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a newsletter on practical strategic thinking and action
issue #27: powerful conversations

editor's message

We have been to Paris a number of times in recent years. For some reason, however, while attending a World Bank conference there last week, it seemed like cell phones were more prevalent than ever. Of course, this isn't surprising. You probably see the same thing in just about every city on the globe today, but this new reality conflicts with memories of a pre-cell phone Paris and long, relaxed conversations in sidewalk cafes. The sidewalk cafes are still there, but the conversations now get interrupted by the demands of ringing phones. Could it really be? Does the introduction of the cell phone to cafes toll the death knoll of the conversation? Hopefully not.

In this month's issue, we will talk about why we actually need conversation more than ever in today's knowledge economy. In *Strategic Thinking*, we address the need to connect, and in *Strategic Action*, we outline some ways to ensure that your conversations are fruitful. *Industry Snapshot* looks at how some companies are having conversations outside their normal environment to spark creativity and fresh thinking. And this month's Reading List reviews *Small Giants* by Bo Burlingham.

strategic thinking

The Need to Connect

Wikis, blogs, chat boards, email, instant messaging, cell phones, video conferencing, the Internet...the list of new ways to communicate seems to expand every year. This tidal wave of new media can bring us into contact with a greater number of people than ever before and helps us find contacts that we might never have had in the pre-technology era. The result of this, however, is that the number of messages that we send and receive has exploded. We can easily become overwhelmed with the quantity of communication links and options available to us.

The irony of this technological revolution is that while the quantity of communications has increased dramatically, the quality of our communication may have suffered. We are forced to keep up with the huge number of messages we receive from a plethora of sources. By the time we finish dealing with all the "quick conversations," there is often little time left to dig deeper—to sit down and connect with an important internal or external contact.

In today's networked world, personal conversations are one of the most powerful tools available to business people. A knowledge-based economy values the ability to solve problems, innovate, and deliver results. Success in this environment relies on our ability to forge and leverage personal connections. Knowledge is worthless unless it can be shared and packaged for sale. Creating value with knowledge requires more than just the knowledge itself—it requires a network of collaborators

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and clients. The basic building block of all this is the simple conversation. Read on for ideas on how to make your own conversations more powerful.

-Mary Adams (adams@trekconsulting.com)

strategic action

Having Powerful Conversations

Conversations are still the best way to build and maintain relationships—they are the glue that holds together today’s virtual world. In previous issues, we have addressed the importance of having regular communication with people inside your organization (employees, management teams and advisors) as well as outside of your organization (clients and vendors).

Despite all the technological alternatives we have today, the best communication still comes from face-to-face conversations, where you can see facial expressions, observe body language, and feed off the other person’s energy. If in-person meetings are simply not possible because of time or location, the next best alternative is a phone conversation, where you can still hear the inflection in someone’s voice. But to make either successful, you need to understand the reason for your conversation. That’s why it is helpful to develop a plan and an outline ahead of time. Here are some thoughts on how to prepare:

- **Clearly understand what you want to get out of the conversation**—create some bullet points of the major ideas that you want to learn or get across about an industry, a certain company, or a challenging situation.
- **Remember that the best way to learn is to ask questions**—make notes about specific areas of inquiry. If you only have a short amount of time with your counterpart, start with closed-ended questions, calling for a yes or no answer. If you have longer, move onto the “How’s” and “Why’s.” And as the situation permits, always feel free to drill down using follow up questions.
- **Never forget that the most important part of a conversation is listening.** Don’t interrupt your conversation partner. Let them finish their thoughts. After all, you are having this conversation because you want their knowledge, not to expound on what you know. If there are appropriate points during the chat, you can inject some of your knowledge (it is good to give as well as receive), but take care that it is of value to the other person.

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Good conversations require an investment on your part. Think about what you want to accomplish. Turn the rare opportunity to connect directly with a person into a valuable and powerful experience.

- Michael Oleksak (oleksak@trekconsulting.com)

industry snapshot

Learning New Perspectives

Many managers are realizing the power of conversations. Here are three diverse examples of how companies are using conversations to increase learning and results:

- At Procter & Gamble, CEO A.G. Lafley has changed strategic reviews from being endless PowerPoint sessions to intense conversations. Presenters can only have three slides. Debate is organized around the discussion of “where to play” and “how to win.” Read more on this approach in, “Best-Kept Secrets of the World’s Best Companies” from *Business 2.0* (money.cnn.com/magazines/business2/business2_archive/2006/04/01/8372806/index.htm).
- Ferrari sponsors a Creativity Club that offers classes by artists ranging from painters, sculptors, jazz musicians, writers, radio DJs, photographers, chefs, actors, even an orchestra conductor, in order to learn new ways to generate ideas and solutions. Read more in this article entitled, “Sparking Creativity at Ferrari” in the *Harvard Business Review* (harvardbusinessonline.hbsp.harvard.edu/b02/en/common/item_detail.jhtml;jsessionid=24UY1YDZ0M WIWAKRGWCB5VQBKE0YOISW?id=F0604F).
- Corning invites outside experts to address groups prior to brainstorming sessions. A deep dive into specific content such as nanotech or renewable energy is used as a catalyst for conversations about opportunities. Read more in “Best-Kept Secrets of the World’s Best Companies” from *Business 2.0* (money.cnn.com/magazines/business2/business2_archive/2006/04/01/8372806/index.htm) .

How can you craft a more productive conversation at your next meeting?

reading list

Small Giants, Companies that Choose to be Great Instead of Big

By Bo Burlingham

Burlingham, an editor at large for *Inc. Magazine*, was the featured speaker at last month’s annual Growth Conference for the Boston chapter of the Association of Corporate Growth (www.acgboston.org/). He has written an enjoyable book about fourteen companies that took a different corporate direction and were willing to forgo revenue or geographic growth in order to achieve other “remarkable ends.”

His profiles range from Anchor Brewing, the original American micro-brewery, to Righteous Babe Records, the Buffalo, N.Y.-based record company for Ani DiFranco. Burlingame’s analysis identified important factors such as a company’s “mojo”, or driving force, and how companies maintain and generate mojo. Other common



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themes for the fourteen small giants included:

- A conscious awareness that they had a choice as to the type of company they could develop
- Resistance to pressures to build what the outside world thought they should build
- Great relationships with their communities
- Excellent relationships with customers and suppliers
- Unusually intimate workplaces
- Flexible management structures
- Passion

Around these themes, Burlingame crafted absorbing stories about sleepless nights, conflict, strength of character, and success. As Burlingame writes, "In exchange for growth, they get back in return two things: time and control. The combination equals freedom". A good read for an alternative look at companies who do not choose explosive growth at any cost. To read more, visit the book's web site (www.smallgiantsbook.com/).

announcements

Trek will be featured at this month's meeting of the KM Forum, speaking on "Knowledge Assets: Can You Measure the Intangible?" We will lead a discussion about measurement of knowledge assets that will address questions such as:

- Can/should knowledge assets be measured?
- What are the available measurement options?
- How do intellectual capital assessments work?
- Can measurement information catalyze change?
- How can you avoid measurement pitfalls?

The discussion will also review case studies of how assessments have been used as a catalyst for innovation, change, and improved corporate valuations. Come and join the conversation on Thursday, July 20th from 4-6 PM in Waltham. Registration and additional information can be found at the KM Forum web site (kmforum.org/events.htm).

One of our partners was quoted in an article about mission statements:

"Engage your employees in the process," suggests Mary Adams, a management consultant in Winchester, Mass. "Listen to what your people say" urges Adams, who says their words should help generate the next draft of your



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mission statement. The more a mission reflects the prevailing attitudes of the workers, the more likely they are to embrace it.

A key warning: If your employees don't buy the mission, it's wasted breath. Don't say, "We work hard to be the best management firm in our town" unless that is true every minute of the work day. "You cannot manage by slogan" Adams says. "Employees won't buy a mission if it isn't true to their daily work lives."

Read the full article (http://forpros.lowes.com/articles/0606bizmaint_mission.cfm).

In next month's issue, we'll talk about why innovation is no substitute for execution.

about trek consulting

Trek Consulting LLC helps companies to face the challenges of growth, building value and dealing with change. Since 1999, we have been a valued partner to business owners and leaders on their arduous journey to business success. We know that we cannot make this journey for our clients, but we can make it easier and more successful. We focus on getting you the best information available, facilitating sound planning and decision-making, making sure you have the right skills and resources to face your challenge, and coaching you through the road-blocks that invariably arise along the way.

Our clients report improved market focus, greater revenues, better margins and increased profits. To learn more about Trek Consulting and how we can help you improve your company's results, visit us on the web at www.trekconsulting.com or call us at 781-729-1008.