

CHAPTER 1

How to Shift the Odds in Your Favor in the Best of Times and the Worst of Times

You miss 100% of the shots you never take.

—Wayne Gretsky

Hundreds of years ago, in medieval Austria, a small but determined army was trying desperately to hold on to its fortress against tremendous odds. For more than six months, the defenders had been surrounded by a hostile army. With no way to contact outside help to replenish their stocks, supplies had dwindled to a desperate level. Only one cow and two bags of grain were left.

The fortress soldiers, wracked with fatigue and hunger, turned to their commander for guidance.

Expecting their leader to say the expected, “Ration the food for as long as we can hold out,” they were astonished and perturbed when they received a different, radical reply.

“Kill the cow, stuff it with all the grain we have, and toss it over the walls when the next wave of attacks ensues.”

This seemed illogical, foolhardy, and dangerous. During the next attack, they followed the unexpected order and heaved the grain-stuffed cow over the wall. Without a doubt, they anticipated a slow, anguished death by starvation. To this day we don’t know why the soldiers complied.

But the commander had foreseen something that no one else had.

Confused by the bovine assault, several of the attackers took the cow back to their officer’s tent. The attacking officer saw it for what it was—a signal of defiance from the fortress commander, as well as a message that his soldiers had the will to fight on. If they could afford to throw a cow stuffed with excess grain over the wall, he reasoned, they must have vast stores of supplies, enough to last the entire winter. He ordered an immediate retreat.¹

Uncommon Good Sense: Doing the Strategic Math

How, you might ask, does medieval cow tossing relate to twenty-first-century business? Although the average corporate suite or management office might bear little resemblance to a stone fortress under siege, the strategy of shifting focus to produce novel solutions is directly applicable to business leadership and advantage-making.

Was the fortress commander a fool who just got lucky? Was the attacking army officer incompetent? Was this just a one-time tactical maneuver, or can it illustrate a dimension of action that is overlooked?

If we faced the same situation as our Austrian commander, convention and common sense would have compelled most of us to use a strategy of persistence. Reasonably, we would have rationed the supplies to maintain our position as long as we could. That thought process, however, would do little to actually remove us from the situation or to improve it. After a week or two had passed, we would slowly succumb to hunger and thirst, and we would still be stuck in the fortress.

The shift from “ration the food” to “throw the food at the enemy” was exceptional. It didn’t conform to the general rule or pattern.

The commander did what might be called the “strategic math” on the situation. He projected the consequences of rationing the food. In two weeks, they would still be under siege, but now without food—no better off, and facing an even worse crisis.

Shifting his vantage point 180°, he realized that instead of helping, rationing the food would only prolong the inevitable.

Proceeding along this line of thought, he considered how the lack of food could move from a problem for the defenders to a problem for the attackers. Food was no longer a resource for satisfying hunger; instead, it could be used to send a message. It became a persuasion weapon, the resource to change the dynamics of the situation. Although the fortress commander was driven by desperation, he sent a counterintuitive, resoundingly clear message: “We have plenty of supplies; prepare for a long battle.”

This example clearly demonstrates a leader down to his last few resources who outmaneuvers his superior opponent. Military metaphors have their uses and limits for business; what matters here is the illustration of strategic shifting to create advantages.

Most managers are of sound mind, but their behavior sometimes falls prey to a definition of insanity: “If you keep doing what you’ve always done and expect a different result.” Although it sounds comically simple, it is surprising how rarely people follow this principle: *If what you are doing is not working, do something different.*

It is easy to say, “Do something different,” yet few people know how this actually works—and fewer still know how to actually do something substantively different. Today’s right answer can produce tomorrow’s failure. As the landscape changes, leaders must adapt beyond their own plan for success. In the current demanding environments in which leaders must do more with less, they would be well advised to expand their dimensions of action. This book illustrates how exceptional leaders develop profitable courses of action in the face of constraints—and how you can, too.

The fortress commander stepped outside the logic of the battle and delivered an unexpected message. Clearly, he was able to see opportunities, solutions, and strategies others didn’t even know existed.

Whether your battle is finding new business opportunities, handling people issues, or creating solutions to

problems, it is crucial to step outside the logic of that battle and consistently create superior outcomes.

The fortress commander's competition didn't know he was up against an Advantage-Maker. You saw how that battle turned out.

**If you are not an Advantage-Maker,
odds are you will likely lose to a leader who is.**

For 23 years, I've been working with extraordinary leaders. I've noticed that some leaders almost always find the right path. They turn situations to their best advantage by seeing possibilities that others don't see.

I call these rare leaders *Advantage-Makers*.

The Advantage-Maker's Skills

An increased means of accomplishing their aims:

- Get the most out of what they have
- Spot opportunities others don't even know exist
- Influence situations to achieve superior outcomes
- The timing to be the go-to person in high-stakes business challenges

Superior effectiveness in midst of constraints:

- The pragmatic ability to make the hard decisions
- Learn more, faster, and course-correct from mistakes quicker
- Design structures that succeed

Harness people's ingenuity:

- Tactical strategies to resolve recurrent conflicts
 - Collaborate to create breakaway strategies
 - The power to persuade difficult people
-

Advantage-Makers are pathfinders who anticipate patterns, advance their organizations, and get the most out of everything they have. They learn more, learn more quickly, and develop breakaway strategies. Their healthy skepticism helps them spot difficulties that they transform into opportunities. Most of all, they have the heart of a lion when facing adversity.

These attributes are not accidental. They are hard-won skills. I've discovered over decades that they are teachable and learnable. In fact, successful people have many of them already—they just need to amplify them. The more successful the person, the more leveraged the improvement.

Advantage-Makers' skill, advantage-making, consistently creates superior outcomes in the face of constraints. Resources are leveraged in simple, timely solutions that might not have been initially obvious. If you are not an Advantage-Maker, you likely will be outmaneuvered by someone who is.

Seeing Strategic Opportunities

What enables Advantage-Makers to see strategic opportunities that others overlook? Advantage-Makers are able to strategically shift to find commanding vantage points. **Strategic shifting** is adopting the right angle, the most useful perspective(s), to see a situation and maximize opportunity.

From the higher ground of a **commanding vantage point**, leaders are able to

- Read complex situations
- Take advantage of constantly changing, dynamic circumstances
- Spot opportunities that others can't see from their more limited vantage points

- Establish a superior strategy, a favorable situation, or a profitable course of action

Leaders with the penetrating insight and sound judgment of an Advantage-Maker are able to turn everything to their best possible advantage while guarding against the designs of their competitors.

Whatever outcomes you are achieving, the perspective of the Advantage-Maker helps you create a superior outcome.

The advantage-making strategies can be applied to an array of management challenges:

Strategic

- Do more with less, faster
- Enrich strategic thinking and decision making
- Create strategies for business growth

Organizational

- Build a team of Advantage-Makers
- Fix interdepartmental and collaboration conflicts
- Design the underlying performance structures to be more effective
- Create momentum and correct lack of alignment

Leadership

- Direct a major change
- Improve leadership influence and effectiveness
- Boost performance of newly promoted executives
- Pull your—or someone else's—feet out of the fire

As a leader, whether you need to beat the odds or take advantage of an opportunity, the consequences are significant for you and your organization. You either create an advantage or react from a disadvantage.

Advantage-Makers do the right thing to spot opportunities, create advantages, and influence outcomes.

Do the Right Thing

“Do the right thing.”

That’s what my Dad encouraged me to do when making decisions or handling any difficulty.

Because clues were not always immediately clear and the standards for “the right thing” were ambiguous, I didn’t know the right thing to do each time—or, for that matter, what doing the right thing meant. The good news was that this ambiguity led me on a search. *The bad news was that at times I took my limited experience as the limits of the world.* Many of us make this mistake. Positioning yourself at a constructive vantage point increases the likelihood of seeing things clearly and making the right judgment.

The Eighth Floor

A manager from Sun Microsystems, located in the San Francisco Bay Area, was trying to grasp the meaning and implication of seeing things from the right vantage point. We were on the eighth floor of a ten-story building. Walking over to the window, we looked out over all the traffic on Highway 101 and the surrounding neighborhoods. It was 5:30 p.m., and the surge of workers heading home was predictably clogging the

highway's on-ramps and slowing traffic into that aggravating crawl we've ironically dubbed "rush hour." One blue Toyota, in particular, caught our attention. Its driver was trying to work his way around the jam by using surface streets. He was doing a good job until he made a left turn, no doubt thinking it would be a shortcut.

Unfortunately, he couldn't see that this "shortcut" would make his trip much longer, because he would be heading straight into a construction zone. From the eighth floor, we had a *commanding vantage point* of the traffic flow. The left turn seemed like a good idea from the view on the ground, but we had the right vantage point to obtain complete information on the traffic.

We've all had such opportunities, when we could see what others couldn't see. Moreover, such an opportunity isn't just one person's opinion, point of view, or perspective. It comes from being in a commanding position from which you can rapidly see the condition of "traffic," the reality of the situation, the interactions of the parties involved, the forces at play, and the tendency for movement, which can all result in making the right judgment.

No doubt at times you felt you had a commanding vantage point. Why don't you have a commanding vantage point all the time, or even most of the time? What keeps us from getting to the eighth floor and looking out that window?

Our driver was burdened by more than the traffic jam. First, he interpreted his circumstance based upon his selective perception—that is, through the filters of his background, experiences, attitudes, and interests. His selective perception helped him to read the situation quickly, but it narrowed his comprehension of what he was actually up against.

Second, the driver picked the first solution that seemed "good enough"—making the choice based on limited

information.² This lightning-fast mental process leads to constructing simplistic and, at times, limiting models that might not capture the actual situation. “It seemed like a good idea at the time” is a common refrain.

When faced with a problem, people reduce it to a manageable level and find solutions that are not too far from the status quo, much as the driver did when he took the first possible turn off a crowded road. It was a possible solution to the problem of slow traffic, but from the eighth floor, it was clear that the first solution was far from being right. Advantage-Makers take an eighth-floor view—when it comes to business problems, they do not stop at the first possible solution—instead they immediately look at the bigger picture.

The behavioral tendency to choose the first solution can create a real cost for you. If you base your decisions on the order in which solutions arrive, what if the solution you choose increases your business slightly, but the next option—the one you did not consider—would double your effectiveness, your yield, or your market size? You would be leaving a lot of money on the table.

I’m not suggesting that you make an exhaustive list of all the options every time you make a decision. Gut feelings can reflect the wisdom of experience. Sometimes it really is appropriate to go with your first gut decision and rapidly course-correct.

If we, on the eighth floor, had a communication system, we could have sent the right information at the right time to help the driver. In reality, had he turned right instead of left, he would have made faster progress. In many situations, having good scouts is critical to making informed decisions.

Getting information in a timely fashion can make a significant difference; it can change a loss into an opportunity. Many of us make the error of shutting off information or limiting our judgment to what we can see based upon our own past experience. This is a huge mistake.

Positioning Yourself at the Appropriate Vantage Point Fosters Clear Judgment

Advantage-making leaders strategically shift to commanding vantage points to see opportunities, create advantages, and influence outcomes.

A commanding vantage point is a targeted viewpoint from which leaders can

- “Read” the situation—the expected and unexpected patterns of dynamic interactions and perceptions among people, groups, and organizations
- Shift their own perceptions, decisions, and behaviors as needed so that their positions are as dynamic as the environment

Advantage-Makers are the rare leaders who have mastered the art of *strategic shifting*. By shifting their focus and finding the best vantage point from which to look at a problem, they maximize opportunity and shift the odds in their favor.

Strategic Shifting

The first critical element in strategic shifting is finding a commanding vantage point, such as a strategic hill, from which to look at a situation and see reality clearly. Commanding vantage points can be dynamic and provide an edge. How do leaders shift to commanding vantage points? Knowing the appropriate shift to make is critical to success—for example, a shift from thinking that a situation is a “people” issue, when, in fact, it is a business strategy issue. Strategic shifting is dynamically adapting to the right position.

To survive and thrive, attention and control should go to the person with the best knowledge and capability in a particular situation. Command is not about ordering people around because you are a superior. It's about having command over the issues. As the landscape changes and uncertainty increases, the odds shift in your favor by the quality of your responses to what is most relevant and urgent.

Strategic shifting is anchored in the behavioral sciences and confirmed in the real world of leadership, organizational performance, and business achievement. The insights of strategic shifting are based upon analyzing the interaction of behaviors and positions in everyday encounters. By detecting productive and counterproductive maneuvers, organizational Advantage-Makers can recommend strategic interactions that have a higher probability of working. Strategic shifting is a model for acting and moving. It provides maneuverability—agility of mind, ability to change course, ingenuity of strategy, and skill in creating forward movement.

We examine interactions between people, between groups, between organizations, and between companies. An important factor is assessing the forces that drive behavior. Behavior is dynamic. Seeing is not enough. Dynamic environments require dynamic shifts that match the scope of the problems you encounter.

Strategic shifting reveals blind spots, reactive tendencies, and weaknesses, as well as places of strength, and leverage for leaders and their organizations. When you see the reality you are up against—the good, the bad, and the ugly—you can employ advantage-making strategies to leverage your resources and find opportunities. This propels your strategic influence, shifting the odds in your favor.

Strategic Shifting at Work

Bill Fields, President of Packaging Results, was facing a difficult business environment and needed to produce more revenue. The sales reps complained that they were not able to get in to see prospects. Customer acquisition strategies weren't working.

As Bill stepped back to examine both his thought process and the actions his team was implementing, he noticed an entire dynamic in the business channel that was being overlooked—manufacturer relationships. He looked at the channel further to determine which companies could support his organization's capabilities. These manufacturers were major players in the packaging industry—their targets were big customers. Packaging Results, a distributor, handled the smaller customers. He asked himself, "How do I leverage their sales force, advertising, marketing, website, and industry strength?" From this new vantage point, he could see how these large manufacturers could help his company acquire the accounts. He had cultivated relationships with them for several years and now approached them with a marketing plan to show how they could affiliate together. The manufacturers weren't structured to support these smaller customers, but through the affiliation, they could increase their sales volume and achieve higher margins. Packaging Results would take the leads the manufacturers didn't want because those small companies were outside the manufacturers' focus.

A Profitable Course of Action

This approach achieved two things for Bill. First, he increased his number of customers. Second, he received pricing concessions that he wouldn't have acquired in any other way. In fact, competitors never received these prices. A more conventional way would have been to hire more salespeople and pay for more

advertising—the normal things in the selling process that are part of the sales expense. Instead, this partnership produced more gross profit and sales. His selling expense went down, the cost of acquiring prospects decreased, and the sales force was more productive.

This shift produced \$500,000 of increased business in the first year alone, plus there was a residual impact going forward. When Bill built value for customers, the average customer life cycle was 5–8 years; multiply that by \$500,000 over the time frame, and you have \$2.5–\$4 million residual business. On top of that, the approach produced back-end sales for additional materials customers purchased. One final advantage was the referrals he would create from satisfying these new customers.

A major growth opportunity was found where none was even possible before. Bill and his team won the new accounts in a win-win-win gain for customers, the manufacturer, and his company.

Though the idea of using partners is not new, this everyday example illustrates how a smart businessperson can get mired in linear thinking—“the shortest point between me and the customer is knocking on the customer’s door.”

Opportunity Eyes

Your situation will likely be different from Bill’s. However, what is equally relevant and urgent is the quality of your advantage-making skills. The principle of strategic shifting can lead you to a profitable course of action. Not having a commanding vantage point reduces success rates, and not being able to strategically shift at the right time reduces success rates dramatically.

Bill is not new to creating unexpected advantages. The key for him is to look at his own business and then search for

ideas and connections in neighboring industries. He examines the network of interactions in the distribution channel; this takes him beyond his narrowly focused immediate objective. Looking at these industries allows him to step out of his daily grind and see how others operate. Once out of his mental rut, he can shift to look at his own business with “opportunity eyes.” Shifting enables him to see as an outsider, a vital ability because breakthrough thinking often comes from the outside.

The Advantage-Maker’s Independent Stance Is Paramount for Sound Judgment

The outsider’s vantage point welcomes possibility. For example, Pasteur was not a medical doctor, and the airplane-inventing Wright brothers were bicycle mechanics.

Going against prevailing wisdom takes courage. At times, the underdog Advantage-Makers need to battle for credibility, similar to Galileo standing up to the medieval church’s geocentric view that the sun revolved around the earth.

Preconceived notions can misguide you. Strategic shifting presents rules of thumb that serve as shortcuts. It answers questions such as these:

- In searching for an advantage, which vantage points provide the most leverage?
- In resolving difficult performance issues, how does persistence become counterproductive instead of helping you fix the problem—and what to do to succeed?
- To increase your leadership efficacy, when is adaptability more powerful than force?
- To reduce the likelihood that your change effort will fail (65% of such efforts fail³), how can you identify

the real conflicts and the biggest sources of leverage that many executives miss?

- What is the first principle that every great strategic influencer employs to avoid bungling an opportunity?

Not all leaders are Advantage-Makers. If you apply *any* of the commanding vantage points in this book on an as-needed basis, you can become a better leader. However, this is not just another leadership book. It introduces four Advantage Points that, if mastered, will make you an Advantage-Maker.

Advantage-Makers shift between strategic moves and tactical angles, between confronting objective reality and influencing perceptions to create reality, between the expected and the unexpected, between using the rules and creating new rules, between employing big forces at play and using the small but relevant distinctions that make a difference.

Advantage-Makers see leadership as a high leverage point for influence and impact. Advantage-making is a craft that masterful leaders employ. Whatever shift is required, they make it, and they find an edge to create leverage.

Good Judgment

A young man goes to a successful Advantage-Maker and asks, “How did you get such good business judgment?”

“Through experience,” replies the Advantage-Maker.

“Where did you get the experience?” the young man asks, excited to get an answer.

“Through poor judgment!” muses the Advantage-Maker.⁴

The moral of this little story is that there’s wisdom to be acquired from mistakes—but there’s no need for *you* to make all

the mistakes; you can instead learn from the experiences of others. This book explains how poor judgment occurs and how to avoid or minimize missteps. It includes examples of poor judgments made by leaders, strategists, and advisors (including my own mistakes).

It examines errors and failures that have occurred over the years. It is a composite of what not to do, counterproductive action, and the poor advice others have offered to leaders and managers.

It is written for real people, with real jobs, who want to create real results. It is not for impostors or do-it-yourself know-it-all who keep repeating what they already know, whether it fits or not.

If this book were only about poor judgments, you wouldn't want, or need, to read it. The daily newspaper is full of mistakes made by managers and especially government officials, and everyone who works in an office has opinions of how managers mess up and what they would do differently, given the chance. Being a critic is easy. Coming up with a novel solution is much harder.

We examine how leaders handle and mishandle difficulties. Finding yourself between a rock and a hard place is not uncommon within the executive suite. Creating advantage in times of uncertainty requires at least one added dimension. This book identifies four *Advantage Points* to aid you in finding hidden opportunities.

A Missing Dimension

Many managers are experienced and capable, but not yet masterful. A master is someone who has a comprehensive grasp of all the nuances in his field. On any given day, a person

may inadvertently bungle an opportunity, possibly because he or she just doesn't know that things could be done differently. Renowned social psychologist Dr. Robert Cialdini put it this way: "Bunglers of influence are ethical people who don't know that there are ways to do things more effectively. They miss the opportunities that are right in front of them."⁵

We can find opportunities that we might otherwise miss by examining previously overlooked dimensions or by looking at situations from new angles. The cost of lost opportunity can come in the form of revenue and expenses—even careers.

In my experience, even the most capable people have blind spots; they bungle opportunities because the solutions that are workable never occur to them. Fortunately, this partial blindness is curable, not terminal.

An Added Dimension

In the famous story *The Hound of the Baskervilles*, Sherlock Holmes is investigating a crime scene at a large home.⁶ During his interviews with witnesses, he discovers something peculiar: The dog in the home hadn't barked during the break-in. This seemingly unimportant fact captures his attention. While others round up the usual suspects, this mysterious clue engages Holmes. The answer to who had committed the crime becomes evident to him as he reviews the evidence. Because the dog normally barked at strangers, Holmes deduces that the dog must have known the culprit. It was an inside job.

Most of us solve problems by rounding up the usual suspects. Holmes looked where others didn't. His solutions to crimes were there to be seen by anyone who knew how to look and listen. Holmes heard what was being said, as well as what wasn't

said (or wasn't barked), and contrasted the two. Solving mysteries in true Holmesian fashion is an excellent example of dimensional thinking. Holmes was not linear in his approach; he was versatile in shifting his attention to different dimensions of a problem.

Many experienced detectives would have missed the clue of the silent dog even though it was obvious in hindsight. People are trained to look at what's *there* (and are not always so well trained in that), not at what is *absent*. Similarly, many experienced executives miss opportunities that are right in front of them. With a hectic, get-it-done, accelerated pace, they tend to be linear in their approach. They aren't thinking dimensionally—that is, shifting their vantage point to see hidden opportunity. As a consequence, their primary efforts remain operational and tactical rather than strategic.

This book provides you with a framework for advantage-making. Applying the commanding vantage points outlined in these chapters should shift the odds in your favor. Just like the fortress commander, seeing possibilities that others don't know to look for creates a real edge. By making penetrating insights and sound judgments, you turn everything to your best possible advantage and guard against the designs of others. This is the foundation for creating superior outcomes.

The Advantage-Maker's Advice

Leadership is the province of getting it right.

Anyone who tells you differently hasn't been in a position of leadership.

You don't need to know all the answers.

You do need to know how to create solutions.

Mishandling difficulties puts you at a further disadvantage.

How do you shift the odds in your favor? Hint: Shift.

For further explanation, see Chapter 2, "Breaking the Secret Code of the Great Advantage-Makers."

Chapter Recap

1. Advantage-Makers turn everything to their best possible advantage and create superior outcomes.
2. Advantage-Makers are able to design choices that others don't even know exist.
3. If you are not an Advantage-Maker, odds are you will lose to a leader who is.
4. Strategic shifting is adopting the right angle, and an added dimension, to maximize opportunity and shift the odds in your favor.
5. A commanding vantage point is like a strategic hill from which to look at situations and see reality clearly. Commanding vantage points can be dynamic; they provide an edge.

Endnotes

1. Paul Watzlawick, John Weakland, and Richard Fisch, *Change: Principles of Problem Formation and Problem Resolution* (New York, N.Y.: Norton, 1974).
 2. Herbert Simon, *Administrative Behavior*, 3d ed. (New York: The Free Press, 1976). Simon describes this kind of thinking as bounded rationality; another related concept is *satisficing* (a combination of *satisfying* and *sufficing*).
 3. Pierre Mourier and Martin Smith, *Conquering Organizational Change: How to Succeed Where Most Companies Fail* (New York, N.Y.: CEP Press, 2001).
- B. J. Bashein, M. I. Markus, and Patricia Riley, "Preconditions for BPR Success and How to Prevent Failure," *Information Systems Management* 11, no. 2 (1994): 7–13.

023 How to Shift the Odds in Your Favor

Meta Group, Gartner Group, and Cap Gemini E&Y indicate that CRM initiatives fail 50%–90% of the time.

4. As seen on a cubicle office at Sun Microsystems.
5. Robert Cialdini in describing his “Principles of Persuasion.”
6. Sir Arthur Conan Doyle, *The Hound of the Baskervilles* (New York: Grosset & Dunlap, 1902).