

## No Shortcuts

*tackle the world's greatest business challenge by  
mastering the basics of leadership, branding, and innovation*

a white paper by Dan Coughlin

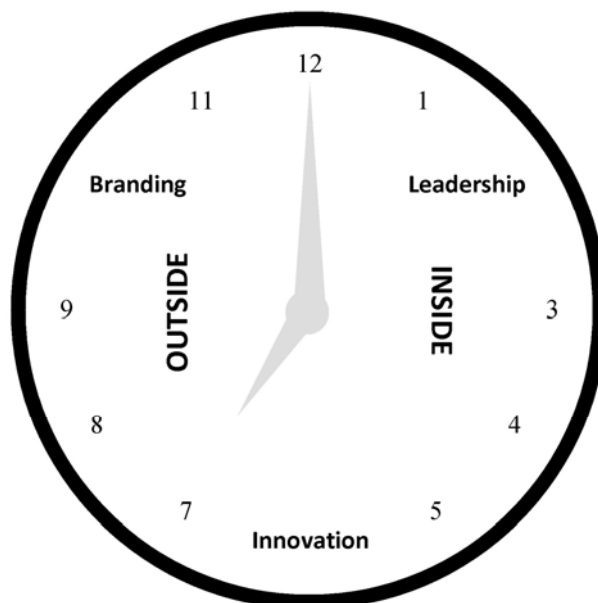
The greatest challenge that businesses all over the world are facing right now is not to achieve success. We all know of people who have achieved incredible success in business just since the turn of the century back in 2000. However, many times those individuals, groups, and organizations have achieved amazing results only to fall way, way back down.

The greatest business challenge is to sustain success over the long term. The key to do so is to avoid shortcuts, which are the approaches people use to achieve great short-term results that are not sustainable in producing good results over the long term, and to master the basics necessary for long term success.

Since 1998 I have worked with large corporations (McDonald's, Toyota, GE, Marriott, Coca-Cola, Prudential, Abbott, Kiewit, Holder Construction, Subway, Jack in the Box, and many others) and a wide variety of medium-sized and small businesses both as a teacher (more than 500 keynote speeches and seminars) and as a coach (more than 1,500 Executive Coaching sessions and over 3,000 hours on site observing executives in the flow of their normal work day).

From this real-world research, I have found that the organizations that sustain their success through economic good and bad times generate results in three primary ways, as you can see in Figure 1. This includes what happens inside the business (primarily leadership), what happens outside the business (primarily branding), and what connects the inside and the outside of the business (primarily innovation).

Figure 1



In this white paper are a few practical ideas for each of these three essential areas that you can use right away to sharpen your skills. As you do so, you will keep your organization steadily ticking and generating sustainable, profitable growth.

## **Leadership**

Leadership means influencing what other people think about in ways that generate better sustainable results both for the organization and the people in it. This definition places the emphasis on the importance of being a long-term leader as opposed to a short-term one.

A short-term leader focuses only on getting a good result today, regardless of how it will affect results in the future. A long-term leader focuses on making decisions and influencing people to achieve good results in the short term in ways that will allow his or her organization to continue to succeed again and again in the future.

## **Schedule Thinking Time**

Tom was the Vice-President of Operations of about a five hundred million dollar business unit in a large corporation. I was working with Tom as an Executive Coach. Tom and I got along very well. One day he said to me, “Dan, I have a problem.”

I said, “Tom, what is it?”

He said, “My boss thinks that I’m not very strategic or creative, and I don’t know what to do about it.”

I said, “Tom, it’s ok. I’ve seen this situation many times in the past, and here is what I suggest you do.”

Tom picked up a pen, and said, “This is going to be important. I’m going to want to write this down.”

I said, “Tom, here is what I suggest you do. Block out one hour a week to really think. One hour a week where you get away from your boss, your peers, your employees, your customers, your suppliers, your family, and your dog. Go to a place where no one knows you. Take out a blank sheet of paper. At the top of the sheet of paper write down one business outcome that you want to improve or one business issue that you want to resolve.

“Take that issue or that outcome and turn it into an open-ended question. Answer the question from a variety of perspectives for thirty-five minutes including your perspective, your boss’s perspective, your employee’s perspective, your customer’s perspective, and your competitor’s perspective. Write down as many ideas as you can. Over the next ten minutes look at all of your ideas and combine some of them together to make even better ideas. At the end of forty-five minutes select your single best idea, and then take the last fifteen minutes to put together an action plan on moving the idea forward. Then go back into your regular work week.”

I said, “Tom, I really believe that if you will do that one hour a week you can have a tremendous impact on all of the other hours in your work week.”

Tom put his pen down, he looked at me, and he said, “Dan, that is the single dumbest idea I have ever heard. If I go off to La-La Land to think, people will make fun of me. You don’t understand. People don’t pay me to sit around and think. People pay me to get things done.”

I looked at him and said, “Tom, I do understand. People don’t pay you to get things done. They pay you to improve results. If you will invest one hour a week in really thinking about your business, I believe you will have a tremendous impact on the results you generate.”

Tom said, “Fine, I’ll try it.”

Three weeks later I saw Tom again. He said, “Dan, I just want you to know that I tried your thinking idea.”

I replied, “How did it go?”

He said, “I wasted three hours that I could have been getting a lot of stuff done.”

I said, “Hang in there. It takes time to produce a good idea.”

Two more months went by, and the topic came up again. Tom said, “Dan, I landed on an idea in operations that we’ve never tried before, and I don’t know if I should try it or not.”

I asked, “Tom, do you think it could have a positive impact on your most important desired business outcomes?”

He said, “I think so.”

I asked, “Do you think it will have a negative impact on your business?”

He said, “I don’t think it is going to.”

I said, “I suggest you go ahead and try the idea.”

Three more months went by. I saw Tom again, and he said to me, “Dan, I just want you to know that I now schedule an hour a week to think and everyone on my team schedules an hour a week to think. However, I still have one problem with you.”

I asked, “What is it?”

He said, “Why didn’t you tell me to do this when we first met?”

I did not have a very good answer so I don’t want to make that mistake twice. Effective leaders take time to think. Consequently, I encourage you to schedule one hour a week to really think.

Take one hour a week and get away from your boss, your peers, your employees, your customers, your suppliers, your family, and your dog. Go to a place where no one knows you. Pull out a blank sheet of paper. At the top of the sheet of paper write down one outcome you want to improve or one issue you want to resolve.

Turn that outcome or that issue into an open-ended question. Then answer that question from a variety of perspectives including your perspective, your boss’s perspective, your employee’s perspective, your customer’s perspective, and your competitor’s perspective. Come up with as many ideas as you can for thirty-five minutes. Take the next ten minutes to combine ideas

together to develop even better ideas. Then select your best idea and use the last fifteen minutes to put together an action plan on how you are going to move that idea into motion. Then go back into your normal work week.

I think if you will do that for one hour every week eventually you will have a tremendous impact on your desired results.

### **Answer The Four Critical Leadership Questions**

Over the past quarter-century the topic that I have studied the most by far is leadership. One lesson I have learned is that leadership is not a label. I have never seen a label or a combination of labels that guarantees a person will be or will not be an effective leader. I have seen effective male and female leaders, young and old leaders, tall and short leaders, introverted and extroverted leaders, and leaders from a vast number of ethnic groups.

Another lesson I've learned is that every effective leader answers The Four Critical Leadership Questions. None of them called it this, and most of the time they didn't write down these questions. However, every effective leader I've observed or studied has worked to find the answers to these questions and then persevered to implement his or her answers.

*The Four Critical Leadership Questions are:*

1. What is the most important outcome I want to improve in our organization and why do I want to improve it?
2. Who do I need to influence in order to improve that outcome?
3. What do I need to influence them to think about?
4. How will I influence them?

I encourage you to take out a sheet of paper and write down your answers to these four questions. Here are some additional thoughts for each of them.

### **What outcome do I want to improve for my organization and why do I want to improve it?**

Leadership is not acting. You can't just walk into a room and say with a deep voice, "Let's go out there and rock the world." Leadership has to be geared toward improving some outcome. On your sheet of paper, write down the specific outcome you want to improve in your organization.

Be as clear as you can be about what it is you want to have happen. Then write down as many reasons as you can think of as to why you want to improve that outcome. If you do that for

a variety of desired outcomes, you will begin to see that one, or at most two outcomes, will rise above all the others in terms of their importance.

### **Who do I need to influence in order to improve that outcome?**

After you identify the desired outcome, then write down who needs to be involved in improving that outcome. Be clear about whom it is that you need to influence. Which individuals do you need to influence and what types of groups do you need to influence?

### **What do I need to influence them to think about?**

What is it that you want these people to be thinking about in order to improve that desired outcome? Is it cost efficiencies, is it better customer service, is it searching for ideas that can generate better short-term or long-term profit, or is it something else? Get very clear in your own mind what it is that you want these people to focus on. You can't do all of the work yourself. By influencing what certain people think about you can enhance their impact on the desired outcome.

Notice that the question doesn't say, "What do I need to tell people to do?" Telling people exactly what to do all of the time is micromanaging. At best, micromanaging can improve results in the short term, but it can also generate three massive long-term problems. You might end up with employees who can't think for themselves, a lack of a leadership pipeline, and/or good employees who end up leaving to go to another organization where they are allowed to think for themselves.

If people are just doing something because they are told to do it, what happens when you're not there to tell them what to do? The key is to identify what you want them to think about when you are not present. For example, if your desired outcome is to have customers who are vastly more loyal to your brand than your competitors, you might influence your fellow employees to think about the value of significantly more loyal customers. Once people start thinking about that outcome they can come up with all kinds of ideas on how to improve the customer experience. If they buy into the idea that vastly more loyal customers will improve their careers over the long term, they may very well focus to an even greater degree than you do and in more of a hands-on fashion than you can toward improving the customer experience on a consistent basis.

### **How will I influence them?**

Now we are getting down to the art of leading, or influencing, others. Here are eight leadership approaches you can use to influence what other people think about. You can use more than one approach as you go about trying to influence your target audience to think about certain things in order to improve the desired outcome for your organization.

As you read each of these approaches, I encourage you to think of someone you know or someone that you have studied who has used that approach successfully. This will help make these ideas more real to you.

## **Eight Different Leadership Approaches**

1. *The Exemplar* – this person's behavior models the desired performance so well that he or she influences other people simply by being watched.

A lot of people have never read anything that Mother Theresa or Nelson Mandela wrote, but their behaviors so perfectly matched what they wanted other people to do that they actually influenced other people just by being observed.

What is the behavior you want to see by your employees and how can you model that desired behavior on a consistent basis?

2. *The Teacher* – this person breaks down the idea and explains it so well that other people truly get it and can run with it even when he or she is not present.

I encourage you to read Warren Buffett's Annual Letter to the Shareholders, which you can google. He breaks down complicated financial data and explains it in easy-to-understand terms by using analogies and stories.

How can you explain a complicated idea in your organization in easy-to-understand terms?

3. *The Visionary* – this person describes a compelling picture of what the future can look like and that vision is what people hold on to as they go about their daily activities.

Walt Disney was well-known for having acted out the entire story of Snow White and the Seven Dwarfs so the animators could see what the end result was supposed to look like. This helped them understand how their day-to-day efforts connected to the desired end result.

Can you describe what you want success to look like in your organization two years from now so that the members of your organization can understand more clearly what it is that they are working toward achieving and how their individual roles fit within the bigger picture?

4. *The Storyteller* – this person tells stories that convey a powerful point.

Mark Twain and Abraham Lincoln told stories of very ordinary events as a way of influencing what other people thought about.

Is there a story that you can tell about a really great customer experience or a really bad customer experience that you had in order to make a powerful point to your employees?

5. *The Coach* – this person engages the other person in a conversation and offers advice based on observed behavior.

Just as an athletic coach watches a player perform during a game, does not interrupt the performance, and then shares insights with the player in a private conversation, so too does the coach in business who watches an employee perform, does not interrupt, and then engages the person in a private conversation after the event is over.

Is there a person in your organization whom you can observe in action, not interrupt his or her performance, and then engage in a meaningful conversation with questions and insights after the event is over?

6. *The Facilitator* – this person asks open-ended questions and gets multiple people involved in developing the answers.

Many times when I have served as an executive coach, I will receive a phone call after about three months and the person whom I'm coaching will say, "I learned something valuable today. I learned I don't have to have all the answers. If I just ask a good open-ended question, my employees come up with all kinds of good ideas."

What open-ended question could you ask your employees that will get them thinking about the things necessary to improve your desired outcome?

7. *The Encourager* – this person actively looks for good performances and points them out to other people.

My dad was still writing long, hand-written letters of encouragement way after e-mail became the "in" way to communicate. He would look opportunities to observe another person in action, and then he would say, "I'm really proud of you for the way you handled that situation." He always said it in a way that the other person knew that he really meant it.

Can you write to one of your team members a letter of encouragement and point out why you are proud of that person?

8. *The Listener* – this person listens so well that the other person feels empowered to keep developing his or her idea aloud in the conversation.

Cody was the vice-president responsible for an \$800 Million business unit, and she was an incredible listener. I observed her in action over a period of two years. She would patiently listen to another person in a private meeting, in a small meeting of ten people, and in a large meeting of eighty people. She listened so patiently that the other person was able to put his or her complete idea on the table for everyone else to consider.

Can you listen attentively for an extended period of time and draw out additional ideas that otherwise would not have made it to the table?

## **Leadership Reflection Exercises**

To further familiarize yourself with these different types of leadership approaches, here are a few exercises for you to consider doing.

Exercise #1: Think of three leaders who affected your life in an important way. Then scan the list above and determine which leadership approaches they used.

Exercise #2: Think of a time when you were an effective leader. Then scan the list above and determine the leadership approaches you used.

Exercise #3: Write down how you will influence the individuals you identified earlier in the second Critical Leadership Question. Which leadership approaches are you going to use to influence them to think about what you want them to think about?

## **Branding**

A brand is the value people think they receive when they use a certain product or service or think they will receive when they do use that product or service. A brand exists outside of your organization and inside the minds of your customers and potential customers. You do not own your brand. The stronger your brand becomes, the more likely your desired customers will reach out for your products and services.



## **Connect to Your Hub to Sustain Success**

The covered wagon was critical to the success of the United States. In the mid-1800s thousands of Americans traveled across the Great Plains to Oregon and California, and they put all of their life's belongings in covered wagons. The key to the success of the covered wagon was the wagon wheel.

The wagon wheel was a large wheel that had a hub at its center. There were twelve spokes that connected the wheel to the hub. Because the spokes went directly into the hub, the combination gave the wagon wheel the strength to carry everything in the wagon. If the spokes had been going in all different directions, then the wagon wheel would have collapsed under the strain of the family's belongings.

The same is true with your business.

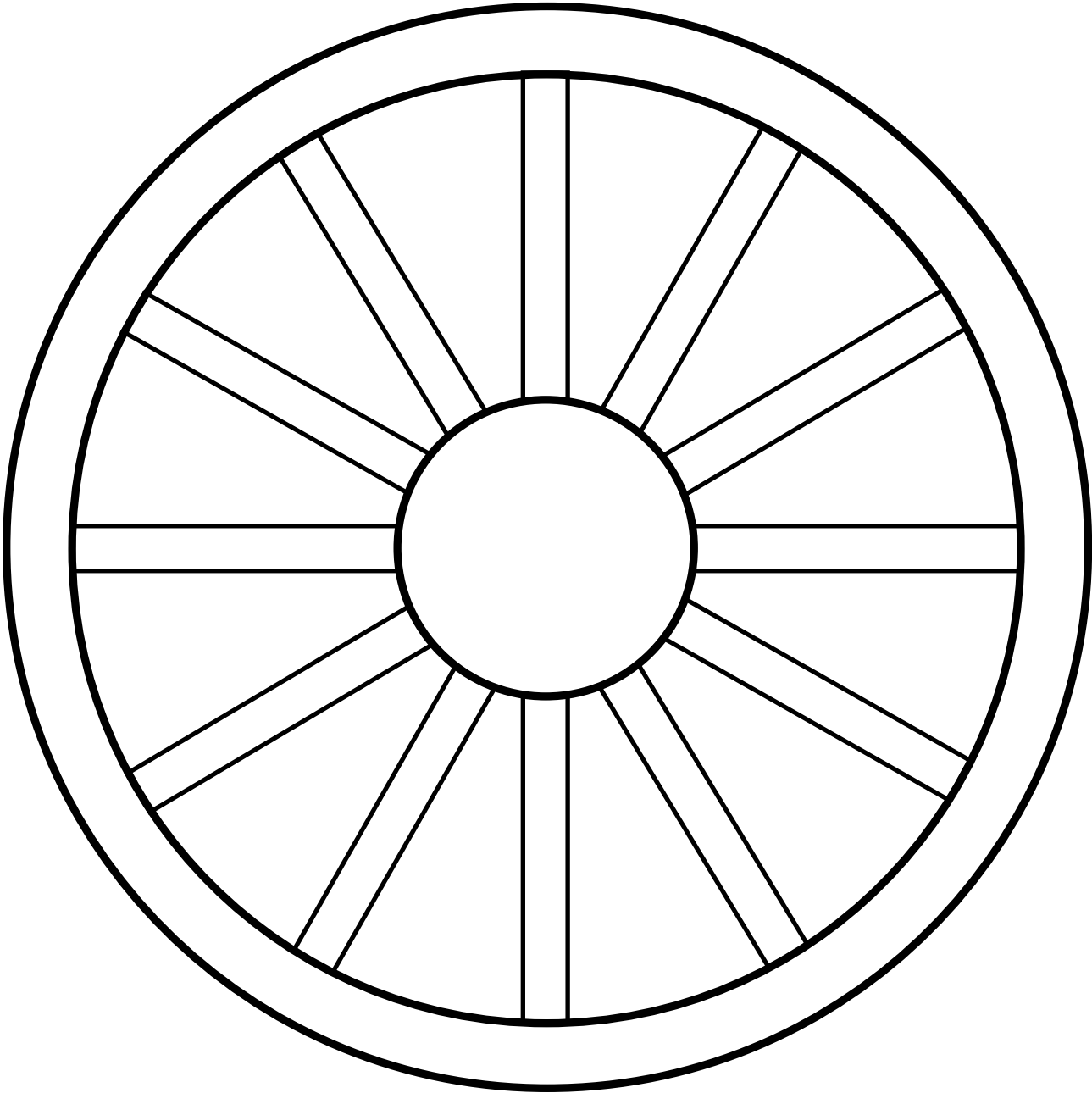
Value is anything that increases the chances that the other person will achieve what he or she wants to achieve. In Figure 2, notice that your Business Wagon Wheel consists of the value you deliver to customers, the way in which you deliver that value, and the people to whom you deliver that value to.

**Figure 2: The Business Wagon Wheel**

*Your Business Hub* – the value you are known for delivering.

*Your Business Spokes* – the ways in which you deliver that value.

*Your Business Wheel* – the customers you add value to.



If the ways in which you attempt to deliver value to your customers do not fit into the value that you are known for delivering or if the value you are known for delivering is not highly relevant to your desired customers, then your organization will collapse despite enormous efforts on the part of people throughout your organization.

You need a strong relevant hub (value for customers), delivery methods that support what you are known for delivering, and good relationships with your desired customers. With all three, you have a strong brand, and without all three you have a brand that won't sustain the pressures of the marketplace.

Apple, Inc. has been in the news a great deal over the past several years primarily because it is a great example of an organization that is very clear about the value they want to be known for delivering, the ways in which they deliver that value, and the people to whom they want to deliver that value to. The same can be said for every great brand.

## **Understand Your Brand**

In order to strengthen your brand, the first step is to better understand your brand. Take some time to consider these questions.

1. *What is your business hub? What is the value that you are known for delivering?*

Notice this question doesn't say, "What value do you want to be known for delivering?" It says, "What is the value that you are known for delivering?" If I were to ask fifty of your customers what value they receive from your products and services, what would they say?

2. *How do you deliver that value?*

What are all the activities that people do in your organization? For one month have every employee keep a running list of all the activities he or she does each day. At the end of the month work together with your employees to identify which of these activities help to deliver the value that your organization is known for delivering to customers and which activities do not support that delivery of value. Be willing to let go of the activities that don't support your brand. Then prioritize the remaining activities so that people throughout your organization are spending the vast majority of their time and energy on those things that support your brand in the most effective ways.

3. *To whom do you deliver that value to?*

Who are the people that receive value from your organization? Who are the people you want to deliver value to that are not currently receiving value from your organization? Are you spending time with people who are not your desired customers? Be willing to let go of certain types of customers if it will help you to strengthen your brand.

Now go back to the Business Wagon Wheel in Figure 2. Fill it in so you can see very clearly the value you are known for delivering, the ways in which you deliver that value, and the people to whom you are delivering that value to.

**Determine If You Want to Stay with What You've Got**

Now you face a crossroads. Do you stay with the brand you have developed, or do you change it?

If you decide to keep your current brand, then look at each piece of your Business Wagon Wheel and determine if you can sharpen it in some way. Is the value that you are known for delivering as clear as you can make it? Are there any activities that do not support that hub that people in your organization should stop doing? Are there any current or potential customers that you should stop pursuing or start pursuing?

If you decide to change your current brand, then you will need to reinvent your business. You can change one, two, or all three of the key variables that make up your brand. You can change the value that your organization delivers to customers, you can change the way your organization delivers that value, and/or you can change the people to whom you are trying to deliver that value.

Fill in the following three blanks and notice how changing any one of them will change your current brand.

*New Value for Customers:*

*New Delivery methods:*

*New Intended Audience:*

Don't take this activity lightly because just as it is hard to build a strong brand, it is also a great challenge to reinvent your business. However, sometimes it is necessary to do so in order to build a stronger brand.

## **Innovation**

Innovation means creating greater value for other people and delivering it to them with the appropriate values based on a better understanding of them. It is not just a matter of what you deliver to other people. It also matters how you deliver it. Values are beliefs that determine behaviors. Your behaviors matter just as much as the value you are delivering. In order to deliver greater value in more effective ways, the key is to constantly work to better understand your desired customers.

### **Apply the Process of Innovation**

Regardless of the size of your organization, this five-step process of innovation remains the same. It is based on the idea that an effective innovation comes from a greater understanding of your desired customer.

#### *1. Observe customers.*

Step into your customer's world and watch them in action. One of my favorite quotes is from David Ogilvy in his book, *Confessions of an Advertising Man*. He said, "Creative people are especially observant, and they value accurate observation (telling themselves the truth) more than other people do." Don't assume anything about your customers. Go and observe them. Be honest with yourself. Don't tell yourself that your customers are thrilled with what they receive from you when they are in fact not thrilled at all.

Watch them when they look at your website and see what they struggle with. Listen in when they call your company with a question. Stand and watch them as they try out your product or service for the first time and six months later. Identify what it is that they enjoy and what it is that they struggle with. Zero in on the first thirty seconds of every customer interaction with your organization and ask yourself, "What could we do to add more value to this customer at this moment in order to make this a more valuable experience for him or her?"

2. *Talk with customers.*

I'm not talking about a formal survey or an on-line questionnaire. I'm talking about a regular old-fashioned conversation. Sit down with a customer or have a live conversation on the phone. Ask basic questions like, "What did you find to be of value in using this product or service? What did you find that wasted your time or frustrated you? What would have made this is a better experience for you?"

Just talk with your customers to find out what they are thinking. They may not have a breakthrough idea for a new product or service, but their comments will help you to better understand what they are going through in using your product or service.

3. *Be the customer.*

If at all possible, be your own customer. Buy something from your organization. Go to your website and see if you can figure it out. Call in with a question about a product or service and see how you are treated. Try to use a product or service from your business for the first time and see what the experience is like.

The more you experience what your customers experience, the better your chances are of understanding how to improve that experience for your customers. If you do this consistently, you will become a much more effective innovator.

4. *Review the research.*

If you invest money in formally researching your customers, at least consider what the research can teach you about your customers. Many times I have seen people invest enormous amounts of money in researching their customers, and then when they receive the results of that research they look at it for two minutes and say, "This isn't about me. It applies to someone else." Then they just discard the research.

Read over what your research is telling you, and ask yourself, "Is there some part of these insights that I can use in creating greater value for our desired customers and delivering it with more appropriate values?"

5. *Apply your strengths and passions toward creating and delivering greater relevant value for your customers and potential customers with more appropriate values.*

This is the crucial step in moving from a better understanding of your desired customers to the delivery of greater value for them. Once you have invested time in observing customers, talking with customers, being the customer, and researching customers, you are now in a position to leverage the strengths and passions throughout your organization to create and deliver greater value to these people in ways that will be effective for them.

This is how great organizations continually improve. They focus on answering the question, “How can we use our strengths and our passions to create greater value for our customers and potential customers and deliver it in ways that will be more effective for them?” That is an everyday question, not a once-every-other-year question.

### **Operate at the Intersection of Leadership, Branding, and Innovation**

Innovation is an on-going process that can either strengthen or weaken your brand. It is important to make sure that your innovations fit well in your business hub, which is the value that you are known for delivering. Otherwise, you can be very innovative and end up weakening your brand and your business results.

This is where your ability to lead plays an important role. It is important for you as a leader to first understand your organization’s brand. Then it’s important for you to influence your employees to think of how they can create greater value for your desired customers and deliver it in ways that will strengthen your organization’s brand.

When all three of these factors, leadership, branding, and innovation, are working in sync, you will build an organization that generates sustainable, profitable growth over the long term.

### **About Dan Coughlin**

Visit [www.thecoughlincompany.com](http://www.thecoughlincompany.com).

Dan Coughlin is a leading authority on managing for long-term business success. He is a business keynote speaker, seminar leader, and executive coach on leadership, innovation, and branding. He is also the author of four books on generating sustainable, profitable growth. His clients include McDonald’s, GE, Toyota, Prudential, Coca-Cola, Marriott, Jack in the Box, Boeing, Abbott, Denny’s, Subway, Holder Construction, Kiewit, Ace Hardware, the St. Louis Cardinals, Assisted Living Federation of America, and many, many more.