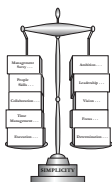


CHAPTER 1

Simplicity: The Foundation of Leadership



Plain question and plain answer make the shortest road out of most perplexities.

—Mark Twain

As a manager, you live in a complex, fast-moving world. Every day you set goals, assign tasks to employees, formulate budgets, and prepare reports and reviews. You look for ways to cut costs. You hire, fire, promote, or transfer your staff members. You attend to your customers who need service. New competitors arise; they develop new products and services. All the while the economy and the business environment keep changing at an increasingly rapid pace, and technology seems to redefine itself overnight. Tons of information comes at you at lightening speed, making it increasingly difficult to make decisions. Complexity increases exponentially. Getting anything done often seems impossible.

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One of the ways great business leaders differentiate themselves is by cutting through all that “noise” and boiling things down to a simple statement, vision, or direction. It isn’t easy. To find an all-encompassing, easy-to-understand statement requires clarity of thought and brings into play the balance between the right brain and the left. It starts with rigorous logic in the left side of the brain and then draws on intuition from the right side to weed out extraneous thoughts and keep crucial ideas. Most of us have often thought: “If I had had more time, I would have written a shorter letter.”

“Google” the classic quote on page 15 and you’ll see it attributed to everyone from Mark Twain to Einstein. Blaise Pascal actually said it first. But it doesn’t matter who said it. That simple statement in itself captures one of the key characteristics of simplicity—achieving it isn’t simple. It actually takes longer to write a short, concise, “to-the-point” letter than it takes to get all your points across in a rambling, unfocused monologue. Similarly, it’s more difficult to formulate a concise and convincing vision and strategy for a business or public venture than to prepare a 100-page report that explains every issue implication. Simple is powerful because it keeps us focused and on track; it’s easy to communicate and it’s easy to measure. That’s why Tom and Arnold both base their leadership philosophy on simplicity.

THE PURPLE PROMISE

Ask any FedEx employee what his or her job is, and the response is likely to be an instant recitation of The Purple Promise: “I will make every FedEx experience outstanding.” The details may differ depending on whether you’re talking to a pilot, a courier, or a sorting facility manager, but the simple objective is universally understood by FedEx employees anywhere in the world. It is an example of boiling performance down to its essence and giving everyone the ability to focus on what is important. But make no mistake: behind that simplicity are incredibly complex systems and processes that underlie the thousands of planes, trucks, and packages making their way to their individual destinations.

Think about the complexity of your own situation as a manager. You have goals that have to be achieved, people you need to lead, job descriptions to write, processes to put in place, systems to monitor, and deadlines to meet. But what are the common denominators within all this complexity? What is the key focus area for you and your team? What is the essence of your job? Try to formulate this into a simple statement that applies to everyone on your team. Then start communicating that simple statement to everyone in the organization, from your boss right down to your newest hire. You will be surprised how

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focused people will become, how willing to work hard on what matters, and how willing they will be to weed out what does not contribute to their team's key focus.

Once you simplify your own job, you need to become an evangelist for simplification among your employees. When a team member comes to you with a long story about how her project is in jeopardy because people are not cooperating with her and “that’s what’s causing this problem here and that problem there,” stop her. Tell her you’re interested in her problem and want to help, but you both need to get to the real problem. Encourage her to go back to her office and take the time to distill the issue to a simple statement with no more than three main bullet points. That clarity of thought will help both of you focus your efforts on finding a productive solution, rather than flailing away at the complexity of it all.

As a manager you aren’t flying solo. Your job is to get other people to do the things they need to do to help your company reach its goals. Thus, it’s important for you to be able to communicate to your team as to what they’re supposed to be doing, and how and why they’re supposed to be doing it. This is where simplicity really begins to pay dividends. If you have clarity of thinking and can reduce your business goals and problems into simple, easy-to-understand statements, your ability to communicate will

The Purple Promise

be much more powerful than someone whose ideas get lost in the details. We've all heard the wondrous clarity that disguised deep complexity when President John F. Kennedy, in his inaugural speech, urged Americans to, "Ask not what your country can do for you—ask what you can do for your country."

When you think about it, the path to leadership really is simple: clarity of thought leads to simplicity, which leads to focus and powerful communication and that's the essence of leadership. Procter and Gamble, one of the world's most successful companies in the competitive field of consumer products, understands the power of simplicity. It's in a tough business, one in which customers in different parts of the globe have different tastes. To make it more complicated, all those different customers' tastes are changing all the time. Procter and Gamble's products have to perform, so it is a given that the chemistry and technology behind them have to be right. But they also have to be marketable, with the right packaging and marketing and at the right price to sell in volume while returning a profit. That's a pretty complex challenge. Yet every single proposal, every internal idea at Procter & Gamble, is distilled into a one-page memo. That's the only way it makes the rounds. That's about as simple as you can imagine and stands in sharp contrast to the typical company that produces a 200-page business case with an appendix as a starting point of a conversation.

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McKinsey & Company, one of the most respected consulting firms in the world, has a different, although equally powerful, approach to simplicity. At McKinsey you hear over and over again that good things come in threes. There aren't *10* root causes for a problem or *five* ways to improve performance. *Three* is the magic number. McKinsey's "threes" approach to simplicity puts a strong emphasis on getting down to the essentials, the three critical things that matter.

FOCUSING THE CHAMBER OF COMMERCE

Both Tom and Arnold serve on the Memphis Regional Chamber of Commerce. Anyone who is familiar with chambers of commerce knows that they are engaged in a myriad of activities. The Memphis Chamber was no different and both Tom and Arnold could see that this Chamber lacked a focus. Ask 20 different people what the Chamber was all about and you'd get 20 different answers. There was a reason for that. With the best of intentions, Chamber executives and board members took on many causes, ranging from federal legislation support to local zoning issues, from minimum wage debates to park access roads. There was nothing simple about their agenda. But the result of spreading themselves too thin was this: while the Chamber was involved in many things, it was ineffective in most.

Focusing the Chamber of Commerce

**Mission:**
To firmly establish the Memphis region as a dynamic, growing, energetic metropolitan region strongly connected to the global marketplace.

1. Economic Development
Aggressively promote Business Retention and Expansion by attracting 8,000 new jobs and meet or exceed \$1 Billion in new private sector capital investments

- ★ Create 8,000 new jobs. (Metro Strategy)
- ★ Reach or exceed \$1 Billion new private sector development within the Memphis MSA. (Metro Strategy)
- ★ Reach \$300 Million in new capital investments and 2,000 jobs from the bioscience sector as a target within the overall jobs and capital investment goals. (Metro Strategy)
- ★ Complete a minimum of 400 Existing Business calls. (Metro Strategy)
- ★ Increase site visits from 100 to 140 by prospective business clients. (Metro Strategy)
- ★ Initiate Corporate Relocation Program enlisting local CEOs and business representatives for targeted calls. (Metro Strategy)
- ★ Draft multi-year business plan for "Think Memphis Fund" determining new annual budget, recognizing a minimum need of \$2.6 Million annually. (Increase of \$1.4 Million)
- ★ Increase resources to implement strategies through the following Councils:
 - BioWorks \$100,000 (Metro)
 - Regional Logistics \$200,000 (Metro & Regional)
 - Regional Economic Dev. \$ 50,000 (Regional)

*These funds are a portion of the \$1.4 Million desired increase in the Think Memphis Fund.

Think

MEMPHIS

www.memphischamber.com

2. Community Building
Enhance the Memphis Region's marketability by developing amenities, image and leadership within the region.

- ★ Determine feasibility of Image Building Campaign. Conduct focus groups and present recommendation by June 2005. (Talent)
- ★ Complete talent recruitment and retention assessment. Plan and determine implementation strategy by March 2005. (Talent)
- ★ Determine feasibility and identify partners for "Committee for a Better Memphis" by November 2005. (Metro)
- ★ Complete \$6 Million Building Memphis Campaign and occupy space by December 1, 2005.

Purpose:
To serve our members and partners by improving the quality of life through regional economic prosperity.

Memphis Regional Chamber
22 North Front Street | Suite 200
Memphis, Tennessee 38103
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To work effectively and to get its message across the Chamber needed focus. Using the same approach they had used in other complex projects, Tom and Arnold put their heads together to find the organization's core objectives. The result: economic development and community building emerged as the Chamber's *raison d'être*. From those two core objectives, Tom and Arnold were able to distill 10 key

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initiatives that supported the two objectives. To ensure that everyone in Memphis understood these objectives and initiatives, the Chamber produced laminated cards—one side showed at the top the economic development objective and the core initiatives and goals that supported that objective, and the other side showed the community-building objective and the key initiatives behind this. Today, whenever a new idea or initiative is brought to the Chamber, someone is likely to pull out the card to see if the suggestion has a place on it. Thus the card focuses everyone—the board, Chamber leadership, and even the media and public—on the Chamber’s core mission.