

FRESH EYES

Your Secret Weapon to Drive Change

STEVEN D. GOLDSTEIN

Other Books Written By Steven D. Goldstein

Why Are There Snowblowers in Miami?

Fresh Eyes

Your Secret Weapon to Drive Change

By:
Steven D. Goldstein

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Chapter One

Introduction

When it comes to creative problem-solving in a business setting, the solution often is as simple as looking at things from a completely different perspective. A totally new and fresh view of the situation, or what I like to call Fresh Eyes, provides leaders with a treasure trove of valuable input, awareness, and options – all of which enable them to drive transformational change. Like many things, finding Fresh Eyes and putting them into practice is easier said than done. This ebook will get you started.

Leaders tend to be so engrossed in the day-to-day aspects of their position, or overly involved in the specific situation at hand that they lack the ability to take a step back and consider a different approach. As a leader and advisor, I've seen this conundrum throughout my career, and it's prevalent in every organization. I've also seen the dramatic effect that adopting an "outsider's perspective" can bring to a company.

An outsider's objective point-of-view is instrumental on many levels. For example, a writer can read her own work ten times and find no errors, while a proofreader can spot a spelling error on the first read. It's not that the writer was unable to spot the typos, but rather that she was so hyper-focused on the work that she was not able to see the mistakes. A fresh perspective shines light on problems that would otherwise have gone unseen or identifies opportunities that are hiding in plain sight.

Chapter Two

Finding Fresh Eyes Amongst Your Team

Now, where does a leader find the right people with the most effective Fresh Eyes perspective?

Some leaders tend to have a narrow circle of employees they go to when trying to tackle a problem. While comfortable, that misses the fact that every single employee has a unique insight into how the business is managed and has their own views of what needs to be fixed. It's always helpful to speak with a diverse group of employees to gain new insights and solutions. The leader's job is to work through all of these suggestions and determine the best path forward based on this variety of input.

It's really important to note that these employees are not members of the "c-suite" or even in a managerial position. I have had amazing experiences learning from salespeople, clerks, and even window washers, as you will see in this book. These employees want to share their ideas and thoughts, they just need an outlet for them to be voiced. By having an honest, human conversation with your fellow employees, you will reap the benefits of their invaluable insights.

Chapter Three

From The Mouths of Customers

Some of the best ideas can be sourced from your customers. In fact, customers might have the most valuable feedback available because they are actually paying for and consuming the services or products your business offers. They are voting with their wallet, and each time they have a purchase to make, they are making conscious decisions. Leaders take heed! Make sure that you and your leadership team meet with customers and learn from them about what's working, what's not working, and what else they would like you to do. And make sure you are paying attention to what people are saying online (and offline) about your company. This feedback, even when negative, can offer tremendous insight.

In the constantly evolving and fast changing pace of business, leaders need to call upon and benefit from others' insights, opinions, expertise, and critiques to ensure that they are relevant, desirable and the best place to go for both their employees and customers. I've seen these three strategies work throughout my years as both a CEO and as an advisor.

Even though leaders are empowered to make decisions, innovative and successful leaders realize and leverage the value of outside input and a fresh perspective to improve performance.

Chapter Four

When Workers Fear Asking Questions, Nothing Gets Better

The truth is that most people are afraid to ask questions— whether from years of conditioning within a company or plain old human nature.

Whatever natural curiosity they had as children tends to get discouraged in most large organizations. Many leaders assume following the status quo is the right way to go and are not interested in trying to challenge anything, especially if it seems on the surface to be going along just fine. And the lower-level employees just try to do what's asked of them and stay out of trouble, believing that people who ask questions may be sticking their neck out.

Obviously, getting people to start asking questions — getting them to use Fresh Eyes and act on that new perspective — requires effort and energy. It means changing what may have been part of a process for years.

Change is very hard. It actually means choosing the path of resistance, instead of the path of least resistance. But when people get into the habit and know they won't get their head chopped off for asking questions, that in fact their questions will be welcomed, everything gets better.

The best way to teach is by example. Buddha and every other great leader throughout history taught by showing or doing, not by telling. When your people see you, the leader, asking questions (i.e., questions about how and why things are done, not questions regarding people's individual intentions and/or productivity), they will begin to feel comfortable answering your questions, and they will start asking similar questions with their folks. And those folks, in turn, will start to realize that challenging things and offering information about what is really going on in their department is something that is encouraged. When you are willing to admit in front of everybody that you don't know a particular answer, and you are the boss, then that makes others understand that they also can admit they don't know. This enables free flowing information, which is essential to the health and productivity of your organization.

This sounds pretty simple, doesn't it? So why does this reticence, this reluctance to ask questions, occur so often? Why is it so hard for leaders to know what's going on at the lower levels of their companies? The main reason is that leaders are fundamentally not interacting well with their employees.

Obviously, most leaders don't promote a closed-door policy or a bad environment. They just don't actively promote the opposite. But the absence of a positive message is still a message, just as making no decision is actually making an important decision — a decision to do nothing. The process of questioning is actually hard — and it is a process. There are no simple approaches here to reset what has been years in the making.

Chapter Five

Five Stories Demonstrating Fresh Eyes In Action

The best part about Fresh Eyes is that it enables you to see a new perspective. Yet sometimes, you have to see it to believe it. Now, let's explore some real life events I have had that put the concept of Fresh Eyes to the test.

Lexmark

When I interviewed Don Gogel, the CEO of Clayton Dubilier and Rice, one of the country's oldest and most successful private equity firms, he told me, "When I visit with a CEO, the first thing I always tell them is that I have unfair advantage over them – because I am able to look at their company with fresh eyes. I have no biases, no history of the company's past decisions or issues to cloud my vision. Therefore I can see what they don't see. That's how I am able to perceive the inherent value of these companies."

Gogel offered me a great example of this fresh eyes phenomenon. In 1991, CD&R acquired the impact and laser printer business from IBM, which was starting a period of restructuring. They named this business Lexmark. "IBM's vaunted and well-deserved reputation was established through its extraordinary mainframe technology," Gogel said, "IBM product development teams operated with great discipline. For example, because the IBM mainframes needed to have exceptionally high reliability, its product developers had backup systems and redundancy for everything. They had to dual-source every component and so had to qualify two vendors. Product testing could take up to a year. Of course, when you are making mainframe computers that is the right way to do it. But when you begin making laser printers, that's another story."

Gogel explained that at the time, the printer business looked more like consumer electronics. "Hewlett Packard and several Japanese manufacturers were very strong competitors, competing on both price and broad distribution. They were introducing new models twice a year. The

nature of this competition created two very big issues for IBM. The first was cost-because IBM had been designing very reliable printers in a market that was more interested in low cost. The second was the product innovation cycle. Hewlett Packard was basically innovating two products a year, while Lexmark was on an 18-month cycle of new product introductions.”

CD&R bought the printer business from IBM because the firm believed that it could dramatically transform the way the company operated. CD&R partners were convinced the company had great technology but needed to change the way it developed products and went to market. “Fortunately,” Gogel said, “the partners managed to persuade Paul Curlander, the IBM vice president who designed IBM’s first laser printer, to join the new company as our chief engineer. CD&R also was able to have Marvin Mann, a seasoned IBM executive, who knew the business, to join us as our first CEO. In addition, a CD&R operating partner, Chuck Ames, assumed the Chairman’s role and brought a great deal of industrial marketing and sales force management experience to the company. Together, they transformed Lexmark.”

“Now Paul,” Gogel continued, “who in 1999 became Lexmark’s CEO, understood that he would have to dramatically change the product development process. He said that he would have to take the IBM product manual and encase it in a Lucite cube and put it on display. He wanted to show how important it was to avoid the ‘old’ playbook. Under Paul’s leadership, Lexmark competed with the best manufacturers in the world on price and performance and rolled out several new products each year for both laser and then ink jet printers. Paul became the CEO of Lexmark in 1998 and held that position until 2010.”

“Marvin, notwithstanding his deep IBM roots, immediately started to change the style and culture at Lexmark, emphasizing speed and customer responsiveness. And Chuck, with his deep marketing experience, developed an industry-specific sales force that became a major competitive edge in an industry where competitors sold largely through dealers.”

Although it took five years to ‘get things right’, Lexmark was a great success, going public and growing to have a market capitalization of \$10

billion by 2004. For a variety of reasons, IBM had not seen that the printer business required different principles, strategies and cost structures from the computer business. CD&R and the new management team were able to look at the situation in a new way. Together, they brought new insights to develop a new strategy and organization to transform the slow-moving typewriter and impact printer into an agile and fast-moving technology company.

In this case, CD&R, looking with Fresh Eyes, was able to see why this different approach was necessary. They made a number of changes during their years of ownership and as a result Lexmark was a success, going public and growing to have a market capitalization of \$10 billion by 2004. But almost more impressive was the way the long-time IBM engineer and the other leaders rose to the challenge. Fairly quickly, they were able to overcome years of training, change their “corporate DNA” and see the problem objectively.

The Executive and the Window Washer

I am very fortunate to have learned about Fresh Eyes early on in my career, and I have been improving my skills steadily right up to the present. The following experience was truly eye-opening and showed me just how a totally fresh point of view can present new solutions to almost any issue.

It was 8 a.m. on a Wednesday morning in London, and I was sitting at my desk. There was no one else in the office yet. It was 1988 and my third day on a new assignment, which was to run the card, travel, and traveler’s checks business of American Express for the United Kingdom and Ireland. I had been sent there to turn around the business, and it was a great opportunity to live and work in a different country.

Suddenly I felt a presence and turned around to find a window washer setting up to clean the interior windows in the office. A bit startled, I said, “Hi, my name is Steve, what’s yours?”

After a brief pause, he said nervously, “My name is John.” He was a short man, on the older side, wearing blue coveralls with one suspender down, a

newspaper stuck in his pocket, and a cigarette hanging out of his mouth. He had a thick Cockney accent.

“It’s nice to meet you, John,” I said. “How long have you been washing windows here?” A look of pride came over his face. “Twenty-five years, sir.” Then he asked, “Are you the new guv’nor, sir?”

“Yes, I guess I am the new governor,” I replied, not quite sure how to pronounce it like John did.

“It’s good you’re here,” said John solemnly, “the other guv’nor wasn’t doing a good job.”

“How do you know that?” I asked him.

John said, “I go into people’s offices to wash the windows, but they don’t see me, it’s like I’m not there. I hear what they say to the people in their office and when they’re on the phone—and they say everything, because like I said, they don’t really see me—I’m only the window washer.”

Flabbergasted, I asked John if he wanted to join me for a cup of coffee, to which he—after hesitating a little—said okay.

We spent the next forty-five minutes having an amazing conversation, at the end of which he said, “I’m sorry, guv’, but I have to get back to work or I’ll be in big trouble with the boss.” I thanked him and asked if he would like to have a cup of coffee in a month, and he said yes.

After that initial encounter, I met John for coffee on a regular basis, went to a pub after work to have a beer with him a couple of times, and invited him to our Christmas party. My leadership team, who would occasionally see John leaving my office, could not understand why I would waste my time talking to the window washer.

I learned more in my first meeting with John than I could have ever learned reviewing reports, or even talking to my team. In spite of the limited schooling he had had, he was extremely perceptive about what was going on in the business. Not surprisingly, he didn’t have the vocabulary to describe things in professional terms, but he had the smarts to accurately

diagnose business issues and even had helpful insight about people on the team.

Thinking back, I've always felt so fortunate to have had this experience, because it reinforced my belief in the value of reaching out to people at all levels. Every once in a while when I'm meeting with people at the lower levels in an organization, I recall my conversation with John and other similar conversations I have had and realize how much I learned from them.

Why don't more leaders reach out like this? There are a number of possible explanations, but I think it is more a matter of will than skill. Of course, there are some people who are born introverts; interacting with different kinds of people does not come naturally to them, and they prefer to stay within the confines of their familiar circles. And all leaders are busy—time being by far their scarcest resource—and meeting with the working staff is obviously time-consuming. It's hard to find time for any kind of face-to-face interaction if there is no clear, definable benefit to it.

But there is usually more to it than this. Some leaders are insecure. They feel nervous about letting their hair down— some are fearful of being judged, and some are uneasy asking people open-ended questions. When you engage in a real conversation—one that's not scripted, where you are communicating in the moment—you never know when you could find yourself in a conversation that might make you uncomfortable. Insecure leaders might be afraid they won't know the answers to people's questions, or that the answers will be something the staff won't want to hear.

Another reason for this lack of engagement between people at the top and those at the bottom is that a lot of leaders have inflated egos. "I'm a vice president," they think, "why should I waste my time speaking with a sales clerk, an assembly line worker, or the cleaning lady in a hotel? I don't need to speak with those folks. I'm an important executive. They can't help me get ahead; they're too far below me." This may be a more subconscious motivation, but I have seen this attitude often among leaders.

There are undoubtedly many other reasons why leaders do not take the time and trouble to speak to lower-level employees, but one thing is certain:

They are losing a lot by not engaging with these folks. The information that can be mined is like intelligence the CIA would drool over if a spy could get it during a covert operation. And talking to a window washer—or a receptionist, or an assistant—is a lot easier than going undercover in Iran.

The Key Lime Pie Story at CoStar

I spoke to Andrew Florance, CEO of CoStar, who told me a story about his company that really drives home the point of how often leaders accept and take things for granted, and do not “test” to see if the underlying premise is correct.

“One of the companies we acquired was holding one of their annual events—a conference for their biggest customers, which included a very nice dinner. In the middle of this dinner, the person responsible for running the conference came up to me and, looking frantic, informed me there was an emergency. When I asked her what the problem was, she said, “I made it clear that the hotel was not supposed to serve key lime pie, and the waiters are putting key lime pie down!”

Naturally, I assumed that she had been told someone present was allergic to key lime pie, but she did not know who. I asked her what she wanted to do, and she told me she was going to immediately have the waiters start pulling the pie from the tables.

“Okay,” I said. “As long as you do that before this guy takes the first bite.”

The woman dashed off, and the waiters started removing the pie. Meanwhile, I was thinking to myself, Wait a minute, wouldn't someone who was allergic to key lime pie be able to see it was key lime pie and know not to eat it?

When I mentioned this to the conference organizer she said, “No no, there's this important executive, Judy, who hates key lime pie and said she never, ever wants key lime pie served at the conference.”

The waiters were all running around the room, taking the pie off people's tables as quickly as possible. I turned to the woman and said, "Judy left the company ten years ago; she died five years ago—she's not eating the pie!"

You see it again and again: Something gets set in motion by someone—and then it just keeps on moving in motion, without the people executing it, questioning why it is being done or whether or not it makes any sense for it to still be happening."

Jenny's Perspective at Hertz

I could not speak about Fresh Eyes without mentioning my wonderful conversation with a woman named Jenny. As you read this scenario, keep in mind all the good that Jenny's supervisor would find by just having a casual conversation with this exceptional and intuitive employee – and taking her advice.

I was at the airport in Atlanta returning a rental car to Hertz. I happen to have a Hertz platinum card that affords me a special service where they drive you back to the terminal from the rental car center; this saves a lot of time. This is a great convenience because it's about a twenty-minute trip on the train at Hartsfield International Airport.

When I drove up to Hertz on this particular occasion, there did not seem to be much activity. The driver who got in the car with me to take me to the airport was a middle- aged woman named Jenny.

I turned to her and said, "I've been coming here every week for the past two months, why are you not so busy today?"

"Oh, yeah," Jenny said. "That's 'cause they changed the valet program."

"What's the valet program?"

"Hon', you got the platinum card, so you automatically get the service. But it used to be, for certain customers, they would run them back to the terminal for nothing." She went on to tell me that they had recently decided to start

charging people twenty-five dollars for the valet service, and no one wanted the service now.

“Why did they do that?”

“They wanted to make more money . . . but this is the largest Hertz counter in the United States—baby they’re makin’ so much money, they don’t need to make that much more money.”

Jenny was obviously indignant and letting loose on this subject, having found a willing ear.

“I mean someone’s taking a car out for two or three weeks, what’s the big deal with giving them a free ride to the airport? . . . And you know what really pisses me off?” (And I knew she was going to tell me without any further encouragement on my part.) “If a vet rents the car, they should take him to the airport. These guys are fightin’ for our country, givin’ their lives, comin’ back all messed up, with PTSD and all, and we can’t even give him a ride to the airport? . . . And then we got a woman with three kids and a stroller, all by herself, she’s tryin’ to make ends meet—they don’t give her a ride to the airport?”

I said to Jenny, “It sounds like you know a lot about this stuff.”

She looked at me with a big smile. “Honey,” she said, “I see everything. I see what’s going on.”

“Do you ever tell anybody about these ideas?”

“Oh, yes. I sure do. They say, ‘Miss Jones, you sure have the best ideas.’”

“What do they tell you to do with them?”

“They tell me to put ’em in the suggestion box. So I say to them, ‘Wait a minute, I put it in the suggestion box, you take all the credit, I get nothin’—that don’t make a whole lot of sense.’”

I asked her, “Well, has anyone ever come down to spend time with you?”

“Oh yeah!” Jenny said. “Some of the supervisors come over . . . they always come over to me because they know I have the suggestions, and they tell me to put it in the suggestion box. But I’m not doin’ this anymore.”

This woman had really nailed it. She understood so much, and it made her crazy that no one cared. We were just about to pull up to the curb at that point. I turned to Jenny, and I said to her, “You know Jenny, you are really smart. You really know what you are talking about, and I wish they would listen to you.” I couldn’t help wishing I could have somehow magically transported the CEO of Hertz into this car with Jenny and me so he could hear what she had to say.

Undercover Boss

And then, there is “fake Fresh Eyes.” In 2009, CBS produced a television show called Undercover Boss, based on a program that had originated in Britain. The US version premiered in February 2010, has strong ratings and is now in its seventh season. Each episode features a high-ranking executive or the owner of a corporation going undercover—posing as an entry-level employee in his or her own company in order to experience what their employees and their customers live with every day.

Using makeup and other forms of deception, the executives alter their appearance and assume an alias and fictional backstory. They spend approximately a week undercover working in various areas of their company’s operations, with different jobs and in most cases a different location each day. The CEOs who go undercover in this show seem astonished to find that they have employees who care so much about dealing with customers and their concerns; who understand what is going right and wrong within the company; and who, in many cases, have solutions. Yet it takes a production studio—supplying false identities, physical disguises, and other techniques—to enable these leaders to experience this.

Why not just do it without the disguise? Why is the idea of the CEO mixing with the people at “the bottom” so exotic it can become a show that runs for seven seasons?

One reason is this: The boss thinks that unless she is incognito, she will not get an accurate picture if she asks questions as the boss. When people see the boss coming, they tend to scurry around and try to put a good face on everything. Alternatively, employees like window washers are virtually invisible to most people in the company. John, the window washer in London, had been treated like a piece of furniture for years (sometimes I think he talked to me out of sheer stupefaction that anyone had noticed him).

Chapter Six

Break Glass in Case of Emergency – How You Can Apply Fresh Eyes In Your Business

It has always fascinated me that looking at something from a different perspective unearths new questions, possibilities, and choices. I love to take pictures which provides a simple example to explain this. Without the camera, you look at a scene and see a subject, foreground, and background. But when you see the same thing through the viewfinder, the image changes. When you change lenses, say from a telephoto lens to a wide-angle lens, you see entirely different images, even though you are looking at the same thing.

How can you apply this in the office? How do you allow yourself to see a new perspective?

Think about the emergency box we always see that says, "In Case of Emergency, Break Glass." This is the metaphor you should think about as you start to think about your role and how you can effectively drive change in your business.

Leaders can apply this to their everyday leadership strategy. As an advisor, I coach leaders to become more engaged so that they can see things inside their company from a new and different perspective. Here are three tips I recommend for quickly learning how to do this.

1. Take a tour of your business

Let's say you are the person running the company and pride yourself on how well you manage day-to-day operations of your business. Are you too close to the situation to see things that do not make sense? Sometimes, people who have done the same job for a few years miss things that are hiding in plain sight. The status quo sets in, which is the nemesis of driving change.

How can you become more aware that this behavior is happening to you?

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I suggest stepping out of the office and speaking to as many employees as you can. Entry-level workers, marketing specialists, shop foremen - as many as you can. Find out from them what they like, don't like, what is working, what's not, and any suggestions they have for improvements. You will be amazed at the number and nature of points they make, and if you are like me, you will find this to be a very energizing activity to participate in.

2. Develop your list

You have accumulated an extensive set of observations, facts, issues, opportunities and other important information. And if you have done this first step well, it is a lot of information to process. You need to organize this information into some logical buckets so that you can eliminate duplications and fine tune the messages.

Share this list with your team so that they understand that you are both serious and committed to this process and that you have chosen to involve them in it. Spend time with them explaining how you acquired this information and engage them to see whether these findings resonate with them.

Now it is time to prioritize the list, particularly in a world of constraints where time is by far the scarcest resource. An effective way to accomplish this is to use these three criteria:

What produces the biggest bang for the buck?

How long will it take to implement?

What resources are required?

Working together with your team on this process should produce a strong action plan.

3. Implement the plan

This is the part that matters and you really need to get this right. Communicate to your employees in the company that you have listened to them, taken their feedback seriously and are committed to acting upon it. Make sure that the leaders who are responsible for the three initiatives report out weekly on their progress and address whatever issues that may arise. As you continue to be more visible in the company, ask people if they are aware of these changes and whether they think it's working.

A big element of this process is for you to begin to realize that your employees are an enormous asset, not simply a cost operations. You will quickly see that this will become a virtuous process of increasingly larger numbers of your employees offering ideas, volunteering for projects, and becoming more engaged.

While you are not likely facing an emergency, breaking the glass is a sure-fire way to create engagement, generate enthusiasm, motivate involvement and drive better results.

Chapter Seven

It's Time to Begin!

I hope you have enjoyed this ebook and are inspired to look at your business with Fresh Eyes. The best part about Fresh Eyes is not knowing what you will discover until you step outside your office and begin talking to your people and your customers. In essence, you are removing the "boss hat" for a time in an effort to have real, human conversations to learn and improve. During this process, you will undoubtedly gain a new respect for what each employee does on a daily basis and all the work that goes into how your company operates. You will find that you get to know your people in a very different way, seeing them as assets vs. costs and you will actually enjoy this experience. Have fun.

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