CONTENTS

INTRODUCTION .................................................................................................................. xxv

PART 1: UNIVERSAL PATTERNS OF LEADING IN UNCERTAIN TIMES ......................... 1
How do some people, organizations, and coalitions thrive in uncertain times? What enables them to appear so certain and take decisive action amid ambiguity about the future?

CHAPTER 1 – BEING CLEAR ON WHAT’S REALLY IMPORTANT ................................. 3
How did you decide how you spent your time yesterday? What criteria are you using to allocate your time tomorrow?

LEADING ........................................................................................................................... 5
Does being called a “leader” mean you are “leading”? What does “leading” mean?

IN–ON .................................................................................................................................. 9
Are you seduced by working “in” the business at the expense of “on” it?

CHANGE VERSUS TRANSFORMATION ........................................................................ 13
Are you fixing or creating?

CHAPTER 2 – BEING INTENTIONAL AND GOING FIRST ......................................... 18
What are you committed to making happen and by when? What does “committed” mean?
What does your commitment mean to others?

INTEGRITY ...................................................................................................................... 21
Does your “yes” really mean “yes”?
CONTENTS

TRUST THE UNIVERSE ......................................................................................................................... 25
Is your vision limited to what you’ve already seen?

DECLARATION ........................................................................................................................................ 29
Are you willing to live unreasonably?

CHAPTER 3 – ENROLLING OTHERS .................................................................................................... 32
Can you call people, from disenfranchisement and mere compliance, to their highest level of commitment?

DYNAMIC INCOMPLETENESS .................................................................................................................. 35
Can you create a vision that is compelling because of what it says and at the same time inviting—for what it leaves yet to be said?

ENNOBLEMENT ....................................................................................................................................... 39
Does your vision elevate people in degree and excellence and respect and inspire them to act boldly?

POWER ..................................................................................................................................................... 45
Do you know how to turn strangers, competitors, cautious allies, and suspicious stakeholders into powerful, outcome-driven coalitions?

PART 2: UNIVERSAL PATTERNS OF POWERFUL ALLIANCES ......................................................... 47
How do you generate unprecedented power within the group? Is this question all that important to you?

CHAPTER 4 – GAINING SHARED PERSPECTIVE ................................................................................. 49
Everyone claims to value diversity. Can maintaining diverse perspectives ever be a bad thing?

BLIND MEN AND THE ELEPHANT ........................................................................................................ 51
How do you help people to see the “whole thing”?
CHAPTER 5 – ESTABLISHING SHARED INTENT ........................................... 62
How do you lead the group to be intentional?

CORE PRIME ..................................................................................................... 65
How do you help the group to focus on the right things and feel urgent about acting?

PARITY ............................................................................................................. 73
What is the right ratio of analyzing versus imagining?

STAKE ............................................................................................................. 77
How do you get the group “all in”?

CHAPTER 6 – TAKING COORDINATED ACTION ........................................ 80
How do you get the group to do everything persistently about a few critical things versus doing a few things about everything?

COHESION ..................................................................................................... 83
Cohesion is an unnatural state for a group. How good are you at establishing and sustaining it?

REDPOINT ..................................................................................................... 85
A good question to ask is, “What is important to do?” A better question is, “Of all the important things we could do, what are the fewest, most important?”

MUDA ............................................................................................................. 93
Can you distinguish “non-value-added activity”? How much of your group’s resources is it consuming?
PART 3: UNIVERSAL PATTERNS OF OUTSTANDING GROUP PERFORMANCE......96
What do high-performance groups know and do that low-performance groups do not?

CHAPTER 7 – MAKING DECISIONS .......................................................... 98
What does the word “decision” actually mean? How are decisions made?

LEADERSHIP SPECTRUM ...................................................................... 101
Are you the kind of leader who likes to facilitate consensus? The right answer is, “That depends.”

CONSENSUS ........................................................................................... 105
Are you still using the traditional definition of consensus? Are you aware of how destructive the traditional definition is?

OPEN–CLOSE–DECIDE ........................................................................... 109
How do groups actually make decisions?

CHAPTER 8 – BUILDING AN INTENTIONAL CULTURE ......................... 113
Quick—what does “culture” mean? There are consequences to using more than seven words to define culture.

CULTURE ............................................................................................... 115
Culture happens. You shape it or it shapes you. How good are you at shaping a culture?

CONGRUENCE ....................................................................................... 119
What is the dark side of a stated culture?

FEEDBACK AS CARING .......................................................................... 123
How good are you at giving it? How good are you at getting it? Why does it matter?
CHAPTER 9 – SOCIAL CONTRACTING AND ACCOUNTABILITY WITHIN THE GROUP ............................................................. 126

How do peers give each other commands?

REQUEST ................................................................................................................................. 129

Why saying “no” protects your saying “yes.”

TRUST ........................................................................................................................................ 133

We all say how important trust is. What is trust? How do you generate it and how do you destroy it?

BREACH ..................................................................................................................................... 137

What do you do when your “yes” turns out to be a “no”?

CHAPTER 10 – SAYING AND NOT SAYING; LISTENING AND NOT LISTENING ............................................................ 140

How do high-performance groups sound?

PERIMETER ............................................................................................................................... 143

How small a fence have you built around what can and cannot be said?

FACTS, STORIES, AND BELIEFS ............................................................................................ 147

Can you distinguish facts from stories from beliefs? Do you use facts the way a drunk uses a lamp post—for support versus illumination?

GOSSIP ......................................................................................................................................... 151

What is it? What makes it so destructive? How do you stop it?
PART 4: UNIVERSAL PATTERNS OF GROUP FAILURE ........................................ 153
How good are you at anticipating, avoiding, and slaying the dragons that inevitably show up and threaten your group and the outcomes your group is standing for?

CHAPTER 11 – OVERCOMING RESISTANCE .......................................... 155
Are you okay with favoring some people and ignoring others?

LAGGARDS .................................................................................................. 157
Do you know how to starve “possibility killers”?

FRAGMENTATION .................................................................................... 161
How skilled are you at overcoming resistance from the powerful middle?

SAME–DIFFERENT .................................................................................. 165
Everybody’s special. Really?

CHAPTER 12 – MANAGING INTRACTABLE DILEMMAS ..................... 168
How do you end a never-ending argument?

BIG HAT–LITTLE HAT ............................................................................... 171
What do you do when the needs of the many conflict with the needs of the few?

RIGHT versus RIGHT .............................................................................. 175
Resolving conflicts about right and wrong is child’s play. How skilled are you at resolving matters of right versus right?

RESOLUTION PRINCIPLES ...................................................................... 179
Right versus right arguments have been going on forever. What can we learn from our ancestors?
CHAPTER 13 – AVOIDING TRIPPING HAZARDS ......................................................... 181
Tripping hazards are easier to avoid when you know where they are. When it comes to working in groups, can you see them coming?

CHASE–LOSE ............................................................................................................. 183
Chase teamwork, leadership, morale, and culture and you will surely lose them all.

PROCESS–CONTENT .......................................................................................... 189
You can run the process. You can contribute to content. Pick one.

SHAPE SHIFTING ................................................................................................. 191
How to destroy your power in groups.

CHAPTER 14 – REFUSING TO HIDE OUT .......................................................... 194
We all live our lives trying to avoid embarrassment. Can you recognize when you and your group are hiding out and playing safe?

VICTIM–LEADER ..................................................................................................... 197
What does “going victim” sound like?

COURT–LOCKER ROOM ..................................................................................... 199
Do you find planning to be a near-death experience?

CONFUSION ............................................................................................................. 203
Why is confusion such a wonderful way of being?
PART 5: UNIVERSAL PATTERNS OF THRIVING IN AMBIGUITY ........................................ 205
How do you stay healthy when the world is sick?

CHAPTER 15 – AVOIDING BRIGHT AND SHINY OBJECTS AND SQUIRRELS ......................................................... 206
How do you manage distractions?

A CLEARING ....................................................................................................................... 209
How skilled are you at creating nothing?

ISSUES FORWARD ...................................................................................................... 213
Looking behind and looking ahead are both important. What is the right ratio?

CHAPTER 16 – TAKING GREAT CARE OF YOURSELF .............................................. 216
Can you give up coming from “something is wrong”?

COMMITMENT VERSUS ATTACHMENT .................................................................. 219
Why saying “This project makes me so frustrated” is irrational.

BE ................................................................................................................................. 223
How good are you at cutting grass when you are cutting grass?

CONCLUSION: NOW WHAT? ....................................................................................... 226

NOTES .......................................................................................................................... 228
INDEX OF THE PRIMES ........................................................................................... 237
ABOUT THE AUTHOR ............................................................................................... 239
How do some people, organizations, and coalitions thrive in uncertain times? What enables them to appear so certain and take decisive action amid ambiguity about the future?

Yogi Berra was right when he said, “The future ain’t what it used to be.” Not much else is certain these days. Steady state now is changing at the speed of the environment. This frightens, overwhelms, and immobilizes some people. For others, this global reset is a thrill ride and they want a front seat. If this sounds like you, the PRIMES in Part 1 will get you outfitted to “make your dent in the universe.”

Here’s the deal. Almost all the tame problems have been solved. We get to solve the wicked problems. Wicked problems affect a lot of people and it takes a lot of people, all with their own agendas, to collaborate and solve them. In this context, “a lot” means more than seven. When fewer than seven people can solve a problem, even if it is technically complex, they can self-organize and get the job done. Once the group size exceeds seven, the social dynamic switches from small group
behavior to large group behavior. Large groups quickly become dysfunctional, are unsustainable, and do not produce meaningful, lasting outcomes unless led. Sorry to break this news to all you “new agers,” but I have tried almost every trendy idea about emergent and self-organizing systems over the last three decades, and have concluded that groups with more than seven members need to be led.

The people who, amid uncertainty, successfully lead large problem-solving groups share three characteristics. First, they are clear about what they are up to and how they spend their precious time. Second, they are intentional and willing to go first. Finally, they have mastered the art of enrolling others to join them. The nine PRIMES revealed in the three chapters of Part 1 will outfit you with these capabilities.

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*Your own mind is a sacred enclosure into which nothing harmful can enter except by your promotion.*

RALPH WALDO EMERSON

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CHAPTER 1

BEING CLEAR ON WHAT’S REALLY IMPORTANT

How did you decide how you spent your time yesterday? What criteria are you using to allocate your time tomorrow?

What do you stand for? What are you leading toward? How do you decide the best way to spend your time? What would your life be like if your answers to these questions were perfectly clear? The PRIMES called “LEADING,” “IN–ON,” and “CHANGE VERSUS TRANSFORMATION” will give you clarity about these fundamental questions. After you are outfitted with these three PRIMES, your calendar will never look the same. You will be selective about which meeting requests you choose to accept or decline. You will have a crystal clear rationale for why you are doing what you are doing and not doing what you are not doing. From this place of clarity, you will access ways to make more significant and meaningful contributions to groups and organizations of which you are a part and communities that you serve, using less effort.

The best is he who calls men to the best. And those who heed the call are also blessed. But worthless who call not, heed not, but rest.

Hesiod

eighth century BCE Greek poet
Set Direction

Align Resources

Inspire Action

Be Responsible for Results

LEADING

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LEADING

Does being called a “leader” mean you are “leading”?
What does “leading” mean?

Amazon.com currently sells 13,391 books on leadership. So why are people not leading effectively? Do we make it too complex? The LEADING PRIME defines the act of leading as setting direction, allocating resources, and inspiring action. Any time you are not doing these three things, you are not leading. Now let’s put this distinction into context by looking at six words: three nouns and three verbs. First, the nouns:

Leader: A title
Manager: A title
Operator: A title

These three words convey what people are. They do not dictate or even indicate what a person of any given title actually does.

Now let’s look at three verbs:

Leading: Setting direction, allocating resources, inspiring action, and being accountable for results
Managing: Balancing capacity with demand and ensuring predictable value is created using an efficient system
Operating: Using the system as designed to produce value
These words convey what people do. They specifically indicate an action. Acting in any of these three ways is not determined by what you are called. Many of us who are called leaders spend most of our time managing and operating. I also see, at times, people who are called managers and operators leading.

Take a moment to highlight the times over the last five days when you were setting direction, aligning resources, and inspiring action. Do the same for your boss (if you have one). Here are some tips to help you do an honest assessment. If you own a law firm, when you were practicing law, you were operating your business. If you are cutting hair in the salon you own, you are operating your business. If you own a consulting firm and you are consulting, you are operating your business. When you spend your time doing what the business does, you are not leading. Even when you spend your time making your business more efficient, you are managing, not leading, your business.

So, if you are like most of us, you will notice, looking back over the last week or so, that the attraction to manage and operate is very strong. This type of work is more certain and less risky. Leading is ambiguous and offers terrific opportunity to look bad in front of others.

I am not suggesting that there is a right answer to your allocation of time across these three activities. I am saying that unless the organization you are part of is perfectly suited for its future, people have to spend time leading. The question is, “Are the right people (including you) spending the right amount of time leading versus managing and operating?”
Discipline is remembering what you want.

David Campbell
Are you seduced by working “in” the business at the expense of “on” it?

The IN–ON PRIME enables people to distinguish between working IN the business from working ON the business. Most people, especially leaders and managers, spend too much time in the operation and far too little time working on it. When working IN your business, you operate the systems and solve the problems that already exist. When you work ON your business, your activities either change or transform it; you bring forth new ways for the business to operate and produce extraordinary results (or failure) in the market. The power of this PRIME is unleashed once you recognize that at any time, you are either working IN your business or ON your business. IN isn’t ON and there’s no overlap.

**Working “ON” the Business**
- Imagining the business as it will be
- Setting strategic direction
- Establishing budget
- Establishing hiring criteria
- Transforming the system
- Identifying new markets
- What are we going to do next?
- Determining what customers to serve
- Causing creative tension

**Working “IN” the Business**
- Operating the business as it is
- Implementing strategy
- Managing budget
- Hiring people
- Making the current system run better
- Servicing the current market
- How can we do what we are doing better?
- Servicing existing customers
- Resolving creative tension
IN is seductive, whereas ON is ambiguous and scary. IN provides rich opportunities for leaders to take control, save the day, and earn expressions of praise and awe from staff and peers. ON carries inherent risk of being wrong and embarrassed and even shamed. IN wants all of the leader’s attention and is threatened when he or she takes time to work ON the business. As long as IN keeps a leader’s attention, nothing changes. Anyone can work IN a business, but if leaders don’t work ON their business, neither will anyone else. The organization can’t grow and any complex problem solving, change, or transformation effort will fail.

Over lunch one day with my friend Kai Dosier, I commented on how frustrating it was that our company had not broken through the $10 million revenue barrier. My team and I continually approached the target, retracted, and repeated the pattern. Everyone worked hard, and I was mystified as to why we hadn’t yet succeeded. In the center of a napkin, Kai sketched the illustration at the start of this section of the book. When he finished, Kai looked at me and said, “Leaders typically short-change the time they devote to working ON the business.” Then he asked, “Are you spending enough time working ON your business?”

Immediately, I began to distinguish my IN from my ON activities over the previous days. It became clear that I spent almost all of my time as a consultant—at work IN the business. When I helped my clients work ON their businesses, I was at work IN my own. Over the next several days, I realized where my choices had led me. Kai also turned me on to Michael Gerber’s book *The E-Myth Revisited*. It further illuminated the distinction between the competing interests of IN and ON activities. Kai’s napkin sketch stuck in my mind, and I could no longer ignore the lopsided amount of time I was allocating to working IN my business rather than ON it.

Yet in the days that followed, I noticed that I continued to spend most of my time at work IN the business. I found that I was easily distracted from work ON my business by some bright and shiny opportunity that popped up and gave me an opportunity to run to the rescue. A client needed me. Issues with the staff cried for attention. “Once-in-a-lifetime” opportunities demanded to be chased! I began to recognize that “only I can do it” and “this chance will never come again”
were myths; they provided convenient excuses to avoid the relatively ambiguous responsibility of leading change. Self-deception kept me entrenched in the status quo. By working IN my business, I avoided learning how to lead and build a company. Once I began to work ON my business and gave it the leadership attention it needed, it grew at a sustained 35 percent growth rate, and I eventually sold it for a handsome profit.

The IN–ON distinction applies to managers, supervisors, and individuals, not just owners and senior leaders. However, most organizational cultures allow very little room for ON work. For major transformations to succeed, people at every level of the organization must be doing ON work, not just maintaining the status quo.

In looking back over more than 25 years of working with many different leaders, I’ve concluded that the failure to recognize the distinction between IN and ON—mismanagement of the critical allocation of time and attention to each—is the number one reason why change and transformation efforts fail. I have found myself drawing the concept on scraps of paper in the halls of the nation’s capitol, on the plains of Iowa, and in the inner cities of Kenya. The IN–ON PRIME may be the most important one to master in order to drive successful change and transformation, create the future, and produce extraordinary results.

There is no set formula for how much energy to give either IN or ON, but without taking some time to work ON the business and to build this PRIME into the culture, leaders cannot gain the perspective necessary to get above the day-to-day craziness and use the PRIMES to chart the way forward to success.

For more on this subject, I encourage you to get a copy of Michael Gerber’s book *E-Myth Revisited*.

*The future is largely subject to our creation.*

Dr. Russell Ackoff
CHANGE VERSUS TRANSFORMATION

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CHANGE VERSUS TRANSFORMATION

Are you fixing or creating?

Does solving your problem require CHANGE or TRANSFORMATION? Both are difficult, but there are critical distinctions leaders often don’t realize until it’s too late. CHANGE is the right path when a problem is relatively simple and the current system needs only a tune-up. TRANSFORMATION is the right path when problems are “wicked” and a completely new system is required. Mastery begins by choosing the right path.

CHANGE requires you to become familiar with the current situation and to work to make things better, faster, cheaper, or some other “-er” word. Success is judged by efficiencies and economies that are realized at the end of our effort compared with where we started. When we choose change, our future is really a reconditioned or improved version of the past.

TRANSFORMATION involves a break with the past that is traumatic but potentially freeing. In transforming, we design our future and invent ways to bring it into reality. Transformation doesn’t describe our future by referencing the past (better, faster, or cheaper); it births a future that is entirely new.

Transformation is the only means by which a man landed on the moon. In 1961, President John F. Kennedy declared, “I believe this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the Moon and returning him safely to Earth.” Engineers were clear that no improvements to the Gemini space program would realize this vision, so they
invented Apollo. Apollo wasn’t a better Gemini. It was an entirely new system. President Kennedy’s declaration outlined all the necessary components of a transformation:

- Crystal clear objective
- Specific outcome
- Certain date

From that declaration a new world was created.

I have had the distinct privilege of being present at moments of transformation. One that comes to mind occurred in a conference room at Consol Energy in Pittsburgh, Pennsylvania. Consol is an energy company that focuses on extracting coal and gas. This work is inherently risky. The top team was committed to cutting its accident rates every year and accomplished that goal for several years in a row. This company had the best safety record in the business. On this particular day, we were trying to figure out how we could “improve” the safety record for the next year. We had established a goal that we thought was in our grasp.

Then one of the senior executives of Consol, Nick Deluliis, came to the front of the room and pointed to the recently agreed-to goal. He asked the group what this number meant to them. People said it was an achievable goal but would take a lot of work and focus by the managers. They also felt it would create a new standard in the industry. Nick looked everyone square in the eyes and said that to him “the goal meant the group was willing to tolerate someone getting hurt.” He went on to suggest that rather than being “safer” when compared with Consol’s past or the industry at large, why not simply declare that “working at Consol Energy is safe,” period?

From this transformative perspective, what instantly showed up were all the aspects of the business that were not perfectly safe. These exposures became apparent as violations of the statement, “Working at Consol is safe.” So people in the room began to say, “Well we can’t say that because
BEING CLEAR ON WHAT'S REALLY IMPORTANT

(fill in the blank),” to which Nick responded, “Well then that is what we need to work on and eliminate right now because these types of exposures have no place in a Consol that is ‘now’ safe.” Can you imagine, upon return to their work settings deep in mines and hanging off the sides of mountains, what these managers and supervisors saw? Through the transformative lens of “Consol is safe now,” they saw everything that was not safe. And they dealt with it relentlessly. Consol leads a nation that leads the world in being safe whilst doing an inherently hazardous job. China has 20 times more deaths and injuries than the United States. My hope is that a group in China takes a stand now for transforming its extraction industry by declaring it “safe now” and doing whatever it takes to live into that transformative declaration.

Put this PRIME in action. Ask your group or organization, “What determines what they’re doing right now?” Is it about making a better, faster, cheaper past, or committing to fulfill a declaration and create a future? It’s one or the other, but never both. Ignore this distinction at your peril.

Each path has unique hazards and challenges, and requires unique tools. Tools of change are embodied in corporate improvement programs like Activity Based Costing, Six Sigma, and others. These tools are effective when a better past is the desired outcome, but they’re dead weight in the business of transformation.

We elect leaders because they promise change. Yet issues like health care, energy, climate, and security cry out for transformation. When things don’t work out, these leaders claim it’s because we’re on the wrong track.

The instruments of transformation are imagination, declaration, invention, and innovation; they require a childlike fascination with “mashing” things together to create something new. Both change and transformation compel the group to let go of the way things are. In a way, something very real is dying. The familiar system will no longer exist, and with it goes many memories, both positive and negative. And this familiarity is being traded for an unknown future. These feelings are much stronger around transformation than around change. In transformation, it can seem to
people that the very soul of the system or organization is at risk. Oftentimes these feelings are valid. To manage the resistance this fear can generate, it is essential to make clear the good that is possible if the change or transformation is successful and the certain bad that happens if you fail. This principle is crucial and will be handled in more detail later in this chapter.

So far I have focused the discussion of “CHANGE VERSUS TRANSFORMATION” in a context of business and groups. Know that everything regarding CHANGE VERSUS TRANSFORMATION applies to you as an individual. Are you “trying to lose weight” or are you “choosing the healthy alternative at every option”? Are you “trying to quit smoking” or are you “living smoke free”? Are you “trying to get better at being your word” or are you “being a person of integrity”? As long as you are “trying” to do something, you are “not doing” something. As long as you are “doing this so that you can have or be that,” you are “not having or being that.” Here is something you personally can take on right now as a rule in your life: Be a person who never says “try.”

I was transformed at Queenstown Golf Club on Chesapeake Bay. My playing partner was an old friend named Dave Kolanda. We both started our careers as engineers at IBM some 30 years ago. Somewhere in the round I casually mentioned that I had begun to write this book. Dave turned and said, “So you’re an author.” The statement struck me as odd. In the clubhouse, Dave struck up a conversation with the waiter and introduced me as “an author.” It was clear to me that to this waiter, that is what I was. My past was irrelevant. It was my future that was giving me my name now. From that moment on, I truly enjoyed writing this book. After all, Dave had transformed me into an author by declaring me one, so I knew I’d better act like one and write.

Notice the people around you. Are they working to fix the past or live into a vision of the future? Are they even aware there is a difference? Many choose change even when they recognize that transformation is necessary. Experience has shown me that these people carry a limiting belief that tells them that powerful declarations should never be made in the absence of precise clarity—the ability to see not only the future in precise detail but also every detail of how to get to that future.
For these people, transformation is simply too big a step. It requires information beyond what they currently know or know how to find.

Such “clarity” is not only unnecessary, it is limiting.

Through the lens of the three PRIMES revealed in this chapter—LEADING, IN–ON, and CHANGE VERSUS TRANSFORMATION—you can now distinguish how you are spending your time. You are clear on when you are leading and when you are not. You can recognize when you are working on the business. And you will be certain when you are standing for change or transformation. There is no wrong or right answer; there is only the truth that your priorities are not what they say they are. Your priorities are where you choose to spend your time. Access the needs of your team, group, organization, or community at large. What kind of “you” are they crying out for? Listen. Then be what they need.

In Chapter 2, you will be outfitted with the three PRIMES that will enable you to act boldly and powerfully.

*The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew, and act anew. We must disenthrall ourselves, and then we shall save our country.*

—from Abraham Lincoln, December 1, 1862, in Message to Congress