

DAVID GOLDSMITH
with **LORRIE GOLDSMITH**

Paid to **THINK**

A leader's toolkit for redefining your future.

TOOL: CST MODEL (From CHAPTER 3)



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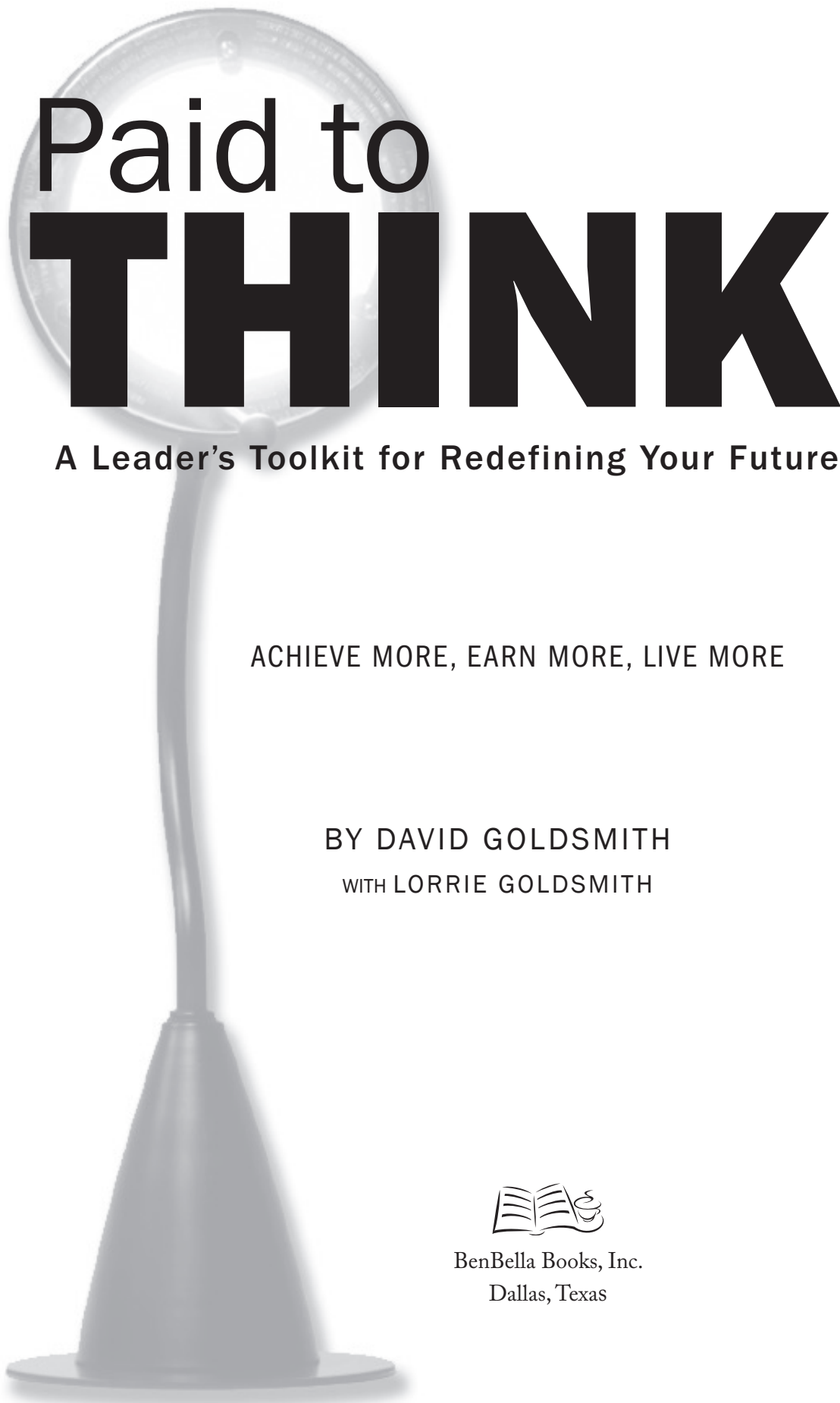
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Paid to **THINK**

A Leader's Toolkit for Redefining Your Future

ACHIEVE MORE, EARN MORE, LIVE MORE

BY DAVID GOLDSMITH

WITH LORRIE GOLDSMITH



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To my wife, Lorrie, my love of 26 years,
thank you for everything. There are no words to describe
what you mean to me.

∞ DAVID

To my sons, Adam and Jake,
I wish for you love, happiness, and experiences
that will enrich your lives as much as you have mine.

∞ DAD

the CST Model enables all staffers to communicate more easily and accurately with each other about where everyone stands in terms of progress.

You will see as you read through this book that you can use this model to do much more than build strategic plans. Throughout your career, you can use the CST Model for a variety of purposes—when you want to create new products and services; when you want to build alliances; when you consider, select, and use technology; when you lead and empower others or help them to succeed; when you seek to innovate and beat out your competition; when you’re supporting community and cultural causes; when you’re directing a nonprofit or business unit; when you’re organizing a party or planning a personal vacation; and more.

It’s time for a change in the way we create and evolve strategic plans. The method of the once-a-year strategic planning retreat—where management teams set goals and benchmarks for the upcoming year and then may or may not revisit that plan at some time during the year to see where the organization stands—will not work in today’s fast-evolving world. This is true whether you run a small organization or a large one and whether you consider your organization local or global or somewhere in between the two, because in reality no one is immune from rapid changes occurring geopolitically, economically, and especially technologically. Certainly, worldwide economic upheaval isn’t the norm, but to illustrate my point, take a moment to consider the economic woes from 2008 through 2012 when the global recession, residential real estate collapse, and banking and stock market declines drastically affected organizations worldwide. A strategic plan accommodating an organization’s needs in January of that year wouldn’t necessarily work by December.

Simply put, the old ways of plan development typically leave decision makers and their staff members with plans that aren’t as clear as they need to be, don’t accommodate today’s rapidly changing world, and fail to account for innovation, communication speeds, compression in price, and more. In most instances, factors requiring you to make changes in the way you do your planning don’t have to be drastic at all. Even subtle shifts and changes can greatly impact your organization, which is why you need to be able to quickly create great strategies, know where their progress stands on a daily basis, and be equipped to rapidly adapt to the evolving needs of your organization, whether the adaptation is required a few times a year or every day.

The Process of Strategic Thinking

Great strategic plans are born just as much from *how* leaders think as they are from *what* they think. The typical Basic Strategizing process tends to occur as an informal and unstructured two-phase process: phase one is strategy and phase two is tactics. If you were to view it in diagram form, it would look something like Figure 3.1:

Basic Strategizing



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Figure 3.1—Basic Strategizing

Though I like simplicity, this model is too simplistic to adequately direct and guide organizations to desired outcomes with certainty. Several pitfalls accompany this overly simplistic method of strategizing. First, the vocabulary points people in different directions, because both words carry different meanings to different people. I’ve heard strategy defined in as many as fifty different ways: as vision, outline, complete plan, or things to be done, for example. The definition of tactics is equally unclear: a plan, things to do, or blocking and tackling. Some people even use the words interchangeably. For instance, some people use “road map” to define both strategy and tactics. How can anyone win at strategizing if leaders and their people don’t even speak the same language?

The two-part model of Basic Strategizing (strategy and tactics) often fails to address all components of the strategic-thinking process. As a result, you could have some great ideas, but they may never materialize into the results that you want to achieve. By contrast, the Cyclonic Strategic Thinking (CST) Model is an advanced version of the strategizing process described above. This new model has five clearly defined phases that force you to address each component of strategizing before moving onto the next. As a result, you don’t overlook important elements. Additionally, this model:

- helps you make decisions with your entire organization in view rather than from a silo mindset—your organization’s overall Desired Outcomes are the starting point for Strategy.
- is versatile enough to use for any type of strategic thinking, not just for creating strategic plans.
- gives you a broader range of strategic and tactical options to consider before you commit to any final selections, and superior selections increase the likelihood that your organization stays on target and that Desired Outcomes are reached.
- is universal, giving you and your staff a common language for improved communications and enabling you to track your team’s progress, both of which minimize errors.

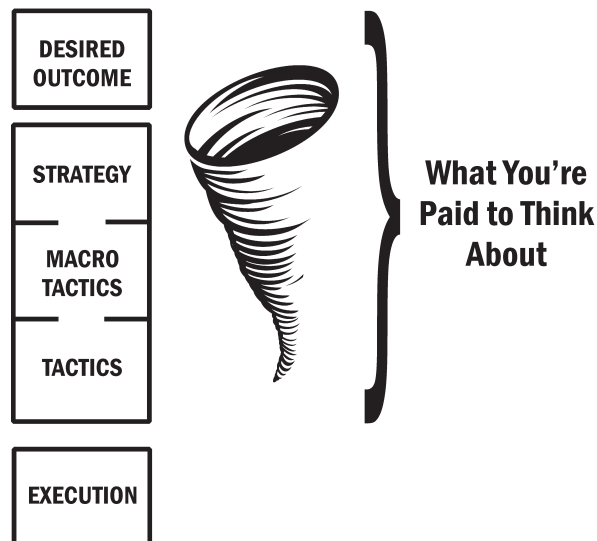
So universal is this strategizing tool that whether you're a TV producer, a public works commissioner, or a medical office manager, as soon as you learn how to use the CST Model, not only will *you* be able to use it, but it's simple enough that you can teach it to other members of your executive team as a standard procedure for creating strategy and for making better organization-wide decisions. Furthermore, as you use the CST Model at work, at home, and in areas of your everyday life, you will see how reliably it converts your thoughts to reality.

From Thought to Reality: How Do You Create a Successful Strategy?

Take a look at Figure 3.2. Even at first glance, you can see how the CST Model takes you through five phases of good strategizing rather than simply strategy and tactics like the less-detailed traditional model. You start with determining your Desired Outcome, then you develop a Strategy, next you identify Macro Tactics, then you finalize Tactics, and last is Execution.

Advanced Strategizing Cyclonic Strategic Thinking Model (CST)

Note: Whenever you see these terms capped throughout the text, it refers to the CST Model or to your use of the CST Model as an Enterprise Thinker. This is why you will see "strategy" in some mentions and "Strategy" in others.



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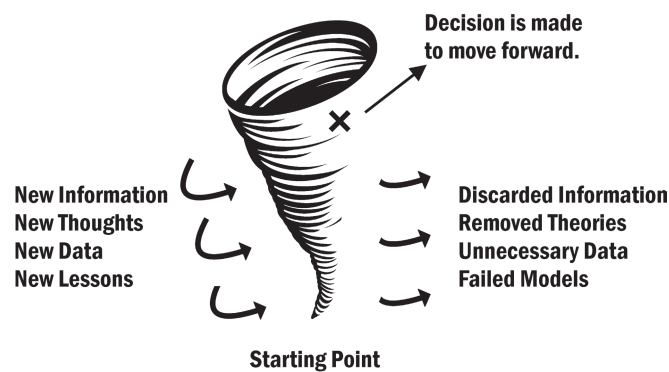
Figure 3.2—Advanced Strategizing (CST Model)

When you look at the CST Model, you see that the strategy and tactics from the earlier Basic Strategizing Model are present, but that they are now a part of a larger and more comprehensive process. Notice, too, the lines separating the three phases of Strategy, Macro Tactics, and Tactics have gaps in them. These gaps reflect a realistic representation of the way that we naturally shift our attention from one phase to another, mentally darting from Strategy to overarching tactics (Macro Tactics), then to details of Tactics, and so on in order to consider all the options we have before ultimately choosing the best.

See, too, how the final phase, Execution, has been separated out from the tactical phases. Execution is a key factor in converting thoughts to reality, yet it is often blended into Tactics when people do their strategizing. You rarely hear people talk about Strategy, Tactics, *and* Execution. The vast number of decision makers who believe that Execution is a mere subset of Tactics boggles my mind, because this single incorrect assumption is often the wrench that screeches all strategic-planning cogs to a halt without anyone being aware of the problem. If leaders assume that Execution is going to be addressed, but the people they work with don't make the same assumption, Execution might occur haphazardly or not at all.

The cyclone to the right of the phases represents the way people naturally think when they're searching for answers. Like a spinning cyclone that gathers up objects and swirls them around, your mind picks up ideas and tosses them around, assessing each for its viability. The term I use to describe this fast whirling of options is Cyclonic Thinking.

Detailed View of Cyclonic Thinking



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Figure 3.3—Detailed View of Cyclonic Thinking

When you're engaged in Cyclonic Thinking, your mind does more than swirl ideas around, however. It rapidly pulls in many ideas, draws fast connections and comparisons among them, and thrusts out the least-usable material. Your mind

gathers ideas for Cyclonic Thinking from numerous places, like your past experiences and current knowledge banks or from the collection of new data, research, statistics, financials, and information from other people. This cyclonic action of vacuuming in and sifting out ideas happens all the time, whether you're strategizing for your organization's next new initiative or figuring out the best contractor to use for your home's renovation project.

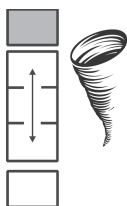
And although Cyclonic Thinking occurs naturally, every decision maker still needs focused Cyclonic Thinking Time to generate ideas and options. Instead of waiting until Cyclonic Thinking Time just happens, you can initiate intentional Cyclonic Thinking at any time, like during strategic-planning sessions or between meetings. You've probably noticed that some of your best thoughts and greatest moments of clarity happen when you've stepped out of the fray and have let yourself relax, like when you're driving in your car or taking a shower.

As you use the CST Model to strategize, you will continually engage in Cyclonic Thinking throughout all of its five phases. If at any time you come to a dead end in one phase, perhaps because a selection made in a previous phase doesn't play out as expected, you will find yourself naturally going back to the previous stage to rework the ideas.

Rushing to action too soon is a common saboteur of creating Strategy. But just by becoming aware of the cyclone and the CST Model, you are now likely to gather more options than you would have before and to spend more time thinking about them. This ultimately will lead you to make improved decisions and put yourself and your organization on surer footing.

Using the CST Model to Develop Plans

Let's walk together through a phase-by-phase tutorial on how you will use the CST Model to develop plans in any situation, whether you're adopting a new technology or hiring a new employee. As you read through each phase's instructions, you will follow a single example that has been threaded throughout all of the phases to see the process at work in its entirety. Although a business example would seem ideal, I have discovered over the years that at this point in the learning process, most people relate best to the simple and common scenario of planning a week off from one's work.



PHASE I: DETERMINE DESIRED OUTCOME

Your Desired Outcome is the end objective you want to achieve; some people call it their mission, credo, vision, goals, or objectives. However, you and I are going to avoid using these types of words for two reasons. First, because many leaders of groups who need to develop plans don't

necessarily have a “vision” or “mission,” nor do they need them to perform these phases. (You don’t create a mission statement to plan a training program any more than you do to plan a wedding.) And second, the words have become so bastardized that it would be difficult for us to settle on any one definition. Instead, let’s use the more universal term “desired outcome.” Your Desired Outcome is the starting reference point for all Strategy.

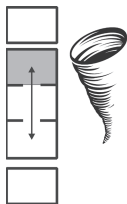
So what constitutes a Desired Outcome? The answer varies depending on the situation and your role in it. For a school district’s superintendant, the Desired Outcome might be to turn out a high percentage of high school graduates who are adequately prepared for their next stages of life. For an executive of a single business unit, the Desired Outcome might be to hit a gross sales mark or to drop a particular product line to hit profitability targets. The director of a government-funded organization might want to provide specific services to the elderly that allow them to live more years independently.

You’ll find that by starting with the Desired Outcome, you’ll immediately begin to infuse your planning process with a clarity that is typically lacking in the basic model. Give some thought to your Desired Outcome before developing the Strategy to support it.

Example thread

Imagine that you have just learned that you will have a week off from work in July. If I were to ask you what you would call that week, like many other people, you might say “vacation” or “holiday.” Without realizing it, your mind has already begun to think of what you will be *doing* during that week. What I want you to do is to start to ask yourself, What is my Desired Outcome from this week off from work? By asking the question, you control your mind to focus on thinking versus acting. Furthermore, you are preventing yourself from developing a Strategy that may not be in alignment with your true Desired Outcome.

Uncovering your Desired Outcome can require some serious thinking. Do you want to connect with your family? Do you want to catch up on paperwork? Must you get certain affairs in order which precludes the lounging-around options? If you realize your family is your priority, then your Strategy might be to go away where your teens are free from distractions or to stay home and invite extended family to come visit your new baby. You can see why the first step in this process is to determine your Desired Outcome (and *not* to confuse it with Strategy or Tactics) to ensure that you don’t head in the wrong direction before you even get started.



PHASE II: DEVELOP STRATEGY

A Strategy is where you want to go and possibly where you want to lead your group, organization, or yourself. This is where you set the direction for your people and your organizational resources. When you develop a Strategy, you’re engaged in Cyclonic Thinking, pulling together

thoughts from everywhere—from forecasting activities, competitive intelligence, other leaders and colleagues, etc.—to come up with the best path for reaching your Desired Outcome.

However, there are many paths—Strategies—that will take you to your Desired Outcome, and your challenge is to select the best one. For instance, say that you’re the school superintendent whose Desired Outcome is to graduate a high percentage of students who are adequately prepared for life beyond high school. You have strategic options. Do you create a Strategy that prepares more students for college beginning as early as preschool, or do you go with a Strategy to develop a learning environment that promotes blue-collar skills, both because you foresee long-term growth in this area and blue-collar jobs are plentiful in your district’s geographic location?

The Strategy that you select will set people, money, and other resources on a potentially time-consuming and costly path. Therefore, you must create a Strategy that points everyone in the right direction at this early phase. Whenever you’re developing a Strategy, remind yourself of this:

An excellent Strategy executed poorly is still better than a poor Strategy executed well.

The importance of having an on-target Strategy can be likened to having the right aim when you point a laser at the moon; if your aim is off by an inch, you’ll miss your target altogether. In business and in life, you can deploy the most talented people and give them the finest state-of-the-art equipment, but if your Strategy points them in the wrong direction from the get-go, they are still going to miss their mark.

That’s why you have to resist the urge to jump to action too soon. Think through your options to avoid the risk of pointing everyone toward an off-target goal from the beginning. Take your time. If you get to a subsequent phase and discover that the original Strategy isn’t the best way of reaching your Desired Outcome, you’re better off returning to this phase early on and making modifications rather than continuing down a losing path that will ultimately waste time and money and de-motivate your people. In essence, this is the Economics of Thinking explained in Chapter 1.

Additionally, as you’ll see later in the book, forecasting plays an important role in developing Strategy. As in a game of checkers or chess, you need to play out your Strategy combined with the next phases, a few steps ahead, considering how its direction will impact your organization; each Strategy has long-term upsides and downsides.

A few years ago, the National Transportation and Safety Board (NTSB) announced a major shift in strategy. Rather than directing its actions and resources toward the Strategy of reducing vehicular deaths and injuries, the NTSB’s new Strategy would be to prevent accidents from happening altogether. The NTSB had based its previous Strategy on the premise that accidents were inevitable. Imagine if they’d aimed their Strategy at preventing accidents forty years ago. Engineers, designers, politicians, and construction firms would have generated very different solutions: safer roads, skid-resistant substrates, or side-collision prevention systems

rather than side-collision airbags. The board could have taken numerous other directions; even changing its name to something alluding to the elimination or prevention of accidents would have changed its purpose.

The point here is that you have to determine the best course for your organization given your unique circumstances. For example, Amazon.com's president and²² CEO Jeff Bezos has a strategy with three components: obsess over customers, invent on behalf of the customers, and think long term, where projects may take between five and seven years before they pay off for his company. Notice how cleanly this Strategy is stated: no details, no projects, no steps, only a Strategy to support his Desired Outcome.

Example thread

As you contemplate your options for the week off from work in July—a prime opportunity to enjoy life more—you might ask, Where do I want to go on vacation? Your “innocent” question has already pointed you in some direction; either you've already chosen your Strategy without realizing it, or you've chosen it without having thought it through. By stating that you want to go on vacation, you've opted to go away instead of stay at home to paint your kitchen, visit your parents, volunteer with your local religious group, or stay in town so that you're available to help your closest friends move into their new home. In the flash of a second, you discarded the stay-at-home options without fully thinking them through.

Jumping ahead to next phases before thoroughly thinking through a Strategy tends to be a natural inclination for decision makers. Slow down, and don't let the “if-you're-not-busy-you're-not-doing-anything” mentality push you forward too rapidly. At this point, you haven't yet entertained enough strategic options to determine the best one, so if you don't know where you're going, you're certainly not ready to decide how you will get there or what it will cost. Moving too quickly now is likely to produce mistakes that could steer you away from your Desired Outcome.

Expand your vision and give yourself some Cyclonic Thinking Time. As you search for your best Strategy, consider the big picture of your Desired Outcome, not just the micro-view of a single week. In this example, if you're drowning in credit-card debt but know that you'll have to charge travel expenses to your credit cards, will the weight of more debt bring enjoyment to your life? Through Cyclonic Thinking, you might decide that a combination of short day trips and home activities is a more suitable fit for you at this time. Cyclonic Thinking also helps you weigh the obligations and desires of your travel partner and family as well as what will be happening at your organization that might require your occasional attention. The extra few moments spent thinking can drastically improve your outcomes.

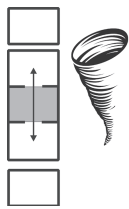
Once you've given ample consideration to your options, you can determine your Strategy. In this example thread, we'll say that your Strategy is *I am going away on vacation*.

Developing the right Strategy doesn't happen overnight or on a weekend retreat. Strategy takes time, requires continual attention, and shouldn't be mistaken for idleness or down time. Resist the temptation to rush forward too soon, like the CFO of a \$300-million German-based equipment manufacturing firm did during a monthly strategic-planning session with fourteen of his peers, also top executives.

At a critical decision-making juncture, this CFO stood up and barked, “I hate sitting around and talking. When are we actually going to do something?” (I think he’d been reading too many books about how leadership’s primary role is Execution.) He didn’t understand the importance of his role as a thinker, nor did he understand that by strategizing, the group was already “doing something” very valuable.

Once you’ve established your Strategy, you are ready to select Macro Tactics and detail its Tactics.

PHASE III: SELECT MACRO TACTICS



As noted earlier, unlike the Basic Strategizing Model, which has just one tactical phase, the CST Model has two: Macro Tactics and Tactics. The CST Model’s two tactical phases ensure that you’re selecting your overarching Macro Tactics in the first phase and then adding the appropriate details to them before moving ahead in the second phase. By getting the Macro Tactics and Tactics right, you build better plans that are easier for other people to execute, your Strategy plays out as

intended, and you reach your Desired Outcome.

In the Macro Tactics phase, you gather, assess, and select your overarching Macro Tactics, but you don’t finalize their details just yet. By nature, you already select Macro Tactics before you formulate their details. For instance, when you determine that you need a partner to help you enter a new market, you’re establishing a Macro Tactic. Obviously, you must determine the Macro Tactic—“I need a partner”—before you decide its details—the name of the partner and type of partnership, for example.

If you’re like most decision makers, you may be anxious to get everyone in your group busy, but this tendency towards “busyness” could prevent you from gathering enough options to include your best alternatives before making a final decision. During the strategizing process, any time you feel the urgency to push forward quickly, slow down and harness those urges instead.

One simple way to slow yourself down is remember how the lines separating the blocks of Strategy, Macro Tactics, and Tactics are broken and not solid in the diagram of the CST Model. Remind yourself that these broken lines represent the fluidity of thought that runs through these three phases. Be conscious of how your thinking naturally flows up to the Strategy phase and down to the Tactics phase, and allow yourself the time to bring in knowledge, costs, feasibility, and so on, as you rapidly accept or reject pursuing various options. The key is that you don’t want to close out a phase before you’ve made your best selections. This type of free-flow thinking is not only an alternative to making fast choices and racing through phases; it also helps you generate more Macro Tactics and better assess their viability.

Example thread

You're now thinking, For my vacation, where will I go, how will I get there, and how much will I pay? Some of the Macro Tactics that you bring into your Cyclonic Thinking are Buenos Aires, Paris, and London. You also question how much money you are willing to spend, what types of hotels you want to stay in, and whether you want to take a tour or find your own way around. With all of these Macro Tactics in mind, you might make a list of the resources you have at your disposal. You might decide to check with a travel agent, search online, review your frequent-flyer mileage, and talk to friends. As this phase progresses, you consider the possible implications of these tactical options, but you do not finalize their details just yet.

At this time, engage in simple research techniques that you can perform from your desk: review similar projects, talk with industry experts, run cost analyses, consider financial data, research the marketplace, etc., to uncover your optimal opportunities.

Push yourself to come up with better Macro Tactics than you might have previously considered by asking, What would it take . . .

- to do this in half (a third, a tenth) of the time?
- to achieve our objective with little or no human involvement?
- to reach our objectives with the resources we already have?
- to double our returns in the same amount of time?
- to eliminate our competitors from the equation altogether?
- to triple our benefits (profits, return on investment)?

Notice how the new questions force you to think differently, because they are asking significantly different questions than, What would it take to grow 10%? The hard push forces radical thinking and new Macro Tactic options. If I asked you to open a new market for your company in one year, you'd have to have different solutions than if I asked you to open the same market in three months.

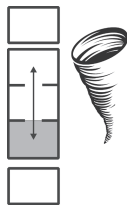
Decision makers find that asking what-would-it-take questions gives them more, better, and different Macro Tactics from which to choose. As a result, they put themselves and their organizations in stronger positions to achieve their Desired Outcome and they avoid costly and preventable mistakes. Decision makers at a bank in Texas wanted to increase market penetration by specifically targeting consumers who were twenty-five to thirty-four years old. Decision makers immediately jumped to Tactics and decided to build a new brick-and-mortar branch, geographically locating it where 15,000 new houses were being built. Although that Tactic would have worked fifteen or twenty years ago when the Internet wasn't a part of life, in the age of online banking it was a flop.

Had leaders spent more Cyclonic Thinking Time asking different questions, studied market-research data and behavioral shifts, and waited until they had identified

better Macro Tactics, they would have discovered that their target demographic prefers to do their banking online and only visits banks when they absolutely have to.

Quite often people confuse Macro Tactics with Tactics. They believe when they identify Macro Tactics, they are done. Macro Tactics do not form a plan; they create the foundation for selecting the right Tactics.

PHASE IV: FINALIZE TACTICS



You've now reached a point where you can finalize the details of your Macro Tactics into a type of road map that can be handed off to the people who will ultimately execute those Tactics. In this phase, you collect and assemble "things that need to be done" to transform your Macro Tactics into actionable steps that will deliver you to your Desired Outcome once they are completed.

As you create your plan, you will constantly try to achieve a careful balance between providing enough direction and guidance for others to do the job and overdoing the plan to the point of overkill. Tactics should be prepared well enough that others can perform Execution independently, with only little guidance from you.

The Tactics are the how-to part of your plan. One consideration as you develop the detailed Tactics should be the Goldsmith Productivity Principle (where 80% of an organization's outcomes are based on the systems and structures and 20% on its people). I am making this recommendation because you can certainly give a list of Tactics to people, but you also have to make sure that they have the systems and structures set in place to round out the "tools" they may need to execute your plan successfully. Keep in mind that you may have two sets of Tactics: one for leaders who do the planning and another for the people who will execute the plan. What kinds of software, equipment, or space will your people need? How will the executors access you or your fellow managers when they have questions, and who are their contacts? Although these factors will vary depending on your circumstances, it's always up to leadership to figure out the systemic and structural details of their Tactics.

Example thread

This phase is where you would detail plane and rental car reservations, chart your driving route and note the places where you want to make stops, make a list of restaurants where you want to dine, decide on travel insurance, record emergency phone numbers, etc. The amount and types of detail you incorporate into your final plans will depend on your experience level as a traveler (are you a world traveler or is this your first time out of your country?), the type of trip you have planned (are you planning each detail yourself or are you buying a prepackaged trip where the details are left to its organizers?), and so on.

Tactics can be presented to others as a one-sheet list of items or a complete tactical plan. The assembled Tactics go by many names: plan, map, road map, architectural blueprints, project plan, strategic plan, and shopping list to name a few. Your tactical details can include charts, like the Critical Path Method (CPM) chart that you will learn about later in this chapter; modeling software; and various other types of planning tools to keep everyone on target. Your Strategy, work culture, and particular circumstances determine how you assemble your Tactics.

As you finalize details, consider the knowledge and experience levels of the people who will execute the Tactics so that your Tactics fit their levels of knowledge and skills. This is why it's important to really get to know the other people who will be involved in your endeavors. For instance, if you were running a charity cooking event and I were one of your volunteer cooks, you would want to know that I have had no professional training. The recipes and instructions that you would give to me would be more basic—"these are the steps to sautéing onions and mushrooms"—than those you would give to another volunteer who is a professional chef. By knowing your people and resources, you are better able to tailor the complexity of the plan to match their abilities, skills, and knowledge.

Ultimately, you want tactical details that are realistic and doable. If others can't follow your plan, the fault lies with you, not them. Walk through the plans mentally or follow some of the directions to see how they will work. Fill out a form before passing it off to others to catch any flaws, or try the first run of activities yourself before leaving your executors on their own. You can also observe activities from time to time to see if the details are working or if they need some adjustments. This testing measure helps you to catch missing steps or vague directives early on, thus preventing the types of problems that cause organizations to lose by a nose.

The television program *Undercover Boss*²³ highlights the gap that often exists between leaders' assumptions and frontline workers' realities when it comes to strategies, and tactics. With their identities disguised, CEOs and executives of very large companies enter frontline positions within their firms and work alongside unsuspecting employees. In this rare opportunity, leaders get to experience firsthand the working environments that their decision making has created, most often learning that their tactics do not align staffers as well as the leaders had assumed with objectives and strategy. They not only hear their workers complain about unrealistic expectations given the working environment, but the leaders experience the disconnection and frustrations on a personal level, granting them new insight into the changes they will need to make in order to synchronize strategy with tactics in the real world.

At times, you may decide that your circumstances call for a tactical plan that offers less detail. Different organizations and situations require varying levels of leadership involvement. For example, I know of one small company that takes a day

to share the leadership team's strategy with the employees and field their questions, and then the executive team gets back to business, leaving the executors of the strategy to figure out the details on their own. The decision to not develop a tactical plan is still a tactic. Since you have the 50,000-foot view, the responsibility to determine the type and amount of detail is yours.

The seemingly simple decision of determining tactical details has a huge impact on outcomes. Take, for instance, the results achieved by television contestants during *Oprah's Big Give*,²⁴ a 2008 Harpo Productions special reality series, where seven contestants were given \$100,000 each and instructed to give as much of the money away as they could within twenty-four hours. The contestants were given identical tools—cash, car, cell phone, and rules—yet their outcomes varied drastically. Why? Because Oprah's only “tactics”—in addition to the lump sum of money and the time frame—were limited to caps on the amount that could be dispensed to a single recipient, \$500, or at a single location, \$10,000. Left to their own devices, the contestants generated widely varied outcomes: one contestant gave away \$8,000 at an auto-body repair shop while another dispensed \$30,000 worth of appliances and electronics to people living in poverty. One contestant was eliminated after getting lost driving, which hindered her ability to give away money to those in need. Overall, *Oprah's Big Give* was a success in bringing awareness to the countless people who live in need, yet the overall message to you in terms of Tactics is, if you want to control the predictability and reliability of your outcomes, you must address the details of Tactics in ways that are appropriate for each situation.

Tactics must fulfill five requirements. Use this checklist as you finalize the details of Tactics as a way of keeping your tactical plan on track:

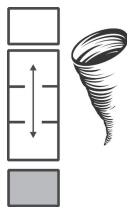
- *Tactics must be detailed and specific.* Specify person(s), group(s), department(s), or outsider(s) who will perform each action, and whether they will need to act as a cross-functional group. When people know what their roles and responsibilities are, morale tends to be higher, plans move forward more smoothly and in the right direction, and you become trusted as someone who can lead others to predictable, reliable outcomes. Plus, you avoid negative issues such as product recalls, bad publicity, injuries, and legal action.
- *Tactics should highlight interdependencies and chronology.* Explain what activities within the process must be completed before other activities can begin. Reveal where some actions rely on others interdependently so that resources like working capital, equipment and supplies, and labor are available when needed. Because tactical plans often involve cross-functional activities and responsibilities, bring in vendors, customers, consultants, and others to gain valuable input.
- *Keep your tactical details reasonably flexible.* Tactics' details must be flexible enough to accommodate new ideas or changing circumstances that might

arise unexpectedly, and at the same time be rigid enough to achieve the Desired Outcome depending on the environment. You'd want the Tactics provided to a nuclear reactor operator to be very specific, whereas you might have a looser list of Tactics for your floor sales staff to sell baby furniture. Later in the chapter you'll learn more new tools to enable you to build flexibility into your Tactics.

- *Tactics must be appropriately matched to the skill levels of the executors.* The details must be outlined with the executors in mind—managers versus front-liners, skilled versus unskilled—to ensure that they are realistic and appropriate for the job at hand and that they match the skill levels and knowledge of the executors.
- *Tactics must adhere to the 51% Rule.* Tactics must be *perceived* as achievable by the people who will execute them. Otherwise, executors are unlikely to act or to give a project their all. The 51% Rule says that executors must believe that they have at least a 51% chance of achieving success with your Tactics in order for the plan to work. If they can't buy in because the success of the plan *seems* unrealistic, then the quest to fulfill the Strategy is doomed from the start.

When you've completed this phase, review your Tactics to be sure that they will still point your organization in the direction of your Desired Outcome. The time, effort, and money you've spent so far and that you will continue to spend as more people become involved should support the Strategy and Desired Outcome.

PHASE V: ADDRESS EXECUTION



The Execution phase is another important difference between Basic Strategizing and the CST Model that will assuredly help improve your outcomes. My research has shown that in Basic Strategizing, execution is usually lumped into the tactical phase and is either referred to as “execution” or “tactics,” with little to no distinction made between the two when planning. Pause for a moment and let that last sentence sink in; Tactics and Execution are two different and separate phases of planning. Yet when I tell this to decision makers, many of them tell me that they never have considered them to be so, and they find that this slight shift in vocabulary has immediately opened their eyes to reasons why some of their past plans failed to yield the results they had expected.

Before you write off this distinction as one of semantics only, be aware that I'm not just talking about words here. I'm going to be making some very clear points about the role that you must fulfill at each phase of the planning process in order to make better plans than you have in the past. So, whether you're a leader who takes an out-of-sight,

out-of-mind approach to execution or one who has previously revered execution as the champion of greatness, *the Execution-related activities you engage in at the 50,000-foot level are different than those of your tactical people, meaning you are responsible for two sets of Execution-related actions: one for you as a leader/planner and another for people who are executing plans.* For now, our focus will be on ensuring that you build into your plans the most appropriate tools, structures, systems, knowledge, and authority so that whoever ends up executing them will be able to do so optimally. (Later, I will go into the second and separate role of Execution that every planner must fulfill.)

The achievement of a Desired Outcome is dependent on how well leadership performs the previous phases in the strategizing process. One of the beauties of the CST Model is that it slows you down and ensures that you don't jump to Execution before you've adequately completed the phases that give Execution the proper foundation that it needs.

Execution is an essential and distinct step in the strategic-planning process. When Execution isn't addressed properly, the entire strategizing process is compromised.

Another important aspect of Execution is determining who will execute Tactics. Obviously, the structure and circumstances of your organization dictate your selection of executors. If you're part of a large organization, you may be accustomed to seeing top decision makers assigning others to act as executors. If your organization is a smaller establishment, you might find yourself executing Tactics or you may select other people to execute Tactics, depending on the staffing available to you. In either situation, you are still ultimately responsible for tracking Execution and guiding its progress.

Furthermore, there is another type of Execution that occurs in the CST Model, and it has *nothing to do with executing the Tactics*. This second type of Execution is called "execution of strategizing," and it is performed strictly by the leader. Execution of strategizing does not occur in the Execution phase; instead, it occurs in the previous four thinking-related phases—Desired Outcome, Strategy, Macro Tactics, and Tactics—as you perform, or execute, these phases. Let's take a look at the two types of Execution, and discuss your role within each of them.

- **EXECUTION OF TACTICS:** Occurs in the Execution phase and is performed by the executors. The people involved in the Execution of Tactics are those who carry out the Tactics. These people may be frontline personnel or members of your management team. Depending on the size and needs of your organization, you may or may not be involved in the actual Execution of the Tactics. In most cases, you will not execute the Tactics, but you must guide the people who do.

- **EXECUTION OF STRATEGIZING:** Occurs in the first four phases of the CST Model (Desired Outcome, Strategy, Macro Tactics, Tactics) and is performed by the decision maker. In Enterprise Thinking, you—the decision maker who is paid to think—perform a specific type of leadership Execution when you carry out the first four phases of the CST Model.

Example thread

Here's how the two types of Execution play out in our going-on-vacation example.

- **EXECUTION OF TACTICS:** When you purchase your airline ticket, pack your suitcase, drive to the airport, board your plane, check into your hotel, and follow your itinerary, you (and your fellow travelers) are executing the Tactics of your vacation.
- **EXECUTION OF STRATEGIZING:** When you were planning your vacation—from Desired Outcome to Strategy to Macro Tactics, and then finally Tactics—you were executing the strategizing. And if you had decided to buy into a guided-tour vacation, the Execution of Strategizing would have also become a shared endeavor between you and the organizers of the tour company. You would decide how to get to the airport, what to pack, etc. But the other details of the trip, those you experience once you reach the tour group—where you sleep, when and where you stop to eat, the schedule of sightseeing, etc.—would have been handled by the tour company.

At this point, what you need to be thinking about is how you have a choice to be tactical or strategic. Because you're paid to think, you understand that your greatest value to your organization is to be strategic, which occurs by Execution of Strategizing. This is how you continually make decisions that move your organization forward in the direction of its Desired Outcome. If you're involved in an organization where you must be tactical—Execution of Tactics—that's okay, as long as you realize that your primary role is to be strategic, *and that you don't let tactical activities consume your days to the point where the strategic responsibilities suffer*. If you've ever felt like you're just keeping up and have little time to think, you've already experienced this condition.

Okay, so let's say that you've handed off the Tactics to those who are executing them. What should you be looking for, and what should you be doing? First, look for the sign that your Tactics are solid and realistic. The sign is when you see that everyone, from top leadership all the way down to the front line, can place the "road map" of Tactics in front of them and follow it daily rather than putting it on a shelf to collect dust. Tactics that are out of sight are no more useful than a grocery list that's been left on your kitchen counter. Then, be careful not to do what many leaders do, especially those in senior management, and assume that since Execution is someone else's job, then following the plan is someone else's responsibility, too. Open the plan, place it on *your* desk, and follow it daily, because the outcome still rests on your shoulders. You will learn how to follow the Tactics and monitor progress in Part III of this chapter, Managing Your Priorities.

The benefit of using a structured strategic-thinking process like the CST Model is that you keep your organization focused on activities that matter most. That's because from the very beginning, every decision and activity is connected to your Desired Outcome. Then, every subsequent phase is performed to reach that Desired Outcome.

Solving the Right Challenges by Asking the Right Questions: Redefining

Before you set out on any endeavor, you have to be sure that you're headed in the right direction and have your eye on the right target. Simply doing all the right things without first addressing the right challenges and opportunities dooms your success before you ever get started. Unfortunately, decision makers everywhere are taking the path to futility, because they don't have an actual *process* that improves their ability to think, so they're taking a chance on asking the wrong questions rather than assuredly asking the right ones.

Years ago, when a U.S. retailer, its decision makers were perplexed when the retailing giant's sales of popular laundry detergents didn't take off. The detergents were hot sellers in other markets, but they were being ignored in this new locale. As executives faced the challenge of nearly nonexistent detergent sales, they began to ask questions. However, they had to be careful what they asked, because the types of questions they asked and the assumptions they made would ultimately steer the future of detergent sales in different directions.

For instance, "What would it take to sell these brands of detergents to this market?" is different than, "What would it take to offer products that consumers want?" Further research into the culture and consumer behavior revealed that most Chinese citizens did not own automatic washers and driers, thus eliminating the need for the glut of detergents sitting idle on store shelves. Had decision makers asked only how to push the type of product they were accustomed to selling, they would have ended up with disappointing and costly results. But because they asked a better question that focused on what the consumer wanted, they were able to adjust their product offerings to be in alignment with the needs of the consumer.

Asking better questions—whether you're addressing personnel, systems, operations, vendors, products, or other challenges related to different aspects of your organization—will lead to better decisions and solutions. One way to ensure that you're asking better questions is to use a process like the one you're about to learn here.

Have you personally ever examined how you think? On occasion I'll meet someone who says they have a thinking process, but when they describe it, it's usually not

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ABOUT THE AUTHORS

DAVID GOLDSMITH, president of the Goldsmith Organization LLC, is an international consultant and advisor, speaker, telecast host, author, and business owner. He has served on the New York University faculty for twelve years and was awarded the SCPS Teacher Excellence Award. David holds an MBA from Syracuse University.

LORRIE GOLDSMITH is co-founder of the Goldsmith Organization LLC, a leadership development organization offering consulting, advising, speaking, and educational resources to decision makers globally.

DAVID AND LORRIE are based in New York State. *Paid to Think* is their first book.

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**“For six months I fought with the publisher...
then finally I was able to purchase one chapter.”**

That’s a real quote from an executive named Elizabeth who wanted only multiple copies of a single chapter of a certain book to lead her staff members to desired outcomes, but she wasted valuable time and effort appealing to the book’s publisher for the tools she needed. Maybe you’ve had the same wishes as Elizabeth; perhaps you supervise, oversee, or manage a group of people, and you’ve wanted similar tools to maximize potential and drive performance but found that chapter singles were inaccessible or unaffordable. Well, put all that behind you, because I’ve made Paid to Think chapter singles easily and quickly available.

So while I’m sure you’re perfectly willing to purchase the entire book of *Paid to Think* for yourself or for a leadership team, I also understand that there may be times when it’s more efficient or cost effective to buy single chapters given certain circumstances.

In these types of situations, some of which are included here, single chapters can be a quick and easy solution, such as:

- ✓ When you work with a large team and you want them to understand a single topic without breaking your budget. Say that you’re working on developing new products within a department consisting of 47 staff members and seven leaders. In an instance like this, exposing all 54 participants to Chapter 4, Developing New Products and Services, would put everyone on the same page and ready them to proceed on the project at hand.
- ✓ When you’re about to undertake an endeavor and reading the entire book at that time is not feasible, you can address a particular topic area quickly. Let’s assume you about to enter into negotiations with a prospective ally, and you’d like both your team and the other party to build a successful union based on PTT’s proven Alliance Pillars. Distribute copies of Chapter 5, Establishing Alliances, and you’ll not only fend off the needless challenges that often plague alliances, but build the kinds of alliances that help your organization achieve desired outcomes now and in years to come.

And there may be other occasions:

- ✓ When you're searching for the type of gift to give that provides real value at any time.
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Goldsmith Organization, LLC
Manlius, NY 13104
+1 (315) 682-3157
info@paidtothink.com