

Part III

Applying Creativity and Innovation to Daily Challenges

The 5th Wave

By Rich Tennant



"But rather than me just sitting here talking,
why don't we watch this video of me sitting
here talking?"

In this part . . .

As an innovator, you need not approach daily tasks the way others do. Your imagination gives you the power to bring new perspectives to everything you do, from tackling budgets and cost cuts to resolving disagreements.

This part helps you decide how to apply your innovative ideas to some of the daily routines of the workplace — making an impact when communicating with others, turning conflicts into opportunities to innovate, and improving your organization in the process of seeking ways to save money.

Chapter 12

Delivering Fresh Presentations and Proposals

In This Chapter

- ▶ Assessing the audience to decide how much creativity is appropriate
 - ▶ Developing a compelling, original point of view
 - ▶ Writing a presentation that convinces others of your point of view
 - ▶ Communicating creatively through your words, visuals, and other elements
 - ▶ Designing slides with creative restraint
 - ▶ Branding your presentation
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A good presentation is unobtrusively creative. In business and professional spheres, audiences are rarely looking for wild, crazy, and creative; they're looking for smart, helpful, and insightful. They want you to be professional and an expert on your topic. Also, of course, they don't want to be bored. But you're not an entertainer — you're a presenter. Big difference. The entertainer pumps up the laughs, action, or artistic elements to combat boredom. The presenter relies on creative insights delivered in a credible style.

If you harness creativity in the right ways, your audiences won't even realize you're being creative. They *will* notice that you're interesting and insightful. They'll think you're smart and well spoken. They'll be impressed. People will come up to you afterward to shake your hand and ask you for advice.

The credibility you need to be a high-impact presenter comes from gaining a creative insight on your topic so that you have something fresh and important to say and then presenting it in a clean, impressive, and moderately creative manner. This chapter walks you through both phases of this process of becoming a credible presenter of fresh proposals.

Building the Credibility You Need to Be Creative

Credibility is the impression of knowing what you're talking about and having a strong, convincing message. It's the secret ingredient behind winning proposals and popular public speakers. Some executive coaches work specifically on credibility — that's how important it is for top corporate leaders. And, of course, politicians who lose credibility don't get reelected. But what about the rest of us? Do you need to be credible too?

If you don't establish a high degree of credibility right away, your proposals, presentations, and sales pitches will be unsuccessful, and your ideas, no matter how innovative, will fail for lack of adequate championship. Your first goal in planning any business or professional presentation is to figure out how to establish your credibility.

If you want to present any fresh, innovative thinking, credibility is especially important because it helps you make the case for your ideas. That's what innovators do — successful ones, anyway. Using your credibility to make your case means understanding your audience and what they're likely to expect, as well as thinking about how you'll present yourself and your credentials as an innovative thought leader.

Sizing up your audience and context

If you look up “creative presentation ideas” in any Web search engine, you'll be inundated with results. Hundreds of articles and blogs tell you to do things like leave the titles off your slides, deliver your presentation blindfolded, sprinkle homemade cartoons through your slides, add a theme song, make everyone get up and dance, or dress like a clown and do tricks. Caution! Every one of these ideas is going to get you into trouble with the majority of business audiences, because most business and workplace audiences are conservative in their views of what a presentation ought to be.



A business audience usually expects you, as a presenter, to

- ✓ Conduct yourself professionally, as appropriate to your position and the place and time of the presentation.
- ✓ Summarize the conventional wisdom and current thinking on the topic, even if you go on to disagree with it.
- ✓ Be organized and clear, which means telling the members of the audience what you're going to tell them and not wasting their time on things they consider to be irrelevant.



Most business audiences want you to be traditional in your conduct and approach. If you have a good new idea to propose, they'll listen — provided that you establish yourself as a highly credible source.

Providing enough structure to reassure the audience

It's important to project a competent, successful persona when you speak to any professional audience, which means dressing somewhat more formally than the audience members do and comporting yourself in a calm, professional manner all (or most) of the time. (Assume business casual dress for a conference audience and formal suits for anything in the executive suite.) If you're a good performer, you can slip out of your professional role briefly to deliver a punch line or warm up the crowd, as long as you're able to move comfortably back to your professional persona to move the presentation along to the next chunk of hard content.

Most audiences prefer a competent, professional, credible presenter who seems to be organized and conscientious. Most people, however, are a bit disorganized, especially when rattled by stage fright. The conventional prescription for stage fright is to know your presentation well. Practice delivering it until you know each talking point by heart and don't have to worry about losing your place.



To overcome stage fright, it's important to know your content, but even more important is knowing your venue or the context in which you'll be presenting. No amount of practice in front of a friend can prepare you to speak in front of 200 strangers. Seek out speaking experiences that build up your audience-hardiness by exposing you to larger groups and to people you don't know. Volunteer to give presentations at work whenever possible to gain experience and build your comfort level. Also consider joining a Toastmasters group (www.toastmasters.org), where professionals gather to practice their speaking skills.

To appear to be conscientious — namely, organized, structured, and full of clear plans and solutions — create numbered lists of steps and options, as well as an overall outline for your presentation that breaks it into three to five main topic areas along with an introduction and conclusion. These structured elements give the audience the reassurance that it instinctively needs, and you appear to be organized and on top of things, which is essential to your professional demeanor and your ability to command the audience's respect.



When you provide enough structure and order to your presentation through outlines; numbered lists; and clear, helpful diagrams or charts, you win audience members' respect and trust. They view you as being credible, which gives you permission to be creative. Without credibility, any efforts you make to be creative will fall flat, and your audience will be skeptical of your ideas — and of you.

Engaging the audience

Most business presentations are boring. That's too bad, because boring presentations fail to hold interest and don't make a strong impression. Whatever your purpose and medium, don't be boring! Standing on your head or adding colorful icons to your slides, however, won't rescue a boring presentation. You should use creativity for other purposes, such as to drive home a key point in an interesting way or to generate new options or solutions.



Don't try to fluff up a presentation with bad jokes just to avoid being boring. Superficial uses of creativity undermine your credibility as a presenter. Instead, make sure that the core content of your presentation is significant and brief so that it's inherently interesting to the professionals in your audience.

To avoid boring your audience, follow these rules as you plan and write your presentation:

- ✓ **Speak for the minimum acceptable period — not the maximum.** Less is more! If you're brief, what you say is more likely to be remembered.
- ✓ **Deliver the expected.** It's important to reassure audience members by showing them that you're on topic and delivering what they came for. If you get too creative, you may fail to deliver the expected, so keep in mind that the expected is the foundation of your presentation.
- ✓ **Add pleasant surprises on top of the expected.** This area is where your creativity can do the most good. Build something exciting on top of a solid foundation so that you both meet and exceed expectations.
- ✓ **Avoid employing overly informal, zany, or superficially creative techniques and tricks.** Conduct yourself with gravity.

The best way to engage an audience is to have something to say. What's your point? If it's a compelling one, simply make it, support it, and explain how to implement it. Your audience will appreciate the clarity of your thoughts and the efficient way in which you present them.

Finding Your Unique Insight

You need to formulate a point of view before you can write a good presentation. Your particular perspective on the topic ought to be fresh and useful, and you can develop a unique point of view by giving your innovative instincts free rein.

The following steps help you ensure that your presentation has a unique perspective that adds insight to the topic. If you fail to schedule enough time for all four of the preparatory phases, you'll flub the actual presentation by simply reciting what you've read without adding any insight of your own.

1. Perform background research by

- Gathering relevant sources
- Reviewing the facts
- Making a list of the main problems, concerns, or goals
- Finding out what other people have proposed

2. Let the information incubate by

- Setting the project aside
- Sleeping on it
- Toying with ideas as you work on other tasks

3. Find your insight by

- Developing theories
- Refining your best ideas
- Adopting a unique point of view

4. Prepare your presentation by

- Organizing facts and thoughts around your unique point of view
- Writing your presentation
- Editing to make it briefer and more focused

Starting with research

Imagine that you've been asked to speak about the economy and how it may affect your industry's future sales. You might prepare by reading articles on the topic; examining the effect of past economic cycles on your industry; and gathering expert opinions, quotes, and forecasts. If you do all that research, however, you still won't be prepared to write a good presentation, because you won't have your own point of view. In school, students are initially expected simply to summarize what adults have to say on a topic. As students reach higher levels, they're expected to develop their own theses and to present them with supporting arguments and facts. So are you, because you're an adult, not an elementary-school student!

Ask yourself this question as you study your research: "What is my unique point of view on the topic?" If you've read multiple sources and compiled a good fact base on your topic, you have the raw materials that you need to come up with your own thesis.

Incubating the facts until a fresh perspective pops out

Converting the raw inputs of information and other people's opinions into your own unique perspective is a creative process. You must allow your creative mind to churn and consider the research you've done (see the preceding section). If you've immersed yourself intently in researching the topic and gathering source material, you'll continue to think about the topic during your rest period, which is how you tap into the power of incubation. Incubation happens when you sit on a topic or question after you've hatched an "egg" of information about it.



Often, it takes a distant viewpoint to see things clearly. Back up by generalizing the problem or goal, and see whether a more general statement will help you gain insight. Rather than struggle to find an innovative way to reorganize your company's sales force to boost sales (assuming that's what your assignment is), you could ask yourself general questions such as these:

- ✓ How do experts organize routes and territories to minimize drive time and maximize efficiency?
- ✓ What conditions produce the highest performances for salespeople?
- ✓ Which territories or types of customers are going to experience the greatest future growth?

These are good general questions that anyone might ask in any company. If you answer them for your specific business, you'll almost certainly gain insight into how to reorganize your sales force for maximum future sales. Incubating insightful questions is a great way to move toward your unique point of view.

Sometimes, your incubation of the problem produces questions that need more research. For example, if you think it's important to find out which territories or types of customers are going to experience the greatest future growth, you may do some additional research. And from that second round of research, you may find that a great thesis pops right out, ready to become the organizing theme of your presentation. For example, you may find that the traditionally strong territories are going to be eclipsed by smaller ones that experience faster growth. In that case, your recommendation would be to concentrate your top salespeople on the emerging territories so as to gain a dominant share of their business before your competitors realize how valuable these territories are going to be.

Brainstorming for insight

What if the steps covered in the section "Finding Your Unique Insight" don't work for you? Sometimes, you incubate a topic by sleeping on it (see the preceding section), and when you wake up, you still have no clear insight.

You can *make* yourself come up with insight on your topic. Any number of creative-thinking techniques can help. Brainstorming, in all its variants, is generally the first thing to try (see Chapters 6, 7, and 8), and it's fine to brainstorm on your own, even though people usually think of the technique as a group activity. Discipline yourself to generate at least a page or flip chart of wild ideas. Then back up (literally — step away from the paper) and see whether anything pops. Usually, one item in the list proves to be particularly helpful, and you may develop and refine it into the point of view you need.

Here's an example of brainstorming a unique point of view for a presentation — in this case, a presentation on the economy's effect on your industry:

1. Research your topic.

Your research tells you that sales lag the economy, so this year's economic growth, or lack thereof, is a good predictor of your industry's future growth. This information isn't very exciting, however, because most people already know it. Your challenge is to address the topic from a unique point of view.

2. Brainstorm a list of observations about the topic.

Your list includes these items:

- Everybody knows that you can predict industry growth based on recent economic trends, but people usually don't bother to do so.
- In the last recession, the leading companies were hurt the most because they were too aggressive and had to cut way back when sales dropped.
- In the last growth period, a few smaller companies grew to be industry leaders by innovating, but most stayed small.
- Most people don't think that they can do anything about economic cycles, so they don't pay much attention to those cycles.

3. Examine your list to see what catches your eye.

As you look at the list, you keep coming back to the observation that most people don't think that they can do anything about economic cycles and therefore don't pay much attention to them. You realize that this observation means that many people in your audience won't think your topic is important. You wonder whether this point is actually much more important than people realize. Is it a hidden driver of success?

4. Develop your chosen thought into a unique point of view in the form of a *thesis statement*, which is a clear, single-sentence answer to a question your presentation explores.

Often, your thesis statement is the explanation of an important problem or puzzle that concerns the bottom-line performance of a business — whether yours or a customer's or client's. Your thesis statement should be important and nonobvious to your audience so that they feel they gain insight by listening to you discuss it.

For example, as you pose the question “Is the economy a hidden driver of success in our industry?”, you sense that you’re finally closing in on a unique and interesting point of view. You hypothesize that the major changes in market position occur during important shifts in the economic cycle and that it would be possible to take advantage of this effect.

5. Develop your unique point of view by refining the question.

You might do this as follows: “Economic shifts always shake up our industry, and if you prepare, you can take advantage of this effect.” Wow! This observation is interesting and valuable. You’ve got yourself a great point of view in the form of a thesis statement that addresses the perennially popular question of how to be successful in business.



When you write your presentation, start by making the statement you come up with in Step 5; then support and explore it. I guarantee that your audience will be spellbound.

Sometimes, you’ll think you’ve got the perfect point of view to organize your presentation around, but when you start to write the script, you see holes in your thinking. Don’t be so wedded to your point of view that you insist on sticking with it even if it proves to be hard to support.



Most people fail to add fundamental value as speakers because they don’t go the extra creative mile by finding their unique point of view. Don’t make that mistake. Be the standout speaker who really has a fresh, valuable point of view to offer.

Avoiding fixating on the first big idea

If you find yourself worrying about the thesis that you thought you were going to use, go back to the beginning (Step 1 in “Finding Your Unique Insight”) and start all over again. Yes, this may mean trashing your draft, but if it’s no good, it belongs in the trash bin, not at the podium. You aren’t done until your big idea holds up under the challenge of turning it into a well-reasoned, well-organized presentation. Sometimes, getting the insight that you need takes several tries.

Outlining a strong framework for your presentation

When you have a unique point of view for your presentation, you may design a presentation that presents the content in a straightforward, clear, simple manner. Think of this first stage of writing as framing the “house” that will eventually be your finished presentation. The initial draft is a framework of clear, strong sentences that lay out the main points and subpoints of your presentation.



You may find it easiest to write this first draft in outline format than in fully fleshed-out paragraphs.

With a good, clear, clean, outline-oriented draft in hand, you're ready to think about how to pump up your communications. It's time to get creative again. Consult the next section for ways to give your communication the power of subtle, professional creativity.

Making Your Point with the Five Tools of Creative Presentation

Your most important contribution to your presentation or proposal is your creative insight on the topic. You're a professional making a presentation, so don't feel like you need to add bells and whistles. You convince your audience of your thesis by being credible and well prepared, not by being entertaining.

When you have your content blocked out, you're ready to think of creative ways to make your main points. Confine yourself to five main ways of using creativity to make your point more compelling and clear:

- 1. Cite or quote authoritative sources.**
- 2. Present relevant and useful facts to prove your point.**
- 3. Provide visuals to illustrate your point.**
- 4. Offer analogies to help make your point clear and memorable.**
- 5. Tell relevant stories about people or businesses.**

Use these five techniques gently. Don't overuse them. One fairly lengthy story is enough, for example. Also, if you have three tables of impressive statistics, avoid the temptation to add ten more tables. Each technique grows old quickly. Audiences like variety.

Figure 12-1 illustrates how to bring creative persuasion into your presentation in professional, appropriate ways.

When it comes to how you'll make your main points, keep in mind that a good presentation is unobtrusively creative. The techniques in the preceding list are unobtrusive ways to add some creative power to your presentation, so long as you don't overuse any of them.



Never use creativity to fluff up a presentation or cover up a lack of substance. Avoid using the gimmicks that many presentation coaches suggest. Don't feel that you have to work humor into your presentation, for example, unless you're naturally funny, your humor is clearly relevant to the topic, and your

humor couldn't possibly offend anyone. Those constraints are big ones, though, so usually, humor is inappropriate. Also avoid using theatrical tricks. You aren't a trained actor. Most of the gimmicks that you find in books on spicing up presentations are going to fall flat and make you look like you're trying too hard to entertain.

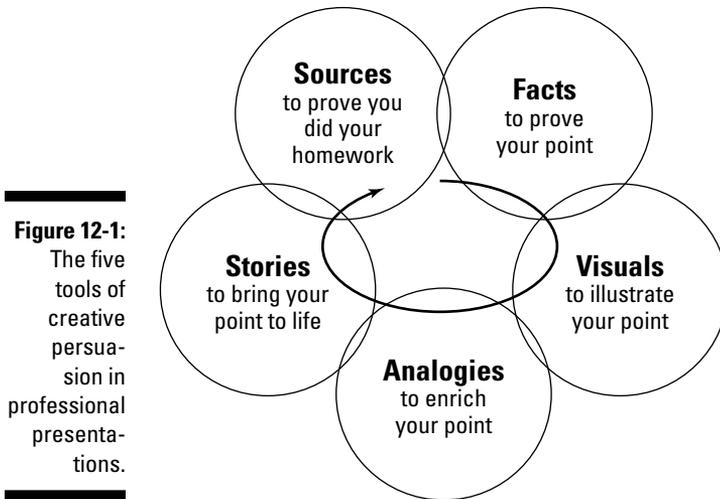


Figure 12-1:
The five tools of creative persuasion in professional presentations.

Incorporating sources and facts

Every high school and college student knows that sources and facts are the bedrock of a good paper, so why do people forget to use them as soon as they graduate and go to work? I think that adults have a natural instinct to suppress our paper-writing experiences, but it's helpful to keep in mind the core lesson: Build up a solid base of sources and facts in support of your thesis statement.

Even if you think that you've done enough homework, think again. By the time you incubate your original research and come up with the thesis that will form your unique point of view, your fact base may be out of step with your evolving argument.

Make a list of three essential facts that would lend the greatest support and credibility to your thesis. Then, if you don't already have them at hand, go and find those facts stated by authoritative sources. If you plan to say that children younger than 16 create most of the new fashion trends these days, for example, you could bolster that thesis with

- ✔ A quote from a designer saying that she gets great ideas from her children
- ✔ Statistics on how many of the last ten hot fads started with children
- ✔ Statistics showing that the spending power of children is increasing



When you present three good facts from authoritative sources, you convince most audience members of your point. If you want to provide additional support and proof, do so cautiously to avoid overwhelming the audience. If you go on and list ten more facts, most audience members will forget the first three. Don't overwhelm them with a list of facts that drives the three strongest proofs out of their minds.

Engaging the mind's eye with good visuals

Exactly how many words is a picture worth? Wrong question. Pictures don't substitute for words; they *illustrate* the words. Don't try to substitute a picture for any of the words in your presentation. Add pictures (including graphs, photographs, and videos) only if they work as powerful illustrations of important points.

Knowing when and how to use graphs

Use graphs when you need to make statistics clearer. Here's how:

- ✔ **Line graphs:** Trends should be illustrated with traditional line graphs showing time moving to the right and quantity moving vertically. Use an X mark for each data point, and connect the points with a line to help the eye see the trend or direction of movement.
- ✔ **Bar charts:** Use bar charts to compare statistics, such as sales by region. Avoid cramming more than six bars onto a single graph.
- ✔ **Pie charts:** Use pie charts to show how something is divided. You can illustrate what percentage of your sales comes from what products, for example, by showing each product as a slice of pie.

That's about it. I don't recommend using more-complex types of graphs. Keep it simple when it comes to graphs, because many people have difficulty reading them.

Incorporating photographs and videos

Show as you tell by providing a good, clear picture of your subject. As you talk about teens and their fashion trends, show several pictures of teenagers wearing current fashions. As you talk about your products and which are selling best, show photos of the products. You get the idea. The basic rule of illustrating a presentation is the old saw "Keep it simple, stupid!" (KISS).

Illustrate anything that's best seen rather than heard. If a video would illustrate the use of your product better than a still photograph would, use the video.



Don't go beyond that simple goal, however. As with everything in your presentation, less is more when it comes to visuals. If you have only a few graphs and photographs, you can allow the audience to look at them longer, which means people may actually remember what you show and tell them.

Don't include video unless it really adds value. Video takes up presentation time and competes for the spotlight with you, the presenter.

Here's a good rule: Show, but don't show off. Restraint is the key to effective illustration in any professional presentation. Too often, presenters include a flashy video, a series of impressive photos, or a deck of complex graphs just because they hope that the audience will be impressed. Business audiences aren't impressed by excess, though; they're impressed by restraint.

An analogy is like a newly cleaned window

Analogies offer fresh new viewpoints on the subject. They engage the right side of the brain, which is where creative thought and intuition are based. When you use an analogy, you get your audience to engage creatively as well as logically. That's a good thing! People find presenters more interesting and presentations more persuasive when they have engaged both sides of their brains in the process of listening and watching. Analogies are great for engaging the whole brain by stimulating a little subconscious creative thought on the part of your audience.

To show you how an analogy stimulates the audience to think creatively, I want you to reread the header at the top of this section: "An analogy is like a newly cleaned window." To get this analogy, your brain has to visualize a newly cleaned window and then figure out how it relates to the point.

How *does* it relate? Well, a newly cleaned window is easy to see through. It entices. It draws the eye over to it and makes you want to look out (or in?) to see what's there. An analogy does the same thing in a more abstract way: It gets the audience to look at your point from a fresh perspective. The analogy attracts attention because it's a new way to see the subject.

How analogies engage the audience's imagination

After your audience members have digested your analogy and figured out what the connection is, they may not know it, but they're significantly more engaged in your presentation. You've just gotten them to do an activity for you. This activity went on in the right frontal lobes of their brains, so nobody noticed but you.

Even though processing an analogy is an invisible activity, it's a very powerful one. It builds engagement with your presentation and strengthens agreement with your point.

A surefire way to create great analogies

To come up with your own analogies, ask yourself this question: “What is [fill in your subject] like?” If I’m preparing to talk to a group of inventors about how to market their new ideas, I might ask myself, “What is a new invention like?” To answer my question, I may write it at the top of a chart pad or dry-erase board and then force myself to brainstorm a list of possible answers. A new invention is like

- ✔ A mongrel puppy, because it’s cute and appealing, but you don’t know what it will look like when it grows up
- ✔ A new baby that needs lots of care and feeding before it’s ready to walk on its own two feet
- ✔ A sand castle on a beach — and you don’t know whether the tide’s going away from it or about to wash over it
- ✔ A steaming-hot plate of food just out of the oven, which is best served while it’s hot and shouldn’t be neglected until it gathers flies

Think about each analogy until you can see the point it supports; then pick the analogy that buttresses the point you most want to make. If I want to argue that inventors shouldn’t sit on their ideas, but rush out and seek support for them right away, I might use the analogy that an invention is a hot plate of food just out of the oven that ought to be served quickly. I actually find, however, that most inventors take their ideas into the world prematurely. Therefore, I probably would use the analogy that an invention is like a new baby that has to be supported for several years before it gets its balance and even begins to walk on its own feet.

Telling tales

I intentionally put storytelling at the end of my list of creative presentation techniques because I want you to try the other four techniques first (see the preceding sections for details on using sources, facts, visuals, and analogies). The first four techniques are easier to hang on your outline than stories are, because stories take time and attention away from the main story: your presentation.



Stories have tremendous power when they’re used right, but use them cautiously because of their tendency to hog the spotlight.

Weaving a story into the threads of your presentation

A wonderful way to use a story is to find a case history (an actual example or a fictional one) that you can weave throughout your presentation. Introduce the main character of your story and his or her goal or dilemma in your introduction; then return to the story briefly at the end of each section of your talk to show how the main point of that section applies to the story. As you work through your topic outline, you also work through the chapters of your

story, so that both the story and your presentation keep pace and climax at the end. When you do things this way, the story never hogs the spotlight; it has to share the spotlight as you alternate between storytelling and presenting the gist of your content.

Another good way to use a story is to set up the problem you're going to solve. Early in your presentation, introduce a brief case history or example of a person or organization that ran into trouble; then explain that you're going to show the audience how to avoid the pitfall that so-and-so fell into. The story helps the audience get personally engaged in your topic.

Condensing your story into appealing sound bites

Stories need to be brief and clear. Avoid using more than three characters — the people or organization that the story is about.

Suppose that I decide to share a story about Barbara, an inventor who ran into all sorts of problems as she struggled to bring her new product to market. I know that this inventor's story involves a whole cast of characters: her consultant (me), her graphic designer, her patent attorney, her product engineering team, her bankers, and so on. To make the story compelling and clear for the sake of a presentation, I must narrow it down and simplify it. Audience members don't need to find out everything about this inventor; they just need to know the most compelling and relevant aspects of Barbara's lengthy story. Good storytelling keeps the plot and characters simple.



When you tell your main story, dim your slides and approach the audience to create a different context for the story. The audience will focus on you more fully and pay close attention to your story, and they'll appreciate the chance of pace.

Avoiding being upstaged by the story

A great test of any story is whether you can tell it in one minute or less. If not, go back to the drawing board and find ways to shorten the telling.

If you have personal stories that illustrate your central point, include one or two — but no more than that. Even if you're a celebrity, the audience will lose interest in your personal life history surprisingly quickly. I'm sorry to be the bearer of bad news, but it's not actually all about you. Your presentation is the star; you're simply supporting it. Don't let your own stories hog the spotlight, but let the spotlight shine on your main point. That way, everyone will leave the room knowing what you think, and most of them will agree with you.

Branding Your Message with an Appropriate Look and Style

When you've drafted your presentation or proposal and gathered appropriate sources, facts, visuals, analogies, and stories to support it, you're ready to package it in a clean, consistent, appealing style. The following sections break down the primary elements that contribute to the style of your presentation.

Matching tone and style

Your tone and style may range from animated and informal to contained, professional, and formal, depending on your content, context, and audience. If you're giving a formal talk on a serious topic to a high-level professional audience in a formal lecture hall, for example, choose a formal, self-contained style, and look, speak, act, and dress accordingly.

Creating a visual signature

Your *visual signature* is the look or style of all slides, handouts, backdrops, charts, videos, and other visual elements, including your outfit. Choose a visual signature that fits the tone and style of your presentation. A serious, professional topic needs a visual style that emphasizes a clean, professional look through conservative colors, traditional font choices, and formal-looking graphs or charts.

Choosing colors for your slides and handouts

Select a color scheme that's modestly creative and fits the tone and style of your presentation. For a formal presentation, for example, choose your colors from a palette of blue, black, and white, with an occasional very small splash of red or gold worked in for contrast. Sorry, that's it! Green, purple, orange, and other colors belong only in informal presentations.

You may think that limiting your color palette to blue, black, and white will cripple your creativity when it comes to graphic design of your slides and handouts. Not so! Some of the greatest works of art were done in black and white. In fact, it's easier to create an elegant, clean, appealing look when you limit your palette. You can use a gentle gradient of light blues in the background, for example, with the headline in dark blue and the bullet points below it in black. If you combine this color scheme with a nice contrast between a headline font of 44-point Arial or Helvetica and 32-point text in the same font, you'll have a very clean, appealing graphic look.

Also, to add more graphic interest to a slide or handout with an Arial header, switch the body copy to a contrasting font, such as Times New Roman. If you do, check readability by backing away from your computer screen a few yards. Is the new font still readable? If not, go back to Arial, which is highly readable from a distance.



One exception to the rule of limiting your main palette to blue, black, and white comes into play when the topic of your presentation has its own color scheme. You may want to use that scheme instead. For example, a sales representative for a drug company may design a presentation about a new drug by using the colors from the drug's orange-and-green logo. However, to keep those orange- and green-themed slides or handouts professional and easy to read, most of the text should remain black. Stay as close to the core professional palette as you can, and use brand colors for accents rather than for your main text or headers.

Creating an effective design

Here are other design elements that you can use to add creative appeal to a slide in subtle, professional ways:

- ✓ Alternate among one-column text, two-column text, and graphs to vary the format.
- ✓ Introduce a single straight line between the header and the text, reproducing that line in the same position on every slide. Yes, I know that this line is a very simple and conservative design element, but keep in mind that good presentations are *unobtrusively* creative.
- ✓ If you want to get really radical, place a border (perhaps in a contrasting color) around the text, or use a small logo or photo in the bottom-right corner of every slide. The border or logo unifies the varied slide formats, making it clear that graphs, bulleted lists, and multicolumn bulleted lists all belong to the same presentation.

Adding a logo

The visual logo should relate directly to the topic. Use a large version of the logo on the title slide and a smaller version at the bottom of all other slides.

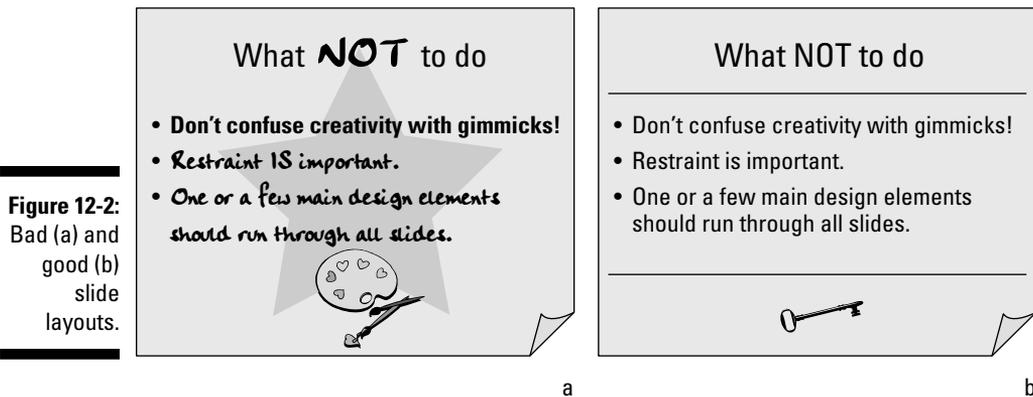
You can get creative with your visual logo as long as you keep the design simple, small, and relevant. See Chapter 4 for tips on how to design creative brand identities, including logos and titles that you can use for your presentations.



I'm helping update a one-week course on leadership and management for the U.S. Coast Guard, and the slides in the new deck have a deep-blue background color, white text, and a small photograph of a Coast Guard cutter racing through the water. The boat is in the bottom-right corner of the slide, and it's white with the Coast Guard's distinctive red stripe across its bow. This boat isn't an official U.S. Coast Guard logo but an image selected specifically for these slides; it gives the entire set an appealing and consistent image.

Knowing the difference between good and bad design

Figure 12-2 shows good and bad uses of creative graphic design for professional presentations. As the figure demonstrates, gratuitous use of design elements can be confusing, overwhelming the content and the presenter.



The bad example mixes many fonts, each of them fun and interesting but none of them appropriate for a professional presentation. It also uses too many visual elements. The sticky-note theme with a faint star in the middle doesn't relate to the topic or add any value; it's simply distracting. The artist's palette from the clip-art menu also fails to add value, and it increases the visual business of a slide that's already too busy.

The good example in Figure 12-2 sticks to one font, Arial, using a large, bold version of it for the headline. It also uses much more *white space* (open space around and between the design elements). The lines are farther apart, and the slide has a calmer, cleaner, more open style, which makes it much more readable and pleasant to look at.

The only artistic design elements in the good example are the two lines that define the area for the text and an old-fashioned key at the bottom of the slide. This key is the logo for the presentation, which I plan to call "The Key to Effective Presentations." Placing the key at the bottom of every slide reminds audience members of the title of my presentation, thereby effectively branding it in their minds.

Repeating your auditory signature

Your *auditory signature* consists of one or a few phrases or keywords that you weave into your presentation often enough to embed them in the memory of the audience members.

Avoiding slide-design pitfalls

It's easy to get creative in designing your slides. Most presenters use Microsoft PowerPoint to make their slides, which is fine, because the program is easy to use and hardly ever crashes during a presentation. PowerPoint, however, offers many negative temptations. Here are some things to avoid doing when you design slides for your presentation:

- ✔ **Don't use WordArt.** WordArt is a selection of comic-book-style fonts, using curvy, colorful 3-D characters. It can make a word look really fancy. But you aren't selling words; you're selling your argument. Treat it with dignity by using traditional fonts.
- ✔ **Don't use free clip art unless it really, truly is a good illustration of a point.** PowerPoint users have access to lots of clip art, but very little of it helps you hammer home a key point.
- ✔ **Don't use too many slides.** People almost always create too many slides when they first draft their slide decks. More may seem to be better, especially if you're

anxious about what you'll say, but if you have dozens of slides, you'll be reduced to reading them out loud with your back to the room, and no one will remember a word you said.

Try to give yourself at least a minute per slide. If your presentation involves rich slides that contain graphs or multiple bullet points, give yourself three to five minutes per slide. Based on that formula, a 20-minute presentation doesn't need more than 10 to 15 slides.

- ✔ **Don't use backgrounds that include recognizable objects** (such as balloons, bridges, chalkboards, clipboards, flags, paper currency, or clouds). These objects are cute for the first few slides but grow tiresome and distracting long before your presentation is done.
- ✔ **Don't use unconventional, hard-to-read fonts**, either alone or in combination. Good graphic design is subtle, not presumptuous.

Your signature should relate to your main point. For example, if your thesis is that sales territories should be realigned to focus effort on fast-growing regions, you may want to keep reminding your audience that it's important to "organize for the future," and you may use that phrase as the title of your presentation, too.

Controlling your body language

After choosing your style, visual signature, and auditory signature, ask yourself how your body language can best support these other elements. If you're presenting in an exciting, informal style to a youthful audience, your body language probably ought to be informal and relaxed. You may see yourself sitting on the edge of the stage, taking questions and offering unscripted answers.

If you chose a formal tone and style, your body language should be more controlled and formal to match your tone and to go with your formal clothing

and demeanor. Keep your hand gestures fairly modest and controlled, and stay on your feet, with your jacket on the whole time. Don't let your nonverbal behavior clash with the rest of your presentation.



Whether your style is informal and relaxed or formal and upright, smile at your audience from time to time. Work a smile in when you're introduced and when you're thanking the host for the opportunity to speak. Also smile when you're listening to a question or comment from the audience. It's natural to frown when you're listening intently, but overcoming this natural tendency makes a huge difference in how the audience sees and remembers you. Audiences tend to rate smiling presenters as being smarter and more creative than others, and they tend to agree with presenters who smile. Practice smiling while you listen.

Chapter 13

Negotiating Creative Win–Wins

In This Chapter

- ▶ Exploring options for innovative resolution
 - ▶ Encouraging parties to shift to a collaborative approach
 - ▶ Focusing on the underlying problem and how to solve it
 - ▶ Working the most promising ideas and suggestions into a final solution
-

Life is full of conflicts. Why should business be any different? There are conflicts with co-workers, employees, managers, customers, and suppliers. Then there are occasionally really nasty conflicts — often about the disputed terms of a business contract — involving legal action or the threat of it.

The average small business has a dozen conflicts a year, by my estimate, not counting minor disputes that don't have much effect on the bottom line. A big business or a large government entity such as an agency or city, on the other hand, may have hundreds of conflicts that need care and attention in the course of a year.

Before responding to a conflict, stop and consider creative options and what you may be able to propose that could change the conflict for the better. This chapter shows you how to take a creative approach and how to innovate solutions that improve the outcome over what it initially looked like you would be stuck with as a result of a conflict. Redefine conflicts as opportunities to cooperate in innovative problem-solving, and you'll soon find yourself looking forward to conflicts rather than worrying about them.

Turning Conflicts into Creative Opportunities

Each business conflict is an opportunity to transform what initially seems like a simple tug-of-war or power struggle into a creative solution that gives something of benefit to all parties involved. Good things can come from conflicts. Put on your innovator's hat whenever you see tempers flaring or legal claims rising, and see whether you can create a new and better outcome than those

initially on the table. It's amazing how often you can transform a conflict into an opportunity to better the situation if you simply reframe the struggle by opening your creativity toolbox instead of reaching for the nearest verbal weapons.

Identifying conflicts with rich potential for innovation

What makes a conflict a great candidate for an innovative approach? First, the outcome must matter. The outcome is what's at stake — what the parties to the conflict are hoping or striving for.

It's amazing how many conflicts are really quite trivial. People get caught up in the heat of the moment and invest a lot of emotional energy in something that really doesn't matter. Jockeying for position when cars are merging on a road, for example, is foolish because when the cars get in line and up to speed again, a difference of 30 feet one way or the other is going to amount to only a second or two of travel time. But that fact doesn't stop drivers from getting quite agitated and angry about whose turn it ought to be.



When you look at the conflicts in your workplace, select only those with potentially significant outcomes for innovative problem-solving.

Imagine that you're in a dispute with a printer. The printing company had said it could print your next catalog for the same price as the previous one, but now it claims that too much time has passed and costs have gone up, so it has to bill you 20 percent more. Ouch! Finding a way to reduce or eliminate that cost increase would make a definite difference in your bottom line, which makes your dispute with the printer a good candidate for a creative approach to conflict.

Next, assess the potential complexity of the conflict. In many aspects of life, complexity seems to be undesirable, but in conflict, complexity is good because it suggests many alternative approaches. A simple argument about whether your waste hauler will come into your parking lot to make a pickup or whether you'll have to carry your trash out to the street isn't going to offer a lot of opportunity for creative redefinition. If the company's driver really won't drive his truck up to your loading dock to make the pickup, fire that company and hire a competitor that's more eager for the work.

A series of meetings with the union representing nurses in your hospital, on the other hand, is potentially complex, because there are many possible terms and conditions to be considered and because the work itself is complex and varied. Therefore, a union negotiation is a wonderful candidate for innovation. Such negotiations usually aren't done in a creative manner, however, so the opportunity for breakthroughs is passed by. Make sure that you take an innovative approach whenever the conflict is complex and has a significant outcome.

Reframing the disagreement to introduce creative problem-solving

Reframing means offering a new perspective or way of seeing the conflict. It's a high-level skill that takes some practice and self-possession but is well worth mastering. The most effective and experienced negotiators use reframing, and you can benefit from their example. Here's a three-step method for reframing that works quite well:

1. Listen to the general way that the other party is thinking about the conflict, not to specific claims or complaints.

Ask yourself this clarifying question: “What do they think this conflict is fundamentally all about?”

A business partner who complains that you're not holding up your end of an agreement might really be focusing on the fact that his company isn't making as much profit as expected. Instead of saying that, though — because contracts usually don't guarantee profits — he's attacking you for lots of minor issues as a way to blame you for the problem.

2. Think about the best way to view the conflict — an approach that could open more possibilities for successful discussion and cooperative problem-solving.

Your goal is to redefine the problem in a way that helps generate more and better possible solutions. You may decide that an angry business partner's complaints are best viewed as symptoms of a changing marketplace, because that could lead to innovative approaches to improving sales for both of you.

3. Explain that you don't see the conflict the same way that the other party does.

Say, “What I think this is really about is . . .” Fill in the blank with a clear, well-considered statement of an underlying problem that could form a productive focus for creative problem-solving.

If the other party ignores your statement and continues to argue from her viewpoint, reiterate your statement and let her know, politely but firmly, that right now you're interested in discussing the matter you've raised — not other matters. Explain that you're making this request because you're sure that it will help both of you move forward.

Your reframing needs to be based on a clear understanding of the underlying issues. Your superior insight gives your argument strength and ensures that the other side will consider your viewpoint.



Usually, reframing a conflict needs to evoke a sense of shared concerns. Say “we” rather than “you” to signal that the new viewpoint is a shared one. You might tell an angry business partner that instead of bickering about who gets

what part of a dwindling profit margin, “We need to look together at ways of improving the profit margin so that the original agreement will once again be profitable for us both.”



By framing the discussion around shared interests, you help the other party take a more cooperative problem-solving approach. Reframing is a way to try to get him to come around to your side of the table — metaphorically or literally, if you’re meeting in a formal setting.

Signaling your good intentions to create buy-in

At first, the other side may not believe that you have good intentions. People tend to be suspicious in conflict situations, so they get defensive, which means that they assume they’re under attack. Take care to signal your good intentions in every way you can (except by conceding any points — it’s still early in the conflict, and you don’t need to commit to anything yet!). Here are some ways to signal good intentions:

- ✓ Ask for more details about the other party’s complaints or concerns.
- ✓ Listen respectfully to complaints or concerns, without interrupting or arguing. (A time for debate may come later, but not now.)
- ✓ Ask for examples or evidence of the problem to help you understand or diagnose it.
- ✓ Keep a calm, friendly demeanor as you continue to signal that you want to problem-solve. If the other party tries to start a fight or argument, return to your reframing of the conflict as a problem for both sides that needs to be improved through joint action. Be firm and clear that you want to problem-solve rather than argue.

Beginning the dialogue with easy win–wins



Don’t make the mistake of diving into the thorniest issue first. The people on the other side may want to get you to do this, because that issue probably is the one they’re most worried about. It’s more productive, however, to pick the low-hanging fruit first — in other words, to tackle some easier problems and show that you can resolve them to everyone’s satisfaction. That method builds confidence, trust, and momentum for the tougher issues.

Assessing Everyone's Conflict Styles

People are individuals, of course, which means that each of us tackles conflict in his or her own way. Fortunately, people follow some broad patterns of behavior in responding to conflict:

- ✔ **Engagers versus avoiders:** Some people naturally engage, wanting to assert their interests and get involved; others find conflict so unpleasant that they want to walk away. Those who engage naturally are able to collaborate or compete without feeling uncomfortable about conversing with someone who disagrees with them.

Is the person you're dealing with a natural engager, or does he seem uncomfortable with the whole idea of conflict? If one of you is uncomfortable with disputes, you'll need to overcome that instinct to engage in collaborative problem-solving and find an innovative solution.

- ✔ **Competitors versus collaborators:** Some people naturally compete to stick up for their own interests; others are more agreeable and want to try to take care of everyone, not just themselves.

Which type of person are you? Which type is your opponent? If one of you is competitive by nature, you'll need to overcome that instinct to work toward an innovative outcome.

When you define yourself or anyone else on both of these main dimensions of conflict behavior, you get five possible conflict-handling styles: collaboration, competition, compromise, avoidance, and accommodation. Of these styles, only the collaborative approach to conflict can produce a good innovative win–win outcome, so you may need to manage everyone's conflict behavior to make sure that everyone uses the correct style. This means recognizing what style or approach people are taking in a conflict and not being drawn into responding in kind. Instead, reassure competitors that it's okay to let down their guard and collaborate. With avoiders, you also need to reassure them — but in a different way, by showing them that it's safe and not stressful to problem-solve with you. Everyone *can* collaborate, even if it's not their first instinct to do so.

Identifying the natural collaborators

People who naturally like to collaborate (rather than compete, compromise, accommodate, or avoid) are people who

- ✔ Tend to be trusting and trustworthy
- ✔ Are naturally team-oriented and somewhat selfless
- ✔ Appreciate other people's perspectives and can see more than one side of an argument
- ✔ Are open-minded and probably of above-average intelligence

Collaborators make natural innovators because they like to explore ways of improving the outcomes for everyone. Their generous instinct to try to take care of both sides leads them to want to find better outcomes, and that desire to improve on the initial set of options is precisely what starts the creative problem-solving process.

Reassuring the competitive negotiators

A competitive approach is characterized by secretive behavior and a focus on what's in it for you, not the other side. Many people take a competitive approach in conflicts and negotiations. That approach is fine when you're trying not to be fleeced by a used-car salesman, but if you're trying to resolve disagreement in a project team or with a long-term supplier or distributor, it only makes things worse.

If people seem to be unwilling to discuss their concerns openly and won't share their information with you, you can assume that they're being competitive. Point out the advantages of a more open process, and reassure them that they won't give anything away by sharing information or ideas. To innovate a better solution to the conflict, you have to agree to consider options without commitment to them. You might explore the idea of giving something up in exchange for something else and then change your mind if the deal doesn't work out.

Competitors hold other people to their concessions and won't allow them to take those concessions back, which keeps people from feeling free to explore options. Make it clear to them that problem-solving isn't a formal, competitive negotiation and that you have every right to trial-balloon ideas without being forced to commit to them.

Making sure that your own style is consistent with your goals

What's *your* style? Are you competitive (or do you appear to be)? If you hesitate to share all your information with the other party, she may read you as being competitive and won't take your invitation to collaborate at face value.

The best way to generate open-minded, creative discussion of options and solutions is to set an example of this behavior yourself. Ignore (for the moment) the conflicting sides and positions, roll up your sleeves, and act as though everyone is working together to solve a big problem. Your example will do a great deal to get everyone in a problem-solving frame of mind. It's always more effective to show people what to do than it is to tell them.

Bridging the Gaps to Form an Ad Hoc Problem-Solving Team

When you reframe the conflict or negotiation as a creative problem-solving effort (see the preceding sections), and when you guide everyone toward a collaborative style, you make teamwork possible. As you work on the conflict, keep in mind what it feels like when you've been in freewheeling brainstorming sessions with a friendly group of people who are committed to finding a breakthrough innovation. That's the style and feel you want — not the normal take-sides atmosphere of conflicts.

Sharing your own interests and issues first

To set a good example of teamwork during a conflict, don't talk about your demands or positions, and definitely don't make threats or ultimatums. Instead, talk openly — and with faith that anything is possible — about your real needs or concerns.

The act of opening up to share your concerns and thoughts honestly and without competitiveness encourages others to do the same and sets the stage for innovative problem-solving instead of straight competition. Instead of opening with a tough demand, you may open with an explanation of your concerns, followed by an attempt to describe what you think the other side's concerns may be. Then ask them if you've gotten it right or if they would like to add to or modify your summary of their concerns.

Building a creative problem-solving team

Sometimes, you need to change or expand the number of people involved in the conflict before you can innovate your way through it. Ask yourself whether the people who are talking (or arguing) would make a good brainstorming group; then, assuming that they come up with a good solution, ask yourself whether they have the expertise and authority to implement an innovative solution (see Chapter 6). Often, the parties to a conflict or negotiation aren't capable of innovating, for reasons such as these:

- ✓ They lack the imagination or breadth of knowledge needed to generate fresh, innovative perspectives on the conflict.
- ✓ They lack the enthusiasm and authority to implement a solution, because innovative solutions to problems often involve changes in procedures and organizations.



Going farther with honesty and straightforwardness

A group of nurses once sat down with their union representative to renegotiate their contracts with a hospital. Management from the hospital sent the head of human resources and a lawyer, who sat on the other side of the table and initiated a very formal, somewhat antagonistic negotiation. Then one of the senior nurses said, “Look, most of us have other offers. There’s a shortage of nurses in our area. And some of us are going to take those offers because we don’t like the way we’re treated. Some of the doctors are really rude and critical of us, often for no good reason.”

The lawyer for the hospital interrupted with the objection that her complaint had nothing to do with the terms of the employment contract. The nurse replied, “Actually, our treatment has everything to do with our contract. See, if this continues to be an unpleasant place to work, we’re going to demand more salary and benefits, and we’re going to hold out for every little thing — more generous overtime, more

vacation and sick days, better parking. You name it, we’ll fight for it, because we don’t think we’re treated well or respected. Now, if you want to ignore the underlying problems with how nurses are treated, you can pay us enough more that we’ll put up with the bad treatment, or you can get some of the doctors in here and start working on what we really care about: respect.”

This nurse’s honesty startled the other negotiators, but she was so senior and so well respected that they took her seriously. Along with a new contract, they initiated a series of meetings involving both doctors and nurses, in which a skilled mediator helped them identify their issues and discuss how to work better together. The nurses were pleased that many of the doctors improved their conduct, and turnover went down. Also, the contract negotiations went fairly smoothly as a result of this additional initiative to improve working conditions.

It’s not surprising that people or groups in conflict aren’t always perfect problem-solving teams. Before you proceed with the discussion, you need to recognize what the group lacks and expand your conflict group by supplementing it with people who can help you find and implement a breakthrough. Treat the conflict just as you would any other opportunity to innovate. Don’t treat it the way that people normally treat conflicts, bringing to the table only people who have a direct interest in the conflict and strong opinions about it. Expand the number of people until you have a good group — one that’s able to take an objective, creative perspective and consider fresh viewpoints and alternatives.

Transitioning to Solution Brainstorming

The most powerful thing you can say in any conflict or negotiation is “How would you complete that sentence?” It’s an interesting question, because the answer reveals how people think about conflicts. Many people think that

the most powerful thing you can say in any conflict or negotiation is “No,” because it means that you’re sticking up for your own interests and not being overly accommodating. Others argue that “Yes” is the most powerful word, because it suggests that you’re getting to agreement. (In fact, a famous book about negotiation is *Getting to Yes*, by William L. Ury, Roger Fisher, and Bruce M. Patton [Houghton Mifflin Harcourt].)



I find that the most powerful thing you can say in any conflict or negotiation is this: “Let’s look at multiple options before deciding.”

If you offer this suggestion, and people ignore it or look at you like you’re from Mars, repeat it with more specificity. You may need to say, “I won’t agree to anything until we’ve looked at a minimum of five alternatives.” What this assertion does is force the others to begin thinking about multiple options, which puts them at least one step down the creativity path. They may think that you’re being difficult and may tell you so (perhaps in colorful language), but be firm in your insistence on examining multiple options before making *any* commitments. In the end, if they want to resolve the conflict with you, they have to give in to this demand for creative thinking about the conflict.

Making sure that everyone knows it’s safe to share ideas

There are four main reasons why people don’t share ideas freely during conflicts:

- ✓ They fear that what they say may be used against them.
- ✓ They want to use some of their knowledge against the other side.
- ✓ They don’t have many ideas.
- ✓ They don’t believe that the outcome will be better if they problem-solve rather than compete.

Of these four reasons, the first two are all about trust. If you think that the other side will exploit a weakness or leverage a need or constraint to pressure you to agree to a bad deal, you certainly won’t be open with him. It’s to your advantage to avoid showing the other party what you really want; that way, you can bargain away something less important in exchange for something that you really need.

Suspending judgment

The main thing you need to do — and persuade others to do — is postpone all decisions about what positions to take and who’s right or wrong. This

technique is called *suspending judgment*, and it means holding off from resolving the conflict (or fighting about it) long enough to do some good problem-solving and research and to engage your creative intelligence.



You can postpone resolving almost any conflict for another day or week to give yourself time to think. Deciding is all well and good, but thinking is even better and ought to be done first!

Facilitating brainstorming when participants are hostile

In Chapters 6 and 7, I review ways to facilitate brainstorming sessions. The same techniques and approaches work in any situation in which you want to generate alternatives, including conflicts. Sometimes, however, a conflict makes for more hostility and less buy-in than you have in a normal brainstorming session. To push forward and get some helpful creative thinking in spite of resistance, try these tips:

- ✔ **Offer creative ideas of your own — as many of them as you can.** You can't count on other people to participate as fully as you'd like them to, so come to the table with plenty of fresh ideas to get the creative process under way.
- ✔ **Be firm about the rules of brainstorming.** Don't permit criticism of ideas (see "Suspending judgment," earlier in this chapter, for ways to apply this rule to conflicts), and require everyone to build on ideas — even if those ideas were first suggested by the other side in the conflict.
- ✔ **Be optimistic!** Point out that there's always a chance of finding a clever new approach that benefits all parties, and if you fail to do so, you can simply go back to resolving the conflict the old-fashioned way by bargaining or compromising, so there's really nothing to lose by trying to find a creative new approach that offers more for everyone.

Identifying and Refining Win–Win Ideas

A win–win idea gives both sides of a conflict the feeling that they've won because they get more than they expected to.

A classic story about negotiating illustrates this point. Two sisters were arguing over the last orange in their kitchen. Their mother asked them what they wanted it for. One sister said she was going to bake a cake, and the recipe called for grated orange rind; the other said she wanted to eat the fruit. The mother laughed. The sisters didn't need to argue, because they wanted different parts of the orange. They simply needed to communicate more clearly.



Not all disputes have win–win solutions as simple as the one concerning the orange, but many do have possible win–win solutions. I know a woman who moved her popular retail store to a new and better location in the center of an old New England town. What she didn't realize before the move was that the town has tight specifications for store signs. The large sign she had used at her old location was rejected by the town hall, and she was unhappy about the prospect of having to use a much smaller, less conspicuous sign. I suggested that she set up a meeting with the person responsible for the decision and approach the discussion in a collaborative way rather than as an opportunity to vent her anger. She met with the powers that be and asked for help in coming up with some alternatives that would meet her goal of making her store name visible while also meeting the town's regulations. They were able to come up with an alternative that was a win for both sides. Everyone was happy, and nobody had to call their lawyer!

Agreeing that some ideas hold significant promise

When you reframe a conflict as an opportunity to innovate so as to meet everyone's needs better, you can begin to generate ideas. The ideas may be sketchy or flawed at first, because that's the nature of ideas, but it's important to focus on the merits of the first batch of ideas. Talk about the things you like in each proposal or suggestion, and overlook (for now) the bad points. Encourage the other side to identify the strengths of specific ideas, too. This positive focus helps make people feel safe about proposing more ideas, and it also tells you what each side wants to build on as you try to refine or improve on the initial ideas.

Working the top three ideas until one emerges as best

When you've got a good number of ideas and suggestions — at least a dozen — ask the other side to identify the three strongest ones. See whether you can find enough positive things about those three items to make them your top three too. If not, put forward your own favorite suggestions, and start another round of brainstorming to find a way to combine the best elements of both sides' favorite proposals.

Generally, you'll find that with enough discussion and thinking, an obvious best option will emerge, and both sides can endorse it happily.

Chapter 14

Innovating to Save Costs

In This Chapter

- ▶ Maintaining a spirit of innovation when times are tough and costs must be cut
 - ▶ Identifying the biggest expenses and chipping away at them first
 - ▶ Seeing what others have done to cut costs
 - ▶ Implementing cost savings with care
-

Cost-cutting is a necessary evil that comes to the forefront periodically — either because of a down economy or because of some challenge that's more specific to your organization, such as the loss of a major customer or contract. It would be nice if every business grew at a predictable rate and spending never got ahead of income, but the reality is that every business has to go through the cost-cutting wringer now and then.

If you take a creative approach to saving costs, you can often minimize the damage and sometimes even turn things around with clever ideas that save costs and help revive your future prospects. The call for cost cuts should be a call for creative thinking, not just mindless hacking at the budget.

Avoiding the Creative Frost Effect

When times are good and the budget is growing, everybody thinks that innovation is a great idea. All it takes is a little bad news for people to circle the mental wagons and put a chill on the creative spirit. For a long time, I didn't understand the paradox of turning away from innovation in tough times, when creative thinking is needed most. Then I heard about the psychology of innovation, and it all made sense.

The psychological factor that drives innovation in workplaces is called *creative self-efficacy*, or employees' beliefs that they can be creative in their work roles. I prefer to call it *creative determination*, which is a clearer, easier-to-remember name.

In innovative organizations, employees' creative determination is always high. Unfortunately, the changes that come along with falling sales and

tighter budgets tend to make people feel that their ideas aren't wanted. They begin to lose their feeling of creative determination. They get the message that it's not a good time to suggest new things because there's no time or money for new ideas. As a result, they stop thinking creatively and start feeling that there's nothing to be done about the bad times except hope that their jobs aren't cut before things turn around again.

Boosting creative determination

How can you avoid feeling that there's no point in trying to be creative in bad times? Here are some things you can do for yourself (and, if you're in a leadership position, for others) to combat the creative chill that comes with tight budgets and lean times:

- ✓ Find ways to say yes to some ideas instead of dismissing everything as being too expensive.
- ✓ Refocus creative thinking on ways of cutting costs, saving jobs, and reducing the effect of hard times.
- ✓ Encourage participation instead of closing down lines of communication with staff.
- ✓ Continue to plan for the future, even if you have to postpone many of the best plans until you have more funding for them.
- ✓ Talk about creative problem-solving, not just cost-cutting, so everybody knows that ideas are needed.

In tough times, it's very common for management to lock staff out of the discussion on what to do. Managers have a practical reason for this autocratic style: They fear that they may need to cut hours or jobs and believe that they shouldn't discuss those options with employees. That's not necessarily true. Often, it's better to lay the potential worst-case scenarios right out on the table and invite employees to help you try to come up with better approaches.



People feel better if they know the worst instead of wondering and guessing, and they like to feel that they have at least an outside chance of improving the situation by coming up with options and ideas. In workplaces in which employees are encouraged to brainstorm about ways to cut costs and respond to losses, morale is higher, and problem-solving is more creative and effective.

Avoiding pessimism about the future

One thing's certain: If times are bad now, there's a good chance that things will be better in the future. Good and bad times tend to alternate, so optimism is the most logical viewpoint when times are bad. Humans aren't logical beings

all the time, of course, and our reactions to bad news are usually more emotional than rational. Still, it's a big help to remind yourself — and others — that it's reasonable to expect things to get better in the future.

A pessimistic attitude makes you feel that you can't do anything about the current problems. Nothing could be farther from the truth! A tough problem is a great opportunity for innovation (see Chapter 9 for details on problem-solving).

Before making any major cuts (such as cutting the payroll or closing facilities), take a day to assemble a team of your best and brightest employees or friends and associates, and ask them to brainstorm on this theme: Is there some way to solve our cash-flow problems by boosting revenue rather than making drastic cuts? Sometimes, you can find innovative ways of adding to the bottom line that make cost-cutting irrelevant.



An auto parts supplier was struggling with reduced wholesale business after a nearby dealership closed. In a brainstorming session, an employee who commuted from a distant town mentioned hearing that a supplier that served a neighboring region was closing. Upon further research, the rumor proved to be true, and the employees agreed to take turns making sales calls and working extra hours to expand into that neighboring territory. Within six months, the company had acquired several dozen additional customers — auto repair shops that ordered parts daily — and had a profitable new route for which it hired a new driver. No jobs were lost and one was gained through the use of a how-can-we-grow-revenue brainstorming session.

Trying a clean-slate approach

When it comes to saving money and cutting costs, it's easy to get reactive and feel that it's no time for highly creative thinking. Not so! If there's ever a time to consider radical alternatives, this is it. Often, it takes a really fresh approach to make a big dent in costs, because the obvious has probably already been done.

How do you overcome the natural conservatism that creeps in when times are tough and budgets are tight? A great exercise is to gather a brainstorming group (see Chapter 6) and pose this challenge: "Imagine that our [fill in your system, process, product, facility, or piece of equipment] was destroyed last night, and we have to create a new one. You can design it however you like. Come up with the most economical and efficient design." When group members begin to imagine what a completely fresh new approach to design would be, they question old assumptions, eliminate inefficiencies, and generally come up with much better ideas and approaches.

Imagining that something has been destroyed overnight and has to be redesigned is just a hypothetical exercise; you probably won't actually redesign from scratch. So why do the exercise? Often, it produces insights you can use right away for partial redesigns that produce significant savings.



Follow up on the first question by asking, “What ideas from this exercise can we apply to the actual process/product/facility?” It’s a good bet that the group will come up with at least one transferable idea.

Focusing on the Biggest Cost Categories

When managers think about ways of cutting costs, they usually focus on payroll, which upsets employees. Employees tend to see lots of other ways to save money and think that job cuts should be a last resort. The problem, however, is that payroll is a huge piece of the spending pie for most organizations. Managers are correct to focus on this big expense category, because it’s hard to save a lot of costs by cutting expenses for things that don’t contribute much to the budget in the first place. There are more ways to take a bite out of costs than just announcing layoffs, however.



Identifying spending categories

A three-step process is helpful for identifying cost savings:

- 1. Target the five largest categories of spending.**
- 2. Identify the three biggest subcategories within each of those major categories.**
- 3. Solicit employee suggestions, ask suppliers to help, and run brainstorming meetings for each of the subcategories.**

These steps ensure that your creative energy is sharply focused where it can do the most good. A 1 percent reduction in a minor expense will hardly make a dent in your budget, but a 1 percent reduction in a major expense will be significant on the bottom line.

Here are some typical major spending categories (which vary from business to business, of course):

- ✓ Energy
- ✓ Facilities
- ✓ Health insurance and other employee benefits
- ✓ Inventories
- ✓ Maintenance
- ✓ Parts purchases
- ✓ Salaries
- ✓ Shipping

- ✔ Telecommunications
- ✔ Travel
- ✔ Vehicles
- ✔ Water (a major expense for factories that use water in production)

It also helps to break down a broad category of costs by asking more specific questions about things that contribute to it.



A client of mine that designs and manufactures fine furniture found that its energy costs were driven largely by three big expenses: air conditioning, lighting, and the drying room where products were sent after being painted. When a cost-savings team ran three separate brainstorming sessions focusing on each of these three areas of energy spending, it came up with significant innovations to cut costs in all three areas:

- ✔ Install sheer white cloth in south-facing windows to reduce passive solar heating, and set thermostats 2 degrees higher (savings of 3 percent).
- ✔ Turn off every other overhead light fixture, and use spot lighting at the few workstations where bright light was really needed (savings of 2 percent).
- ✔ Switch to a faster-drying spray paint to reduce drying time by 50 percent (savings of 6 percent).

The combined savings from these three brainstorming sessions resulted in an 11 percent cut in energy consumption at the facility — a major cost savings.

Take a look at your budget, rank your expense categories, and then ask pointed brainstorming questions about the biggest cost centers (see the next section). If you pose the question “How can we cut costs?” and ask employees to brainstorm answers, you’ll get a lot of answers about very small expenses, such as cutting spending on staples and sticky notes. Those suggestions may be useful, but you’ll get bigger savings if you start by analyzing your budget categories and then ask for ideas about how to save money in the three to five biggest categories first.

The furniture manufacturer that used a lot of energy for air conditioning, factory production, and lighting asked, “How can we cut our energy bill by 10 percent or more?” To give employees a personal incentive to think about the question, management added the following note: “A savings of 10 percent of our energy costs will allow us to retain 20 jobs that would otherwise have to be cut.” A lot of good suggestions came in, and after those suggestions were implemented, the net savings was 11 percent. It pays to focus people’s creative attention on the biggest costs, because those costs are where you’ll realize the greatest savings in the shortest period.

Focusing on major sources of error or rework

Mistakes are costly. Any errors or problems that recur are great opportunities to save money. Here are two examples of repetitive service and quality problems in organizations:

- ✓ A hotel sometimes overbooked its least-expensive rooms, forcing the front desk to give customers suites at a single-room rate.
- ✓ An eBay shipper got complaints about damaged shipments from 1 percent to 2 percent of its customers, requiring it to offer refunds or replacement products.

In each case, the fact that the same problem occurred periodically meant that the organization had an opportunity to study the root causes and eliminate the most important ones. Any repeated error or mistake has many possible causes, but only a few of these causes will be responsible for the bulk of the problems. If you focus on eliminating one to three of the biggest causes of the error, you'll make a big dent in the number of errors you see.

Learning from Others

There's nothing new under the sun, as the old saying goes. That's not entirely true, of course. A brilliant innovation is a powerful asset specifically because it *is* "new under the sun" and can be patented and protected as it's commercialized. When it comes to cost savings, however, there probably is something old that you can try, which is why it's particularly important to look around for approaches that have worked elsewhere.

Sending out your scouts

As an advance assignment for a cost-cutting meeting or brainstorming session, ask everyone who'll be attending to gather at least ten examples of cost-cutting from other organizations. Then spend the first half hour or more of your meeting sharing the examples that everyone found. To facilitate this round of sharing, stand at a whiteboard or chart pad headed "Take-Away Ideas," and make note of anything that the group thinks might be useful in your organization.

At this point, keep the discussion fairly brief; just note the main idea and any simple added points about how or where to apply it. Later in the meeting, you can ask the group — or small breakout teams of three or four people, if the group is larger than a dozen — to brainstorm specific action plans based on the ideas you jotted down. If the group uses a reported idea as a

springboard and comes up with a better or more appropriate idea of its own, that's great! You don't have to do exactly what others have done, but you certainly should try to use their approaches for inspiration.

Reviewing examples of cost-cutting measures elsewhere

How have other organizations cut costs and saved materials or energy? Here are some examples that I've seen in cost-cutting exercises:

- ✔ **Periodically send requests (via e-mail and craigslist) to businesses that are moving, asking whether they're discarding some of their furniture or equipment and would like for you to take it away.** This technique is a great way to get furniture, fixtures, and equipment for free!
- ✔ **Use college and business-school interns for lower-level work.** They need the résumé-building experience, and you need free (or almost-free) labor. It's a classic win-win situation.
- ✔ **Call or visit all your suppliers to ask what they can do to cut their prices.** It's surprising how often you can negotiate a better price or rate just by showing up and asking.
- ✔ **Try to reduce the number of suppliers you buy from in exchange for deeper discounts and more service from the remaining ones.** Shift business away from the suppliers that balk at offering deeper discounts and toward the ones that meet your pricing needs.
- ✔ **Consider purchasing basic supplies in bulk and storing a larger supply.** If you can bypass your regular supplier and go directly to a large manufacturer, you may achieve enough savings to make it worthwhile to hold inventory (but check with your regular supplier first to see if it will match the savings).
- ✔ **Form or join a buying cooperative in which smaller businesses pool their purchases, thereby gaining access to volume discounts and more negotiating power with suppliers.**
- ✔ **Share space with one or more other businesses.** Lease or sublet several of your offices to lawyers and accountants, for example, and double up in the remaining offices.
- ✔ **Ask your landlord for a rent reduction.** If the market is soft in your area, and you've been a good tenant, the landlord may be willing to reconsider the rent rather than lose you.
- ✔ **If your business has many local competitors, watch for ones that go out of business, and acquire their phone numbers from them.** You'll get some of their repeat business when customers call the old phone number to place an order. It's a remarkably inexpensive and effective way to find new customers!

- ✔ **Use telecommuters to do self-managed jobs such as Web design, engineering, and writing.** If you have people come in only half-time, you can reduce the number of offices you provide by half!
- ✔ **Outsource functions that are generic, including basic payroll, accounting, and data entry.** Consult *Outsourcing For Dummies*, by Ed Ashley (Wiley), for more on how to use this cost-saving strategy.
- ✔ **Check your rates for credit card transactions and online merchant banking, and shop around for better rates.**
- ✔ **Identify inventories that aren't turning over, and ask the suppliers to take back some of these supplies or products at cost.** Getting these materials off your books will put cash back into your account.
- ✔ **Cut your inventories by working with suppliers that can guarantee quick, reliable delivery so that you don't have to worry about running out.** Inventories are a major hidden cost center in many businesses.
- ✔ **Save ink and toner in your printers by being more concise and by using smaller fonts that use less ink.** Thin, unadorned fonts like Arial and Lucida use slightly less ink than traditional fonts do. New typefaces such as Ecofont use the least possible ink to make a clearly legible letter. My favorite, however, is Arial Narrow, which uses less ink and, by compressing the letters slightly, also saves paper.
- ✔ **Increase your scale.** Economies of scale are the savings you achieve when you produce and sell more, because some of your costs (such as rent and payroll) are fixed and don't go up when you do more business. Consider giving away more samples and offering to supply prospective customers for free for a month, just to get your volume up. You may be able to outgrow your cost constraints!
- ✔ **Limit telephone use.** Telephone conversations are important for customer service, sales, and problem-solving, but employees probably overuse the phones for other purposes. Switch to using e-mail as much as possible. It's faster and far cheaper than talking.
- ✔ **Turn the thermometer up and down.** If you relax the dress code enough that people can layer up or layer down for the weather, you can allow the office temperature to fluctuate more with the ambient temperature. Allowing a seasonal temperature range of 12 degrees Fahrenheit can save you 10 percent to 15 percent of your annual heating and air conditioning costs.

Do these cost-saving ideas get you thinking? I find that if I seed a cost-cutting session with some ideas from earlier brainstorming, the new group gets up to speed and produces helpful suggestions much more quickly and easily.

Asking around

It's amazing how happy people are to talk about their own accomplishments. To find out what other companies are doing to save costs, try asking people who work at other companies. If they've been involved in the cost-cutting effort, they'll be excited to share their results with you.



A great way to find people to ask for cost-saving techniques is to go to industry events, such as a chamber-of-commerce luncheon or a regional conference for your industry or profession. One doctor I know went to a two-day conference about medical diagnostics, and while she was there, she asked other doctors from primary-care practices what they were doing to cut their costs. She came back with dozens of ideas to try in her own medical practice.

Using Savings-Creation Methods from Idea to Implementation

Savings creation is what I call the special toolbox of cost-cutting-oriented brainstorming, idea review, and implementation of methods that individuals and groups can use to reduce the budget and make ends meet. This section contains some of my favorites.

Finding out where the losses really are

It's easy to see if your overall budget is in the red, but it's far harder to know exactly where those losses come from. *Cost accounting* involves the allocation of various costs to specific products or processes, and it's a tricky thing to do well. Sometimes, the allocation formulas used in your accounting system are inaccurate and don't tell you where you're really losing and making money. Take some time to examine your accounting, and research how costs are — and should be — allocated. You may find that a location, route, product, or process is less profitable in fact than it looks on paper, while another is more profitable. Your cost-accounting research will help you make the right cuts.



I worked with a freight transportation company to identify which of its hundreds of trucking routes were making and losing money. With the help of some expert accountants, I discovered that some of the company's figures were off and that certain routes were losing more money than anyone realized. When we improved the cost accounting, it became obvious that certain routes needed to be cut and others needed to be priced higher to make the overall operation more profitable.

Generating effective cost-cutting ideas

Set the tone for a cost-reduction brainstorm by emphasizing the shared benefits and encouraging people not to be defensive or protective of their own turf. Point out that it's better to cut costs in your own area or department than to have others do it, because you have more creative control by making the cuts yourself and can minimize the negative effects. Build buy-in by discussing the benefits of a participatory approach to cost-cutting versus a top-down one.

Focus the brainstorming on the biggest cost categories so as to generate ideas with the biggest possible effect (see “Identifying spending categories,” earlier in this chapter, for details).

Encourage creativity! People get very serious and conservative when it comes to cost-cutting, and they overlook the more innovative approaches. Point out to the group that simple cost-cutting is a win-lose equation: All it does is save money by taking things away. By getting creative and making innovative changes in the way you do business, you can shift from win-lose (winning cost savings by losing something that you used to have) to a win-win approach, in which changing how you do things produces a cost savings without a corresponding loss.

All the innovative brainstorming methods that I cover in Part II are fully applicable to cost-cutting and can help you produce innovative ideas that turn the problem of a tight budget into an opportunity to find new and better ways to operate.



When you hold a cost-cutting brainstorm, I recommend starting with a review of really successful cost cuts (ones in which an innovation helped cut costs while improving the way that the business works). A few inspiring examples will help show the team what you mean by win-win innovations (see “Reviewing examples of cost-cutting measures elsewhere,” earlier in this chapter).

When your group runs out of ideas (as it will after the first hour or so), start another round of ideas by challenging them to think about ways to

- ✓ Pool resources with others.
- ✓ Reduce steps in business processes.
- ✓ Switch to less-expensive alternatives.
- ✓ Be more flexible about time or place.
- ✓ Get rid of anything that isn't used frequently.
- ✓ Get rid of lines of business that don't make a profit.
- ✓ Outsource more services and functions.

These seven general strategies are extremely powerful and can produce substantial cost savings. If you can come up with even one idea worth implementing in each of these categories, you'll cut costs substantially — perhaps by as much as 25 percent to 30 percent.

Evaluating cost-cutting proposals

When you've got a good list of possible ways of cutting costs, evaluate each one by using three criteria:

- ✔ **How much will the cut save?** Assigning a financial value helps you decide which ones should be implemented first.
- ✔ **What problems will the cut create?** Some cost-saving ideas are relatively pain free, but others cause inconveniences or may even make other costs rise. Consider the effect before implementing any idea.
- ✔ **How will the cut affect quality?** Make sure that you're not undercutting your product or service quality with the cost reduction; otherwise, the cut will come back to haunt you in the form of falling sales.

These three criteria give you a quick initial screening. After that screening, you can further analyze the ideas or proposals that look best based on these questions:

- ✔ **How long will it take to implement the idea and see real savings from it?** If it takes too long, you may do better to focus on something that has a quicker payoff.
- ✔ **Do we have the expertise and time to implement the idea now?** Avoid proposals that require expensive extra effort or hired expertise.
- ✔ **Is the proposal focusing on a function, division, product, or location that loses so much money that we may simply want to shut it down?** There's no point in making minor cuts in something that's a candidate for elimination; you may as well make the big cut right away.

Implementing cost savings

Implementing cost savings is not very different from implementing any innovation, but some things about cost savings differ. Cost savings can easily feel like a loss, for example, producing pushback and resistance. Also, businesses are complex systems in which everything is interconnected, so it's not always easy to predict the effects of cost cuts (see "Observing the consequences," later in this chapter). Following are some tips to help you implement your creative cost savings.

Informing those who will be most affected

When someone imposes cost savings on you, it doesn't feel so good. The results may include irritation, resistance, and possible sabotage of the program. If you don't see any good way to make the design of the cost-saving project participative, impose it hard and fast, pushing through the resistance as quickly as possible and with such a firm hand that employees quickly accept it as the new reality. Fast implementation will hasten acceptance. Also make sure that you inform those affected by the cuts fully and clearly. Tell them exactly how they will be affected so they won't be left wondering and listening to rumors.

A brainstorming process is a good opportunity to include people who may be affected. Invite representatives to participate in the idea-generation process. Include everyone in your progress reports. Make the creative cost-saving effort more transparent to reduce resistance.

When you select a cost-saving idea, pull together a small, action-oriented design team to decide exactly how to implement it. This design team should include representatives from the main groups that will be affected. Participation really does help ease the transition.



As you choose people to include in the design team, make sure that you avoid including anyone who is negative and obviously will resist change. Some people don't think innovatively, and they aren't going to be helpful in your cost-saving process. Let them grumble from the sidelines — but don't let them have a turn at bat. Keep the project in the hands of people who have a reasonable amount of creative determination and believe that they can improve things through innovative behavior.

Observing the consequences

Often, it's not the quality of the cost-saving idea itself but the quality of the implementation that determines whether you succeed or fail.

The biggest problem that most cost-saving plans run into is unintended consequences — outcomes that weren't part of the original plan. Unintended consequences can be good or bad, actually, but the bad ones are the ones to watch out for. Here are the three main types of unintended consequences:

- ✔ **Positive unexpected benefits, such as greater savings than anticipated (also called windfalls):** Sometimes, the implementation goes more smoothly than expected and creates big, immediate cost savings as well as goodwill for future cost-saving efforts. I like to implement easy, positive cost savings before tackling harder ones in the hope of building positive moral and momentum — an intended unintended consequence.
- ✔ **Negative side effects, such as a drop in productivity as an unintended result of cuts in payroll:** Like medicines, cost cuts often have side effects. Try to anticipate them by brainstorming a list of possible side effects in advance and then building as many safeguards into your plan

as possible. If you see significant side effects after implementation, track their financial effect, and subtract that sum from the gains to calculate the net cost savings. If the outcome isn't positive, scrap the plan and try something else.

✓ ***Perverse effects, or opposite results from what was expected:*** Historians speculate that the Treaty of Versailles, which was intended to create peace in Europe, might actually have caused World War II by imposing humiliating conditions on Germany. Oops. When human behavior is involved in a cost-saving plan, watch out for perverse effects. If you create a perceived shortage of something, people may hoard it.

I recall one company in which an effort to ration basic office supplies such as paper, tape, and sticky notes produced hoarding. Some people hid large quantities of office supplies in their desks and file cabinets, and one woman actually took home cases of supplies in a misguided effort to ensure that her department would not run out. The purchasing department was forced to purchase more to supply those who hadn't hoarded.

As you implement cost-saving plans, follow through with a checkup every week to see whether the effects are positive or at least that the positive effects outweigh any negative ones. Around one in five cost-saving plans has to be revised during implementation. "Learn as you go" is a good rule for cost savings.

Filing weekly progress reports

Cost-saving initiatives aren't part of the normal business routine; they're special efforts that tend to come in waves when the situation requires belt-tightening. Because cost-saving initiatives are outside the regular work of the business, they tend not to be tracked or accounted for very rigorously, which means that they may not be completed as thoroughly as they should be.

To ensure follow-through and successful completion, keep central records on each and every cost-saving initiative. Give each one a unique name or numerical code, note the start date, identify the people who are responsible for implementation, and log their progress reports. A paper-based system in a file cabinet is fine unless you use project management software, in which case you should take advantage of the central management capabilities of your program.

Have each cost-saving team report in every week to make sure that no projects fall through the cracks. Also, collect details on what's done and how much is saved.

Asking teams to document what they learned

At the end of each project, ask the implementation team to write a short lessons-learned memo to document any insights they gained, including insights about how to control costs (which might include further suggestions) and how to manage cost-control projects in the future.

Documentation allows you to learn from the experience and also to ensure accountability. If something seemed like a good idea upfront, you want a system that ensures that the idea actually gets implemented. Many cost-saving ideas require change and accommodation, so there will be some resistance to them. Centrally tracking and managing all cost-saving projects shows everyone that the projects matter and that management is watching their progress. That's your best way to ensure follow-through.