Foundation For The Training

The Sales Environment Learning Laboratory (S.E.L.L.) is designed to help you identify ways in which you will become more effective. The success of the program requires the following:

- ☐ 1. Attendance to each and every module.
- ☐ 2. Attendance on time to each module. Returning on time from breaks.
- ☐ 3. No smoking in the training room.
- ☐ 4. A commitment to use the concepts and materials for the duration of the program.
- ☐ 5. Making commitment to specific action arising out of the material in each module, and following directions of the trainer when in the training room.
- ☐ 6. No telephone calls, interruptions or messages into the training room. No magazines, newspapers or other non-training materials read or displayed in the training room. This includes food, gum, drink cups, etc. (except as agreed to with the trainer in advance).
- ☐ 7. Remaining in the training room for the duration of each session. There will be frequent breaks.
- ☐ 8. No drugs or alcohol during any break. All prescribed drugs are to be cleared with the Training Manager.
- ☐ 9. Conversations during the sessions are limited to between trainers and participants only. Conversations between fellow participants are not permitted.
- ☐ 10. Time of the completed training is unscheduled. Do not make any plans immediately following the completion of the training.
- ☐ 11. The content of the training is a private and confidential matter between you and the group. All materials, forms, concepts and conversations shall be kept strictly confidential.
- ☐ 12. If a participant misses a significant part of any module, he or she becomes an observer for the balance of the training. Once a person has observer status, he or she will always be an observer in that training or any other training thereafter. An observer can never again regain participant status.
- ☐ 13. All cellular phones and/or portable paging systems are to be left outside the training room. The Training Manager will accept and hold all such units. Participants and observers shall be responsible for arranging such units to be checked and returned.
- ☐ 14. Nametags to be worn at all times during the training modules, and at all times be clearly visible.
- ☐ 15. Participants sit next to someone that he/she did not know or have a relationship with prior to the training. This includes family, friends and business associates.
- ☐ 16. Participants shall not move any chairs during the training.
- ☐ Signature_____ Date_____

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QUANTUM MANAGEMENT SYSTEMS

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QUANTUM MANAGEMENT SYSTEMS

LASER™ TRAINING SHEDS NEW LIGHT ON LEADERSHIP

by Suellen Mayfield

Handle you, not them.

Without an effective vision of what you want and an efficient way to implement it, your staff can't perform up to its capabilities.

In days of yore, when management was a "guts and glory" occupation, executives didn't seem much troubled by staff morale, under-productivity and motivation. The boss was THE BOSS, and staff were, well . . . replaceable. Today, companies are becoming more aware of the high cost of employee attrition and underutilization. But until recently, employers have had little control over this human factor that can make or break their business.

However, a look at what a Long Beach based management training group has achieved shows a much brighter future. Under senior partners Doug Yeaman, Doug Yeaman, and John Nicodemus, Quantum Management has spearheaded an executive training program yielding impressive results in profit increases. The program is called Laser™ Training, and, among the dozens of institutions employing Laser™ methods, none has failed to dramatically increase profits within a two year period.

Company Visionaries

The primary thrust of the program, according to Yeaman, is to "Establish a vision for each company, so the manager can retain control of the organization rather than resorting to controlling personalities."

Laser™'s definition of "vision" is having an unwavering knowledge of how the manager wants his or her company to be and how it can be. It is this knowledge that creates a fundamental difference between managers. "With vision" claims Yeaman, "everything a manager does emanates from a sense of his/her company's potential, and that enables the manager to act, not react. No matter how large or small a business, if there is no vision, the person in charge can do nothing but respond to things as they are."

Laser™ training demonstrates that the lack of an overall vision permeates all the operations of a company. This is because, even when managers see opportunities for improvement, they can't know with certainty what they can expect from their organization in terms of carrying them out.

Trimming the Waste of One-on-One

Many of the methods developed by Quantum Management and used in Laser™ Training are, you could say, unconventional. For example, recruiting . . .

In Laser™, managers are encouraged to double their staffs in a year. This invariably meets with protests from executives, who feel they are already supervising all the people they can manage. They are also reluctant to take time from an already full schedule to seek out and interview potential candidates. And, of course, they point out their payrolls could never handle such a personnel increase.

This is where Laser™'s unique recruiting philosophy really makes a difference. As Middough Ewell notes, "Managers who want to actualize a vision of steady growth can't do it using traditional management techniques. These techniques all use a

Recruiting means everything.

Good managers hire good people.

one-on-one approach, which is very time inefficient. Thus, growth becomes predetermined by the manager's own time limitations."

Managers who participate in Laser™ Training learn to interview 50 candidates at a time and know with certainty which is best for them.

Laser™ also teaches a group management technique, so executives can train and manage the staff it takes to do the job, not the staff they have enough time to supervise. And a new accountability system ensures corporate leaders of maximum production and "active cooperation" by their staffs.

Proving Ground

When asked how managers could justify significant increases in staffing costs, Yeaman pointed out some overlooked areas: "Most executives have no plan for attrition. Unplanned attrition is expensive. An active recruiting program saves on staff search and production lag costs. And Laser™ shifts budget priorities toward directly income-generating personnel and programs. So, as you expand your staff, you always have increases in revenue."

Perhaps most impressive are the actual results of using Laser™ Management methods. Where traditional wisdom would maintain that raising personnel costs means lowering profits, the experience of Laser™ graduates proves, repeatedly otherwise.

An old adage has it that success is made not from working hard, but working smart. Nowhere is this truer than in a competitive business environment.

Through its Laser™ training program Quantum Management may have, at long last, come up with a way to beat the system, simply by "working smart."

For the seeking executive, here are some pearls of wisdom taught in this extensive training:

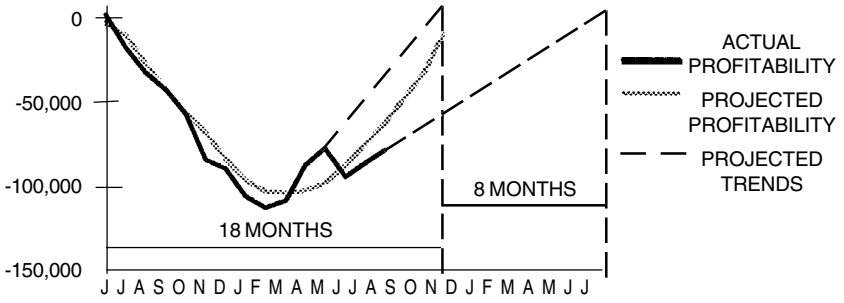
- Production rises to the lowest acceptable standards. You can't achieve maximum production by trying to manage people instead of standards.
- A leader is someone who can awaken and evoke the leadership skills in others. The most profitable element of your job is keeping your people inspired.
- You never have to fire anyone. Once you enlist your company in fulfilling your vision, it becomes obvious who will go and who will stay. (Not retaining "deadweight" is estimated to save an average sized company up to $20,000 annually.)

Recruiting, managing company standards, and creating accountability . . that's all there is to it, really. But within these three major company areas lies the world of mismanagement. A world, according to Doug Yeaman, "Laser™ Training is committed to conquer."

Company owners and managers who wish to learn more about the Laser™ program can do so by calling Quantum Management (619) 454-3094.

Management Gems

Graph Showing Start-up Profitability for New Office



More people means more business.

New business start up for this real estate firm closely followed the projection through February. In May, a halt in recruitment resulted in a rapid decline in revenue. Although recruiting began in June, the accompanying lag in production resulted in a 8-month delay to reach the projected break-even point (see dotted line extension).

More Money in Less Time

By Douglas M. Yeaman

Many of us realize that effective time planning and management are essential. Still many of us do not incorporate good time management techniques into our daily schedule. The purpose of this article is to highlight the essential elements of effective time management and to provide some insight into where and why time is misspent

It is important in utilizing time management principals that we understand certain basic components.

The first component is realistic identification of productive and nonproductive tasks. Most lists are either dishonest or wrong.

The second component of the system is a written plan. Planning without writing is daydreaming and will not support your goals. The form of such a plan is not important; however, it must contain a daily schedule for listing appointments and activities.

The third component of the system is a clear understanding of the terms related to time.

What is time planning? Time planning involves recording what you are going to do each day, week, and month. It is essential that you spend at least one-half hour each day making a daily work plan. The plan must establish a priority ranking.

What is time management? Time management is carrying out minute-to minute and hour-to-hour planned activities.

How do we know what to do? The only effective way is to have a set of written goals and a step-by-step list of written objectives or activities which will accomplish the goals. Goals are long-range, direct results of primary and secondary objectives. Objectives are short-range activities.

A written statement noting goals and objectives is the cornerstone of a good time management system. To achieve a goal, clearly write it down, list the sort-range objectives of attaining it, and make a commitment to do objectives.

We are in fact, the sum of commitments we have either kept or broken. Commitments must be specific, actionable and contained in time. For instance, "I'll make five cold calls by 10 o'clock."

Most time management systems break down at this point. To avoid this, you must recognize that you get what you want in life as a direct function of the price you are willing to pay. The price is keeping your commitments. You can always recognize a true commitment by the result. If you made five cold calls by 10 o'clock, you had a commitment. If you did not make the five calls, you did not have a commitment. In other words, a commitment is not a commitment when it is made. It is only a commitment when it is kept.

We know a time management system must incorporate things to do, written down in a priority-listed, daily planner, and that we must be committed to our plans. Seems simple doesn't it? Many of us have done these things and obtained a certain level of success. The question is how can we earn more money in the same amount of time or the same amount of money in less time. The key to doing this in real estate is contacting people. You must be committed to a consistent, methodical basis with continuous follow-up. The best tool to insure more contact with people is to identify those tasks which lead to such contact.

Next, use your time management system to analyze the exact amount of time you spend doing those activities each week. If you are not spending enough time in people contact work, you can change your objectives and activities to bring them more in line with your goals.

People contact is the basis for success in real estate. So let's define basic categories of activities as they relate to such contact. These categories include:

I=intermediately productive time
P=productive time
N=non-productive time

Intermediately productive time **(I-time)** is that time spent making a direct contribution toward face-to-face contact in a selling situation with a client. Productive time**(P-time)** is that time spent in face to face contact in a selling situation with a client. Non-productive time **(N-time)** is time spent doing everything else. This does not mean that nonproductive activities are not important. In fact, nonproductive activities may be crucial and take precedence over I and P items; however, no matter how pressing or important N items are they will never directly lead you into people contact.

It is essential to the success of your sales effort that you carefully

Productive	Intermediately Productive	Non-productive
Showing Property	Open Houses and Quantum Home Tours	Sales Meetings
Listing Presentations	Cold Canvassing	Planning
Contact in person Owners and offering service	Mailers as follow-up	General Research
Contact in person Tenants and offering service	Making showing appointments	Escrow Work
Discovery probing with prospect	Market analysis for specific listing presentation	Training sessions
Obtaining price reductions or better terms on existing listings	Seeing or researching specific property for a specific client	Property tours
Closing with client	Networking Sign Calls if at least one prospect call/hour	Organizing desk/week Lunches, breaks, etc.
	Lead Seminars if at least one prospect/hour	Writing ads Reading this article

identify I, P, and N activities. This will enable you to properly evaluate the use of your time and make appropriate changes. Here is a list which will keep you in the sales (people contact) business:

You can possibly think of more I and N items, however, there may not be any significant need to add to the P items. The secret in making the above list work for you is to increase P-time by every possible means. This means increasing the I-time. You can always control your I-time items, whereas you may not be able to go out and have a showing, listing, and closing appointments every day. And what is the only source of I-time? You guessed it, N-time.

It is not suggested that you consistently miss sales meetings to do you farming nor that training sessions and other functions are not important; however, you can control your I-time. The more I-time you put in, the more P-time you will create. Only productive time will put more money in your bank account.

Analyze your working daytime and activities for a one week period. Unless you are among the top 5 percent of salesmen, less than 20 percent of your time will be P-time and more than 60 percent of your time will be N-time.

If 60 percent or more of your working day time is nonproductive, you are out of control as a salesman. One of the features of the analysis of P, I, and N-time is to let you know when you're out of control so you can get back in command. There is only one source of productive time and that's intermediately productive time. Get back into control by blocking out one 8-hour day per week and devoting it solely to I-time activities, or if you're not going to do I-time activities, simply take the day off. Either way your relative production will increase. Obviously, some of your I-time days will get out of control and result in non productive activities. The key is to recognize when it happens, so you get back in-control.

The key to effectiveness as a salesman is to control your time and channel it into productive face-to-face selling situations with clients. This means making a commitment to an effective time planning and management system which will enable you to spend more time prospecting. Prospecting is simply building a relationship with people. It is not getting a sale. Make every contact a win for the prospect and yourself, regardless of the outcome.

Now, make a commitment to yourself. Immediately after you stop reading this article, get out some paper. List your goals in priority. Identify objectives and activities that will help attain those goals. Copy those objectives and activities into your time planner. Identify all your activities as P, I, or N and accurately keep track of how much time you spend in each area. Keep yourself in control by spending more time in I activities. Block out an I-time day each week. Above all, remember that if you want to be a successful real estate salesman, you must make a commitment to continuous prospecting. If you are not prospecting, you are not working and you don't need a time management system. If you want to prospect more to earn more, rely on the fact that prospecting of any kind does work. Get involved in a time management system that enables you to do more prospecting and order more deposit slips to take your cash to the bank.

Doug Yeaman of Quantum Management Systems was the important and only source for this article.

QUANTUM MANAGEMENT SYSTEMS

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DRAFT

DELTA FORCE

11TH MEETING
26-30 JULY

AN ARMY OF EXCELLENCE: VISIONS OF OUR FUTURE FORCE

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Applied Psychotechnologies for Personal, Sociological and Organizational Megagrowth

Douglas M. Yeaman
Marsha Utain
Arthur Melville

(Consultants: Col. Roger Bunting, Coordinator Reserve Components Support ; LTC Harry Thie, Office of Secretary of defense; Cpt. Beth Walsh, Ordinance)

Some of the issues confronting personal and sociological growth in both the public and the private sector require thinking that is beyond present limits. Previous points of view applied at a time when the future is so close that it feels like the past, can cause from an old paradigm, an experience of victimization which is translated into unemployment, inflation, hunger, incompetence, and inadequacy. The assumptions concerning finite resources, insufficiency and scarcity are all based on fear which issues out of the experience of displacement from one frame of reference in time another, closely akin to a time of the experience of displacement from one frame of reference in time to another, closely akin to a time warp. Certain leading edge technologies, as the ones developed in this paper, provide the content for managing this displacement and provide long term resolution of these issues cancerous to the very dignity of the human spirit. Frustrations and blame are among the products of this cancer.

Leading edge technology

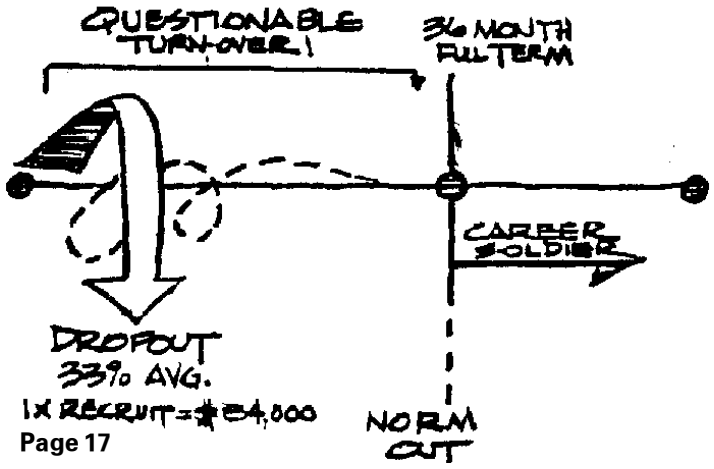
Through an installation of leading edge technology available off the shelf today, the following benefits can be realized:

*The turnover rate of those that do not complete their first term will be significantly reduced, resulting in enormous savings to the army.

*Funds saved as a result of managing this attrition will be turned back to the Army community through enhancing the quality of life, upgrading the conditions of the soldier and adding to the experience of excellence.

*With more people completing their term, a larger pool will be available from which to select career soldiers, thereby permitting standards to be raised and opening further the process of an Army of Excellence.

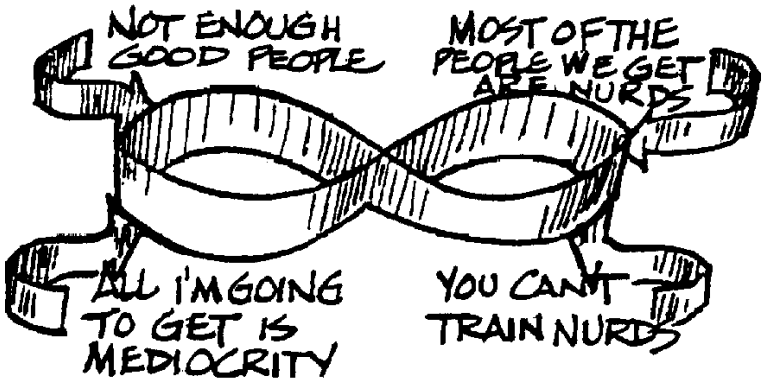
*There presently exists an alternate leading edge technology for bringing the Army of the future into reality today. It can reduce turnover by creating the condition of enhanced personal responsibility for recruits to complete their first term of enlistment.



Closed loop system

First, let us look at the closed loop system that creates the present condition, a system that is of its nature based on as assumptions that are false:

*Shortages
*Insufficiency
*Finite Assets
*Limited Access



Negative Assumptions

Further, in understanding closed loop systems, it must be recognized that a negative cannot be proved. So, a closed loop system relies on a "set" of negative assumptions in order to "prove" a given reality. "If God had intended man to fly, he would have given him wings" made sense up to the invention of the airplane. For the same reason we cannot rely on history to document the future.

Focus, clarity, commitment

As an example, non-high school graduates have always had a higher attrition rate. Therefore it is concluded by many that not having a high school diploma is the problem. However, the underlying issue is that people who do, do; people who are committed do get high school diplomas and produce results. Those who are not committed, clear, and focused, demonstrate that condition in terms of their results. So, what we know as one of the items that creates high attrition rates in the Army with non-high school graduates is that they are not focused, not clear, and most of all they are not committed. The diploma is not the problem.

COMMITMENT

Therefore, if we are really going to deal with the issue of high attrition rates, we need to look at the available leading edge technology that creates focus, clarity, and most of all, commitment.

Stress: expectation/acceptation dynamic

Negative attrition in any organization can be described as an individual's neurosis for coping with stress. Stress occurs structurally as a variance between forces. Psychological stress can be described as the variance between as expectation and an acceptation. When that which is expected exceeds what is accepted(or what is really experienced, as in a job), negative stress or conflict is produced.

Victim orientation

If the person experiencing conflict has a victim orientation, the stress will be processed in the form of: "It's unfair", "They did it to me", "I'll show them", "It's hopeless", "I'm helpless, or "I'll hide so no one can do it to me again," and so on in endless fashion.

Alignment

Any attempt to resolve the issues of turnover, or negative attrition, will have a fundamental, absolute reliance on creating alignment between expectations and acceptations, between both the individual and the participating organization. It is now possible to see that the first step in creating alignment leading toward a commitment orientation requires focus and clarity of expectations and reality. Acceptations are recognized as "the conditions for participation in reality." If it is a reality that a potential recruit "will be expected to mow lawns" as part of his contribution to the quality of life at his duty station, then that reality must be created as an expectation. Even subliminal expectation will work in the transformational process of self responsibility. (It is important that the reader be clear in what is being said.) We are not saying that alignment must occur. What is being said is that the degree to which standards are

managed by creating an expectation-acceptation alignment is the degree to which the attrition rate is managed.

Managing attrition

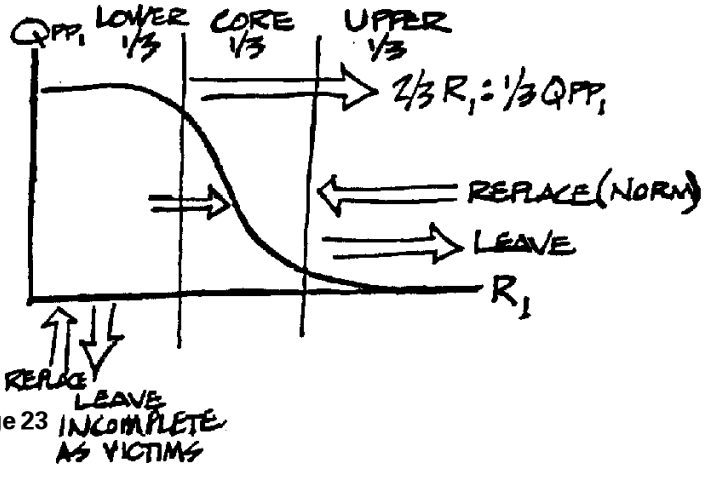
In other words, in victim context, the recruit who is told that he will not be mowing lawns and then is ordered to, experiences being lied to. If it is implied that he won't be expected to, or it is covered up as though he won't have to, he will feel conned or betrayed. And if he is told that it is possible that he will, when he does he may not like it, but the managing person interfacing with him in that conflict may now rely on that communication to create the conditions for him to be personally responsible. He chose his participation, which included mowing the lawn and he now reviews that choice. The process described here creates wellness instead of sickness.

Acceptation and expectation

Acceptations and expectations are standards in an organization. If an organization expected more than it accepts, the experience contained in the organization is disillusion, frustration, disappointment and the implied condition that people "should be doing more." If the Army has a Standard that its young recruits mow lawns in contrast to spending 100% of their time in their attendant MOS, then the experience of the people managing them might be: "they shouldn't complain" and "They should do it." If work outside a specific MOS is expected and accepted by those in charge of new recruits, and that information is available in advance to the enlistment process, it supports the enlistment process through communication and contextualization.

Contextualizing "Job"

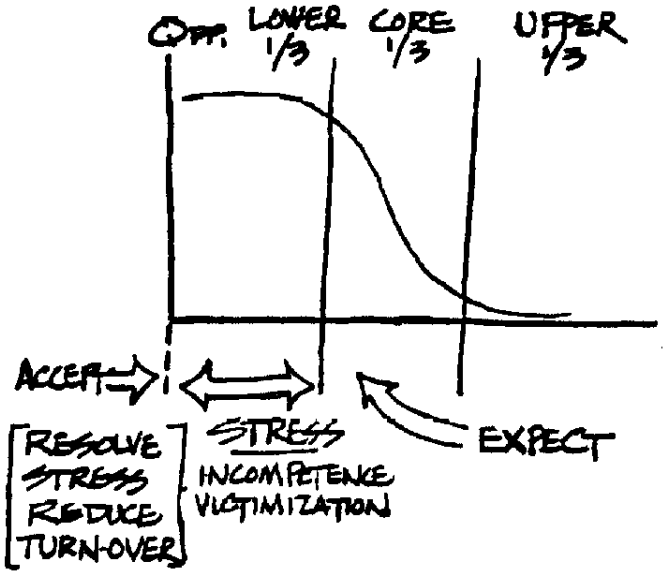
If the French chef who participates in the Cordon-Blue School of Cooking were to work in a restaurant primarily washing dishes, he would not think of himself as a chef as a chef as he washes dishes. Yet, that same chef, employed as a chef, is expected, and it is accepted, that he



wash his own cooking dishes and participate in keeping the kitchen clean. This is an example of creating a context in which the person (chef) is responsible for washing dishes-and his job.

Using Standards to manage relations

Managing standards, both in an organization and with individuals, is the process through which relationships are man aged. High expectations contrasted with conflicting behavior. Organizations can choose to terminate the conflicting relation ship with the individual, which is expressed as poor performance, or bad, or wrong and resulting separation from service. For the individual, he attrits, or retreats. A transformation of personal responsibility results with a recontextualization of the experience within this acceptation-expectation framework. A recontextualization, as in our example of the "chef," shifts the "focus of responsibility" or the "focus of cause" to the indi vidual and provides him with an opportunity to include his expectation with his acceptation. This reduces stress.



Responsibility

Responsibility is a condition, and managing attrition is a process. In the Army of the future, areas of intraorganizational conflict will be identified though an application of the principles of the acceptation-expectation dynamic, an therefore, become predictable. . .and manageable.

Managing behavior

A principle fundamental to the management of behavior is that in order to manage behavior, it must be predictable (which is not the same as probable.) It is predictable that if you lie to

a new recruit (in a framework of victim orientation) he will feel lied to. However, in a responsibility orientation, he will set up the circumstance or create the condition in which the truth can be told and heard.

Responsibility training

For the training of the soldier of the future, it is imperative that all people who interface in a responsible position to him have responsibility training and access to responsibility communication processes. The first stage, or pre-entry process, is necessary to creating the condition in which the recruit chooses into the Army responsibly. The second stage of the process can be seen then as critical. It creates the condition in which the recruit of the future is provided with the framework of choices in which he determines both his career and his nonmilitary future. This occurs by including things he does not like in a larger context of choosing his participation.

Pareto Principle

Traditionally with organizations, two-thirds of the results are produced by one-third of the people. This is called the Pareto Principle. Historically this factor has had a tendency to be static. Managing standards instead of people provides us with the feedback that creates a context for excellence and growth.

Conclusions

The following conclusions are then available to us:

(1) An organization's standards are the threads that form the fabric that holds people who participate. Managing is both setting and discovering those standards. (We use the term discover because an organization is dynamic and developing, and therefore in a constant state of change.)

(2) The principles of personal responsibility are developmental and therefore transformational. It results in the focus of cause being a point of reference from which all constructive communication sources. The acceptation-expectation dynamic is organic and provides a context for resolving personal and organizational conflict.

(3) Standards within an organization provide the methodology in managing conflict through communications. They also shift the relationship of the participants from a victim orientation to casual orientation or creating future events.

(4) All participants in the management interface need to be trained in the process that enable responsibility to be created and maintained within the Army as an operational context.

(5) A specific low cost/high yield method for implementing stage one (pre-entry stage) would be to include a responsibility training for all recruits and recontextualize the recruiting materials, such as video tapes, to include the technology of developing responsibility. For example, “time compressed subliminal pictures” of jobs and activities traditionally “resented,” “disliked,” or “misunderstood” by the potential recruit could be shown. By drawing the analogy from his own experience as similar to the analogy of the French chef, these activities would become recontextualized. It could even be individualized if the recruiter discovered background experience from the recruit’s personal history and included that information within that specific video viewing context.

Presented July 30, 1982
U.S. ARMY WAR COLLEGE
DELTA FORCE CONFERENCE
Leesburg, Virginia

A New Definition of Success: Personal Empowerment, Quality, and Love

Warren Bennis, economist, educator, and social scientist, doesn't think the route to success in business lies through complex marketing strategies or theories of management.

"There's been a great deal of talk these days about industrial productivity," he told the Tarrytown audience, "but to me, it's a matter of empowerment, how we reap the human harvest."

President Emeritus of the University of Cincinnati, and now deBell professor of Management at University of Southern California, Bennis has embarked on a mission to find out what makes the most effective leaders in business and in other human endeavors different from the mere mortals around them. He studied 90 prominent leaders in business, politics and the arts — 60 chairmen of the board and CEO's from corporate America, 30 from public America, including two coaches, two orchestra conductors, a city manager, EST's Werner Erhardt, and Neal Armstrong, the first man to walk on the moon. (His findings will be published later this year by William Morrow).

Bennis said at Tarrytown that these leaders share five essential operating principles that empower them and the people who work with them:

1 *Management of attention.* "All of these individuals had an agenda, a concern with outcome, that's unparalleled. Their range might be very narrow, and outside of that they might be very boring. But within their range, they were very intense. It was as if a bright filament was always burning."

Because of their intensity of purpose, "they did not have to coerce people to pay attention; they were so intent on what they were doing that, like a child completely absorbed with creating a sand castle in a sandbox, they drew others in."

2 *Management of meaning.* "It's not enough to have a vision. There are a lot of marvellous visions. But how do you communicate them? In large organizations, you have to get people aligned with overarching goals. Workers have to have something to get behind."

Bennis found that his 90 leaders often did not communicate their vision and their goals through words, but instead through symbols, metaphors and models.

Robert Redford was one such leader. Redford knew nothing of cinematography when he decided to direct *Ordinary People*. "So the first morning on the set, he took six cinematographers aside and played them a piece of music — the piece that opened the movie, Pachelbel's Canon in 'D.' He said, I want you to listen to this, and think about a suburban scene that corresponds to the music. He was doing what psychologists call *synesthesia* — transforming one sense impression into another." Redford later won an academy award for his direction of the film.

When leaders communicate a vision with such strength, they create a reality that others can then share. Said Bennis, we tend to weed out such characteristics instead of encouraging them: "My daughter was in a third grade drawing class. A friend of hers in the class asked the teacher if she could draw God. The teacher said, 'We don't know what God looks like, you know.' And this girl said, 'You will when I'm through.' That's more than communication, that's *creation*."

3 *Management of trust.* "This has to do with constancy, focus, commitment. One very key aspect of trust is reliability — can you count on a person, do you know what his purpose is?" Having established a vision and communicated it, the 90 leaders would not waver from it. Those following them never doubted their resolve.

"Of course, in our times if you stay the course too long, you can also keep going down a path that's the wrong path. But there is something profoundly impor-

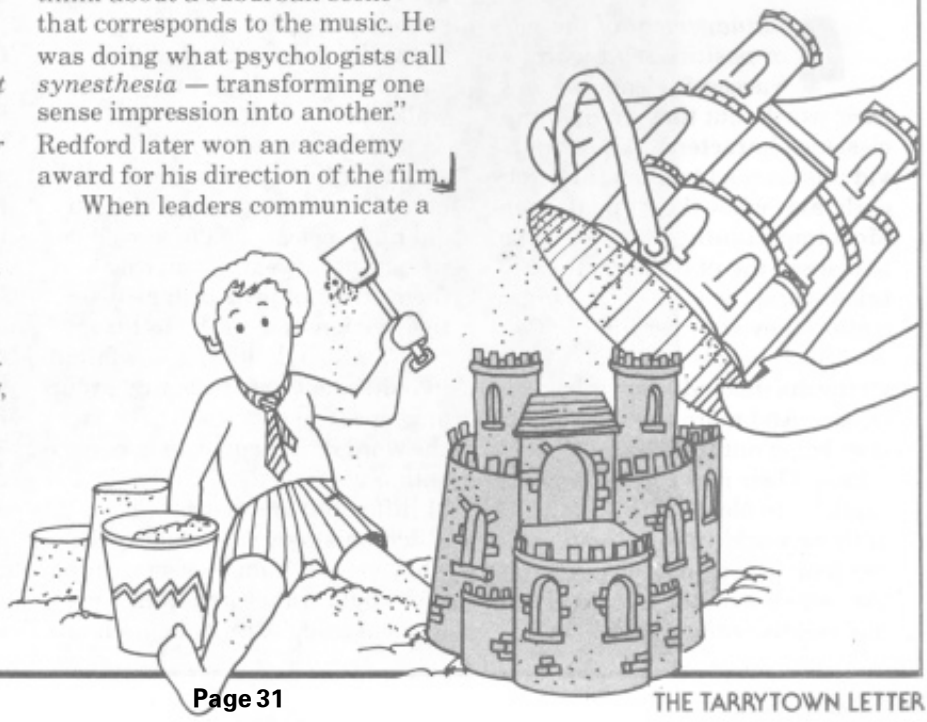
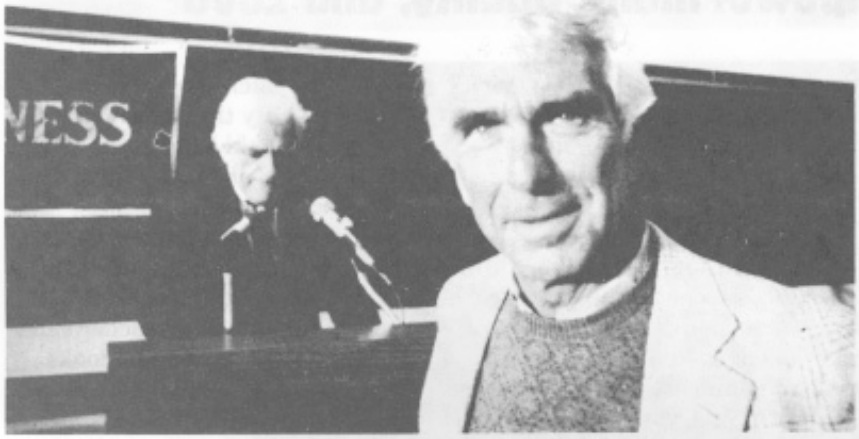


Illustration: Bob Bower



Foreground: Economist Warren Bennis

tant, I discovered, about making yourself known and making yourself clear. These are individuals who have clarity about their values and that inevitably generates trust."

An example of how the absence of trust can affect a leader, Bennis cited former President Jimmy Carter. "It's been said that Jimmy Carter wasn't a successful president because he was boring. I would argue that it was because he failed to get across to the people what his ideas were. The values were there, but his ability to communicate them was always weak."

4 *Management of the self, or positive self-regard.* Successful leaders know their worth, but they are not narcissistic characters: "These individuals seemed to know, at a very early age, what their talents were. Most importantly, they were able to discern the fit between their talents and the needs of the organization they were serving.

"Such people emphasize their strengths instead of their weaknesses. And more interesting, they bring out the strengths of others. Their real genius is the capacity to blend the unique gifts of those working with them into a common cause. In addition to positive self-regard, these individuals had positive *other*-regard."

5 *The Wallenda Factor.* Bennis named this category after the late Karl Wallenda, who, along with other members of his circus family, walked tightropes without a safety net. The key to this was never looking down — never dwelling on the possibility of failure, always envisioning success.

Just how important this was to Wallenda became clear shortly before he fell to his death in 1973 in San Juan, Puerto Rico. His wife said that for the three months preceding his death, Wallenda began to think for the first time about a slip-up. He started to personally supervise the setting up of the tightrope; he put all his energies into falling, instead of walking.

Said Bennis: "I'm talking about confidence, not recklessness. The 90 managers I studied did have a clear idea of downside risks. But I swear to you that their attention was primarily on their vision, not on the tightrope.

"These individuals saw failure in a different way from any group of people I've ever known. In fact, the word didn't come up in conversation unless I used it. I counted 21 different synonyms for it: glitch, mistake, error, false path. They viewed failure as something they could truly learn from. One of them said, 'A mistake is simply another way of doing things.'"

Bennis also talked to Ray Myers, the basketball coach at DePaul, after the team lost its first home game — and broke a winning streak of 29 victories. "How do you feel?", he asked. Myers said, "Great. Now we can concentrate on winning, and not on not-losing."

Bennis concluded:

"The essential thing in organizational leadership is that the leaders' style *pulls* rather than *pushes* people on. A pull-style of influence works by attracting and energizing people to an exciting vision of the future. It motivates by identification, rather than pushing them around with rewards and punishments....

"It has become apparent to me that people cannot be expected to enroll in just any kind of exciting vision. Some concepts have more staying power, and are more deeply rooted in our human hungers than others. I believe that the lack of such concepts in modern organizational life is in large part responsible for the alienation which so many managers *and* workers experience.

"One of these important concepts is the idea of quality. Modern industrial society has been oriented to the idea of quantity — providing more goods and services for everyone. Quality, on the other hand, is often not measurable, but is appreciated and intuited. Our response to quality is a feeling, and feelings are intimately connected to our experience of meaning and beauty.

"Love is evoked by quality, and is the attracting force which energizes high-performance systems. When we love our work, then we do not have to be managed by force or by fear. We can build systems which facilitate creativity, rather than be preoccupied with checks and controls on people who are motivated to beat or exploit the system. I believe that everyone wants to find both quality and love in work."

Excellence in Business: More Lessons from America's Best Run Companies

Photo: E. Sundance

Tom Peters

Tom Peters' In Search of Excellence (co-authored with Robert Waterman) has been on the bestseller lists for more than 45 weeks, and recently sold its one millionth hardbound copy. Born in Baltimore, Peters earned his B.C.E. and M.C.E. in civil engineering from Cornell, and an M.B.A. and Ph.D. in business from Stanford. Formerly a principal at McKinsey & Company, where he researched more than 60 of America's best-run corporations for In Search of Excellence, Peters now heads his own consulting firm, the Palo Alto Consulting Center, and teaches at Stanford Business School. Peters' conclusions about experimental and innovative management techniques are an indication of the paradigm shift affecting all of our lives.

In his opening address at Tarrytown, Peters answered the five most common questions he's been asked since his book came out. Next he gave a thorough update on his findings. Here they are:

Excellence in Business: Five New Questions

***Q.** The research for In Search of Excellence was completed several years ago. Are its conclusions still valid?*

A. An occasional criticism of the book is that its conclusions are overstated and oversimplified; it has been said that they are painted in unwarranted bright hues. But, in hindsight, my impression is fast becoming the opposite: If anything, we *underestimated.* Since 1979, I have worked with over 200 groups of executives, and conversations with these people confirm that our 'excellent companies' are even more extremely what they are than we had initially supposed.

***Q.** You've defined MBWA — Management By Wandering Around — as a key to excellence. Is this still the case in major companies?*

A. I'm tempted to say success all boils down to the chief principles of MBWA: Do it, fix it, try it. Test it. Walk about. Stay in touch. Press the flesh. Get it going on a customer's premises. Obtain quick feedback. I find MBWA at work in every aspect of the better-run business. At the highest level, it's the incessant travel of the leaders: Anderson, Kroc, Marriott, Mars. And the hands-on lab visits of Olsen at Digital, Hewlett at Hewlett-Packard, Haggerty at TI. MBWA is *the* preferred, if expensive, problem-solving mode.

***Q.** Can you give us some examples of MBWA in action?*

A. When IBM stumbles even a whisker, it jerks twenty top people off the job, full-time, to solve the problem *now.* Others may say they can't afford to take their senior managers away from their jobs. But IBM people know that 'the show will run just fine for sixty days without me.' MBWA means there's no substitute for a 'feel' for what's really going on.

At IBM, P&G, and Lanier, senior officers process a large number of customer complaints personally, in order to stay in direct touch with the market. In consumer goods, the best brand manager is in the field more. At Hewlett-Packard, R&D people transfer, for six months or so, to manufacturing to aid in the process of new product scale-up. All of these things sound so obvious, but almost no one does them.

***Q.** What are "skunkworks" and why are they more successful than any other kind of business task force?*

A. Skunkworks are coherent units of turned-on people, usually a group of 8 to 10. They are notoriously pragmatic entrepreneurial teams and are often located in dingy basements miles from corporate headquarters, with an atmosphere of inspired chaos. There's lots of wandering around, lots of experiments with quick feedback. A skunkworks has the intensity to develop, prototype, debug and install a new product in the time it takes others to prepare a memorandum.

Skunkworks are modestly illicit offline workshops characterized by unbelievable tenacity and healthy irreverence for the system. Skunkworks and MBWA are part of the coherence-commitment-tangibility knot that lies at the heart of top performance.

***Q.** Where does innovation come from?*

A. Kodachrome was invented by two musicians. A watchmaker fiddling around with brass castings came up with a continuous casting of steel. Soap making chemists thought synthetic detergents were a stupid idea, so dye-making chemists made the first synthetic detergent. The last twenty menu introductions by McDonald's didn't come from product development — they came from franchises in the boondocks. Virtually all invention happens in the wrong place at the wrong division of the wrong company.

UPDATE

In Search of Excellence

■ MBWA (Management By Wandering Around) is more extensively practiced by the good guys than we had said.

■ Our winners, even in the lower ends of markets, find astonishing ways to provide superior, tailored service and top quality.

■ The good manager keeps the bureaucrats out of the way of productive people.

■ The successful leader fails his way to success. You have to make ten mistakes a day, or you know you're not trying.

■ Irreverence for your own system is indispensable. You must develop a well-orchestrated, purposeful *dis*organization. Not a single major product has come from the formal product planning process.

■ The most important maxim: "Ready. Fire. Aim."

■ Pig brains are the winner's edge. The two researchers who won the Nobel Prize for medicine in 1978 outperformed others because they were the only ones with the tenacity and persistence to grind up the millions of pig brains necessary to do the experiment. That's the thread in all excellent enterprises: the absence of magic and the presence of incredible, even superhuman persistence.

■ Results come from caring. Joe Girard, for eleven years in a row, sold more cars than any other human on the planet. One year he sold twice as many cars as the #2 guy. How did he do it? Caring. "They ain't out the door before I start sending them cards," he says. He goes to baseball games with bad pitchers, because every time there's a hit he tosses 200 calling cards into the air. That's marketing.

■ Frito-Lay epitomizes personal attention to the customer. The typical retail outlet — whether it's the big chain supermarket or the Mom & Pop grocery — gets a sales call a day, with a Frito-Lay person in the store an average of three hours. Whose chips do you think get displayed?

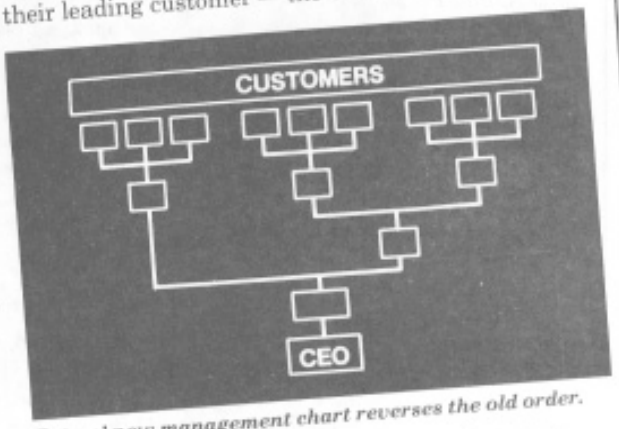
■ Forrest Mars, with his $5 billion candy, dog food and rice company, spends half his time not managing but wandering around the corner groceries of America. If he finds a single miswrapped Mars Bar, he calls for a carton from the factory. At his weekly operating meeting, he typically throws candy bars at his officers to express his concern.

■ Frank Perdue thinks there's absolutely no limit to the quality that can be achieved in a 25-cent-per-pound wholesale product. He spent a quarter of a million bucks on the world's largest hair dryer that fluffs and stiffens up the hairs on a chicken wing so they can be removed. Quality comes in little things.

■ Walt Disney Productions has no customers, only capital-G Guests. Is that important? I'm reminded of the airline stewardess who said, as new passengers were boarding, "Here come the animals." If you call them animals, you treat them like animals. This isn't word-play, it's language that tells us who we are.

■ Both Warren Bennis in The Temporary Society and Alvin Toffler in Future Shock identified the need for *adhocracy* as a way of corporate life. In rapidly changing times, they argued, bureaucracy is not enough. The nature and uses of communication in the excellent companies are remarkably different from those of their nonexcellent peers. The excellent companies are a vast network of informal, open communications.

■ The excellent companies are better listeners. Most of their innovation comes from the market. Insiders report that Proctor & Gamble's toll-free 800 number is a major source of product improvement ideas. The best companies are pushed around by their customers, and they love it. Bloomingdale's invented faded jeans for Levi's. Almost all IBM innovations, including the company's first computer, were developed in collaboration with their leading customer — the Census Bureau.



Peters' new management chart reverses the old order.

■ What makes for success, whether you're a car salesman or a Nobel laureate? A recent study suggests winners have a streak of peasant toughness and are good finishers.

■ Here's one all-purpose piece of advice, one truth we were able to distill from studying excellent companies: Figure out your value system. Decide what your company *stands for.* Put yourself out ten or twenty years in the future: what would you look back on with the greatest satisfaction? We call this attribute of excellent companies "hands-on, value-driven."

Stramy and Jensen on Personal Leadership

Photos: R. Sundance

Robert Stramy is Manager of General Motors' Cadillac Engine Plant in Livonia, Michigan. He is currently redesigning the traditionally strained manager/worker relationship and implementing a new program called Quality of Work Life. Stramy requires that workers become involved in the decision-making process. The result: at Livonia, absenteeism is down, grievances are down, and suggestions are up. Additionally, employees are learning several jobs in business teams. Said he:

"General Motors is like all large organizations looking for ways to transform a domestic business into a global enterprise. Yet there are already so many divisions of the company, that employees don't know if they're working for Cadillac, GM or the UAW. Managers aren't sure either, and that's obviously what's wrong with the industry right now.

"Nevertheless we are trying to establish a single vision toward global development. And we've released a policy statement that management will be based on trust, dignity and respect for the individual: the first steps toward getting people to work together toward a common vision.

"The main obstacle to this is decentralization. The Livonian Cadillac Engine plant set its own goals — moving labor and management from adversaries to allies, teaching 1500 employees new skills in problem solving and systems design, creating greater independence for this division.

"Our major corporate task is this: How can we manufacture a quality product at a declining cost and still create a quality work environment? And how can we move from talking about it to doing it?

"Finally, the chief element in this success is communication, since many problems stem from the workers feeling undervalued and underappreciated. Any large organization fosters a certain measure of conformity. Today managers have to undo this damage and demonstrate that new ways of doing things will be encouraged and workable. The real key is making everyone feel an important part of the whole. People long to become a part of something bigger than themselves. Thus companies need to establish a vision of caring for the people and the product, a vision that empowers."

In 1969, when Jim Jensen was a 38-year-old international sales manager for Encyclopedia Britannica, Fortune magazine hailed him as a "business wonder." His skill at piling up profits while practicing what he refers to as "people development" led him to the presidency of Thousand Trails.

Thousand Trails Inc., with fourteen preserves in the Pacific Northwest, operates what might be called a "country club in the woods." Customers buy memberships in a national network of resort-type campgrounds. Last year lifetime membership sales, at $6,000 each, soared to $56 million. Jensen advised:

"In growing businesses, leadership is really the ability to focus on today's needs and react swiftly to a changing marketplace. To do so, you must communicate your primary vision of the business to all levels of employees. Too frequently divisions literally work against each other because these overarching goals have gotten lost.

"For instance, strategic planning is done by managers with known information — and does not include unknown factors and undefined needs. Without the input of the whole organization, planning results in an Us vs. Them process, pitting the visionaries — those who can project these needs — against others who cannot. This results in a harmful situation where employers dominate the workers and dictate their attitudes.

"An employer who says, 'I can't find good people anymore and young people don't want to work,' is setting up a dangerous situation in which those assumptions will be validated. A better tack is to assume that all human beings have the capacity for excellence, growth and creativity. How differently would people respond to this management attitude!

"The real role of the business leader is to be a teacher, not a boss: Intimidation doesn't work in a permissive society. Good people are simply not going to stand for that.

"At Thousand Trails, we have learned that successful human development programs include spouses. We've found that starting the day with physical exercise builds community as well as contributes to the well-being of our employees, so we subsidize health club memberships and do Tai Chi in the parking lot. We want our employees to know that we care about them outside of our business activities."

ing feedback mechanism to evaluate their own self-worth. Next we pay 100% of medical and dental expense — for the entire family. And finally, we invest in Context Training — helping people to capture a positive worldview.

"We recently took our entire staff to a seminar at the Omega Institute called Transformation in Business; there they met Edgar Mitchell, the astronaut who founded the Noetics Institute, and Robert Muller, Assistant Secretary General of the United Nations. We held our own meetings during the time allotted for swimming, jogging and canoeing and began each day with our own group meditation.

"In addition, the company picks up the tab for any course — and any type of education, from crafts to personal growth. This fall we held a seminar on High Performance Learning for employees, their spouses and their kids.

"Whenever employees go through a natural disaster like a flood, a real bonding takes place. I believe you can orchestrate such intense moments — but from a positive point of view. It's the role of the CEO to take responsibility for these moments and to create them for the company throughout the year.

"Here's another way to do it: in our new office building we have a Vision Room — this used to be the President's Office, with a view of the rapids and the local greenery, but it was so special we decided to keep it for everyone and make it into a creativity tank. We're putting in biofeedback equipment and the hardware for a Video Diary. People can tape their presentations in private. It's a transformational experience to watch the difference between what you really feel and what you convey to others.

"Last year I tore my office out and decided to start over, not from a cultural hypnosis of what American business *should* be like. I bought a futon — a Japanese mat — and set up my computer terminal on the floor.

"Sitting behind a desk can be like sitting behind a lathe, so I installed a low Japanese table. Now our whole advertising department has a similar set-up. We encourage people to create whatever kind of office space they want.

"We also tell our staff they can spend as much money as they need on any project. As a result, with this kind of budgeting, people are very careful. They feel a great sense of personal responsibility.

"Finally, our company has become more process-oriented and less product-oriented. And as the quality of the creative process improves, so does the product. We also have a rule: only do business with people who are pleasant. When an occasional customer or supplier calls and is upset, we explain politely that our staff believes in finding positive solutions — not in wasting time on intimidation. So far, these disgruntled people have realized they don't want to be like this, it's just a bad habit they've assumed.

"It all goes back to trust. I trust my staff, and I trust my inner messages. While most executives won't talk about it, I find that many do the same thing I do: take a few minutes several times a day to sit quietly and meditate on what a given person or project needs. This helps me to establish my priorities very well. These quiet moments also help the staff — these are the moments of inspiration, when people learn to trust themselves and live their dreams."

Greene, Gore, and Wilson on Growing Better People

Doug Greene is chairman and editor-in-chief of New Hope Communications and the publisher of Natural Foods Merchandiser, a monthly trade magazine. He is also producer of Natural Foods Expo, a 7,600 person business conference and exposition. Greene, a new-style entrepreneur in a new field, believes the natural foods industry is a role model for other businesses because it focuses primarily on human values and personal lifestyles:

Almost everyone owns at least one piece of sports equipment made of Gore-tex materials, but few know about the lattice organization that Bill Gore runs. The company has no titles, no bosses, and no map of managerial authority.

W.L. Gore & Associates is a high technology firm producing materials for parkas, U.S. Military flight suits,

(continued on next page)

William Gore *(continued)*

waterproof gloves, hiking boots, all-weather gear and tents. Gore says his company has two objectives — to make money and have fun:

"We don't manage people around here, people manage themselves. We organize ourselves around voluntary commitments. Employees are called associates — there is no chain of command.

Individuals select the tasks they want to work on and choose a sponsor who takes a specific interest in their contributions, problems and goals. The result: People enjoy themselves, they have fun, and inevitably they make money.

"Our way of doing business not only builds trust and commitment, it builds heroes."

"At Gore, every employee becomes an associate-owner: Stock purchases serve as an incentive. Associates can also put any title they wish on their business cards. Our system of sponsorship sets up a system of employee advocacy. And our way of doing business not only builds trust and commitment, it builds heroes.

"Our primary principle is fairness, listening to and appreciating all our workers, involving everyone in the decision-making process. Each person has the freedom to generate his own projects without waiting for management's approval.

"All decisions to go ahead are based on these two questions: What is the best result I can achieve with this project, and is the best worthwhile? What is the worst — and can we stand to bear the losses? With a combination of systems thinking and a relaxed environment our staff now operates at 100% creativity.

"I think my associates are changing the world. We're opening up communication, eliminating pollution, conserving our resources. And we're changing the work environment."

Larry Wilson began his career as an insurance executive with a particular gift for motivational programs. He has now built a $15 million management education company. Its motto is "Helping Everyone Become the Most They Can" and programs include everything from philosophic seminars on human growth to pre-packaged in-plant courses. Some 80,000 people will take Wilson Learning courses this year:

"People who *seek power* want to control things and to be served. People *who are empowered* are creative individuals who are free to serve. We have to focus on getting people empowered through their work.

"The most important task of management is to help employees learn to manage change. The ability to deal with conflict is a direct indication of an employee's growth potential. Emotional insecurity, however, is a real block to this ability.

"A mature emotional outlook results from the belief that it's never too late to have a happy childhood. Successful management understands this and helps to breed an atmosphere where the inner self is invulnerable, and this part of our child-like creativity is never up for grabs.

"Good business is really another facet of the human potential movement. It can set up systems of cooperative learning and help people begin to tap their own creative power. The first thing to establish is that there is enough abundance for everyone to have a win-win attitude, instead of a win-lose mind-set. Then we can enter a more humane era — with emphasis on the rewards of self-motivation and self-improvement through work."

T. George Harris: One Dissident Thinker

T. George Harris is editor-in-chief of American Health magazine, former editor of Psychology Today, and a lifelong student of Inner-Directed Management. At Tarrytown, he cautioned against the slick misuse of management techniques — and called for a continuing awareness of the special dynamics and problems of office politics.

I've become increasingly concerned about the way Maslow's ideas of Eupsychian Management have been distorted. And by the way Robert Townsend's Up the Organization has been used to pursue Executive Original Sin. That sin is employing new concepts to put yourself ahead of the organization — and to push your own career over the good of the group.

"This has also begun to happen with Tom Peters' material. Every corporation suddenly wants to have rituals, to talk about corporate culture, and throw big parties. Well, it's gotten dangerous to even accept a party invitation in New York! The problem is that people are taking these ideas superficially — or using them in a slick way for self-aggrandizing purposes.

"Let's turn back for a moment to the underlying principle of Peters' work. A company today is less a collection of factories and more a collection of talents. Whenever we become aware of that, some interesting things begin to happen to the health and mobility of our employees.

"I'll give you an example. When I was editor of Psychology Today, the main story conferences were always a highly political activity. It was a time when people would show off and engage in power struggles. I tried to make these conferences playful enough — by holding them on the beach or while swimming — so we would waste less time and energy on ego trips, become more human and

less political. I also asked others to lead these sessions and tried to highlight their efforts and achievements. All this was in the 1970's and at the time, much of what we were doing was not yet understood.

"At times we went too far in terms of worker participation, but we learned from that what a good manager should be. Some very fine editors were blocked by the 'group politics' which had taken over. Yet the role of a leader is to keep the lines open and keep power-minded folks from pushing competent ones around.

"The important thing to remember is this: There ain't no Management Heaven. The Original Sinners will grab anything they can and use it for self-interest, rather than the benefit of the group. There will always be another round of them to watch out for.

"What's more, I'm not sure there's really such a thing as 'management.' And I'm not sure that any process which imposes one ego over another ego is ever going to work. We can run a production line by giving out directions and commands. But if we're asking for distinctly human contributions — imagination and creativity — we must combine the goals of the organization with the goals of the people in it.

"The smart manager, then, is a developer of human potential. Maslow felt that not many people were ready to live at the peak of life, so in a sense Eupsychian Management was a despairing statement. Yet what Maslow did get across was that we should strive to utilize each person's resources in a distinctive form.

"If what we're reaching for is an identity of interests, body awareness is a promising entry into this arena. People are more aware of their own health as a resource. Moreover, an employee who takes care of his weight and goes on an exercise plan tends to move on to other masteries, and other models of positive behavior. Next, companies are *supposed* to teach the individual what it means to be creative! A Nobel prize-winning study at the University of Chicago shows that public education is really a small part of our learning system. If you look at the educational efforts of each adult, you'll find that more learning takes place after college than during. I don't find this a negative or a shocking thing. In fact, I think it's exciting to see that education is, indeed, a lifelong process.

"Finally, a Cal Tech study shows that 84% of all people come to a work crisis at age 34 and want to switch their jobs. The important thing is not helping them to make this decision once they are right on top of it. It's creating a place where creativity and physical enrichment are part of the environment, so a person is in touch with his own potential all along."

Will Lewis on The Executive Window: A New View of Corporate Creativity

When Will Lewis was a 29-year-old whiz kid executive for the General Electric Corp., his employer gave him an office in Pittsfield, Ma. and a single task: "Help us plan the construction and placement of a world-wide fleet of Polaris submarines."

Lewis arrived the first day at his new job to discover there was no window in his office. "Here I was trying to imagine a world-wide Polaris fleet and I couldn't even see the parking lot."

"I dreamed of being able to see a bay in Scotland, a port in Florida — all the places I needed to know intimately to envision this fleet. I dreamed of having a window through which I could see anything I wanted to see."

Today that window exists. Lewis has created it for AT&T's new world headquarters in Manhattan. He calls it "the executive window." It's a 19-inch color television set designed to do anything that a library, a sophisticated computer and a cable television can do — provide photos or films, imaginary images, hook-ups with other executives.

Lewis told a Tarrytown audience: "The office most managers work in is vastly underequipped. Its major accessory is the telephone, an invention of the 19th century that extends the range of hearing but ignores the other senses. Next, executives often have access to all the data they want, but no knowledge or understanding. Data is merely the residue of history. An executive should be operating at the level of shared vision. *Tell* somebody about a vision you have, and if you're lucky, they'll understand. But *show* it to them and they'll get excited."

Sadly, Lewis said, "modern" offices tend to anchor their occupants inside hermetically sealed buildings — producing managers who know more about what's going on inside the office than they do in the world outside! It's the outside world, of course, that determines whether the company's products are needed and are successful. Cautioned Lewis: "Most senior officers today are running not on insight but on memory."

He believes we need to equip ourselves with accessories that augment our senses and stimulate our emotions. "Without emotion, there's no energy — none of that out-of-the-blue thinking that leads to creativity. No access to the level from which Einstein got his theory, Shakespeare his sonnets and Beethoven his symphonies. We have to create a conceptual space for minds to *glow in* not just physical space for companies to *grow in*."

Current technology already has the capacity to do much of what Lewis envisions. He concluded: "As we start to help management see better, hear better, understand better, we will enter a new age where technology — far from de-humanizing — will be a major aid to creativity."

The Perennial Peter Drucker

Peter Drucker

No discussion of the expanding role of business is complete without invoking Peter Drucker, management consultant for four decades to the world's top companies and author of more than 12 books on corporate societies. Novelist, musician, and social critic, Drucker has considered such far ranging subjects as avant garde education in pre-war Germany, and the aesthetics of the modern city.

Drucker recently addressed a meeting of the Tarrytown 100 — a group of America's most innovative business executives — and from the important questions raised at this gathering, the Tarrytown Business Tent Show was born. Here is a summary of his remarks.

On Management Style

■ How do you get strong leaders? You must accept the fact that some of the best people are going to leave you. It's very hard to suppress your own ego to the point where you are willing to welcome such a threat, let alone tolerate it!

■ It's important to accept that no two performers are alike. I was trained in music and each time I watched a true performer, I'd think "He can't possibly play that way!" But no one genius can be duplicated. That's a hard lesson for the intuitive manager to recognize: others can come out with an entirely different result and still be just as right as you.

■ In order to innovate you must have only one moveable part. Complicated things don't get done. In 1756 King Frederick of Prussia built the First Army on 22 words of command. It took 16 years of drilling to get things done right and everyone said he chose 21 words too many! The reason to keep it simple is so people have a sense of unity in their jobs. This kind of simplicity is necessary for large organizations, but then it's hard to change them. How to counteract this?

Simple. Make sure you have a few SOB's in your organization who are highly respectable — but who you can't figure out. The time will come when you need them to help you change.

■ Management styles must suit the task at hand. In a situation of common peril, you don't want participatory management, or a boss who is a buddy. Did you ever see a company in bad financial trouble? The ones that turn around seem to require a dictatorial boss. A better word than participation is responsibility.

On Social Responsibility

■ Around the turn of the century, two Americans invented the role of the businessman as social reformer. Andrew Carnegie and Julius Rosenwald of Sears, Roebuck tried to reform society in two different ways. Carnegie contributed heavily to the public library. (As a boy in Devonshire, Carnegie couldn't get into one because he had no shoes!) Rosenwald financed those small, independent organizations called 4H Clubs.

■ Today there's a new social responsibility in business — one that's not like Carnegie's, nor Rosenwald's — but *in* and *through* business itself. The new social responsibility involves civic functions. Firefighting, garbage removal, police departments. These community functions are now being improved with the tools of private enterprise.

■ The real challenge now is helping people understand entrepreneurship. When I was teaching at Bennington, the college tried to attract industry to the town. It brought in a clothes business, and a lithographer's shop. But these efforts failed because the town wanted a textile mill! The public must learn that we can get social jobs done and provide capital formation in many different ways.

■ The worst mistake of American business — and we've paid dearly for it — is that we have raised the wages of the workforce — but we haven't raised its competence. We currently face critical problems in retraining and in social dislocation that are not being responded to in the main educational system.

■ In 1946 we came out of World War II with 3% of the American labor force still on the farm. The new mobile workforce had no fear as they went in search of higher paying jobs. Today a much smaller percentage will move to more lucrative positions. This means we are also dealing with a fundamental shift in expectations.

■ The greatest challenge to the business community is to develop a new economy — one with private enterprise participating to solve the problems of the public sector. Thus entrepreneurs can enrich society and help secure the bottom line for a higher moral vision. Social innovations must support themselves and be run efficiently: you can't do good unless you can do well.

TIP™ Analysis

Name

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	100%	33%	33%	33%

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QUANTUM MANAGEMENT SYSTEMS

LASER MANAGEMENT SYSTEMS

ACTION GROUP GUIDELINES FOR MANAGERS

We recommend the following:

That you:

1. Meet three times per week (no less than twice per week).

2. No more than 12 members per group (no less than 2 members).

8-12	1 1/2 HOURS
5-7	1 HOUR
2-4	30 MINUTES

   *Ideal group has 6-8 members.

3. Conduct *Action Group* for a period of 6 months (no less than 90 days).

4. Set your minimum standard of production to 1 inception in the first 90 days; 1 inception per month or 3 per quarter thereafter.

5. Have no part timers in *Action Group*.

6. Invite/require only new licensees and/or agents who are below the declared production standard to participate.

7. Insure the standards for *Action Groups* are on the foundation and clearly understood by the participants.

8. Hold a one on one interview with new members to put them on foundation. Be certain that there are no questions about the foundation. Give them a brief experience of what to expect (use the one on one as an orientation).

9. At the interview, be certain that participants have their calenders available and the appropriate dates are worked out for the duration of the *Action Group*.

10. Keep *Action Group* topics relevant to the participant's production.

LASER MANAGEMENT SYSTEMS

ACTION GROUP FOUNDATION

THE *ACTION GROUP* IS DESIGNED TO HELP YOU BECOME PRODUCTIVE IN A MINIMUM OF SIX MONTHS.

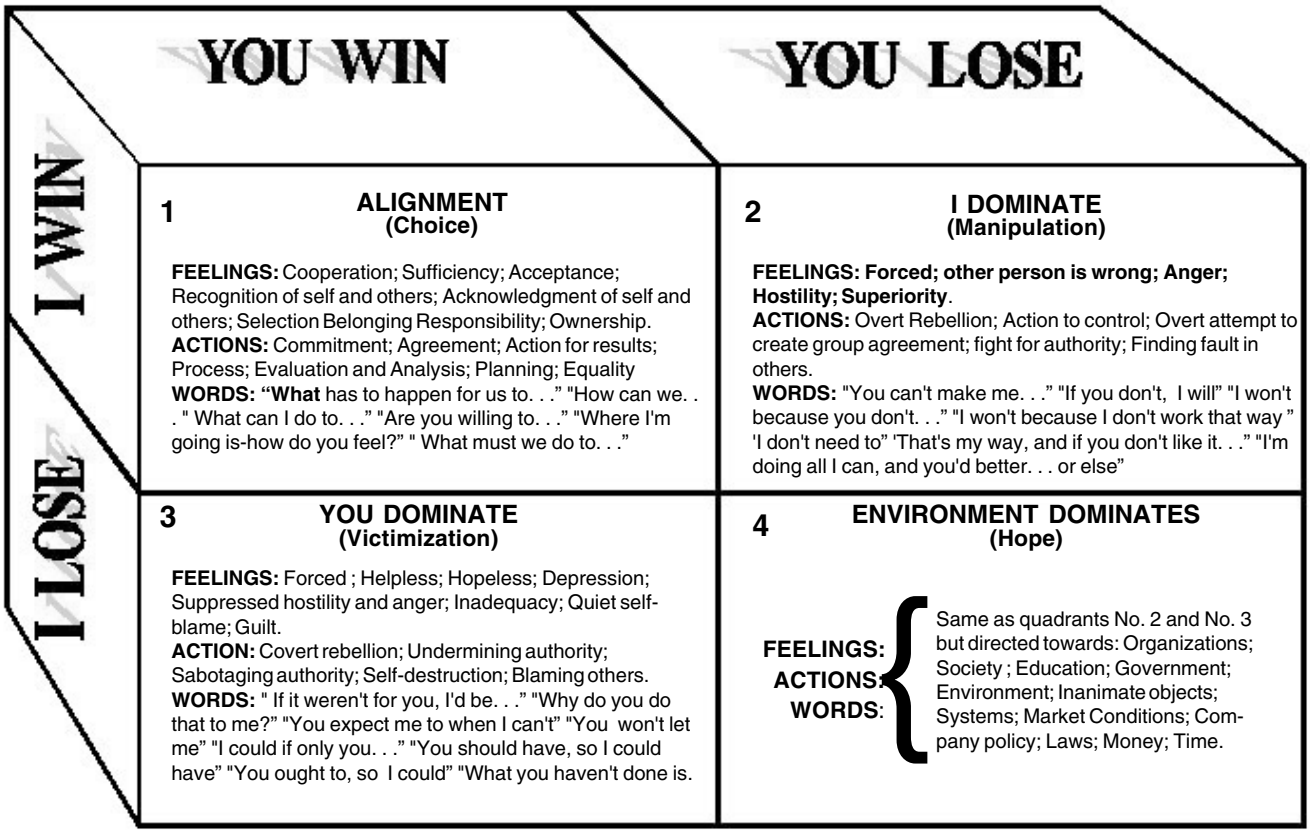
YOUR PARTICIPATION IN THE PROGRAM REQUIRES THE FOLLOWING:

1. Attendance to each and every session.
2. Missing ___ sessions in a three month period, participant chooses to leave the company.
3. Attendance on time to each *Action Group* session; Being late three times is the equivalent of one miss.
4. No smoking in *Action Group* sessions.
5. Making commitments to specific action arising out of each *Action Group* session.
6. No telephone calls or interruptions during *Action Group* session.
7. Remaining in the room for the duration of each *Action Group* session.
8. Conversation during action sessions to be limited to those between the facilitator and participants only — no subsidiary conversations.
9. The content of the program is a private and confidential matter between you and the group. All materials, forms, concepts and conversations shall be kept strictly confidential
10. An agreement that as a condition of my association with_____ (broker) I agree to participate in this *Action Group* and acknowledge the declared minimum production standard (i.e._____).
11. An agreement to apply the concepts and to come to each *Action Group* session fully prepared with my past and future commitments in writing.

I understand that I am responsible for the value I receive out of my participation in the *Action Group*.

LASER MANAGEMENT SYSTEMS

THE WIN WIN MATRIX

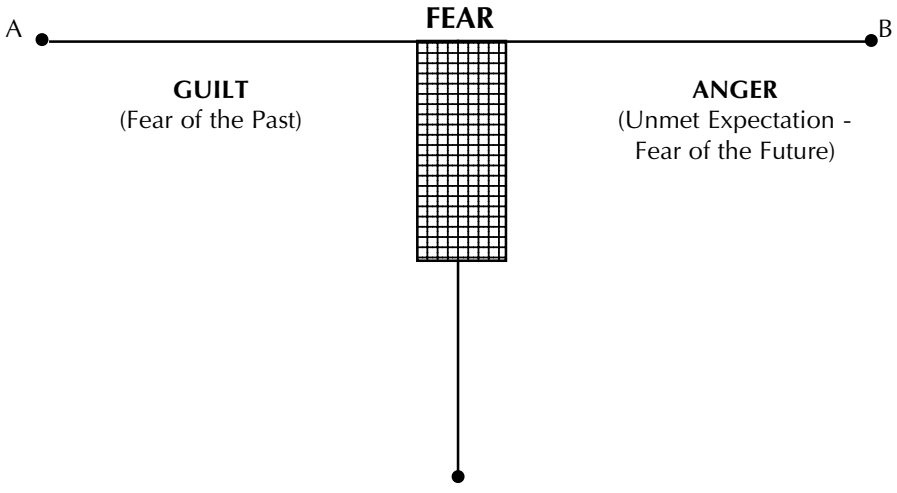


LASER MANAGEMENT SYSTEMS

SEVEN STEPS OF ACCOUNTABILITY

SEVEN STEPS OF ACCOUNTABILITY	PURPOSE
1. Did you make a commitment?	To cause alignment
2. Did you keep your commitment?	To tell the truth
3. What got in the way?	To isolate the block
4. Could you have kept the commitment?	To take control (Answer is always "yes")
5. What would have had to happen?	To take responsibility (Answer always starts with "I")
6. What are you feeling now?	To cause Forgiveness / Create value
7. What is the lesson?	To renew vision/ inspire

Would you like to recommit or abandon the commitment?



PROBLEM DISASSOCIATION

EXAMPLE:

Agent does not meet quota and refuses to hold an open house

Before attempting to "handle" the problem be sure that you are clear as to the standard involved.

Use the following language to "Empower the Solution":

1. What do YOU have to do...?
2. What will YOU need to do...?
3. What will YOU need to know...?
4. What would YOU suggest...?
5. What do YOU think might (work, solve, cause)... to happen?
6. What has to happen in order for... to happen?
7. What can YOU do in order for ... to be (resolved, solved, concluded, put together, handled)?
8. Given that we are (not going to, not ready to etc.) (what could YOU do, how are YOU, how could YOU)...?

EXAMPLE:

Agent refuses to be held accountable during action group

LANGUAGE:

1. What you are doing is not working for me or for the group.
2. I understand how you feel.
3. What has to happen for you to participate with us?
4. What can we as a group do to support you? What will you need to do in order for it to work for you?

Identify the issue. Create alignment, not control.

Use foundation as last resort. Use *FEEL, FELT, FOUND.*

Language:

What is it that is not working for you?
Are you willing to have it work?
What will you need to do in order to have it work for you?
What can I (we) do to support you?
What has to happen for us to be supporting of you?
What has to happen for you to be willing to be supported by us?

ACTION GROUPS
EXTENDED NOTES

1. If you find an agent who is highly resistant to the foundation, release them immediately from the Action Group.

REMEMBER: You only put people in Action Group that you are willing to let go. So what do you have to lose?

LANGUAGE: "It wounds to me like you don't want to be here. I really want you to be where you want to be. It's okay that you're not here."

2. If anyone puts you, the Action Group, or other members "down," handle it in front of the group.

LANGUAGE: "Have you been making the amount of money you have been wanting to so far?

"I'll tell you what I do - I listen to anyone - but the only language in business is results. When you're making it, then what you have to say will be more meaningful."

3. Spend a lot of time on foundation. Allow uncomfortable feelings to emerge. Tell them that this is appropriate.

LANGUAGE: "If you're uncomfortable now, it's going to get worse."

"Avoiding being uncomfortable is what causes you to be ineffective in commission sales."

4. The foundation is designed to bring up resistance, so stay with the process for as long as it takes to be complete.

LANGUAGE: "This may take all of your time - it is important that you agree to this foundation and that we operate from this foundation. And we'll stay here as long as it takes."

Questions that Support the Process

1. What would have to happen...?
2. Where else in your life is this happening?
3. What is your communication to the group?
4. What is underneath that...?
5. So, what experience are you committed to?
6. What does this symbolize?
7. When do you want it to change?
8. What would you have to know to make it different?
9. What do you need to say?
10. Can you let it go?
11. Who made that decision?
12. Who can redecide?
13. Who has control?
14. What's the truth?
15. Who do you need to talk to?

ACTION GROUP ACTIVITY SHEET

Agent: _____ Branch: _____

Activities → Contacts → Appointments → Results → Mastery

ACTIVITIES			CONTACTS			APPOINTMENTS			RESULTS		
	Committ Date	Compl. Date		Committ Date	Compl. Date		Committ Date	Compl. Date		Committ Date	Compl. Date

QUANTUM MANAGEMENT SYSTEMS

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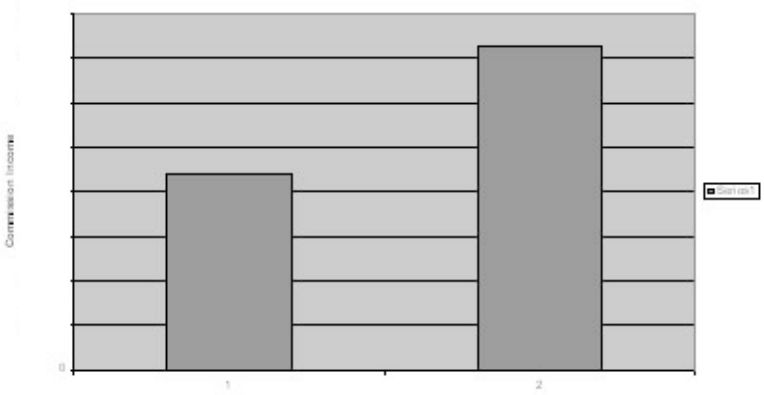
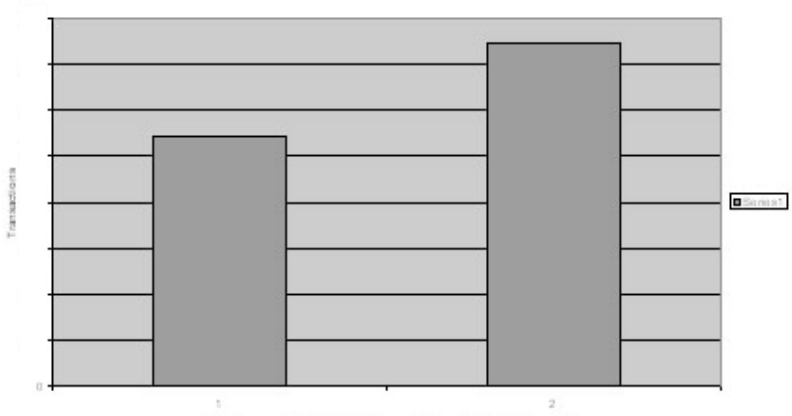
Audit Analysis of 85 Participants for Six Months Prior and Six Month Following Participation In Quantum's S.E.L.L.™ Training

Before S.E.L.L.™ vs. After S.E.L.L. Commission Income
Increase Over the Previous Period is 164.6%



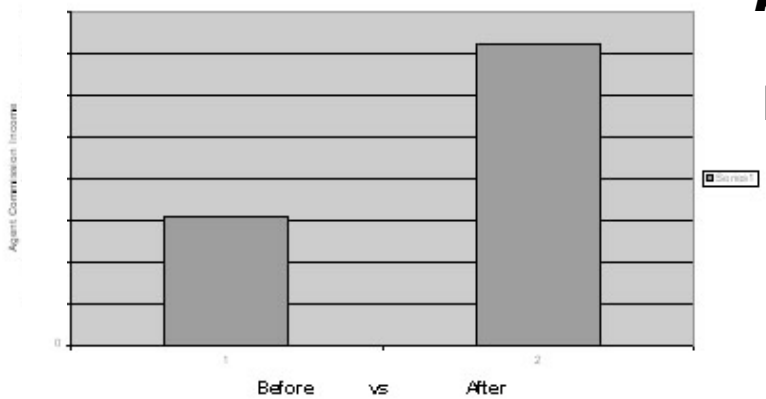
Before S.E.L.L.™ vs. After S.E.L.L.

Before Vs. After S.E.L.L Transaction Analysis
Increase Over the Previous Perion is 135.8%



Before S.E.L.L.™ vs. After S.E.L.L.™

Masters™ Group Average Increase
In Production Income
Increase Over the Previous Period is 232.6%



Before vs After

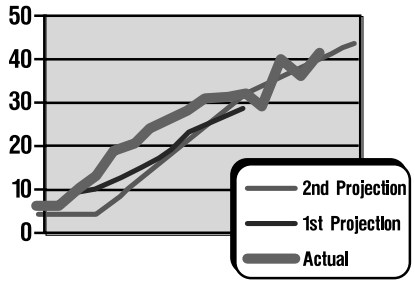
Audit Analysis of 18 Participants for Six Months Prior and Six Month Following Participation In Quantum's Masters™ Training

Myth #1

Revolving Door Theory

A Case Study

Number of Associates by Month



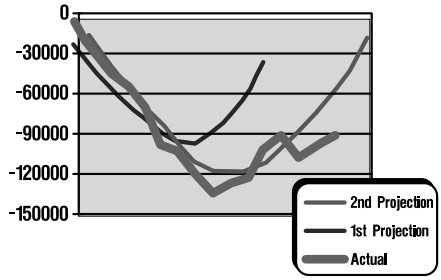
Situation:

Managers recruit until they "think" they are full, believing they don't want to artificially create turn over or have a revolving door. Recruiting typically takes 4-6 months lead-time; 4-6 months for agent productivity; 1 1/2-3 months for closing: 10-15 months for a return on investment.

Observation:

In this real situation the manager recruited better than projected. Around February-March, he made a decision that he was "full", stopped and lost his momentum. We held a meeting with him in May pointing out concern and predicted a minimum of 6 months in lost revenue and an equal shift in the break-even phase. He adamantly denied saying we would not see this. He asserted that he was substantially ahead of schedule; he needed to take care of the people he had so they wouldn't leave. They left! He went back to recruiting aggressively.

Profitability Cumulative to Date



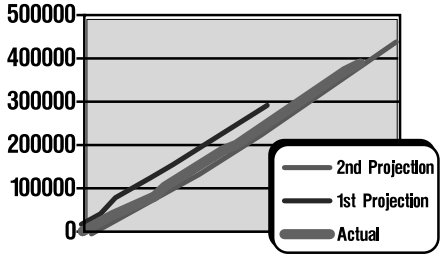
Situation:

This represents money involved in a new, start-up office, from day 1 until all invested money is recovered. Break-even occurs at the bottom of the curve. Break-even for the office occurs when the invested money is recovered. There were two projections by the manager. The first was the manager on his own. The second, more conservative, occurred after we had "couched" the manager on what we felt to be more accurate assumption.

Observation:

The manager was very competent and dedicated. We consider him to be an excellent manager who simply made a single error in his decision. His decision created what is called a phase shift. The best he could do given this phase shift was to recover 6-7 months later. Notice the illusion of current positive performance in February and March justified a bad decision.

Total Expenses Cumulative to Date



Situation:

The other variable this could cause profits to shift is expenses (the market remained the same).

Observation:

Barring increases in expenses and a shift in the market, we must look to number of agents & recruiting. It is interesting to notice how well expenses are forecast in 1-2 to actual.

"I Will Get My Organization to be a High Performance Organization by Doing What High Performance Organizations do."

A Case Study

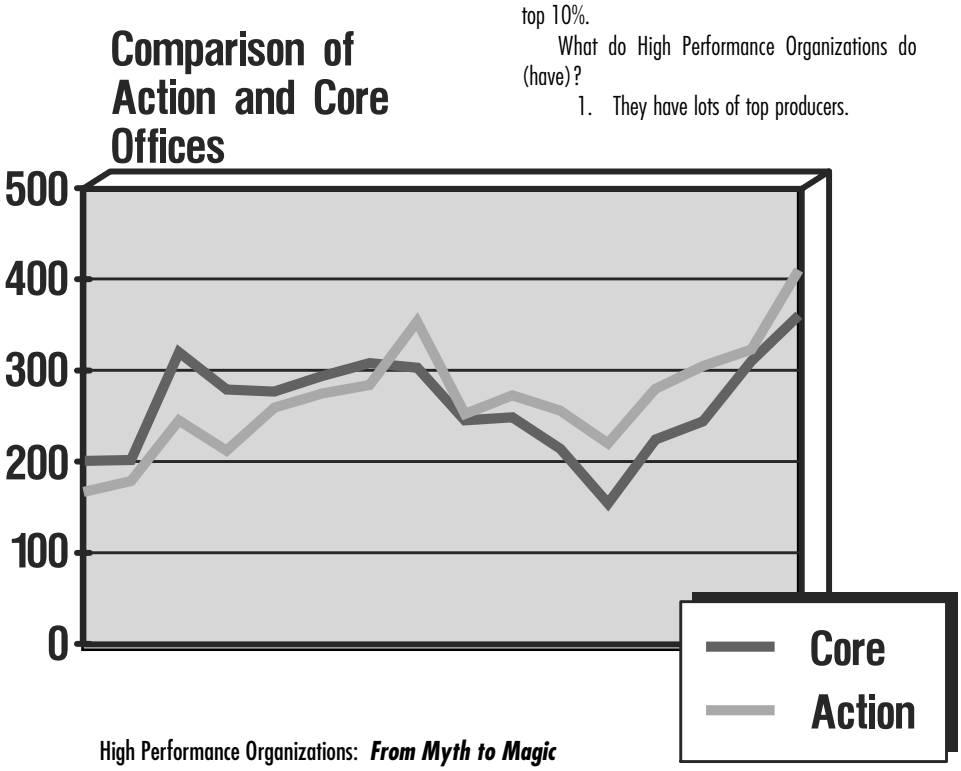
What keeps marginal offices marginal is a faulty perception of what "makes" an organization extraordinary. All High Performance Organization are observed "after" they already are.

Using a High Performance Organization as a model is like studying race car driving by looking at a photo of Mario Andretti crossing the finish line.

By the time we model a High Performance Organization we are attempting to do what they do when they are in the top 10% of organizations; not what they did when they were in the bottom 10% moving toward the top 10%.

What do High Performance Organizations do (have)?

1. They have lots of top producers.
2. Their top producers stay
3. People want to join them. (Recruiting is Easy; lots of core producers)
4. They create excellent work environments; good space; nice furniture; people have fun.
5. The manager seems to take time off with no serious consequence to the business.



So how are High Performance Organizations created?

Exactly that! They are created..developed..they are organic..they grow. You don't handle a mature flower the way you do a seedling. They are cultivated.

High Performance Organizations have the culture of High Performance. This culture reflects the ideals, values..the standards of the manager. Managers are leaders setting pace and the quality of the environment.

So what is Leadership? What do leaders do? In the graph to the left two groups are represented. They are in parallel markets. One group is a top producing group; seasoned managers; leaders in their markets. The other group is a group we worked with in applying the principles of Laser Management. Work with this group actually began seven months earlier than the graph shows.

The two groups totalled eighteen offices. The second group exceeded, and continued to outperform the first group.

Leaders:

1) Have a clear vision of how things can/will be.
2) Set minimum performance standards reflecting that vision.
3) Recruit individuals who share and reflect these standards and visions.
4) Let go of people who need to go; "makes the tough decisions"
5) Stimulate and encourage personal growth and individual expression.

WE SOLD 9 OUT OF 11 HOMES WITH

QUANTUM HOME TOURS™

EXCLUSIVELY BY COLDWELL BANKER CERTIFIED AGENTS

AIRAPETIAN

ANA HATAMIAN

The Quantum Home Tour™ is a unique marketing event designed to sell homes quickly and at top market value.

Each of these elite agents has completed months of extensive training in this technique, and the results are amazing!

Our team held Eleven Quantum Home Tours™ in Glendale and **SOLD** Nine of those homes, a a direct result of this remarkable marketing event.

Only the agents pictured here are licensed to use the Quantum Home Tour™. Call today or visit one of our Quantum Open Houses this weekend for your free consultation!

SUE UTADACHE

VIVIAN AL

PANCHIAN

ARAM DJAGHARBEKIAN

RENEE THORPE

SOSI PARSE

JUE

BERT EATON

PAT TSENG

RAFFY MARG

CLOVE

CAROL TAMERIUS

MICHELLE SIRGY

MIKE SIMI

E STOKELY

GEORGE GHARIBIANS

KAY SHANK

KENDYL YOUNG

KIM MACDONALD

KIP BARKER

LORING GR

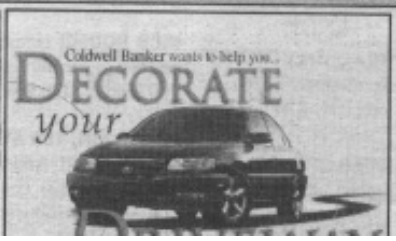
Quantum Home Tours™

Open Saturday September 27, and Sunday, September 28, 12PM - 5PM

OUR OPEN HOUSES ARE DECORATED WITH CADILLACS. VISIT AND WIN!!!

, LA CANADA $599,000
completely remodeled & 1.75BAs, gourmet

1339 E. MOUNTAIN, GLENDALE $449,000
Charming 2 story traditional home, prime location, excellent floor plan, curb appeal



3426 HOLLYDALE DRIVE $198,000
(ATWATER VILLAGE) For a big family,

1800 CLEVELAND ROAD
(GLENDALE) Corner lot gre

BEA JUE
Executive Sales Director

Are you planning to sell in 1997?

CALL *BEA JUE*

Executive Sales Director Top 1% of Southern California

Evenings: (818) 790-0222

Coldwell Banker

901 W. Glenoaks Blvd., Glendale, CA 91202 **(818) 956-3322**

KENDYL

"QUANTUM HOME TOUR"

1-5 p.m.

Sat. & Sun

BEA JUE & KENDYL JUE-YOUNG ARE LICENSED QUANTUM HOME TOUR™ AGENTS

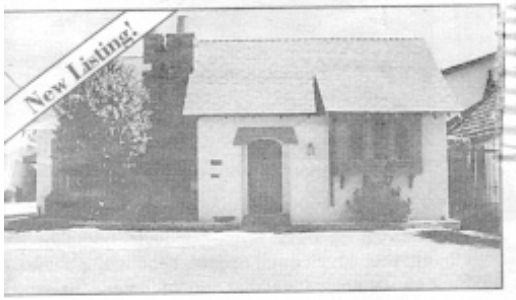
The Quantum Home Tour™ is a unique marketing event designed to sell homes quickly. Bea and Kendyl have held four Quantum Home Tours in Glendale recently, and three homes sold within one week as a direct result of this remarkable marketing event.

Bea and Kendyl have received extensive training in the technique that makes this event effective and are part of an elite group of agents licensed to use this trademarked marketing tool.

A fifth Quantum Home Tour™ is scheduled for Saturday & Sunday, April 19 & 20, from 1 to 5 p.m. at 1720 Chevy Knoll Drive in Glendale. All prospective buyers and sellers are cordially invited.

1720 Chevy Knoll Dr., Glendal

This 3 bedroom, 2.5 bath, private home Chevy Chase Country Club area. 211 floor plan that is perfect for family livi ing. Large eat in kitchen with half bath, 4th BR, and easy care yard/patio side ya



Glendale **$309,000**

Prime Rossmoyne area Traditional 3 bedroom, 1.75 bath. Impressive open beam living room ceiling, hardwood floors, leaded diamond pane windows. Formal dining room, spacious family room, newer roof and walking distance to park.

Burbank

Tri level townhouse in prime area ne bedrooms, 3 baths, well laid out. master bedroom with cathedral cei room has a wet bar and balcony. attached 2 car garage. Charming com

Los Angeles **$152,000**

Cute starter home. Spanish style home in immaculate condition and nicely decorated. 2 bedrooms, 1 bath, gleaming hardwood floors, high ceilings,remodeled bath. Great floor plan, neat and bright!

Los Angeles

Great twelve plex in Los Angeles Terrific rental area. $82,039 G.S.I. er roof, exterior paint and low maint

Daily Work Planner

Commitments today	Goal This Month	Long Term

Deductible Expenses	Amount	
	$	$ To Date
	$	$ Mo.
	$	$ Yr.

Scheduled Activities

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10:00	

Rank	Unscheduled Activities	Done

Rank	Unscheduled Phone Calls	Nos.	Done

Weekly Schedule

AGENT NAME: _____ WEEK BEGINS: _____

OFFICE: _____

SUMMARY OF LAST WEEK:

# of Open Houses_____ #Leads_____ #Drop by_____#Probes_____ #Write offer _____#Open Escrows_____ # Closed Escrows_____

TIP ANALYSIS: #T_____%P_____%I_____%N_____Avg. Hrs. Day_____Avg. N hrs Day_____

Date	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
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9:00							

	Client/Phone	Type	Day	Time	Next Step	Day	Time	Next Step
1								
2								
3								
4								
5								
6								
7								
8								

	Scheduled Open House Addresses	Date	Time
1			
2			
3			

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QUANTUM MANAGEMENT SYSTEMS

TIP™ Analysis

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16				
		I=	P=	N= (N=T -[I+P])
		I= %	P= %	N= %
	100%	33%	33%	33%

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