



**Action Document  
For  
Panel 9**

**MASTER YOUR UNIVERSE:  
How to Manage, Maximize and Master the  
Opportunity That Constant Change Presents**

*"Expertise is only as good as the actions you take with them. In this program, we've gotten you world-class experts. We've tried to get you world-class interpretations that we are moving mountains to share with you. What you do with it is up to you."*

**Jay Abraham & Rich Schefren**

## Panel 9

### MASTER YOUR UNIVERSE:

#### How to Manage, Maximize and Master the Opportunity That Constant Change Presents

| Participant Name      | Web site  | Recommended Books   |
|-----------------------|---|---|
| John Kotter           | <a href="http://www.sagekotter.com">http://www.sagekotter.com</a>                           | Leading Change<br><br>A Sense of Urgency<br><br>Our Iceberg is Melting: Changing and Succeeding Under any Conditions<br><br>The Heart of Change: Real-Life Stories of How People Change Their Organizations<br><br>John P. Kotter on What Leaders Really Do<br><br>Force For Change: How Leadership Differs from Management     |
| Spencer Johnson, M.D. | <a href="http://www.spencerjohnsonpartners.com/">http://www.spencerjohnsonpartners.com/</a> | Peaks and Valleys: Making Good and Bad Times Work for You – At Work and In Life<br><br>The Present: The Secret of Enjoying Your Work Life, Now!<br><br>"Yes" or "No": The Guide to Better Decisions<br><br>One Minute for Yourself<br><br>Who Moved My Cheese? An Amazing Way to Deal with Change in Your Work and in Your Life |

## How the Ideas from this Panel get translated into Business Growth

This action document is designed to help you increase your credibility and the trust of your target market. We have synthesized the key points from the panel discussion into the specific actions you can take to use trust and credibility for business growth.

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## An Overview of this Action Document

"This panel is probably the most unprecedented and arguably the most relevant single session we are going to do in this first round," remarked Jay Abraham, at the start of Panel 9. "There are two gentlemen on this call; collaborative polar opposites, if that makes sense."

Jay formally set the stage for the conversation by reading the well-known opening paragraph of *A Tale of Two Cities*, by Charles Dickens. These remarkable sentences serve as the platform for the ensuing conversation. Many of us can recite these words without provocation, but in case you'd like a refresher, here they are again:

*"It was the best of times; it was the worst of times. It was the age of wisdom; it was the age of foolishness. It was the epoch of belief; it was the epoch of incredulity. It was the season of light; it was the season of darkness. It was the spring of hope; it was the winter of despair. We had everything before us; we had nothing before us. We are all going direct to heaven; we are all going direct the other way."*

Both guests, John Kotter and Spencer Johnson felt that these sentences accurately reflected the business milieu as it exists today: "there are huge opportunities out there and there are huge hazards. They can exist together even though it sounds like they are opposites," declared John.



Spencer added his insights. "This is exactly what I am writing about in *Peaks and Valleys*. These are peaks and valleys times. For business this is a challenging time, this valley that we are in; but some people are going to do remarkably well during these times and those will be the people who know how to get out of the valley, how to even take advantage of it."

"What we have found for years now is the rate of change is going up," John remarked. "That has profound implications, especially when you add the volatility that we are also getting right now for what it takes to prosper in a business." He went on to share that "increasingly, that means..."

- Knowing how to navigate your business through change
- Providing leadership, not just managing the enterprise

“If you get it right it’s terrific for the business,” he concludes, “and it feels great for you as a business person. And if you get it wrong, as is pretty clear by reading the papers these days, it can be a very sad story.”

The focus for Spencer is all about how we deal with change, and he asks some remarkable questions of us.

Are you ready to explore, and hopefully shift, your perceptions of the value of change?

### **Are You Afraid?**

“It is remarkable,” remarked Spencer, “to see today how many people are understandably afraid.”

*What would you do if you weren’t afraid?*

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“It is a very practical question because you wind up doing things that will help you prosper,” shared Spencer. “Rather than living in an illusion, be practical,” he advised.

*What do you believe, and what should you be doing?*

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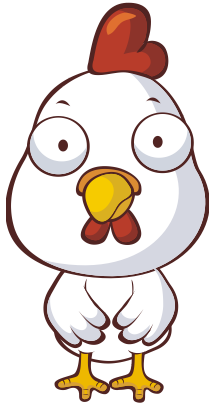
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### **Taking Advantage of Today’s Conditions**

There is no question there are some people that are actually taking advantage of the conditions we’re in today and are doing very nicely by it. So it’s not just a wishful thought; you can go out and find opportunities to grow your business.

But fear can stop you in your tracks. “It is just so easy under these conditions to be frozen by fear and do nothing,” shared John, “that is very useful to help your business stay alive and move ahead. Or the anxiety just drives you to engage in all kinds of *activity*, not *productivity*. This is when you run around, trying to do this and that, and a

little more of this –and a bit more of that. “But it’s not focused, it’s frenetic,” declared John.



Can you picture it? Much like a confused and frantic chicken; a bit scared, and truly ineffective in its pursuit of freedom and abundance.

*Does that image describe your recent business-related behavior?*

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*How do you deal with the good, the bad, and pinpoint the issues that are relevant?*

*How do you not freeze?*

Keep a sense of urgency but first get clear on what are the few things that would really help you succeed today. The questions to ask are:

*What do people really need or want?*

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*What is the market asking you for?*

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**NOTE:** Don’t fall into the trap of focusing on what *you* think is a good idea. Reach out to your current customers and listen closely to their remarks.

Once you determine the answers are to those two questions, you focus on *being of the greatest service at the best value.*

“I think one of the biggest mistakes you can make in these troubling times is doing too much. Half of the key to succeeding in bad times is stopping, really reexamining what are the *few* things that you could do in bad times that could make you very successful and not do all of the others.” – Spencer Johnson

"If you can do things differently than everybody else is doing it, you can do very well right now," shared Spencer. "But if you keep doing more of what you usually do or what everybody else is doing, my experience is it just makes the valley deeper."

So, with that said, *how can you do things differently?*

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## **Two Rules of Thumb**

John Kotter shared a rule of thumb he learned from a former CEO. Never let your organization have more than five priorities. "When people try to stick on the sixth, it just kills it," he remarked. Before you add on a sixth, you have to eliminate one.

"I think that works well under any conditions," he continued. "The conditions we are in right now, it's even better, especially since volatile times can make you feel volatile. You're kind of running around and the next thing you know there are 63 things and therefore there is no focus just in the time when you really need focus."

*What should be your five priorities?*

- 1.
- 2.
- 3.
- 4.
- 5.

An additional, most important, point was made by Spencer. "You need to be taking care of yourself, not exhausting yourself with a lot of unnecessary and ineffective activity. If you don't stay focused and rested and calm and clear, you're going to put your health in danger, you're going to be spinning your wheels and not effective."

*What are you doing to take care of yourself?*

- 1.
- 2.
- 3.

*What would you like to add to that list?*

4.

5.

## **Find the Opportunities**

Rich remarked that “during times of change and unrest there generally is an opportunity buried somewhere in all that change that they could actually leverage and harness, actually grow their business even better than during good times. But with the concept of really limiting your activities to those high leverage activities, I wonder what words of wisdom both of you guys would have for the entrepreneur who’s got it all on the line. How do you really get to those few core activities that would help you leverage the changing world so that your business thrives?” Great question!



Spencer was quick to respond. “Stop! Get away. Take a walk in the park. Get some quiet. Stop the frantic anxiety-driven activity which is an illusion. Get a little calmer and pull back and look at the big print because even though the devil is in the details, you’re probably going to succeed or fail in the big print.”

Ask more questions, and write down the answers.

*What have I done well in the past that was really successful?*

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*What were those activities that I spent a lot of time and money on that really didn’t bring me back much payoff?*

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*What's the one thing that if I did it successfully would make me very successful in bad times?*

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*What needs to be done now?*

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Then after you've given it your best thoughts, it may be really useful to brainstorm it with others. Pull other people in the company. If you've done this exercise, ask *them* to stop and do the same.

**Don't Forget the Basics**

"When the pressure is on, it is so easy to end up working 14 hour days and the weekends," acknowledged John. "Nobody wins by killing themselves. You don't win by dying. It not only wears you out but it blurs everything. You forget the basic things, like, who are the customers and what they need, and what is the competition doing and what are my real opportunities here."

Those basic questions again:

*Who are my customers?*

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*What do they really need?*

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*What is the competition doing?*

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*What are my real opportunities here?*

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## **The Fundamental Forces of Change**

“In general the fundamental forces affecting a business,” shared John, “have been for some time now technology and globalization. While to Spencer, “what drives change is one word: better. Either someone else has made a better product, or they can get to the customer at a better price; better is the operative catalyst for change, and that is getting something better.”

If you think of change – change equals better, in this scenario – ask yourself these questions:

*How can I make my business better?*

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*How can I serve my customers and prospects better?*

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*Can I price my products/services better?*

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*How can I reduce costs?*

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**Exercise: Your Sensible Vision**

Based on the answers you provided to the earlier questions, take a moment to write down an outline of a *sensible vision* for your company –and then share it with your colleagues. Together you can refine it; polish it, and put it to work for you.

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“I think that people that are going to do remarkably well in these times are the people that create a sensible vision of seeing something better. What’s needed is a vision that makes sense to everybody in the organization. It makes sense because common sense tells you, yes, that’s what we ought to be doing.” ~ Spencer Johnson

“What we are feeling most, though, right now is just the downside of the business cycle, which is bringing all kinds of changes with it,” shared John.

And all of those demands internally changes in the way one is operating and particularly more and better leadership from the people in charge, whether it’s one person directing two or if it’s one and some lieutenants directing thousands. “Those basic forces of *technology* and *globalization*, and the crashing of the business cycle demand real leadership,” he concluded.

Leadership; we’ve come back to it again and again throughout the nine panel presentations. When it comes to leadership and change, our Panel 9 participants offer these steps and models for successful change within your organization.

## **The Eight Steps for Leading Change**

If you visit John Kotter's Web site, Sage Kotter (<http://www.sagekotter.com/>), and go to the section on the [8 Steps for Leading Change](#), you'll find they are:

### **Step 1: Acting with Urgency**

- Examine market and competitive realities
- Identify and discuss crises, potential crises or major opportunities

### **Step 2: Developing the Guiding Coalition**

- Assemble a group with enough power to lead the change effort
- Encourage the group to work as a team

### **Step 3: Developing a Change Vision**

- Create a vision to help direct the change effort
- Develop strategies for achieving that vision

### **Step 4: Communicating the Vision Buy-in**

- Use every vehicle possible to communicate the new vision and strategies
- Teach new behaviors by the example of the Guiding Coalition

### **Step 5: Empowering Broad-based Action**

- Remove obstacles to change
- Change systems or structures that seriously undermine the vision
- Encourage the risk-taking and nontraditional ideas, activities, and actions

### **Step 6: Generating Short-term Wins**

- Plan for visible performance improvements
- Create those improvements
- Recognize and reward employees involved in the improvements

## Step 7: Don't Let Up

- Use increased credibility to change systems, structures and policies that don't fit the vision
- Hire, promote, and develop employees who can implement the vision
- Reinvigorate the process with new projects, themes, and change agents

## Step 8: Make Change Stick

- Articulate the connections between the new behaviors and organizational success
- Develop the means to ensure leadership development and succession

"You really need to get people to buy into the change," shared Spencer. "I think the biggest reason that people don't change is they don't want to because the change doesn't make sense to them."

"Put arrogance aside, stay in touch with reality and listen, and then execute a few changes that would make sense. I think people would be much more apt to get onboard especially if they saw how they were going to get something better out of it."

The best way for an entrepreneur to reduce the effects of a frantic series of negative course corrections; the most effective way, is simply to tell your people the truth.

"If you use the tool of a sensible vision," advised Spencer, "and you do paint something better and you encourage your team to paint something better, it is amazing how you can go from have to, to get to, and those are the people that are going to do remarkably well during these times."

*"Sit down and say I've been looking at what I've done in the past, I look back at all the changes I've made, I'd like to get your input but it seems to me like maybe I didn't think them through as well, maybe we didn't need to be doing all of those things. They didn't seem to work. Maybe it is time for us to take a look at things anew." ~ Spencer Johnson*

## **The Four Necessary Change Skills**

On the [Spencer Johnson Partners](#) Web site, which has had a name change (Red Tree Leadership and Development); besides the change model noted below, you'll find a list of four change skills you need to cultivate:

### **Skill #1: Anticipating Change**

The ability to notice smaller changes now and realize what is likely going to happen next.

### **Skill #2: Taking New Actions Now**

Quickly doing something new, evaluating the results, then doing something differently again.

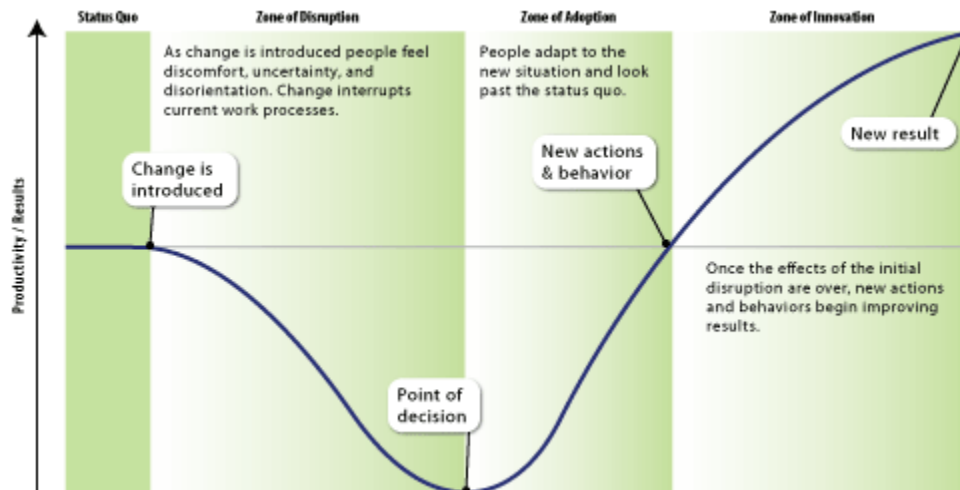
### **Skill #3: Moving Beyond fear**

Noticing when fear or comfort are holding you back, and then moving past it.

### **Skill #4: Imagining Real Success**

The ability to picture an ideal outcome from the change for yourself, your team, and your entire organization.

## The Change Model: According to Spencer Johnson



### What is the Truth of Our Times?

It's simple. All peaks and valleys are temporary. "Don't get caught up in the vortex of trying to survive and prosper in difficult times," said Spencer.

John agreed, and offered a historical perspective. "During the 19<sup>th</sup> century, the United States went through a major recession every 20 years. We had the worst ever, of course, in the 1930 period. We've had a few more recessions after that and we keep coming out and getting better. That is not only possible that is what the record shows. There is no reason that isn't going to happen and it is quite logical that it is going to happen now."

You should also recognize, however, "that there are always opportunities and problems out there and it has been an emotional orientation to bouncing out of bed every day and saying I'm going to focus on one of these biggies and I'm going to have something happen today," shared John.

Instead of wrapping themselves in a cloak of victim hood, work to try to do what you perceive to protect the business as best you can, but also be constantly asking yourself this question: Is there an opportunity here?"

## What is Your Own Truth?

The key factor we need to discover on our evolutionary journey to where we're going, according to Spencer is *truth*. "I used to kid myself or mislead myself that situations were either better than they really were or worse than they really were. To me that old expression that we heard that *the truth will set you free* which I heard but didn't really get, it is the way that you can evolve."

Ask yourself...

*What is the truth in this situation?*

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## Develop a Sense of Thoughtful Urgency

"A sense of urgency, I think," continued Spencer "is most effective when you have first done the balancing act. First you slow down, step back, stop, and think it through. This is one of the few things that you can do that would make your situation remarkably better."

And then once having that clarity and sharing it with your team, decide what those few things you'll do (remember no more than five!). Go a little slower –which takes discipline – but also create *a sense of urgency* but everything you do focuses on those few things for you to become very successful.

"You have to stop kidding yourself. The situation may not be as good as you'd like to think it is.

The biggest reason people come off of peak is arrogance masquerading as confidence. We lose our humility, we become arrogant, and we think we're some kind of a genius when more often than not it is the cycle.

We don't stay humble and listen and keep looking for the truth. So we fall off our peaks.

On the other end of that coin the way you stay in a valley too long, the most common reason you stay in a valley longer than you want to is fear masquerading as comfort." ~ Spencer Johnson

## Now is the Time You *Get* to Do Something

"This practically catastrophic valley, in which many of the basic organizations and institutions we believed in are falling apart, is a *fantastic* opportunity," declared Spencer. "This is a wakeup call. We have a chance to do something remarkably different that would be a lot more effective. So it changes from you *have* to, to you *get* to. This sounds like optimistic naivetism but I've seen that people that do best think this way."

"The quickest way to change is to change the way at your situation," he continued. "In *Peaks and Valleys* we talk about how to get out of a valley sooner. I think the key – first of all know that valleys end. Look at how you got into the valley and do the opposite."

"It may seem obvious but when you don't know what to do, at least this is something that I use a lot. When I don't know what to do and I want the opposite results of the one that I'm getting, I do the opposite of what put me in the valley," he admitted.



Shades of George Costanza in the long-running hit television sitcom, *Seinfeld* doing the opposite of what he had always done! In doing so, he changed his life.

Uncover the good. It is hidden in the bad times. There is good that is hidden.

Unfortunately, it is hidden so well that a lot of us don't see it. If you can use that good to your advantage, you can do well in bad times.

"Getting outside of yourself is one of the fastest ways to get outside of a valley, shared Spencer. To stay on a peak longer, appreciate and manage your good times."

"Most of us don't realize good times need to be managed. Be humble and grateful, do more of what got you there. Remember the basics that got you on the peak? It wasn't all *you*. Some of it was timing and cycles and so forth but *what did you do that got you there and have you forgotten to do those things?*

"Perspective makes so much difference. We sit around moaning and groaning right now, and there are literally billions of people on this planet that would take our place in a nanosecond." ~ John Kotter

“Enjoy making things better. Your competition is. The world is. So enjoy improvement. Don’t just sit back and be complacent. Do more for others. To stay on a peak, to appreciate what you have, do more for others. Don’t get so self-absorbed that you become arrogant without even knowing,” he advised.

So, we ask you two more questions:

*Are you enjoying working to make things better?*

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*Do you appreciate what you have?*

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And finally, Spencer advises you to “save some of your resources for your upcoming valleys. They are coming up. If you get too arrogant and spend your resources, your money, your relationships, whatever, save your resources for upcoming valleys.”

*Are you setting aside enough emotional, personal and financial resources to see you through the next valley?*

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### **But, When *is* this Future?**

What really is the right time perspective to have at times like this? Should you be looking in very near future, somewhere in between or should you be looking at even something shorter maybe just weeks ahead?

“You have to have both – short-term (about 15 minutes) – and the long-term if you’re a small business person is more like *two years*,” shared John. “In this kind of economic environment right now, anybody who isn’t thinking two years out and how you’re going to be able to grab the opportunities to really prosper when the economy goes up is taking a risk.”

Spencer agreed. Immediately, the goal would be survival. "If that means cutting back expenses, if that means taking any realistic—not fearful, do not do what you are afraid of; if you don't do it things won't turn out well. Do what you would do if you weren't afraid."

*What do you need to do right now?*

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*What got you into the valley?*

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"I would say make a friend of the truth. That's been my biggest ah-ha that took me many years to get. I think it is the thing that has added the most to my life I would say in both business and in a personal sense.

I used to always try and rearrange reality to make it different than what it was.

Make a friend of reality and realize the truth will set you free, and the challenge is can you see the truth and can you build your plans on it. That would be the one thing that if I couldn't do anything else and somebody left me with only one tool that would probably be my tool." ~ Spencer Johnson

"If you overspent then cut the spending. Do the opposite of what put you in, short range," he argued.

"After survival, there is prosperity. I would say at least two years out. I would build it on the things that we talked about so it would be balanced. Do what you need to do immediately so you don't go under, so you don't lose. That would be the short goal. A long goal would be to win *by going back to basics and doing what really works.*"

## **The Panelists, their Web sites, and Extra Resources**

### ***John Kotter***

John Paul Kotter is a professor at the Harvard Business School and author, who is regarded as an authority on leadership and change. In particular, he discusses how the best organizations actually "do" change.

His international bestseller *Leading Change*, which outlined an actionable, 8-step process for implementing successful transformations, became the change bible for managers around the world. In October 2001, Business Week magazine rated Kotter the #1 "leadership guru" in America based on a survey they conducted of 504 enterprises.

Professor Kotter is the author of 15 books. He has created two executive videos; one on "Leadership" (1981), and one on "Corporate Culture" (1993), and an educational CD-ROM (1998) based on the *Leading Change* book. Professor Kotter's books have been printed in over seventy foreign language editions, and total sales exceed two million copies.

While you're at the Web site, [www.sagekotter.com](http://www.sagekotter.com), be sure to check out the following [resources](#):

### ***Change Score Card***

<http://www.sagekotter.com/KotterPrinciples/OurIceberg/TipsResources/ScoreCards/Scorecard1.aspx>

### ***Change Memory Game***

<http://www.sagekotter.com/KotterPrinciples/OurIceberg/TipsResources/ChangeMemoryGame.aspx>

And be sure to sign up for his [Webinars](#), through the [Books and Resources](#) page.

***Spencer Johnson, M.D.***

Spencer Johnson is known for his 1998 motivational book, titled *Who Moved My Cheese?: An Amazing Way to Deal with Change in Your Work and in Your Life*. It has stayed on the New York Times Bestseller list, and has remained on the Publishers Weekly Hardcover nonfiction list. Johnson is Chairman of *Spencer Johnson Partners*.

Johnson also wrote the book *"Yes" or "No": The Guide to Better Decisions*, which has been translated into a number of languages including Spanish, Korean and German. He co-authored the *One Minute Manager* series of books with management writer Ken Blanchard, though each author has added their own books to the series. His latest book is *Peaks and Valleys*. His books have been translated into twenty-six languages.

Visit his [Spencer Johnson Partners](#) Web site to learn more about [upcoming live events](#), or to arrange to take the [Management/Leadership Assessment](#).