

## I N T R O D U C T I O N



“Innovation occurs for many reasons, including greed, ambition, conviction, happenstance, acts of nature, mistakes, and desperation. But one force above all seems to facilitate the process. The easier it is to communicate, the faster change happens.”

—JAMES BURKE, *CONNECTIONS* (1995 ED.)

**W**hat two chronic concerns plague most executives, managers, and employees the world over? In our work with more than 200,000 people around the world, we hear the same two things over and over: time and money. Those two concerns survive any change in the economy, remaining important in good times and bad. If you put time and money together you get the measure of success for this book: creating more economic value in less time. By *value*, we mean what customers and investors are willing to pay for, that employees are willing and able to provide. *The Communication Catalyst* focuses on the greatest leverage point a leader has for creating high-velocity value: conversation.

In our consulting practice, Conversant, our area of expertise is communication. More specifically, we work on how communication affects how people act. Much of our time has been spent in working with executives and managers to achieve business goals more quickly and effectively than the norm. Time-to-market, process improvement, product and service development, sales cycles, acquisition integration, and the time it takes for a new employee to be productive are common examples of such time-sensitive business goals. We have proven something both deceptively simple and very important: fast value for customers, investors, and employees begins and ends with changing how people interact.

Many executives and managers trivialize the power of conversation. They fall into a common speed trap: they think communication issues are “soft,” unlike the supposedly more important “hard” issues of technology and measurement. This line of thinking is dangerous, costly, and wrong. The opening quote is from *Connections*, James Burke’s book and PBS television program about the inventions that altered the course of history. Not only does Burke *not* trivialize communication, he calls it “one force above all.”

A case in point: In 1995, we were contracted to assess the effectiveness of a product development methodology for a company that makes measurement instruments. They are successful, leading in most of the markets they target. However, a senior executive was convinced that there were unnecessary delays in getting new products to market. As part of our preliminary work, we held a meeting with about 40 senior engineers.

The purpose of the meeting was to solicit input on what they considered the main barriers to accelerating time-to-market. The engineers broke into groups and made lengthy lists. The walls were papered with flip charts when we asked them the following question: “What percentage of the barriers is technical and what percentage social?”

After reviewing all their charts and labeling barriers as “technical” or “social,” they gave us these percentages: 19 percent technical and 81 percent social. One engineering manager said: “We’re always trying to take waste out of our technical processes, but in the 22 years I’ve been here, we have never even looked at taking waste out of our interactions with people.”

This technical community went to work on the waste in their interactions with each other and reduced an 18-month product development cycle to 9 months. The executive sponsor of the project said: “If we had done this five years ago we would have saved \$50 million.”

The engineering manager points to an amazingly unexamined asset: conversation. Very few managers consider the following:

- We live and work in a web of conversations.
- Those conversations affect perceptions, priorities, and action.
- For most leaders, conversational effect is accidental and slows achievement.
- It is possible to converse by design and accelerate achievement.

Conversational skill is particularly important whenever we need to coordinate the efforts of different people to produce value. Every executive, manager, or supervisor faces the coordination challenge. We talk about it

in a variety of ways: teamwork, trust, and group productivity to name a few. Most of us are not aware of a reliable design for how conversation affects coordinated effort. If we were, there would not be nearly as many breakdowns in teamwork, trust, and group productivity.

Have you ever seen conversations damage an organization and slow its success? How many problems are caused or aggravated by the quality of interaction? The Challenger disaster, the nuclear accident at Chernobyl, General Motors' expensively late response to Toyota, and the management meltdown at Xerox were all rooted in terrible communication. Consider breakdowns between CEO and COO, Board and CEO, senior leadership and the rank and file. Consider problems with important customers, allies, and investors. Review the challenges of acquisitions and mergers. These issues are largely social troubles that arise in the conversations people have with themselves and each other. Conversation, then, is the leverage point for meeting social challenges.

As a whole, executives and managers do not seem to be improving their conversational leadership. Otherwise, the rate at which they solve such social problems would be improving. For example, statistics regarding successful mergers, acquisitions, and alliances have stayed the same for many years. Studies by many reputable firms, like Cap Gemini Ernst & Young, Mercer, Accenture, McKinsey, and PricewaterhouseCoopers all arrive at similar conclusions: most mergers and acquisitions fail. The consensus statistics are:

- 60 percent of merged companies have less net value five years after the merger than before.
- 30 percent have no increase in value.
- 10 percent meet or exceed their goals.

Merger statistics do not show improvement every year, and it is not for lack of effort. Billions have been spent on integrating enterprise software, getting common hardware systems, and installing new information management systems, all in the interest of agile, integrated performance. While much of this expense has been worthwhile, hardly any of it has returned all the value expected. Why? Because we misunderstand a source of value that is as common, crucial, and taken for granted as the air we breathe: how we converse with one another. In conversation, we assign meaning and then take action. All the hardware and software systems in the world are impotent investments, if people do not have meaningful relationships with those systems and the people involved. Because we do not understand how conversation

affects meaning and action, the statistics on acquisitions and mergers do not improve.

Of course, the coordination challenge is not limited to mergers and acquisitions. Most attempts to collaborate across boundaries are equally vexing. Interactions between marketing, R&D, and manufacturing can be disappointing and wasteful. Connections with important allies, major customers, internal partners, and governmental authorities have similar challenges. Do you get substantially better at meeting these challenges year after year? If not, a probable cause is unintended conversational effect.

There are leaders, of course, who do respect the power of communication to accelerate value for customers, investors, and employees. As Greg Merten, vice president and general manager of Supplies Operations at Hewlett-Packard, has said: “Our investments in developing conversational skills have been extremely valuable. I can easily show hundreds of millions of dollars of additional profit directly attributable to our work on high-performance conversation.”

Merten has sound business reasons for investing in valuable conversations. This investment does not require an infusion of capital, it raises productivity, it increases employee commitment, and it accelerates the achievement of goals.

That sounds great, but what exactly is high-performance conversation? High-performance conversation is not about being glib. It is not spin control. It is not limited to emotional intelligence, because conversational intelligence includes emotions and much more. *High-performance conversation is well-designed listening and speaking that creates high-velocity value.* Remember our definition of *value*: *What customers and investors are willing to pay for, that employees are willing and able to provide.* You can accelerate that kind of value if you:

- Understand a useful model for how conversations affect perceptions, priorities, and action.
- Apply the model to any current challenge that requires you to coordinate different interests.
- Measure the results.
- Use the model to debrief, learn, and adjust.

*The Communication Catalyst* provides a conversational model, which we call the cycle of value. The cycle of value promotes teamwork, creativity, planning, accountability, and learning; we also address how those same things

break down. Use the cycle of value well, and you will accelerate achievement and prevent a multitude of mistakes.

The three-part cycle of value:

1. *Align* conversations create shared purpose, stimulate creativity, and ensure smart planning.
2. *Act* conversations clarify accountabilities and launch action.
3. *Adjust* conversations review performance and translate experience into improvement.

When these three related elements are effective, work is meaningful, satisfying, and fast. We infuse work with meaning, galvanize teams, and inflame loyalty among customers, employees, and investors. When these elements are ineffective, we decelerate our high-speed ambitions. We render work meaningless, destroy teamwork, and inflame discontent among customers, employees, and investors.

Consider the design of an automobile engine. If you understand the nature of an internal combustion engine and all its connected parts, you are less frightened by a breakdown than the rest of us. For many people, raising the hood is merely an alert to other drivers that a car is not moving. The ignorant among us confront that mass of sound and motion and are left to merely fret. Those of you who understand the design can diagnose problems and take action. The same is true if you understand the “design” of conversation.

If you take the time to understand and apply our conversational cycle of value, we promise you will see measurable results. The cycle includes aligning the interests of employees, customers, and investors, so conversational leadership will ultimately effect three measures:

1. Attraction and retention of valuable people (employees perceive value)
2. Profitable revenue (customers perceive value)
3. Investor return (shareowners perceive value)

You also can see the benefit in other measurable areas when you apply the architecture. Decreased time-to-market, increased customer loyalty, and increased earnings-per-share are examples.

If you are responsible for coordinating the efforts of others, you are a prime candidate for *The Communication Catalyst*. To find out for sure, answer “yes” or “no” to these six questions:

1. Do you think it's important to increase the rate of achievement around you?
2. Are you unsure how to accelerate things to your satisfaction?
3. Are you interested in accelerating your learning curve by profiting from others' mistakes, victories, and lessons?
4. Are you frustrated by not getting others to adopt the attitudes and practices that you know would improve performance?
5. Do you believe that the conversations you have with stakeholders (e.g., customers, employees, executives, board members, allies, and shareowners) are important to value creation?
6. Are you willing to question your own habits and beliefs and explore new ones to speed business success?

If you answered “yes” to four or more questions, *The Communication Catalyst* is well worth your time and money.

If you said “yes” to all six questions, it would be wise to make *The Communication Catalyst* an immediate priority.

If you answered “no” to most or all of the questions, then do not read *The Communication Catalyst*.

Much success and failure informs this book. The people of Conversant have had the good fortune to work with people from 18 countries, 400 companies, and 31 consulting practices. Our clients and colleagues have taught us a lot. Many of them are people who care greatly about how communication affects conduct: teachers, managers, executives, negotiators, therapists, television personalities, police, and process improvement consultants. Project managers, program managers, R&D professionals, advertising executives, and religious clergy have also contributed to our body of knowledge. We have combined their input with the credentials of our associates, which are substantial and diverse. We have backgrounds in process engineering, chemical engineering, social psychology, and criminology. We also have backgrounds in the hospitality industry, advertising, therapeutic intervention, and high-stakes negotiations. Most importantly, we have mutual love and respect for the power of communication to produce high-velocity accomplishment. We have learned a lot from our mistakes. There is no need for you to make the same ones. We think your mistakes should be original and interesting, not redundant. You will enjoy the efficiency of learning from ours.

The core group at Conversant is maturing. In our 40s and 50s, we no longer want our contribution to be limited by where our bodies are. We do not just want to sell our time until we drop dead. We want to leave behind

the lessons of a career. *The Communication Catalyst* is an important part of that ambition. Here, we get to address a subject in the dead center of our hard-won expertise: the social side of speed.

It will be useful to know a little about the design of *The Communication Catalyst*, because it is actually two books in one. Each chapter will walk you through proven concepts and techniques. Although we are two authors, we occasionally use the first person to tell a story. Just know that it is one or the other of us talking to you. At the end of each chapter, we offer a quick summary of major points for easy reference. That isn't all, however.

Accompanying each chapter is an episode of a story. The story is fictional (though loosely based on a medley of real people and events) and demonstrates the practical power of the ideas behind *The Communication Catalyst*. The title of the parable within our book is Rev Lessons and stars Rev Baker, who owns a popular barbecue restaurant in Austin, Texas. Rev has a complex and mysterious past from which he has learned much about how communication affects action. Rev shares the lessons with a frequent customer, a frustrated manager from a high-tech company. Surprisingly, Rev's colorful past yields valuable insights that apply well to the business problems of today.

We recommend that you read both parts of *The Communication Catalyst*. The nonfiction prescriptions for action are too detailed to remember and apply easily. We provide the detail so that you can return to the book when facing specific challenges, using it much like a field manual. However, when you combine a general understanding of the principles with the fictional story, everything makes more sense and is far easier to retain.

Now, Rev Baker, our fictional star, gets his own introduction.

## R E V L E S S O N

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**M**y name is Walker O'Reilly. Not long ago, I asked Rev Baker how to repay him for the remarkable difference he had made in my life. Rev said: "Share the wealth, Walker."

Most of my lessons started with Rev leaning his six-foot-four-inch, 225-pound frame on the granite counter at his restaurant. His face looked like the supple, well-worn leather of a baseball glove, one with years of service and much linseed oil lovingly applied. His mother was Mexican and his father African American, and it

was easy to see the struggles and inequities of that combined lineage in Rev's large face. Amazingly, he ended up patient, compassionate, and wise rather than bitter. Few people estimated Rev appropriately, and he liked it that way. He told me once, "My way is to relax folks, not impress 'em. They're way easier to manage relaxed than they are impressed."

Rev and I first met in New Orleans when I was fresh out of Tulane University. I was at Jazz Fest, the annual spring festival that celebrated the music that stirred soulful people, not just jazz. Rev was standing tall at the gospel tent at the New Orleans fairgrounds, shouting out "No!" to the Dynamic Clark Sisters who were asking the musical question "Is my living in vain?"

I felt awestruck and out of place in the gospel tent. Stunned by the intense, rhythmic emotions, I felt like a voyeur participating in unearned pleasure. I attended no church, played no instrument, and stood out like a cotton ball in a coal bin. Rev watched me watching him and smiled his way over to me. "Son, you're lots more welcome than you think. If the music moves you, you belong here. Heck, they let a half-breed like me in here just to prove God loves us all."

Rev seemed safe even then, a big coffee-colored teddy bear of a man. His eyes burrowed into me, both welcoming and researching. The experience was of being smaller than Rev, physically and intellectually, all the while being relaxed by his disarming way. I did not yet know his shockingly formidable and serious sides. I also did not know that he would be very important in my future.

It was ten years later that I saw Rev again. I was a failing middle manager being crushed by the demand for world-class speed. We'll just call the company I worked for MightyTek, a large corporation in Austin, Texas. Rev, this expert at high-velocity achievement, was performing an apparently modest task. He was cooking barbecue at our annual all-manager gathering.

In previous years, we had gathered in grander style. This year, our all-expense-paid trip to a resort had been replaced by a picnic. Our financial results were below expectations, and expense cuts were common. As I approached the food area, I looked up at a large white banner with bright red letters:

Rev Baker's  
Mighty Fine, Mighty Tasty  
Beautiful Central Texas Hill Country Barbecue

My eyes jerked down, looking for a man whose face was a vivid memory. He was looking back.

"Well now, I believe we've met before." Rev spoke with a warm smile of recognition. "Jazz Fest, 10 years ago. I'm Walker O'Reilly."

“Walker, I remember. We had a fine time at Jazz Fest, didn’t we? How are you doin’, son? You seem 10 years older and 20 years tireder.”

I was startled. The people I knew were not that direct, at least not without being insulting. “Oh, I’m fine, just a big workload at the moment.”

Rev looked quietly into me. “Walker, if you drop by my restaurant for lunch, I’ll buy you a barbecue sandwich. You let me know when you’re comin’.”

Rev handed me his business card. I said, “Sure, that will be great” without meaning it. I was too busy to hang out with a cook.

“Walker,” Rev said, “unless you’re absolutely sure about how to handle that workload, you come by.”

Rev’s comment haunted me, because I surely wasn’t sure. I lunched at Rev’s four days later. Good thing. He is a barbecue wizard with an interesting past. It’s amazing what you can learn from a cook, especially one who has tested how communication affects conduct in situations with high stakes and mortal consequences.

Enjoy Rev’s lessons. And pay attention. A man like Rev can teach you a lot.

