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a newsletter on practical strategic thinking and action
issue #41: are you asking the right questions?

editor's message

One of the first activities in our Strategic Thinking seminar is a game of "20 Questions" using a little electronic sphere that guesses a word that the group identifies. At least one person in every class asks why we are focusing on questions—he or she always assumes that strategic means finding answers. But what we are trying to get people to see is that most of them can find the answer to a question if they need to, so the real challenge is asking the right question in the first place.

This month in Strategic Thinking, we share some thoughts on how to ask good questions. In Strategic Action, we focus on listening to these answers and asking the crucial follow-up questions. In our Industry Spotlight, we talk about the results from more strategic conversations with a client's customers, and our Reading List reviews *Midas Managers* by our friend Rob Slee.

strategic thinking

Asking Good Questions

The whole idea behind the game of 20 Questions is to start with big categories and then move to smaller and smaller ones. It is fascinating how quickly it is possible to zero in on a specific word. One time, some smart-alecks from an IT department chose the word "Linux" (which is actually a proper name). The little ball guessed "software" within the allotted 20 questions.

We advise that before attending a meeting or attacking a problem, that you plan a sequence of questions. Start with closed questions that will have short, specific answers. A series of short questions and answers helps build momentum in a conversation. It is also a good way to lay the foundation for the conversation—if you both agree on basic facts, you can move to the tougher stuff.

At this point, you can switch to open questions, that is, those that require a more detailed answer or elicit an opinion. There can and should be a sequence to this type of question as well. The steps here are:

- Issues: to identify the core issues
- Importance: to scope out why the issues are important
- Solutions: to explore possible solutions

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Thinking about what you need to know and how to get there is important. So plan your questions in advance. It will help you get to the answer faster. Asking good questions will also help you establish credibility.

If you want to play on line or buy your own 20 Questions toy, you can visit their web site here (<http://www.20q.net/>).

-Mary Adams (adams@trekconsulting.com)

strategic action

Listening and Following Up

Another image we use in Strategic Thinking seminars is the television character, Columbo. If you remember this show, Peter Falk starred as a rumpled detective whose trademark was to ask a lot of questions that seemed very innocuous to a suspect. He would ask questions about their garden or their job. The connection to the crime was never clear. He would always make his goodbyes to the suspect, turn to leave, then turn back and ask "just one more question." That one question would usually trip up the killer and solve the crime.

I'm not recommending that you need to be devious or adversarial in your questioning, but you can still learn a lot from Columbo. First, he clearly planned his questions ahead of time. And they were good questions, laying a foundation for the overall interview. Then he really listened to the answers. His follow-up questions were based on what he learned from each previous question. He watched body language for telltale signs of guilt or innocence. He usually mentioned a small fact about himself or his wife to make a connection to the questions, but the conversation was clearly about the other person. He never tried to impress people with how smart he was.

Whether doing research, negotiating, or collaborating, good questions and strong listening skills can reveal motives and uncover knowledge. It will cast you in a better light as a curious, intelligent person. Finally, it will help you think more strategically.

- Michael Oleksak (oleksak@trekconsulting.com)

industry snapshot

More Strategic Conversations with Customers

Recently we conducted a Strategic Conversations exercise on behalf of a client in the metals industry. In this exercise, we interviewed our client's best customers, some customers where the client thought there was more potential to do business, and customers with whom our client had declining sales—twenty-five in all. We



started with closed questions, followed with open questions, and directed the rest of the questions depending on how the customer answered. One question, though, really struck a chord with one particular customer, "How could (our client) help you do your job better?" After a full ten seconds of silence, the answer came back that a list of our client's available inventory (accessible through an Internet portal) could lead to more sales for this customer because it would reduce the time needed to locate the materials. Many other customers concurred, and it may lead to a new way for them to accomplish an aspect of their business. And, it all started with one good question.

reading list

Midas Managers

By Rob Slee

Rob Slee is a fun and thoughtful author. The power in his writing comes from his twenty years as a middle-market investment banker. His first book, *Private Capital Markets*, filled-in a huge gap in business literature on the private markets, and we have actually seen it being used as a business textbook. That book methodically outlined the functioning of the private capital markets that support the biggest, but least noticed segment of our business markets.

Midas Managers shows the power of story to teach. The eighteen stories in the book describe some of the all-star managers that were clients over the course of Slee's investment banking career. After telling each story, Slee converts the lessons into a formula that, he hopes, the reader can replicate. The stories are broken down into three major categories: Arbitrage, Business Models, and Private Finance.

Slee has a lot of passion for helping American businesses succeed in a competitive global market. That passion comes through in his stories. But he also has a great sense of humor that is sprinkled throughout, especially in the "Investment Banker Man" cartoons that he also wrote.

Many of our readers are, like the entrepreneurs profiled in this book, private business owners and managers. But everyone will be able to relate to these stories which are told from their point of view, in the context of their lives and about their journey to create value. Slee expresses something we are always preaching in an especially succinct way, that "value is just unrealized wealth."

You can read more about this book on the book's website (<http://www.midasmanagers.com/>).



announcements

Michael Oleksak is one of the organizers of a new effort called the Exit Planning Exchange (XPX) Group. The XPX Group is for professionals involved in helping business owners achieve successful exits. The group's second event will take place on Tuesday, September 25th at 7:15 AM at the Dedham Hilton. The speaker will be Tom Brady, Sr. who consults to firms on ESOPs. He will be in town from California to watch his son quarterback the Patriots on Sunday, Sept. 23rd against Buffalo.

Learn more about this event (<http://www.exitplanningexchange.com/9-25-07.html>).

Mary Adams will be leading a roundtable discussion this Friday, September 14th for the Institute of Management Consultants entitled, "What's Wrong with Targets." Feel free to join in the discussion!

Learn more about this roundtable discussion (http://imcne.org/events/2007/cr_ma_091407.html).

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 roadblocks 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.