

DETERMINING The One Thing

BY TOM WENTZ

The chairman joined the group after lunch.
While everyone was surprised to see him,
they all seemed comfortable with him in the meeting.

I invited him to tell everyone why he was present. His comments were brief but very specific about taking their businesses to the “next level.”

After several questions from the group to the chairman, I said, “Before we move on with *visualize*, *enroll* and *align*, are there any concerns that were developed over lunch or from our morning session?”

Russ had been quiet all morning and I could tell that there was something very significant emerging within him. He volunteered, “We are all presidents. We are all smart, intelligent people with successful credentials. We’ve attended many meetings that tell us to take it to the next level and our people have no capability to step it up and achieve that kind of performance.”

He paused in a very contemplative way. “I have a board of advisors who are smart, intelligent business people. Many are presidents of their own companies.” Once again he paused. “We had a rep council meeting a month ago and most of the reps are presidents of their own firms. They are all smart, intelligent people.”

Bob wanted to talk but Russ motioned for him to wait as he finished his thought. “I’m on the board of

our Chamber of Commerce and many of the members are presidents — expressly selected for their insight and ability to guide and direct our community — and at every meeting of all these highly intelligent and successful business people we always talk about taking something to the next level.”

He paused, still not finished. “In our city we’ve spent a fortune — millions — on outside consulting firms to tell us what that next level is. We’ve had 10 marketing slogans in 10 years and economic development is still way behind other cities. I’ve been in next-level meetings 20 times before. We are always searching for the elusive next level — and here is my concern: I know it exists, but I’m not sure how to define it or how to lead my people to go there.”

He still wasn’t finished. “Some of the presidents I’ve mentioned are really hard to tolerate. Some argue that we are doing things all wrong and they know how to fix it. We have several on our rep council who pretend to have all the answers. Their solutions are always about some exclusive product feature or more money for them. In almost every case their market share is declining and our mind share with them has been diluted by extraneous stuff.”



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Taking it to the Next Level

He looked at the chairman and said, “You were at the national sales meeting where we talked about taking it to the next level. We told the salespeople that we needed to be more aggressive and more determined to get into new accounts now that the recession seems to be over.”

Once again Bob wanted to intervene but I motioned for him to wait. Russ shook his head and finished by saying, “Why do all these meetings end and nothing changes? Why do all these smart, intelligent people not have the solutions — sorry — innovative approaches — to the problems that plague us? In our city we benchmarked six other cities and decided to do nothing they had done. It just didn’t apply to our situation. You talk about ‘A,’ ‘B’ and ‘C’ companies and there are days I wish we could be just a good ‘B.’ To think there is a next level when we haven’t even mastered the current level is almost insane.

He paused and finished by saying, “What am I missing? If I tell my reps they need to be proactive, they’d laugh at us. We can’t even master reacting. Can you feel my frustration about *next level mania* when we don’t have the talent to go there? I’d have to fire everyone — including myself.”

“Russ, thank you for telling the truth about the life of a president.” I paused as I could see others pulsating with a similar reality.

“Gentlemen, I’m going to give you a very simple yet very accurate answer to Russ’s question.” I paused as several people were at the coffee bar and I wanted them all to be focused on this answer. “The one thing — and the single thing to grasp is that the next level can not be *solved* into existence. The next level is not a problem to solve — it is a future to create.”

“The next level in your business, your golf game or in your life cannot be attained until you change the underlying structure that defines the current level. You’ve likely never been coached from a structural perspective. Russ, everything you described in almost every circumstance, your city, your rep council and likely your company is all about solving the problems within current reality.”

I paused, picked up a marker and moved toward the flip chart. “Cities that you’ve benchmarked have created

a new reality. Almost every benchmarking team is initially formed to solve a problem. Most consulting firms are massive problem solving entities. They have acquired their consulting expertise by having solved similar problems in other organizations.”

I paused and asked them to open their handout to the pages that showed the structural awareness technology from my book *Transformational Change*. Russ, let me start by revealing the underlying structure of your comments that prevents organizations of all kinds from ascending to the next level.”

As people were turning the pages, I said, “Russ, before we look at that page, let me assure you that you do not need to fire anyone, including yourself. Your people have all the potential and ability to go to the next level. You’ll need to put them in a creating orientation initially for only one hour a week.”

Russ could not hold back and said, “You don’t know some of my people. Some are a royal pain in the ---.”

“Russ, recall how you told your sales reps that they needed to be more aggressive and more determined to get into new accounts. The word *more* is the primary gateway to the problem solving structure. You cannot do more of the same and get next level results.”

Bob said, “That’s insanity, right?”

I could see Russ flinch as he thought Bob had challenged his intelligence in front of the chairman. “Russ, structural awareness always seems to confront the intelligence from the past and it often invites an argument.”

More Aggressive and Determined

I paused and Bob confirmed that his remark was about his experience with Roger and how it was a universal principle in life for all people. “Russ, you suggested that the chairman was at that meeting and he must have collaborated with you on the more aggressive and more determined scenario. Is that right?” The chairman took two minutes and recounted a very funny story about the stage show they had at that meeting that reinforced the aggressiveness that was needed from the reps.

“Let me give you a vivid example of the fallacy of the problem solving structure reflected by the more determined approach to running a business.”

I asked them to turn to the next page in their handout. “This quote is from page one of the 2004 Annual Report of General Motors.”

“We’re on the right road.

Our cars and trucks are getting better all the time. Our quality is now back among the best in the industry. We’re stronger and more globally integrated than ever.

“But it’s not enough.

The world is not standing still while we improve. We have to be faster. Bolder. Better. With our hands firmly guiding the wheel and eyes focused confidently on the road ahead, that’s what we’re determined to do.”

“Notice the focus on “more” and “er” and “determination” to pursue “enough.” They were invested in perfecting the Titanic — running the *organization of the business* with more determination. They were not focused on transforming the *business of the business*. Note how they were yelling at their people by shouting the phrase, “not enough!”

“The problem solving mind-set continued unabated for the next two years. Note the quote by Rick Wagoner from the front cover of *Fortune Magazine*, February 20, 2006:

“It is the instinctive wish of most business people that General Motors not go bankrupt. The company remains so central to the economy, so sprawling in its

reach, that going into Chapter 11 would be ominous almost beyond contemplation. And yet the evidence points, with increasing certitude, to bankruptcy. ‘I know that things will turn around,’ says Rick Wagoner, GM’s chairman and CEO. But he cannot know that. And deep down, he may not believe it.”

“This is not to demean Mr. Wagoner, but note how he was confident that ‘things’ will turn around. Things? What things? This simply reflects a lack of vision on his part.”

They were reading the statement and I could see that structural awareness was beginning to make sense. “From that same article note the following quote and how they were focused on solving the problems within current reality.”

“Perhaps most important for cost cutting at GM, Wagoner has just put a renowned chopper ‘Fritz’ Henderson into the job of CFO. He is known as Chainsaw Fritz. He considers cost cutting an unending battle and approvingly (justifies his actions) by citing the ‘continuous improvement’ culture of Toyota. Henderson scoffs at the claim that GM is blind to the depth of its trouble. ‘I’m in crisis mode and have been for years.’

“In all that GM is doing, there is bleak awareness that no companies have ever turned around because of cost cutting alone.”

“Gentlemen, General Motors had benchmarked Toyota many times. We all know the end of this story. Unend-

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ing battles and unrelenting cost cutting and yelling at the people and pretending to copy what they could actually see at Toyota and a crisis mode for years — makes you sick to think about what could have been done if they understood the structural approach to change. Russ, is this the kind of dialogue you’ve experienced in all of those meetings about the next level that never works?”

Russ, in an almost stunned response said, “We benchmarked every city that had high levels of economic development going on. We could not implement anything we saw. We yelled at our reps and cut their commissions. It doesn’t matter, that says it all.”

Bob quietly said, “It looks like no one was willing to challenge the Chopper.”

That brought a laugh from the group and gave me the opportunity to focus the group on the main agenda for the afternoon session.

“Turn with me to the next page of your handout.” On that page was the following quote by Dee Hock from page 264 of his book *One From Many*.

“In a strange way, is every organization (President) the same? Do they have a giant they refuse to acknowledge that accompanies them everywhere they go? Is their giant the mechanistic, industrial age concepts of organization and management? No matter how much we shuffle control and responsibility back and forth from one industrial age form of organization to another — government or private enterprise, democracy of socialism, monarchy or republic, planned economy or free market national or municipal government nonprofit and for-profit — our social and environmental problems continue to escalate. No matter how we try to solve them with industrial age techniques, the problems reemerge in different forms and dress, more complex and virulent than ever.”

I paused to let the group digest Dee’s question.

“Something is deeply, fundamentally wrong. No matter how many technological miracles we perform, no matter how sophisticated the virtual worlds we create, no matter how many atoms we crack, no matter how much genetic code we splice, no matter how many space probes we launch, no matter how strenuously we try to suppress our problems with industrial age techniques, things grow progressively worse.”

I then asked Russ to read the following paragraph.

“In truth, there are no problems ‘out there.’ And there are no experts ‘out there’ who can solve them if

“We can’t go into space using the design concept of a jet plane.”

there were. The problem is ‘in here,’ in the consciousness of you and me, in the depths of the collective consciousness of the species.”

I asked everyone to write in the words *smart* and *intelligence* where it said “in here” and then asked Bob to read the next paragraph.

“When our consciousness begins to understand and grapple with the destructive industrial age concepts of organizations and management practices to which it clings: when it is willing to risk loosening the hold of those concepts and the lust to control they inevitably bring: when it is willing to embrace new possibilities: when those possibilities engage the mind and spirit of enough people, then and only then will new patterns of organization emerge, ripe with hope and rich with possibilities. At bottom, it is a wrong concept of organization and leadership based on a false metaphor with which we must deal. Until we do, the problems that crush the young and make grown people cry will grow progressively worse.”

Carlos said, “Sounds like we’re doomed.”

That comment broke the seriousness of the situation. I said, “Note the key thought; *“It is a wrong concept of organization and leadership based on a false metaphor with which we must deal.”*”

I paused and then suggested, “Next level thinking and performance are possible in every business but it requires that we stop solving the problems within the *organization of the business* and start creating a new *business of the business*.”

The Chairman asked, “Is that what entrepreneurs do? We’ve tried to be entrepreneurial in many ways and it hasn’t worked.”

“That is a great example. In the beginning of their business, entrepreneurs are creating. Many continue in that orientation. Those who fail shift to the problem-solving mode, and the *not enough game* eats them alive.”

The chairman asked, “How do you lead people to the next level if they are programmed only to ‘get done’ every day. You know, those who quickly vanish at five o’clock?”

I paused and they were intently listening. “That’s a great question. Let me give you the structural reality for your people.”

I asked them to turn the page in their handout where the following explanation was written.

“The false metaphor within the Industrial Age business model is that ‘things’ can be made to be anthropomorphic, that people who are treated like things and costs to be reduced or eliminated will think and act like humans and care about customers or really care about your business.”

“This will seem very academic at first, but it is an accurate structural explanation.”

Carlos asked, “Who said this?”

I said, “I made it up from all the reading I’ve done.”

Carlos said, “I have a lot of people who really care about our business but there are some departments who don’t. My HR people are trying to find solutions ...” He caught himself and said, “It’s really easy to talk about problems, isn’t it?”

“In the Industrial Age business model the problem solving terminology is generic. Recall how Russ said earlier that he cut the commission of his reps? To many companies their reps pose a cost-of-sales problem. Yes, they have rep council meetings to improve relationships. I facilitated a meeting recently where the agenda was to create a partnership with the reps. It ended in *not enough* arguments about selling direct and reduced commission rates. Both sides accused the other of being the problem.”

The chairman was now very engaged and told the group to “let go” of fear of talking about the truth of structural level awareness. He then asked for more examples of structural design.

“We need to have the right concept for designing the organization. We can’t go into space using the design concept of a jet plane. A rocket has a totally different design concept. A professional golf swing has a totally different design concept than the amateur swing. The structural design of an ‘A’ company is not a linear extension of a ‘B’.”

I then turned to Russ and said, “Russ, all the presidents you’ve mentioned have very honorable motives but they are relying on their ‘in here’ intelligence, and that intelligence is grounded in the Industrial Age concept of organizational design. That design concept has been perfected and everyone is determined to oscillate within that design concept to make things more efficient and more effective. Look at the comment by Chopper Fritz— “An

“We need to simply release the inherent creative potential that resides within all your people.”

unending battle of cost cutting and continuous improvement” — all the way to bankruptcy.”

The new awareness of Russ suddenly emerged. He asked the right question, “What is the next level called? I need something more than, the next level.”

I thought to myself, Wow — he is finally asking the right question. “Dee calls it the Chaordic Age.”

Bob joked, “Beyond Roger and ahead of China?”

Justin said, “We’ve been calling it the Information Age for 10 years now, it has caused my company to spend millions on information technology and as Mr. Hock said, I still have all the problems.”

The chairman, in his contemplative manner, asked, “Tom, what do you call it?”

I waited a moment and then said, “I call it the *Energy Age*. Another way to think of energy is the release of intrinsic human creative energy to create.”

I let that thought sink in and quickly said, “All of your people have creative ability. That is why you hired them. All that is needed now is to *allow them, not make them*, to use their creativity to create.” Once again I paused as many people think of creativity as the same thing as the act of creating.

An Energy Age Thought

“Everything we want and don’t have today will come from a new *energy field* that resides within the people you already employ if they are allowed to use their intrinsic creative talents to be creating, not problem solving.”

I could see some resistance to the Energy Age thought. “I’m not talking about having a national energy policy that you hear in the political debates. We need to simply release the inherent creative potential that resides within all your people.”

Russ asked, “Do you mean empowerment? We all tried that and it didn’t work.”

“Russ, that is a good question, but creating and empowerment are not the same thing.”

I had purchased Dee’s book *One From Many* for everyone and was waiting for the appropriate time to pass it out. I asked them to open to Chapter Twelve, entitled “Quite Ordinary People.” We began to read on page 169 where it said:

“In the beginning, we had few employees with the

requisite skills, but years of watching ordinary people consistently do extraordinary things when their spirit was challenged and their ingenuity released had given me confidence in the infinite capacity of every individual. In a complex, rapidly changing world, a clear sense of direction, a compelling purpose and powerful beliefs about conduct in pursuit of that purpose, seemed to me infinitely more sensible and robust than mechanical plans, detailed objectives and predetermined outcomes.”

The rest of the story was revealed as the chapter unfolded. It was all about *visualize, enroll and align* and trust that the energy field created by this process would propel his people to create what we know as VISA today.

Before we took a break, I asked them to read Dee’s concluding comment on page 178:

“And we’re going to manage such a society (group of people) with the same old seventeenth-century mechanistic, industrial age concept of organization and management? Not the chance of the snowball in that proverbial hot place.”

I suggested, “Now that we are asking the right question and on the right path to understanding the next level, let’s take a break and when we come back we will accurately define the requirements of the Energy Age.”

After the break, the Energy Age concept took a sharp turn. Brian said, “I don’t buy what Mr. Hock is saying. He was creating a software system. My company makes and sells a lot of industrial products. We serve many highly industrial customers. We have to wear hard hats and safety glasses when we go see customers. Frankly, Tom, I’m really tired of the social media stuff and the constant drum beat about partnerships when all we hear from buyers — you know those purchasing guys — is lower costs and faster deliveries.”

Of the 14 presidents, there were about seven who were in total agreement with Brian. I said, “Gentlemen, I feel your frustration. The advent of a new Age is independent of the type of content within the Age. The Industrial Age did not make agriculture go away.”

I paused to be sure they were focused on my next comment. “Playing golf at the next level is still about golf.

Playing the Energy Age game does not make the Industrial Age products and factories go away. It simply changes the rules of the game within the factories. It changes the *business of the business* within the factories.”

The chairman asked, “What was the energy field within the Industrial Age business model?”

“The energy field within the Industrial Age game was based on the *economics of diminishing returns*. This concept would lead you to design your entire organization to get enough as there isn’t enough to go around for all who want enough. The *world of scarcity* design concept is a frantic design concept. It puts you “at war” with almost every entity outside of your organization. It would be the primary reason you’d have conflict with your reps. As you recall, your mind share was declining — it is not *enough*.”

The chairman said, “We could get really sick of the word *enough*.”

I said, “It is an addiction of massive proportions. Note how the General Motors executives are shouting **“It’s not enough.”** This set them up to play a game that they could never win. Playing the *not enough* game sets you up to be a president who can never succeed. You’ll aggressively play that game in order to retain control, but it keeps you chained to the current level and you can’t go on to the next level because the current level will never achieve *enough*.”

Bob joked, “Sounds like Roger.”

Brian argued for a moment, then I asked, “Brian, have you ever heard the question, *“What have you done for me lately?”*”

The chairman had told me that that was Brian’s favorite phrase in working with his people. “Brian, that question is a massive control mechanism for many leaders. When they confront people with that question, they sap the energy from those who have actually performed miracles in the recent past.”

This sparked a rather exhausting debate about the reality within almost all of their companies. I said, “It is in every city, every school system and in November we are going to elect a president who is determined, as the General Motors executives were determined, to solve the problems of *not enough* in our economy.”

“Gentlemen, there are times that we need to get really sick of the old game before we will even acknowledge that there is a next level game. Let me assure you that there is a next level and it is here and being executed by many companies and cities today. It is not an oscillation within the Industrial Age design concept, it is not a new lean manufacturing strategy, it is not a six sigma solution to a problem, it is not a social media revolution, it is none of the above — it is a totally new and different organizational design concept — one that is designed, as Dee suggests,



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to execute the *purpose* of the business, not one designed to execute mechanical plans and detailed objectives.”

I paused and said, “It is the *one thing* that you need to know and orchestrate in order to take your business to the next level.”

Russ asked, “One thing? That sounds too simple. All I’ve ever heard are the seven habits and the 16 steps of how to plan your work and work your plan.”

One Basic Thing

“Yes, there is basically one thing. The energy field of the Industrial Age was based on the economics of diminishing returns. Today’s design concept is based on the concept of *increasing returns*. It is based on the reality of networks not the reality of a maze.”

“Do you mean *Who Moved My Cheese* was wrong?”

I did not see who asked the question as I had my back turned writing on the flip chart. It was Bob. “Bob, there are many very different ways to describe the new next level designs, but the fundamental design concept is to design the organization to execute the *purpose* that legitimizes the existence of every company from the customer’s point of view.”

“I hope it’s not that customer centric-crap again?” It was Steve. He wanted to argue that his “in here” intelligence from the Industrial Age training was still valid.

“Steve, a lot of your Industrial Age intelligence will still be valid. You’ll just need to learn new ways to think about people and customers. The intent of customer-centric thinking was right. The real difference at the next level is that there is no center to a network. A network is infused with energy at all points. It is like the electrical grid that provides the electrical power to our homes and businesses. A customer can access any next level company at any point and feel the energy from any person. They are all aligned to execute the purpose of the business.”

I asked them to turn to page 173 of Dee’s book and we read the quote:

“When everyone could see the picture emerge, they could see how the whole depended on their work and how their work was connected to every other part of the effort. Ingenuity exploded.”

“When the whole is the sum of the parts plus the interrelationship of the parts, everyone is a Master of Real Time.”

Joe stood up and said, “This is exhausting — my head hurts.” He walked over to the coffee bar and said in a rather sarcastic manner, “I, for one, have never done this, and it seems so idealistic. I’m not sure I’d even give it a try. How are we supposed to get to the next level if our smarts are not smart?”

As he returned to his seat, he said, “But this isn’t optional. We have been challenged to master real time by every client we have. They want everything now — not tomorrow — NOW! It’s the way we all must run our businesses today.”

He paused and looked at the chairman. He held up a sophisticated looking binder and said, “My strategic plan is full of detailed objectives. We don’t even use the word *purpose* anywhere in the plan. All we talk about is profit and return on shareholder equity.” He paused for almost ten seconds as he opened the plan and said, “Right here I make the statement that we are determined to”

He paused and looked at the group and said, “And I’ll bet your plans say the same thing because I copied a lot of boiler plate from some of Roger’s plans.”

He again walked to the coffee bar. His self disclosure about his strategic plan seemed to bring a sense of relief to everyone.

I reminded everyone of the old adage, “Joe, *telling the truth will at first make you miserable, but then it will set you free*. We must start the journey to the Energy Age by telling the truth about our own intelligence. We must admit that maybe — just maybe — as you said, our smarts are not smart.”

The exhaustion was universal, so I said. “This is a good place to break, and we’ll take on the *how to* assignment tomorrow morning when our exhaustion has been relieved.”

“Your assignment for tonight is the thought on the next page: It is a thought from a great friend of mine, David McNally, from his book *Eagles*.” It read, “*HOW TO: It is wrong to teach how to soar to an elephant — yet the mother eagle never needs to teach the baby eagles how to soar — and she is very smart.*” 