# Business Brain Trust – Steven Covey 2

**Here is a manuscript of when Jay Abraham met with Stephen Covey**

STEPHEN R. COVEY: I wanted to teach this paradigm to begin with…

JAY: OK.

STEPHEN: …because every great breakthrough in the history of the world was a break with an old way of thinking. This is particularly true for entrepreneurs and for small businesses that are starting up, because if they can get the correct paradigm to begin with, everything would reflect that paradigm.

For instance, the city I'm in, Portland, if I flew to the airport and got a map at the… or I rented a car, and it said at the top, "Portland," but really, it was Seattle, Washington, and that was the only source of information I had, and I asked you, "Jay, I'm so frustrated, and I'm so confused, I can't even get out of the airport." You might say to me, "Well, try harder.

JAY: [LAUGHS]

STEPHEN: So I double my speed, and now I'm lost twice as fast. I call you back up, and you say to me, "You're too negative." So you teach me positive mental attitude.

JAY: [LAUGHS]

STEPHEN: Now I don't care I'm lost. I'm happy in my lost and contented state. The problem has nothing to do with behavior, and it has nothing to do with attitude. It has everything to do with a bad map.

And this has always been the case. In every field of human endeavor, if you study the book, The Structure Of Scientific Revelations, it goes through every discipline to show that every great breakthrough was a break with an old map, and old way of doing things.

They used to do blood letting. George Washington himself died of blood letting, even though the history books says that he died of a complication of a throat infection. They took 14 pints of blood out of his body in a 24-hour period because they had a bad map. The concept was that the bad stuff's in the blood, therefore, get it out.

And that would be, in science, it's called a "paradigm." So all the real significant things that need to change is the map, is the paradigm, not behavior, and not attitude. If you get an accurate map, then behavior and attitude become important, but the key thing is an accurate map, and today's economy has so shifted from the industrial age to a knowledge worker economy that we need an absolutely new map. And that map will drive every decision, and the entire approach to leadership is completely altered by it.

For instance, look at Gandhi. He never held a position. He never was appointed. But because his moral authority, he brought England to its knees and liberated 300 million Indians. Today there's 1.2 billion, the largest democracy in the world. And he had nothing to do with position, or with formal authority.

So the people with formal authority that lack moral authority will find that they will create a culture that, where people are not on the same page. They don't have a complementary team. You're going to have interpersonal and interdepartmental rivalries. And that's why it's so important that entrepreneurs learn early on a correct map, or a correct paradigm of what leadership really is, particularly in today's world, because it's a completely different reality.

And most businesses are not learning this, but they will be forced to learn it because of this huge tsunami, the social and economic shifts that are taking place throughout the world because of the globalization of markets and technology.

Now, if they're in local and regional competition, they won't maybe worry so much about it because their competition is probably of the same ilk. But if they're up against world class at a global level, they can't survive.

Question and Answer

QUESTION: Yeah, hi Stephen. My name's Gene. I'm from Montreal. What you said was actually quite potentially liberating, because the people at our table all seem to have the same problem, and probably a lot of other people too in this room. We're a small family business, about three family members and two employees, if you want to call them that, and I'm kind of the lead in the organization, and I'm sick and tired of being the guy that all of the things have to go through, the "hub" and the "spoke." And I've been trying to find a way, giving people more responsibility. But when you said, "Make them accountable to the culture" I think that's the key thing. Develop the culture, and now, don't come to me and ask me what we have to do. Look, we talked about it. This is the culture. That's what you have to do. And then, can you give us a more formal process of how to develop, or to write down… The stick was a good example. Is there any other concrete ways that we can work together as a company to develop our culture?

STEPHEN:  Because just like you said, it is enormously liberating.  And unleashing of people's potential and power.

Let me give you what I believe to be four imperatives of leadership.   These are fundamental that are so essential, you cannot miss one of them.

The first one is the one that my son talked about yesterday, and that is to inspire trust. And I'm sure he dealt with it in a very broad and deep way, and as you went through the 13 different behaviors, and how you build trust with yourself, and with the marketplace, and so forth.  So that's the first one -- to inspire trust.

The second one is to qualify your purpose, which means by involving everyone in the culture in developing a mission statement which involves your purpose, your values, your vision that you have, and your strategic goals so that everyone emotionally connects to it. They feel like they helped produce it because of this complementary team approach, and they're all on the same page about the most important decision that is ever made.  It's the most important decision simply because every other decision will be governed by it. Otherwise, you're going to find that urgency will replace importance inside a culture, and people will focus on things that are distracting.  They won't be on the same page about strategic goals, and values, and so forth.

So the third is to align systems so that you institutionalize what I'm talking about here inside the systems of an organization.  Now, you can't align systems if there isn't an emotional connection to the purpose, to the value system of the organization.  But if you've done the second one, they will use those criteria to align systems, to make sure that you're focusing constantly on the most important things, not things that are urgent, but not important, which spends half the time of most people.

The fourth one, which is the fruit of the other three, is to unleash talent, so that you have a complementary team of people whose strengths are made productive, and weaknesses made irrelevant to the strengths of other people, and they've all found their voice. They've found what they love doing, that they do well, that they have a kind of a spiritual sense of calling toward from their conscience, and that serves the organization and their customers, and so forth.

So those are the four imperatives: Inspire trust; clarify purpose; align systems; unleash talent. And if you'll constantly focus on making sure that all four are being continually nourished inside your organization, you will move from this industrial age map to the knowledge worker economy. And you will adapt to whatever the marketplace throws at you, and the culture will be responsible for executing your strategic goals.

JAY: That's a great answer. Thanks, Stephen. Next?

QUESTION: Hi, Stephen. My name's Spar. I'm an artist from Maui, Hawaii. Our table wanted to know about --- you talked about taking on or creating customers that recommend and promote your business. And there's a --- one of the things that Jay Abraham talks about is a dentist is Australia named Paddy Lund who doesn't even take on customers unless they agree in advance to recommend and promote him.

JAY: Well, but it's a little bit --- it's an exchange. It's not that unilateral Spar, let's say. If you're going to explain it, it's a dentist that sits down, Stephen, with his potential patients, and they agree together on a value basis, and contribution, and what each is going to do for one another, and at the end if they wish him to avail his services, he asks that they agree on a continuous basis to refer. I just wanted to put it in a context, OK?

QUESTION: I was trying to be brief, and I appreciate your…

STEPHEN: Right. First, there has to be, not just agree to up front. That has to be earned through moral authority, and from their own experience with your services so that they want to do it. They're not doing it out of duty, or because of an early agreement.

And Thurgood Righthold wrote a bit more on the subject of customer loyalty than anyone. And the one question that you ask is, how likely is it that you would recommend this greater service to other people --- to your associates, to your friends, and so forth? And you measure on 10-point scale, and you're always after 9s and 10s. And the detractors are 1-6; the passives are 7-8.

Most organizations, on a 100-point total scale, get 20 or 30, if you can believe. But by working with the culture, by constantly looking at this data, and also at the cultural data as to whether or not the culture is committed to the strategic goals, in a matter of a few months you can get that up to 70, or 80, or 90, to where they not only do it because they agreed to do it out of duty, but they want to do it. They are motivated. They're inspired to do it, because they really benefit so much from your services that they're constantly telling other people, referring you.

And so to have an information system that gets it, not only them, but also your other business partners, or your suppliers and your associates so that you have what in nature we call an ecology.