

# Ask Key Questions for Change



Looking at your company from a different perspective is sometimes what is needed to make important changes that lead to moving forward. The problem with this is, it is hard to do. How can you put yourself in a perspective that will make decisions that will change everything? Rasmus Ankerson, who we are bringing to speak at the E0 Argentina University in November, has an answer for that.

In a recent [blog post](#), Rasmus discusses how one question can change everything. It is a question that helps to dig out and create some clarity in times of uncertainty and lack of direction. When Intel was evaluating the changes in the sales of memory chips, they were seeing a drop and in 1985 they had a big drop in memory chip sales. Founder Andy Groove was having a discussion with CEO Gordon Moore as they discussed this issue.

As Groove and Moore debated what to do, they discussed that if they messed up, the Board may replace them. So Groove asked Moore what a new CEO would do if they were replaced? Moore, without hesitation, said he would get out of chips and into microprocessors. So Groove said, let's get up and walk out the door and then come back in and do it ourselves! That is exactly what they did, and we all know the story from there.

So when looking for a way to get real with your situation, ask what your successor might do if he was brought in and didn't have the baggage of being stuck with all the decisions and

dollars spent previously. Getting out of the quicksand of the past is tough, but maybe looking at it this way and asking this question is a way to do it.

As was discussed a few weeks back, the option of asking the question, [“what is the job that our customer wants done,”](#) is another way to look at prospects and to open up an untapped white space for opportunities.

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## [Business Regret: What's it All About?](#)



If you listen to any of the successful leaders in business out there, you will hear them say over and over that it is about the people. In other words, to have a successful business, you must have the right people and they must be in the right positions, playing to their strengths. Then everything will be good.

Okay, sounds good, so let's go get the right people and everything else will be great. Then we will not need to keep the wrong people and instead, we will need to grow those that have potential. The problem with all this is that we are talking about people and when we do that, we have a lot of other factors that get in the way. Emotions are the big one, but also best intentions. You want to see the best in people, and you want to help others. These all have an influence in working to get the right team in place.

I have experienced this repeatedly, and have felt it in my gut when I knew I had the wrong person in the wrong seat and, given whatever circumstances, don't make a change right away. I was reminded of this by a recent blog that was written by my friend, Stephen Lynch. Stephen has written a book, Business Execution for Results, that is a great step-by-step for getting the strategic plan, the alignment, the key decisions and the execution all down, so your business is spinning like a top.

The blog he sent me was called ["The #1 Regret of Business Owners."](#) And guess what that one regret is? Hiring mistakes! As we just discussed, it's all about the people. Stephen says that sometimes it is good performers who don't fit into your culture. Other times, it is taking too much time to fix performance issues with someone that fits in, but is not achieving the desired result. Then there are the times we just hire the first person with a pulse to get it out of the way.

There is no perfect way to find people because, as we said, we are dealing with the complexity of humans and boy oh boy, can we be filled with intricacies. At Efficiency, we have had success with process called Topgrading. It has helped us find good people, but sometimes we just have had them in the wrong seats. It may take some learning, as we have experienced, but we finally found two technical project managers that are knocking it out of the park! Thank you Chris and Sarah for great results in getting our projects done and making our clients happy!

Peter Drucker, in his very interesting book, Post-Capitalist Society, tells us why people are so important. The book is all about the societal transformation from capital, land and labor, to a knowledgeable society where individuals are central.

Drucker says, "Knowledge is not impersonal like money. Knowledge does not reside in a book, a database, a software

program; they contain only information. Knowledge is always embodied in a person; carried by a person; created, augmented, or improved by a person; applied by a person; taught and passed on by a person; used or misused by a person. The shift to a knowledge society therefore puts the person in the center.”

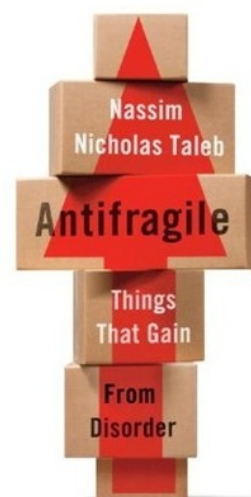
We can see with this explanation from Drucker how important our people are, and getting the right ones on board and in the right seat is job number one for any leader! Do you have the right people sitting in the right seats?

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## [The Goal Is Antifragile](#)

Some of you may remember the book, “The Black Swan,” that I have written quite a few blogs on in the past. The reason I have shared from Nassim Taleb often is his philosophical thinking about the world and investing is so insightful and unique that it makes for serious contemplation about the world in which we live.

NEW YORK TIMES BESTSELLING AUTHOR OF  
THE BLACK SWAN



Well, Taleb has done it again. He has written a new book that is just starting to sink in and open my eyes to the implications of his thinking. The book is "Antifragile: Things That Gain from Disorder." Here Taleb presents to us that things will get more stable and stronger when they have ongoing shock and turmoil, compared to things that are breakable or fragile. That the antifragility of some comes at the expense of the fragility of others.

This happens in the biological world where some parts of the inside, like within a cell, may need to be fragile for the large structure to be antifragile. Taleb uses the example of restaurants in the book, saying that each one is fragile in that they come and go – they compete and go out of business regularly. The local restaurant collective is antifragile with its system providing quality, whereas central control, Soviet-style cafeteria food would be the alternative.

Fragile type systems depend on everything be exact and a planned course. If you have deviations, they are more harmful, so this needs to be more predictive in its approach. The opposite holds true for antifragile, where you don't worry about deviations and the possible different outcomes that may occur as you move forward.

When you see the world through this lens, it helps put perspective on what works and doesn't work. This would mean not bailing out on the things that don't work, and not relying on permanent administrations and forecasting departments that think they can predict the future.

How do you help yourself to become more antifragile? You learn to love mistakes. When you make them a lot, but at a level that is small and reversible instead of large and destructive, you put yourself in a situation to evolve and stay alive. What you may consider is the random aspect of trial and error, is not so random if it is carried out in a rational approach, because the error is used as information.

For the entrepreneur out there, Taleb's work has a lot of implications for your strategy and thinking in how you approach your competitors, market place and the world in which you live. I will get into that more in future blogs.

As I'm sure you have noticed, we have changed the blog over to a new format, so it will look a little different to you. Thanks for reading.

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## [Riding The Wheel Of Life](#)

As I come back from an E0 Insignia and Quantum Leap conference in Park City, Utah, I carry with me some great experiences. This conference brings all the segregated forums together to have time to interact with each other and gain a personalized approach to the E0 experience. Insignia is for people with 7 years or more in E0, and Quantum Leap is for those with \$15-million or more in revenue. We get time with the large group as well as with our own forum, which includes a coach to take us through exercises.

Our coach, Phil Kristianson, incorporated some adjustments and tools worth sharing. One, the [Wheel of Life](#), allows you to look at the key areas of your life and rate them by how satisfied you are with that area. These include family, significant other, health, career, finances, relationships, spirituality, and adventure or fun. See the form here and print it out and try it for yourself.

When you fill this out, you see the areas where you are lacking fulfillment in life and where you are fulfilled. With that awareness and some introspection, you can create goals

based around the areas you should be focusing on in order to better your life. If you go around the circle and find it to be up and down like a roller coaster, your life may not be as balanced as you may optimally like. Thus, an effort can be made to balance it out.

These types of exercises help us to understand one another in the forum. We get to know each other and our areas of strength or weakness, so we can share experiences and changes to help one another in those areas. This is a key aspect of forum: to get help and see if you are being real with where you are and how you are getting where you are going.

How balanced are the areas of your life? Do you have a peer or peer group helping you strive to improve?

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## [Kick Start The New Year](#)

As we start the New Year, so many of us reflect upon what it would be like to make this year a better one. Instead, what if we think about how we can make it happen? How does the reality that we want to see actually manifest? It happens by first figuring out where you want to go and removing the obstacles that are stopping you from getting there.



When I was in Istanbul, Turkey I heard [Matthew Kelly](#) talking about getting to where you want to go and dreaming of the

possibilities of what might be. As a life and business coach, Matthew helps people and businesses focus on their greatest desires and dreams and then helps them get there. He also wrote the best-selling book [\*The Dream Manager\*](#). Reading his latest blog post reminded me of some of the planning, focus, and what we should avoid in order to reach our greatest desires.

To kick start your life and make 2013 the best ever, ask yourself the same questions Matthew asks. I will share the questions as well as provide one example from each to demonstrate changes I will make this coming year.

1. If you could only accomplish three things next year, what would they be?
2. What are you going to do to ensure you have more energy next year than you did this year?
3. What relationships do you want to improve? How will you improve them?
4. What new habit(s) are you going to adopt in 2013 to grow spiritually?
5. What bad habits are you going to eliminate?
6. What are you going to spend more time doing?
7. What are you going to spend less time doing?

I will make it a key top priority to build successful mobile apps. I will do P90X2 cardio workouts twice a week on top of the weight workouts to increase my energy. I will improve the relationship with my team and the culture of our company, and I will do this by injecting a positive energy with all my interactions and eliminating any negative people or conversations that come up. I will read a page each day from my spiritual books. I will eliminate the habit of complaining about the small stuff. I will spend more time reading books



and material that have big ideas and positively change my thinking. I will spend less time watching negative news stories that bring my vibrational energy down.

What about you? What are a couple of big things that you are going to go after, and what will you eliminate to kick start your life to the big dreams that we are all after?

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## Communication Revolution

Back in 1995, when [Robert Loest](#) and I were telling the world about our new [mutual fund IPS Millennium](#), we told a story explaining that, historically, change within a civilization first occurs at an inflection point and is followed by big change and then a long plateau period.

We shared how civilization started with hunter-gathers, and people maintained that lifestyle for over 100,000 years. Then, we had an inflection point, learning to plant seeds and grow food. This was the [Agricultural Revolution of the Neolithic Era](#), and it went on for a few thousand years. Then around 1439, [Gutenberg](#) invented the printing press, and the advent of real sustained knowledge accumulation and transfer took place.

Sharing information through books led to the invention of the [Watt Steam Engine](#) in the 1760s or 1770s, and this really kicked off the [Industrial Revolution](#), which lasted about 100 years. The [transistor](#) was then invented around the 1940s, and the [Information Age](#) was born. This lasted for about 50 years.

Then in 1995, we entered the [Wired Internet Age](#) and dawn of connectivity in real time, all the time, which has lasted

around 15 years. Now, we have kicked off the [Mobile Era](#) and the dawn of wireless connectivity.

As you can see, the timing of our mutual fund and the start of this new era lined up perfectly. Even though we proclaimed that investing in a connected world would create value, we were unaware of just how connected the Netscape browser was going to make us.

I am sure you noticed how each era has gotten shorter and shorter. Change progressively occurs faster, and some of the issues for business today center around this disruption which happens when we hit a new inflection point, and the game suddenly changes for everyone. However, this also creates massive opportunity for entrepreneurs! Anyone listening . . . especially with the new inflection point of mobile?

I was reminded of that story we told when I read a blog by [David Meerman Scott](#) on what he calls the [2<sup>nd</sup> most important communication revolution in history](#). When you step way back and, as David says, take a “view from the moon,” you see that the first communication revolution was bolstered by Gutenberg’s invention of mechanical movable type. This allowed books to be mass produced and freed people to more easily share information around the world, so they could go out and invent things and build on one another’s ideas. This changed the world, a world that had not changed much since the beginning of time.

We are now in what David calls the [2<sup>nd</sup> communication revolution](#), which started in 1995 with the invention of Netscape, allowing us to have easy web browsing capability. We are living through this time and the major changes that are occurring. We’ve gone from a few million online to billions in short time frame, and it continues to grow.

David explains how real time communication is vital in this new age and that “you are what you publish.” So, are you

putting content out there on the web in real time? Check out his [video](#).

[Marketing and Leadership Speaker David Meerman Scott](#) from [David Meerman Scott](#) on [Vimeo](#).

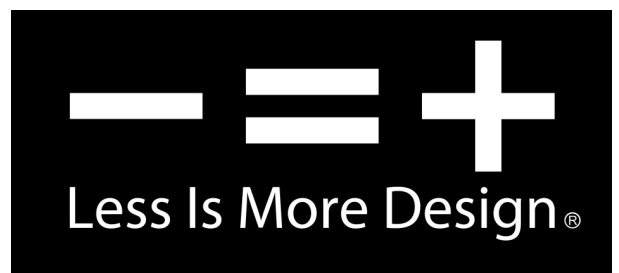
I would like to thank David for inspiring me. When we met about 4 years ago, he was the one who told me to start writing a blog. It took a little while to sink in, but about 3 years ago, I started blogging sporadically, and shortly after I began posting a blog every week. We are living in the times of sharing content. Are you?

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## Offering Less to Be More

In business, we often strive to make all of our customers happy by being good at every feature or service we offer them. The problem is that being good at a lot of things makes it difficult to be great at any one thing. Why do we do this? We think we can excel in any one area when the reality is we are just good or average in all areas. Have you ever thought about trying to be bad at something you do so that you can grow your business and increase your market share?

What if I was a bank and decided to offer the lowest rates on deposits in all my markets? What if I did this, so I could be the best at customer service? I could stay open 7 days a week and as late at 8:00pm on weekdays. I would hire people based solely on attitude because hiring on both attitude and



aptitude is too expensive. I would do this knowing that not having aptitude, your people couldn't offer 20 plus types of checking accounts and highly complex financial instruments. Would you think my bank could even grow or see the stock price go up if I made those changes?

Well that is exactly what happened to Commerce Bank, which became the fastest growing retail bank in America. They saw their stock price go up 2000% in the 1990s. Commerce Bank made a key strategic decision to deal with a huge sticking point in the industry. They talked to consumers and learned one major concern was that banking hours sucked. They decided to open at 7:30am and not close until 8:00pm, and they kept the teller window open until midnight on Fridays. They also maintained full service hours on the weekends. While they did this, they sampled the marketplace to ensure they had the lowest deposit rates out there, and if they did not, they would lower them until they did.

Commerce Bank realized that in order to have the resources necessary to be really great at something, they needed to be bad at something else. Why? Because being good at everything takes resources, and to be great at something you need to redirect those resources to focus on the things that will make you great. Commerce Bank understood that the money they saved on low deposits gave them the money to fund their longer hours of operations. They discovered that to have the best customer service people and afford them, they needed to sacrifice on aptitude and reduce the complexity of their products, offering only limited financial products.

You can read more details from this example, along with others, in [Frances Frei's](#) book "[Uncommon Service](#)." It shares many examples of companies that sacrificed in one area to be great in another. This book is an important read for making strategic decisions that impact your features and benefits given the resources you have. They discuss creating an Internal Attribute Map to figure this out.

We haven't done this yet at [Efficiencie](#), but I am adding it to the agenda for our annual meeting. We need to discuss what we can take away, so we can prop up a key area that makes us stand out in the marketplace.

What you going to drop, reduce, or eliminate to make your offering or service excellent?

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## [Does Your Business have a Demand Problem?](#)

Looking at what has been happening in the world with the slow economy, you would think it all has to do with a bad recession or political activity that is less than favorable to the business world. Look a little deeper, and you will see things are changing. We should be aware of all that is going on for the sake of positioning our businesses for the most potential possible.

I believe, as a leader of a company and the one responsible for putting us in the path of future waves of opportunity, my purpose is to read and learn as much as possible. To achieve this, I participate in the [EO University Conferences](#), attend the [Verne Harnish Fortune Conference](#), and read a large number of books every year. This exposes me to people, speakers, and ideas that help me contemplate what the future may look like.

Back in the early 2000s, I came across a book called "[The New Law of Demand and Supply](#)" by [Rick Kash](#) that was sent to me by the [Williams Inference Center](#), and I have been reading a book more recently called "[How Companies Win](#)" also by Kash and

[David Calhoun](#). The first book put some interesting thoughts in my head, but I didn't see really the power of this thinking until the great recession hit us. Why? Because it took the significant decline in business to magnify how the Demand and Supply forces have changed.

☒ In the past, we had huge demand from those who wanted everything businesses could throw at them. For decades, we could grow revenue by adding more offerings and streamlining supply. We globalized the supply chain, reducing costs by making products in China or India or even just down the street if that was most efficient. We were able to buy so many things as our living standards increased and the costs decreasing. We accumulated so much!

Now, things have changed. The demand is simply not there. We have excessive supply from where we increased it so much in the previous decades to meet the high demand, but this terrible economy has taken away our buying power. We now see an economy that has vast oversupply but not enough customers to support the businesses that are out there trying to provide that product or service. This is the new world in which we are living, so decision makers need to know how to deal with this in order to generate growth in their business.

For those that zone out when you hear "supply and demand" due to the brain trauma you received in Econ 101, let me say it another way. In the past, we desired lots of things (lots of demand) and the business world struggled to make all we wanted and to provide at affordable prices (not enough supply). Now, we have this huge amount of goods (over supply) that companies are trying to sell and not enough people with the desire or resources to buy them (lacking in demand).

There is so much supply for what you are offering, so it is tough to grow business. Can you see this in your business environment?

Supply has vastly outpaced the demand in the economy right now, and the global economy has become unbalanced. We need to grasp this new reality that in order to get customers to want our offerings, we need to zero in on exactly what they are demanding. We will focus on this in next week's blog.

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## [The Power of the Crowd](#)

I wrote a blog in July 2011 called "[What Disruptive Technology is Sneaking Up on You?](#)" I also wrote another one more recently called "[Crowdfunding, the Savior for the Entrepreneur.](#)" Interestingly, they have both been pulled together by the disruptive technology guru [Clayton Christensen](#). Clayton spoke with [CNNMoney](#) for an [article](#) they featured on his involvement in crowdfunding.

As I explained in my [previous blog](#), crowdfunding will allow companies to raise money with their social contacts for partial ownership in a company. You can raise a lot of money by asking for small investments from a large number of people. Think of this like a [mutual fund](#) that has lots of money to invest, but one individual investor may only put in \$500 while another puts in \$10,000. Crowdfunding gives the investor the opportunity to invest in people they know even if they don't have large sums of money. The previous laws placed tight limitations on this.



Clayton pulls disruptive technology and [crowdfunding](#) together when he points out that crowdfunding has the potential to disrupt traditional financiers. He has invested in a platform

that is being created to help bring together both the investor and the company trying to raise more capital.

As I've said before, I think this opportunity is going to be big! It will change the game for many people, most importantly the entrepreneur. Ideas and opportunities that would have never gotten off the ground before will now have a better chance at a good start and could become job creating machines.

Now, the important ingredient for anyone with aspirations to grow and get funding is a strong social network. The theme we had back in my investment days was connectivity. We invested in companies that were creating the infrastructure which would bring us together. We have all heard "it's who you know, not what you know." This rings even truer today with a major focus on people.

What are you doing to grow your social network?

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## [Rolling With Change!](#)

My software team and I at [Efficiency](#) had a business meeting with an investment firm this week, and it was exciting to be back in that world again and see the latest happenings! They had an interest in a [mobile app](#), which is what we are talking about to many companies these days.

The businesses on the forefront are seeing with their own eyes how the Smartphone is enhancing the opportunity to connect and create real interaction and relationships. This is an exciting space to be in, and I am thrilled to have placed myself on this path.



During our conversation, I listened to one of the principals discuss how well they were doing despite the lack of returns in the marketplace over the past twelve years. This brought me back to why I got out of the investment business back in the early 2000s, which was the thinking that the markets wouldn't be any higher over the next ten years or so. Along with declining assets and increasing regulatory burdens, the decision was made to get out of that business. Before I did, I had already seen the future, and to me it was going to be in connectivity through software.

Watching the investment business decline and the opportunities fade, I could have felt sorry for myself and lamented that life wasn't fair, and that since I'd worked so hard somebody had to owe me something. I found it difficult to think that the world I had educated and prepared myself for was slipping away. That is what happens, and will always happen, because things change. And today, it is occurring at an even faster pace.

As an entrepreneur, I wasn't going to wait on someone or something to come along. I set out to find a new opportunity, and then I went out and made it happen. I went to India to open an office, and now here we are with a wonderful team that builds the latest and greatest applications to connect businesses to their vendors, employees, or customers.



More change is coming, and many areas of the economy are not doing so well. For those that are not prepared, it could be painful. What are you doing to stay ahead and ensure that technology and change doesn't sweep you up into a world in which you don't want to be?