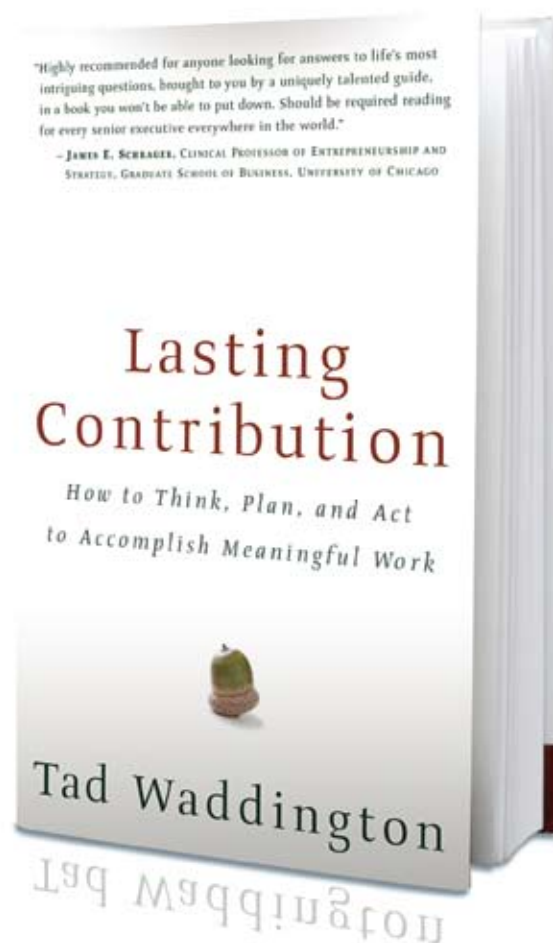


Lasting Contribution

How to Think, Plan and Act to Accomplish Meaningful Work

by Tad Waddington



“Highly recommended for anyone looking for answers to life’s most intriguing questions, brought to you by a uniquely talented guide, in a book you won’t be able to put down. Should be required reading for every senior executive everywhere in the world.”

James E. Schrage

Clinical Professor of Entrepreneurship and Strategy
Graduate School of Business, University of Chicago

Does your work matter? Do you want to find out how your work can really make a difference? Tad Waddington, author of *Lasting Contribution* shows you how to create meaning in your life, take sophisticated action, manage your career and make a lasting contribution to the world. Sounds impossible? Read the following excerpts and you will be inspired! Excerpts republished with permission.

ACT COMPLEXLY

In *The Logic of Failure*, German psychologist Dietrich Dörner summarised experiments on how people deal with complex systems. Dörner created a computer model of an imaginary country in West Africa that he called Tanaland. The people of this imaginary land depend on growing crops, gathering fruit, and herding sheep and cattle. Participants in Dörner's experiment were given the opportunity to control certain variables of the Tanaland computer model, such as whether to use irrigation and fertiliser. Most participants quickly wiped out Tanaland's population, but a few were able to preserve a healthy rate of growth. The differences between the experiment's two groups, Dörner wrote, were striking: "The good participants acted more complexly. Their decisions took different aspects of the entire system into account, not just one aspect. This is clearly the more appropriate behaviour in dealing with complicated systems," he added, because complexity means there are "many interdependent variables in a given system," which makes "it impossible to undertake only one action."

Dörner continued, "To the ignorant, the world looks simple. If we pretty much dispense with gathering information, it is easy for us to form a clear picture of reality and to come to clear decisions based on that picture." Further, "The bad participants displayed . . . a reluctance to gather information and an eagerness to act. By contrast, the good participants were initially cautious about acting and tried to secure a solid base of information. . . . The less information gathered, the greater the readiness to act."

GATHER FEEDBACK

Gathering feedback is important because it allows you to test your understanding of the problem you are trying to solve. Even more important, it helps you to make sure you are solving the right problem. Drucker says that quality isn't what you put into a thing: it is what somebody else gets out of it. He is right, right in the irritating way that natural selection is right. If nature allows the saber-toothed tiger to go extinct while the roach flourishes, which is more fit? If nobody buys an obviously better product, then is it truly better? If you tell a joke

and nobody laughs, then is it funny? The question to consider is: Who defines the outcome? I don't get to say whether I am a good husband, a good father, a good teacher, a good consultant; only feedback from my wife, son, students, and clients counts as an answer.

It is, of course, not enough simply to collect feedback. You must allow the most recent information to inform—that is, to change—your actions. You must allow for the possibility that the next thing you learn can change everything. Suppose that you went to medical school so you could become a doctor, because you wanted to help people. Unfortunately, while in medical school you discovered that you have an atrocious diagnostic sense, but a real gift for virology. You'd be a fool to



ignore this feedback. You could continue to pursue the goal of helping people, but change it to help people by fighting the viruses that ail them.

EMPLOY REDUNDANCY

Efficiency entails using the minimum resources to maximum effect; redundancy involves over-determining the outcome. The problem with efficiency is that if any link in the efficient chain breaks, the

chain fails and the goal falls to its doom. Redundancy is the opposite of efficiency. It entails intentionally using more than the minimum resources necessary to achieve an effect, which helps to guarantee that you will achieve the desired outcome.

A break in a link may cost you one chain, but if you have multiple chains, it doesn't matter. In fact you shouldn't have just chains, but ropes, cables, and straps, because the type of problem that can break one chain could break all chains. It is, however, less likely to break things of different natures. Call this heterogeneous redundancy, which is to generate different kinds of causes that will all lead to the same results. If you're a general, you should be able to supply your troops by land, sea, and air so that if the land route is cut, you can still feed them, which, as the Prussian general von Clausewitz recommended in *On War*, should happen "almost every day."

ENGAGE IN K-SELECTION

Think of a mosquito. It uses an evolutionary reproductive strategy called r-selection. With r-selection an animal creates as many offspring as it can, invests little in each, and plays the odds. Some, at least, are going to make it. The opposite of r-selection is K-selection, in which an animal has few offspring and invests a lot in each. Picture an orangutan.

Legendary stock investor and billionaire Warren Buffett follows a K-selection strategy. Buffett has said that investing well isn't a matter of how big your circle of competence is, but of how clear you are on the boundary of that circle. Buy a stock when you are sure it will increase in value. Otherwise, be patient. It's not about smarts, but discipline. You could become rich if you were allowed to make only twenty stock purchases in your entire

“Deciding what not to do is crucial.”

“You allow many opportunities to slip past, but you seize the few that matter. The trick is to err well within your circle of competence. This forces clarity of purpose on your actions and helps to guarantee that you do not waste resources.”

life, according to Buffett, because such a constraint would force you to choose carefully, an approach that Buffett has labeled strategic inaction.

Ted Williams, the last baseball player to bat over .400, was also a K-strategist. He calculated that there were seventy-two different paths along which a ball could pass through his strike zone. He reckoned that he could hit five of them—and he swung at only those five. Deciding what not to do is crucial. Drucker recommended that you should not only set your priorities, you should also set your posteriorities, or that which you will

not do. Management consultant Tom Peters has called this having not just a to-do list, but also a to-don't list.

The strategy of K-selection is akin to that of the Prussian king Frederick the Great's observation that "Those generals who have but little experience attempt to protect every point, while those who are better acquainted with their profession, having only the capital object in view, guard against a decisive blow, and acquiesce in smaller misfortunes to avoid greater." You allow many opportunities to slip past, but you seize the few that matter. The trick is to err well within



“Bridge the gap between your circle of competence and the demands of the world by trading problems with people who have the skills to solve the problems you can’t.”

your circle of competence. This forces clarity of purpose on your actions and helps to guarantee that you do not waste resources.

TRADING PROBLEMS

Bridge the gap between your circle of competence and the demands of the world by trading problems with people who have the skills to solve the problems you can’t. It would be easy to underestimate how useful this approach is, but Robert Kelly’s research in *How to Be a Star at Work* found it to be the single most decisive factor in separating the best from the rest. You help others with their problems and they help you with yours. Suppose you did become a virologist. Using this tactic, you would go out of your way to help colleagues with their work, such as researching the virological causes of cancer. Then, when you became stuck on a problem—for example, trying to assess if viruses progress differently in children than in adults—you could ask for help from the people you’d helped. Because you’d helped them, they’d be more likely to help you.

PLANS

A plan concerns how you intend put your resources into play to accomplish a goal. Done properly, it changes the nature of the equation. Think of the checklist a pilot uses before she takes off. If she is certain that she will never be distracted and will never make a mistake, then she doesn’t need a checklist. Knowing, however, that few people are perfect all of the time, she sensibly decides to use a list that was prepared by experts. Now she simply has to do what is on the checklist, which is easier than remembering what to do and

then doing it. A good plan helps with goal coherence, resource allocation, and risk assessment.

GOAL COHERENCE

Planning should help you map your goals so they include not only what you are trying to accomplish, but also the bad things you want to prevent from happening, as well as the existing good things that you want to keep from disappearing. To do this, you must consider the bigger picture. The U.S. invasion of Afghanistan provides an example. The colors red and yellow both stand out in daylight, but yellow is more visible than red in dim light, such as at dusk and dawn. To make sure Afghani civilians didn’t accidentally step on unexploded cluster bombs, the military wrapped them in yellow plastic. Unfortunately, following this same logic, in an effort to make air-dropped food packages easier to find, these were also wrapped in yellow plastic. Only after scores of people, many of them children, died did the U.S. military realise that it should package the bombs and food in different colors. Bigger-picture planning would have prevented this tragedy.

Birds offer another example. Most birds time the hatching of their eggs for when food is most abundant. Since most birds follow this strategy, competition for food is also most fierce at that time. A few bird species hatch early, when there is less food but also much less competition for the available food. By factoring in more than one variable, these birds end up with more food for their young.

RESOURCE ALLOCATION

A plan helps to show you what is possible and what is not. Of all the things you can do, the plan will tell you what you must do to succeed, as well as what you can, if necessary, do without. It will tell you what you must do first and what you can safely put off until later. It makes you aware of milestones that help you track progress and provide feedback on how you are doing.



“Planning should help you map your goals so they include not only what you are trying to accomplish, but also the bad things you want to prevent from happening, as well as the existing good things that you want to keep from disappearing.”

Your plan can also help you to save resources, because it can show you unexpected geodesics. A geodesic is the shortest distance between two points, but it isn't necessarily a straight line. The shortest distance may be counterintuitive. Think of a London taxi driver. Her destination may be one block away, but given the layout of the city, including one-way streets, the shortest path may involve five turns and, for a while, moving away from her destination. When you take the big picture into consideration and look at how all the pieces fit together, the shortest distance between you and your goal may be an unexpected path.

RISK ASSESSMENT

Because it is in the nature of things to go wrong, you should use your plan to help you think ahead to figure out how you will deal with problems. Good planners engage in extensive what-if analyses (what some call "Project Tetris"), in which they figure out every possible combination of what to do should any given problem occur. The trick is to plan for things you think will not happen. That way you won't be surprised when the unexpected happens. "Who needs lifeboats," reasoned the designers of the Titanic, "on a ship that can't sink?"

Part of a good plan involves building in ways to get information about when your way of doing things is not working. For example, the explosion of the space shuttle Challenger in 1986 should have told NASA that the agency needed to stop overriding engineer's safety concerns in favor of staying on schedule. Because NASA did not change its fundamental way of doing business, the space agency stayed fixated on maintaining a schedule

"A geodesic is the shortest distance between two points, but it isn't necessarily a straight line. The shortest distance may be counterintuitive."

"The trick is to plan for things you think will not happen."

of launches and ignored engineers' warnings about possible damage to Columbia's heat shields. In 2003, right on schedule and in line with engineers' concerns, Columbia disintegrated on re-entry due to heat shield failure.

A good plan helps to keep you from becoming a captive of the moment, hence Nobel laureate Bertrand Russell's observation, "I think the essence of wisdom is emancipation, as far as possible, from the tyranny of the here and the now."

DOCUMENTATION

To help you make your plan more useful, write it down. A good written plan should contain at least the following five elements:

What your goal is – either the problem you seek to solve or the *areté* you seek to manifest in the world.

1. What resources you need to achieve your goal.
2. What actions you must take to achieve your goal.
3. What could go wrong and what you can do about it.

What feedback you require to learn whether you are getting the desired results.

MINIMAX

Many decisions have characteristics that



resemble games. The mathematician John von Neumann developed a general approach to games that can help you figure out a strategy in such situations. His method involves:

1. Looking at all the possible outcomes of a decision.
2. Determining the worst outcome.
3. Making certain the worst doesn't happen.

Because this strategy minimises your maximum loss, it is called minimax. An important feature of this strategy is that it ignores the probability of different outcomes. The worst outcome may only have a two percent chance of happening, but with minimax you can be 100 percent certain that it won't happen.

For example, suppose your company gave you a bunch of stock; suppose that you have a mortgage. Minimax says that the

worst outcome would be for the stock to become worthless. If this happened, you would lose the money in the stock and still have a mortgage. The minimax strategy says you should sell the stock and apply it to your mortgage. You probably will not maximise your gain, because the stock price may yet go up, but you've locked in some benefit and definitely prevented losing the value of the stock they gave you and further decreased the chance of losing your house. Quite a number of former Enron employees wish they had adopted this strategy, because the once-leading energy company is now bankrupt.

BUSINESS

Given that Drucker defined management as a process of turning resources into results. The underlying structure of business is shown in the Venn diagram. It consists of your competencies, your customers, and your competitors. Your business model is how you use your competencies to meet your customers' wants. Game theory is how you keep your competitors off balance. Strategy

is how you meet your customers' wants while dealing with your competitors. Strategy is further constrained in that, as General Douglas MacArthur declared, the definition of victory is the first determinant of strategy. How you define victory is your final cause.

According to Jim Collins and Jerry Porras, the goal is not to maximise shareholder value; the goal is the company's mission. In *Built to Last*, they found that, in the long run, companies that had a purpose greater than profit outperformed those that were focused only on making money. They concluded: "Contrary to business school doctrine, 'maximising shareholder wealth' or 'profit maximisation' has not been the dominant driving force or primary objective through the history of the visionary companies. Yet, paradoxically, the visionary companies make more money than the more purely profit-driven comparison companies."

Executing your strategy is a challenge, because everything else in your business—your financial and organisational

structures, for example—must adapt to your strategy. Since your competencies, your customers' wants, and your competitors' actions change over time, your strategy and therefore everything else you do must also change.

WEALTH

According to Robert Kiyosaki's best-selling *Rich Dad* books on how to become wealthy, many people try to imitate the actions of the rich – buying stocks or rental property. These people fail for three reasons:

1. They don't want security, not financial freedom. Pursuing security, they are unwilling to take the risks necessary to achieve financial freedom.
2. They don't understand that money is an abstract concept that you see not with your eyes, but with your mind.
3. Because people haven't trained their minds to understand how money works, they don't see opportunities when they arise.

People don't understand that to become rich you must acquire assets, where an asset is defined as anything that puts money in your pocket. For example, most people believe their house is an asset. It is an asset – the banker's – because your mortgage puts money in the banker's pocket. If it isn't generating positive cash flow, then it isn't an asset. What, you may ask, about asset appreciation? Kiyosaki has three answers: First, when you take inflation into consideration, assets usually aren't as good as they appear. Second, if the price of gold used to be \$50 an ounce and is now \$500, since the gold hasn't changed, has it increased in value or has your dollar become less valuable?

Lasting Contribution (2007) by Tad Waddington is published by B2 Books, an imprint of Agate Publishing, Inc. and is available at major bookstores.

