and experience is the foundation on which one can start to build a management style. I grew as a leader in perhaps the most visible position in Finnish business life, and my management style has evolved over the years – the rough edges have become smoother. "There's no need to make a fuss about those explosions from Jorma anymore, since they don't often happen now," said Matti Alahuhta, one of my closest colleagues, sometime at the beginning of the 2000s.

Many people completely misunderstand how an enterprise the size of Nokia is run. They imagine that the chief executive personally intervenes in every little issue where there might be a problem. That would be neither possible nor reasonable. When I took over as chief executive, Nokia employed roughly 25,000 people. The successful leadership of such a large group demands shared values. In the early 1990s value leadership was still a relatively new concept. In the 2010s the discussion has moved on and values have shifted in significance. Now we talk, for example, of the significance of work. In any case it's generally understood that employees are not solely motivated by external incentives such as pay.

In 1992–93 we didn't have a clue how a global company should be run. We didn't even need to know, because at that stage Nokia hadn't really become a global company. Nokia's top management was a group of young managers who were extremely ambitious but inexperienced. We had to learn to trust each other completely in all circumstances, in good times as well as bad.

I had encapsulated Nokia's objectives in four key concepts. But objectives and values are not the same thing. Our values needed to be something that people genuinely wanted to be committed to but also something that Nokia wanted them to commit themselves to. We needed a value system that would hold up well should the company succeed. A company's values will often see it through the hard times, because then people have to pull together and trust one another. But the significance of values will be called into question if the company does well. Sudden and unexpected success is one of the greatest risks to a business. Then the company acquires the wrong sort of arrogance, the customer is forgotten, self-satisfaction increases, and sensitiveness to change diminishes.

The roots of the work on values lay years back in Telenokia, our telecommunications network unit. I kicked off our wider discussion of Nokia's values in spring 1992. I set up a working group to consider Nokia's core values and mission. The group identified and affirmed three Nokia values.

These values were implicit in the way the company operated, but they needed to be clarified. They were *Customer Orientation*, *Achievement*, and *Continuous Learning*. The group discovered one new value they felt it important to add to the list – *Respecting the Individual*.

In September 1992 we gathered at Båtvik, Nokia's traditional representational villa. Our top leaders were all there – 25 key individuals. Nokia's success was by no means assured, and I delivered a rather long and gloomy monologue, straight from my heart. We also had a long discussion about our values, our mission, and our working methods. Our gaze was very much focused on the present, which still presented many threats, but we also glanced toward the future.

It helped that there was no one there who hankered after a golden past. Our meeting managed to convince Nokia's senior management that we needed a statement of shared values. Some of them regarded the whole process as an utter waste of time that should have been spent on sales or product development. But just a few months later everyone agreed that without our discussion of values we wouldn't have gotten through.

At that meeting we gained an insight that swept Nokia forward by ten years. After our lengthy discussions we understood that two factors would determine whether Nokia succeeded. On the one hand our products, technology, and design had to be first class. But

all our competitors had exactly the same aim. How could Nokia offer more? What did our customers really want? By pondering these questions we came up with *The Nokia Way*. This was a package that contained our firm's values, working methods, processes, and mission. We explained our core values everywhere we could. For example, in the course of a year our head of strategy, Mikko Kosonen, spoke about Nokia's values and working methods over a hundred times in different places in different parts of the world. This was mainly in internal engagements but also included outside events.

Customer Orientation meant that we would correctly identify the customers' needs, we would add value for our customers through our products, and we would take trouble and care over our customers. We wanted our customers to guide everything we did. We declared the customer, not Nokia, to be our employer.

Respecting the Individual strengthened our mutual trust, but also made Nokia a good and attractive employer. We wanted people to be treated honestly, openly, and fairly. But we also wanted to stress that we all depended on each other. We needed one another. We had to learn to trust one another. I also wanted Nokia to be a multicultural workplace, where we valued diversity, whether that arose from gender, nationality, skin color, or religion. This is conventional wisdom now, but in the Finland of 1992 it was revolutionary.

Achievement is rather an obvious value in a company. Every company wants to meet its objectives. A company should also want its employees to achieve their own goals along with the company's goals. Nokia no longer had resources to spare for vested interests or internal battles over our goals. Everything had to be shared, perhaps even to the point where our customers could sign on to our

goals. We emphasized the urge to win, which was already high on the list of Nokia's corporate values. We also wanted to make it clear to our employees that those who achieved their goals would be valued. We wanted to demonstrate that we would reward people for their achievements, not their presence. This goal was indeed realized later, when our revenue and profits grew so spectacularly. Many people at Nokia became millionaires because of the way our incentives were structured.

Continuous Learning was perhaps the value closest to my heart. I believe that a company whose leaders and employees have stopped learning is condemned to an early grave. In Nokia, learning – continuous learning – is one of the highest values. That means learning on the job, in negotiations, in relations with customers, and in developing processes. Sometimes it also means that the company's managers continue their studies and complete dissertations. It's not a matter of one-off achievements, but an attitude toward the whole of work and life. It's the attitude of an organization as well as the people within the organization. It cannot be measured by qualifications gained or some financial metric, but if a company loses its ability to learn, one will soon see the results in red on the balance sheet. At Nokia learning means innovation and bold decisions. The company wanted to enable its employees to grow as people through their own jobs.

We accepted that mistakes and failures happen. Indeed, we wanted the right number of them to occur, for every mistake and failure brings a huge amount of information that can be put to good use.

Success often provides less in the way of new information. At its best failure leads to a thorough rethink and overhaul of the

company's processes. Over the years people working for me have learned to recognize my catchphrase, which is that everyone in the company has the right to make mistakes, but never the same mistake twice.

The concept of a humble and open mind is also linked to these values. I'm always afraid I'll be misunderstood when I talk of humility. Humility doesn't mean humiliation, timidity, or excessive caution, nor does it mean a lack of self-esteem. It means such strong self-esteem that an individual or a company has the strength to show humility in the face of difficult or unfamiliar facts and fresh challenges. I also mean humility toward competitors, when they have succeeded in doing something special. In my view Pertti Korhonen showed exemplary humility when he picked up Motorola's new phone in 1991. He recognized that Motorola had come up with a brilliant product, though even then he was sure that Nokia could do even better. That belief took us a long way, for it led to the creation of our success story, the Nokia 101.

As well as establishing our core values, we agreed how Nokia would be run. We decided that our structures should be as flat and decentralized as possible. They should also be as efficient as possible, and everything should be based on teamwork. Managers should set clear goals for the operations they supervised. Managers and foremen should work primarily as coaches, who would enable those working for them to realize their potential. And the organization should do all that it could to promote the mobility of the labor force. Nokia was constructing a company that believed in free and active global mobility for people. It would have been mind-boggling if we hadn't believed in mobility within our own company.

We identified three processes that we saw as the most important in the new Nokia. They were strategic planning, financial control, and human resource management. But even more important than the processes were the values, which preceded everything. The processes were there only to enable the company to realize the goals based on its values. The example of Nokia in the 1990s shows how a company can be run on the basis of values. We called this “value-based management,” which may not have been very imaginative but made it clear what we were about. Senior managers often imagine that once the values have been identified and communicated to the staff, things will be fine. But from my own experience I would say that if value-based management is taken seriously, communicating the values is only the first stage.

At Nokia we started by explaining our values to our hundred most important managers in January 1993. That spring we organized further events. We disseminated Nokia’s new values and guiding principles throughout our global organization. Later in the spring we considered what the values would mean for our human resource management. Our values and guiding principles would have no meaning unless they were incorporated into the everyday activities in the company. Personnel management was the most important area of all, because the company was beginning to grow, which meant hiring new people, selecting new managers, and increasing mobility inside Nokia. The global energy firm Enron, which collapsed into wrong-doing and criminality, had a fine set of values, better than those of many companies, but they weren’t incorporated into the everyday activities of the company.

I remember well the time we first outlined our new values to senior managers. Some of my colleagues were enthusiastic, some

were indifferent, and some showed openly that they thought the new chief executive's speech was just for show and had nothing at all to do with everyday life. On the one hand, the values raised many expectations, while on the other, people were skeptical about whether they would actually lead to anything.

I had thrown myself behind the new values and the idea of value-based leadership. I spoke about values in hundreds of meetings. Other senior managers were required to discuss them with their own subordinates. No one was allowed to let the discussion of values slip off the agenda. *The Nokia Way* was just as important as the manufacture and marketing of mobile phones, the purchasing of components, or putting together the company's business plan. It was even more important, really. I don't think we could actually have gotten the business going until we had worked out what we all fundamentally believed in and how we wanted to run Nokia together.

In every meeting and board discussion I made it clear how much I myself believed in our work on values. I made sure that the company would meet its financial targets. Of course every day I made decisions, small and large. But I knew that only a common culture and common values could bring Nokia back to growth and a new resurgence where the company would endure the pains and dangers of success. Only then would its real ethos be tested.

Nokia's personnel people often said that "even big boys can cry." They were referring to our staff appraisal process, which looked each year at what individuals had achieved, how they had developed, and their character. Many companies hold development discussions with their staff, but by the early 1990s Nokia already had a system where superiors, subordinates, and peers all evaluated each

other. I believe in the power of example. So at Nokia we extended these discussions to include executive board members, right up to the chief executive. Thus I too received an annual appraisal of my development in accordance with Nokia's values. It was sometimes hard, but necessary.

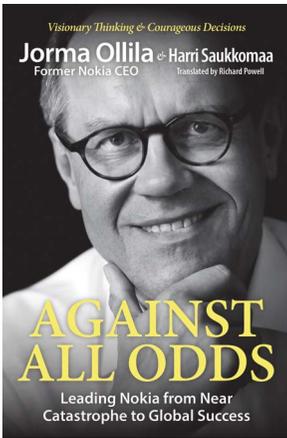
Nokia's core values were knitted into these development discussions: everything was measured in relation to those values. There were years when we focused on just one out of the four core values. We might want, for example, to do better in *Respecting the Individual*. Then all our discussions would stress just that value. Our personnel department also laid stress on understanding people's own values, if for example a manager or expert was posted into an unfamiliar culture. Our company's values were not intended to contain even the slightest hint of cultural superiority. So we created a method to help us check out the values held by key employees, before they were posted.

When our personnel department was given value-related objectives, we gained several additional tools for changing the organization. The personnel department's job was to ensure that *The Nokia Way* was the crucial principle in recruitment, managerial appointments, and team-building. From now on those values would form the sole basis for the development of our workforce. It would ensure continuity, real security, dynamism, and consistency. It would also differentiate Nokia from other employers. We would be able to say very simply what we believed in and how we saw ourselves.

We believed it would make Nokia an attractive company on the international job market.

Trust was the password that would open everything up. The executive committee needed to learn to trust me as chief executive: that was another reason we needed values to which everyone was publicly signed on. My leadership style should have come as no surprise to my colleagues: it was all there between the covers of *The Nokia Way*.

Several of my senior colleagues helped lead the discussion on values. They expended a great deal of valuable management time on it. People below them continued the discussion, which fortunately began to focus on practical issues, which was not always easy. “What if my supervisor asks to me to do something for a customer at six o’clock on a Friday when my family is expecting me for a special dinner?” might be a typical question. It was certainly a concrete and realistic question, and even now I’m not quite sure what the right answer might be. But that makes it just the sort of matter you need to discuss.



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About the Authors

JORMA OLLILA became the pre-eminent European businessman of his generation during his time as Nokia's CEO from 1992 to 2006 and Chairman from 1999 to 2012. He was Chairman of Royal Dutch Shell from 2006 to 2015 and Chairman of the European Round Table of Industrialists from 2005 to 2009.

Ollila is currently an Advisory Partner at investment bank Perella Weinberg Partners. He is an Honorary Fellow of the London School of Economics and holds honorary doctorates from the University of Helsinki, the Helsinki University of Technology, and the University of Vaasa.

HARRI SAUKKOMAA, Chairman and founder of the public relations firm Tekir, is a distinguished journalist, entrepreneur, and author of several nonfiction books.

CHAPTER 6

Leadership and Engagement

John Guaspari

Leadership is the art of getting someone else to do what you want done because he wants to do it.

— President Dwight D. Eisenhower

THIS IS ABOUT LEADERSHIP, the defining characteristic of which is the existence of followers. For our purposes, *leader* can mean a C-level executive or it can mean a frontline supervisor. It can mean a person with explicit positional authority over a business unit of a Fortune 100 company as well as someone called on to head up an eight-person, ad hoc project team who must lead through influence alone.

It's also about Engagement, a concept that's popping up more and more often on leaders' screens these days. And that's for a very good reason. Compelling research done by CEB, Gallup, Hay Group, and others demonstrates the indisputable correlation between high levels of Employee Engagement and substantially improved business results, as measured along such critical dimensions as profitability, productivity, and employee retention rates.

Excerpted from *Otherwise Engaged: How Leaders Can Get a Firmer Grip on Employee Engagement and Other Key Intangibles*, by John Guaspari, Maven House Press, 2015.

Engagement doesn't happen in a vacuum, though. Focusing on it inevitably means coming face-to-face with such related matters as Empowerment, Trust, Respect, Company Values, and the rest of the so-called soft stuff . . . the people stuff.

Attending to all of this effectively is a non-trivial challenge. But leaders don't become leaders by backing down when faced with such challenges. They take action – the *summum bonum* of complex organizational life – by launching serious-minded, well-funded initiatives to drive up Engagement levels, appropriately genuflecting along the way to Engagement's first cousins, the other Intangibles. They do their homework, researching the currently accepted tools and techniques, settling not just for any practices, but only for *best* practices.

It's all very sensible, logical, and rational, and often as not, the results come up short of expectations. So the question becomes: Why?

It's a question I've been trying to help leaders in hundreds of organizations representing scores of industries answer for thirty-plus years now.¹ Over all that time, there have been two incidents that, more than any others, brightly illuminated just what the answer might be. Here's one of them.

I was standing on the stage of a corporate auditorium. The title of the presentation I was about to make was the standard one I used in such instances: "Making the Business Case for *The Intangibles*." If you were to try to imagine a group of people predisposed to be skeptical about this sort of subject matter, you'd be hard pressed to come up with a better one than the hundred or so people I was facing at that moment: the security team of a business unit of a major technology company. Suffice it to say, these are not people whose day-planners tend to be overfilled with matters pertaining to the soft stuff.

A few days earlier I had told a colleague that this assignment would be a piece of cake: "All I have to do is make a logical, left-brained argument to an overwhelmingly logical, left-brained audience that logical, left-brained arguments aren't enough." I was joking, but I also knew

1. It wasn't called Engagement back then. In retrospect, though, it becomes clear that that's what it was.

that this pretty well captured the essence of the challenge before me. I believed that what I had to say had the potential to be of considerable value, even to such logical, left-brained folks. That wouldn't be the case, though, unless I could find a way to get past the Starship Enterprise-grade deflector shields that such audiences reflexively deploy – set to eleven – when under threat of bombardment by what they perceived to be such Kumbaya-ish subject matter.

So I took a risk. Instead of beginning my presentation by talking *about* the Intangibles, I decided to try to get them to vicariously *feel* one.

I began by telling them the story of what had happened on the evening our son Mike was born some thirty years earlier. I described my wife Gail announcing that the big moment had arrived, the phone calls to the hospital and obstetrician, the gathering up of the go-bags, the short/long three-mile drive to the hospital. I told them of how the song that happened to be playing on the car radio when I turned the ignition key was Billy Joel's "Piano Man," and that by the end of the song we had arrived at the hospital, that by the end of the night mother and baby were doing great.

Here's how I concluded the story: "To this day, whenever I hear 'Piano Man,' I get a powerful emotional jolt. I cannot prove it to you. I cannot show it to you. I cannot put it in front of you so that you can touch it, or taste it, or smell it. But don't you *dare* try to tell me that this feeling is not real. What's more, everyone in this room has an equivalent story to tell about something that will trigger a deeply rooted bit of sense memory and give you that same kind of emotional jolt. That's what I mean by *The Intangibles*. That's what we're going to be talking about for the next hour or so."

It worked. I could tell by the body language that their deflector shields had come down. Most of all, I could tell when, at the end of the hour, I thanked them for their time and attention and exited stage left, at which point one of those oh-so-logical/rational security professionals held up his iPhone – volume cranked up to eleven – and serenaded us all with Billy Joel's "Piano Man."

That was one of the most gratifying moments of my professional career. What happened next, however, was not.

A fifteen-minute break was called, and an HR director for the business unit approached me.

“May I offer you some constructive feedback?” she asked.

“Of course!” I replied.

“This is a pretty diverse group,” she said. “Not all of them are baby boomers like you and I are. So their tastes in music are likely to be different from ours. I think your story would have been more effective if instead of using a song by Billy Joel you had used one by someone like, say, Katy Perry.”

What I said in reply was this: “Hmm. Interesting point. I’ll be sure to give it some thought.”

What I had wanted to say was this: “But that’s what actually, you know, *happened*. ‘Piano Man’ is the song that was on the radio! An hour ago I stood up in front of these people and opened a vein and shared a deeply personal, deeply emotional story!! One that I had never shared in public before!!! I understand that this is a diverse team and that, Lord knows, they’re all the stronger as a result!!!! But ‘Piano Man’ is what was on the radio that night!!!!!! *And besides which, Katy Perry is younger than Mike!!!!!!*”

All of which goes to prove yet again that attempting to deal with the Intangibles is like trying to lasso a cloud. Don’t get me wrong. I am more than prepared to concede that she may have missed the point of the “Piano Man” story because of my shortcomings as a presenter. But the guy who held up the iPhone seemed to get it. So, too, did all of the people who sang along to “Piano Man” when he did. So how was it that an HR director – *an HR director!* – didn’t?

I think it has to do with the fact that leaders have a strong bias toward logical, rational, data-driven solutions to problems. It’s a bias that is reinforced by the dynamic push and pull of organizational life. You don’t become a leader – or at least you won’t be a leader for long – by relying on gut feelings and emotion alone.

For the record, I am not immune to the appeal of such a worldview. Both my undergraduate and graduate training were in aerospace engineering, and I spent the first several years of my career in that profession. I, too, like to be data-driven.

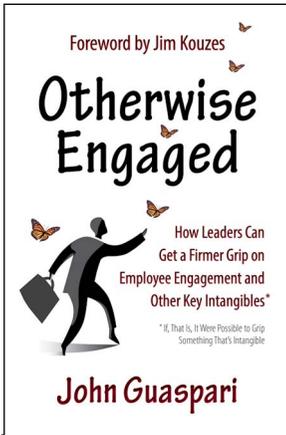
But doesn't the fact that so many well-intentioned initiatives fall short of expectations represent important data? In what sense are you being data-driven when you come up short and think, "We did our best. But, you know, it's the soft stuff that's the hard part, so . . .," thereby shrugging away the possibility that maybe the approach that was taken wasn't so sensible and rational after all?

Which brings us to the root of the problem, and I think it has to do with the fact that security professionals are not the only ones with hair-triggers on their deflector shields. Sad to say, pretty much everybody has them. It's just human nature.

Well-intentioned and sensible though they may be, those rational, well-resourced, best-practice-driven initiatives amount to the application of mechanical, utilitarian prescriptions to what is essentially a problem of the spirit and soul. It's not just that such approaches *don't* work. It's that they *can't* work, any more than even the most powerful antibiotic will cure a viral infection.

That's a costly problem for businesses, since they invest a lot in what has come to be called their human capital, and there are enormous benefits to be realized by leaders who are able to get a firmer grip on Engagement and all of its cousins – if, that is, it were possible to get a handle on those Intangibles, which by definition can't be touched.

A paradox that. Such is the ambiguity of the leader's challenge. Embrace it. You might just as well, since you can't embrace the Intangibles themselves.



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Leadership Book of the Year 2016 Finalist, sponsored by Leadership and Management Books

About the Author

JOHN GUASPARI has helped leaders take on the challenge of being more effective at attending to the intangibles for the past 30 years. He is the author of six previous books on the topic, including the best-selling *I Know It When I See It*, *The Customer Connection*, and *The Value Effect*, seven best-selling training videos, as well hundreds of articles and columns.

Guaspari has worked with corporate clients in scores of industries and has delivered some 1,500 intangibles-related presentations, seminars, and workshops. He began his professional career as an aerospace engineer and then went on to hold corporate positions in such widely varying functions as marketing, customer support, quality, leadership development, and organizational effectiveness.

MARKETING AND PUBLIC RELATIONS

CHAPTER 7

Public Relations in Action

Robert Wynne

MICHAEL LEVINE, author of *Guerilla P.R.*, says the best analogy for public relations is gift wrapping, “If I went to visit a woman today and gave her a gift in a Tiffany box, it would have higher perceived value than if I just gave it to her plain. Because she and you and I live in a culture where we gift-wrap everything – our politicians, TV stars, and even our toilet paper.”

A tremendous number of articles appearing in the media today are “gift-wrapped” and originate from a public relations agency. Think about it: A new smart phone. Russia hacking the American presidential election. The latest report on glaciers melting in Antarctica. These stories don’t appear out of nowhere. They were written, tested, practiced, and formulated by publicists, staffers, speechwriters, or corporate experts before being sent to reporters who processed the information, rejected some assertions, accepted others, then decided to produce a news product. And then they

Excerpted from *Straight Talk About Public Relations: What You Think You Know Is Wrong*, by Robert Wynne, Maven House Press, 2017.

end up in front of millions of consumers. But first the PR professionals had to get their story in front of the reporter.

Public Relations is Difficult

Obtaining a media placement consists of the following steps:

- Researching the story idea
- Writing a compelling pitch or press release
- Contacting journalists individually or via wide distribution
- Attracting the attention of the reporter
- Convincing that reporter to write or broadcast or post a relevant story

But placing stories is now harder than ever.

Most reporters work at their desks. With newspaper and magazine readership plummeting, and cable TV news viewers decreasing because of the Internet, there are a lot fewer journalists working today than 20 years ago. Instead of beating the bushes by calling sources, visiting government agencies and factories, and investigating stories the old-fashioned way, many journalists rely upon sources to feed them information – sources at companies, government agencies, industry organizations, or citizen groups. Reporters need to churn out stories more quickly than ever, and many don't have budgets or time for treasure hunts. So the ever decreasing number of journalists are inundated with information from outside sources and have little time to review what story ideas they receive, making it extremely difficult to place a story.

The Pew Research Center noted in 2014 that there are about 5.7 people working in public relations for every journalist. That number is deceiving; it's actually higher. Most entrepreneurs and small businesses don't have a full-time person handling public relations. Many don't hire a PR firm. So hundreds of thousands (if not millions) of business owners handle the duties of PR themselves. This enormous PR competition means that the limited attention of journalists is even harder to obtain.

Nothing But the Truth?

Reporters know that all sources have agendas. The best journalists are skeptical, and they understand that publicists, corporations, and governments may not always be telling the truth, the whole truth, and nothing but the truth.

The Brexit campaign, in which the British voted to leave the European Union in June 2016, is a great example. One day after the referendum passed, millions of British were Googling *European Union*, apparently ignorant of the role of the agency, what Britain's membership entailed, and what results and damages would occur upon exit. The Vote Leave campaign's biggest selling point, that the United Kingdom sent £350 million (\$500 million) every week to the EU, turned out to be a lie. Red buses with the phrase "We send the EU £350 million a week – let's fund our NHS [National Health Service] instead" paraded throughout England before the vote. After Brexit passed, Vote Leave organizers admitted to the BBC that the £350 million figure was grossly inflated and there was no guarantee that the funds going to the EU as part of the membership would automatically be deposited into the NHS.

The Keystone XL Pipeline offers another good example of competing interests and completely different claims made by opposing sides. Proponents claimed that the pipeline would add 30,000 permanent jobs and restore America's energy independence, and that its construction would pose no danger to the environment. Opponents countered that once the pipeline was built, only 34 jobs would be created, most of the benefits would go to the supplier (Canada) and the main customer (China), while its construction, which was over a critical aquifer, would endanger the drinking water of millions of Americans.

The best example of the power of PR comes from the brown-nosing coverage of every single Apple product over the past 20 years. It's well-known inside the media that Steve Jobs personally called many important journalists and alternately charmed and bullied them. The brand remains incredibly valuable today thanks to his PR efforts, which continue to add value years after his death.

PUBLIC RELATIONS AND SOCIAL MEDIA

There are two great fallacies about using social media as a PR strategy:

- Social media is dominant; don't worry about writing and researching, just post cute short tweets and they will magically go viral with your Facebook, Instagram, and Twitter "friends" whom you've never met.
- You don't need reporters, and you don't need to do your homework on yourself, your firm, your competition, or finding the best media outlet.

Like 99.99 percent of all new apps that promise they're one-of-a-kind and better than anything ever invented, this "new" PR strategy will fail.

Here are the cold, hard facts:

- There are 205 billion emails sent each day.
- 350 million photos are posted per day on Facebook.
- 500 million tweets arrive daily.
- There are least 5.7 publicists for every journalist.

Ragan's PR Daily estimated in 2014 that there are about 1,800 press releases issued daily, based on the number of yearly releases from PR Newswire, BusinessWire, and Marketwire. That figure is probably too low, since many smaller firms send out national and local releases on their own, and new online distribution companies have popped up since then. Even a conservative guess would predict at least 2,000 releases disseminated each day, probably many more.

Unless your story is unique and you personally know a journalist or influencer, your chance of obtaining positive coverage is very low. Even with great relationships and a decent pitch, there are no magical instant-breakfast-just-add-water solutions. Stay away from junk books that talk about "winning social media campaigns in five minutes or less." The numbers are against you. There are no easy answers. Learn to practice the art of public relations. Work hard. Be persistent.

Remember the lesson of Julius Caesar, P.T. Barnum, Ivy Lee, and Edward Bernays: *It's all about the story.* Victories in Gaul. Three-ring circus. Rockefeller eating with his workers. Torches of Freedom.

SOCIAL MEDIA FOR PUBLIC RELATIONS

WORKS FOR	FAILS FOR
Crisis PR	Generating story leads
Research on products	Reaching influencers
Finding reporters	Contacting reporters
Creating groups	Going “viral”
Reacting to customers or critics	Pitching feature stories

Figure 7-1. What works and doesn't work using social media for public relations.

Twitter is the Best

If you have to choose one platform for social media, choose Twitter. It's the best social media platform for PR, by a thousand miles.

Muck Rack is a website dedicated to following trending stories in the news via Twitter feeds. Their community features thousands of PR professionals and journalists. They conducted a survey of several hundred journalists about social media and PR. The results were conclusive:

What social network is most valuable professionally?

- Twitter: 80%
- Facebook: 13%
- LinkedIn: 4%
- Other: 3%

SIX RULES FOR USING SOCIAL MEDIA FOR PR

Be Brief – Don't Be Boring
Be Newsworthy
Be Helpful
Avoid Facebook
Be Live
Be Video Proficient

Figure 7-2. Follow these six rules to get the most out of social media.

Do you like it when PR pros follow you on social media?

- Like: 86%
- Don't like: 14%

How do you prefer to be pitched?

- Email: 93%
- Phone: 3%
- Twitter: 2%
- Other: 2%

Twitter isn't easy to learn. Like a marriage, a topspin backhand in tennis, or the final season of "Downton Abbey," Twitter takes a lot of time and effort, and there's some frustration involved. Much about Twitter is hype, and the Internet is full of "Instantly Turbocharge Your PR Efforts!" posts that make it appear that if you don't spend 12 hours a day on Twitter or subscribe to services such as Hootsuite, Topsy, and Tagboard, then you can't participate in public relations.

Here's an example of how a very small startup can use social media to utilize public relations. Let's say you're a college student. You and your brother sell vintage T-shirts purchased at garage sales and thrift stores. The T-shirts are posted on Instagram. These are the steps you should take to generate public relations coverage:

- Target media where you'd like to be seen – *Wall Street Journal*, CNN, *Buzzfeed*, *Rolling Stone*, etc.
- Find reporters who cover similar businesses or topics. In this example, it would be vintage clothing, classic rock, old school hip-hop, etc.
- Friend or link to these reporters on Twitter and Instagram.
- Write them an email. Reference their previous stories, genuinely compliment the stories you liked. Let them know about your business. Send your Twitter, Instagram, and other handles where your T-shirts can be seen. Briefly announce your story: How do two college students pay off their student debt and have fun at the same time?
- If a reporter responds, follow up and give them more information. Bonus advice: Start with your school paper – that way the national media and trade media can see what the story looks like. They won't consider your college paper a competitor.

Public relations is often a matchmaking business. You're trying to connect and amplify yourself, your client, or your story to a wider, mass audience via traditional or social media. If Twitter can help you, then it's a useful tool. For PR professionals, small business owners, and entrepreneurs, there are three main uses for Twitter:

- **Announcements.** You want to tell the public something about you, your business, or your client – such as a new product, an award, an upcoming event, or an introduction into a new market – or you want to keep your audience updated during a crisis or emergency.
- **Research.** You want to find out what competitors, clients, friends, media, or influencers are tweeting about.
- **Networking.** You want to meet new influencers, clients, friends, competitors, or reporters and follow them and get them to follow you.

Unlike Facebook, Instagram, Snapchat, or LinkedIn, Twitter sometimes allows publicists and business people to send direct messages to journalists. If you follow a reporter, sometimes that reporter will follow you back. If the journalist chooses to allow direct messages, you can contact them that way. Most reporters don't (for obvious reasons), but if they do, it can be an excellent shortcut to communicate with them.

A FEW TIPS ON WHAT WORKS

Although the practices of traditional PR and social media campaigns overlap significantly (press releases are often posted on Twitter, LinkedIn, etc. in addition to being distributed via email), here are a few tips that will help you with your PR campaigns.

Feature Stories: For promoting feature stories, use traditional PR methods. Social media is practically worthless. Email and personal relationships work far better for presenting longer, in-depth feature articles. The pitches, press releases, and story

information must contain a substantial number of facts, story hooks, links to current trends, and data that affect the audience. Your ultimate goal is to be the sole source of the story that's used. For that to happen, your story must include everything the media needs to make a decision to use your story. Getting an occasional quote or pairing in stories with other firms or individuals is nice. But having your feature story used is the platinum standard.

Crisis Communications: For crisis communications, use social media. Social media is much more efficient for crisis communications because information is instantly transmitted. It's ideal for communicating about accidents, elections, and real-time events.

Pitches and Press Releases: Most winning pitches and press releases are marked by at least three of the following eight characteristics of a great story:

- It offers something new
- It has human interest
- It challenges conventional wisdom
- It's visual
- It's unusual
- It's impactful
- It relates to a trend
- It's memorable

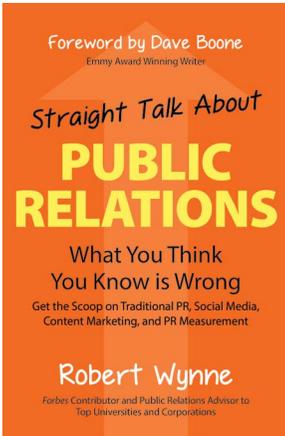
Make sure you have a great story to tell. And before reaching out to journalists, you should learn to think like a reporter. Help

them reach their audience. To do that you should make sure the journalists know:

- What's the story?
- Why is it important?
- Why now?

How well that message is delivered is the key factor for your success. You must understand the story and know how to deliver that message in as few words as possible. If you can write press releases, pitch letters, and editorials well, and possess the barest of people skills, you'll never go hungry.

Bottom line: for long feature stories and most press releases and pitches, the old rules of PR still rule. So everyone in public relations should understand and master the traditional PR strategies: using press releases, pitch letters, and editorials.



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About the Author

ROBERT WYNNE is president of the public relations and events agency Wynne Communications. He also writes a monthly column on public relations for *Forbes*. He was formerly Director of Communications at USC's Marshall School of Business, Director of Marketing at Manatt, Phelps & Phillips, and a reporter for *Newsweek* and the *Los Angeles Times*.

Wynne has provided public relations counsel for Cornell University SC Johnson College of Business, Johns Hopkins Carey Business School, MIT Sloan School of Management, UCLA Law School, the law firm of Stroock & Stroock & Lavan, and many others.

Wynne holds a BS in Economics from Vanderbilt University and an MA in Communications from the University of Texas at Austin.

CHAPTER 8

Flair Sells

Jim Poage and Jennifer Poage

The essential difference between emotion and reason is that emotion leads to action, while reason leads to conclusions.

— Donald Calne, neurologist,
author of *Within Reason*

FLAIR SELLS PRODUCTS

JUST LOOK AT BEATS by Dr. Dre headphones, which came on the scene in 2004 and quickly captured the market as the hip, trendy, and necessary way to listen to music. Rock music has always been about a rhythmic, captivating bass, and the Beats sound enhances the drive and energy of rock, hip-hop, and pop. Previous high-end headphones were tuned to produce an even sound across the music audio range and didn't provide a dramatic sound for pop music. Beats headphones do. In the May 2014 issue of *Inc.*

Excerpted from *Flair: Design Your Daily Work, Products, and Services to Energize Your Customers, Colleagues, and Audiences*, by Jim Poage and Jennifer Poage, Maven House Press, 2016.

magazine Burt Helm quotes Jimmy Iovine, co-founder of Beats along with Dr. Dre, saying: “We wanted to recreate that excitement of being in the studio. That’s why people listen.”

Besides a dynamic sound that drives and pulses, Beats has a unique, bold, and fashion-forward look. So iconic in design, Beats has become a ubiquitous fashion accessory for pop culture celebs, sports stars, and trendy music lovers. Compared to Beats headphones in glossy, bright hues with a stylish wide headband and padded ear pieces, other brands, with muted, neutral colors, are lackluster tech rather than a fashion item. The Beats logo, on the side of each earpiece, is distinctive with a simple *b* that jumps out in a contrasting color.

With the flair of a throbbing rhythm and an electric appearance, Beats gained 62 percent of the premium headphone market and 30 percent of the \$1 billion-plus total U.S. headphone market by 2014. The company was sold to Apple for \$3 billion in 2014.

FLAIR SELLS SERVICES

Zappos, an online shoe and clothing store, features happiness: happy employees and happy customers. Call center sales representatives don’t use scripts, and call times don’t have limits. On December 8, 2012, the longest customer service call came in at 10 hours, 29 minutes, during which most of the conversation was about what it’s like to live in the Las Vegas area, and, yes, the customer did buy a pair of Ugg boots.

Purchases are often sent overnight even though the website states from two to five business days, and Zappos offers free shipping and returns. This makes the online shopping experience

comparable to trying on shoes in a store, since customers can order multiple sizes to check the fit and return a size that isn't right.⁵

Bringing happiness to both employees and customers, call center representatives make their own decisions on such topics as providing a refund on defective orders, and the reps send a dozen or so personal notes to customers each day. New hires train for four weeks no matter what their job will be, and contact center employees train for an additional three weeks. All call center employees have their own workstations and can paint their walls to individualize their personal space.

Repeat customers and word-of-mouth are the main reasons for Zappos' growth. Launched in 1999, Zappos' gross sales reached \$1 billion in 2008, and the company was sold to Amazon.com for \$1.2 billion a year later, in 2009.

FLAIR SELLS ONE'S DAILY WORK RESULTS

What makes Doris Kearns Goodwin's recent books on Lincoln, *Team of Rivals: The Political Genius of Abraham Lincoln*, and on Theodore Roosevelt, *The Bully Pulpit: Theodore Roosevelt, William Howard Taft, and the Golden Age of Journalism*, so compelling is the inclusion of additional historical characters with whom Lincoln and Roosevelt interacted, thus expanding the narrative beyond the typical one-person or family biography. In *Team of Rivals*, for example, she covers Lincoln's cabinet members, who had been rivals of Lincoln, particularly in his presidential election campaign of 1860. For Roosevelt, she shapes her book around the friendship between Roosevelt and William Taft and their relationship with the press. The book tells how Roosevelt and Taft first became good

friends, then had an intense split, and finally renewed their relationship. Goodwin's format expands the storyline of a single-subject biography to cover multiple individuals, their relationships, and their joint impact on events, so that her books stand out from other biographies. This format, added to her engaging writing style, provides flair that adds to the success of her books. *Team of Rivals* sold more than 1.3 million copies by 2012 and was the basis for Steven Spielberg's *Lincoln* film of the same year.

EFFECTIVE FLAIR

The above three examples show that effective flair brings uniqueness, excitement, and sales success. What constitutes effective flair, and how to create it, are the subjects of this book. By flair, we mean charm, panache, pizzazz, taste, style, élan, dash, spirit, liveliness, and any other word that indicates something that excites your customers, colleagues, and audience. By *effective* flair, we mean the flair energizes your customers, colleagues, and audience *to act* – to buy, adopt, or follow up on your offering.

Effective flair isn't a hotel door attendant wearing a flamboyant outfit. It isn't restaurant wait staff asking, "Is everything all right?" It isn't a greeter saying, "Hello, welcome to our store," to everyone who enters. And it isn't putting 3-D, multi-color charts with graduated shading and glowing edges in a briefing. Effective flair doesn't just add something cute or colorful. Rather it enhances and sincerely reflects the offering – as shown by Beats, Zappos, and Goodwin. Effective flair is meaningful, in that it provides something useful, and is joyful, evoking a smile or a "wow" in acknowledgement that it's clever and stimulating.

The benefits of flair for products and services are obvious: increased sales at a premium price to energized customers. Flair in the content and form of studies, memos, reports, presentations – your daily work – may seem less identifiable, but with a few principles and a process almost anyone, in any situation, can add effective flair to their work. The benefits of such flair are that managers and colleagues will quickly understand your work and how to use it to create value. They’ll be energized and want to use your results. Their responses will help you stand out and make your work memorable.

Flair is within reach of anyone and can be created for any product, service, or work endeavor.

FLAIR CAN BE EVERYWHERE

An article in *Vanity Fair* in March 2014, about the early days of the California Institute of the Arts in the 1960s and 1970s, quotes design student Brad Bird, describing what he learned from Professor Bill Moore. “Design was all around you,” Bird said, “and it was either good design or bad design. But it was everywhere, and in everything: manhole covers, lamps, furniture, cars, ads in the paper – everything has elements of design in it.” The examples in the quotation are about physical things, but the quote’s spirit conveys that anything can have flair, which also includes services and your daily work.

SUCCESS WITH FLAIR, DISAPPOINTMENT WITHOUT FLAIR

To begin the journey of understanding what effective flair is and how to create it, examples of a product, service, and daily work result *with* flair will be contrasted with similar offerings *without* flair.

These cases show that positive results come from understanding what's important to the customer at an emotional level.

Products with and without Flair

Apple can be considered the poster child for style and flair. According to Walter Isaacson in his book *Steve Jobs*, when the first iPhone was nearing its launch, Apple CEO Steve Jobs went to see Jonathan Ive, head of Apple design, and declared that the phone's screen didn't look right. He felt that the case overlapping the screen interfered with the display being the focus. So Jobs told Ive's design team that they needed to work nights and weekends to rectify the case design issue. The designers agreed with Jobs and did just that. The result was the now-familiar thin stainless steel bezel with the glass screen covering the whole front. Jobs's understanding of flair led to the iPhone's extraordinary success. Deciphering what Apple and others do to successfully differentiate themselves with flair will provide the insights you need to add flair to your own work.

An example of a product without flair, the Microsoft Surface RT tablet/laptop combo had disappointing sales when it was introduced in October 2012. The Surface RT could be used as a tablet, when the screen that contained the electronics was detached from the cover, or as a laptop, when the cover that hosted a keyboard was attached. This tablet/laptop combination didn't catch on in the marketplace. According to International Data Corporation (IDC), in the first quarter of 2013 Microsoft shipped 900,000 Surface devices, including the Surface RT and Surface Pro models, while Apple shipped 19.5 million tablets and Samsung shipped 8.8 million tablets, out of a total of 49.2 million tablets shipped. The detached

display was too large and heavy to function comfortably as a stand-alone tablet, and the keyboard was too awkward for efficient typing to operate as a stand-alone laptop. Two properties of keyboards that affect typing are key response, which is a positive mechanical feedback indicating that a key has been pressed, and travel, which is the distance a key needs to be pushed to enter the character. The Surface RT offered two cover/keyboard options, but both were so thin that they didn't provide the key response and travel of a typical laptop keyboard. Thus, the extensive typing one would do on a laptop was cumbersome. The tablet portion had a foldout stand on its back that propped up the screen on a desk or table. However, the foldout stand was difficult to use on a lap, so the Surface RT as a "laptop" didn't work very well on a lap. Microsoft aimed for a laptop/tablet combination, which seems like a good idea, but the product that resulted fell short. There was little flair in the physical design or functionality of the Surface RT to excite users.

Success eventually came with the Surface Pro 3, launched in June 2014, which was retooled as a high-performance device with its own market niche rather than a combo tablet and laptop that competed against both stand-alone tablets and laptops. Leo Sun observed on *The Motley Fool* website: "Microsoft's Surface had a rough start when it hit the market in October 2012, but customers eventually realized the device was more of an ultrabook than a tablet. Microsoft also heavily marketed the Surface as a productivity device for students and professionals, rather than going head-to-head against the iPad as a consumer tablet." While Microsoft may still not offer the style and simplicity that's abundant in Apple devices, it has at least targeted a specific market niche with a tailored product.

Apple and Microsoft are very large companies with plenty of money and staff to build flair or, in the case of Microsoft, sometimes build flair, and they can afford to revise the design of their products near launch. But we don't believe for a minute that Apple's flair is beyond the reach of small and medium-sized companies with more modest resources. With appropriate understanding and know-how, any company can create flair without the immense resources that Apple applies.

Services with and without Flair

Now, let's consider services that do and services that don't have flair. Target is often described as selling "cheap chic" and was early to feature collaborations with famous and up-and-coming designers. These included over 800 Michael Graves designs ranging from a teakettle to a garlic press to a toilet brush, as well as one-time offerings by popular or emerging fashion designers, such as Missoni, Phillip Lim, Peter Pilotto, and Marc Jacobs. These pop-up fashion collections often sold out quickly. Target's television ads conveyed that the retailer brought pizzazz to your life through style and color for your clothes and home, and that its products, and the feelings of delight that accompany them, were accessible to everyone.

After the 2008 recession Target shifted its marketing focus toward low prices and away from flair and joy. Shoppers abandoned Target. A new CEO, Brian Cornell, took over in August 2014. He brought back the "chic" to pair with "cheap," and Target's stock has revived by 30 percent to an all-time high, as of late winter 2015, during his leadership.

Now consider JCPenney during Ron Johnson's reign as CEO, from November 2011 to April 2013. Johnson had previously served

as the head of Apple's retail stores, which were phenomenally successful, reporting the highest per-square-foot sales of any retail chain and more than double the next highest. Good things were expected with Johnson bringing the Apple retail magic to JCPenney. But JCPenney sales fell nearly 29 percent over one year, and its share price declined to half its value during Johnson's tenure. Johnson was fired after only seventeen months as CEO.

What happened? Why didn't Apple's retail success come with Johnson to JCPenney? Johnson may not have understood retail department stores, but he also seemed to not have comprehended what made flair effective at Apple. Jobs preached "simplify" at Apple. But Jobs' simplification was meaningful to customers, which enhanced their emotional engagement to the brand. Apple stores had a simplified customer experience that was appropriate to its customers, who were buying products about which they had many questions. Upon entering an Apple Store, a greeter assigns you to a sales associate. The sales associate is knowledgeable about the Apple products, explains the offerings, completes your purchase, brings you the purchased item, and shows you how to use it. You deal with only one staff member at the Apple Store, unless you have technical questions or need repairs, which are handled at the Genius Bar at the back of the store. This customer experience is appropriate given the technical nature of Apple products and conveys that Apple products are special. Johnson also worked at Target when it began to feature designer products. He had a major role in Target's collaboration with designers, but he does not appear to have understood how to transfer this experience with flair to JCPenney, a different type of retailer.

At JCPenney, Johnson, likely thinking he was simplifying the customer experience, eliminated frequent sales and coupons

to provide everyday low, fair pricing. This simplified advertising and, supposedly, pricing for customers. But frequent sales were meaningful to and even desired by JCPenney patrons. Customers searched for items they wanted in each sale promotion – looking for sales wasn't complicated for JCPenney customers. Eliminating sales didn't attract new customers but lost existing customers. Johnson also simplified pricing by rounding prices ending in 99 cents up to whole dollars. But who cares about paying in whole dollars rather than a penny less with a price ending in 99 cents. Not JCPenney's customers. Even with a price in whole dollars, once tax is added, the bill is back to dollars and cents. Television ads featuring Ellen DeGeneres describing Johnson's initiatives were enjoyable and engaging, but the changes themselves weren't. Jobs understood that simplification needs to be meaningful to customers. Johnson didn't appreciate this nuance.

Daily Work with and without Flair

At work you've likely dealt with people who left their colleagues and audiences deflated. You've probably sat through presentations that were hard to follow or were just plain boring, even though the content may have been good and meaningful. You've also, no doubt, dealt with people who drain your energy. In these cases you were unlikely to follow through with what you'd heard since you weren't inspired. By putting flair in your work you'll avoid those situations – you'll be an energizer, not a de-energizer. Being an energizer isn't about being an extrovert – it's about making the content and format of your subject matter clear and stimulating. We define effective flair in daily work as energizing your audience to

act on your output – to implement or investigate further. Effective flair will help you to move ahead in your career.

In the late 1990s NASA began a research program called Advanced Air Transportation Technologies, which was aimed at enhancing the efficiency and capacity of the nation's increasingly overloaded air traffic control system. NASA's goal was to develop computerized systems to aid air traffic controllers in managing taxiing, departures, and arrivals at airports, and in flying between airports. The challenge NASA faced as it developed these different projects was to figure out which were most effective and by how much, what deserved funding, and what would draw positive support from the FAA and the airlines.

NASA hired an aviation consulting firm to develop performance measures to determine the impacts of the research program on airport operations. The resulting proposed measures seemed at first glance to make sense. But as NASA managers began to evaluate their projects, they found the measures to be of little help in making decisions. And yet the NASA managers couldn't articulate what was wrong with the measures.

Having developed measures for aviation programs at the FAA, Jim, then working for the Volpe Center of the U.S. Department of Transportation in Cambridge, Massachusetts, was asked to look at the problem. After probing the meaningfulness of the existing measures, Jim concluded that, despite covering a variety of impacts, the measures didn't show how each project would help relieve the capacity problems of the nation's air traffic control system. What NASA had was a basketful of measures without links to specific projects and goals. Missing was *how* the measures would

support NASA's decision-making about what projects to fund. After he explained his findings to the NASA team, Jim was asked to develop new measures.

Working with NASA project managers, Jim concluded that the measures needed to tell a story – they needed to show the benefits that the projects contributed to the research program. He decided to construct a chart organizing the measures to show each project's contributions to the program's goals. The resulting hierarchical chart showed individual projects along the bottom with the projects connected to a middle layer containing groupings of surface operations projects, terminal operations projects, and en route operations projects. At the top of the chart were the overall program goals, such as increase capacity, reduce delays, and save fuel. Appropriate measures were developed for each level.

Figure 8-1 shows sample measures and projects for the NASA research program. Contrast the usefulness of this structured presentation, which tells the story about the contributions of individual projects, with a list of measures not tied to any project or goal.

Adding flair through storytelling went beyond just defining performance measures; it conveyed the measures in a form that provided information that was useful to NASA. Previously NASA had been asked, and had difficulty explaining, why research was being conducted on projects that appeared to have little benefit. With this new narrative framework NASA was able to justify how a project in question was one step closer to a larger benefit and would enable following projects to provide significant value. The head of the NASA program said he was more comfortable presenting the research this way and that he appreciated Jim's work.

SOME QUESTIONS ABOUT FLAIR

During the writing of this chapter, colleagues who helped review it raised several questions that may also occur to you. These questions are answered in the next few subsections.

Is Flair a Matter of Taste?

Yes, flair is certainly a matter of taste. What intrigues one person may be considered silly by another. For instance, we appreciate Apple's flair, but we don't always share the same tastes as Jobs. According to Isaacson's biography, Jobs personally selected the gray-blue Pietra Severna sandstone (which comes from a quarry near Florence, Italy) for the floors of the Apple Stores. Yet when Jim passes or enters the Apple Store at the Burlington Mall in Massachusetts, he doesn't immediately remember that the floors are stone and wonders why the Apple Stores have a dirty gray industrial carpet. He finds the gray-blue color and dull matte finish of the floors unattractive; to him they don't have the rich tonal qualities that some stone floors have. He also doesn't care for the very light-toned wood in the Apple Store tables, which he feels lacks the rich patina and grain often found in wood. The expansive white walls in Apple Stores are too minimalist for his taste. In contrast, Jenn finds the styling and presentation in the Apple Stores comfortable and refreshing. She feels comfortable inside and confident that she'll find sleek and technologically advanced products.

To achieve a successful offering, aim for flair that encompasses a wide range of tastes and is attractive to a significant portion of your target market. You won't please everyone, so don't let a small amount of criticism derail you from adding flair. In a 2006 *Financial*

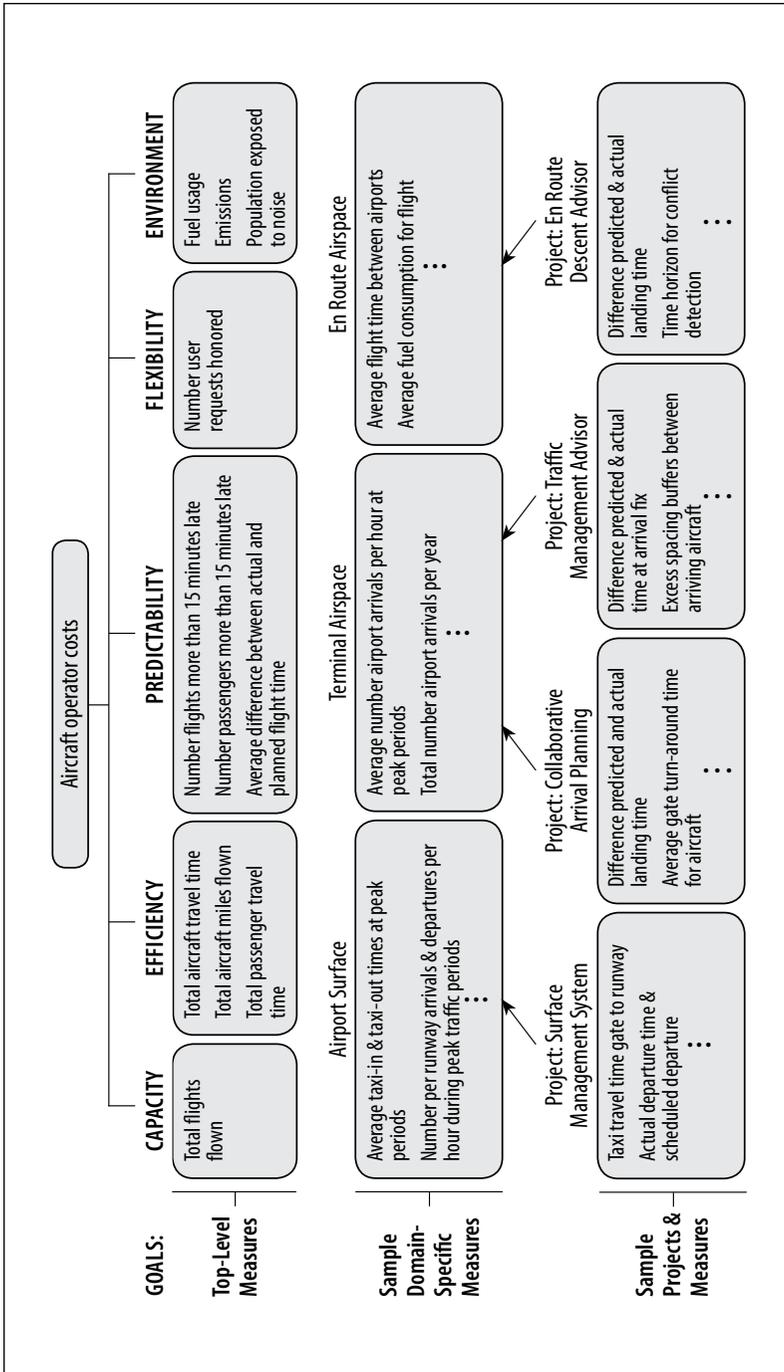


Figure 8-1. Chart tells a clear story about the contributions of NASA's aviation projects to overall program goals.

Times interview, Jay Leno described his first public performance as a standup comic, where he opened for the drummer Buddy Rich.¹⁷ The emcee introduced Leno and asked the audience to welcome “a bright young comedian here called Jay Leno.” Then someone in the audience shouted, “We hate him.” Leno wondered how this person could hate him since he had never appeared anywhere. “Then I realized: you can’t please everybody. You just have to do the best you can.”

Is Flair Expensive, and Does It Require a Large Staff?

Anyone can add flair to their products, services, or daily work if they understand what flair is. You don’t have to be Frank Lloyd Wright, Michael Graves, or Steve Jobs to generate effective flair. However, some people, such as these individuals, do excel at design and flair beyond what most people can hope to achieve. If you can afford it, you probably want to hire skilled designers for important offerings. For many situations, however, hiring famous designers isn’t cost-effective.

Inexpensive product design with flair is possible. H&M, Zara, and Target feature stylish clothing that’s reasonably priced. Inexpensive service with flair is also possible – it doesn’t cost much for a restaurant or store to incorporate a warm and welcoming attitude that drives engaging service. The story format in the previously mentioned chart of measures for NASA doesn’t require much more time to produce than a plain list. And of course you don’t need to spend the effort to add flair when it doesn’t matter.

Making tradeoffs between features and cost is part of most product development decisions, and the tradeoff between flair and

cost is also part of these decisions. Designing for flair from the beginning of an effort is cheaper than adding flair toward the end.

Does Adding Flair Require Changing the Culture of a Company?

One of Jim's friends agreed that flair was important and could be used at his company, but he believed that it would be hard to change the way his company operated in order to incorporate the emotional aspects of flair. But you don't have to change a company's culture to add flair. Flair can be applied by one person or by a group to increase the likelihood their work will be memorable, appreciated, and adopted – in any workplace culture. Thus, an individual or team can begin to apply flair without cultural change. Just go ahead and try it – then watch the energetic response to your work.

How Much Flair Is Needed?

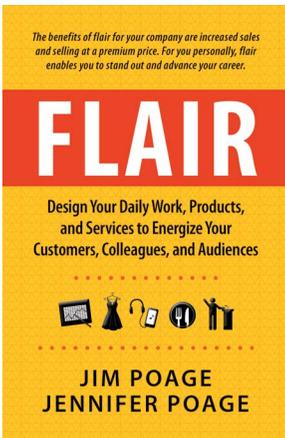
Someone with limited time and resources may wonder how much flair is needed to be effective. This is, of course, a judgment call. You don't want to keep the audience laughing continually throughout a business talk where a serious decision is to be made. You do want to engage the audience, but this doesn't mean that flair is needed throughout your entire talk. It can be added occasionally to vary the pace and tone of your presentation.

However, sprinkling flair throughout the entire user or audience experience is essential so that you don't set up an expectation that isn't later met. If you begin with flair and no more follows, your users or audience will be confused or even irritated that the high expectations set at the beginning didn't continue. For exam-

ple, consider an experience shared with Jim by a colleague who heard an especially inspiring lecture. The speaker was dynamic, and the content was extremely interesting and clearly presented. It was one of the most energizing talks this colleague had ever attended. After the talk, a DVD of another talk by the speaker was for sale, so Jim's colleague purchased it for \$100. Watching the video, he was quickly disappointed. The speaker wasn't dynamic or inspiring but instead droned on and on while standing in front of a blue background with no stage setting. He didn't finish watching it. Even after the memorable talk, the colleague was left with a low opinion of the speaker after receiving such a poor-quality follow-up DVD from him. Continue flair throughout your offering so you don't disappoint in the end.

ESSENTIALS: FLAIR SELLS

- Effective flair energizes, inspires action, and leads to sales success.
- Flair can be added to almost anything.
- Flair need not be expensive – just be selective on what flair to add.
- Anyone can design flair – with an understanding of effective flair and a process for creating it.



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About the Authors

JIM POAGE, PhD, is Founder/CEO of JLP Performance Consulting. His practice focuses on improving organization performance and productivity. He has authored articles for business and technical journals and has spoken at numerous conferences. He holds a PhD in applied mathematics from Harvard University and an MS and BS in electrical engineering from Stanford University.

JENNIFER POAGE is a freelance fashion designer who provides creative input for JLP Performance Consulting, as well as writing a fashion design blog. She was formerly a technical designer for Reebok and Adidas. She has a BA in Art History from Drew University, an AAS in Fashion Studies from Parsons School of Design, and a certificate in Business Essentials from the Kenan Flagler Business School.

CHAPTER 9

The Myth of Marketing Data

Lawrence D. Gibson

MARKETING RESEARCH has failed to achieve the lofty objectives I envisioned 65 years ago because academics, marketers, and researchers have focused their attention on data as such with little understanding of the limitations of that data, limitations our predecessors in the scientific world recognized long ago.

Despite this focus, the marketing research industry has experienced dramatic growth. The sheer volume of marketing data has doubled, tripled, and quadrupled, computing capacity has more than matched that growth, and analytical methodology has become far more sophisticated. Marketing research has become a multibillion-dollar-per-year industry.

But marketing research has made little progress as an applied science. It hasn't eliminated the enormous waste in marketing; it hasn't insured success for major research users; it hasn't elevated the stature of marketing; it hasn't revolutionized the practice of

Excerpted from *Not Just Numbers: Marketing Research in Action*, by Lawrence D. Gibson, Maven House Press, 2016.

marketing; and it hasn't developed a body of validated marketing theory.

Clearly even more data and more sophisticated analytical techniques will not change this situation. Marketing research needs a different focus, a new definition, based on a deeper understanding of the limitations and value of data.

WHAT IS MARKETING RESEARCH?

Marketing research has long been defined in terms of data and this focus is deeply entrenched. After World War II marketing organizations exercised their new authority and positioned marketing research as a function whose job was simply to gather and analyze data.

Unfortunately, the American Marketing Association (AMA) ratified that view in 1961 when it defined marketing research as "The systematic gathering, recording, and analyzing of data relating to the marketing of goods and services."

Less Restrictive Definitions

The AMA definition proved to be a turning point. Earlier marketing research texts had suggested a broader, more-involved role for marketing research. For example, in 1957 Professor Roberts asserted that "The single most useful step in fitting marketing research into marketing management would be greater recognition of the fact that the essence of research is neither surveys nor samples but the evolution and testing of hypotheses about marketing and the predictions to which they lead."

In early 1962 Professor Newman wrote, "The main point is that many people in both research and management have been

thinking too narrowly. Our emphasis has been on details or parts of research – and not on research itself... Research should stand for systematically approaching two essential tasks: (1) the getting of ideas and (2) the testing of these ideas. Research should bring to these tasks whatever concepts and methods promise to help.”

Newman insightfully added, “...the logical starting point for our discussion of the use of research is not research itself but decision making. Otherwise we put the cart before the horse—or, perhaps, I should say the tool kit before the problem. This is a very common mistake—so common, in fact, that it constitutes a major barrier to relating research and decision making.” And it still does.

More Restrictive Definitions

With the publication of the AMA definition, marketing and marketing research texts reinforced the authority of marketing by adopting even more restrictive definitions. For example, in 1972 Cox and Enis described marketing research as “...the systematic process of purchasing relevant information for decision-making. Information is any data the manager believes will be useful to him in making a particular decision.”

Kinnear and Taylor agreed, saying, “The primary purpose of marketing research is to provide information for decision making. Only the manager has a clear perspective as to the character and specificity of the information needed.”

In other words, managers know what they need; research should just get it for them. If managers need anything more, they’ll ask for it.

These definitions – get whatever information management asks for – reduce marketing research to what Jerome Ravetz called a “folk science,” that is, “...a body of accepted knowledge whose function is not to provide the basis for further advance, but to offer comfort and reassurance to some body of believers.”

Today generations of educators and researchers have taught and been taught in multiple editions of marketing and marketing research texts that marketing research is “The systematic gathering, recording, and analyzing of data relating to the marketing of goods and services.”

A NEW DEFINITION

In 1987 an AMA committee on which I served proposed a new definition of research, which the AMA officially adopted: “Marketing research is the function which links the consumer, the customer, and the public to the marketer through information—information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve the understanding of marketing as a process.”

While too wordy and still focused on providing information, this definition is a significant improvement over the 1961 version, both more practical and more scientific. It focuses on how and where research is used, its applications, and its objectives, not just the gathering and analysis of data. In the tradition of science it emphasizes both generating hypotheses and evaluating those hypotheses. And by referencing “...understanding of marketing as a process,” it includes theory development.

In practice the 1987 definition and the minor 1991 revision have been largely ignored. The old 1961 definition with its exclusive focus on data or information still dominates the way marketing research is taught. For example, in one popular text the author dresses up the old AMA definition with more words but retains its essence, saying, “Marketing research is the systematic and objective identification, collection, analysis, dissemination, and use of information that is undertaken to improve decision making for the purpose of assisting management in decision making related to identifying and solving problems (also known as opportunities) in marketing.”

In keeping with this definition, the author cites many examples of the application of research in sidebars, but he devotes the overwhelming majority of his text to teaching how to “...gather, record, and analyze data.”

No text has been written based on the 1987 or 1989 definitions.

WHY NOT FOCUS ON DATA?

Some might argue that my concern with the AMA definition is academic and trivial. Not so. At root the AMA definition is not only wrong, it's unscientific, and it directs marketing research in the wrong direction.

Scientists have long recognized that while data are important, they're not science. Henri Poincaré (1854-1912), the French mathematician, said “Science is built up of facts, as a house is with stones. But a collection of facts is no more a science than a heap of stones is a house.”

The focus on data doesn't reflect traditional scientific practice. The great French microbiologist Louis Pasteur did not simply

“gather, record, and analyze data.” He studied and became an expert in real health problems – rabies, anthrax, and sickness from milk – not statistics. He used his creative imagination to generate ideas to cure and prevent these illnesses with vaccines and pasteurization. He made certain his ideas actually worked by testing them in rigorous, formal experiments. He summarized his work with his conception of the germ theory of disease.

Pasteur solved the problems he faced and provided a blueprint of the scientific method from which we marketing researchers should learn. Problems and solutions, discovery and demonstration, with theory development – not data and certainly not data gathering – were the focus of Pasteur’s work and, in fact, the central focus of all science.

Definitions Make a Difference

The AMA definition has serious practical effects. The very words “gathering, recording, and analyzing data” attract or repel students considering a career in research. They define the job skills these students are taught. They establish what kind of research future marketers and executives will expect, accept, and fund.

Given this view of marketing research, I wasn’t surprised when a young professor at a leading business school told me that gaining tenure in marketing at any major business school required the equivalent of a post-graduate degree in statistics. Obviously if marketing research is primarily about data, data production, and data analysis, academic research and tenure in marketing can only be justified by mastery of some pretty complicated statistical procedures for manipulating that data.

Two Kinds of Data

This simple-minded focus on data ignores the fact that there are two very different kinds of data, produced by two entirely different processes, each with strengths and weaknesses.

One type of data is created by experiments. These data are in one sense not real – they didn't exist before the experiment. Their meaning is severely limited – each experiment is designed for a specific purpose. They're hard to control and easy to mismanage. However, well-designed and well-managed experiments can separate cause and effect, isolate and measure what causes what, and provide a valid basis for prediction.

The other type of data are gathered by observing and measuring what's happening in the world. We tend to overvalue these observational data, usually called facts, because they describe what really did happen, but we run into problems when we try to use them. Reality is very complicated, so complicated that it's very difficult, even impossible, to learn from observational data what caused what, to distinguish between cause and effect, and to predict the future.

Scientists have long understood these issues. About 100 years ago Sir Arthur Eddington wrote about three problems in using observational data. Complexity – many, many different factors interact to cause events in the real world; Symmetry – causation runs both ways (if factor A causes factor B, then Factor B probably also causes factor A); and Probability – few relationships are deterministic, most are probabilistic.

Unfortunately, the AMA definition, with its reference to “gathering,” suggests that the data already exist and that marketing

research should be primarily concerned with these “facts” rather than with data from experiments.

Practical Problems with Facts

Ray Brown, a hospital administrator, summarized his experience with the limitations of observational data, noting, “Facts are probably the administrator’s best friend, but it’s an unfortunate truth of life that our best friends have weaknesses, and if we don’t recognize those weaknesses they can lead us into difficulties.”

He pointed out that “A thing can’t be a fact until it has happened. Facts are past-oriented and look backward more than forward...Facts are one-sided by nature. They show what has happened but never show what could have happened...Facts are better at saying ‘no’ than at saying ‘yes’...Facts are really very whimsical things, they don’t change but, like a chameleon, their appearance does. They are quite accommodating and are willing to mean anything an individual believes them to mean...Information is no more useful or meaningful than the coefficient of the individual receiver’s understanding allows it to be.”

In *Time Must Have a Stop*, Aldous Huxley put it more poetically. “Facts are ventriloquist’s dummies. Sitting on a wise man’s knee they may be made to utter words of wisdom, elsewhere, they say nothing, or talk nonsense, or indulge in sheer diabolism.”

Analytical Problems with Surveys

All of which is why I offer a standing challenge to survey proponents. Give me the facts from any well-designed, competently executed survey and a modest analysis budget, and I’ll demonstrate

the plausibility of almost any strategy or general conclusion you may wish me to support.

My analytical process will be very simple. If there are 40 questions in the survey, I'll study the 40 sets of answers and discard those that don't seem to support the reasoning behind your idea. If this isn't enough, I'll study the relationships between pairs of answers. For example, "Are older respondents likely to be good prospects for your brand?" There are hundreds of these two-way relationships, many random. Some will be supportive, which I'll keep, and some will not, which I'll discard. Usually this will be enough to make your case. But if it isn't, I'll continue by analyzing the relationship between the thousands of trios of answers. Eventually I'll demonstrate that you were right all along.

A colleague described this process as "Torturing the data until it confesses."

Of course, there's an easier way. Rather than analyzing the findings in such excruciating detail, I can simply change the way I look at the data. For example, I might notice that your brand is weak in the southern states, conclude that these states offer an opportunity, and suggest that you direct more advertising to those states. Or looking at exactly the same numbers and noticing exactly the same southern weakness, I might conclude that the potential for your brand in these southern states is problematic and recommend that you not advertise there.

Please understand. I do't mean to suggest that professors teach or that survey proponents consciously bias their recommendations. Their integrity isn't the issue; the point is more serious and more subtle. In fact, there are so many different ways of looking at any

large set of data that personal biases can't be avoided when the analyst searches for meaning in the data after they've been collected.

As E. Bright Wilson observed, "It is probably impossible for anyone to free himself completely from preconceived prejudices..." Or as Anais Nin said, "We don't see things as they are, we see them as we are."

This analytical bias cannot be eliminated or mitigated by gathering more and more facts, in greater and greater detail, as proponents of the current "big" data fad seem to believe. Nor can it be analyzed away by more sophisticated analytical procedures, as some so-called "data scientists" suggest.

The bias can only be avoided by specifying exactly how the data will be interpreted before the data are collected, an unusual, seldom taught, and politically awkward practice in marketing research. And, while this practice eliminates post-hoc bias, it doesn't guarantee that the analysis will be valid.

Incidentally, I've often wondered whether marketers sense, even if they don't fully understand, the limitations of data. This would explain why they often ignore data accuracy and simply demand cheaper, faster data.

THE FAILURE OF MARKETING RESEARCH

The failure of marketing research was inevitable given its excessive focus on data, its ignorance of scientific method, and its organizational position. Despite huge investments in research, the waste in marketing continues. Advertisers spend hundreds of millions of dollars on advertising which often doesn't help and sometimes hurts the advertised brand. New product blunders keep happening

because they rely on traditional survey analysis, weak experiments, and invalid theories.

Extensive use of marketing research, as it's currently practiced, doesn't seem to guarantee corporate success. In the end, the reputation of current marketing research is so weak that executive judgment often replaces research.

Advertising is Out of Control

Marketing research hasn't brought advertising under control. Advertisers routinely hire and fire advertising agencies as they continually search for advertising that will "work." Most would still agree with John Wanamaker, the Philadelphia retailer who back in the 1920s said, "I know that half my advertising is wasted. The trouble is I don't know which half." Recently a corporate spokesman announced the cancellation of a multi-million dollar campaign, saying, "Our gut feeling was that it didn't feel right."

The cost of wasted advertising is staggering. Miller Brewing is said to have spent \$100,000,000 on its "Dick" campaign some years ago with no effect whatsoever on its sales. General Motors may have hastened the demise of Oldsmobile when it spent tens of millions advertising Oldsmobile's weakness with the slogan, "It's not your father's car anymore." A recent Advertising Age story was headlined, "80% of Super Bowl ads fail."

Political campaigns provide even more dramatic examples of advertising waste. Recently Jeb Bush dropped out of the race for the Republican presidential nomination despite a reported \$130,000,000 advertising campaign. In 2012 Karl Rove's two political action committees spent more than \$200,000,000 in support of Republican

nominees with little, if any, effect, and Sheldon Adelson spent more than \$50,000,000 on nine candidates, eight of whom lost.

The frequency of waste in advertising is documented in a set of controlled experiments conducted by General Mills. This research found that only 38 of 63 television commercials tested actually made more homemakers choose the advertised brand, while 17 had little if any positive effect on viewers' choices. Stunningly, eight commercials drove the number of choosers down. In other words, two out of five commercials tested didn't help, and one out of eight hurt the advertised brand!

This study also demonstrated the extraordinary range of advertising effectiveness. With a single additional viewing, one outstanding cereal commercial more than tripled the number of choosers for the brand, while two other commercials cost the advertised brand more than half its choosers.

New Products Fail

Marketing research hasn't eliminated new product failures. New products from major marketers, with sophisticated research staffs, still fail with distressing frequency. New Coke was an expensive flop as a substitute for regular Coke despite thousands of poorly-designed taste tests. For years Procter and Gamble poured money into the development of Olestra, its non-digestible, no-calorie fat, only to see it fail. (Olestra went down the drain because it acted as a laxative, just like mineral oil, another no-calorie fat.)

Corporate Success Not Insured

Heavy investment in marketing research as currently practiced hasn't insured corporate success. General Foods was the epitome

of the modern marketing company. It employed a large, highly professional research staff, adopted a huge research budget, and employed the world's top academic and marketing consultants. Despite its marketing orientation and its marketing research investment, General Foods didn't survive as a separate company and was acquired by Phillip Morris and merged with Kraft Foods.

Procter and Gamble, with an even greater marketing reputation and an even larger research budget, has sold all of its consumer food products, acknowledging its failure to make its food business sufficiently profitable. Its vaunted marketing and marketing research staff knew how to "buy" significant volume and market share, but they couldn't figure out how to make acceptable profits from its food products, even with such legendary brand names as Crisco, Duncan Hines, Pringles, and Jif.

General Motors made little dent in its basic problems by strengthening its marketing and marketing research functions. It brought the president of Procter and Gamble onto its board of directors, hired the former director of the census to head marketing research, added a top advertising researcher as a vice president, staffed its research department with brilliant PhDs, and substantially increased its research budget. But in the end it still required a huge federal bailout and a massive reorganization to survive.

Some senior executives simply ignore the possibility of research and bet their companies by implementing new marketing strategies without bothering to test them. JCPenney had to give up on CEO Ron Johnson's strategy of everyday low prices with no traditional sales; when the company implemented that strategy nationally it lost millions in sales and more than a third of its stock price.

Johnson has since acknowledged that his strategic judgment was wrong, but he hasn't said a word about his managerial failure to test his strategy before adopting it. One must also wonder why the board of directors rubber-stamped this corporate-wide, all-in bet on an untested and ultimately disastrous strategy.

Incidentally, Johnson had the benefit of our finest academic training, receiving his BA in economics from Stanford University and his MBA from Harvard University.

Marketing research hasn't raised the stature of marketing. To the contrary, the stature of marketing appears to be declining. Investors increasingly ask, "What's the return on investment from our marketing and marketing research expenditures?" and "Why is marketing the least responsible function in the entire corporation in justifying its spending?" Without meaningful research, marketing has no satisfactory response. And simple data collection and analysis doesn't substitute for meaningful research.

Failure Widely Recognized

The failure of marketing research isn't a secret. The public sees a continuous stream of newspaper cartoons ridiculing research as mindless data gathering, of little importance, useful only as a scapegoat.

Authors of best-selling, classic business books simply ignore marketing research. Peters and Waterman didn't mention research in *In Search of Excellence*. Michael Porter omitted the subject in *A Passion for Excellence and Competitive Advantage*, as do Rapp and Collins in *Maximarketing* and Bergleman and Sayles in *Inside Corporate Innovation*. Steve Silbiger, in his widely-read *The Ten Day MBA*, discussed consumer analysis, market analysis, and

regression for 100 pages. And yet he never used the words marketing research.

A recent example is the July/August 2014 issue of the Harvard Business Review. This issue, titled “The New Basics of Marketing,” featured four articles on marketing: “The Ultimate Marketing Machine,” “Decision-Driven Marketing,” “Unlock the Mysteries of Your Customer Relationships,” and “The Rise of the Chief Marketing Technologist.” The words marketing research don’t appear in any of the four, not even in their discussions of which customer segments should be targeted, what product features should be highlighted, profiling customer relationships, insights about customer behavior, and using surveys and interviews.

A few authors are openly hostile to research, apparently viewing it as the enemy. In *Marketing Warfare* and *Bottom Up Marketing*, best selling authors Ries and Trout wrote, “Great flanking moves are often undermined by test marketing or too much research” and “Given the mental and mathematical obstacles to marketing success, you should be extremely leery of all consumer testing.” In *Competing for the Future*, Hammel and Prahalad concluded, “But marketing research for new product or service concepts is notoriously inaccurate.”

One might ask whether it’s better to be criticized or simply ignored.

Academics, seeing what marketing research has become, try to distance themselves from it. Some describe their work as “research in marketing” or “consumer behavior research”; others simply ignore marketing research altogether as in *The Complete MBA Companion: the Latest Management Thinking from the*

World's Leading Business Schools, by The Wharton School, London Business School, and International Lausanne. This book had 20 modules on various aspects of marketing management, but not a single one was devoted to marketing research. Meanwhile the number of post-graduate hours devoted to marketing continues to decline.

Even marketing researchers recognize that there's a problem. At a recent research conference one speaker said, "85 percent of research leaders are dissatisfied or neutral with the impact of market research within their company." Another asked, "Why is research being bought like pens and paper?" Still another posed this question: "What are CEOs looking for from marketing research?" One simply asked "Are we not doing our job?"

Unfortunately, these researchers are in denial about the nature of the problem. Instead of acknowledging that current marketing research doesn't fulfill the promise or potential of an applied science, they choose to define the problem as communications. They give talks with titles such as "Selling Management on the Value of Marketing Research," "What Management Expects from Marketing Research," and "How to Talk Management."

Individuals Make a Difference

There are exceptions, of course. Some outstanding researchers have gone well beyond "gathering, recording, and analyzing data" to make major marketing contributions. Years ago Burt Brown, then of Knox Reeves Advertising, later General Mills, identified the need for and the extraordinarily profitable positioning of Hamburger Helper, based on his informal interviews with homemakers.

Bill Bondurant, while he was at Hewlett Packard, dramatically improved the potential for Hewlett Packard's enormously successful, handheld, scientific calculator. He evaluated the calculator including and excluding dozens of possible features with computer simulations in SUMM and raised its potential from less than 1 percent share of choice to over 20 percent.

Jim Webster of Sandoz Pharmaceuticals defied the well-established life cycle theory when he successfully reversed the declining sales trends of a generation of established Sandoz products. Jim used his creative imagination and what looked like standard surveys to rediscover and refresh the basic appeal of the products.

Sadly these are the exceptions. Current marketing research exhibits many of the other characteristics of what Ravetz described as "an immature and ineffective field of inquiry." For example, he observed that in such fields "... one does not witness the steady cumulation of new facts (laws), perhaps superseding but never completely destroying the old. Instead there is a succession of leading schools, each with a manifesto more impressive than its achievements, and each passing into obscurity when its turn on the stage is over."

As we'll see, universally accepted marketing theories such as market segmentation and the product life cycle are old ideas and, as Ravetz describes, "...intuitive generalities dressed up as empirical laws and theoretical speculations masquerading as fundamental explanations."

Clearly, it's time for us to take a candid look at our profession and consider how we must change.

WHAT NOW?

The 1991 AMA definition of marketing research is a useful starting point for a new approach to marketing research, an approach focused on solving problems and realizing opportunities rather than on gathering and analyzing data. With a few adjustments the 1991 definition can be reduced to the classic five steps of problem solving. First, the very existence of a problem/opportunity must be recognized, then the problem/opportunity must be defined, alternative ideas must be generated to solve the problem or realize the opportunity, and these ideas must be evaluated. As individual problems are solved, patterns are observed and structural learning begins.

The Problem Solving Process

The character of the individual steps in the problem solving process differs profoundly.

- **Recognizing problems** is a straightforward management process, requiring a formal plan to compare the expectations for and the actual outcome of the key factors that affect marketing performance.
- **Defining problems** is detective work, demanding time to identify and explore the alternative definitions that determine where we look for ideas to solve the problem.
- **Generating ideas** to solve the problem is an artistic, right-brain activity, requiring creativity to generate different ideas.
- **Evaluating ideas** is disciplined, left-brain work, designed to outwit our biases and protect us from the possibility that our judgment was wrong.

THE PROBLEM SOLVING PROCESS

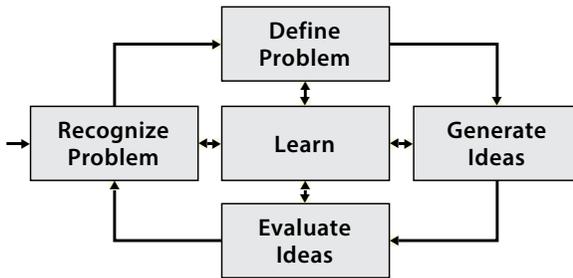
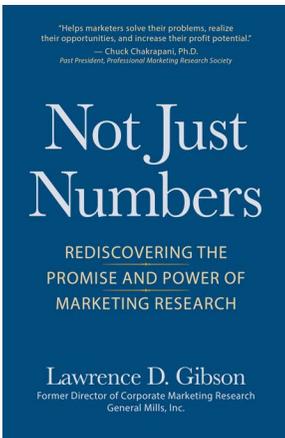


Figure 9-1. Iterative steps in the problem solving process.

- **Learning** is the accumulation of our experience, our theoretical understanding of the structure of our activity.

Marketing research should start with these problem-solving steps much as Newman suggested more than 50 years ago. As we develop our understanding of the steps, it will become obvious that the different character of each step dictates what research is appropriate for that step.

Each of these problem-solving steps is of vital interest to marketing managers and central to their personal success. If we researchers help them with these steps we'll be highly valued, but if we continue to simply supply data we will not.



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About the Author

LAWRENCE GIBSON has had a long and highly regarded career in marketing research. He was Director of Corporate Marketing Research at General Mills, Inc., for 20 years, an advertising agency researcher, and a consultant to such clients as General Motors, Amoco, and Motorola.

For many years Gibson led the American Marketing Association's Introduction to Marketing Research program at Notre Dame, and he was a frequent speaker at AMA and Advertising Research Foundation conferences. He has served on AMA's National Board and chaired its Marketing Research Committee. He was a member of the *Marketing Research* Editorial Review Board and has published many articles in professional journals.

Gibson was a Trustee of the Marketing Science Institute. He's chaired The Conference Board's Marketing Research Council and the Association of National Advertisers' Research Committee. He also served on the Business Research Advisory Council of the Bureau of Labor Statistics.

PEOPLE MANAGEMENT

CHAPTER 10

Talent Management Shareholder Points of View

Kimberly Janson

ALMOST EVERYONE IN YOUR COMPANY sees a piece of the puzzle when it comes to managing and developing employees, but only a few see the whole puzzle. One of the challenges of talent management is that the people engaging in it view things based only on *their* point of view. This myopia can cause breakdowns in the process. People often shy away from talent management activities because they view them as separate from the important work of the business and trivialize them as “just another thing we have to do.” Or sometimes these activities just seem overwhelming. Further complicating matters, most people don’t understand how to do them well and, as a result, many are often fearful of these activities. Add company culture and dynamics to the mix and employees don’t trust talent management activities and often disengage. If they do engage, and these challenges are still present, they often engage only superficially. But with a robust and comprehensive

Excerpted from *Demystifying Talent Management: Unleash People’s Potential to Deliver Superior Results*, by Kimberly Janson, Maven House Press, 2015.

understanding of talent management from all parties involved, a better end result should occur (if the right levels of skill and commitment are also present).

From the CEO's and Senior Leader's POV

Many CEOs and senior leaders view talent management in terms of cost, and they're mostly concerned with its return on investment. For them, it's all about business results, the bottom line. It's particularly true if they're in a publicly traded company. They have a fiduciary responsibility to deliver superior business results. So, with this as their perspective, their focus is usually: how does talent management add value? Key questions they'll ask are: Do we really need to do it? What's the least amount of time and attention we can afford it and still make it worth our effort? These are great questions, ones that other stakeholders should be asking as well.

I used to work with a CEO in a company that was cash rich at the time. He would say, "The cash you're talking about using for talent management is sitting and earning 9 percent right now. It's doing that without us doing anything. So, convince me that it's worth pulling it out of that nearly sure thing to put into this project, and tell me how you're going to return more than 9 percent on that investment." That's how CEOs think, and rightfully so. But is this how managers, HR folks, and employees think when trying to get senior leaders on board when it comes to investing in people? Including spending time on talent management practices and processes? Most managers, HR folks, and employees don't think this way, nor do they present good business cases to substantiate their ideas. Therefore, most senior leaders aren't feeling the love for talent management that they could be. I happen

to agree very much with the CEO's perspective. If you aren't going to get a big return in the short or long term, don't do it. (The fact that different people define long term differently adds to the challenge.) But, if you have the potential to get a big return (and have a great business case justifying this return), well then, not only should you do it but you should make sure you do it incredibly well.

A focus on people has always been necessary for success, but it's never received more attention than it does today. There's tremendous pressure coming from a variety of sources – external regulatory agencies, the competitive marketplace, the demands of a global economy, the speed of technology and information, a shrinking and aging workforce, company boards of directors – all of which makes a focus on talent essential. Increasing productivity, return-on-investment, shareholder value, and employee satisfaction and engagement are no longer an option but necessary for success.

Therefore the majority of the senior leadership team's focus should be on talent management. They should be running the business by enabling and developing great leaders. Someone I previously worked with at a consumer goods company put it well: "Judge your success as a leader by the success of your people. And don't underestimate the importance of your role in preparing them for the future – including to one day take on your role." For many senior leaders, though, talent management isn't the focus. They often lack the knowledge they need to manage talent well. And for those who are insecure, developing their successors is a tough concept to deal with. They might not engage in the right talent management practices for personal reasons as well as lack of

knowledge. For many senior leaders in most organizations there's a significant need for improvement.

From the Manager's POV

Some managers view talent management as an important part of their jobs, but many managers are unskilled at it. This is a harsh and unflattering statement but it's true. Managers (and adults in general) want to be viewed as competent. They often reach the status of "manager" because they were at the top of their function delivering good functional results, so they were promoted. On Friday they were promoted and on Monday they come to work, they're the manager, and they're expected to continue to deliver good results. What happened over the weekend to make them an effective manager, a good leader? Did they go to a revival meeting in the woods, get clunked on the head, shout, "I believe," and become enlightened? Of course not! However, when employees step into manager roles, they're often given little direction and little time to learn the job, but they're expected to be good managers from the get-go. This practice is common throughout the world. And super stupid.

Leading people is a discipline. The scenario above is equivalent to saying that on Friday you're a marketing person and on Monday you need to be an industrial engineer. Or on Friday you speak Spanish and on Monday you need to speak Mandarin. We wouldn't think of asking anyone to do these things. Yet the lack of respect often shown to new managers – by those responsible for their promotions who don't seem to realize the significant difference between doing the work and leading others who are doing the work – shows up in the low talent management skill set seen in managers throughout the world.

When faced with talent management activities, managers often don't do them or do them at a superficial level, all the while experiencing a high level of anxiety. You might occasionally have a manager who takes it upon himself or herself to read, go to training, and get a mentor in order to be a better manager. But they're the rare exceptions. Managers try to juggle a host of activities. And as the talent management activities come down the pike, they are pressured to quickly execute them and get them off their desk rather than to intelligently and thoughtfully utilize them to improve the business. It's no surprise then that time and time again managers are rated poorly in surveys by their employees.

As a respected peer of mine, Dave Mitchell, says, "Tools and processes are only as good as the people implementing and facilitating them." Dave is the CEO of The Leadership Difference, and he's helped many organizations by educating their leaders on how to raise their game. He's seen the fallout on the employee side when leaders don't learn.

There's a good book you should read called *The Leadership Pipeline* by Ram Charan, Steve Drotter, and Jim Noel. They expertly explain an important concept: As you rise in the organizational hierarchy, you need to change what you value, your skill set, and what you spend your time on in order to be effective at the next level. What often happens is that if new managers don't have the skills needed to manage, they remain or go back to "doing" the work. They even take pride in themselves for "being in the trenches" or "not asking their team to do something they aren't willing to do." Well, that's an admirable sentiment but a misplaced one. If a manager is doing the work of his or her employees, then the manager is just an overpaid individual contributor. It's a shame.

And it can be easily fixed with the right commitment, instruction, practice, and coaching.

From HR's POV

You will often find that organizations follow one of two HR models. One is a generalist model in which the HR practitioners have a broad set of responsibilities – they do a little bit of everything. The other is a specialist model in which the HR practitioners are skilled in specific areas of human resource management – similar work is grouped and done by specialists. Both models provide challenges in terms of HR being a good partner to managers regarding talent management. The first and foremost challenge is lack of resources. Good talent management work takes time, money, and skilled people. In my twenty-plus years of working in corporations around the world, I've never seen an over-resourced HR function. I've seen a well-resourced HR function on a few occasions, but that was the exception. This reality often creates a “fire-fighting” approach to doing talent management work, focusing on taking care of short-term challenges rather than developing long-term solutions that will lead to superior business success.

Take generalists, for example. In a true generalist model, about 20 percent of an HR generalist's time should be spent on training. How many generalists do you know who train or do some training-related activity one full day every week? As for HR specialists, a compensation specialist for example, they often don't fully understand the end-to-end picture of the business, creating solutions to talent management challenges that are often not the best solutions for the business.

Add to this the fact that HR folks in general are often removed from knowing and understanding the intricacies of the business; the result is under-resourced HR folks who are isolated in their perspective. Ask them to implement or support the implementation of talent management activities (in large volumes) and you'll find that most HR folks will emphasize the task aspect of the work – getting the forms filled out – rather than putting in the correct thought and effort needed to manage these activities in order to realize the best return for the business. The final challenge is the fact that most HR people report into the line of business they support. This is the proverbial fox guarding the hen house. How are these folks supposed to push hard on the business to do the tough but relevant and critical work regarding people if their promotions, pay, bonuses, etc. are being determined by these same people? So from HR's point of view, talent management gets to be mostly about moving the workflow forward.

From the Employee's POV

Employees view talent management activities typically in one of two ways based on past experience. If they have been part of a system with capable managers and HR partners, they view these activities in terms of the benefits they can get out of them. They appreciate the value of talent management when it's done well (which means they're getting the support they need to be the best they can be at what they do). If employees have struggled or have been negatively impacted by these activities in the past, they too often see it as a challenge or a waste of time. Most organizations don't engage employees in the activities that would most benefit them.

If managers or HR do engage employees, it's often using a hit and run approach, where employees are asked for information but then nothing is done with it. Or every year or so a new talent management program is introduced that has little or no staying power, no hint as to why it's important to the company's strategy, and no clear benefit to the employees. It's just the "flavor of the month." Employees get suspicious of such activities and find it hard to be engaged and honest with those in charge of the activities.

On the flip side, employees are typically interested in good and productive talent management activities. They want good direction. They want insight on how they're doing in their jobs. They want to know what they need to learn and how to go about learning. They want to know how they can get to the next level. But they're often afraid to ask about these issues, and if they do ask and are met with resistance (as they often are), they tend to not ask again. I could name right now over 200 smart, engaged, hard-working people who would be too afraid to approach their managers with questions about talent management activities. There are some exceptions, but even hard-charging folks sometimes find it difficult to care about talent management when their managers are incompetent.

At one company, I worked with a promising young lawyer in a leadership development program. She was opinionated and vocal. She was smart and interested in her development. She was also African American. Her manager had no clue how to manage her. She would push him for feedback, and the things he said were so archaic that we had to laugh about them. For example, one time he told her she needed to be less vocal because she was intimidating people, especially being a black woman. In addition to being

the chief talent officer, I was also head of diversity and I nearly died. He was a lawyer in the company as well! Ultimately she had to work around him to be considered for any development, while I worked with *his* manager (the general counsel) on his development. Fortunately the general counsel was a good manager who was interested in development and willing to address the problem head on. The young lawyer and I understood what we were dealing with and shook our heads about the incredible ignorance that existed in the management ranks. We worked to correct her issues and I worked to correct his issues. Unfortunately, this is only one example of what goes on regularly around the world. The need for employee development is intuitive and obvious. The fact that it's often not done or done badly makes me want to climb to the top of my laundry pile and throw myself off. And that's a real threat.

I'm admittedly harsh when discussing the level of competence of HR and managers regarding talent management. Unfortunately it's the reality around the world. It's foolish and unnecessary. So let's change it and make a new reality. Using all we've discussed as our foundation, let's get started pulling apart the major concepts of talent management, starting with the idea that a manager needs to have five big conversations:

- The “What you need to do” conversation
- The “How you are doing” conversation (this one should happen often throughout the year)
- The “How you did” conversation
- The “Money” conversation
- The “How you need to grow” conversation

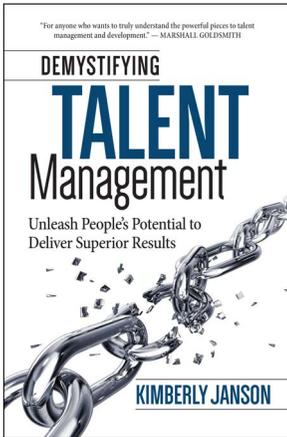
The Chapter's Big Ideas

- Talent management activities should be viewed from all perspectives – employees, managers, HR, and CEOs and senior leaders – to get the best results.
- You get disconnected results when stakeholders only focus on how they see things and don't consider the views and needs of other stakeholders.
- Without a comprehensive view of talent management activities as well as a concerted effort at implementing them, the activities can be easily trivialized and become just meaningless tasks, not worth the effort.
- People are fearful of talent management activities they don't understand and often disengage from them.
- CEOs and senior leaders are primarily concerned with the value that talent management activities add to the business.
- Managers, employees, and HR should focus on the business as if they were the CEO.
- People promoted to management on Friday don't become competent by Monday.
- Getting the people piece right is a necessary condition for survival in today's business world.
- Senior leaders need to develop strong talent management skills and be highly engaged in talent management activities in order to be successful and productive.
- Managers worldwide don't have the skill sets they need to successfully manage and develop their teams.
- Employees are leery of talent management activities that have a "flavor of the month" taste to them.
- Managers are the most influential parties when it comes to creating great talent management practices and outcomes.
- Employees want good direction and want to be successful.

TALENT MANAGEMENT SHAREHOLDER POINTS OF VIEW

STAKEHOLDERS ASSESSMENT										
<i>On a scale of 1 to 10, with 1 being not at all and 10 being at an industry standard level, rate your organization on the following questions:</i>	LOW									HIGH
	1	2	3	4	5	6	7	8	9	10
1. How well do all stakeholders (senior execs, HR, managers, employees) understand and engage in talent management activities?	<input type="checkbox"/>									
2. To what degree do senior managers hold managers accountable for highly effective talent management practices?	<input type="checkbox"/>									
3. How different and significant do managers see their role as manager compared to their previous functional role?	<input type="checkbox"/>									
4. How much does HR drive talent management activities from a business mindset rather than an activity mindset?	<input type="checkbox"/>									
5. How informed are employees on the entire talent management and development cycle and how each piece interrelates with the others?	<input type="checkbox"/>									
6. How comprehensive are the "What you need to do" conversations?	<input type="checkbox"/>									
7. How comprehensive are the "How you are doing" conversations?	<input type="checkbox"/>									
8. How easy are the "How you did" conversations based on the work done in setting goals and tracking performance through the year?	<input type="checkbox"/>									
9. How consistent, reliable, and understandable are the elements of the "Money" conversations?	<input type="checkbox"/>									
10. How needed and important are the "How you need to grow" conversations?	<input type="checkbox"/>									

STAKEHOLDERS ACTION STEPS			
<i>For anything you rated less than 9, what are you going to do about it?</i>			
Question #	ACTIONS TO TAKE	TIMEFRAME	PEOPLE TO INVOLVE



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BRONZE AWARD
WINNER

About the Author

KIM JANSON is the CEO of Janson Associates, a firm dedicated to helping teams, individuals, leaders, executives and organizations be incredibly successful. She was formerly the Chief Talent Management Officer at the H. J Heinz Company, a Senior Vice President at Bank of America, and a senior leader at Hasbro, BancBoston Mortgage Corporation, and Bank of Boston.

Janson won the Society for Human Resources Innovative Practice Award for her diversity work while at Hasbro, and she was featured in *HR Magazine* on the leadership development program she built in partnership with Tuck Business School. She is also an executive coach in the Harvard Business School Advanced Management Program.

CHAPTER 11

Tackling Engagement

John Guaspari

THE STORY

IT WAS SATURDAY MORNING, and the Wilson kids were off doing the kinds of things that high-achieving kids do on weekends.

Jess was at the dance studio for five separate rehearsal sessions: jazz, lyrical, hip-hop, tap, and her solo performance. (Jess was the only one in her dance troupe to be so honored.) This time of year, Skipper's Saturdays were devoted to bowling practice.

It was another set of parents' turn to do the driving (Skipper only had a learner's permit), so as soon as the kids had left the house, Matt began transferring a cache of high-powered-management-consulting items from the back of his SUV to the kitchen: tripod, flip chart, markers, as well as his all-time favorites—packages of sticky notes and colored dots.

He had asked Jen to gather up the F-MOS files and research reports from his office and spread them out on the kitchen table.

Excerpted from *Otherwise Engaged: How Leaders Can Get a Firmer Grip on Employee Engagement and Other Key Intangibles*, by John Guaspari, Maven House Press, 2015.

Pointing to what Matt had dragged in from the garage, Jen asked, “Do we really need all of that stuff?”

“Tools of the trade, my dear,” Matt replied. “Tools of the trade.”

Those aren’t the only tools in the kitchen right now, Jen thought. But what she said was, “Matt, I’m not your client, I’m your wife. And besides which,” she gestured to the table, “haven’t we got everything we need right here?”

Although this was a disappointing development (Matt did love his sticky notes and colored dots), he remembered a bit of the advice he had so often given to clients—“You’ve got to pick your battles.”—and decided not to press the issue.

Another thing that Matt’s consulting experience had taught him was that clients could often be anxious in the early stages of an intervention, so it was good practice to try to lessen the tension a bit by starting such sessions with a joke. “So,” he began, “the Jesster is the only one with a solo in this year’s recital. I guess that makes it a solo solo!” It was not the first time that he had used this line with Jen; he felt it was a sure-fire part of his repertoire.

Jen felt differently. “I hate it when you call her ‘Jesster.’”

“But what else would I call her when I’m making a jest?” Matt beamed while making a set of shoulder-high quotation fingers.

“Yeah, right,” said Jen, turning her attention back to the materials on the table.

Matt was undaunted. “Okay!” he said, clapping his hands, then rubbing them briskly together in eager anticipation. “Let’s review the bidding from last night!”

Jen found this level of manic glee more than a little tough to take at such an early hour, but she bit her tongue.

“Right,” she began. “We discussed this year’s F-MOS results and the fact that we’re still coming up short on the Intangibles.”

“Exactly!” enthused Matt.

Jen’s teeth applied just the slightest bit of additional pressure to her tongue as she continued. “We reviewed some of the steps we had taken in the past to get things to go more in the direction we want them to go.”

“Move the needle,” said Matt.

“What needle?” asked Jen.

“Ah!” Matt said. “I’m sorry. Move the needle is the term that big corporations use when they talk about getting different results. I shouldn’t use that kind of jargon with you.”

Jen didn’t like being patronized. “Yeah, fine. Move the needle. Find the needle in a haystack. Get a tractor to pull the needle out of your ...” She caught herself and bit down just a bit harder. After using a napkin to check to see if she had drawn blood, she continued. “Anyway,” she began, with just the slightest exasperated emphasis on the first syllable, “we decided that the first Intangible we should work on is Engagement.”

“Excellent summary!” said Matt. “Let’s begin brainstorming some ideas for how to increase the level of Engagement around here! I’ll capture them on the flip chart!”

Jen was not pleased. “I thought we decided not to use that thing? It’s taking up half the room! Can’t we just sit at the table and talk, and then write things down on this?” She held up a pad of lined notebook paper.

“Now, Jen,” Matt began, in what he thought was a soothing, but was actually an even more patronizing, tone (Jen checked again;

still no blood), “I don’t tell you what the pH level ought to be when you’re transplanting an arrangement of hydrangeas accented with fleurs-de-lis, do I?”

“Fine,” Jen replied, unable to suppress a sigh. “Use the flip chart.”

“Great!” Matt said, removing the cap from a black, flip-chart marker. “Let’s brainstorm away!”

Jen quasi-enthusiastically dove in. “To move the needle on Engagement, we need to increase the opportunities for interaction with the kids. We need to find more and better ways to connect with them and make sure they feel more a part of things around here.”

“I couldn’t agree more,” Matt said.

Jen looked as though she were about to say something, then gave an almost imperceptible shake of the head.

But “almost imperceptible” isn’t good enough when there’s a high-powered management consultant in the room.

“You’ve got an idea,” Matt encouraged. “Say it.”

Jen began, tentatively, “Family meetings?”

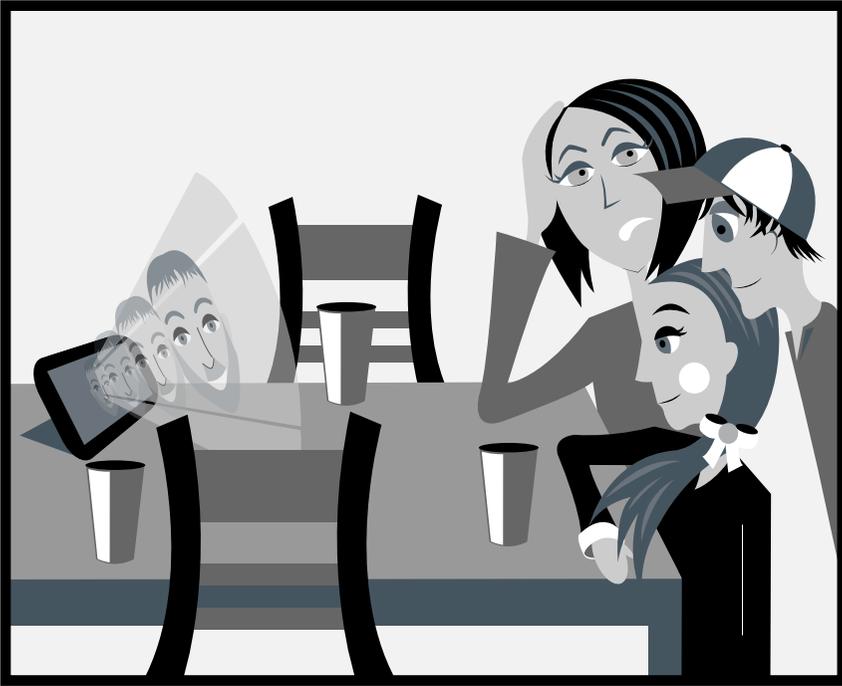
Matt leaned in just as he had been taught in facilitation-skills training lo those many years ago. “Say more.”

“Well, since Engagement means more interaction, I was just thinking that a family meeting would be a good way to go.”

They were still in the brainstorming stage, so Matt didn’t want to sound critical. “That’s a great idea,” he carefully began. “Do you mean a new family meeting in addition to the family meeting we have every night?”

“We do?” asked Jen, puzzled.

“Sure,” he replied. “Our family dinners! That’s why I always Skype in when I’m on the road with clients!”



“Oh, right,” Jen said. “Dinner Skyping. The kids are big fans of Dinner Skyping. And do you want to know the kids’ absolute favorite part of Dinner Skyping?”

“Absolutely!”

“They especially like the way you have us set up Skipper’s iPad in front of your place at the table so that we have to scrunch in at the other end to make sure we’re all in the shot.”

Matt beamed. “And you were skeptical when I suggested it!”

Jen thought: For such a hot-shot management consultant, you’re not very good at picking up on sarcasm. But she didn’t say it. Instead she said, “I’m talking about family! You know, aunts, uncles, grandparents?”

Matt liked the idea. “Cousins, too?”

“Sure, why not.” Jen replied.

“Just first cousins?” Matt asked.

“First cousins, second cousins. We can invite friends of the half-brother’s nitwit third cousin’s cable guy as far as I’m concerned.”

Matt could be oblivious when it came to picking up on exasperation, too.

“Well,” he said, “there are practicalities to consider. We have to draw the line somewhere. And why do you keep dabbing at your mouth with that napkin?”

Caught in the act, Jen replied, “Uh, just a couple of toast crumbs, that’s all.”

Satisfied, Matt continued. “Another practical consideration is the size of the geographic area we want to cover. We don’t want people to have to fly in for the family meeting.” He picked up the F-MOS three-ring binder. Finding the section marked Cross Tabs, he read for a moment before saying, “We don’t seem to get a lot of F-MOS responses from people beyond a 50-mile radius anyway.”

“We don’t seem to get a lot of F-MOS responses from beyond the walls of this house,” replied Jen. “What we’re talking about here is the Engagement level of our kids, not your half-brother’s step-uncle’s godchild from Altoona.”

Matt was puzzled. “Are you saying that it should just be the four of us? Don’t our dinner meetings cover that? Especially when they’re augmented by our best-in-class Dinner Skyping program that the kids like so much?”

“No,” Jen replied, not bothering to ask what on God’s green earth Matt had meant by best-in-class. “I’m saying that even if we’re only talking about our kids’ level of Engagement, by bringing

everyone together—from within a fifty-mile radius—for a family meeting, that will engage our kids more fully.”

“Okay,” said Matt. “But if we’re going to do this, we’ve got a lot of work to do. Agenda. Communications plan. Rent a space. Catering. Can you provide the centerpieces?”

Centerpieces?!?! was Jen’s thought before she said, “I s’pose so.”
“At cost?”

“Sure,” said Jen. “Why the hell not.”

“Nice!” Matt replied. His mind was racing as he energetically wrote on the flip chart. As the sheets filled up, he tore them off and stuck them to the front of the kitchen cabinets. “One thing the meeting has to have is breakout sessions. There’s no better way to engage people than to have breakouts!”

“What will the breakouts be about?” Jen asked.

“We’ll figure that out later,” Matt replied. “We just need to make sure we have them.”

“What else can we do other than family meetings?”

Matt had an aha moment. “Aha!” he said. “Skip levels!”

“What do we want Skip to level?” Jen asked.

“No, no,” Matt explained. “Not Skipper levels. Skip levels! A series of meetings in which people normally two levels apart in the organizational hierarchy interact directly. Since the grandparents are going to be here for the family meeting, we should leverage that to make sure the kids have some time with them without us—skip levels!”

“Believe it or not, that’s actually not a bad idea,” Jen said. One could have been excused for detecting a drop or two of sarcasm. Unsurprisingly, Matt had not.

Matt added Skip Levels to the brainstorming chart. “What else?” he asked.

“Well,” Jen said, “if Engagement is about interaction and connection, another way we can draw the kids in is by sharing with them the results of our respective businesses.”

“Excellent idea!” Matt enthused. “After all, they’ve got skin in the game!”

This time Jen was more horrified than skeptical. “They’ve got what!?”

Even Matt picked up on this. “Calm down,” he soothed. “That’s just another big business expression. It means they’ve got a stake in things—that it’s the money provided by our businesses that pays for the dance lessons and the bowling games and the what-not.”

“Don’t forget the iPad for Dinner Skyping,” Jen said, switching from horror back to sarcasm.

“Exactly,” Matt replied, oblivious as ever. “So once a quarter we should bring the kids in for a briefing on our quarterly results. Lots of charts and graphs and spreadsheets.”

Once again, Jen was reluctantly impressed. “Wouldn’t it reinforce Engagement levels if we also posted a few key business metrics on a daily basis? So that they would have a sense of how things were going in close-to-real-time?”

The flip-chart paper on the kitchen cabinets gave Matt an idea. “We could hang whiteboards showing the trend of each of those metrics on the front of all of the cabinets!”

Jen was surprised to find herself really getting into things. “We have to call a meeting with the kids to tell them about this meeting so that we can tell them about the family meeting and the skip

levels and all of the other things coming down the pike to ensure that they'll be more fully engaged!"

Putting down the marker, Matt sat down at the table and took Jen's hands in his.

"If we do all of those things, there's no way they can think that they haven't been included ... that they aren't involved ... that there hasn't been a lot of connection and interaction!"

Jen was with him all the way now as she added, "When they fill out next year's F-MOS, they can't say that we haven't engaged them!"

As she said this, Jen stood up. Matt quickly followed her lead and extended his right arm for the high five he assumed was forthcoming. But Jen's abrupt standing was less a burst of enthusiasm than it was the effect of three cups of coffee.

She made a beeline for the bathroom, leaving Matt with his arm frozen in the air, like a baseball pitcher at the point of release. Realizing what had happened, he awkwardly lowered his arm slot and patted down a non-existent cowlick.

"Good work!" he called to Jen.

"You, too!" said Jen, closing the bathroom door behind her.

ANALYSIS: MAYBE WE NEED A NEW WORD FOR ENGAGEMENT

EMPLOYEE ENGAGEMENT is an undeniably good thing. The research demonstrating the business benefits to be realized by achieving a higher degree of Engagement is solid and compelling. Increases in profitability, productivity, growth, and employee



Room A



Room B

retention rates are all very good things themselves and are all closely correlated with increased levels of Engagement.

There's a trap lurking out there, though, and it can prevent organizations from realizing those benefits. To help you avoid this trap, let me describe an experience I once had while working with a client. She was a corporate vice president who was preparing for an offsite meeting for the top 150 leaders in her company, and she had asked me to look over a copy of the draft agenda and provide some feedback.

The agenda items were pretty standard and straightforward: the just-closed quarter's business results, projections for the remainder of the fiscal year, updates on some key improvement projects, results of the latest employee opinion survey. Those sorts of things.

"At first glance," I said to her, "these certainly seem like sensible enough things to be covering in a meeting like this." But then I pointed to some words that she had penciled in. "I notice that you've added *Small Group Breakouts* here in the 2:00–3:00 time slot. What are people going to be doing during those breakouts?"

"We haven't decided yet," she replied.

Her answer caught me by surprise. “Then how do you know that breakouts are the best use of this hour?”

Now it was her turn to be surprised. “We always have a breakout module in these meetings. We have to get people *engaged*.” And when she said this, her tone suggested a sort of What-turnip-truck-did-this-guy-just-fall-off-of? bewilderment.

In her mind, breakouts equaled Engagement. And while they might be a good vehicle for facilitating Engagement, they aren’t, in and of themselves, Engagement. To understand why that is, let’s try a thought experiment. Imagine two adjacent rooms in a conference center.

Look at the snapshots of the activity in Rooms A and B above.

Question: In which room are the people more highly engaged?

Over the years, I’ve posed this question in scores of workshops and seminars to thousands of people, and the response is always immediate and virtually unanimous: Room A! Nobody has ever said Room B. Occasionally—*very* occasionally—I’ll spot someone whose body language suggests uncertainty, and I’ll draw out a third answer: Doesn’t it depend?

Which, as it happens, is the correct answer. Why? Consider two scenarios based on what’s going on in those two rooms.

SCENARIO 1

The people gathered around the flip chart in Room A are dealing with a topic that is not only of significant importance to the business but is also right in the mainstream of their day-to-day responsibilities. While they know that there is no guarantee that any of their recommendations emerging from this activity will be

accepted, they also know that their recommendations will be taken seriously, that they will have been listened to.

At the same time, the people in Room B are being subjected to death by PowerPoint. The topic isn't particularly relevant to them, and a Google search on the speaker's name coupled with the words *Grand National Toastmasters Champion!* is unlikely to come up with any hits.

In this scenario, it's safe to assume that, yes, the people in Room A are indeed more engaged.

But now let's consider ...

SCENARIO 2

The people in Room A all have the chance to speak their piece as the scribe diligently bullets their comments onto the flip chart. If it's a particularly high-powered breakout session, sticky notes and colored dots may even be involved. (Matt Wilson would approve.) But while all of this is going on, the thoughts running through people's heads are: *Didn't we just go through this exercise a couple of months ago? And: There's no way any of the higher-ups are going to pay attention to anything we come up with. And: This is just a waste of time and paper. I knew I should have clicked on DECLINE when I got the meeting invitation!*

Meanwhile, the speaker in Room B is covering a topic that may seem at first glance to be a familiar one, but he's doing so in new and thought-provoking ways. He's causing people to become actively aware of the assumptions they've been operating under when dealing with the topic, and he's challenging them to consider the validity of those assumptions. He also happens to be skillful

enough to be able to hold the attention of a roomful of people seated auditorium-style on the kind of molded plastic chairs generally found in bus stations or at the DMV.

Who's more engaged in this case? Right. The folks in Room B.

The word *Engagement* is a common one, generally used to connote some form of interaction or connection. Recall the conversation between Jen and Matt:

Jen quasi-enthusiastically dove in. "To move the needle on Engagement, we need to increase the opportunities for interaction with the kids. We need to find more and better ways to connect with them and make sure they feel more a part of things around here."

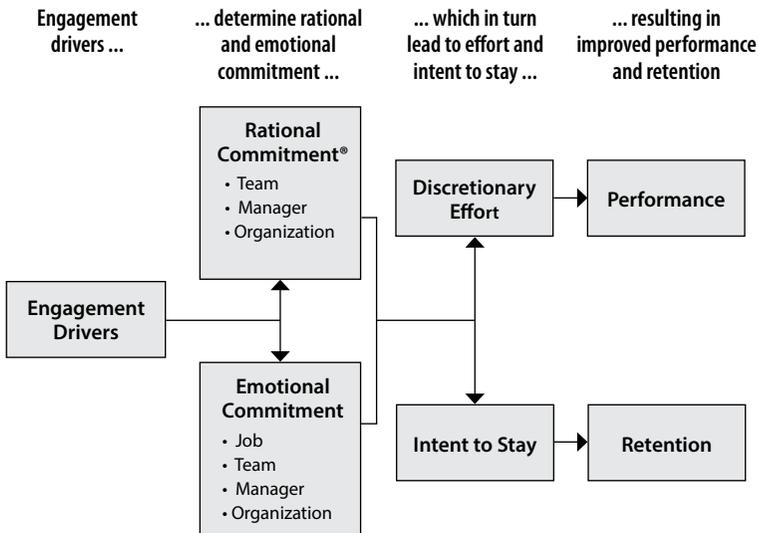
When two gears come together, they are said to engage. When a leader holds an offsite meeting with her team to kick off the new process improvement project, she puts a check mark in the Engagement column of her project plan.

And both of those are absolutely proper and sensible uses of the word. Here's the problem, though. The Engagement being talked about in those uses is very different from the Engagement referred to in the research showing the correlation with dramatically improved business results. That kind of Engagement can be defined thusly:

The extent to which a person invests incremental energy and effort in the task at hand

It's not that the energy/effort definition is better than the interaction/connection definition, just that it's different.

CEB CORPORATE LEADERSHIP COUNCIL MODEL OF ENGAGEMENT



Source: “Driving Performance and Retention Through Employee Engagement,” CEB, Arlington, VA, 2004.

At this point you might be thinking: *Okay. Fine. It’s different. But aren’t you just making a semantic point?* As a matter of fact, yes, I’m making a semantic point. But—*Warning: Second semantic point dead ahead!*—I don’t think the word *just* applies here. As Mark Twain famously observed, “The difference between the almost right word and the right word is really a large matter—it’s the difference between the lightning bug and the lightning.”

Why is obsessing over definitions a really large matter when it comes to Engagement? Consider our leader who always included breakout sessions with offsite meetings. Before deciding to go this route, her thought process *might* have been this:

I want to achieve the kind of energy/effort Engagement that the research says will lead to better business results. One interaction/connection Engagement technique that can be effective in achieving such energy/effort Engagement is to bring everybody together for an offsite at the beginning of the project. Another interaction/connection Engagement technique is to include breakout sessions as part of that offsite. So that's what we'll do!

And if that's what she was thinking, then we're good. But—let's be honest here—it's much more likely that her thought process went something like this:

This Engagement stuff is supposed to be important. We better have an offsite. And it's gotta include breakouts.

Could this result in a higher level of energy/effort Engagement? Perhaps. But it could also lead to the kind of cynical reactions—*What a waste of time. I should have clicked on DECLINE!*—described in Room A, Scenario 2 above, where people are dutifully going through the motions while simultaneously rolling their eyes and sneaking looks at incoming texts and e-mails on their smartphones. Said another way, it could cause people to, energy/effort-wise, *disengage*.

The same argument can be made regarding the painfully boring Room B speaker in Scenario 1. In his mind, what he had to say was important, his logic was unassailable, and his PowerPoint slides represented a precise and comprehensive display of that unassailable logic. But he left his audience cold, because in preparing

what he was going to say, he didn't give due consideration to how important and/or relevant it was to his audience—what *meaning* it might have for them.

There are various models used to illustrate Engagement. While the details of the models differ, they share a common characteristic—the need to account for both the rational and emotional dimensions of the human animal.

Pictured above is the model used by the Corporate Executive Board (CEB), one of the deepest repositories of insight about Employee Engagement around.

Note the essential role of rational commitment in the CEB model. It's there, in black-and-white. Without it, any effort to increase Engagement levels will fail.

That's why the impulse toward interaction/connection Engagement is a perfectly sensible one. With more opportunities for interaction and closer and more direct connection, information can be communicated more crisply and clearly. Questions can be answered more directly, and the ability to follow up—and read body language—can ensure that the question being answered is the one that is really being asked. Cycle times can be reduced, since the pertinent facts that people need to do their jobs don't have to work their way through the normal and often byzantine communications channels. And the reduced level of friction loss resulting from this more direct connection will increase the likelihood that the information being received is closer to the information that was intended to be transmitted.

What it comes down to is this: The currency of rational commitment is *information*. So if the problem you face can be cor-

rectly stated as follows—we are not getting the right information to where it needs to be, when it needs to be there—then connect and interact away.

But what if that's not the problem? What if the question that people need answered is not What do I need to know? What if, instead, it's Why should I care? What does all of this mean to me?

What happens in such cases is the sort of thing that happened in Room A, Scenario 2. There was plenty of information flowing, facilitated by lots of interaction and connection. (Hell, there were even sticky notes and colored dots!)

But there was also a lot of eye-rolling and smartphone-checking and regret over not having clicked on DECLINE when the meeting invitation arrived.

Something essential was missing for the people in Room A, Scenario 2: *meaning*. Why is meaning so critical to engagement? Because the currency of emotional commitment is meaning. People want meaning from their work. They *crave* meaning. They *thirst* for it.

So the propelling question should not be: How can we ensure more interaction/connection? Rather, it should be: How can we ensure that we do the things necessary to bring meaning to the other person? Not to put too fine a point on things, but answering that question ain't easy. It certainly requires more thought and attention than simply penciling in the words *Small-Group Breakouts* on a meeting agenda.

Here's a (semantic) tip: When the words *engage* or *engaged* are used as transitive verbs—verbs that take an object—a red flag should go up for you.

You hear it all the time: “I’ve instructed Ellen to engage Greg so that she has the benefit of his insight and expertise.” “Before moving on to phase 2 of the project, we fully engaged the leadership team.”

But Engagement is not a series of activities in which people participate. It’s a feeling-state in which people exist. There’s a difference between what happens inside a room in a conference center and what happens inside the heads of the people inhabiting those rooms, and there’s also a difference between mechanical, procedural inputs and the levels of energy and effort such inputs can generate. Those differences map precisely onto the differences between the two kinds of Engagement discussed above; that’s why such usage should be a red flag for you.

Engagement is not a matter of leaders engaging employees.

***It’s about leaders creating the conditions necessary
for employees to be more fully engaged in their work.***

Interaction/connection Engagement is important. In virtually all cases, the ability to achieve high levels of energy/effort Engagement will require the dutiful application of interaction/connection Engagement techniques. The trap lies in assuming that by achieving interaction/connection Engagement you have *therefore* achieved the kind of energy/effort engagement that will yield all of those wonderful business benefits. It’s the “therefore-ness” that’s the problem.

Were you able to keep straight all of the interaction/connection and energy/effort references in the last paragraph? Probably not, or at least not without a couple of re-readings.

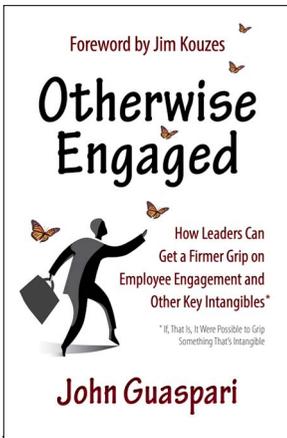
Maybe what’s needed is a different word to describe what this important but elusive topic is all about. After all, we don’t want to

be spending a lot of that precious effort and energy parsing the difference between interaction/connection and effort/energy.

What should that word be? We could finesse things by using phrases such as *Real Engagement* or *Engagement, Properly Understood*, but those are pretty clunky formulations. If there were only an *i* in engagement we could come up with a clever(?) rubric like: You can't spell engagement without m-e-a-n-i-n-g.

To be honest, I don't know what the word or phrase should be. What I do know, though, is that the act of searching for it can help instill a deeper, sounder understanding of what Employee Engagement—the kind of Engagement that all of those research results are referring to—actually is.

As Mark Twain might have put it, that would be a very large matter indeed.



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Leadership Book of the Year 2016 Finalist, sponsored by Leadership and Management Books

About the Author

JOHN GUASPARI has helped leaders take on the challenge of being more effective at attending to the intangibles for the past 30 years. He is the author of six previous books on the topic, including the best-selling *I Know It When I See It*, *The Customer Connection*, and *The Value Effect*, seven best-selling training videos, as well hundreds of articles and columns.

Guaspari has worked with corporate clients in scores of industries and has delivered some 1,500 intangibles-related presentations, seminars, and workshops. He began his professional career as an aerospace engineer and then went on to hold corporate positions in such widely varying functions as marketing, customer support, quality, leadership development, and organizational effectiveness.

CHAPTER 12

The People Side of Project Management

William P. Athayde, Ruth Elswick, Paul Lombard
Edited by Deborah Bigelow Crawford

IN 2010 CHRIS BOSH and LeBron James joined Dwayne Wade to form the “dream team” for the Miami Heat basketball team. Although all three had very successful NBA careers as individuals, they all considered themselves to be members of the team. Whenever the team won, no matter who was interviewed at the press conference, he always gave credit to the team, not to himself. If one of them made a mistake, the others patted him on the back and played harder to make up for him. They won as a team and lost as a team. Credit for the team mindset is given to motivator and team president Pat Riley. In 2013 this dazzling Miami Heat team set records when they won a phenomenal 27 games straight. The question is often asked, “What makes this team so great?”

This same question has haunted project managers for years. The answer lies in the successful leadership of a group of people.

Excerpted from *Project Management Essentials, Third Edition: A Quick and Easy Guide to the Most Important Concepts and Best Practices for Managing Your Projects Right*, by William P. Athayde, Ruth Elswick, and Paul Lombard, edited by Deborah Bigelow Crawford, Maven House Press, 2015.

People are often the toughest part of a project to manage. Motivating team members who report to a functional manager can be extremely difficult. Whenever you have more than two people on a project there will be conflict, and that conflict must be managed. Communication both upward and downward can be time consuming and frustrating for the project manager, unless it's included as part of an overall communications plan.

IS A TEAM NECESSARY?

Let's first define a team. For our purposes, we'll say a team is: a small number of people with complementary skills who are committed to a common purpose, agreed-upon performance goals, and an approach for which they hold themselves mutually accountable. This definition distinguishes a team from a mere group of people with a common assignment. We emphasize the definition because it's all too easy for potential teams to overlook the key aspects of it. In fact, it's really less of a definition than an essential discipline that, if applied, will produce efficient teams and optimal performance.

Although teams are standard in many organizations, it's important to realize that sometimes it's better to have one individual performing project tasks. Here are several instances where this might be true:

- **The task is routine.** If the project is routine (like building a new house — a simple construction project that's been done many times before) you probably don't need a team to accomplish most of the tasks.
- **Consensus is not important.** If one person has the needed expertise, experience, and knowledge — in other words,

would be the primary subject matter expert on the project anyway — you may not need a team to perform the task.

- **Little time, immediate action is required.** Going through the stages of team development can be time consuming. It will pay off in the long run, but if you have a short-term project that needs to be completed quickly, you may choose single individuals to perform the project tasks.
- **Compliance must be absolute.** The person doing the project task needs to have the support and authority to perform without having to justify every decision. Decisions must be final and compliance with the decisions is a must.
- **The whole is less than the sum of the parts.** This can happen when group pressure smothers individual creativity or when a group is dominated by one or two members and the rest just withdraw. Teams can be a waste of time and energy; they can enforce norms of low rather than high productivity. They can sometimes make notoriously bad decisions. Teams can exploit, stress, and frustrate if used when they're not necessary or when they're poorly designed and managed.

It may be advantageous to use a team under the following circumstances:

- Group acceptance is needed to implement a decision.
- Knowledge and skill from more than one person are needed to create the best product or decision.
- The group members possess specific information, problem-solving capabilities, and group process skills.

- There is time to meet as a group, discuss alternatives, and implement a decision.
- The highest quality or most effective solution is desired.

HOW DO YOU BUILD A TEAM FROM A GROUP?

Groups and teams are not the same thing. A group can be defined as “two or more individuals, interacting and interdependent, who have come together to achieve particular objectives.” Figure 12-1 highlights the difference between groups and teams.

Work groups have a need or opportunity to engage in collective work that requires a joint effort. Therefore, their performance is merely a summation of individual efforts. There is little or no positive synergy that would make the overall level of performance greater than the individual effort.

A team generates positive synergy through a coordinated effort. Their individual efforts result in a level of performance that’s greater than the sum of the individual outputs (Robbins 2005). During research for the book *The Wisdom of Teams*, Jon Katzenbach and Douglas Smith (1994) asked participants in their study “What makes a group of people function as a team?” The top responses were:

- Common identity
- Common performance objectives
- Mutual accountability
- Complementary skills
- Shared purpose
- A shift from “me” to “we” mentality

GROUPS		TEAMS
Share information	Goal	Collective performance
Neutral (sometimes negative)	Synergy	Positive
Individual	Accountability	Individual and mutual
Random and varied	Skills	Complementary

Figure 12-1. Differences between groups and teams.

In order to develop a common identity, ask yourself what benefits could accrue from being part of a team, for both individuals and the team as a whole, and use this information to help your team members to understand what’s in it for them. Team members should agree to follow guidelines for working on your team. These are not objectives that will be used for evaluation purposes, but a mutual contract to ease the strain of working together under potentially stressful conditions.

Mutual accountability requires trust. Team members should have definitions of roles and responsibilities. The project manager should model honest, trustworthy behavior at all times in order to inspire like behavior from the other team members.

Shared purpose cannot be mandated from above; given good facilitation, the team will develop it as they participate and accumulate positive work experiences together. Successful teams agree on what’s to be done for the project; individual team members understand their own as well as each other’s role in achieving it.

When the group is fully functioning as a team, miracles can occur. When problems arise on the project, the team tries to resolve

them as a team rather than searching for someone to blame. Blame is accepted as a team, and rewards are accepted as a team.

MANAGING WITHOUT AUTHORITY: THE ART OF PERSUASION

Most of us want to influence others to consider and implement our ideas, but we don't have the formal authority to make things happen.

When you try to influence others over whom you have no formal authority, it's important to consider with whom you're dealing. Are you dealing with someone who wants the big picture, someone who wants everyone to be happy and get along, or someone who just wants the bottom line? These factors will influence your approach to a person, but the basics, as listed below, have to be addressed, whatever the personality or preferences of your audience:

- **Remember that communication is a two-way street.**
Begin conversations with potential supporters with two goals in mind: to get information from them and to begin to share your ideas.
- **Use the pull concept.** Say briefly what your idea is and then ask for their thoughts about it. Encourage them to do the talking so that you can not only find out any objections but see gaps and flaws in your thinking. Listen carefully to find out who supports your ideas and who may have objections to them. As you start to gather new ideas, begin to shift your ideas to address the gaps and flaws. If your approaches to

problems don't change over time as you gather viewpoints and information, you probably aren't listening well to others.

- **Talk to your potential objectors.** Talking with the people who may be against your ideas will be easier once you have some thoughts from potential supporters. Let others know that there are those who agree with you. “Yes, I understand your objection, and I had thought of that myself, but then Larry and Susan told me that...”
- **Establish credibility.** If you don't have the expertise, involve someone who does.
- **Look for common ground.** Always frame your proposals in a way that makes the common ground clear. “One thing that tech support and marketing share is the need to create satisfied customers.”
- **Produce evidence to back up your assertions.** Examples, stories, experiences, metrics, and research help to make your position clear and validate your assumptions.
- **Connect emotionally.** Show your commitment to the position you are advocating and adjust your tone accordingly.

It's always more effective — and more ethical — to approach persuasion as the process of helping others to understand the benefits of your idea or approach rather than to view it as manipulation.

FIVE STAGES OF TEAM DEVELOPMENT

Dr. Bruce Tuckman published his four-stage model of team development in 1965. He added a fifth stage, adjourning, in the 1970s.

The theory is a helpful explanation of team development and behavior. It represents the stages that all teams go through, no matter the size or objective of the project. Tuckman's model explains that, as the team develops maturity and ability, relationships become established, and the team leader changes leadership style.

The team leader begins with a directing style, moves through coaching, then participating, finishing with delegating and an almost detached leadership style (see Exhibit 6.2 for a short discussion of leadership styles). At this point the team may produce a successor leader and the previous leader can move on to develop a new team.

The five stages of team development are as follows:

- **Forming.** In the forming stage, the project manager deals with each team member's need for belonging. This stage is about feeling comfortable in being part of the team. Team members need to know that they will be considered valuable.
- **Storming.** In the storming stage, the team deals with issues of power and control as individual team members try to establish their level of importance. This is when conflict is probably the most dangerous because team members tend to focus on their individual differences.
- **Norming.** The norming stage is when the team begins to focus more on task accomplishment and maintaining the psychological health of the team (as opposed to the individual). During this stage, the team becomes more cohesive and open. There are still conflicts, but the conflicts are now focused on project issues rather than personal issues.

LEADERSHIP STYLES

Directive — Specific advice is given to the group and ground rules are established. The leader tells the team members what he or she wants and how it's to be done. No input is obtained from the team members.

Participative — Decision making is based on group consultation and information is shared with the group. The leader includes one or more employees in the decision-making process (determining what to do and how to do it). It's typically used when different team members have different bits of information. The leader maintains the final decision-making authority.

Coaching — The art and practice of inspiring, motivating, mentoring, and teaching team members. The leader guides the team members in the decision-making process, offering consulting and encouragement until a decision is reached. Final decision-making authority still rests with the leader.

Delegating — The leader trusts team members to make the decision, but ultimately the leader is still held responsible and accountable for the decisions that are made. Delegating is typically used when employees are willing and able to analyze the situation and determine what needs to be done.

Detached — The leader has complete trust in the decision-making capability of the team members. Typically detaching is used when the project is going well and requires little involvement of the leader. Team members and the leader are jointly responsible for the decisions.

Figure 12-2. Leadership style is the manner of providing direction, implementing plans, and motivating people. An important aspect of the team development process is the role the leader or leaders decide to play. Different styles of leadership may be appropriate for different teams or even for the same team at different stages in its development.

- **Performing.** When the team reaches the performing stage, it's working in the we rather than the me mentality. All individuals feel that they're team members, accept the team structure, and thrive in the team community. This is the most productive stage of the team, and good team

leadership is aimed at minimizing the length of time it takes to get up to performing.

- **Adjourning.** Adjourning was added after the first four stages because it was felt that the team needed to have a sense of closure, especially if it had been in the performing stage for a long time.

ONE PROJECT MANAGER'S "PERFECT STORM"

The storming stage is, without a doubt, the most difficult for the project manager to manage. This is where the project manager needs to use some creative management methods. If this isn't done, the team may never get out of the storming stage and never be a fully functioning, productive team.

Several years ago I was asked to manage a project with high visibility and a short timeline, so it was extremely important that we hit the ground running. Some of the fifteen core team members were selected by me, while others were assigned because of their expertise in certain areas. During an elaborate kickoff meeting, I noticed that one of the team members — I'll call him John — was speaking in low tones to each of the six core team members in attendance. They all had the same reaction to what he was saying. First they looked surprised, grimaced a bit, and then shook their heads. I had worked with John on several projects and had always been pleased with the results. He was very experienced and credible, and the team members looked to him as the informal leader of the team. It bothered me that he hadn't come to me with what he was telling the other team members, but within a day another team member informed me of what John had said.

Apparently, Joanne, one of the assigned team members whom I did not know, was relatively new with the company and had worked on one project previously, one to which John had been assigned. He told the team members that Joanne had rarely attended team meetings, was always late on her assignments, and that he had concerns with regard to this project, considering her past performance.

Questions to Ask Yourself

As a project manager, how you would handle this storming situation? Play devil's advocate with yourself to find out what reaction your action would provoke from John, Joanne, and other team members.

Ask yourself, "Does it matter, and if so, why?" In this case there were two concerns:

1. Was it true? I was emphatic that team members attend meetings and get tasks done on time.
2. How would it affect the team? What would happen the first time Joanne came to a meeting late? The team might think that John was right and refuse to accept her as a team member.

Possible solutions:

- Talk to John — but John hadn't come to me. If I approached him he might well get defensive, deny it, or say that everyone had misunderstood him.
- Talk to Joanne — but I didn't know if what John said about her was true. She would have become defensive and wondered why I was picking on her.

- Talk to both of them together — but both would have been defensive.
- Talk to the previous project manager — but he had left the company and I had no idea where he had gone.
- Talk to some of the previous project team members — but soon the grapevine would have let Joanne know I was asking about her. Again she would have been defensive.

None of the above solutions addressed the two questions. I needed to get to the truth and address the team issues quickly. So I announced to the team that I was implementing a “Take a team member to lunch Wednesday” that would last two hours, would be informal in nature, and would be strictly a time to get to know each other. The first team member I invited to lunch was John. Because we knew each other fairly well, I told him I was pleased to have him on the team and would be interested in his assessment of the strengths of each team member. I purposely did not ask for the weaknesses because I didn’t want to emphasize the negative aspects. He did so, and finally he told me what he had told the other team members. I did a little probing and found out that Joanne had missed about half the meetings, not most of them, and also that her tasks as a software tester had been towards the end of a very overdue project.

The next person I invited to lunch was Joanne. She was young, exuberant, and thrilled to be working on this project. She informed me that she wanted to become a project manager and looked forward to working with me on the project. I asked her what had been some difficulties on her previous project and she informed me that the project manager and her functional manager

had hated each other. As a matter of fact, her functional manager had scheduled their mandatory, twice-monthly staff meetings at the same time that the weekly project team meetings were held. She was also very proud of herself that she had completed each of her tasks in about two-thirds of the assigned times since the project was so far behind. All of this answered my first question, “Is it true?” and even though it was true it didn’t necessarily mean that it would happen on this project. My second challenge was to address the team members’ attitudes towards Joanne. I asked her if she would like me to mentor her, which was received with great enthusiasm. With approval from her functional manager I assigned her some tasks that were to be completed by the next team meeting. I put her on the agenda first, thanked her in front of the team for her “above and beyond efforts,” and laid to rest the team member concerns.

The Bottom Line

Ask yourself what the specific concerns are and come up with possible solutions. Then ask what the outcomes could be. If the outcomes do not address your concerns, go back to the drawing board. Come up with a new solution that solves existing problems ... instead of creating new ones.

CONFLICT RESOLUTION METHODS

Whenever two or more people are brought together, the stage is set for potential conflict. When conflict does occur, the results may be positive or negative, depending on how those involved choose to approach it.

Conflict becomes unhealthy when it's avoided or approached on a win/lose basis. Animosities will develop, communication will break down, trust and mutual support will deteriorate, and hostilities will result. When sides are chosen, productivity will diminish or stop. The damage is usually difficult or impossible to repair. Conflict is healthy when it causes the parties to explore new ideas, test their position and beliefs, and stretch their imagination.

It's important to recognize the reasons for conflict:

- Differences in needs, objectives, and values
- Differences in perception of motives, words, actions, and situations
- Unwillingness to:
 - Work through issues
 - Collaborate
 - Compromise
- Differing expectations of outcomes

Some methods for dealing with conflict are:

- **Withdrawing (non-confrontational).** The withdrawing person ignores or passes over issues, or denies that issues are a problem. This method may be used if differences are too minor to matter, or too great to resolve. If resolution attempts might damage relationships or create even greater problems, withdraw from conflict.
- **Smoothing.** The smoothing person emphasizes commonalities and de-emphasizes differences. (For example: "I know we have our differences, but we both

work for the same organization.”) Use this method when it’s not worth risking damage to relationships or general disharmony; of course, you must have commonalities for it to work.

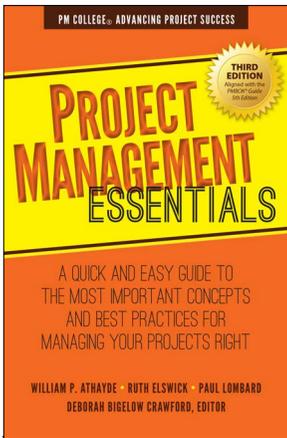
- **Compromising.** Compromise requires the understanding that no one person or idea is perfect. There is more than one good way to do anything. When you are willing to give in order to get, compromise.
- **Forcing.** This dominating method might be summarized as: “I don’t care how you feel or whether you agree, do it because I said so.”
- **Problem solving.** This rational method confronts the problem, not the person. Problem solving examines several solutions and comes up with the one idea, or combination of several ideas, to best resolve the issue. Use a problem-solving style when parties can openly discuss issues without anyone having to make a major concession (Verma 1998).
- **Collaborating.** Collaboration involves incorporating several viewpoints to come to a consensus.

MANAGING COMMUNICATION ON THE PROJECT

Regardless of the environment, individuals on project teams must learn and practice effective communication skills. It’s important to develop a communication plan that will meet the expectations of all the stakeholders. The project manager must identify the following components in order to develop an effective communication plan:

- **Audience.** Who is the audience for each communication? Check the project charter, project plan overview, and other project documents to determine audiences.
- **Message.** What message should go out to the audience? Examples include: What does the project need to communicate to its audiences? Who is authoring or sponsoring the message? How will it take place and in what steps or increments? What does the recipient need to do and by what date?
- **Intent.** Why is this communication taking place? What is the intended effect? What do we hope to achieve? What are the benefits?
- **Media.** How to communicate depends on the phase of the project, the audience, and other factors. It generally takes face-to-face communication to achieve buy-in, gain support, and motivate someone to action. At other times, you can use hard copy print and electronic media, or combinations of media.
- **Timing and frequency.** Consider the scope statement, the evolving project plan, and the advice of project leaders and key stakeholders to determine a communication approach and timing. When do the various stakeholders need a report? How often should certain types of reports be generated?
- **Responsibilities.** For each message in the communication plan ask: Who will prepare the message, develop the media, and coordinate the delivery? Who will author or sign the communications? Who is the message from?

PROJECT MANAGERS OFTEN focus too heavily on the technical aspects of a project and neglect the all-important human dimension. Yet the teamwork, communication, and stakeholder management aspects of a project manager's job are the areas where the greatest difference in outcomes can be achieved. Remember, in most cases project problems are people problems; conversely, people's successes translate into project success.



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About the Authors

DEBORAH BIGELOW CRAWFORD, PMP, is Co-CEO of PM Solutions and its training division, PM College. She's the former Executive Director of the Project Management Institute. She has served as a contributing editor to *PM Network*, *Chief Project Officer*, and *Optimize* magazines and has contributed to several publications including *The AMA Handbook of Project Management*, *What Makes A Good Project Manager*, and *Project Management Roles & Responsibilities*.

WILLIAM P. ATHAYDE, JD, PMP, is a trainer and management consultant and owner of EHS Associates. He was formerly a senior instructor with PM College and senior consultant with PM Solutions.

RUTH ELSWICK, PMP, is an instructor in project management. She was formerly a senior instructor with PM College.

PAUL LOMBARD, PMP, CQM, is Principal with Global Training Group and a Certified Master Trainer. He was formerly a senior instructor with PM College

OPERATIONS

CHAPTER 13

Using Lean to Cut Waste

Mark C. DeLuzio

Money – cash – is lying around everywhere in companies. It's piled to the ceilings in warehouses and on shelves, hiding in plain sight as inventory. It litters administrative offices, disguised as incorrect invoices, late billings, incomplete forms, input errors, sloppy requests from salespeople.

Cash, lots and lots of cash, lurks and languishes in the countless places a customer's order can hide as it crawls from order entry, new product development, production and shipment. Big money sits in customers' lobbies waiting for the sales calls to start. Tons of money walks away as employees at all levels walk hither and yon into the canyons of the company. The King Midas mines are nothing compared to the treasure lost in the inefficient production and delivery of goods and services.

All that cash is retrievable, gettable, bankable, available for re-investment and dividends.

Excerpted from *Turn Waste Into Wealth: How to Find Cash in Every Corner of the Company*, by Mark C. DeLuzio, Maven House Press, 2016.

Be they manufacturers, insurance companies, financial institutions, hospitals, retailers, all good companies understand this opportunity. Thus, they embark on an endless journey of turning waste into wealth. Good companies, under wise leadership, are true alchemists: they turn time into gold. Time wasted, time lost, becomes cash lost. They do this in every nook of the organization, in every process, with every piece of paper, e-mail, and activity.

These good companies continuously, relentlessly improve everything they do to increase shareholder and stakeholder returns.

LEAN

Lean is a mindset, or way of thinking, with a commitment to achieve a totally waste-free operation that's focused on your customers' success.

Lean is achieved by simplifying and continuously improving all of your processes and relationships in an environment of trust, respect, and full employee involvement.

Lean is about people, simplicity, flow, visibility, partnerships, and true value as perceived by the customer.

Lean liberates operating cash to fuel profitable growth, to accelerate ROIs, and to create value for your investors, customers, employees, and suppliers.

THE LEAN JOURNEY

The Lean journey is the endless pursuit to identify and remove waste from every process in the organization. On the Lean journey your organization's culture changes from waste acceptance to relentless waste eradication.

Those on the Lean journey know that waste exists everywhere, and that the reduction of waste in one area often exposes problems and waste in other areas of the organization.

Change is no longer a scary threat. In a Lean company change is accepted as the norm. Kaizen events – process improvements – are welcomed as opportunities to grow the company.

Lean companies measure performance in new ways. In the world of Lean you measure by the minute, by the hour ... not by the week or the month.

The time to make something, to produce something, or to process something is reduced 30%, 40%, 60%, or more.

Lean is adopted at the top, but driven from the bottom. Lean is driven by the people who do the work, who are closest to the problems. Everyone is trained and empowered to identify problems, to find the root causes of problems, and to solve the problems when they are first detected, when the problem is happening.

Lean leaders are coaches and teachers. Lean leaders lead the organization as if their only power is that of persuasion and example. Lean leaders never intimidate.

A Lean journey is truly a voyage from waste to wealth.

USING LEAN TO CUT ADMINISTRATIVE WASTE

Although widely accepted for improving procedures on the factory floor, the fact that Lean can dramatically reduce waste in administrative functions is less well known. Administrative costs dwarf manufacturing costs. As a percentage of revenues, administrative costs are two to ten times greater than direct production costs.

(*Production* can be manufacturing a part, making a TV commercial, baking donuts, harvesting apples, and so on).

Consider administrative costs to be any cost not associated with marketing, selling, or manufacturing. Thus, accounting, clerical, legal, tax, insurance, utilities, management salaries, order processing, document processing, IT, human resources, and so on are all administrative costs.

Administration has various names: front office, back office, central office, white collar, bureaucracy, overhead, and G&A (general and admin costs). Administrative functions, unlike production processes such as turning a lathe, are typically invisible. Transactions and improper direction may lie deep within databases, policies, or software. For example, the root cause of late shipments may be due to a poorly engineered customer demand oversight process. Flaws in product design, weak forecasting, cumbersome forms, redundant paperwork, endless approval systems are examples of administrative waste.

Lean administration reduces waste, errors, processing time, and back office delays. Back office problems are particularly common in an organization's accounting and finance functions. Back office problems are endemic in insurance, banking, and paperwork-generating industries such as residential real estate sales. Every company is undoubtedly losing money in its back office, or whatever the administrative function is called.

Mis-billing, late billing, and non-billing cost industry millions of dollars a day.

Late ordering of fresh seafood robs \$1,000 from the restaurant's evening revenues. Mis-ordering the correct grade of cement

Lean Case History

Diversified Industrial Company Accounts Receivable Optimization

Every outstanding receivable is your money in someone else's bank. Every late billing delays payment. Every mistake on a customer invoice requires costly revisions, delays payment, and irritates the customer. The lack of standard work means the same mistakes can happen again and again.

In less than forty-five days, using the Lean administration toolset, a \$50 million company generated millions of dollars in cash.

Category	Before Lean Administration	Post Lean Administration
Dates	Year 1	Year 10
Days Sales Outstanding	100	38
Past Due Receivables	\$3,000,000	\$250,000
Accounts Receivable Headcount	1.0	0.3

delays the building completion by two days, causing \$200,000 in lost time. Mis-forecasting part requirements triggers a line shut-down or expensive, expedited emergency shipments. Mis-handling insurance escrow accounts costs the mortgage bank millions of dollars a month in redundant mailings, overnight express mailings, unnecessary interest payments.

Getting it right the first time, and every time, is the most worthy of wealth-creating missions.

White collar waste is the white whale of opportunity for companies that deploy Lean administration.

THE FIVE WHYS

To solve a problem you must first uncover the root cause of the problem.

To uncover the root cause of a problem use the Lean rule of *Five Whys* – you have to keep asking why. Five Whys is the root-cause-discovery magic formula (okay, sometimes six or seven whys are needed).

The Five Whys help you discover:

- Why the error was made.
- Why the problem happened.
- Why the system failed.
- Why it takes so long.
- Why the error keeps happening.
- Why the error wasn't detected.

Here's an illustration of the Five Whys in action:

Problem: The car won't start.

Five Whys	Answers
1. Why?	The battery is dead.
2. Why?	The alternator is not working.
3. Why?	The alternator belt is broken.
4. Why?	The belt was beyond its service life and had not been changed.
5. Why?	The maintenance schedule was not followed.

Possible Solution: Strictly adhere to the maintenance schedule.

Here's another illustration:

Problem: The Washington Monument is disintegrating.

Five Whys	Answers
1. Why?	Cleaning with harsh chemicals.
2. Why?	Lots of pigeon poop.
3. Why?	Pigeons eat spiders.
4. Why?	Spiders eat gnats.
5. Why?	Gnats are attracted to artificial light at dusk.

Possible Solution: Turn on the Monument lights an hour after dusk.

SHE WALKED FROM SAN DIEGO TO ST. LOUIS IN ONE YEAR AND NEVER LEFT THE FACTORY FLOOR

The company makes electrical components. The machine operator is a woman who spends her workday assembling parts. Let's call her Kay. Prior to a Lean solution Kay routinely walked from here to there to fetch parts, to bring the parts to her assembly machines, to deliver the parts to the next operation, to find tools and maintenance supplies.

Kay walked and walked. Based on careful pedometer readings, measuring her every step in a ten-day test period, Kay walked 1,549 miles in one year. San Diego is 1,549 miles from Saint Louis.

Kay walked close to three quarters of a mile every hour (1,549 miles divided by an annual 2,000 work hours). Even if she ran at Olympic gold medal speeds, Kay spent seventy minutes a day, every day, walking and not working. Every second she walked was a

second she did not make a part, and every unmade part was unmade money.

If Kay's total direct cost was \$30 an hour, then her employer, the electronics-part maker, paid her \$35 every day just to walk around. If Kay worked 250 days a year, her endless wandering to find things cost her employer a wasted \$8,750 per year.

The machines were moved. The necessary parts were placed adjacent to Kay's work bench. The tools were labeled and organized for instant access and usage. The parts were now in an economically efficient, continuous, one-piece flow.

Kay's walk time was reduced by 98%. Instead of walking five to six miles a day, she now walks about 100 feet a day. Her production rate is up 75% per day. Based on the selling price of her company's products, Kay's cell now generates an additional \$1,200 in revenue per day.

Kay's operation is immensely more profitable and truly lean.

But poor Kay. She had to join a gym.

THE EIGHT DEADLY SINS OF WASTE

Biblical writers focused on human failings. Lean focuses on corporate failings. Wise leadership knows these sins are ever present, sometimes hiding, sometimes invisible, often in one's face, and always intent on sucking out cash, weakening balance sheets, and diluting profits. Wise leadership constantly makes all employees alert to the eight deadly sins, and continuously exorcises these sins with Lean. Here are the eight deadly sins of waste:

1. **Waste from unnecessary motion.** Having to get up to reach a part during assembly, or walking down two halls to the printer, are wasted motions.

2. **Waste from inventory.** Slow-moving inventory, idled work-in-process inventory, stockpiled inventory, obsolete inventory all vacuum up cash.
3. **Waste from over-production.** Endlessly running a machine or process simply to make the machine “more efficient,” instead of running it to reflect customer orders or demand, leads to extra maintenance costs, unnecessary downtime, unsellable inventory.
4. **Waste from defects and errors.** Defects cause scrap, damage, disposal, rework, warranty claims, penalties, dissatisfied customers. Errors cause do-overs, mis-billing, long response times, lost customers.
5. **Waste from transportation.** Transporting product, parts, or documents throughout the plant or office adds no value to the end user.
6. **Waste from walking and waiting.** Walking is non-value-added. Waiting means flow is interrupted.
7. **Waste from over-processing.** Over-engineering a part, over-polishing, over-sanding, or asking for irrelevant or redundant data on a form waste time.
8. **Waste from unused human creativity.**

Those closest to the problem have the best solution ideas. Watch for waste. Waste is evil. Commit no sins.

WHAT AND WHY TO BENCHMARK

How good you think your company is matters not. How wonderful you think your products, service, and people are matters not. How

fabulous you believe your sales force, deliveries, processing time, advertising, and packaging are matters not. The only opinion that matters is your customers’.

Your customers deal with lots of companies in and outside of your industry.

Customers constantly compare every single thing you do to the best companies with whom they do business. If you’re thrilled with 95% on-time deliveries, and the customer gets 100% on-time deliveries from the local pizza joint, you are not in first place. If you’re the biggest koi in a fish pond, you’ll be devoured by the smallest orca in the ocean.

Being better than your competitors is not good enough. You need to be as good as the best, regardless of industry. If you’re a manufacturer, compare your customer service to the best online retailer. If you’re a rescue and emergency provider, compare your training, procedures, and responsiveness to an elite military rescue team.

Consider what your customers want. Do they want speed, cleanliness, hot, cold, strength, safety, anonymity, privacy, tech service? If so, then compare your organization to the world’s best at providing speed, cleanliness, hot, cold, strength ...

The conservative and modest approach is to assume, admit, accept that you’re not world class.

Benchmark against the best. Set performance goals to be the best. Use Lean to become the best.

Best is better than better.

THE LEADERSHIP RULES OF LEAN

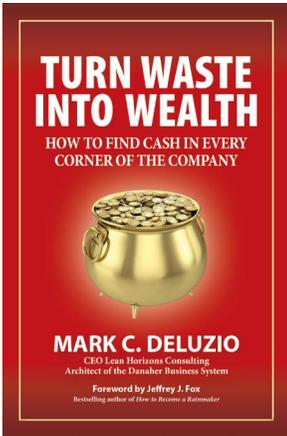
Wise leadership is critical to an organization's business success. Wise leadership is absolutely necessary to transform a company from waste and dysfunctional behavior to wealth.

Leaders exist at every level in an organization. As a leader, here's what you must do to insure a successful Lean transformation:

1. Understand that Lean will not happen without invested, committed leadership.
2. Actively participate. Plan to personally be on several kaizen team events per year.
3. Learn Lean in depth.
4. Make Lean a permanent business way-of-life. Lean is not a "program of the month." It's not a management fad. Provide a vision of a future state where your company's culture encourages everyone to work every day to eliminate waste.
5. Provide resources and infrastructure to support Lean, to insure that the Lean journey will be highly successful.
6. Never stop communicating about every detail of Lean – every success, every dollar saved.
7. Make sure that kaizen events take place in every function in the company – in the back office, in the supply chain, on the factory floor, in the accounting office, in new product development, and in research and development.

8. Do not delegate the responsibility of driving Lean to staff positions. You must take personal responsibility for your Lean transformation.
9. Insure that resolving the waste problem is the responsibility of the people doing the work. Also insure that your company has a standardized process for solving problems.
10. Create a blameless environment – problem-finders and mistake-makers should not have to worry about repercussions. You need everyone’s buy-in. Focus on the process, not the people.
11. Lead in challenging the status quo. Everyone will follow that lead.
12. Encourage and reward risk-taking and innovation. Support risk-takers who fail.
13. Push people to think and take initiative to change things, to improve, to get rid of waste.
14. Educate people that change is expected to happen at all levels in the organization.
15. “Lead the organization as if you have no power.” — Gary Convis, former Executive VP of Toyota Motor Engineering & Manufacturing North America
16. Over and over, tell your organization: “Follow me, and we’ll figure this out together.”
17. Don’t jump to conclusions or solutions. Size up the situation. Get facts. You cannot offer constructive opinions and solutions unless you have personally observed the problem.

18. Keep asking why and why not.
19. Show respect for every single person, regardless of job, status, or personality.
20. Provide motivating incentives.



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About the Author

MARK DELUZIO is the CEO of Lean Horizons Consulting. Prior to founding Lean Horizons, he was Corporate Vice-President of the Danaher Corporation, where he was the principle architect of the vaunted Danaher Business System, the primary reason for that company's decades-long, world-class performance.

DeLuzio is the pre-eminent thought leader in the Lean industry, noted for numerous Lean innovations. In 2007 he was inducted as a Life Member of the Shingo Prize Academy (the Lean Hall of Fame). He is a popular speaker sought by corporations, conferences, and noted higher-learning institutions, such as MIT's Sloan Business School, Northwestern University's Kellogg School of Management, and the Rensselaer Polytechnic Institute.

DeLuzio is on the board of Directors of Hillenbrand Inc. (NYSE). He holds both a BS in Marketing and a BS in Accounting from Central Connecticut State University. He has an MBA in Operations Management from the University of Hartford. He is a Certified Management Accountant (CMA) and holds a Certificate in Production and Inventory Management (CPIM).

Mark DeLuzio is a Gold Star Parent.

CHAPTER 14

Project Management Practices for Nonprofits

Karen R. J. White

A PROJECT IS DEFINED AS “a temporary endeavor undertaken to create a unique product, service, or result” (Project Management Institute), and there are several activities undertaken by nonprofits that are projects—special events, fundraising drives, volunteer recruitment campaigns. A capital fund campaign can be considered a series of related projects with a common goal (known as a program). As you can see, much of the work in running a nonprofit is project work, and whatever you can do to help you manage your projects better will enhance your nonprofit’s overall performance. That’s why project management is so important

The Project Management Institute defines project management as “the application of knowledge, skills, tools, and techniques to project activities in order to meet or exceed stakeholder needs and expectations from a project.” Project management is a process that comprises five main phases that all projects go through: initi-

Excerpted from *Practical Project Management for Agile Nonprofits: Approaches and Templates to Help You Manage with Limited Resources*, by Karen R.J. White, Maven House Press, 2013.

ating, planning, executing, monitoring and controlling, and closing. In the initiating phase you define the new project and obtain authorization to start it. In the planning phase you establish the



GLOSSARY

Scope is the products, services, and results expected from a project.

scope of the project, refine the objectives, and plan the actions required to achieve the project's objectives. In the executing phase you build your team of people, you acquire the other resources you need, and together

you carry out the activities needed to complete the work defined in the plan. In the monitoring and controlling phase you regularly measure and monitor the progress of the project, identify any areas where changes to the plan might be needed, and make those changes. In the closing phase you formally accept the product, service or results, bring the project to a close, and gather any lessons you've learned in managing the project.

In managing your project, you don't go through these phases sequentially; rather the phases are often iterative and often overlap (see Figure 14-1). But learning and applying the practices associated with these five project phases, especially planning, will help you better manage your projects.

START IT RIGHT!

Project success can usually be attributed to managing the appropriate initiation and planning activities well. Often people are inclined to dive right into a project's core activities as soon as they're asked to do something. The gun has gone off; the race has started; and off they go. We forget, however, that the most successful runners have already run the race in their minds, they've planned

THE FIVE PROJECT MANAGEMENT PHASES

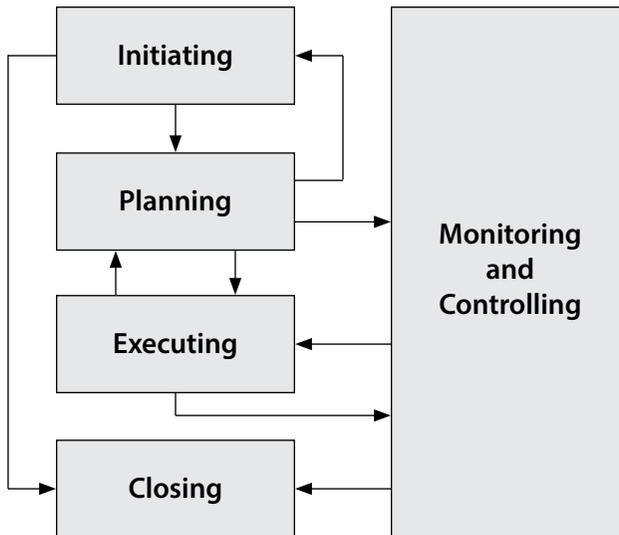


Figure 14-1. In managing projects, you generally proceed sequentially, from initiating to planning, executing, and finally closing the project, while monitoring and controlling along the way. But project management is highly iterative, as shown by the connecting lines. And if you're an agile nonprofit, you'll replan often as information and project requirements change.

their race. They know the challenges they'll face on that particular course and they've already developed approaches to overcome them. They know where the watering stations and check-in points are located. They know when they'll sprint and when they'll walk. The less successful runners will just race when they hear the starting gun, without a well-thought-out plan.

This tendency to immediately start racing is no different for nonprofit managers interested in the outcomes of their projects. But when managing a project like a special event or an appeal, it's important to clearly understand the scope of the activity before

starting in order to ensure that the right goal is indeed reached. Like the successful runner, the successful nonprofit manager needs a well-thought-out plan for managing the project rather than simply doing it.

It's also equally important to identify a single person to serve as the project manager to organize and lead the committee, the team that will do the work needed to complete the project and to



GLOSSARY

A **project charter** is a document signed by the project sponsor authorizing a project and giving the project manager the authority to use the organization's resources on the project's activities.

deliver its desired results. We often hear the phrase “one button to push,” meaning one person in charge. This is the individual who can speak with authority about the project and who is empowered by the organization to make certain project-related decisions, such as who does what activ-

ity. For the remainder of this chapter, we're going to assume that you are the project manager.

SET THE STAGE FOR YOUR PROJECT

When contemplating a new project, the first action the project sponsor (board trustee, chief development officer, director, etc.) should undertake is the assignment of a staff member to serve as the project manager. The assigned individual, be it an event manager or direct mail manager or campaign manager, should meet with the project sponsor to obtain a clear understanding of the project's objectives including how success will be measured — dollars raised, donors in attendance, money spent to raise a dollar, volunteers signed up, facility built on time and under budget. See Figure 14-2 for information on developing your objectives.

SMART PROJECT OBJECTIVES

- **SPECIFIC.** You want your objectives to be clear and unambiguous—what’s to be done, why it’s important, who’s involved, and what the results look like. Be sure all your stakeholders can understand your objectives.
- **MEASURABLE.** You need definite criteria for measuring progress toward meeting your objectives, otherwise you will not know whether you’ve accomplished your goals. Criteria could be quantities, quality, frequency, costs, and/or deadlines.
- **ATTAINABLE.** Your objectives need to be realistic. If they’re not, they’re meaningless and will demotivate those trying to attain them. Ask whether there are sufficient resources available to accomplish your objectives and whether your team can actually do what’s asked of them.
- **RESULTS-BASED.** Your objectives must deliver results that matter to you and your organization. Results-based objectives motivate your team to achieve them, and they motivate other stakeholders to support you.
- **TIME-SPECIFIC.** Your objectives need target dates. Committing to deadlines helps your team focus their efforts on meeting those objectives by those critical dates. Be sure to consider whether it’s feasible to meet the deadlines.

Figure 14-2. SMART is a mnemonic to guide you when you set your project objectives. You want your objectives to be—Specific, Measurable, Attainable, Results-based, and Time-specific.

Once you’ve been assigned as the project manager and you clearly understand the objectives of the project, you need to begin developing what’s known as a *project charter* and a *project scope statement*. I recommend that you create a project charter and scope statement as part of a more comprehensive document, a project guidance document (see Figure 14-3). In the project guidance document you first identify the purpose of the project, why it’s being undertaken, and determine the project’s stakeholders—that is, who will be affected by the project and what their interests in the project are. Gathering this information will help you determine

A TASTE OF SUCCESSFUL BUSINESS PRACTICES

PROJECT GUIDANCE DOCUMENT		
<p>Purpose: The Project Guidance Document indicates that a project has been preliminarily sanctioned by the organization and that resources can be used to further define and plan the details of that project. The document describes the vision, scope, authority, and project deliverables, as agreed upon by the Project Sponsor and other stakeholders.</p>		
PROJECT IDENTIFICATION		
Project Name	Project Number	Date Created
Project Sponsor	Project Owner	
Program Manager	Project Manager	
PROJECT OVERVIEW		
Project Background		
<p>< The background should provide an understanding of the events leading up to the project. It explains the history of the project, including any other times this kind of project has been undertaken. ></p>		
Business Needs		
<p>< Document the business needs behind the project. This could include the case statement used to obtain project approval. This should explain why the project is being done. ></p>		
Project Objectives		
<p>< Describe the objectives of the project and its deliverables. All projects should support and tie to strategic goals. The objectives should be SMART (Specific, Measurable, Attainable, Results-based, and Time-specific (see Figure 14-2)). ></p>		
Deliverable Description		
<p>< Describe what the project outcome will look like — a special event, an appeals mailing, or a new technology. Include any financial deliverables such as expected funds raised or additional donors acquired. ></p>		
Key Dates and Milestones		
<p>< List key dates and milestones that are required for the project. This could include any media dates or pre-event activities such as sponsor breakfasts. ></p>		
ORGANIZATIONAL CONSIDERATIONS		
<p>< Describe the departments and groups, including volunteers, that will be involved in the project. If the project manager has been identified, he or she should be included here. ></p>		
BUSINESS CASE		
<p>< Provide a summary budget, expected benefits, and cost of dollar raised anticipated for the project. Include a discussion of any alternative options that were discussed. ></p>		

Figure 14-3. Project guidance document template with instructions.

PROJECT MANAGEMENT PRACTICES FOR NONPROFITS

SCOPE DEFINITION			
<p>< Specifically state those activities and deliverables that are within the boundaries of this project, and identify those that are not. For instance, development of mailing collateral might not be in scope for the project since the project will be using standard organizational pieces. However, development of specific marketing posters might be in scope. ></p>			
RISK IDENTIFICATION			
<p>< List in bullet format any known risks that might occur if the project proceeds and if it doesn't proceed. Include any thoughts relative to mitigation plans. These risks and plans will be elaborated upon in the next phase when the project team performs its risk analysis activities. ></p>			
ASSUMPTIONS AND CONSTRAINTS			
<p>< List in bullet format the known assumptions and constraints that have the potential to impact the project. List any assumptions and constraints that have been made in recommendations for the purpose of project planning. ></p>			
ACCEPTANCE CRITERIA			
<p>< Describe how the project will be periodically reviewed and which organization(s) have final approval authority. Describe what project success would look like. ></p>			
NECESSARY TO PROCEED			
<p>Next Phase Activities/Resources — required to move to the next phase, planning</p>			
<p>< Describe the high-level activities and required resources (including volunteer) needed to do the next level of planning. The goal is to ensure availability of needed resources. These will also be tracked if the project does not continue. ></p>			
APPROVAL			
Name	Title	Date	Approved
ATTACHMENTS, AS APPLICABLE			
<p>< List any documents that support the information in this document. ></p>			

Figure 14-3 continued. Project guidance document template with instructions.

who has the authority to make what decisions relative to your project and its outcomes.

Next you need to define the scope of your project. As the project manager, you and the project sponsor need to meet with the project stakeholders to discuss why the project is being undertaken (is its purpose to raise funds, to promote stewardship, to heighten

community awareness?) and to determine what its boundaries are. By this I mean that if your project is a community awareness event, is the follow-up appeal to be considered part of the event? If your project is a golf tournament, is lunch with your nonprofit's executives that day part of the tournament or is that a separate event? You'll need to address who is empowered to make what decisions relative to your project's deliverables, schedule, and budget. These decisions



GLOSSARY

A **project scope statement** is a statement describing the work to be performed to deliver a product or service. It usually includes specified features and functions. An example of such a feature might be a "sit-down evening meal."

are then captured in the project guidance document, and all other project management documents will be based on this baseline information.

This use of a formal project guidance document ensures that you, the project sponsor, and project stakeholders have achieved a common understanding of the project's expected

outcomes, what's in scope and what's out of scope, and who can make what decisions. It's a critically important document that encourages you to "do it right the first time" and assists in eliminating any confusion as the project progresses. Figure 14-4 shows you what the project overview might look like in your project guidance document for a sponsor dinner.

PLAN IT!

When you and the project sponsor and stakeholders are satisfied with the project guidance document and have signed off on it, you can begin planning the project's details. These plans include developing the project's *work breakdown structure*, identifying the specific roles and responsibilities of staff, volunteers, and

PROJECT MANAGEMENT PRACTICES FOR NONPROFITS

PROJECT GUIDANCE DOCUMENT		
PROJECT IDENTIFICATION		
Project Name	Project Number	Date Created
Sponsor Dinner (July 20)		20110301
Project Sponsor	Project Owner	
Dr. Susan Smith	Jane Woods	
Program Manager	Project Manager / Team Member / Role	
	James Dawe (Project Manager)	
PROJECT OVERVIEW		
Project Background		
<p>This summer event is held annually to recognize those individuals who have supported the Society during the year and to encourage their continued support of the research we perform. It typically includes a catered sit-down meal in addition to a cocktail reception. Attendees will include the Society's board members and the organization's officers. Tables and individual tickets are sold to the community so that they can participate in the recognition. Selected guests are comp'd for attendance. In the past, ticket sales for this dinner have yielded \$25K to \$30K to the Society.</p>		
Business Needs		
To recognize Society supporters, to share updates on our accomplishments and on our current research, to highlight opportunities for further support.		
Project Objectives		
<ul style="list-style-type: none"> • Sell 50 tickets by June 15 to accommodate caterer's schedule and achieve financial goals • Determine top ten sponsors and arrange for all ten to be present at dinner • Select three research accomplishments and arrange for all three researchers to be present at dinner 		
Deliverable Description		
A cocktail reception and catered sit-down meal, with an after dinner program of recognition and research presentations. Appropriate music can be played during the reception and dinner.		
Key Dates and Milestones		
<ul style="list-style-type: none"> • April 15 – Dinner location finalized • May 1 – Final program of speakers and award recipients for marketing materials • May 14 – Start ticket sales • June 15 – Final ticket sales and headcount for caterer • July 20 – Host the dinner • July 31 – Final project accounting and close-out 		

Figure 14-4. Project overview section of a project guidance document for a sponsor dinner.

beneficiaries (especially as they relate to budget and schedule), acquiring and developing the project team, working with that team to develop the project's schedule, identifying milestones, identifying risks and plans for mitigating those risks, working up project budgets, and planning for the project's on-going communications. It's in doing these activities well that you really have a chance to ensure the project's success. Suffice it to say that know-



GLOSSARY

A **work breakdown structure** is a hierarchical decomposition of the work to be performed by the project team to create the expected project outcomes.

ing who will perform what activities at what time, how much financial support is available for your project, and understanding the risks associated with the plan, is critical to the eventual success of the project. It's equally critical to that success to understand and implement a communications plan that addresses the

needs of those interested in the project. See Figure 14-5 for a description of the documents found in a comprehensive project plan.

THE PROJECT LIFE CYCLE MODEL — THE PROJECT'S FRAMEWORK FOR SUCCESS

An important step in planning your project is to identify what methodology or processes you need to follow to facilitate project success. That is, you need to develop a framework to guide you — what's called a project life cycle model. A project life cycle is “a collection of project phases, serving to define the beginning and end of a project” (Project Management Institute, 2013). The model simply shows you how to proceed through those phases to complete your project.

PROJECT MANAGEMENT PRACTICES FOR NONPROFITS

PROJECT MANAGEMENT PLAN	
1 INTRODUCTION	< Provide a sentence or two introducing the project, its sponsor, and its purpose. >
2 PROJECT INFORMATION	< Provide a brief paragraph describing the project. It should provide a summary of the events leading up to the project and its expected outcomes. >
3 PROJECT MANAGEMENT APPROACH	< Identify the project sponsor, project owner, project manager, and deputy project manager if applicable. Provide contact information for each member of the project management team. >
4 PROJECT SCOPE	< Discuss the project scope. Describe the project purpose, objectives, and outcomes. >
5 PROJECT DELIVERABLES	<p>< List the project's deliverables. Internal deliverables are those internal to the project, such as marketing materials used to sell event tickets; external deliverables are items provided to others, such as printed programs for a concert or the final tickets sent to participants. ></p> <ul style="list-style-type: none"> • 5.1 Internal Deliverables • 5.2 External Deliverables
6 PROJECT ORGANIZATION STRUCTURE	< Depict the project team's organizational structure with either a project team roster or organizational chart. Identify each team member and associated role. >
7 COMMUNICATIONS PLAN AND MATRIX	<p>< Address project team communications protocols and methods. If using technology, identify URLs and processes to obtain access. Include a communications matrix depicting when certain standard meetings will occur and who participates, and when status reports will be provided and their distribution. Include project team contact information. ></p> <ul style="list-style-type: none"> • 7.1 Project Team and Stakeholder Contact Information
8 SCOPE MANAGEMENT PLAN	<p>< Describe how project scope will be managed — who is authorized to approve changes and how change requests will be reviewed and accepted. ></p> <ul style="list-style-type: none"> • 8.1 Scope Statement • 8.2 Scope Management Roles and Responsibilities • 8.3 Scope Control • 8.4 Scope Verification

Figure 14-5. This figure lists the documents that comprise the project plan with instructions. If your project is small, with little risk to the organization, many of these documents are overkill. But you should at least consider how important any of these items might be in developing your project management plan.

A TASTE OF SUCCESSFUL BUSINESS PRACTICES

9 BUDGET (COST) MANAGEMENT PLAN
<p>< Describe how the project's budget will be managed — who is authorized to approve costs, how budget changes will be reviewed and accepted, and how frequently budget data will be updated. ></p> <ul style="list-style-type: none">• 9.1 Budget Management Roles and Responsibilities• 9.2 Budget Planning and Estimating• 9.3 Budget Tracking• 9.4 Budget Controls
10 SCHEDULE MANAGEMENT PLAN
<p>< Describe how the project's schedule will be managed — who is authorized to approve schedule changes such as vacation requests received from staff assigned to the project, how changes will be communicated, and how frequently the schedule will be updated. ></p> <ul style="list-style-type: none">• 10.1 Schedule Management Roles and Responsibilities• 10.2 Schedule Management Approach
11 RESOURCE MANAGEMENT PLAN
<p>< Describe how the project's resources will be managed — who is authorized to approve changes in assignments and how new team members will be oriented to the project. ></p> <ul style="list-style-type: none">• 11.1 Resource Management Roles and Responsibilities• 11.2 Resource Orientation• 11.3 Resource Training
12 RISK MANAGEMENT PLAN
<p>< Discuss how the project's risks will be managed — how often they will be reviewed by the project team and the sponsor, who is authorized to invoke a mitigation plan, and how the risk's occurrence will be communicated and documented for other projects. ></p> <ul style="list-style-type: none">• 12.1 Risk Management Roles and Responsibilities• 12.2 Risk Management Process• 12.3 Risk Documentation
13 QUALITY MANAGEMENT PLAN
<p>< Describe how the quality of the project's activities and outputs will be managed — who will review and approve deliverables.></p> <ul style="list-style-type: none">• 13.1 Quality Management Roles and Responsibilities• 13.2 Quality Management Process
14 VENDOR MANAGEMENT PLAN
<p>< Discuss how any vendors used to support the project will be managed — who has the authority to negotiate contracts and prices and who oversees the vendor's activities, including approving invoices and accepting products or services provided. ></p> <ul style="list-style-type: none">• 14.1 Vendor Management Roles and Responsibilities• 14.2 Vendor Acquisition Process• 14.3 Vendor Invoicing Process

Figure 14-5 continued. The documents that comprise the project plan.

One question that should be asked but often isn't when determining whether you should follow a particular set of processes to accomplish something is "Why? What's broken that following the new processes would fix?" We're often told the reason is to make sure that everyone in the organization does work in the same way, consistently, using the same language. When we probe further about why this consistency is needed (after all, no one is in business for consistency), we're told that, if everyone works the same way, should someone leave a position, someone else could step in and assume the role.

Ahh! Now we're talking about something different — we're talking about risk mitigation. That is, the reason to acquire or develop and apply repeatable management processes is to ensure consistency of practice, so that

everyone follows the same process, so that vacancies can be filled with little disruption to a project. Overemphasizing this consistency of practice has made many managers shy away from using project management. They fear that project management will be too burdensome, that so much effort will be wasted on trying to follow the "right" process that important work won't get done.

But projects aren't identical and they don't have the same risks. So why do we require them to use all the exact same processes, to follow the same degree of rigor? Project success is more likely to happen, the risks more likely to be averted, if a project is established with its own project life cycle model, one that embraces both traditional and agile project management processes that are appropriate to the type of project and the risks involved. You (the project



GLOSSARY

A **methodology** is a collection of practices, techniques, and procedures used by individuals performing a discipline.

manager), the project sponsor, and the project planning team (the people doing the planning, which might be a subset of the overall team that will work on the project) should together determine which processes are needed to support project success. That is, together you should establish the project's overall framework, the project's life cycle model.

A project life cycle model is specific to a project, while a methodology is typically specific to an organization. A well-written *methodology* is able to support multiple project life cycle models. One of the tools a project management team has at its disposal is the ability to develop a project life cycle model by drawing from multiple methodologies based on the requirements of the project, to ensure critical processes are not overlooked by the project team. The savvy project manager adapts methodologies as needed to fit the risks and requirements of the project at hand.

Let's explore that last sentence a bit further: The savvy project manager adapts methodologies as needed to fit the risks and requirements of the project at hand. This means that you and your project planning team should understand the requirements of the project and the associated risks. You can then research your organization for methodologies, guidelines, handbooks, or subject matter experts for advice as to what activities are needed to fulfill the project requirements.

ESTABLISH YOUR PROJECT LIFE CYCLE MODEL

When planning a project life cycle model, your project planning team should apply a top-down approach, first considering the highest-level, major activities required by the project. This usually

starts by addressing the activities needed during the five discrete phases of the project: initiating, planning, executing, monitoring and controlling, and closing.

One question that your project team needs to consider at this point is: How do you break your project up into smaller chunks so that you can better manage it, staff it, or demonstrate to your sponsor that the project is going along just fine? Keep this question in mind as you develop your project life cycle model.

While a project typically has only one initiation phase, it might be desirable for a specific project to have the project team use a life cycle that has two initiation phases. For example, holding a new special event might be a project that follows this particular life cycle model. In this example, the project sponsor identifies that obtaining sufficient community sponsorship for the event is a risk. Your project planning team, including the sponsor, has discussed this and determined that hosting a preliminary event to test the community would be an acceptable means to determine if the risk truly exists. Your project's initial planning and execution activities are related to the planning and hosting of a sponsorship solicitation dinner; if the response from that dinner is positive, then your project sponsor can make an informed decision and advise the project team to proceed with the planning and execution of the project resulting in the actual special event. Your project closes after that event.

In this case, your special events project life cycle model might look like Figure 14-6. By doing some preliminary planning and testing sponsorship, your project team is able to avert the potential risk associated with the special event not having the required community support.

THEN WHAT?

After the project life cycle model is mapped out, your project planning team should review the actual work needed to be performed during the project's execution phase. Your project planning team determines the types of work likely to be needed to complete the project and whether similar work has been performed in the past.

I've presented a simple example of a project life cycle model. While it might look like a cumbersome activity, developing a project life cycle model can usually be accomplished rather quickly, and the return on the investment of time is high. In most businesses, proper risk mitigation can be the difference between a project's economic success and failure. By planning your project's overall life, by thinking in a non-sequential mode and leveraging the appropriate processes from diverse methodologies, handbooks, and other sources, your project team can develop a project life cycle model that's as unique as the project they're undertaking and one that encourages overall project success. This project life cycle model can then be used as the basis for more detailed planning.

MONITOR, CONTROL, AND COMMUNICATE, COMMUNICATE, COMMUNICATE!

As the project proceeds, you, the project manager, monitor and control it, making timely decisions to ensure that your project's objectives are achieved. You'll also keep all stakeholders informed as to the project's progress, ensuring that there are no surprises. You need to periodically review the project scope

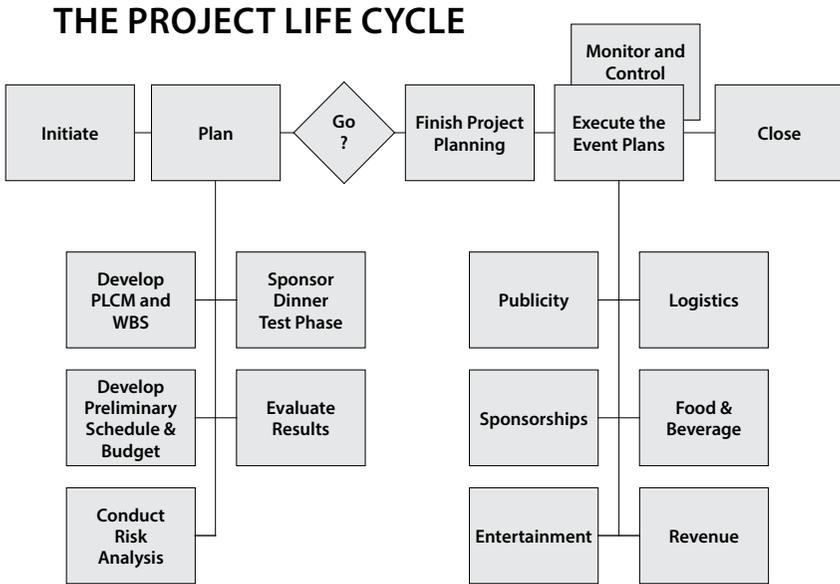


Figure 14-6. Project life cycle model for a sponsor dinner.

statement with the volunteers and staff working on the project, to remind them of the project's scope and objectives. Should the project's stakeholders change the project's objectives (for example, increase the financial goals of the event), your project team must be told because the project plan needs to be reviewed to determine if other changes are needed to achieve the new objectives. The project team should understand what the changes mean in terms of resources, time commitments, and budgets. If increases in any of these items are needed, you must address these needs with the project stakeholders and obtain the project sponsor's approval of any changes before proceeding. And any changes to the project's original plan should be documented for use in the future.

Throughout the life of the project (the planning of the event, the actual event itself, and the closing of the event), you'll also implement the project's communications plan. This typically includes receiving status reports from volunteers and staff on a regular basis, consolidating them, and generating appropriate status reports to stakeholders. These reports could be internal memos, letters to the community, or articles in an employee newsletter. At a minimum, the status report should report about the various criteria identified as important to the project.

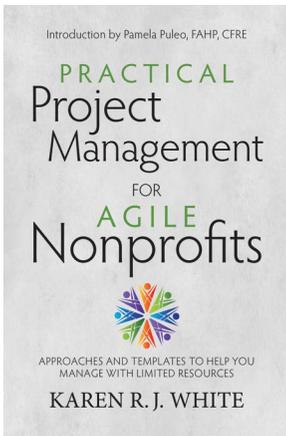
DON'T RUN TO THE NEXT PROJECT!

There is a tendency to celebrate the successful completion of an event or an appeal and then move on to the next one, overlooking the critical step of closing out the project. A proper closeout would include not only closing the financial aspects of the event but also conducting a final team meeting. The purpose of this meeting is to capture valuable information about the project and to initiate the volunteer stewardship desired to support future projects. This meeting should include the extended project team, including the project's requestor. You should capture all lessons learned, including those elements that worked well and should be repeated and those that didn't work well and shouldn't be repeated.

SUMMARY

Project management is a unique discipline focused on the successful achievement of a stated goal or objective. The application of project management does not need to be an exercise in the application of more overhead. Rather, it needs to be the practical

application of those project management knowledge areas and skills required to ensure that a project—special event, an appeal, or a volunteer search—achieves the desired goals. Careful attention upfront to defining and planning the project, exercising timely attention to the progress of the project, communicating information about the project, and capturing lessons learned for the future can assist in preventing costly oversights and mistakes.



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About the Author

KAREN R.J. WHITE, PMP, PMI Fellow, is the founder of Applied Agility, an organization focused on helping nonprofits achieve success with their strategic objectives. She is also Adjunct lecturer at New England College. She was formerly a senior consultant with PM Solutions and the Degree Chair of the MBA in Management Program at Marlboro College Graduate and Professional Studies.

White has served as a Board Director for the Project Management Institute as well as Chair of the PMI Educational Foundation. She is the author of *Agile Project Management: A Mandate for the 21st Century*.

White holds an MS in Information Systems from Northeastern University and is currently working on her doctorate at the University of Management and Technology.

CHAPTER 15

Managing Daily Operations for Small Businesses

R. Sean Manning

OFTEN SOMETHING AS simple as a systematic approach to doing something can give a business a competitive edge. When you also add committed qualified employees to the equation, along with an organized management team, the result can be a very successful business.

On the other hand, especially during the early stages of starting and running a business, owners can feel overwhelmed and might consider taking shortcuts. When business owners become overwhelmed, they become reactive rather than proactive. They might spend more time putting out fires than planning to avoid fires in the first place. Avoid taking shortcuts to run your company.

DEVELOP OPERATING SYSTEMS

To avoid shortcuts, you should engage in proper planning, monitoring company systems, studying the competition, and developing new strategies. Don't let these functions become overshadowed

Excerpted from *Six Steps to Small Business Success: How to Start, Manage, and Sell Your Business*, by Bert Doerhoff et al., Maven House Press, 2014.

by the day-to-day activities and challenges that you'll be faced with. Following are some steps to take.

Explore and Adopt New Efficiencies

When the business is running well, consider exploring opportunities to become more efficient. Look at your business from your customers' or employees' perspectives. You might uncover weaknesses that need to be fixed. Being efficient starts with some simple steps, such as having napkins in the napkin dispenser if your business is a restaurant. The challenge now is what system to have in place to make sure the napkins are always in the dispenser. When you don't have to worry about the napkins being in the dispenser, you can focus on ways to work smarter and provide better products and services.

Develop Systems and Consistency

All business owners should find a systematic approach to their business operations that allows for consistency, similar to the way franchises operate. Your customers and/or clients will expect consistency in your products or services. To meet consistency expectations, you must use a systematic approach. This systematic approach not only gives you the tools to meet expectations but also allows you to train and manage your employees effectively. Once you and your employees are trained and working efficiently, you must also develop a way of measuring your success. A consistent system is more easily managed and evaluated. Consistency also allows a business owner to consider growth and to grow more effectively. Most businesses thrive on being unique and great at one thing rather than average or good at many things. Consider how your business will be different, and search for ways that can give your operation a competitive edge.

Implement Training: Owner and Employees

A properly defined system will help the business owner define ideal employee characteristics. Those employee characteristics can then be used when interviewing and testing potential employees during the hiring process. An efficient hiring process helps lead to an easier and more efficient training process. When employees are in jobs they like and understand, they are more committed and better serve your customers and clients. After you have a well-managed business that is doing well at meeting the needs of your customers, don't rest on your success. Look for ways to improve your skills and those of your employees. This will allow your business to maintain a competitive edge.

Manage the Marketing

Your business plan may have laid the framework of a marketing plan. Without customers and a way to maintain and acquire new customers, no business will last long. This is another area in which resting on your success can lead to problems within your business. Thinking outside the box when preparing and reviewing a marketing plan can lead to some very fun and successful growth opportunities. Combining unique marketing techniques along with using the traditional marketing techniques for your industry can set your business apart from others. Continue to manage and build a marketing plan that keeps your customers happy and new ones coming in the door.

Practice Good Customer Service

We've all heard the phrase in real estate: location, location, location. In business it's all about the customer, and we should be thinking

customer service, customer service, customer service. It makes me very happy to see people in a job that they love. They're generally so happy and dedicated to their job that customers want to buy their products or services and work with them. On the other hand, we've all seen people and owners doing something that they don't appear to enjoy. When you consider a business opportunity, ask yourself if you're passionate about that business. If you are, customer service is easy. When customer service is easy, you become very good at it and you will build a loyal customer base. A loyal customer base is the foundation of a successful, well-maintained business. Your employees will also adopt your passion and allow you to build a rewarding business for yourself and rewarding careers for them.

SYSTEMS ARE a part of everything you do when you own and operate a business. We talked about systems and consistency, training employees, marketing, and customer service. Be creative and look ahead to the future of your business. Every day you go to work, you have an opportunity to evaluate and improve your business. Take some time every day to find something you want to do to make your business better — simple things such as giving employees encouragement and additional training that will make them better employees. It's the little things that add up and put you in a position to also incorporate bigger projects and grow your business.

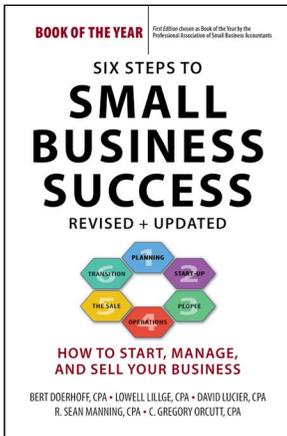
WHAT IF THE BUSINESS IS NOT MEETING EXPECTATIONS?

As much as any business can plan, there is often a point when a business owner will make one of two realizations. Unfortunately for many, one realization is that the owner feels disappointed in

her lack of success and opportunity, and although it's difficult to discuss, the business must be closed, dissolved, or liquidated. Studies have shown, and logic would support the fact, that the hardest years for a business to be successful are the first five years. General business circumstances along with other outside or personal challenges are constantly at play and affect the success of the business.

Business owners who decide to close their business must not only face the frustration of dealing with closing their business but also the possible financial, legal, and personal challenges as well. It's important to recognize the signs, take action, and be willing to make good decisions to avoid having your business destroy other aspects of your life. Some of these signs might include a drop in cash flow, lower customer count, higher operational costs, employee turnover, and longer work hours for the owner. As excited as you might be about starting your business, also promise yourself that if the business is failing you will take the proper steps to close and dissolve the business to avoid other possible personal failures that can be triggered by closing a business improperly.

Fortunately, there are many businesses that become successful, not only for the owners, but also for their employees and their families. These business owners have leveraged what they've learned, applied basic fundamentals, and often moved into an ownership position that starts to change from survival to comfort and gratification. When that happens, the business owner might shift focus from systems management to customer service and other areas that allow the business to expand through increased marketing and sales.



Print and digital versions available at [amazon.com](https://www.amazon.com), [barnesandnoble.com](https://www.barnesandnoble.com), and independent bookstores



The first edition won the Professional Association of Small Business Accountants' 2011 Book of the Year Award.

About the Authors

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ENTREPRENEURSHIP

CHAPTER 16

Dream . . . and Pick the Right Business

Bert Doerhoff and C. Gregory Orcuff

THIS CHAPTER is about laying out a plan for your dreams and understanding the morals, ethics, and responsibilities you will need in order to achieve those dreams — by taking steps. In order to successfully achieve all these various steps, there's a common theme that must run throughout your business, and that theme is integrity.

THE DREAM

When you build something, before you start you have a picture in your mind of what the end product should look like and the benefits you'll derive from it. Business and life are no different, but most of us ignore that very simple concept. We all should spend some time planning our business and personal lives and decide what our dream of success and wealth really looks like.

It's like running a race and not knowing when you've reached the finish line. How exciting is that? Over the years I've noticed

Excerpted from *Six Steps to Small Business Success: How to Start, Manage, and Sell Your Business*, by Bert Doerhoff et al., Maven House Press, 2014.

that the 10 percent of the population who set goals for themselves out-achieve the 90 percent who don't. Therefore, the very first thing you should do is decide what your dream and goals are.

Once you have the dream, the next step is to break it down into small pieces you can achieve easily and start working toward that dream. Your dream will change over time, and that's okay. Just let yourself enjoy each small step as you achieve it. If you try to take steps that are too big, you'll fail and never achieve your dream. As you take each small step, you are one step closer to your dream and a new beginning. Don't get so intent on achieving your long-term dream that you fail to slow down and smell the roses along the way. We all have our life clock ticking, and we'll never get another chance to relive and replay the moment that just passed. Therefore, do it right the first time and enjoy every minute of it.

For example, when I first started my own CPA firm, I thought the world would beat a path to my door because I had worked for a large CPA firm. That simply didn't happen, so I began to look at all the steps I needed to put in place to make my firm profitable, such as determining the best way to get in front of people who didn't know me. I determined that one way was to be the low bidder on any public bid work. Once I got the job, I super-served and gave the organization more advice and service than they expected. This little step resulted in the organization telling others what a great job I did, which led to more referrals and more competitive fees. The simple message is that it all ties back to lots of small steps, which all point to your dream, and each one gets you a little closer. In some cases you'll fail, but you can learn from your failures as you do from your successes.

Integrity: Pieces of the Dream

To achieve your dream you must build integrity into your product, your processes, your customer relations, and everything about your business. Everything — from the quality of your products, to how you treat your employees, to how you treat your customers — has to be first class. When you see a stamp that says UL LISTED, you know that Underwriters Laboratories has tested the product and that you can trust the product. When people think of your business and your product, they need to have that same feeling of trust and integrity. To instill that feeling, you have to understand some of the important steps to ensure quality and customer trust.

Offer Quality

When people do business with you, they assume that you'll deliver the best product or service at the best price. You're the expert simply by being in business. However, you must realize that the customer's perception of quality is often different from the business owner's. That's why you need to offer the highest quality possible.

Six Sigma is one method that companies use to achieve high quality by identifying and removing the causes of defects. By meeting the goal of six sigma a company demonstrates the highest quality, with an error rate less than approximately three in one million. Honeywell International Inc. puts engineers in their nuclear weapons division through Six Sigma quality training to get the best results possible. If the United States ever has to use a nuclear weapon will you want it to destroy a target as designed or will you just want an above-average chance it will destroy the target? An error rate higher than three per million won't be acceptable in that scenario,

and your customers view your product or service from the same perspective. They expect it to be the very best every time.

Offer Value over Price

Good lumber ain't cheap, and cheap lumber ain't good. This is an excellent example of why we should always strive to provide superior products and/or services and not be afraid to price accordingly. If all you have to sell is price, then someone will always beat you at your game. When what you offer is the best, the world will be more willing to put a higher value on it. You must also constantly improve or the world will pass you by.

Help Others in Order to Help Yourself

The first golden rule of business is that, regardless of what business you're in, you only have customers because your business solves a perceived need in their minds. You should make all your business decisions based on this rule. Your business is not about the widget you sell, it's about the problem it solves for the customer. Never ever forget this rule!

It matters not whether you're dealing with a customer or an employee; you should always care about them and treat them the way you would want to be treated. If you want the best employees and the best customers telling others about you, then you must truly care about them. When you give others what they want, they'll feel good about you and be glad to help you in return. Don't always think in terms of "what can this person do for me?" You'll go far if you treat those who can do you absolutely no good the same way you treat those who you think can be key to your success.

The concept is simple: If you truly care about others it will show in everything you do, and as you help others they'll want to work for you and do business with you. Listen twice as much as you talk, and always answer from the viewpoint of the person to whom you're talking. People like to think they have great ideas. Your job is to drop enough hints so that they come up with the same idea that you have while feeling like it's theirs. That way everyone wins, because you get what you want, and they feel good about how creative they were.

Follow the Rules

Think back to those times when you didn't want to report some income on your income tax return because you felt you were already paying more than your share to the government. Now put yourself in the shoes of your employees or customers when they see you pocket cash from the business or you tell them you don't have to report cash sales. What you have really done is told your employees or customers it's okay to not follow the rules. Now they think it's okay to do the same, but they may not take advantage of the tax man — they may take advantage of you. It's always better to follow the rules, and you won't ever have to defend an action you can't legally uphold.

A very simple rule that you should live by and require your employees to live by is "Always Do What Is Right." If you don't know what's right, get out the bible. Even in the early years of our country people from overseas came to see why America was so successful, and they found that the success of our young nation was directly related to the morals and values found in churches.

Be the Best

To succeed at your dreams and build integrity, you must follow a set of guidelines. Old habits are hard to break, but dreams and integrity are achieved with a consistent pattern of doing many small things right. By offering your customers quality and good value, helping others, following the rules, and being the best, your dreams of small-business success can come true.

Now that you have the basics, it's time to move on to learning how to select the business product or service you want to offer. It's always easier to go to work every day if you're doing something you feel good about.

PICK THE RIGHT BUSINESS FOR YOU

How DO YOU know what kind of business you should go into? There are so many different kinds, and the decision can be so overwhelming, that most people never go into business for themselves. But if you have a passion for working for yourself, what you decide will affect you for your lifetime. You must spend a significant amount of time deciding on the business you will start. You'll also want to consult with some professional advisers. Many of you reading this chapter may be past this decision, but if not, read carefully. There's much to consider.

Use Your Experience as an Employee

Many people will start a business in an industry in which they are currently employed. Already having the expertise that's needed to provide the service or product is a great starting point. You'll already have contacts and maybe some quick contracts or customers before

your doors are even open. If you have a passion for the work you currently perform, creating a business around it can make this decision easy. You want to enjoy going to work each day, and it can be very satisfying to own a business where you love doing the work.

As an employee you often observe how you would *not* want to run a business. Perhaps it's how a product is made, a service performed, or a lack of customer service. You see how to do it better. This can be a good starting point for your new business. You'll quickly find out, however, that being the owner is not as easy as it looks.

I've had many clients start their own businesses and significantly improve the results of their previous employer. One such client was able to build his new business to the point that his previous employer offered to purchase the new company. He didn't sell, but he was proud of his accomplishments in taking what he had learned and improving upon it.

The alternative is to run a business that's different from the one where you started your career. If you want to get a fresh start in a new industry, your learning curve will be steep. But starting over can be a great way to invigorate your career. You might have been working in a dead-end job and need a new challenge. Obviously you'll have a lot to learn and a harder decision to make. Many people have done this successfully. Starting over can be exciting, but you'll need to find people and resources that you can learn from and rely on for advice.

Determine Your Characteristics for Success

Whether or not you enter an industry with which you are familiar, you need to confirm that you're suited to owning a business. Just

because you want to does not mean it's a good idea. We've seen many small businesses fail because the owner didn't have the skills required for owning a business. Just having the technical skills to perform your trade or service is not enough. You need to consider all your strengths and weaknesses before starting.

The Small Business Administration (SBA) offers a list of characteristics that successful entrepreneurs possess:

- ◆ Persistence
- ◆ Desire for immediate feedback
- ◆ Inquisitiveness
- ◆ Strong drive to achieve
- ◆ High energy level
- ◆ Goal-oriented behavior
- ◆ Independence
- ◆ Demanding attitude
- ◆ Self-confidence
- ◆ Calculated risk-taking tendency
- ◆ Creativity
- ◆ Innovation
- ◆ Vision
- ◆ Commitment
- ◆ Problem-solving skills
- ◆ Tolerance for ambiguity
- ◆ Strong integrity
- ◆ Reliability
- ◆ Personal initiative
- ◆ Ability to consolidate resources
- ◆ Strong management and organizational skills
- ◆ Competitive spirit

- ◆ Change agent
- ◆ Tolerance for failure
- ◆ Desire to work hard
- ◆ Luck

Good business owners don't possess all of the above traits, but you will need all of them at some time in your career. You will quickly learn which of these traits you don't possess so you can surround yourself with people who do. To build a successful business you'll need a team. Your teammates will complement your weaknesses, and you'll complement theirs, so that the team will possess all the above attributes.

Make sure you pick a business you enjoy. You'll be working long hours and sacrificing time away from family and friends. Be careful to choose a business that utilizes your natural talents. Don't start building houses if you can't work with your hands. If you have an analytical mind, take advantage of it.

Steps to Selecting the Right Business

Once you've created a list of business possibilities, how should you narrow the list down to your final choice? What should you consider when making the final decision? In over twenty years of consulting with small businesses, we have learned that you should take the following steps that successful business owners have taken when considering new business ventures.

1. **Test your ideas.** Start by running your ideas past other people. You shouldn't look for people who will assume that anything you do will be a success, like your mother. But run them by other professionals in related businesses or by

people who may be potential customers. You want people to be honest and open, not just about your ideas but about how they view your abilities to succeed in your own business.

2. **Identify your customers.** Ultimately the success of your business will depend on how many customers you can attract. Therefore, you need to identify who those people are and what their patronage looks like. The more narrowly defined this group is, the better. By identifying your ideal demographic market, you can more easily start to project your financial results.
3. **Give them what they want.** You need to confirm that your customers are willing to buy what you're selling. Ask them to look at your ideas and critique them. You won't be able to sell them a service or product that they don't want. Listen to their comments and be willing to adapt your ideas to what they need.
4. **Count your costs.** To be successful you need to understand how much money you'll need to start your business and survive the first year. Create a budget that's flexible and considers the best- and worst-case scenarios. You don't want to be underfunded.
5. **Determine who is on your team.** What skills are required to provide the service or product your business will offer? As the owner, you need to understand your limits and find other people who will complement you.
6. **Consider the short term versus the long term.** How long will your product or service be viable? Is technology

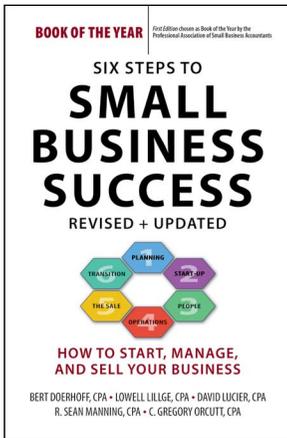
changing rapidly? Are you working in a very competitive market? You need to consider the next product line or service that you'll need to offer. Before going into business understand how long you need to invest before you realize a return on your investment.

7. **Plan an exit strategy.** How long do you anticipate owning your business? When will you want to sell your business? Success doesn't always mean owning a business for thirty years. You might build your business and sell it in five to ten years. Make sure that your business idea matches your projected longevity for the business as well as your exit strategy.

As accountants we see many businesses come and go. We wish they could all succeed; however, many don't have a chance from the start. We've been surprised at some that make it and also surprised at some that don't.

Many businesses that struggled from the beginning were underfunded. You must prepare a budget for the first couple of years of your business. If you underestimate the funding you'll need, it's likely that you won't be able to obtain more. Banks will usually not lend to a new business that hasn't accumulated equity. You might have heard of a successful business that started on a shoe string, but most that start that way don't make it. Plan to succeed by having the right amount of money available.

Choosing the right business for you is a crucial first step in succeeding with your new enterprise. Consider your current field, your experience, and your current financial resources before making this important decision.



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CHAPTER 17

The Power of a Theme Song for Getting Clients

Penina Rybak

KEY WEBSITES

- 🔗 <http://bit.ly/video-to-MP3>
- 🔗 <http://bit.ly/apple-itunes-music>
- 🔗 <http://bit.ly/itunes-mac-keyboard-shortcuts>
- 🔗 <http://bit.ly/itunes-windows-keyboard-shortcuts>
- 🔗 <http://bit.ly/windows-media-player>
- 🔗 <http://bit.ly/spotify-for-music>
- 🔗 <http://bit.ly/spotify-mac-windows-keyboard-shortcuts>
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- 🔗 <http://bit.ly/TV-theme-songs>
- 🔗 <http://bit.ly/oliver-sacks-power-of-rhythm>
- 🔗 <http://bit.ly/oliver-sacks-strokes-language-music>
- 🔗 <http://bit.ly/oliver-sacks-musicophilia-book>

Excerpted from *The NICE Reboot: A Guide to Becoming a Better Female Entrepreneur*, by Penina Rybak, Maven House Press, 2014.

Music: The art or science of combining vocal or instrumental sounds (or both) to produce beauty of form, harmony, and expression of emotion.

— *New Oxford American Dictionary*

SINCE ANCIENT TIMES, music has been an important communication tool. It conveys messages without words and transports people to their pasts with just sound. Music can be a powerful motivator when tapping into your psyche or when trying to inspire others to change or implement something new.

Consider how musical instruments (bagpipes, drums, harps, and bugles) were used in war in Scotland and in the United States to inspire soldiers in battle. History books are full of references to various musical instruments being used in battle to rally the troops, signal positions, and either mourn losses or celebrate victories. So powerful is the act of musical communion and communication that the British king George II passed the Disarming Act of 1746. In it he banned bagpipes in Scotland after Bonnie Prince Charlie and the Jacobites were defeated in the Battle of Culloden in April 1746. It wasn't until the Battle of Waterloo in 1815 that Scottish pipers from the Gordon clan in Inverness used bagpipes in battle once more (<http://bit.ly/pipes-and-pipers>).

The history of the United States is also full of references to fifes and drums being used in war. First used by colonists in the French and Indian War, they became even more popular with the Continental Army during the Revolutionary War. In 1798 thirty-two fifers and drummers formed the United States Marine Band. Soon after, fifes and drums became the norm for soldiers training in

schools such as West Point and were used to convey messages and raise spirits, especially in the War of 1812. The bugle gained immense popularity during the Civil War, soon overtaking fifes and drums as the instrument of choice. With the invention of radio, field music was done away with, so that World War II, the Vietnam War, and wars that followed didn't have units comprising fifers and drummers.

In 1960 the Old Guard Fife and Drum Corps was established as a ceremonial corps in the U.S. Army, one that went on to perform in U.S. presidential inaugural parades and other civilian functions. In 1965 the formation of the Company of Fifers and Drummers heralded an era of historic preservation and public education about a former way of life and contributions made in the past. The company is still thriving and its growing membership attracts notice all over the world, including at the annual Fasnacht Event in Basel, Switzerland. Each year thousands of like-minded individuals gather from all over the world to participate in, re-enact, and respect time-honored traditions and appreciate talented musicians (<http://bit.ly/ancient-fife-and-drum>).

So music, and the artists that provide it and the connoisseurs who appreciate it, can really influence your outlook and demeanor. Consider how music is used in the media today. Multimedia content (TV and radio commercials, TV shows, movies, YouTube and Vimeo videos, etc.) uses background music to:

- Set the mood for the conveyed message to be delivered in, with a higher likelihood of sharing the message
- Tap into the collective memory banks of listeners for greater impact and spreading of the desired message

Consider how movie soundtracks make you feel. Consider the TV commercials for major brands. For example, take the videos unveiled at the June 2013 Apple Worldwide Developer's Conference Keynote Address. The pressure was on, and Apple really needed to show the public how their innovative products, artistry, and creativity all set them apart from the pack. If you listen to the first video Tim Cook showed (<http://bit.ly/designed-by-apple>), deploying the new mission statement for Apple, you'll hear slow, soothing music designed to make you really read and think about the unfolding message. To quote Apple: "The first thing we ask is what do we want people to feel?" The music does just that.

The Apple iPhone 5 TV ad "Photos Every Day" also uses music to tap into your emotions (<http://bit.ly/photos-every-day-ad>). The ad shows how easy and wonderful it is to use the phone's built-in camera to photograph and preserve moments of your life. But it's the background melody that hits the point home. It's the musical accompaniment, the crescendo and tempo, that enables you to truly internalize the message, and access it later, when hearing it in passing.

Sharing music with others can enhance the feelings of the collective, of belonging, of being part of something. It can lead to shared recollections, shared purpose, and provide a shared outlook through joint attention. It can contribute to and aid in the aversion of discord and war. Just ask children and adults involved in organized sports, choirs, and marching bands.

Music, with all its facets, often has a role in rites of passage. When? In adolescence, in that period of time when children struggle to reconcile their inner landscape with the realities of the world and of growing up. In many of her books depicting family life, especially teenage life, the famous humor columnist, writer, and ulti-

mate mother Erma Bombeck used music to depict a rite of passage. In her hilarious *Just Wait 'Til You Have Children of Your Own*, illustrated by the gifted Bil Keane of *Family Circus* fame, she devotes an entire chapter, “Stone Age Versus Rock Age,” to this depiction. In the chapter, Erma writes about catching a cold and keeping a diary for “seven days of confinement” while she’s held hostage by her teenage children and their music. She recalls hearing a song, under duress, and asking her daughter about it later. Her daughter laughed and said that a song that hits the charts in the morning becomes a Golden Oldie by nightfall. At the end of the week Erma seemed to have gone a bit deaf from the decibel level of the music blaring in her house. The memories of earsplitting guitar riffs and thundering drums probably scarred poor Erma for life. This rite of passage, depicted by someone with different musical tastes, is still poignantly relevant today.

Why is it that parents and children, especially adolescent children, tend to have such divergent musical playlists? Why is there such a generation gap between the teenagers of today and those of three decades ago? The answer: episodic memory. Music evokes feelings and memories of where we were and what we were doing when we first heard that song or tune, experiences that tend to differ dramatically for parents and their children.

What’s the invisible thread between music and feelings? And why is it important to you as an entrepreneur?

In his book *Musophilia*, Dr. Oliver Sacks, the British neurologist best known for his breakthrough work with people with Parkinson’s and Alzheimer’s diseases, discusses the importance of music as part of the experience of being human. In his book and videos (available on YouTube), Dr. Sacks discusses adult patients who have lost

their connections to reality or have lost the power of speech. They can still access music they've heard and songs they once knew, however. It appears that certain tunes "seem to touch springs of memory, or emotion, which may be completely inaccessible to them, helping them regain their identity from that time they heard that song."

What's so special about music? What's so special about musicians that we should emulate them, both as artistic individuals and as entrepreneurs?

In today's society, where individuality is encouraged, there is greater access to music of all kinds. Thanks to the advances in technology and the shrinking of the global community, there is real power in communication through music and an abundance of it for the diversified palette. Communicating through music is a useful tool that can be wielded wisely in the hands of an entrepreneur, even one who can't sing or play a note.

Dr. Sacks sums up my point in one beautiful sentence: "Professional musicians, in general, possess what most of us would regard as remarkable powers of musical imagery." He goes on to write about research that shows that people who engage in visual imagery regarding music have both the auditory cortex (language and communication) and the motor cortex (movement) in their brains stimulated. This stimulation enhances their ability to develop their inner landscape and build and store episodic memory — two components to having what is known in education and neuropsychology as a theory of mind (having perspective on and empathy for those around us).

The theory of mind is often underdeveloped in young children with autism, and this underdevelopment is one of the underlying causes of the social communication challenges we try to help them

overcome. This trait is often overdeveloped in the best entrepreneurs. If it's not overdeveloped, or at least adequate, then the entrepreneur needs to learn how to develop this trait. Or outsource it — hire or collaborate with people who have this trait in spades.

A good entrepreneur knows how to evoke feelings and memories in self and in others and how to better express those feelings when gearing up to do work, complete projects, pitch a service or product, or invoke change. Just go online and watch some of the speakers giving a TED talk or some of the clever TV commercials going viral on YouTube or Vimeo.

Many young children with autism have social communication challenges that involve recalling and expressing feelings inappropriately (having tantrums). I've seen the power of music in evoking feelings. I've staunchly recommended music-based activities in lesson plans, and even group music therapy, as part of the course of treatment. I've recommended that the graduate students I mentored take a music break to help reboot after a particularly stressful therapy session with a non-compliant child.

My philosophy on the power of music can be applied to entrepreneurship as follows:

1. **Feelings can be experienced on different levels simultaneously**, like a collage of various materials, or like different instruments multilayered in a song. Music helps you develop multiple intelligences and weave mosaic tapestries of past memories, both of which are needed when problem solving as an entrepreneur.
2. **Feelings can vary in intensity**, like a brushstroke on canvas, or like changing tempos in a song. Teamwork

ebbs and flows in a similar fashion. A good entrepreneur knows when to be a lone wolf and when to join the pack.

3. **Feelings can be expressed in a diverse manner**, like different colors of the rainbow, a solo versus a duet, or a lone bagpipe versus a trio of violins. I especially like to use “different shades in the rainbow” or “various instruments in the orchestra” analogies when assigning specific tasks to people doing a project as a team or when I’m mentoring others.
4. **Feelings can be individualized and interpreted**, like any good painting or musical composition. Echoes of heard music help a good entrepreneur to be more creative, develop self-concept, and be more intuitive when trying to accommodate the viewpoint of the other parties involved in the business venture.
5. **Feelings can be expressed verbally and nonverbally through body language**. Music facilitates your self-regulation. Music facilitates emotional attunement through engaging your brain’s ability to perceive the tempo of feelings. Being an entrepreneur can be quite stressful, and having an outlet is important. Relaxing music can actually alleviate stress by helping to relax tense shoulders and smooth out frowning, tight facial muscles.
6. **Feelings are time sensitive, like music**, which is all about the performance of time-sequenced movements — rhythm. Music facilitates your motoric tempo, your body rhythm and timing, thereby fostering

better body awareness — the awareness of an internal body clock. This awareness can help with your ability to engage in time-sensitive discussions with others (such as discussions about a raise) and to respect personal boundaries (physical and mental) more appropriately in the workplace. It can help foster emotional resonance and engagement with others.

Music is thus one of the key manners in which human beings express feelings, develop and share memories, and build bonds — music increases emotional attunement. What does this mean for an entrepreneur? It means that using music for your pitch and your presentations can bond you emotionally with others through shared memories or shared feelings. It can make a person decide to help your cause, follow your leadership, or purchase your service or product. It can change mood, transcend place, and bridge time.

I recall seeing James Cameron's *Avatar* in 3D in an iMax theatre in Manhattan in December 2009. The movie theatre was packed with people, yet for over three hours strangers sat quietly transfixed. Parents, teens, fanboys, girls on dates, young children, older adults, blasé New Yorkers, and sci-fi movie lovers alike sat together in silence. We were riveted by the story and the special effects unfolding onscreen. We were rendered silent watching a unique film that was accompanied by an exquisite soundtrack by the indescribable James Horner (the soundtrack earned him an Oscar nomination, and he received the Max Steiner Award for Music in October 2013). Many of us will forever remember his haunting music, not just the movie's plot. Many of us can recall

how the entire theatre was filled with cacophonous clapping and whistles at the end of the movie.

I have shared this experience with many people in my seminars, who also recall how almost everyone, in unison, surged to their feet and applauded at the end. Why? Would the actors or James Cameron know? Were they waiting in the wings, like on Broadway, to come out and take a bow? No, but we did it anyway. Why? Because we were all emotionally attuned to each other. We were strangers in sync with each other because we had all just shared a moment.

That's what emotional attunement is all about. It's the shared emotional reaction to the feelings of those around us and/or a reaction to an environmental trigger. Emotional attunement is like a sixth sense about what resonates with people. The best entrepreneurs either have this skill to begin with or hone it over time with practice. For interviews and sales pitches, cover letters and project proposals, as an effective entrepreneur you need to:

- Psych yourself up to complete your tasks and emote about your service or product and passionately inspire others to get on board your train.
- Gauge the emotional temperature of those in the room and try to establish a focal point, hopefully your pitch, which will emotionally resonate with the audience long after it's over.

How do you accomplish both? By channeling your inner musician and having a theme song playlist (yes, more than one song) for yourself, for your pitch, and for getting work done.

For those who remember the ground-breaking television show *Ally McBeal* (which I found to be funny, brilliant, and quite

insightful about the human condition), you may recall that Ally (a rather neurotic but lovable lawyer played whimsically by Calista Flockhart) was told to have a theme song for herself. She was to sing or hum it before conducting trials in court and during difficult moments or periods in her life. Critics of the show lambasted Ally's rich inner life and her fantasy theme songs (remember the dancing baby?), which sometimes included entire productions and orchestras. Kind of like another later TV show that featured a male lawyer, Eli Stone, played with panache by Johnny Miller (which I also watched and enjoyed). In education we frequently tell children to "sing it to remember it," "sing away the blues," or "sing together to break the ice."

It's no wonder that music-themed television shows such as *American Idol*, *Glee*, and *The Voice* are very popular. It's no wonder that there are so many radio stations on the air. It's easier than ever to have your own inner anthem, even a playlist full of them for various occasions, thanks to the ever-growing popularity of the iPhone and iPod or built-in music players on other smartphones. There are also streaming, Internet-based music services like Pandora, Songza, Spotify, Rdio, and now Apple iRadio. I keep my SoundHound iOS App turned on in my iPhone whenever I'm driving my car. I never know when a song will come on the radio that will inspire me, which means that it should be added to my playlist for future reference when I'm working on or delivering a pitch.

I use these theme songs, these personal anthems, in different ways and at different times depending on my sales pitch, personal mood, and familiarity with my audience. My experiences in both education and on the lecture circuit have taught me to not underestimate the power of music. It can be used to promote a specific

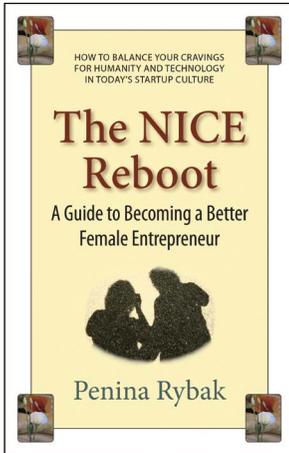
collective feeling, invoke a shared memory, or help me share a moment with my students, colleagues, and audiences. Try it and you'll see what I mean.

PENINA'S POINTERS

Tips for Choosing Theme Songs Wisely

1. Make a list of catchy show tunes and television themes you remember fondly from childhood or from your iTunes library. You can also search Bing, Yahoo!, or Google online or visit this gem of a website, [TelevisionTunes.com](http://bit.ly/TV-theme-songs): <http://bit.ly/TV-theme-songs>.
2. Choose several tunes as possible personal theme songs. Your personal anthem should be a song with words that are meaningful to you, should help you remember a wonderful memory, and should have an upbeat tempo to actually get you moving and creative so you can commit to being in work mode as needed.
3. Create a digital folder somewhere (iTunes playlist, desktop computer, Dropbox, SugarSync, Amazon cloud drive, etc.) and name it Personal Anthem or Music for Meetings and store the MP3 files inside. As a safeguard, I recommend creating a folder inside your e-mail account and e-mailing yourself the files as a backup.

4. Create a playlist of catchy tunes, with lyrics appropriate for business settings and songs containing keywords you want for your actual pitch or slideshow. You can also use instrumental music as background or to evoke feelings and a specific response. I do it for most of my YouTube videos. Create a digital folder and back those up too.
5. Get a Google Alerts notification, in addition to doing a monthly search on your own, for new websites that compile databases of songs, genres, music clips, etc. Bookmark those sites for future reference, whether for yourself or for a future presentation.
6. Voila! You have just compiled the soundtrack to your life — your inner life, your work life, and, I hope, your inspired and inspiring life. You deserve an Oscar or a treat of your choice for your arrangement. Best of all, you can always change it and win one again.



Print and digital versions available at amazon.com, barnesandnoble.com, and independent bookstores

About the Author

PENINA RYBAK is an educational consultant, speech-language pathologist, social entrepreneur, and the CEO of Socially Speaking LLC. She is also the director of The NICE Initiative for Female Entrepreneurship. She has lectured around North America since she launched her Socially Speaking Program and boutique educational consultancy in 2010 and her Socially Speaking iPad App in 2012.

Rybak is the author of columns on entrepreneurship and leadership in *The Huffington Post* and on autism intervention in The Friendship Circle of Michigan blog as well as the book *Autism Intervention in the iEra*.

Rybak holds an MA from New York University, a Certificate of Clinical Competence for Speech-Language Pathologists from ASHA and is a licensed and certified Teacher of the Speech and Hearing Handicapped.

CHAPTER 18

Understanding the Language of Social Media Marketing

Kalynn Amadio

Words and pictures can work together to communicate more powerfully than either alone.

— William Albert Allard

VISITING A SOCIAL MEDIA SITE is like visiting a foreign country. Understanding the language of that country and methods for conveying your marketing message is also critical to your success. So let's look at five steps for crafting the messages you want to share along the itinerary you've chosen to promote your business. These steps are about content – the words, graphics, audio, and video that you'll use in your marketing messages. Following these steps will help you pack the right content, said in a way that everyone can understand. Remember, content is king on the Internet, and on social media it's crucial.

Excerpted from *The Boomer's Ultimate Guide to Social Media Marketing: Learn How to Navigate the Digital Highway*, by Kalynn Amadio, Maven House Press, 2016.

★ On my business podcast, ACT LOCAL Marketing for Small Business, I interviewed business strategist Lisa Manyon, “The Business Marketing Architect.” She had a wonderful philosophy based on the adage “content is king.” Manyon poses an alternative – content (copy) is queen and strategy is king. Together they’re the key to getting results. Manyon’s philosophy will serve you well as you learn to create messages that other visitors along your itinerary will understand and enjoy.

One of the mistakes I see baby boomers make when they decide to use social media for marketing is the same mistake many travelers make. Succinctly stated by Mason Cooley, “Travelers never think that they are the foreigners.” Too many established business owners think that social media is for advertising. It’s free – what a bargain! Then they run out, sign up for accounts at all the hot destinations, and proceed to push out specials and discounts the way they would in a Valpak or PennySaver.

⊗ I’ve seen many a social media profile opened with the best intentions. Businesses that were intent on being good citizens of the social community, who abandoned those profiles later because they were too difficult to maintain. Yes, social media profiles are free, but using them requires time, effort, and a plan. It’s better not to travel to a social media destination, if you don’t have time to explore it, than to establish a profile

only to abandon it. Account abandonment leaves a terrible impression, and first impressions matter. A link from your website to a Twitter or Facebook page that hasn't been updated in a year will leave a negative impression on your customers who spend time at those destinations.

The truth is, we only believe 14 percent of what a brand tells us through advertising. We have learned to ignore ads, whether on TV, billboards, or the Internet. We are able to compartmentalize what we take in and ignore the stuff we don't want to be bothered with. Using social media to only hawk deals is suicide for any business.

People want to have meaningful, enjoyable, useful, or fun interactions with a brand or business. They don't want coupons, discounts, and deals unless they've specifically asked for them.

FIVE STEPS FOR LEARNING TO SPEAK THE LANGUAGE

Below are five steps for learning to speak the language of social media so you will craft the right messages. They are all about content, the stuff you're going to share at each destination. Your message is not just the words you use, but images, audio, and video as well. Content also comes in the form of curating messages other businesses share (curating is when you select content that others have posted on the web and use it to support your message). These are messages that you know your audience will find helpful, even if

you didn't create them. These five steps are key to creating a social media strategy that reflects you, your brand, and your business, while making a successful social media strategy possible over the long haul. It's critical that you follow each step to insure that your travels along the digital highway are rewarding.

Language Step 1 – Keep It Simple Stupid

You have probably heard of the KISS principle (Keep It Simple Stupid).¹ KISS is an excellent plan when it comes to social media. Communication in social media and on the Internet in general tends to be disruptive. Razorfish Search says, “Disruptive Communication changes the way consumers talk about a category, a product, or media. It alters consumer perceptions for better or for worse, and it affects the fundamental emotions of the audience. Standing out is achieved as the result of being disruptive in a way that changes or alters a consumer’s course of action.”²

★ People often get upset with the KISS acronym, sometimes dropping the last S in a misguided effort to be politically correct. The U.S. Navy coined the acronym for “Keep it simple stupid” as a design principle for their engineers who designed jets. Most systems work best if they’re kept simple. The original phrase has no comma – it’s a reminder to keep things stupidly simple to achieve the best result. Others have said the same thing in different ways, such as architect Mies Van Der Rohe, who said “Less is more.”

Many messages bombard consumers, who already have short attention spans. More messages being broadcast fosters even shorter attention spans. Conversations jump from site to site and aren't linear or complete, and they often take longer than if the same conversation happened face-to-face. The younger someone is, the less polite they expect a dialogue to be; the opposite is often true for older users. Grammar rules drilled into your head in school no longer apply and can bog down your ability to be heard.

To follow the KISS step, you have to remember that long-winded, formal messages are more likely to be ignored. People are not expecting salutations or a complementary close. Simple statements that leave little room for interpretation are good. Questions are even better. Asking your audience a simple question that generates a simple answer will increase engagement.

For example, if you own a flower shop, don't ask an open-ended question such as, "What types of flowers have you seen in bridal bouquets?" This question has too many potential answers, causing the reader to not bother responding. Rather than take the time to think back on all the flowers they've seen in bridal bouquets – if they were even paying attention enough to notice the flowers in the bridal bouquet – readers will blow right by the question. It's too much effort for them to answer and is unlikely to lead to a dialogue, especially with men. Instead ask, "What's your (or your sweetheart's) favorite color rose?" This simple question suggests a one-word answer, which is what you're looking for. Both men and women are likely to answer, and it's a quick, easy opportunity for engagement. A simple question such as "Roses or Carnations?" will lead to reader interaction and fits with the

fast-paced, non-linear communication style that occurs in social media.

People enjoy fill-in-the-blank statements. These are easy to create and gear toward your business brand. Here are some examples:

- My all-time favorite baseball player is (was):

- We always eat dinner at: _____ A.M./P.M.
- Caption this photo: _____
- My Friday night must-have drink is: _____
- If I had unlimited funds, I would travel to:

- The most popular wedding bouquet flower is:

The point is to keep it simple and encourage engagement as your message passes by in the endless stream of conversations. Keeping your content simple also limits room for interpretation, especially negative interpretation.

B2B firms often find success with text-only messages that share statistical facts. The wholesale flower distributor can post a message such as, “Men buy 3 out of every 4 of the over 110 million roses sold in the United States every Valentine’s Day. Seventy-one percent of those roses are red! What color rose do you find is the favorite at your flower shop on Valentine’s Day?” This message provides florists with useful information leading up to Valentine’s Day and reminds them to order enough red roses to meet potential demand.

Content is more than just words. It includes images, audio, and video as well, so let's return to the example of "Roses or Carnations?" As a worded question, your followers will understand what you're asking. But instead, you can create an image of a beautiful rose next to an equally beautiful carnation and put "vs." between the two flowers. Better yet, take a photograph of you holding each flower with a questioning look on your face. Do you see how your followers will get the same message? The flower wholesaler can create a similar message with an image of a red rose vs. a bundle of every other color rose and ask which sells more on Valentine's Day.

The image of you asking your readers which flower they prefer is far more personal and engaging than the words themselves. Add to the question with a quick story of why you're asking and people will enjoy engaging in conversation with you. Meanwhile you have conveyed that you're a florist, you sell flowers, your customers' preferences matter to you, and you have knowledge that can help customers make the best choice for their needs. All that communication held in one simple little photo. KISS works in disruptive communication.

Language Step 2 – Keep It Social

After all, it's social media, right? Generally speaking, keeping it social means you want the dialogue to be multi-directional and interactive, not unilateral with you pushing your message out. Marketers call a one-way message a "push" in social media, meaning that you're pushing your agenda onto others. A push message is the sales pitch or discount offer, the one most people skip over and ignore.

- ⊗ Humor me and answer this question: “Is it easier to push a boulder down a hill or pull it up?” Pushing is faster and easier to do than pulling. Pulling requires more effort over a longer period of time. Pushing the boulders down the hill, however, means that you’re building your foundation at the bottom of the hill. Pulling them to the top may take you longer, but you get to build your foundation on top of the hill, where the view is spectacular and more tourists can see you. Your content is the boulder. Will you be pushing it down the hill or pulling it to the top?

“Stop by today for 20% off brown hamsters!” is less likely to get the pet store some business than trying to create a dialogue. Use a message like, “I named my first hamster _____” or post a photo of a hamster from the store doing something crazy or cute and ask people to caption the photo. A one-way message indicates you’re not listening. If you’re not listening, why should anyone take the time to speak with you? No one enjoys being talked at, even on the Internet.

A better message to share would be tips on the care and feeding of your hamster posted from May 1st through the 9th with a coupon for 20 percent off hamsters on National Hamster Day (May 10th every year, by the way). Include photographs or, better yet, film videos of employees doing the varied tasks required to care for a happy, healthy hamster. This is pushing the boulder up the hill, but you can see how this method is more effective in drawing

in potential buyers than just pushing a coupon down the hill and hoping a buyer wanders along and picks it up. Both approaches have the potential to sell hamsters on May 10th. One method may have fleeting success, but the other has laid the foundation for hamster sales beyond National Hamster Day.

Social media has created new ways to engage with your customer. Experts have coined many terms for the subject including *The Thank You Economy*,³ *relationship marketing*, *Permission Marketing*,⁴ *authentic marketing*, and more. The common theme is your relationship with your customers and the conversations you have with them. The new standard is to build a community, not a soapbox. You want to foster a community, meaning an online center where your ideal prospects and existing customers, clients, and fans can come together and extol your virtues, your brand's virtues, or both. Don't forget, they will also share criticism, but that's good to know too, right? Think of your online community as a favorite tourist shop that everyone knows about and makes a point to stop by when they're in the neighborhood.

👉 When your content reads like you're speaking to your favorite customer, it will resonate more deeply with every visitor because they feel you're speaking directly to them. To help you do this you need to create a detailed customer persona. A customer persona is a representative "person" who is your ideal prospect. Knowing them well will help you craft compelling messages that engage them.

When determining what to share on social media, think of having a conversation with someone. Let them see your expertise in your subject. Show them your passion for your business and other things in your life that matter to you. Think of each piece of content as a one-on-one conversation with your favorite customer rather than a one-to-many unilateral broadcast. You don't strike oil by drilling 100 one-foot-deep wells. You hit oil by drilling just one 100-foot-deep well. Staying social in social media takes time, persistence, research, and planning that in the end will bring greater results.

Language Step 3 – Tell a Story

Stories are incredibly powerful and enduring elements of humankind. Before written language, we told stories to educate, inform, and entertain one another. There are scientific studies in psychology circles that have looked at our penchant for loving a good story.⁵ Results of these studies show that our attitudes and values are strongly influenced by the stories we hear. Fiction is a much more effective delivery mechanism for changing people's minds than a well-crafted persuasive essay.

Psychologists tell us that entering a fictional world alters the way we process information. We drop our guard and absorb more information because it's wrapped with emotion. When we're confronted with facts and figures we become analytical, looking for inconsistencies, which keeps our barriers up.

It's easier to influence the outcome of an event by telling a story than by sharing facts and figures – just look to our politicians as an example. The academics who share details using dollar signs and percentage marks to help us understand the gravity of the issues

get ignored. They may be absolutely correct in their analyses, but we don't listen with an open heart. The politicians who tell us stories, and weave their "truths" into those stories, capture a nation. They are able to rally the masses and move us to action, even when their "truths" are patently false.

So what is storytelling in marketing? It's the concept that sharing your brand's message through story will have a more powerful and longer-lasting impact than merely sharing facts and figures. Storytelling is used by big brands such as Allstate (Mayhem) or Aflac (the duck), where a character compels us to accept the message. Developing a character for your business that represents what your company stands for is a great idea. The character doesn't have to be physical like Mayhem or the duck. Giving your business brand human characteristics makes it easier for people to understand the mission behind the company.

Take Ben & Jerry's ice cream, for example.⁶ The company's mission has always included responsibility for the community and the planet we all share. Its marketing story reflects that in every communication. The company is infused with a humanity that comes across in its marketing story. Its Facebook page lists the company as being in the food and beverage category, but it describes itself this way: "Ben & Jerry's believes business has a responsibility to give back to the community. We make the best possible ice cream in the nicest way possible."

Remember the hamster in our pet store? That pet store could create untold adventures for that hamster and tell those stories a piece at a time to draw us into its world. The store could infuse the hamster with the ideals and characteristics that reflect its business. Those stories will resonate and be memorable. We're highly un-

likely to remember when it's "20% off brown hamsters" day unless that little brown hamster makes us care about her.

When developing the story of your business, don't hesitate to include its history, struggles, and triumphs. Allow your story to cultivate a memorable personality that reflects your mission. Don't be reluctant to share the past struggles of your business or your personal story. We love to root for the underdog. We love a heroic journey of success. These are the types of stories that make us feel good. They reveal qualities we'll remember, which will positively influence us and make you stand out in a noisy marketplace. Remember: a good story always has a beginning, a middle, and an end. Like any good novel, every chapter ends with a cliffhanger that makes you want to start reading the next chapter.

Language Step 4 – Make It Scalable

If you're building relationships using social media marketing, the question inevitably arises: how do you scale those relationships (grow them rapidly and at a compound rate)? How do you escalate your conversations? In the real world you can handle only so many friendships, so what's a boomer to do?

Admittedly, it's a difficult question to answer. Scaling usually implies bringing more people into the organization. If you're a small business owner or solo practitioner, hiring may not be a realistic strategy in the beginning. But there are a few things you can do.

Part of the scaling equation is how you interact with the people who are engaging with your business. The type of content you share

will help determine your social media scaling strategy. Your content can increase your number of new followers and fans, but also engage those already in your network. For example, if you write every post and start every conversation by teaching or telling a bit of a story, the entire effort rides on your shoulders. You have to be there to create the content consistently, and you have to be there to engage with the followers you are cultivating. If you have the time to devote to that method, great; but most of you have a business to run and grow. If instead you create the type of content that encourages followers to interact with each other that will mean less work for you. That content will foster community and inspire a group dynamic that allows you to spend less time on the social media sites, while still building relationships.

Create quizzes or polls and ask followers to share their results with each other. Help people get the conversation going and then step back and let it go. It's your party, so be a good host. If you've shared your company story, find ways to encourage fans to tell the story for you. Give them open-ended opportunities to share in the narrative. A not-for-profit organization could encourage fans to share their own personal efforts as a continuation of the non-profit's mission. How did that one fan further the cause, raise money, or help others? How is he or she making an impact on his or her small piece of the world? You can find ways and reasons to collaborate with your followers, who then do the scaling for you.

If you have a follower who really likes you, that person may become a brand advocate or evangelist. This is someone who will talk you up to other followers and be a huge asset to you and your business. Cultivating brand advocates furthers your marketing

efforts and scales your time commitment because advocates do the work for you. Be on the lookout for followers who frequently speak well of your business and reward them. Let me give you an example.

One of my favorite online tools that helps me with my social media strategy is Buffer. As a lover of the product, I started attending the company's chat on Twitter, called #BufferChat. On this chat, which happens once a week for an hour like a weekly television show, other brand advocates like me show up and take part in a conversation about something digital-marketing-related. After one of the chats a Buffer employee contacted me privately for my mailing address and sent me a thank you card with Buffer stickers inside. It was a small gesture, but it made me feel special and appreciated. Rewarding brand advocates can be that simple.

A local business can mirror this brand-advocate effort by asking customers to share their stories. Stir the conversation pot. Let your imagination run free. Don't let the type of business you own be a constraint. A dry cleaner could ask customers to talk about the last place they wore a fancy outfit and then share the story. Put up a sign in the store suggesting customers post the story on one of the dry cleaner's social media pages, or post the question as a conversation starter on a site. Take a photo with the customer holding up the fancy duds and post it with the message, "Where was this spectacular dress worn, Susie?" Do a series of posts on how you, the dry cleaner, must handle this type of outfit differently from the norm because of the special beading, stitching, or fabric finish that this particular dress has that makes it fancy.

The travel agent can share customer photos from great vacations and ask customers to share the best _____ (fill in the blank) from their vacations, highlighting categories such as family-friendly, romantic, quiet, or lively locations. The appliance store can ask customers to share favorite family recipes with a photo of them cooking on new appliances bought in their store. Then turn these recipes into a customer cookbook and highlight those customers again and again. The liquor store can share wine pairings from the menu at a recent gala, tagging the patrons and asking for comments. Service-based professionals can share a news story about a topic they deal with daily and ask followers what they think.

Share an idea and ask your audience to embellish it. Encourage dialogue within your community to scale your reach and take some of the burden off you to create content. You can also ask for guest posts and promote them. There are many ways to encourage the members of your community to speak to each other to scale your social media efforts. All the work doesn't have to fall on your shoulders. Remember, as John Heywood said, "Many hands make light work."

If your business has employees, you can share the work. Give staff members a subject or category they can be responsible for and let them be the voice of the business for that topic. Have a social media spokesperson other than yourself who will converse on behalf of your business. For example, you can place someone in charge of customer service (preferably in a proactive fashion), sales generation, or prospect nurturing, while you find, attract, and focus on the prospects you think are ideal. Be willing to ask your staff for help.

👉 Placing someone else in charge of social media requires you to create guidelines for them to follow. They need to know how to speak on behalf of you and your business. Just a heads up for now on creating such a guide: if you are thinking about a specific employee who would be perfect for the task, that person will need some extra guidance that you will have to provide.

Language Step 5 – Have a Social Media Strategy

The fifth and final step is having a strategy. You must consider what needs to be a part of your social media strategy before you can put together a MAP, or marketing action plan, to serve as your roadmap to using social media for business growth.

You can find thousands of articles online about building a social media strategy. You don't need to reinvent the wheel. Research how other businesses have used social media successfully to fuel your creative engine. You'll save time in the long run if you learn how to be successful from the start. There are common threads among these articles, and for now here's a short summary of some of the common aspects of successful social media marketing strategies.

First, define your goals. Why are you considering social media as a marketing tool in the first place? There are plenty of good reasons to use social media for marketing, just make sure you define the specific goals for your business. For example, are you

looking to build a following nationally, regionally, or locally? Is social media a way to bring visitors to your website? Do you have a movement that you're trying to perpetuate? Are you seeking sponsors for your cause or business? Be thoughtful and define a handful of goals that are clearly identified for your business.

Second, know your audience. Creating the ideal prospect persona will help. To do this effectively, you need to understand your prospects' biggest goals and challenges and how you can help them achieve those goals or overcome those challenges.

You'll also want to determine which social media sites your clients already spend time on. You can explore the Internet on your own and look at their behavior, or you can simply ask them if they frequent Facebook, Twitter, LinkedIn, Pinterest, Google Plus, or YouTube. Asking them can save time in deciding which destination to visit first and save resources when attempting to reach them. By asking them which destinations they visit most often in the social media world, you'll already be taking one step toward engaging them in your efforts.

Start with the site that has the largest concentration of your market prospects. If prospects are on a site you're not familiar with, or haven't visited yourself, invest the time and effort to learn more about that site. Resist the temptation to default to another site that's more familiar to you. It makes sense to go where the customers are, otherwise you're likely wasting your time, and that's a precious resource you can never get back. Knowing our six destinations already gives you a leg up. Look at visiting someplace new as an adventure rather than a chore. You may discover you love visiting that site.

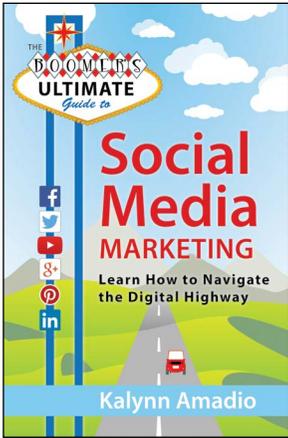
Consider choosing some hot-button topics in your market. These are subjects people are talking about in your field of expertise, the things they never seem to get tired of discussing. These hot buttons will create themes for you to build content around.

Third, make the effort to use a vanity URL. A URL, or Uniform Resource Locator, is an address on the Internet. An example of a vanity URL is www.NewYorkTimes.com, which takes you to *The New York Times* online. It's a good idea to keep your URLs consistent across all your social media websites. For example, if your company is XYZ Corporation, you want your Facebook URL to be www.facebook.com/xyzcorp. Try to find a vanity name that you can use everywhere. If your company name is taken by someone else on Facebook but not Twitter, do your best to come up with a name you can use on both sites. This is where some homework is required. Test your ideal vanity name at all six destinations and see if it's available; then adjust as necessary. Keeping a URL the same on all social media sites makes it easier for followers to find you at each destination and for the conversation to bounce around.

Fourth, include measurement in your social media strategy. How many miles per gallon are you getting on this trip? In other words, how much mileage are you getting out of your social media strategy? You need to have a plan in place to measure your results at each social media destination – that is, whether or not you've met your social media goals. This tells you if your efforts are having the desired effect, also referred to as a positive ROI (return on investment). Remember, you can't measure ROI without first having specific goals. Also, each of the elements of your social media strategy discussed above should work in concert.

WHAT YOU NEED TO KNOW

- We only believe 14 percent of what a brand tells us through advertising. Social media is not free advertising.
- Social media content is multi-directional. Your content should encourage conversation, unlike one-way messages (advertisements), which don't.
- Treat every piece of content as a one-on-one conversation with your favorite customer rather than a one-to-many broadcast.
- Giving your business human characteristics makes it easier for people to understand the mission behind the company (like the Aflac duck or Mr. Clean).
- Cultivating brand advocates scales your social media marketing efforts.
- You need to determine why you want to use social media marketing and then develop goals based on that determination. You want to be able to determine your ROI (return on investment). Take some measurements initially and track them over time.



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About the Author

KALYNN AMADIO – The Boomer Gal – is Principal of Ikalynn, LLC, a digital marketing consulting, training, and coaching firm. She is an author, speaker, and engineer, helping business owners maximize online marketing efforts.

Amadio is the host of *ACT LOCAL Marketing for Small Business* podcast and *The Boomer's Ultimate Guide Podcast*, both on iTunes. She speaks regularly on various aspects of online marketing.

MAVEN HOUSE BUSINESS BOOKS

