



PANEL 8
FAST TRACKING YOUR BUSINESS:
Accelerators That Drive Rapid and Soaring Success

Panelists (in order):

Barry Schwartz
Greg Hicks
Herb Cohen
Paul Schoemaker
Tony Jeary
Paul Zane Pilzer

Jay: Welcome everybody, this is Jay Abraham and I'm here with my colleague and partner in interviewing, Rich Schefren. Rich, how are you?

Rich: Very good Jay, glad to be here.

Jay: Good and I'm glad to be here too particularly given today's topic. Today everybody, we have a very eclectic and incomparable topic that I think is going to shake up your thinking really radically. It's called "Fast Tracking Your Business" and the subtitle of this session is "Accelerators that Drive Rapid and Soaring Success."

We have handpicked a collection of experts whose skill sets are extremely uniquely qualified to take someone like yourselves in business at a certain level of progression and literally put you on steroids – put you into growth hormone mode – put you into warp speed, but very, very, very positive warp speed and with that stated, Rich let's introduce the panel members.

Rich: Okay, great. The first panelist is someone I have immense respect for. His name is Barry Schwartz. He's a Professor of Psychology at Swarthmore College. He's written so many books that we won't go into all of them here, but the one that's most relevant for this discussion is called "The Paradox of Choice: Why More is Less." He really wrote it from a perspective about why



the explosion of choices actually hinders performance. It's very applicable, not only to marketing, although it wasn't written from that perspective, but it's applicable to your overall happiness, judgment and making the right decisions in growing your business. So, glad to have him on board.

You can take the next one Jay.

Jay: Okay good. And we have Greg Hicks and Greg is a sleeper. He works quietly, mostly with corporations and his whole focus is literally helping corporations and their key people develop very, very, very low stress, very happy, high trust, high performance cultures, mindsets, attitudes and focus. He's written a couple of really cool books. The ones that I think are most interesting to you will be, "How We Choose to be Happy." He can teach you how to go from misery to ecstasy, from ambivalence to delirious joy with what you're doing, who you're doing it for and the future. His other book that's really interesting is called, "Leader Shock." He's got a concept he's going to talk about which I'm not going to really discuss much now called {inaudible} , but you're going to enjoy his take on the joys of being an entrepreneur and a business owner and leader in ways you've never thought about. Rich?

Rich: Next we have Herb Cohen and I can't express how excited I am about having him on the panel today and primarily because he is really the most renowned and accomplished professional negotiator in the world. He's been doing it for God knows how many years. He set up the FBI hostage negotiation protocol. He was involved in the Iran hostage crisis years ago. He negotiated with the skyjackers. He's represented professional athletes. He's done corporations, individuals. He helped settle the NFL strike. He helped General Motors and Chevy basically do litigation settlements. He's done so much more that we could probably just go on for 45 minutes just talking about all the things that he's negotiated that people are aware of, but to cut it short, he's written two mega important books. Both bestsellers. The first one was, "You Negotiate Anything" that was printed in 35 different languages and it is a constant reference in almost every corporation around the world as far as negotiating. His second book was, "Negotiate This By Caring, But Not That Much." So, it's a real honor and pleasure to have Herb Cohen on the line.



Let me share the next guest too Jay and then I'll hand it back over to you. Our next Panelist is Paul Schoemaker. He's really a very rare expert because he's integrated two different skills and expertise. He is an entrepreneur. He is a prominent Professor of Strategy and Decision Science from the University of Chicago. He's the Founder and Executive Chairman of one of the most respected and specialized consulting and training organizations in the field and what they specialize in is Strategic Management, Executive Development, Multi-media Software. Really where Paul shines above pretty much everyone else in the world is all about decision making. So, a lot of his books have been really along those lines. He wrote, "Decision Traps," "Decision Sciences," "Winning Decisions," "Profiting from Uncertainty," "Peripheral Vision," and another book which was really about where are the lucrative areas in technology and that one was, "Wharton on Managing Emerging Technologies." So, a real pleasure to have Dr. Schoemaker on the line as well. Jay, why don't you introduce the last two experts.

Jay: Okay. The next one is a colleague, friend of mine and somebody who's very, very specialized in what he does. His name is Tony Jeary. Tony has written not one or two or eight or ten, but 38 books and his latest one is probably the most relevant for this. It's called, "Strategic Acceleration." He has been paid really big bucks by really big corporations like Wal-Mart, Sam's Club, Shell, Texaco, New York Life, Samsung, Qualcomm, Firestone to help them get clear focus, get clear strategic understanding and make bigger, faster, better things happen and he's agreed to take off the gloves and translate his very proprietary thought process over to the business owners and entrepreneurs on our list. It's going to be a very stimulating...

The last person, as I said, we have a very eclectic and a very rich panel of really extraordinary expertise. He is Paul Zane Pilzer. He is a famed economist. He was the financial economic advisor to two different Presidents. He's written eight bestselling books. He's a columnist in Success Magazine. He has started, owned and sold I think eight or ten businesses in real estates, technology. He is a very prosperous and wealthy man. He is a very dear friend of mine and he's got a take on the economics of business life and the trends in our emerging world that I think will blow your mind.



But those are our panelists, so Rich let's get on with it and ask our first question.

Okay, let's go to you Barry.

First thing, if you will, take three minutes and tell our audience about your unique area of expertise, why you believe it is so important to them and what it can do and mean to their future and their business performance if they embrace and master some of the methodologies, techniques and insights that you have identified and perfected.

Barry: Sure. I'm a psychologist. I didn't think I had any expertise in business or marketing and then I wrote this book about the Paradox of Choice and all of a sudden, I became a business guru. What the book shows is that even though choice is a wonderful thing, there can be too much of a wonderful thing and when there is, it has really bad affects on people. It paralyzes them so they can't choose at all or they make mistakes when they choose or they make good choices but then they're dissatisfied with them because they're thinking about how some other choice would have been better.

So even though if you're setting up a business it seems like what you want to do is offer as much variety as you possibly can so that everyone can find something. This can turn out to be an extremely self-defeating strategy that in many, many areas of life less is more - and this is something that people starting out in business really should take seriously because it can make it less difficult to get started if you don't think you have to offer the sun, the moon and the stars. People will value simplicity and ease of negotiating your products or services. So, that's my main area of expertise. The other area of expertise that I have that I'm less well-known for really has to do with how to organize the workplace so that the people who work with you get meaning and satisfaction out of what they do and as a result do better work.

This is really about work satisfaction leading to high productivity, creativity, better physical health and psychological health.



This may come later the obstacle that entrepreneurs have to overcome is this temptation to be control freaks, not to delegate enough responsibility to their staff and the result is that you don't get the best people because the best people aren't interested in working with someone looking over their shoulders all the time.

Jay: That's a great insight. Greg, give us your answer.

Greg: The thrust of our work is giving leaders a model. It's nine behaviors that we have researched for ten years with [distorted audio: medical?] institutions, the most prominent of which is the Mayo Clinic. It has been scientifically validated to lead to a great behavioral system to reduce stress for leaders, to feel like you're in control rather than all of these outside circumstances and obstacles controlling you, and by the same token, allows you, by doing these behaviors, to create an organizational culture where the people, like you said earlier, are motivated, they're happy and excited to perform for you, to be there to contribute. We have worked with many, many entrepreneurs of small, medium and large organizations so we know that it is so critical to have every single person at their peak performance, and as you said earlier, people are not productive when they're not happy.

So just a little background on us and then I will say more about what this does for the leader. We traveled all around the world for three and a half years and we sought out people in places that thrive, people that are extremely happy. We would basically pull into a village we'd never heard of and ask the first local person we saw, who's the happiest in this little town, or is there anyone happy. They would give us a name. We interviewed people for this period of time and we saw that there were nine things that these people were doing that led to this feeling of success and people who thrive in the world. Then we thought – we were already leadership consultants – that the best leaders we work with, those leaders that everybody wanted to work for them, yes, they got great results, so kind of tough on the business issues but great with people, were doing these nine things. Beyond that, so we integrated it into all of our leadership and team training and then we saw, once we started working with doctors, that these nine things are the things



that lead to a healthy body. I think we all agree that stress and depression are bad for our health.

So I think the real headline here is that these behaviors are all proven to, again, reduce our stress, make us feel in control regardless of the problems that hit us day in and day out, and I think 2009 is a year where beyond the economy there is just sort of one potential setback after the next. By doing these nine things, we feel in control as a leader and if we can teach our people how to do these things as well, they feel in control.

Jay: Thanks Greg. Okay, Herb, what's your take?

Herb: Negotiating is the game of life because whenever a person attempts to reconcile differences, resolve disputes, manage conflict, establish or adjust relationships, they're playing the negotiating game. That means that if you're an entrepreneur, a business manager or an owner, the biggest factor that will determine the success satisfaction and fun (and that's important fun) you receive from business and life is your negotiating savvy. Why is that the case? Because negotiating affects every area of sales, costs, and profitability that will determine your success and happiness.

When I started in the business world people thought that they had authority—this is the boss and those who were employees, the little people over there, and the little people over there did not think they had options.

Today people aren't that concerned about it or they know how to play the game better. So in other words, you want to make your employees feel like it is their business, it is their livelihood, they care about that and if you see yourself as a boss, a leader, a manager, an owner who is a negotiator with your employees, you're going to be much better off, you're going to run a much more effective business.

Jay: Very interesting answer. Paul Schoemaker, what do you think?

Paul S: I started really academically mostly as a physicist and then got into business and became a professor. I also took a long sabbatical at Royal Dutch Shell in



London which is a company that pioneered much of the scenario planning practices that are currently applied by companies. Following that, I founded several companies to help do that kind of stuff and having made some money that way also decided to become an investor in various hi-tech companies. I would say my expertise is academically decision making and strategy but I've really gone abridged to the world of practice which is often humbling I made point out. I think it was Kurt Lewin who said, "Nothing is as practical as good theory." If you can have some disciplined approaches as an entrepreneur and know how to navigate uncertainty; I think there is just endless opportunity out there.

Jay: Very good Paul. Okay, Tony, tell us how you would answer this.

Tony: You bet, Jay. What I do, Jay, is I help people change their thinking so they get better results. That's really what I am all about. As you mentioned, I've got a studio in my back yard. We call it the Strategic Acceleration Studio. The way I share my expertise most of the time is in my back yard. Occasionally I travel around the world and I share it from a platform and occasionally I coach a few people from the phone. But generally, as you had just shared, I bring people into my back yard and I help them get clear on where they are going. I help them focus in on their high-leverage activities so they can execute more, personally and with their organizations so they get more results. Jay, a lot of people come to me and they have some limited beliefs, and part of the expertise that I bring to the table is to share with people blind spots, things that they miss, that they may not be seeing. I help them uncover those things so that they can be more productive with their efforts. I believe it is not just about time but I think it is about energy as well. So really, in essence, my expertise is around helping people really get clear, I mean clear on their visions for themselves, their organizations. I help people really deal with distractions so they can be more focused with their efforts so they get better results. When they execute, I help them be more persuasive, I help them with their presence, what I call *strategic presence*, so opportunities and good things are attracted to them. Then I help them, of course, deal with procrastination. A lot of people procrastinate and don't take action. I help people really understand a concept called *production before perfection* so they're really able to move the needle and make things happen every day so



they get better and better results. That's what it means to people. People today, if they do this clarity, focus and execution, they get results.

Jay: Very interesting answer Tony. Alright, Paul Zane what do you think?

Paul Z: My expertise and it really comes to my training and background as an economist and not just an economist but a macro economist. That's an economist focused on the national budget on international trade on larger issues and trends. My expertise is to tell people or help them to see why. Most business people know what works. They know they push this lever this happens. They go out and make this product it sells. I stand back when I meet them, when I look at their business and I say why does it work? What is happening? What is the value your product adds in the supply chain of raw materials to a happy child smiling with a candy bar or a wonderful house their living in or a new car someone is driving? Where do you fit in that process? What value do you add? Then I overlay that to what's happening in the economy. What are the changes? How are we switching from medicine which is for example a reactive business treating sickness to preventative medicine and what I call wellness - a preemptive business that people do to keep from becoming a customer of the sickness business?

I analyze the economy. I keep up with Washington. I keep up with new legislation. I keep up with trends and then I bring it home. I get it off Wall Street and out of the Capital beltway area onto Main Street and show you how you can use this information to plan your next move or to see what areas of your business or the areas that you should expand in or what type of customers you should go after.

Jay: Great answer Paul Zane. Take it away Rich.

Rich: **Okay, Question 2 - Take your expert distinctions with those and get into the nitty-gritty and share with all of us the elements of business that impacts—maybe you could share a few of those stories—and how that plays out and how you would suggest maybe to do it a little differently.**



Barry?

Barry: When it comes to trivial things like buying jam which was the first study that showed this, people are attracted to a lot of variety. It's more exciting, it's more enticing, they feel like they can find exactly what they're looking for. So people flock to a display that has lots and lots of options but they are much less likely to buy anything. Ten percent as many people buy jam when there are 24 on display as when there are six, a huge effect. It's because they can't figure out which one to buy. So they just pass.

The same exact thing happens with 401k's. Employers do their employees a favor and give them a million mutual funds to choose from. The more mutual funds there are the less likely their employees are to choose any even though it means passing up substantial matching money from their employer. So trivial things like buying consumables and not so trivial things like taking care of your retirement there's this perverse effect when you throw too many options at people it paralyzes them. If they overcome paralysis and choose, they're likely to choose badly because it's hard to make a complicated decision when there are many options that need to be evaluated.

But what most surprises people, is that when after you've chosen, you're dissatisfied with your choice because you choose this jam out of 24 and you spend your time thinking about how one of the others would have been better. So, even if you made the right choice, if you spend all the time that you have consuming it, thinking about how you made a mistake well, it is no longer the right choice. So it undermines satisfaction.

Retail office supply reduced its variety and its print catalogue to save money in preparing the catalogue and sales in every category where they reduce variety went up.

A major housing developer with branches throughout the United States dramatically reduced the number of options when it came to outfitting your house. They reduced the amount of time homebuyers spent in the design center from 24 hours to four and the homebuyers ended up buying more options not fewer and were more satisfied with the finished tasks.



Everywhere you look it seems to me that the evidence is that less produces more sales and more satisfaction.

And, most important is that when they do this if they have a satisfactory experience, they'll come back. There is this classic thing. Do you want to sell a million people something once or do you want to sell 100,000 people something 50 times?

Jay: Great point.

Barry: If you want the latter then the idea is to make it easier for people by reducing the variety.

Rich: Interesting answer Barry. Greg, what's your take on this one?

Greg: The first one is the *best leaders state their intention every day* rather than being on automatic pilot. I think this is critical for entrepreneurs. Whatever you did a month ago that worked doesn't necessarily work now. So it's what is my best, even though this happened; I didn't want it to happen – what's my best choice? The issue here is I can't always choose my circumstances but I can always choose my reaction and my attitude, and then I have to state that to other people. I have to tell people what I am thinking. I have to reveal my motivations. So we spend a huge amount of time with leaders teaching them our system for how you tell others what you're thinking and what you really want.

The second one is *accountability*. What we saw here is the minute a leader goes victim hood, like poor me, you are dead in the water, even if what is happening is something that actually is victimizing you. So this one is all about identifying what are your blockages as a leader, what are the defense mechanisms that are getting in your way and how do I say to myself, okay, what do I need to do to make it better for me? The third and the fourth ones I will do together. They are *identification and centrality*. This simply means identification is what are all the things that I am most passionate about? Most entrepreneurs I know are at least initially passionate about whatever their product is or their service. Centrality means whatever that passion is, I



make it central to the way that I operate, that I share that passion and I do things in a way that play to my strengths, not somebody else's strengths. The fifth one is a really interesting one and this process is difficult to explain in ten seconds. It's called *recasting*, and it is what good leaders do when they really do hit a big roadblock; lost a big customer, two key people quit unexpectedly. This is the process that you really dive into what is going on for you and through the process of recasting, you end up with new opportunities. It is not about making lemonade out of a lemon, necessarily; it's about figuring out what these new opportunities are.

That leads to number six, which is *options*. The worst place for any entrepreneur and any team is hopelessness, when you feel like we've tried everything, now we're really stuck, there is nowhere to go. The definition of hopeless is that I have no options. Leaders, when that starts to happen, need to open up new options. This is where you go to your most innovative self.

Number seven is *appreciation*. It is so critical for leaders to figure out with each person that they interface with how to make them feel valued, respected and worthwhile. At some level, that's what we all want, and any leader that can figure out how to do that – because it might look different for you, Rich, than it looks for me.

The eighth one is *giving*. What this says is that the smartest business leaders have figured out that if want something from somebody in part of my network or a vendor or anybody I work with, the best thing is to give it first, because if I give it first, chances are I am going to get it back. The last one is *truth*. This is truth to self, of course, but it is also telling the truth to the people around me, to my employees, to my customers, to my investors what is really going on because people can smell a falsehood a mile away and, guess what? In terms of the stress piece, which I haven't been focusing on too much here, think about a lie detector test. A lie detector test measures all these things that are negative bio-chemistry in our body. Our heart rate increases when we lie. We have increased respiration and perspiration.



So, again, all of these things, which I just kind of gave you the most high-level description of, they're good leadership, but when you do them we are bio-chemically rewarded when we do these behaviors. In other words, our body pumps us full of positive energized chemicals that keep us going.

Rich: Thanks Greg. Herb, what's your answer?

Herb: First of all, what you want to do is get people to change their attitudes. In other words, if I would of get into my process what I'm involved in is changing the attitudes, coaching, teaching, helping people. The first thing I try to help them understand is (1) you can negotiate anything. Why? Because every big ticket item is negotiable. We live today in the world of illusion where things are seldom what they seem. Even skim milk masquerades as cream. Everything out there is not negotiable because everything comes about as a result of a negotiation.

What is not the product of a negotiation? Are there some things? Yeah, ethical, moral, and religious principles didn't come into being as a result of a negotiation.

The Sermon on the Mount was not the product of a negotiation. The Ten Commandments were not the product of a negotiation aside from what Mel Brooks would have you believe. These items weren't negotiated so they're not negotiable. But really everything else is. If you can get people to have that kind of attitude they're really ahead of the game. In other words, to question and recognize there is a certain amount of give in everything, particularly a small business person. He's going to save or she's going to save a tremendous amount of money.

Rich: Very interesting answer Herb. Paul, how would you answer that?

Paul S: I can answer that at two levels. One is the practical level of a manger and an entrepreneur who has to make day to day decisions usually being very busy overloaded and the like, so judgment and decision making become very important under conditions of high uncertainties, sometimes even ambiguity. You're not even sure what the problem is. To have a kind of quick disciplined approach to decision making, the first question would be are we framing the



issue correctly? Are we solving the right problem? There is a tendency to deal with the symptoms and not go one step deeper. A good reflex for an entrepreneur who is busy is to step away and say is this a routine issue, yes and I can use my normal templates and pad words of recognition but if it is not, step back and reframe it.

Another area is more of the overall strategy of an enterprise. The ability of entrepreneurs to adapt and to change and I've been on both sides as an entrepreneur as well a board member and an investor and what I try to size up when I meet entrepreneurs is do they have the capacity to change? Can they challenge their own assumptions? Viewing your job as a navigating and exploring uncertainty and both have conviction that your initial premise may be good but also have the humility to change when that is necessary. When I see a plan, I know he was 90 percent certainty that it will not turn out that way five years from now. So, I'm really betting on the person's ability to change if and when necessary.

Rich: Great answer Paul. Tony, you're up.

Tony: You know we work with large corporations, we work with start-ups, we work with entrepreneurs, we work with people in all different shapes and sizes and maturity levels and what we have found is the methodology applies in business and in our personal lives. So from a standpoint, Rich, we really help people just to zero in. At any phase of their life, people need to really be thinking about clearly what they want. What do they really want to achieve and why do they want to achieve it? What do they need to be focusing their efforts and energies on so they can get the results that they want?

Rich: Thanks for that Tony. Paul Zane?

Paul Z: I focus on wellness or healthcare and that's become a particular area of my expertise. My favorite area of expertise is really entrepreneurs. I see entrepreneurs and revolutionaries throughout history as two of the same kind of people born into different circumstances. A revolutionary sees something that is wrong and wants to change it, from the French Revolution all through slavery in the Civil War, so many other areas throughout



history. That same person as an entrepreneur sees a customer who is un-served, sees a better way to do something and becomes driven to do it better. Not for the money and all the rewards everyone talks about but to succeed as an entrepreneur you have to be driven by a passion to do something better to serve your customers.

That really comes around to what I love so much about business. I see in all aspects of business a higher deity, a God, although it is not sometimes politically correct to use that term. My wife and I go to Wal-Mart and I mean I love Wal-Mart and of course I was a great friend of Sam Walton. He was my major promoter before he passed away. I stand in Wal-Mart behind the checkout line and I watch these people come through. You see the housewife with the kids and she has \$120 of goods in her basket but she's only got \$80 in her budget. They have to sit with the kids and take out. As each item is held up and goes through the register, I say a prayer. I say God, 100, 200, 400 people worked to get that product into her hand and they're here at Wal-Mart because they got it at a better quality or less money or both for her to share. She is getting \$200, \$300 worth of goods for \$80 compared to all that technology that went to work to help her. Who gets really rich in this process? The people who give her the lowest price or a higher value or both, product for the money make the most money because they sell the most products in Wal-Mart and Costco.

I turn to God and say what a great world you made for economics. I'm so grateful as an economist that I get to write about it, study it and analyze how each business person I meet fits into that equation of serving another person.

Rich: Great answer Paul Zane.

Jay: Great answer, next question. **Okay, let's get into the process that you use if you can give just a little bit of a summary so that the entrepreneur's listening can grasp what they could do better and why it would be so helpful.**

Herb, challenge our paradigm with your answer.



Herb: Teach yourself you know to not get that uptight about business. Teach yourself to care, but not that much.

This item that looks so important right now is a blip on the radar screen of eternity. What happens when people are faced with something very critical in their business world if we don't get this client? If we don't get this piece of business this could be the end. We need this account. They go in there and they're emotionally upset, did they do better or worse? They do lousy in that situation. Now, if they don't care they do lousy also so you want to do is care but not that much because if you care too much, adrenalin begins to flow. You become doped up and dumb down and you do poorly in that situation.

So, what's the right attitude? The right attitude is to fall in like with something, never fall in love with it.

Another thing, when you negotiate with people, I do this in life in general, hide your brilliance. There is this theory that we in America like smart people. We identify with them. We really appreciate them. The opposite is true. We don't like good-looking, bright people. My example one is Mitt Romney, the republican presidential candidate, who by the way is a very bright guy, smart guy, good-looking guy, gorgeous wife and five stunning male children. How do people feel about him? Well, they didn't vote for him. They picked the guy by the name of McCain who is sort of like a decrepit, old, broken-down guy who can't lift his arms over his shoulders? Why? Bald guy yet. If Mitt Romney would have had a zit, like a bit zit on his nose, I'm telling you, he would have improved his chances a lot. We like vulnerable people. So, what I'm saying is in the negotiation hide your brilliance. Why? Because dumb is better than smart, inarticulate is better than articulate, train yourself to say I don't know, I don't understand, help me.

If you will have a retail store, you're running a retail store or you're running a small business or you're starting up a business, don't be a damn expert. Customers come in, they make suggestions to you, don't shout and say, look you don't understand the business, whitey. Say, gee, I never realized that. Oh, my word, you're developing an emotional attachment to these people. Train yourself to say I don't know, I don't understand, help me.



Jay: Herb, I love that answer. Paul, what's your perspective?

Paul S: Let me address it more at the level of the overall strategy and which direction to take a company in. So, the first thing we would do is say let's develop some external scenarios. You're dealing with uncertainty either because you have a new technology or the channels of distribution are not well understood yet for this service or product that the entrepreneur is launching. It could be that there's regulatory uncertainty; there's surely uncertainty about competitive responses and the like.

The first thing we would say is let's take some time and not deal with each of these variables on a piecemeal basis, but put them together in a more complete comprehensive holistic view of kinds of futures you may have to operate in. We're not going to make this super complicated by looking at all the combinations because that would become overwhelming. That's more what statisticians would do when they use Monte Carlo simulation.

Now, we would say if you could go to a crystal ball, Mr. or Ms. Entrepreneur and ask it only three or four questions about the next two years in your business, questions about the outside world not stuff that you can decide yourself but things that you don't control like the weather conditions, what would they be?

Then we ask them to look at different combinations of those variables. Suppose that the economy is weak and you do or don't get the approval and you do or do not get funding. So you start to paint a range of possible futures within which your company has to operate. I think the essence of to me at least, the essence of entrepreneurship and of leadership or generally is to succeed no matter what the future brings. So, you need to have a strategy that makes you win in any scenario because that's ultimately what you're supposed to do with you given funds, capital, by investors or your own money or your friends and family and you have to kind of hustle in a way that this is going to yield a good return.



Once you have the scenarios laid out, now you can start to future proof as we would call it, your strategy. We would ask let's hypothetically assume that scenario A happens. It doesn't have to be all negative scenarios, it could be a positive scenario, it could be a blend of positive and negative elements but it is a distinctly different environment let's say a regulated environment that is different from an unregulated. So we would say what would it take to win in scenario A? Then we would make a list, a flip chart of five bullets. What would it take to win in scenario B? Another flip chart, etc. We do it for four or five different scenarios that cover a very wide range. Then we step away from these flip charts, these sheets on the wall and say which things do you have to do in every scenario? There are usually two or three things that you have to do all the time. We call those the robust or the – you can make a strong commitment to that. Those are the no-regret moves because you need to do it no matter what.

So we have a process for doing that and that leads then to monitoring once you start to review strategies as buying call options on the future, we've made some small commitments but not bet the farm and then, of course, you can start to talk about how you should start to monitor the external environment and your peripheral vision, your ability to manage in real time has to then be at an A-level.

Jay: Thanks for that Paul. Okay, give us your strategic take on this Tony.

Tony: To just simplify it down, I mean I've got a series of about 25 different exercises or processes that I've developed over the years and I pull out those processes, Jay, and I bring those processes to the table where people can really – they can deploy them, they can walk through them, they can walk through them with their teams. We write it down, we document it and people can there clearly see it and then they can go take action on it.

One of the things that I do is I help people really attract more business. A lot of times people come to me and they say they want to really grow what they are doing. I've got two processes, one called "The Branding Matrix."



For example, yesterday we had a group of sales executives in to the studio. We were using the Branding Matrix. This particular organization had been selling their services for years and yet as a group they weren't really clear.

Question number two was what were the four or five specific things that they were offering to the world? We helped them write that down, clarify it, put it in the words that they could all consistently use. That is one of 21 different questions that we use in this particular process.

Then backing up to that, once you really have that clarity in your brand, for example, what we do is we go through an audit of 100 different marketing tools. We go through and we say, in your war chest, in your tool chest, what are the tools that you really need to have up to date to be able to have and deploy your strategy to make your brand work for you so you can close more business? A lot of people really haven't dissected, Jay, what specifically the tools are that they want to exploit in today's time to be able to drive business into their world. That is one specific thing that we do.

Jay: Great answer Tony. Paul Zane, let's hear your take on this.

Paul Z: There's no one list. At any given time I'm always changing the list. There is definitely a process that every entrepreneur has to follow. Each entrepreneur or business person needs to see themselves as one link in a chain. Think of raw materials growing in a field wild or growing because they were cultivated or growing on a large farm that somebody set up all the way to making someone happy with a finished product at the other end and see where you fit.

Most specifically, see where you fit between your suppliers and your customers. Most people go...these people supply me. Wrong! You should know your suppliers and they should know you because they are going to help you grow and frankly, extend you credit when they see your business growing. Your suppliers should always be saying how are you doing, Jay? How is your business growing? Not just out of interest, not just because they're worried about getting paid because they should be your partner



figuring wow, if I can get you to grow your business, I'll make a lot more sales.

More important than your suppliers or at least equally important are your customers. Your customers should be going give me more of this, it really helps me. And you need to always analyze your product as where are you getting your raw materials from, your labor and where are you selling to and how can you speed up the process. Think of enhancing the flow between your supplier and your customer and becoming invaluable not just valuable, invaluable. That means they can't live without you, to both your suppliers and your customers. That's how you grow a business. Most people never think about that. They just get up, buy their product, do their business and don't see themselves as a process or one link in a process and see the way they can get rich is just to enhance the flow from supplier to customer of what they do or add value.

Jay: Thanks Paul Zane. Rich, your question.

Rich: **Okay, Barry, how would best then take it even further to giving entrepreneurs who are listening a way of doing it. Can you break it down in a step by step kind of fashion to help people take what you just said and take it deeper?**

Barry: I don't insult people by pretending to make myself an expert at what they do in an instant. So I give them the lay of the land showing how in this and that and that area of goods and services we have evidence that when you give people more choice you end up selling less. Then I ask them whether they can imagine why it is that their line of business would be different. If so, tell me why and of course, they can't. So, this begins a conversation about how to think in a serious way about rationalizing their product or service line. What they right away want to do is run focus groups that they can figure out what to cut and what to keep and then I tell them this may be my major contribution -- that focus groups are a massive waste of time and money because you ask people and people give you honest answers but the problem is that people don't know what they want. So you can't ask people and expect them to tell you accurately what's going to influence their choices. You have



to watch people choose. Watch them go through your product line, your website, or whatever and study them as they do it instead of relying on their own introspections which are sincere and almost certainly incorrect.

So that also brings them up short since they sort of like doing focus groups. And then, I don't have like a consulting business though if people are interested we start from their expertise about what they do and what they sell coupled with my more general expertise based on the laboratory research and find a common way of continuing where they get value out of what I have to offer and at the same time they teach me something about their business.

So, the first thing I would suggest that an entrepreneur do is find somebody they trust who actually knows about areas of their business like say how to use the Web effectively that they don't know and then take their advice. The reason for getting an expert is so that they won't give you 50 options, they'll give you two and then you'll figure out which of those two is the one that is right for you.

You can also do some testing. You can do AB testing in no time at all and collect more data than psychology experiments have collected in the history of psychology. At least if you have a highly traffic website and find out which one of the very limited set of options seems to be driving traffic in the direction that you want. But, I would say it's critical to take advantage of the expertise of other people and trust their judgment.

Rich: Let me just follow that up. What about when you're trying to do it with your own stuff to really simplify, is there any guiding principles as far as if you have 10 options and you want to reduce it down to three?

Barry: It looks like there may be a sweet spot about how many options is the right number of options. Although I doubt that this is universally true no matter what the product domain is. The ballpark seems to be seven to ten, I mean, giving customers seven to ten. You give them more than that and you start to blitz them.



Rich: Thank you. Greg, what's your perspective here?

Greg: A process is that the first thing we do, we call it discovery. We would sit with the leader and listen. We have a validated instrument that we put people through and we look at where people are already high in terms of doing some of these things and how they do it, and where they are low. More important than that we hear the specific issues that are really the obstacles for that person.

Our next step could be either coaching or training.

The first thing is if right now in your role you're feeling victimized by these outside sources, I would suggest to you that when you are in that victim state, you are (A) first of all, really hurting your health because your body is ramped up just waiting for the next attack and your body is actually not doing what it really needs to do for you, like help you digest properly, survey for cancer cells, keep your stress level down. When you feel like you're in that, like, oh, poor me, I can't believe this happened, that the question you have to ask yourself is, even though I didn't want this to happen, what can I do right now to make it better for me and what can I do right now to make it better for my company?

Another thing that I would ask you to do the next time you have a 3:00am, if you are a leader or an entrepreneur. The 3:00am is like, "I can't believe they did this to us. I am so mad; that you recast, which is first to say to yourself, okay, what's really going on? Why am I so stressed? Am I angry? Am I sad? We have to figure out what our negative emotion is before – that's going to give us information in terms of how we get through it.

The next question I would ask myself in the middle of the night if I had this 3:00am is, "What does it mean that I have this situation?" In other words, "What could I perhaps have done differently?" Maybe when I first saw this little glitch that something was off, I could have said something more forcefully. I waited too long. And then the third thing is...what are the options for me, even though I didn't want this to happen? Because, again, when you have options, you have hope. That is the place that we want our



leaders to be in. That's the state you want to be in more than anything else when you're trying to make a success of your company.

Rich: Very interesting answer Greg. Herb, how would you answer this.

Herb: Think back to when you were kids. Kids were good negotiators and kids usually got what they want. Alright now, kids are little people in a big person's world. They are people without formal authority or power. Yet they seem to get a lot of what they want. How do they do it? Number one, kids aim high. All children make unreasonable requests of parents and they seem to get it. They raise the expectation level of the parents around Christmas time. They don't just want a regular fire truck; they want that super fire truck the parents can't even carry home.

The second thing the kids do is they recognize that no is an opening, bargaining position. Most of us think that when someone says no, they're rejecting what you say. Kids understand, no, no, it's just a normal reaction to the unexpected. Whereas we think that no ends this, kids recognize that no means that at this moment in time it looks negative. Fifteen minutes later, I'll ask again. The third thing that kids do is they form coalitions with grandparents. They understand that decision making is not a solitary thing. So they ask their mom for something, she says no. They don't stop they ask their dad. He says no so for once they're unified against them. What do they do? They appeal to the next level—grandparents. Why? Because it is easy to form coalitions with grandparents because they are the common enemy to parents. The things kid do is they're persistent. They persevere.

Rich: What a unique perspective Herb. Thank you for that. Paul, you're up.

Paul S: It doesn't take a lot to give you one example. It happened a while ago so I can be public about it. A small company called Elgin Sweeper; it is a company just outside of Chicago in Elgin. It is the name of the town. They make street sweepers so they sell street sweepers to clean the streets to municipalities. I got a call from the CEO saying listen, our business is really being hammered by three things: Korean Imports, the exchange rate was such that the Koreans were entering with cheaper machines into the market. Second



point: FMC, a large corporation was coming out with a new technology for street sweeping that didn't rely on just one water and brushes but also had some electrostatic things to direct particles from the pavement and the like. The third was – this was happening during the recession that state budgets and municipal budget had been cut. So the city of Chicago might – instead of renewing their street sweepers every five years, they would do it every ten years.

Then on top of it, he had high labor cost because they were unionized. He said listen, we needed to change our strategy what should we do? We took one afternoon with just his top three people; this is again a small company. The CO's office was next to plants, when I met with him I could hear the machines running in the background. He doesn't have a full-time strategic planning person. He just has a comptroller who is an accountant and he has the guy, the foreman, who runs the plant and he has a sales and marketing person. Not your typical large corporation setup at all. It is just a very hands-on team. They know their business very well so it took no more than three hours with some flip charts and these four folks plus myself to talk through what kind of scenarios might continue. Will this currency decline continue? Will this recession continue? What is the outcome of this new innovation? Then we painted just bullet points, not complicated things, four different scenarios that they may have to deal with. Then I said let's sleep on this, let's wait two weeks and then come back and do another half-day session and let's talk about what do you do about it?

So we separated clearly the world you're sailing into as a captain of a ship from how you prepare and what you do about it. Then once we started to list what it takes to succeed, it was quite simple what they had to do. They had to get into the maintenance business if these cities like Chicago don't buy new street sweepers, then the old street sweepers will break down and they need to beef up their maintenance capability; that was one. They need to get their labor costs down so they actually de-unionized and then a month later on television in Chicago there was a big strike at Elgin Sweeper and I didn't get into the ugly parts of that but anyway, that's what they did. Then, they needed to have some coverage against the FMC new technology so they talked about a strategic alliance with FMC, where they would cover that edge.



On the currency exchange rate and the Korean imports some hedges were used to kind of make sure that they weren't wiped out at least short term.

That was all it took for this CEO to use a scenario planning approach to navigate uncertainty so he would win no matter what would happen.

Rich: Thank you for that answer, Paul. Tony, share your answer.

Tony: Sure, a lot of things that we do come from a process or a template and we document it in writing so it's concrete. We often times do it up on a screen so when people are holding meetings – and I would recommend anybody that's listening to this to think about this idea – where we actually talked about the concept of live note taking. When people see on the screen the words together as a group or as a team, the words that you're agreeing to. So, if you're saying this is our brand or you're saying this is the marketing tools we're using, Rich, what we do is we type it up on the screen, make sure the words and phrases are articulated in a way that everybody in the room agrees with it, then everybody is synergistically on the same page. Whether you do it in my studio or you do it in your office or wherever you do it, that's a very, very powerful concept.

Then what we do is constantly keep extracting it down to less and less. Part of our magic, Jay and Rich, is to be able to really get it down to the least amount of pages that are actionable so that people not only see it, believe it, have it in their mind, but they can take action on it.

If you have too many pages and too many things to do you just can't put that focus. And again, one of our big methodologies in Strategic Acceleration is being able to be clear so you can focus your efforts.

We recommend if you take a single sheet of paper, at the very top of that piece of paper, you write down what you really want to accomplish in one statement. It can be a long statement, but you really get clear on what that is for the vision for you, your organization, your department, your company, your particular organization or team that you are running. You write that down at the top.



Then you come up with six or eight specific objectives that you want to achieve that's going to support being able to reach that vision. Then underneath that objective, you have strategies and/or actions, some people call them tactics that you specifically want to deploy more than likely in the next 90 to 180 days – not long-term.

You see, Jay, it used to be that you would do your business planning in an annual-type basis. Today I think it almost needs to be quarterly. Things just happen so fast, don't they? In this particular process, what I am suggesting is that you tactically put it down there, you link those tactics or actions and strategies up to the objectives and the objectives reach up to that vision. You've got it all on one page, you see it, it's broken down into six, seven, eight, nine different buckets, you put people and time to it, and there's your game plan. Most people don't want to get that clear. If you get that clear you can execute and you can make things happen.

Rich: Interesting answer Tony. Paul Zane, how would you answer that?

Paul Z: Well first, you've got to start with your customer. Start with the customer and say where are you buying this product or service, what would make it better? Sometimes they might say I buy ball bearings. What do you do with them? Well, I load them on these paper rolls and then I put the paper rolls in my machines. Ah-ha. Would you pay a little more or buy ball bearing from me I loaded them on the rolls for you? No one ever asked me to do that. And start noticing your customer and what they do with your product and say how can I enhance it? And make your customer excited about the changes he suggests that you're going to help the product for them.

Similarly work with your suppliers. You might find in that example the suppliers that make ball bearings, put them on paper rolls, take them off the roll and ship them to you. You unpack them and then send them back to someone who puts them pack on paper rolls. I find these processes in almost every business when I get into the micro aspects and analyze it that very few people go beyond their business to see how suppliers and customers use it.



You can make a lot of money enhancing the value for your customer and for your supplier as opposed to being a “me to” business.

Rich: Thanks for that answer Paul Zane.

All of this sounds reasonably doable, but taking it from the other perspective, looking at the negative side for a second, what are the impediments, what are the constraints, what are the hurdles that entrepreneurs will face when trying to apply what you said so far, inside their business and within their own leadership realm?

Barry, how would you answer this?

Barry: I can give you an example. Somebody walks into a small grocery and the people who run the grocery heard me give a talk so they've eliminated all their cola options except for Coke and Pepsi. This guy walks in and he says I want Diet Rite Cola which by the way, I don't know if it still exists. They used to carry it and now they don't. The guy walks out with nothing. The shop keeper hits himself in the head and says, idiot; why did I listen to Schwartz. There is a sale that I could have had that I lost.

It is very salient and striking when somebody wants something and you don't have it. What's much less salient is that if you have everything and people come in walk out with \$10 worth of stuff, you don't know if you had less of a variety they would have walked out with \$20 worth of stuff. The price you pay for having too much is much less salient than the price you pay for not having the particular thing that this particular customer wanted. That's going to keep driving you to add more and more options without ever taking any options away.

You need to overcome this asymmetry in how it feels not to have what somebody wants, and how it feels to have more than what anybody could want, because you don't experience the consequence of that directly.

This is what I mean when I say people don't know what they want and they don't know what is good for them. People want consumer electronics that



have millions of features even though they won't use them. The problem, of course, is that when you buy something with a million features you can't figure out how to get it to do the two things you actually want it to do. So it stays in its box in your closet and after you've kept it there for five years you figure you have now gotten full value out of it and then you throw it away.

We've all had this experience and that doesn't stop us from doing exactly the same thing the next time. We want capability rather than usability. We keep on learning that that's the wrong thing to want and nonetheless, the next time around we make the same mistake.

Rich: Interesting answer Barry. Greg, it's your turn to answer.

Greg: I think the first impediment is that behavior is the hardest thing to change and these are all behavioral. My advice is, particularly when we are under stress it's easy to revert back to our old, most comfortable behaviors. So my recommendation is to start really simply with a couple of these things. So whether it's constantly stating your intention and revealing your motivation when you're explaining any decision you've made and just practice that for a week, or whether it's really focusing for a few days on appreciating staff and just looking for specific things that people are doing that are making contributions and figuring out how to acknowledge them, which many times I think the face to face is the best, for that contribution in a way that they are going to feel most valued. I think we all know that what works for one person doesn't necessarily work for another person.

So part of the art of this for somebody that doesn't want things to be too gushy or showy is maybe to just play to their competence. If they really pride themselves for being competent, to say things such as "You know, John, I really appreciate your brain on this and how you were able to analyze this so completely because my brain doesn't necessarily work that way and it was really helpful." Sometimes if you get that just right, that is good for people to be motivated for like two weeks.

So I think the key here is don't try to do it all at once.



Rich: Great perspective Greg. Herb, what's your perspective here?

Herb: What you start to do is start trying it. Years ago, I used to work for Sears Roebuck. I was teaching a course in negotiations for Sears. The people said you can't negotiate. You can't negotiate with Sears. These were trainees for Sears. One of my assignments that night was I sent them into Sears to negotiate for a refrigerator. That was your homework assignment. You had to go in and I would watch them negotiate. They were like so embarrassed they would die. You can't negotiate with a one-priced store. I said why not? Well, otherwise they wouldn't call it a one-priced store. So I would tell the certain things to say. When is it going on sale? Or, did I miss it? Everything in Sears is either going on sale or just was on sale. Do I have to pay the same for the floor model? Well no, this model has a dent. Does this refrigerator come in purple? In other words, I would give them all these reasons, these things. What people need, they need to see something done once and they believe it can be done.

To answer your question, what prevents people from doing it is they're a little timid, they're they think gee, I'm going to make a show of myself, a spectacle it can't be done. I used to bet people that I could negotiate with a one-priced store. I would negotiate with Sachs Fifth Avenue, Gucci's. Here is what you could say if you're timid. Here's what you could say. You go into the greatest store in the world, Tiffany's. You say I like this item; I wish I could buy this item. The item is marked \$650 say, I only have \$570, help me. You know what they do, they help you.

I had this story I went to Nordstrom's in San Francisco. It was Valentine's Day. My wife wanted me to get a gift for her which I didn't want to do but I was forced to by our children. I went there and this is downtown San Francisco, I went up to the third floor and I see this necklace which was a \$1,000 and I said to this saleslady, I'd like to buy the necklace but it is a little much. The saleslady says please, sir, this is Nordstrom. This is fine jewelry, there was a big sign says fine jewelry; not like regular jewelry, not good jewelry but fine jewelry. So, I say yeah, I'd like to buy it. She says well this is fine jewelry. So I said I think I'll have to walk away. Just at that point, the saleslady comes over and says to me, sir, do you have a Nordstrom's credit



card? I said, no. Would you like a Nordstrom's credit card? I said why would I want a Nordstrom's credit card? She said well because when you have a Nordstrom's credit card on the first purchase, we have a 15 percent discount. I said you do? Right then and there I got a Nordstrom's credit card. I didn't even know that. I'm the big experienced negotiator but this is the things that I didn't even know.

By the way, this is important not just for buying little things or buying homes or cars, it is very important for the United States of America if we're going to survive in this world as a debtor nation, since 1960 we're trying to get the Japanese to import some of our automobiles. Our trade imbalance sucks with the Chinese and one of the reasons is we don't know how to negotiate. So, I think it is very important for our national security that we know all that stuff.

Rich: Great answer Herb. Paul, what's your perspective on this one?

Paul S: I think the disposition of an entrepreneur is to take a lot of action not to be super reflective, some are but many are not. Some suffer from Attention Deficient Disorder, they would say themselves. They're usually very good parallel processors but this notion of stop and think is maybe not their strong suit. So once they recognize that this is needed and hopefully, they have a board or at least some advisors who tell them that periodically you do have to do this. You do have to take time and stop and think and see what is happening around you.

This is kind of the tricky balance because the entrepreneur is the engine that makes the company go but you also need a brake on the engine because sometimes entrepreneurs go over the cliff. They are so convinced that their concept is right, they are will to bet their family's fortune on it and mortgage themselves to the hilt in doing so. That's what you want if I'm an investor. I want an entrepreneur who has that conviction. I don't want a stubborn fellow who is just against all the odds, continues losing strategy so we need to balance the brakes and the engine and that starts with the entrepreneur recognizing that they don't have all the answers. It requires a kind of humility that I think is often missing in entrepreneurs who need to buck the trend. This is the paradox, I think, of entrepreneurship because you need will



into existence by the sheer of force by your own imagination and determination something that otherwise wouldn't happen so that's already that requires certain character traits.

At the same time, you still need to be because you're venturing into the unknown, you have to be exploratory, and you need to pick up weak signals that things might not work. You have to listen to other people and that's why I think entrepreneurship is so difficult. It is clearly not everybody's cup of tea.

Rich: Great answer Paul. Tony, how would you answer that?

Tony: One of the biggest roadblocks people deal with is their comfort zones. Can they really step out of that comfort zone to really go out and take action? A lot of people speak about it but there is a lot of truth to it. I would say one of the top roadblocks that we really help people overcome is understanding the fact that if you keep doing the same or similar, you're going to keep getting the same or the similar. You've got to really be able to ask yourself, is the zone you're in getting you the result you want? If you want to go to a higher level, you've got to be open-minded, to push that zone a little bit.

Now, I don't think people should push that zone so far, Jay and Rich, that it is uncomfortable and they're not real because I think people today need to be real.

Rich: Great answer Tony. Paul Zane, you're up.

Paul Z: I'm not sure I can answer what companies don't grow. I seem to - at my stage in life or even 20 or 30 years now, I see the companies that are going to grow real well. I work with them and I watch them grow very well. Most companies have a few things in common. They have a leader, a coach, the senior executive driven to deliver something better.

The first thing I see is somebody driven to deliver a better product or service not driven to make money. The money just flows if they stay focused on delivering a better product or service.



They often think of it as business, like they're making money but really they're serving another human being better than another human being. They're going to get very rich in the process just by doing that.

So, first and foremost, if an entrepreneur who is going to be very successful is driven by their product being better, very, very focused on their end-use customer and how their customer they can smile because they know he got a good deal. Of course, that is the opposite of you people outside business. They think businesses get rich by overcharging or making the wrong product. Those are the short run businesses that disappear. The ones that succeed are the ones where the owner/entrepreneur and has permeated throughout the organization this drive to make things better for our customer than anybody else in the world delivers and we're really proud of that.

Rich: Very good answer Paul Zane.

Question 6: If you had to distill it all down from your expertise, from your experience, what do you think is the single most important action that entrepreneur's must regularly take to fast track their businesses? What one thing above all else?

Barry, share your perspective on this one.

Barry: I don't want to make it seem like you can snap your fingers and you suppress all of these tendencies that we all have. It takes discipline and I think you just have to practice. But there is a distinction I make in my book between having the goal of maximizing, getting the best, and having the goal of satisfying, getting good enough.

What I argue and present evidence for is that the choice problem is not as big a deal if you're just looking for good enough because you don't need to examine all the possibilities. You just examine possibilities until you find one that meets your standards and then you stop looking.



My advice is to teach yourself that good enough is good enough and then don't become completely wooden and shut down your brain so that if you bump into an alternative, having found a good enough alternative, if you bump into one that is better you switch, but you're not paralyzed into inaction until you have found absolutely the best tool. You find a good enough tool, you get started and you keep your eyes open in case a better one appears. You stay supple enough and nimble enough so that when you bump into that better one you can actually make a change. That is the advice that I give and this also takes practice and discipline. It is not the way that most people are built. They think the only way to get ahead is to have an advantage over the competition and the only way to be sure that you have that is to be the best. I think that's really a recipe for both failure and misery.

Rich: Greg, what's your answer?

Greg: This is what it is. Every morning when you wake up and you are getting ready to go to work or in your car to say to yourself, "What do I need to do today that – this is the intention piece, setting your own intention – what do I need to do today that is going to be the most productive and the most important and never just be in that mode where you are just reacting and doing the same thing that you've done for ten years. In the world we live in now, what works two months ago doesn't necessarily work today. I think if you set your intention at the beginning of the day and you say this is what I need to do today and this is what my mindset needs to be today, this is my attitude and my behavior has to be.

Rich: Great perspective Greg. Herb?

Herb: If you're tenacious, if you persevere, if you keep asking, you make things happen. The main thing you can tell people in a personal relationship is always start cooperative with people, use this low key pose, of calculated incompetence and never make a direct threat to people. Why? Because if you threaten someone directly there is rigidity. You never want to threaten people directly. You just don't come on that strong, persist and you can make things happen. If I had to give you other tidbits that will help you, change



your style. Don't be a damn know it all, get in the habit of answering questions with questions. If you were me, what would you do?

Rich: What a unique perspective Herb, thank you for that. Paul?

Paul S: I think they need to view themselves as people who navigate uncertainty. They don't need to have answers to all the questions that surround that business. I think that is difficult for them because often they are people of great conviction, very smart often times, etc. It can be very liberating to say to yourself I don't have to have all the answers. What an entrepreneur is really doing is testing hypothesis about what might work in the market.

How many people test things against their own beliefs? It was this exploratory mindset that allowed David Ogilvy to come up with the Hathaway Man; you remember the patch on the eye. He was just always one step ahead of the market because he framed his task as being ahead of the curve in a very volatile changing world. So if you said to yourself, my thinking is already behind, I'm already outdated today and I think that of myself, then the only antidote is to say I'm going just learn faster than the next guy. If the entrepreneur takes that mindset and they have technical knowledge and they have good advice, etc. then I think they might really succeed big.

Rich: Very good answer Paul. Tony, what's your perspective on this one?

Tony: The single biggest action is – you know, I hate to keep saying the same thing, but golly, I think it has to do with clarity. The number one thing that I can help people with is get clear on what they want. I think there is a pulling power, guys, that really comes from having that clarity of what you want, having it written down, and thinking about it. That pulling power gets you up in the morning. It gets you energized. It gets people working together to make things happen. So I would say that what they absolutely have to is get clear, get that clarity.

Now you almost need to prioritize hourly. Things are coming at us so fast. But, let me connect a couple of dots here, Rich. I think taking that document



and looking at it maybe once a week or every other week is fine. But I think taking and breaking that down and having – for example, what I do personally is I put, for example, my high-leverage activities on my phone. I have lists that I keep on my phone in my notes area in my PDA that relates to that one page that helps me keep that in front of me on a daily basis. And as our friend Brian Tracy says, what is the best use of your time right now? If you are constantly looking at that targeted, clarified list of options where you can spend your time, you ask yourself that question, what is the best use of my time right now, and you deploy your energies accordingly. That will make you be a very powerful person and help you really execute in today's world.

Rich: Very good answer Tony. Paul Zane, your turn.

Paul Z: Always going out there and finding a better method. I wrote a book called “Unlimited Wealth” which was Sam Walton's favorite business book. He became the major endorser of it. In that book, I laid out the six areas of what I called the new economy. The third which is very key to Sam Walton was how the technology gap predicts how a business or how anything will grow. The technology gap is no more than – I don't like to use the word technology because it scares some people but it is no more than the way in which you do something. The better way out there that hasn't been implemented.

We all used to dial phones with those slow dials. If I have any old listeners here and it goes click, click, click, click. Somebody came up with pushbutton phones. Wow, you press the button and bingo, dial, nothing to learn, much faster and real easy. The technology gap in the phone industry I would say is how many dial phones are there? How many push button phones have yet to be implemented?

For example, most people get up in the morning, get dressed, leave the house at the same time and drive to work. I bet they drive to work the same way they've been driving for 20, 30, years if they've lived in the same town. All of a sudden one day after driving to work the same way on the same roads, there is an accident. They have to find a back route to get there and they call ahead to tell their secretary I'm going to be coming in late. Then they get



to the office earlier than they did if the highway wasn't closed. They say wow, this is a better method hooking around here is longer on the map so I never would have tried it but it got me there faster. Then they start going that way every day. Those people are going to do okay but who is going to make a lot of money, the person every six months that says I always drive to work this way. Let's try a different route today. No reason, let's just try and see if I get there faster or it's a more comfortable ride or more enjoyable or I pass by my favorite breakfast place, etc. etc.

The people who really succeed are the ones that say I'm really smart. I figured out the best method to do these six months ago. Now, even though I'm so smart there might be a better way to do it now. I don't know. I'll go out and look. And they go out and continually source their suppliers, new suppliers, and they don't just let their business atrophy.

The people who believe in the blind faith that every three to six months or whatever the time frame is that there is a better method out there, those are the people who take their business to every increasing heights and who see no limit as opposed to ones who will just atrophy because they develop a method and try to run with it for five or ten years.

Rich: Thanks for that answer Paul Zane. Take it away Jay.

Jay: Thanks Rich. **We'd like to ask you one final question. It is through the lens of your specific expertise, your research, your understanding of your body of work. What one question do you wish we would have asked today that we didn't that relates to helping our members on this call make their business more profitable or successful or competitively advantageous using your understanding or your expertise? Why is it an important question and had we asked it Barry, what answer would you have given?**

Jay: Okay Barry, what do you think?

Barry: I think it is important for people to remember that good enough is good enough. I think it is important for people to remember that you have to



watch what customers do and not what they tell you they're going to do. It is important for people to break out of this baggage, this history, this tradition that you always do better by offering more.

I think I've said that now ten different ways so there is no corner of my expertise that you have not already tapped.

Jay: Let's make sure that everybody knows again, "The Paradox of Choice: Why More is Less". I don't know if you have a website that would be of use to anyone. If so, please give that.

Barry: My various papers that I've written are on my website if you go to Swarthmore College website you can find mine. It has way too [inaudible] for me to remember what it is but you can find me on www.swarthmore.edu and you can find me that way.

Jay: Greg, what's your take on that?

Greg: Okay, good. So, here's the question that I wished you'd asked me, and it is sort of a happiness question. The question would be "How important is it for an entrepreneur to be passionate about what he or she is doing." And my answer, in my experience, because I've worked with lots of entrepreneurs is, it is critically important for you to be passionate, and it's passionate about everything you do; your product, your service, your customers, your employees. The minute it isn't fun anymore and you stop caring, then one of two things has to happen. Either you need to shift gears and change something or you need to find that passion again because chances are you had the passion at one point, and if you lose it, then it is really, really difficult to make it a success.

I think for a lot of entrepreneurs, they don't necessarily lose it. They just lose track of it. So this is part of that morning ritual. It is like to be kind of grateful, I've got this incredible product or this credible thing I am trying to do and it's going to be hard sometimes. How can I show my passion to the world? I think this is so key for customers. If they see your passion, they are going to want to have it and they are going to want to work with you.



Jay: Number one is if anyone listening wishes to get a hold of you, what is the easiest way to do it? Online?

Greg: Yes, online you can go to our website, which is www.fosterhicks.com, one word, and you can contact us through there and you could learn a little bit more about the training programs and coaching.

Jay: Very good Greg. Okay Herb, what do you think?

Herb: I think that the thing that restrains a lot of people in life is they so often accept the status quo, the sort of assumption that things are done this way, they've always been done this way and that makes it right to do it that way. Somehow there is a reason for doing it that way. But in truth, there is no reason to do it that way. It is just that people get into the habit, they get into a rut.

So, anytime someone comes up with a new idea for doing things, try it out. Try it out - innovate. If you do that, no matter what kind of business you're in, you'll make a little in profit margin here and there, and that will be the difference between your thriving in business and your sustaining constant business hardship. That's what I would say.

Jay: Good answer Herb. Paul, what's your best reasoned answer?

Paul S: Even though I work mostly with larger companies, there was a time that small companies wanted to be like large companies when I taught MBA's 25 years ago at Wharton. At the University of Chicago we taught what IBM was doing, what GM (believe it or not) was doing.

Now of course, now we teach the opposite. We teach the large companies what small companies are doing because these large elephants how do you teach them to dance. They all want to be nimble and agile and entrepreneurial. So small businesses, in many ways, already have a big edge.



The questions that I think we could add that are interesting from my perspective are the following: The world is moving away from a vertical, hieratical view of the enterprise of companies, where you have command and control in many layers to a horizontal or networked based model. That is generally happening that our companies now that are almost entirely virtual and they don't—Nike really doesn't make any shoes, right, it just orchestrates networks by which things get done.

I think the role of networks and related to that the role of networks in developing good peripheral vision because many of us get blind-sided. We don't see an opportunity soon enough or we don't see a threat soon enough. It is because it is so complicated what surrounds us that we need other people, we need good networks whether it's into your supply chain network or it's into your distribution network or whether it's just your business partners.

So I try to measure when I meet entrepreneurs and small business leaders, I try to measure how good is that network. Is it a broad network? Does it tap into many domains that are relevant? Or is it kind of insular and a little bit restricted so that they will not be the first ones to hear about a new developments that are a competitor is making an acquisition or that a key customer is thinking of taking their business elsewhere.

Jay: How could somebody reach you?

Paul S: Well, thanks for that suggestion. Obviously, they can Google just my name but they can also just send me an email at schoemak@Wharton.upenn.edu. That's the last two letters of my last name, the "er" is dropped.

Jay: Thanks for that Paul. Okay, Tony, what do you think?

Tony: Well, you know, a lot of people ask me the question about kind of my own base philosophy or what's my motto or what's my mantra? If you were going to ask me that right now, Jay, what I would say is something that my parents taught me years ago and that is the concept I live by day in and day out that



has paid off beautifully for me in my life. That's the concept of – are you ready for this?

Jay: Yep.

Tony: Give value, do more than is expected. What I really like to do is I like to understand when someone comes in my world, how can I give them more tangible value, how can I give them more connections, how can I give them more inspiration or encouragement, how can I give them part of me, part of my energy so that they can really be their best?

I believe that if people will really adopt that philosophy, how do you take the people around you, personally and professionally, and give them value more than they expect? That is a big deal in life. I believe you build a great brand, strategic presence, people want to be around you, and they will do favors back for you if you really look for ways to give value to people in everything you do.

Jay: The book is “Strategic Acceleration.” It's in the bookstores everywhere and you can get it online. But if anyone wants to reach you, what is the most expedient way to find you online?

Tony: If they email me, they can email me at info@TonyJeary.com.

Jay: Thanks for that Tony. Paul Zane, what do you think?

Paul Z: To me the question which is dominated by your question is success equates to money. That's really not the case. For a business person, it is about serving others. The more you serve others and the closer you are to the final end-use product the happier you are, not necessarily the most money.

I've always thought of it like a see-saw. If you look at the food industry the lawyers who create the labels and the packaging for the food industry, the marketing companies, the designers of the packaging. These people make a lot of money, a lot more money than the waitress in the restaurant who serves the little kid their favorite ice cream. Who's the happiest? Think of it



like cows produce milk and at the end of the line of all those branding of some great ice cream dessert, there is a kid in a restaurant who says I want this brand of dessert and he gets it and he is real happy.

The waitress oddly enough is the happiest person in that supply chain. He/she as the waiter sees the kid go wow, this is great. Doesn't earn much money, probably gets a tip of 20 percent on \$3 item but they're really happy serving it even though a 100 people worked in that chain from cow milk to ice cream.

The further away you get from your in-use customer, the more money you will probably make because the more leveraged your work is. It's affecting a million kids buying ice cream if you're designing the packaging for it or doing the legal work involved. The further away you get from seeing the happiness of your product the less happy you're going to be.

So, as an economist we talk about utility curves. Every person is different in how they value certain items. You have to first tune into what turns you on and makes you happy not what makes you the most money and where in that supply chain? And in general the further away you get from the end-use customer the more money you're going to make.

Rich: Paul, wait before you go, I wanted to ask you one more follow-up question because as an economist as someone who has advised two Presidents, your perspective would be immensely valuable here. What in your opinion was the cause of the current economic crisis that we're in and what can be done about it?

Paul Z: Now that I'm back home and I can look back and I've been asking myself what really caused the crash of 2008. Most people think the crash was caused by Wall Street or home mortgages or all those topics that got in the news.

So, when I analyze the economy now with the benefit of hindsight, I can see it was a lack of innovation. It was business people getting lazy. But more important than just laying blame on what happened industry by industry, it



is so exciting now to be an entrepreneur because in virtually every business innovation that had driven the American economy throughout all the 20th century slowed down or actually went negative from 2000 to 2008. Then it stopped entirely in 2008, 2009 which has led to the greatest entrepreneurial opportunity in history for people willing to go as an entrepreneur with a new business or an intrepeneur within an existing business and retool America and look at everything we do, go out and source the better method, the better technology available and implement it.

Jay: Tell me what new project you're working on now and what you think that's going to lead to because you always end up with a new book or a new audio program or a new something?

Paul Z: My new project is called *The Entrepreneurial Challenge*. It is to take my expertise more as an entrepreneur and less as an economist and show people a template and the subtitle of this project is "why this is the best time to start a new business and how to find the right business for you." I realize there is a formula or an algorithm that I can apply to individual by individual that even if I never meet that individual, I can give them rules to find out not just go into this business but to find the right business for them because everybody has a past and the right business for most entrepreneurs are who you know and what you know.

Jay: Okay everyone, we've just taken you through an extraordinary process of fast-tracking your business. We've just given you all these accelerators that can drive rapid and soaring success. What are you going to do with it? Well I hope you'll reflect very carefully. I hope you took great notes. I know that Rich and I did. I hope you respect the quality and the stature of the experts you've just been listening to and I hope their perspectives and their answers moved you to a higher, better placed, a stretched and a more focused paradigm and I hope and I pray and I hope you and your business will make the very most of what was just revealed to you in this last hour and a half or so. With that, I wish you great success. We look forward to our next encounter together and it's been a stimulating and a delightful pleasure to be with you today. Rich?



Rich: I couldn't agree more Jay, I thought it was a unique take on some interesting perspectives on growing a business and so I hope that everybody makes the most of it and applies it to their business as soon as possible.

Jay: Alright, bye everybody, bye Rich.

Rich: Bye Jay.

***** (END) *****