

LEARNING TO READ THE SIGNS

Reclaiming Pragmatism for the Practice of Sustainable Management

2nd Edition — Updated & Expanded
Including *PathFinder* Field Notebook®

F. Byron (Ron) Nahser

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Pragmatism in business

Lessons learned

Many of the stories you will read in this chapter were in the first edition published over 15 years ago, as well as many new stories. They cover the range of organizational life and a bewildering range of challenges. We have not updated any of them since each case is intended to give you a snapshot of a specific learning context and process. After each inquiry, there was much activity as the participants put their decisions into action and tested them. Those who were most successful realized that the purpose of the inquiry was not just to come up with an answer but also to be able to reason and engage in the practice and discipline of pragmatic inquiry as they faced the future and the inevitable challenges and barriers ... and the ones who succeeded, continued to “begin again.”

Over the years, working with and listening to the thousands of pragmatic inquirers ranging from CEOs and executive teams down to college students, we have learned better ways to engage thoughtful practitioners in inquiry (see the Preface to the Second Edition for the highlights of the learning). So, as participants have been engaged in the process, in a sense, we have been conducting our own *Path-Finder* Pragmatic Inquiries over these many years and learning, based on the evidence of our experience.

Common Ground: The first test

Not long after I had developed a preliminary version of the CORPORANTES *Path-Finder* Notebook, I received a call from the Executive Director of Common Ground, Jim Kenney, asking me to help them resolve some strategic planning issues they faced.

Common Ground is an interfaith study center headquartered in Deerfield, Illinois, a northern suburb of Chicago. It operates a continuing education program, originally focused on Jewish/Christian dialogue but since broadened. It now considers a variety of questions dealing with science, contemporary culture, economics, and spirituality, but all from the perspective of the world's religious wisdom. I had known the two founding leaders for years and had led some of their groups in topics on business and ethics, so I knew that the organization fit my criteria for a test case well: they were small, resilient, and open to considering the deeper issues behind the surface problems.

From my initial conversation with Mr. Kenney, it was clear that they were willing to experiment. Moreover, many on their Board of Directors were familiar with the Journal Process, and introspection. Common Ground looked like the perfect first patient. "Igor, get the operating table ready," I thought in an "internal conversation." My test case was underway.

The challenge

Common Ground had been very successful for 20 years in offering a wide range of talks and workshops to the general public, mainly on the North Shore. At the board level, they had always had vigorous discussions ranging from arcane aspects of philosophy and religion to financial practicalities and long-term strategy. At the time they called me, they were facing internal conflicts and difficulties in working together. There was some confusion of roles and responsibilities. They needed restructuring to clarify the new position of Executive Director and the role of the Board. There were differing views about goals and the ideal size of the organization. The Board members had different agendas about their target audience and different opinions about what courses to offer. Clearly, they needed to get all their cards on the table to determine what was really going on.

The process

We scheduled a day together, armed with a set of general questions to help the group get to the bottom of such difficulties as: What are the responsibilities of the executive director? and "What skills should Board members have? We also considered the larger context of what decisions needed to be made concerning future direction of Common Ground.

As we worked through the exercises in the *PathFinder*, the meeting began to heat up, particularly when we got to the section on Conversations. Many of the dozen people in the meeting noticed a real shift at the point when individuals began to read the conversations they had written. Since many in the group had practiced meditation and were used to interior, reflective activities, the internal conversation process brought people's hopes, fears, and larger perspectives to the surface. By the end of the day, it was obvious that everyone had been taken to a deeper level and

had achieved important insights. But it was equally clear that there had been no real resolution of the issues. I left wondering what would happen.

The result

I didn't have long to wait. Jim Kenney called me several days later to say that the *PathFinder* session had been a watershed in the life of the Board. As he put it in a letter he wrote to me later:

Our "day" was not without stress and even had its measure of pain, but it paid off. I have to tell you that, largely as a result of the exercises you led, some major changes have taken place. The clarification of the Common Ground vision which eventuated from that day brought about a dramatic resignation from the Board, and, more important by far, several dramatic commitments.

I should also add that my own position as Executive Director has now gained some of the structure it had clearly lacked. I couldn't be more pleased, but, more to the point, it didn't turn out as I might have wished before the "Day." I learned a great deal about encounter, conversation (with self, with enterprise, with visions, and with the all-important others).

From this first experiment, I found that several of the key assumptions on which the *PathFinder* process was based were correct:

1. People realize that corporations do have a life of their own as they examine the past, key events, turning points, and twists and turns in the path the corporation has followed
2. Building on this past, it becomes easier to clarify where the organization is now and the problems and opportunities it faces
3. The future then becomes clearer, as if one were to say, "If this is our past and where we are now, from that perspective this looks like a more promising and likely path of action"
4. All participants in the process have valuable things to contribute if they present the ideas as their individual perspectives on the reality of the organization's life
5. There is a power in everyone sharing openly—what Peck calls the power of being in community, as we noted in Chapter 3
6. The process of Internal Conversation is very powerful, both for those who are used to listening to their inner voice and looking for the surprising answers that come back, and for those who have never taken the time to reflect and listen. The latter are invariably shocked to hear another voice within them that they had overlooked. (We will point this out in the dramatic story of Unity Church and Larry Clark.)

7. Once the path of the corporation becomes clear, each individual can see his or her role in the development of the corporation and can then decide whether to continue to be a part of the corporation's life of action, and if so, in what capacity

I also realized that, when dealing with this method of inquiry, one must be prepared for the unexpected: things will not necessarily turn out as anticipated.

Finally, I was gratified to see that the *PathFinder* process is a powerful way for people to change filters: the organization is seen, not as a machine, but as an organism, with a life, past, and destiny. Differences of opinion do not have to be obstacles leading to dualistic choices or compromise since the process can transcend these pitfalls. The Board members of Common Ground were able to see themselves not as individuals competing with each other, but as part of the larger reality of an organization that had a life of its own, which they were there to help develop into a reality.

Encouraged by this initial success, I felt ready to apply the *PathFinder* process to resolving problems other clients might face. As it turned out, the past years have brought a wide range of such problems to our doorstep, most dealing with the elusive issue of corporate purpose and direction, which the following dozen or so case histories will illustrate.

Pritikin Longevity Center: corporate cohesion and redefinition

A pioneer organization in programs designed to reduce the risk of heart disease via diet, exercise, and stress reduction, Pritikin was founded in 1976 by Nathan Pritikin, who had cured himself of heart disease by the regimen he later provided to the public at his Longevity Center in Santa Monica, California. This regimen involves both a medically supervised on-site program of lifestyle change, and a line of healthful prepared food products. In 1989, the Quaker Oats Company bought the rights to the Pritikin name and its products and services with the intention of taking the Pritikin program into wider distribution: to bring the message of low-fat diet, exercise, and stress reduction to the largest possible audience.

The challenge

By 1991, Pritikin was at a point of great change, with a lot of creative potential and an urgent need for coordination among its various leaders, many of whom had been brought into the organization only recently. Three groups were involved in sorting out Pritikin's future: the Longevity Center staff, based in Santa Monica; executives of Quaker, the corporate owner that addressed the marketing issues; and the R&D staff within Quaker in charge of product development and improvement. Both Quaker

and its R&D were based in Chicago: Quaker executives at Quaker Tower in downtown Chicago and the R&D staff in the Barrington laboratories outside Chicago.

Having dealt with these three groups as the CEO of Pritikin's advertising agency, I knew that each group saw Pritikin differently. Different managers had different levels of understanding about the company's core beliefs and philosophy and how these had evolved over time. There was a need to balance the corporate values of the home office with those of the California founders. Most urgently, Pritikin's identity had to be clarified for the wider management team, to promote the unity and cohesion necessary for a successful marketing and advertising campaign.

The process

I began with a one-on-one meeting with Bill Trotter, Pritikin's president, to explain the CORPORANTES *PathFinder* process. Bill, a chemical engineer by training, was not inclined to spend time reflecting and writing in our notebook. But I got him to agree to give me one hour. Beginning with the Corporate Bearings section, Bill described in bullet points where the corporation stood at the moment. He mentioned how the current direction of Pritikin had changed from the original vision. Hearing that, I took him right into the Conversations section, suggesting he have a "talk" with the founder, Nathan Pritikin. Bill at first looked quizzical, but to my surprise thought it could be useful. He spent a few minutes writing and suddenly stopped: Nathan had "told" Bill to get back to the heart of his founding message, that the process of marketing the Center was being approached too rationally, overlooking the powerful emotional content and appeal of the healthy life. Bill handed me the sheet of paper, looked at his watch, pleased that he had completed the assignment in less than 20 minutes, and left. But he knew this was the insight we were all after, and Bill heard it through his Conversation. This experience also gave me a clue as to the efficiency of the *PathFinder* process. Moving to a different level and listening to a different voice can often bring dramatic insights quickly, exposing faulty hypotheses and helping to formulate new ones.

After this, our agency was able to create better advertising, with a clearer focus on Pritikin's emotional appeal. With this key achievement behind us, we went on to use the *PathFinder* process with the three Pritikin groups—the Pritikin Longevity Center, Quaker Oats corporate staff, and R&D—in a day-long workshop that was the first time they had ever met together.

The result

Getting everyone involved in the business into the same room in itself helped to provide a more complete picture of the operation. By using the *PathFinder* process, they went further, to: (1) rediscover the founder's mission, and how it still informs their business; (2) clue the newly hired staff into the core beliefs of the company; and (3) clarify for all three groups of managers what is and is not important to the success of the business.

By coming to a place where they could truly listen and hear one another, they achieved an empowering sense of community, and saw Pritikin as an organization with a life of its own. They saw how it had grown, how it learned from its mistakes and experiences, and how they were, each of them, part of this larger process. They also saw what might lie ahead, and what the key issues were that had to be addressed.

Using the *PathFinder* process with Pritikin was, for me, a great chance to observe how the method of inquiry can foster community even between groups with very different corporate cultures. It was gratifying to see the corporate/Chicago and New Age/California cultures meet, mingle and come to greater unity and cohesion, but also to see the depth of differences among the different parts of the organization. Writing Conversations during our day together once again brought dramatic insights. In one woman's Conversation with the Pritikin organization, the organization described itself as "a distant relative who had been invited to a family wedding but no one was quite sure who this relative should sit with at church, or at what table in the pecking order at the reception should they be seated." We all laughed at the insight that indeed Pritikin organization was having trouble finding its place in the Quaker family of products.

Particularly helpful was seeing how Pritikin, with its corporate vision, values, and direction, did help further the mission and values of its parent company, Quaker, and seeing what Quaker might learn from its experience with Pritikin.

Bang & Olufsen: new president meets his American team

The challenge

Bang & Olufsen (B&O) is a Danish electronics designer and manufacturer of beautiful and functional, very high-end hi-fi, television and multi-media equipment. It had been a client of ours for two years when a new president took over. He had been president of B&O in Sweden, a country of five million people, where he had built the sales up to equal sales in the United States, a country of 250 million people. (Not surprisingly, he thought there was great opportunity for growth in the United States.) He was unfamiliar with B&O's U.S. operation, unused to the degree of diversity and the backgrounds of his new staff, and had little understanding of what had been going on in the U.S. operation to bring it to its present situation.

The process

We used the *PathFinder* process to familiarize the president with the U.S. branch of the company. At the same time, we would consider related issues: How was the

business evolving? How was corporate planning doing? What was the future direction of the firm?

Most revealing to the president was the use of the Corporate Trail section. He could tell by looking at the numbers where the company was in the present, but most significant for him was to hear the various members of his staff recount the key decisions and turning points in B&O's 20-odd years in the United States. His staff also learned something about him as he wrote his perception of what he had heard in Europe about B&O's development in the United States.

The result

The workshop brought together not only leaders from B&O but also some of the Frank C. Nahser Advertising agency staff, so that all of us might come away with a better sense of the company and how it might be marketed. For the new president, the *PathFinder* process provided a deeper understanding of the history within B&O's U.S. headquarters, so the present situation made more sense to him. For us as advertisers, the process gave greater clarity about the direction of the company.

Hollister, Inc.: honing a sense of corporate mission and vision

Step into any hospital in the United States and you encounter the ubiquitous Hollister product: the Ident-A-Band worn on the wrists of nearly all hospital patients. As a leading medical supply company, Hollister specializes in ostomy and wound care products. It is a multinational corporation, with facilities in the United States and five other countries.

The challenge

At the time Hollister turned to the *PathFinder* process, their CEO, Michael Winn, had been trying for seven years to develop a corporate mission statement. Despite the efforts of many committees, no one had been able to come up with something that all could buy into. I had known Michael for years and had often had discussions with him as I took courses, studying Progoff and Peirce, and building the *PathFinder* process. One day when he mentioned the frustration he was feeling about the mission statement problem, I suggested he try the *PathFinder*; perhaps it could get things moving.

The process

Michael and I spent a day together, going through parts of the *PathFinder* process. As had been the case with Bill Trotter at Pritikin, I suspected that some interesting

insights might come from Michael having a Conversation with the founder of the company, John Dickinson Schneider. The results were surprising.

The results

Michael Winn had known Schneider, and it was he who had appointed Winn as president. Before Schneider's death, they had several discussions about the company and his vision for it. As Michael wrote his imagined Conversation, years after Schneider's death, memories of those meetings came back, but with Mr. Schneider becoming increasingly unhappy about many of Michael's decisions. As he read the rising diatribe, I started to laugh. Michael looked up and glowered knowingly: "This isn't funny, Ron—he's very upset!"

It became clear to Michael, as Schneider berated him during one of their Conversations, that the corporation had gone astray from the founder's intention by focusing solely on product quality. Working on the Corporate Trail section, Michael suddenly remembered an incident immediately after he had been made president when Mrs. Schneider, the founder's wife, gave him a copy of E.F. Schumacher's *Small is Beautiful* as a memento of the occasion and a reminder for the future. Michael and Schneider assured Mrs. Schneider that they had not forgotten the intimacy and family atmosphere that had, in her opinion, been a large reason for their success. However, Michael realized that, by focusing primarily on product quality during the intervening years, he had neglected the marketplace and the employees. Clearly, Hollister needed to regain the values and customer focus of the original company.

As a result of this realization, many troubling areas of the business came into focus for Michael. In one Conversation, the Hollister Corporation had a "talk" with Schneider in which he took Michael to task. Michael got what he called a bird's-eye perspective on the company and his role in it, a level of objectivity he had not had before. More to the point, he met his goal of developing the basis for the corporation's mission statement. After our meeting, he drew up a draft, circulated it among his executives, and got universal support.

The following year, Michael returned to the *PathFinder* process, this time to gain insights for creating a vision statement. While I wrote the first edition of this book, we were using the *PathFinder* process for a third time, now including the Hollister executive staff, to establish standards of excellence, "World Class Principles," supporting their vision and mission.

One of the underlying purposes of why Michael Winn embarked on the articulation of the mission and vision was that a critical decision point was coming in the life of the corporation. The founder of the company had given the stock to employees, a magnanimous gift to be sure. The stock was placed in a trust that was going to be terminated in 2001. At that time the shareholders would vote on whether to continue the trust or sell their stock and take a considerable gain in profit. Michael was concerned that if the latter happened, this would spell the end of the unique purpose, values, and goals of the corporation. When the time came, the vote was

unanimous to continue the trust, which meant that the legacy of the company would continue. This meant a sacrifice on the part of the participants in the trust who could have increased their return had the company been sold, but they recognized the gift that they could pass on to the next generation.

Harris Bank: integrating diverse components into one corporate vision

Harris is one of Chicago's most venerable banks, with over \$13 billion in total assets, and a solid reputation that goes back to its founder's original concern for probity: "Honesty and fair dealings." Now owned by BMO Financial Group, Harris is one of the largest banks in the Midwest of the United States. The various components of the bank deal with corporate and community banking, private banking, trust and investment management, bank card and institutional financial services.

The challenge

When we put the *PathFinder* process and method of inquiry to work for Harris, it was to deal with the problem of coordinating and integrating these various components together in a coherent or unified corporate vision. In a workshop with their top managers held at Chicago's beautiful Shedd Aquarium with the dolphins singing in the background, we guided them through the elements of the process, and set them to work writing.

The process

We have found that this period of reflection—a time of disciplined introspection and contemplation—is a key part of the process. Not only does it generate insights, it puts non-verbal types on a par with the verbally aggressive to allow everyone to be heard. By encouraging the use of images, in addition to words, the *PathFinder* process also helps visual types find the right way to see the problem and solution.

The result

The Harris team was asked to draw a picture in the Maps and Images section of what the unified bank might look like. Two members began working with circles symbolizing the two main areas at the bank, Commercial and Personal, and came up with an image—a pair of glasses—that helped them to understand the role of the bank and how its various parts related to their corporate vision of "total customer focus." They were able to articulate the vision in ways that were meaningful when applied to all the component parts of their enterprise, which gave us the

basis for an advertising campaign with the theme of helping people make better financial choices. They also saw the power of the *PathFinder* process, which they have used again in departmental and small meetings.

The Harris case taught me how accessible the *PathFinder* process is, regardless of personality type or articulateness: visual people are drawn to the Maps and Images section; quiet people who normally find it hard to get a word in edgewise and those who form thoughts more slowly (but who all have their piece of the truth to offer) get heard; the vocal ones, who often dominate meetings, have the chance in the Conversations section to go within and listen to their inner voices. Perhaps most importantly, the *PathFinder* process puts everyone on an equal footing.

C.P. Morgan Company: what business are we in?

C.P. Morgan was the second largest builder/developer in Indianapolis, and the third largest home builder in Indiana. The president of the firm, Chuck Morgan, was very open to new thinking, and eager for new ideas on how to approach the market. When I was first contacted by a member of the Morgan Board, they were hoping I could give them some ideas on marketing and communications.

The challenge

Their advertising and company literature had no coherence and nothing hung together because of a deeper confusion. Finally, the management committee realized they had no agreement among themselves as to what they were doing as a company. They were having trouble asking that fundamental question, which Peter Drucker asks so often: What business are you really in?

The process

I suggested they try the *PathFinder* process to get some clarity about their business. Their management group came to Chicago for two days. The only warning I gave them was to rest their right brains!

As they were writing in the Corporate Bearings section, describing the present condition of the business, they described themselves as “home builders.” I watched Chuck as he, like Bill Trotter, wrote in outline, bullet-point fashion. When we got to the Maps and Images section, they drew pictures of their company. Chuck Morgan created beautiful drawings of homes, friendly neighbors, and rich and vibrant communities. The meeting came alive as the managers responded to the warmth and enthusiasm of Chuck’s vision of what the company was doing.

The result

By the end of the two-day workshop, they came to realize that they were not in the business of building houses as much as they were about creating communities. This insight changed everything: their communications, advertising and sales materials, signage and logo, displays, and even their corporate motto. Before, their motto had been “Perfecting the Building Experience.” Now it became “Creating Better Environments for Living.”

C.P. Morgan Company made a major shift in its thinking, from a focus on the product (homes) to a focus on the benefit (communities). Later, it widened this focus even more to include an ecological concern—saving trees, working with land contours, and incorporating environmental awareness in their building techniques. It changed its presentation from picturing individual homes to showing them in a neighborhood setting, lining a street with children playing and neighbors visiting in front of the houses. With such a compelling vision, and greater clarity about what business it was in, C.P. Morgan Company was able to create an effective advertising strategy that gave it higher recognition in their market.

Cotrugli Business Academy: the art of strategic leading

With the fall of Yugoslavia in 1991, the Balkans again reignited centuries-old battles. It took four more years of fierce fighting to secure their borders (with the help of American military advisers). Almost immediately, the business community established the Croatia Business Association (CROMA). The long-time dream of its leader Esad Colakovic was for business to be the source of innovation and help provide stability to the war-torn country. And at the heart of this dream was the establishment of a business academy to train present and future business leaders.

The challenge

The members of the CROMA Board asked the World Business Academy, of which I am a Founding Fellow, to help them develop a new business school curriculum that would address the social as well as the business responsibilities of organizations. Specifically, we were to build on the work of the cofounder of the Academy, Willis Harman, to re-vision the purpose of business with special emphasis on values and intuition.

A one-week pilot program was developed for perspective students, investors, and board members to get an experience of the new curriculum. *PathFinder* Pragmatic Inquiry was chosen for a two-day presentation and actual experience.

The process

After the first three days in Zagreb, the capitol of Croatia, the group moved to Porec, a beautiful seaside city on the Adriatic. There we assembled for our inquiry. Although language was a bit of a problem and some simultaneous translation was required, I worked with the group through all the steps of the inquiry. It was fascinating to see because some of the issues were very broad, concerning the future of Croatia as a country, and others were very narrow, such as questions about career direction.

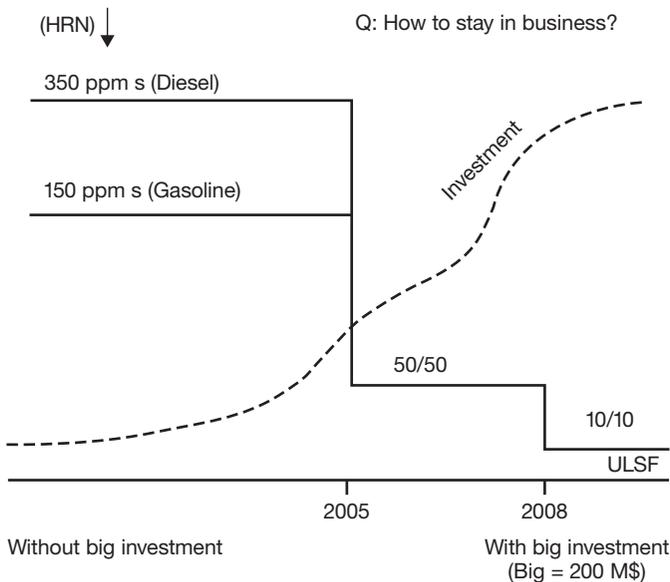
The results

The readings were very favorable and we were asked to incorporate *PathFinder Pragmatic Inquiry* into the curriculum of the CROMA Business Academy, subsequently named Cotrugli Business School, after one of Croatia's legendary intellectuals, Benedetto Cotrugli, often cited as being the first to develop double entry bookkeeping, among many other accomplishments.

I'll mention one specific case. Boris Cavrak, then CEO of one of the largest INA refineries in Croatia, was having trouble with the challenge of improving the quality of its crude oil. Since it had gone from State owned to publicly owned and now were in a competitive market, it had to dramatically increase its product mix and its quality. This was no trivial case because the oil industry represents over 10% of the gross domestic product of Croatia.

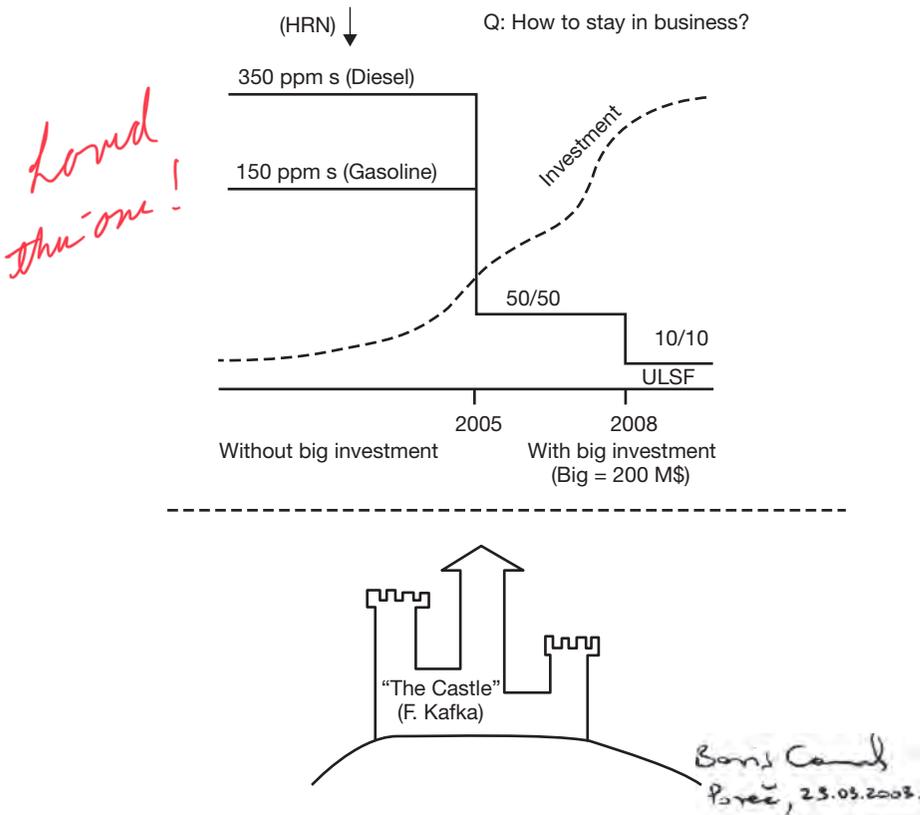
As you can see from his sketch in Figure 8.1, Boris approached the question rationally. Boris, with a master's in Chemical Engineering from Syracuse University,

Figure 8.1 Rational: left brain image



might be expected to lay out his challenge as a good engineer would. I pressed him to see if he could get some insight as to what was the real issue. Was it really just a matter of getting more investment? Boris thought for a moment and departed. The next day he asked me if I had ever read Franz Kafka's *The Castle*. I had not. He said on reflection he had realized that it was not only a simple question of increasing investment but also of determining how decisions were made within the INA organization. He concluded that it was a very difficult question and that the organization really represented Kafka's Castle, where, when you entered, you were unsure what was real and what was not (see Figure 8.2). Based on his point of view and expertise he was later promoted to be the third in command of the entire INA organization.

Figure 8.2 Rational and emotional: whole brain image



Unity Church: conflict resolution and personal transformation

With its appeal to disaffected churchgoers of many denominations, especially the younger generation, Unity Church has become one of the largest and fastest-growing

congregations in Chicago. Part of its appeal lies in its innovative approach to spiritual and religious issues.

The challenge

At the time they contacted me, they belied their name: the Board and pastor were anything but unified. There was dissension among Board members, and confusion over the roles of the Board and pastor in administrative and management issues. Beneath these obvious problems there was a lack of clarity about the purpose and vision of the organization.

The process

We went through the *PathFinder* process during a weekend retreat. I will always remember this workshop for the dramatic breakthrough that arose from the Conversations exercises. The chairman of the Board had been pushing to run the church according to more businesslike principles and techniques. The pastor was resisting this. Things came to a head over the issue of the budget. I had a hunch they could get fresh perspectives on this issue by listening to different voices. So I asked everyone to have a Conversation with an important figure from whom they thought they could learn something.

The Chairman, Larry Clark, had recently read a book called *Joshua*, whose title character was modeled after Jesus, and he chose to have a Conversation with Joshua. He started by asking,

“Joshua, as you look at what’s going on at Unity—the apparent struggle between the Board and the Minister—what do you think it all means?”

Joshua “answered,” “Do not be fooled by appearances or quick answers. Search for what is real, for what is within your higher self. The main thing is for the congregation to be served; the money will come.”

Larry pressed further. “That’s comforting, but how do we know that the money will come?”

He felt Joshua answer, “You don’t. You just trust that it will.”

At that moment, seeing he was agitated, I wandered over and looked over his shoulder and saw Larry scribbling quickly and in large, bold script across the top of the page, “This is baloney (*sic*)! This is just me attempting to write a dialogue.” But then he turned to writing again. Soon he sat bolt upright for a moment, as if he had been struck by lightning. He paused momentarily and then began to write furiously.

“You don’t,” (repeating what he had just written but this time with intensity), “you just trust that it will. Do what you need to do. Put out the hook and then wait.”

Larry asked, with growing concern, “But what about planning for expenditures and income? What about a budget?”

Joshua answered, “Oh, that works, too. But it just depends on how you look at it and what you want to accomplish.”

At this point, Larry looked exhausted, but then he came back to life, realizing that he had achieved a real breakthrough by listening to another side of himself. The

rigid professional had been cracked open, and the work of faith had been made clear to him, in his own words.

The result

Internal Conversations like this helped Unity to surface their problems and understand the source of their conflict. In their discussions, they were able to be much more open with each other, and that gave them a clearer sense of their various roles and responsibilities. The long-standing tensions between the pastor and Board were healed, as the Board took on a role as the pastor's Advisory Council.

This case showed me the value of having the *PathFinder* process run over at least two days, allowing the participants to sleep on it, which is a reason why we like to schedule the *PathFinder* workshops to include an overnight stay. It is not unusual, I have discovered, for someone to return to the group on the second day having had a telling or insightful dream.

So it was here, on our second day, when I asked people to take a few minutes and write in the Maps and Images section any dreams or wake-up thoughts they had had. One woman spoke up rather tentatively because her dream did not seem like much. She had dreamed that a teenager had asked for the keys to her car, and she had had to lay down rules and regulations before she would hand them over.

We all sat still for a moment as the dream's message sank in and then we all burst out laughing at how succinctly it summed up the previous day's discussions about giving the pastor the power he wanted, within rules established by the Board. By drawing on the intuitive, the *PathFinder* process seems to unleash the problem-solving resources stored in our unconscious minds.

The famous Cohen:
 "We need a different whack on the side of the head!"

Quaker Oats Company: determining core competences

An American household name, Quaker has facilities in 16 states and three continents. Half of its 21,100 employees are in the United States. Besides producing cereals, snacks, sports drinks, and pet foods, Quaker owns the Pritikin Longevity Center and food service businesses. Like many major corporations, Quaker had seen the need to build on diversity of opinions through teams, but when they tried to reach consensus on what their major corporate strengths or so-called core competences were,¹³⁶ it seemed their differences brought only problems.

The challenge

By the time I arrived on the scene, an ad hoc executive group had made several unsuccessful attempts to define the corporation's core competences. They received all sorts of responses, but were unable to bring their diverse points of view together

to define a future direction for the firm. They kept coming up with what seemed like contradictory, mutually exclusive ideas or things that did not fit together. Finally, they had reached the point where their diversity, with all its differences and divergences, seemed more like a liability than an asset.

The process

In the two-day workshop, we worked through a long list of questions beginning with Corporate Bearings, determining to get at the deeper issue of bringing divergent viewpoints together to the benefit of the company: What's going on? Why define core competences? Why are we having so much difficulty doing this? Where are we now? What were our core competences in the past? What skills have contributed to our success? What lack of skills has caused our failures? Are our present core competences still relevant in today's marketplace? What core competences will drive our future?

The result

Once again, Internal Conversations and the Maps and Images exercises proved very useful, as well as the section entitled Habits. The participants started to see, as they examined the Corporate Trail of Quaker, how certain behaviors repeatedly seemed to guide decisions, helpfully in some cases and harmfully in others. Using both writing and imaging, focusing on the present as well as the past, the verbal types had a chance to listen while the quiet voices were heard. As we worked through the questions, people began to feed off each other's insights and images. An excitement was generated that carried on beyond the meeting. The group came to agree on a set of core competences, but, more important, they came to appreciate their different points of view, and saw how diverse opinions can actually build on each other and be a source of strength, when handled in a supportive environment like the *PathFinder* process.

Shimer College: developing a vision

A small college in Waukegan, Illinois, Shimer College has a curriculum centered on the Great Books, one of only two such colleges in the United States. When they called me, they were having problems updating their vision and statement of purpose. There was dissension among the staff about what their collegial vision should be, with different groups of faculty having different ideas.

The challenge

Shimer didn't lack for ideas. In fact, that seemed to be part of the problem: they had too many ideas, too many visions. Initially they saw this as their problem. But their real problem, I knew, was to find the truth in their diversity of visions.

The process

We applied the *PathFinder* process, and they were quick to pick out appropriate people to have Conversations with, and wrote long and moving Internal Conversations. In the case of Shimer, not surprisingly, it sounded like an assembly of the Great Books authors. At the end of our 24-hour period, we had not one but three vision statements. At first we tried either to bring them all into one statement, or to eliminate two of the three visions in favor of just one. However, as we looked at the three vision statements written in felt-tip pen on large sheets, the group came to a different place—a place where they could see the value of a relation between all three, and how each one was well suited for a specific purpose. As with Quaker, using the *PathFinder* process brought an organization to a deeper appreciation of difference and diversity, via the Internal Conversations exercise.

The result

Shimer was the first academic setting in which I had used the *PathFinder* process, and I became convinced that there is a significant difference between, on the one hand, academics and spiritually oriented people like those at Common Ground, and businesspeople on the other: academics and spiritual practitioners are more readily articulate and comfortable with Internal Conversations in situations like seminars and prayer. But the process is the same, whatever the experience level of the individual.

Grosvenor Publications: improving the product

The challenge

Headquartered in London, Grosvenor Publications published books and magazines, including *For a Change*, a magazine that they wanted to improve. For them, the *PathFinder* process was to be a way to get new ideas on how to revamp their magazine. What actually transpired turned out to be much more.

The process

As we worked through the various parts of the process, the staff got their ideas, but they also discovered an overlooked resource in their midst: for years, at their usual meetings, the articulate verbal types had dominated, shutting out the rest of the group, one of whom had been quietly observing the scene all the while. In the *PathFinder* process setting, where everyone gets heard, this man “appeared.” As we went around the table, each person read from his or her notebook entries, and we all were struck by the cogent analysis this quiet fellow had to offer.

The result

From this experience, I learned the value of using the *PathFinder* process as an equalizer for the group. I am convinced that many companies are like Grosvenor Publications: they have insightful, valuable employees in their midst, whose voices too often are not heard. We need to hear these voices for our quality and teamwork programs to succeed. We need to realize that more voices do not necessarily add to confusion but can give different perspectives on the truth we seek. Which is why I came to use the *PathFinder* process in my own company as will be seen later.

Stanford University Graduate School of Business: creativity in the classroom

The challenge

Michael Ray, John G. McCoy–BancOne Professor of Creativity and Innovation and professor of Marketing at the Stanford Business School, has long been a noted authority on using innovative classroom methods to help students explore issues of creativity and inner purpose. He had been asked to teach a course in advertising and wanted to use techniques such as journal writing as a way for students to help visionary companies communicate their uniqueness.

The advertising course was called Advertising and Communication Management, subtitled Marketing Communication for Emerging Values Oriented Companies. Michael wanted the students to explore how to best move from advertising communications that “contribute to environmental and social degradation” to something with integrity that awakens the human spirit, fosters regeneration and also contributes to profit in a way that keeps this new type of business alive. He chose the CORPORANTES *PathFinder* Notebook pragmatic method of inquiry to gather and articulate the intuitive insights and facts seen in a different light.

He saw it as the middle way between free-flow journal keeping and the tightly constrained, traditional, strategic, and creative planning models, which would be used later to organize the material that surfaced during the *PathFinder* work.

The process

I arrived before a divided classroom in the third week of the course. About half the students had studied with Michael before and were eagerly looking forward to using innovative methods to enhance the creativity necessary to create an advertising campaign for their chosen client. The other half were highly skeptical of using soft methodology such as journal writing and values analysis. During the three-hour class, I took the students through all the sections—at one point having them

“become the company” through the Corporate Bearings and Corporate Trail, then “become the customer” and have a conversation between the customer and the company, using the appropriate *PathFinder* sections. They then drew pictures in Maps and Images of various aspects of the marketing relationship. The intention, of course, was to get the students inside both the customer and the company to see how a relationship might be structured and communicated. After the class, the students separated into their “agencies” to work on their clients, by all sharing their work to find insights, commonality, and differences.

I then came back to Palo Alto six weeks later toward the end of the course to see how they had further developed the ideas that surfaced during the initial exposure to the CORPORANTES *PathFinder* Notebook.

The results

At the end of the last class, one student who had been particularly skeptical finally said, “I thought this journal writing was going to be gimmicky, but it wasn’t. I got four ‘ahas’ out of it.” I asked her if that was good, and she said, “I would have been thrilled with one.” The other students at the end of the course found it a worthwhile way to take different perspectives and tell the story of the corporate vision in terms of the needs of the customer for the product.

As Michael concluded, after the student “agencies” presented their campaigns developed for their “clients”, he wrote this evaluation:

The challenge of this course was to open students who needed to learn the business of advertising to a whole new context for and concept of advertising and what it could be. We did this by asking students to work with client companies that are well known as being socially responsible. Most of these companies do little or no advertising.

The *PathFinder* allowed all these objectives to be met. The students, opening to different perspectives through their work with the CORPORANTES *PathFinder* Notebook, which allowed them to make significant breakthroughs, then applied their new knowledge of advertising and communication practice in surprisingly innovative ways.

Of course, I found this very satisfying because it was the direct application of the CORPORANTES *PathFinder* Notebook in the creation of our product—advertising.

3M: how to market an innovative product

3M is known throughout the world as an innovative company. Certainly if the purpose of this book is to answer the question, how do you run an organization that needs to be innovative? 3M would be an ideal candidate for *PathFinder* Pragmatic Inquiry.

The challenge

Challenged with creating an external business model for proprietary, reusable, packaging, the 3M Corporate Enterprise Development Division assembled an eight-member team of experts to formulate a solution. *PathFinder* Pragmatic Inquiry was used to help team members develop a cohesive vision that could yield practical, actionable results. The process yielded an eco-efficient service application that went beyond the product itself, and was implemented among component suppliers to Dell computers.

The complete story is best told in the words of the leader of the effort, Rick Salomone, Business Director for Corporate Enterprise Development, an organization within 3M established to facilitate the growth of new business by capitalizing on 3M proprietary processes for know-how and developing products outside the divisions that first created them.

While *PathFinder* Pragmatic Inquiry was originally designed to aid in strategic planning to ask the right questions, use the best thinking of each person on the team, and gain alignment around the best answer and action plan, it can also be used by individuals to do “strategic planning” in terms of their own career.

Here are his verbatim remarks, which show in detail how the five steps of the *PathFinder* Pragmatic Inquiry are followed. Then in a sequel, Rick tells how he used the *PathFinder* for his own personal inquiry.

“In the reusable packaging program that I headed, we took an existing solution (being used in the Scotch videotape business) to replace a corrugated box—a huge market—with a reusable, recyclable, refillable container. We looked at this container with six patents and asked, if it worked internally for 3M, could it work for businesses outside 3M? We had first asked Nahser and his associates at their advertising agency to develop a marketing campaign for our new business in reusable packaging. They asked us many questions that brought our diverse opinions to light and suggested that we go through a *PathFinder* Inquiry to gain alignment on our vision of the product offering and how best to market it.”¹³⁷

The process

Begin

“When the *PathFinder* Inquiry began, we thought that we were in the reusable packaging business. We assembled a team of eight people from various disciplines—logistics, marketing, environmental, supply chain, and finance—and found that we had eight different visions of the essence of our product or service offering. Our *PathFinder* Inquiry included the eight members of our reusable packaging team plus my boss at the time, Executive Vice President Harry Andrews who was involved in the entire process.

“Our preliminary pre-work assignment was to think about what question, when answered, would result in alignment of the group and enable us to present a unified voice to the market place as to what was unique and relevant and different about our business model.

“We were able to reach alignment because the *PathFinder* process allowed everyone to express themselves, to get all the different opinions and ideas out in a constructive way and not discount anybody’s input. This was an extremely valuable part of the process.”

Explore

“The high point of the *PathFinder* Inquiry was when we got all the data out on the table—seeing all the preliminary findings from different perspectives—which, in the case of our packaging team, were relevant data because we were all out in our different disciplines meeting with packaging people, environmental people, marketing people, supply-chain people, and a variety of customers on a target list that seemed to make the most sense when we started this business.

“Our findings took us in 15 different directions, and we felt overwhelmed at first. But as we moved through the process and understood what the market was telling us, the concept of sustainable development and eco-efficiency dominated. We realized that an environmental program alone would not succeed, in the United States at least, strictly on environmental merits but must contribute significantly to the bottom line. We had to make a financial argument as well as an environmental argument if we wanted major companies to get on board. That was the whole idea of eco-efficiency, not just creating a healthier environment for your company and for the world but delivering tangible financial results and improving profitability—a whole packaging solution of which the box is a part.”

Interpret

“We started to see our final answer when we got into Internal Conversations where we created imaginary dialogs with senior executives in the company. One of them asked: ‘Did you sell any boxes yet?’ That caused us to question whether selling boxes was what we were trying to do. Were we trying to sell reusable boxes, competing against corrugated box companies? Were we a packaging company, a box company, a logistics company, an environmental company, a solutions company, a financial organization? We began to see that we provided a service that happened to include a box. The utility that our customers gained was not in the physical makeup of the box (e.g., that it has six patents and folds flat) but that it eliminates waste, thereby reducing costs; improves workflow in the plant; and removes hazards for people working with box cutters and similar tools.”

Results

Decide-hypothesize

“*PathFinder* helped us define not only the essence of our product offering and service but also helped identify the real customer. We completely changed our thinking. In

our work with Dell computers we had thought in terms of shipping PCs in reusable containers from Dell's Texas plant to end users. But at that point in the Inquiry, we realized that we had to capture the cost savings at the source. Dell assembles PCs but makes none of the components: 80% of their supplies come from seven component companies. If we could get Dell to require those major vendors to ship their components to Dell in reusable containers and if we could design a work flow and supply chain back and forth between the suppliers and Dell Computer, Dell could save a considerable amount of money and increase warehouse space occupied by cardboard boxes that first required assembly and then had to be broken down and hauled away for recycling. We changed our customer—from Dell to the component supplier.”

Act

“We needed Dell's blessing to have the strength to go to the component suppliers. In the end it became more than a blessing; it became a Dell component specification. It was a unique moment for us when eight people and an EVP agreed on the essence of our product and service offering and who our customer was.

“The last question we worked on was how best to market our product? After the *PathFinder* Inquiry, Globe created the best, most relevant tag line and signature for the business (defined as eco-efficient packaging system).”

“What the Future Holds. What Holds the Future?”

“Those two lines defined the future—sustainable development, more regulation, and eco-efficiency. Clearly what holds the future is for corporations to continue to build profitable, sustainable growth.

“The final question in the *PathFinder* Inquiry was: How do we break through? We came up with the “Just prove it” concept and we had to have a financial model to prove the eco-efficiency of our product. We could not just sell the environmental response to sustainable development but had to prove to companies that our product could contribute to bottom line results.

“To our surprise, we ended up using one of our drawings from the Maps and Images exercise in our presentation to the 3M Board. While crudely drawn, it showed the essence of our thinking—both the question and the revised answer.”

Sequel: personal use of the *PathFinder*

“One year later, I was entering my 20th year with 3M and struggling because my business values, how I conducted myself, how I took care of the customers that I served, and the personal values that I brought to the table, were not in alignment with those of my direct VPs and Executive VPs. This lack of alignment became a source of tension. I realized that the *PathFinder* that was so successful in a business setting could also be used to resolve my personal issue.

“I identified the question that I had to answer: What am I willing to sacrifice in terms of stability to take a chance and find an organization that meets more closely

my needs as a businessperson and as an individual? I then used the same process of *PathFinder* Inquiry we had used for our strategic question—challenge assumptions, explore the evidence of my experience, interpret the evidence, decide, and take action. The Inquiry helped me clearly determine what my values are, how they had guided my career so far, and, based on my values and what I have learned, make decisions and take action on the next steps in my career.”

Levi Strauss & Co.: values supporting our brands

The venerable 150-year-old company, Levi Strauss & Co (LS&Co.), originator of the iconic blue jean that is the most successful clothing product ever developed, ran into trouble in the late 1990s as sales fell from over \$7 Billion in 1996, to slightly over \$4 Billion in 1999.

The challenge

The cause according to many critics was that Levi Strauss focused more on employee-oriented values and being “socially responsible” than on serving their retail customers and consumers. These critics claimed that the reason why this happened was because of the leadership of Haas family members who, since the founding by Levi Strauss, had always taken the lead in socially responsible issues and practices. In an article in *Fortune* magazine, the writer went so far as to call Levi Strauss a “failed utopian management experience.”¹³⁸

A new CEO, Phil Marineau, the first non-family member to hold that position, was brought in to turn the company around in 1999. When asked about the over-emphasis on values and Levi’s being “a failed utopian management experience,” Phil replied often and loudly: “baloney.” He went on to say that the values of LS&Co. are what support the Levi’s and Dockers brands that are at the heart of the relationship the company has with its consumers.

Therefore, after a period of gaining control and stabilizing the company, he embarked on a “Values and Vision Supporting Our Brands” inquiry with the top senior executives of the company—members of the Worldwide Leadership Team (WLT). The inquiry was to help define and reaffirm the LS&Co. values driving the behavior, decisions, and actions of the company; then, based on those values, determine the core purpose and, based on that, the goals of the organization. (As mentioned in the Preface to the Second Edition, we owe a huge debt to the work of Jim Collins and his associates over many years to develop and test this typology of sustainable corporate structures.)¹³⁹ Since LS&Co. is 150 years old with a storied history of social responsibility and marketing success, the task was not to invent them anew, but to understand the values, core purpose, and goals and focus them on defining and driving business strategies.

As we were beginning to plan the work, I met the Project Leader, the vice president of Human Resources, for breakfast one morning. Immediately after we sat down and we confirmed the project was about values, his eyes narrowed and asked: “What is a value?” Whew! Knowing this was not a time for a lengthy lecture on moral philosophy and virtue ethics, I paused a moment waiting for clarity when several thoughts came to me and slowly formed into these words: “A value is any belief, principle or virtue held so deeply that it guides our behaviors, decisions and actions.” He nodded, ordered, and we were on our way. (Later, at the suggestion of Michael Stebbins, of whom more later, I added “consciously or unconsciously.”) This definition has formed the foundation of our *PathFinder* Pragmatic Inquiry work ever since.

We were ready then to ask the WLT members the following questions:

- Why are the “LS&Co. values supporting our brands” important?
- What “LS&Co. values supporting our brands” are most important today and in the future in supporting our business strategies?
- How do we put them into practice?
- What are our core purpose and goals based on these values?
- What decisions, strategies and actions by LS&Co. employees in general, and the WLT in particular, will be evidence of this?

The process

All members of the WLT were asked to reflect on their own values in business and how they had been formed and tested. The WLT then looked at the values of LS&Co. from the perspective of the marketplace—the values behind the iconic Levi’s and Dockers brands. They then inquired into what society expected and what the company wanted to contribute to society. Lastly, they inquired into what employees expected today and how the values have been lived, formed, and tested by reflecting on the LS&Co. history of operations and decisions over the decades. Each step was crucial because there had to be understanding and alignment of all the perspectives in order for the WLT to lead the organization in having the values drive business performance.

The results

During first of three two-day retreats, the members of the WLT described their values and how they were formed and tested through their careers and why they were important. We saw much convergence as they all talked and presented what they held to be important.

Over the course of the next several months, the WLT inquired into what values were needed and expected by the organization, the market, and society. They looked at these expectations from the perspective of the broadest range of

stakeholders and considered the long, rich history of LS&Co.'s involvement with these constituencies.

We then interpreted the evidence of the inquiry and saw that four values emerged: empathy, originality, integrity, and courage.

Based on these values, the core purpose of the organization became clear: "People love our clothes and trust our company. We will market the most appealing and widely worn casual clothing in the world." And from this emerged an aspirational goal that is unique to LS&Co.: "We will clothe the world!"

These statements were presented as the "LS&Co. Way," where the values, core purpose, and goals emerged from the story; the history of the company. LS&Co. now had a statement to guide its behavior, decisions, and actions.

The largest challenge facing LS&Co. at this time, and the cause of much of the sales decline, was the well-documented massive shift in consumer purchase patterns of clothing from department stores and chains to the so-called value channel such as Wal-Mart and Target. Prior to the *PathFinder* inquiry, the organization was divided on the merits of going to the value channel, risking a negative response from present distribution and the potential damage to the brand in the eyes of design- and style-conscious consumers. However, the decision to go to the value channel, when based on the values and vision, was enthusiastically embraced by all employees and was understood by the distribution customers and consumers as a way to reach the broad mass market that is the historic strength of who LS&Co. was and is as a company.

The development of the LS&Co. collaborative leadership principles and model

After the "LS&Co. Way"—its statement of values, core purpose and goals—was written, the WLT wanted to be sure the statement would drive business strategies and behaviors, decisions, and actions and not be empty words on a wall somewhere.

Since Pragmatic Inquiry had been used as the method to guide the original work, the members of the WLT wanted to explore whether it could also provide a guide for decision-making for the entire organization—a collaborative leadership model based on the five steps of *PathFinder* Pragmatic Inquiry:

- Begin
- Explore
- Interpret
- Hypothesize
- Act

A member of the CORPORANTES team, Michael Stebbins, director of the Gonzaga University Ethics Center and a Bernard Lonergan scholar, explained the Pragmatic Inquiry methodology in Lonergan terms:¹⁴⁰

- Be attentive
- Be intelligent
- Be reasonable
- Be responsible
- Be in love

Since Phil Marineau was Jesuit trained, when he heard these five steps, he immediately sensed that Lonergan's language explained the decision-making process in very clear terms. So, the two methods of inquiry—Pragmatic Inquiry and Method in Theology—were combined:

- Be attentive
- Explore intelligently
- Interpret openly
- Decide responsibly
- Act with firm resolve

(We have seldom mentioned, however, that the end result of an inquiry is to “Be in love.” A more popular term is “to be committed” or “passionate.”)

Now, reread the LS&Co. values and notice that they are written in a particular order, following the Collaborative Leadership Model

- Empathy: listen, be attentive to the other
- Originality: be creative, insightful, innovate
- Integrity: be responsible, true to yourself and to your values
- Courage: be resolved in action

The principles, and the behaviors that support them, were put into action through the Collaborative Leadership Model, built on the scientific method of constantly testing decisions and beliefs, treating them as hypotheses. Phil called this process of continuous, life-long learning “De-construct/Re-construct.”

As we completed the inquiry, Bob Haas, then Chairman and great-great-grandnephew of Levi Strauss himself, reminded me LS&Co. had done a lot of work on corporate values over many years which focused on the way they ran their operations and how this impacted their employees and stakeholders, with many dramatic advances in corporate responsibility over the decades. But he noted that, by reflecting on key events in their over-150-year history, the unique value of this pragmatic inquiry was to uncover and recognize their values driving historic product innovation and marketing events, thereby validating those values to drive their strategies and support their brands in the future. A perfect example of “learning from the evidence of our experience.”

Connect values driving strategies.

Because of the success of the Inquiry, LS&Co. adopted the *PathFinder* Pragmatic Inquiry method as their Collaborative Leadership Model, renaming the five steps: Be Attentive, Explore Intelligently, Interpret Openly, Decide Responsibly and Act with Firm Resolve.

University of Notre Dame Executive Integral Leadership: What does it take to create exceptional, sustainable value?

The challenge

The University of Notre Dame, one of the leading Catholic universities in the world, has long had a tradition of teaching values, ethics, and social responsibility to its students. The challenge, of course, was for its business school to continue that tradition and apply it to the world of commerce. The latest in a long line of distinguished leaders and professors was Leo Burke, Associate Dean of Executive Education.

One of the reasons why Leo had accepted the post was to put into practice his many years of experience and learning as head of Executive Education at Motorola University working with senior executives, where he had developed a strong perspective on the need to develop executives, not just intellectually but emotionally, spiritually, and physically as well. He developed a program, bringing together all this learning, which he called Executive Integral Leadership. Based on the work of Ken Wilber, a renowned philosopher and psychologist, who developed what he called Integral Theory, Leo developed a week-long program that helped executives work on their “interior” as well as their “exterior” development, both individually and as a part of a group.

The process

An essential part of the program was to have the students experience this integral perspective by working on a leadership challenge issue that they faced. The *PathFinder* Pragmatic Inquiry was used as a thread running through the course with the students reflecting on their question, making notes, and going through the various exercises. As an example: for Maps and Images the students visited the Smythe Museum at the University and were exposed to art and its importance in the expression of ideas and feelings. The students then worked on the Maps and Images section.

The results

The work is the result. Over 1,000 executives have gone through the Integral Leadership Program either as a stand-alone certificate course, or as part of an Executive MBA.

The ratings for the program have been exceptional and students find that the *PathFinder* within the context of Integral Leadership gives them the ability to rethink their question and come up with better solutions. Typical responses after engaging in the program are:

“The *PathFinder* allowed me an in-depth look into the issue, the meaning of the problem and how to take the appropriate steps for the resolution of the problem.”

“The *PathFinder* was a great learning tool during residency week; however I am determined to utilize this resource going forward addressing my work and personal problems when they arise.”

“It’s been an excellent tool in helping me identify, dissect, and evaluate the components of a business issue that has been troubling me for the past few years. Although mine won’t be an easy or fast fix, I’m certain the awareness the *PathFinder* journey has raised will be a positive first step in the long road to a permanent solution.”

“The *PathFinder* tool was extremely useful in guiding me through a process to examine past behaviors and biases that have not just prevented us from solving the problem, but have, in fact, fostered a negative environment in which the problem could grow.”

Reflecting on his experience using the *PathFinder* in his program on Integral Leadership, Leo wryly commented: “It is quite a great journey. I am very impressed with the deceptive simplicity of the *Pathfinder* to really invite people—those blank pages have more utility to them than you first might think. It allows executives to explore ideas which they otherwise might not do.”

Beta Gamma Sigma: What kind of leader *can* I be?

In 2001, when Carolyn Woo, then Dean of Notre Dame’s Mendoza College of Business, was a member of the board of Beta Gamma Sigma (BGS) Honor Society—the business school equivalent of Phi Beta Kappa for schools of liberal arts and science—they were wrestling with the issue of how to provide more service to their honorees who are among the top business students in the country. They planned to start a Student Leadership Forum and invite accredited member colleges of the prestigious Association to Advance Collegiate Schools of Business International to send their top student to this Forum.

They talked about various ideas and Dean Woo suggested that they look at *PathFinder* Pragmatic Inquiry, which they had just introduced successfully at Notre Dame in their Executive Integral Leadership program under her leadership with Leo Burke (see Notre Dame case above). When they asked her what that was, she replied simply: “*PathFinder* Pragmatic Inquiry is strategic planning for individuals as well as organizations.” (By the way, this succinct definition linking pragmatism

to strategy has set many skeptical business minds at ease, usually curtailing any need for deeper explanation of philosophy and moral reasoning.)

The process

The Student Leadership Forum introduces the students to many engaging and enlightening presentations and exercises (the Myers-Briggs profile is always a favorite) by leading executives and deans—mostly BGS graduates. Toward the end of the Forum, our CORPORANTES team, led by Alyssa Groom, conducts the *Path-Finder* Inquiry, often from noon to noon to give the students time to reflect overnight on their issues.

The results

To date, having worked with over 1,000 of America's brightest business students in over a dozen Student Leadership Forums, the results continue to affirm the earliest hopes of being able to awaken in students some clarity on the kinds of leaders they can be in different fields, driven by their values and vision. One always-successful exercise is the drawings (Maps and Images) of their hopes, concerns, and career path, which are always revealing. (See the website link for pictures and stories.¹⁴¹) Here are some of the typical comments that we have received over the years:

“It is not often that I get time to reflect on my goals and where I see my life headed.”

“A complete and enlightening experience. I am leaving the conference a better leader.”

“This weekend was one of the most beneficial of my life. Doing Dr. Nahser's program really helped me focus in on where I am going in life.”

“I didn't expect that much, but this conference was life changing.”

“Conferences rarely provide the opportunity to allow creativity and intuitive thinking of participants. This was a truly rare outstanding exception.”

Kellogg School of Management, Northwestern University: leadership and ethics

Kellogg School of Management is ranked regularly as one of the top business schools in the world, and is justly known for its response to student concerns and needs and its marketing perspective on strategy.

The challenge

In the fall of 2003, David Messick, Kaplan Professor of Ethics and Decision in Management at Kellogg, invited me to coteach “Leadership and Ethics” to 55 members

of the Executive Management Program (EMP), Kellogg's senior executive MBA program. David's approach to the subject had proven highly successful over ten years. However, he had seen ample evidence over the years that the students in the EMP were contemplating issues and career changes—often dramatic changes—as the reason for undertaking the arduous program. Otherwise, why would they do it?

He had been looking for a methodology for the students to use to guide their decision-making and felt the *PathFinder* Pragmatic Inquiry might be helpful and proposed using it as a test.

In David's words to the students at the final "commencement class," he explained his reason behind his approach and for using the *PathFinder*:

In this class we're talking about leadership and one of the things Warren Bennis talks about in his book *On Becoming a Leader*' is the need to be comfortable in your own skin and Ron's work helps a lot because it supports it ... We don't teach that well in a business school because it isn't part of the curriculum ... but it ought to.

It takes courage to be a leader. And where that courage often comes from is that it takes courage and guts to be authentic. To know who you are and to be comfortable with whom you are and to be able to say to people, "*this is who I am and what I stand for*"¹⁴²—and sometimes that takes real guts. But it is important to be part of a leadership course because it's really important.

The process

Leadership and Ethics was a five-week, ten-part course, one of a series of very successful courses David taught to EMP students. We presented the *PathFinder* in three of the ten classes: second, sixth and tenth.

The *PathFinder* work was titled Leadership Challenge Inquiry and began with "Begin" baseline pre-work (process described in Chapter 7 in "The CORPORANTES *PathFinder* Pragmatic Inquiry") to establish the baseline challenge and hypothesis to be tested during the course.

The results

The final paper, which was due two weeks after the conclusion of class, was optional, non-credit, and non-graded. Papers were submitted by 38 students outlining their results and experiences with the *PathFinder* in addressing their Leadership Challenge Inquiry. Several students remained in contact with Nahser and carried on working on their papers since they would be used in their work. A number of students asked not to turn in papers given the personal nature of their inquiries. Others stated that they found the Inquiry to be too personally focused to be of value.

Here are some of the student comments:

“As part of the *PathFinder* Inquiry process, I learned a lot about who I am and the values that I hold closely. I have reflected on my boss’s way of seeing the world and his associated strengths and shortcomings. I have deeply considered compromise and the risks and benefits, and finally I have come to envision a course of action that could just change health-care in America. Thanks for helping me see the opportunity.”

“*PathFinder* allowed me to think about different aspects of the question and their relative importance. Especially, the risks associated with organizational and culture impact. My original answer would not change but the method of going about evaluating and processes for making the change will probably be altered.”

“The *PathFinder* Inquiry allowed me to achieve the following learnings:

- Clarity of the intended question is key to understanding how to overcome it
- Going through the thought process outline in the Inquiry allows for inputs to flow into your thinking on an issue that may not otherwise come to mind
- Seeking input from different angles of thinking is imperative to successfully answering your question
- Using some of the framework with others you are involving allows the critical ideas to be received much more readily.”

St. Mary’s College: business as a calling/the calling of business

The challenge

Jack Ruhe, Professor of Management, St. Mary’s College, Notre Dame, Indiana, one of the premier colleges in the country, had a long-standing interest in ethics leadership development. He was concerned about how to get students to reflect on the important ethical issues in their careers and even the direction a career should take. He wanted the students to look on their careers as a vocation or a calling. He used various teaching techniques to engage the students in reflection on their personal values but had been concerned that in their final papers what the students wrote in response to the assignment of ambitions, intentions, and goals were “sterile”, rote answers to checklist questions with little passion indicated. He saw the *PathFinder* as a way to get deeper into the movement of their lives.

The process

Jack taught two courses: Personal Values and Corporate Culture; and Leadership Development. In Personal Values and Corporate Culture, he had the students

consider their own career ambitions, but also the corporate culture of the various organizations they were thinking of joining. There was also a community service component where the students worked at a social service organization. During the course they were writing reflection papers from the various perspectives in the *PathFinder*.

The results

Jack was measuring over ten thousand students from various universities and colleges on the Maccoby Values Scale.¹⁴³ He found that with the *PathFinder* process increased statistically their sense of the importance of **compassion, independence, and courage** (critical of authority). Jack considered these three as essential for an ethical values-based career.

Time magazine: assigning a new sales strategy

The challenge

Time magazine is one of the world's great magazines, pioneering the newsweekly format. It has a strong editorial content and had been one of our most successful magazines in terms of advertising revenues. However, with the proliferation of news media, maintaining profit margins had been difficult. Jack Haire, the then new *Time* publisher, needed to address the issue and had some concerns.

The process

Jack explained to me over breakfast—as we watched the skaters at Rockefeller Center—that he had reviewed the kind of advertising clients *Time* was going after. They tended to be just interested in buying “tonnage”—advertising at the lowest price. Jack felt the sales force needed to focus on more creative, relationship-oriented clients, who would better fit with *Time*'s editorial strengths.

He had a gut feel for what needed to be done but wasn't sure how to articulate it and prove the case for his 40 sales associates who were gathering for their annual sales meeting. In the course of the next 45 minutes, I explained to Jack the premise of the CORPORANTES *PathFinder* Notebook and explained how it might be exactly the way to help articulate his hypothesis and then test it against the evidence that he had seen.

Jack wrote instructional notes in half of the sections, paying particular attention to the Explore sections where he could gather his evidence to support or challenge the hypothesis that he had listed under Begin.

The results

Jack worked through the method of inquiry over the next several weeks, putting notes and ideas in the various sections that seemed appropriate. He was able to make clear what he had intuitively felt was the right answer. And most importantly, he was able to articulate his reasoning to his sales force.

The Nahser Agency: developing strategy and purpose through effective teamwork

My company is a mid-sized advertising agency based in Chicago, with a client base ranging from a \$17 billion insurance company to a family-held toy manufacturer. We create advertising to help sell home equity loans, food, mufflers, shoes, and stereos. We will not advertise for certain products such as tobacco nor create messages that we feel do not “benefit the user and contribute to the well-being of society.”

The Nahser Corporate Values state: “Our purpose is to create and implement outstanding ideas to help our clients’ businesses grow, benefit the user, and contribute to the well-being of society.” I thank Bill Smithburg, CEO of the Quaker Oats Company, for encouraging me to develop and publicly state these beliefs.

The challenge

Like most traditional ad agencies, our staff was organized by function: creative, account management, media, production, traffic, and administrative. In attempting to draw this picture, I realized that each of our clients, too, had its own “shape” and that to serve them we needed to match their structure and needs. I then saw that we could draw a picture of our relationship with each client, and then restructure the firm around client-based teams, in an effort to become more customer-focused. I also realized that each client had a basic task or tension or paradox in its business that defined much of its strategy. Our job was to understand that basic tension/paradox and create communications that would solve it.

I wanted to create viable, effective teams, based on a shared sense of mission and long-term strategic planning. To get us from where we were to where I hoped we would be, I would use the *PathFinder* process.

Predictably, this was my hardest sell, because there is a great truth in the adage that a prophet is without honor in his own company [*sic*]. My associates had heard me talk about this process from Proffo to Peirce and had seen me go off to classes, conferences, and day-long seminars for the past 12 years. Needless to say, they were skeptical that all this could really apply to advertising. Even though I often reminded them I was not studying the mysteries of Etruscan art, they still wanted to see how these studies would pay off in new business and making better ads. I did too.

After the success of Common Ground, I was sure that at least I had enough exercises, which formed the beginnings of the *PathFinder* process, to work with. The first Nahser management committee strategic planning meeting in 1990 was affectionately dubbed “Geneva I” after the beautiful lake north of Chicago where it was held. I had in the back of my mind, of course, the idea to conduct the meeting along the lines of what is now the *PathFinder* process. I went to each member of the Executive Committee and asked what they wanted to accomplish during the weekend meeting, and on the first morning the *PathFinder* process was constructed before my very eyes.

The process

The first person I talked to, Bob Cote, Media Director, said that as we were moving forward he wanted to be sure we answered the question: What are we to carry forward from our past and what do we jettison? This question was a perfect example of what is now asked in the Corporate Trail section of the *PathFinder*.

Next I talked to Bruce Marsh, Executive Vice President, who wondered what our founder, who had died in 1986, would think of all this analysis. (Our founder was famous for focusing on work, not analysis and endless meetings.) I suggested we should have a Conversation with the founder, and from the look in Bruce’s eyes, I could tell he was not looking forward to a visitation from the other side of the veil. I assured him that we were going to write a Conversation with the founder in order to see what he might have to say to us about our upcoming Geneva Conference.

Tom Perlitz, Senior Vice President, said, “I’ve got a crazy idea. I’ve been in idea sessions where we actually become the product, and maybe we should think about the business that way.” I suggested that we consider ourselves as the company, and perhaps have Conversations from that point of view. He thought that was an intriguing idea. And Don Burke, one of our more image-oriented members, unusual for a financial officer, suggested that it might be helpful if we even drew some pictures using symbols to describe what we were feeling.

Thus began the first of a series of annual meetings, the first held at Lake Geneva, then Chicago, and then back at the beautiful lake north of Chicago. Many of the staff came to these meetings dripping in skepticism, with (in the words of one senior manager) “BS antennae up high.” When I asked them to have a Conversation with the agency, some came up with monologues, getting very little response from their inner voices. Others found the prospect of writing in a notebook unappealing. “Let’s make the decisions we need to make first, then if we have time it might be good to do some reflective stuff.” In short, I met all sorts of resistance, but I persisted.

The group stuck with it and in time they came to see the merits of the various parts of the *PathFinder* process. We all dug deeper in our thinking, and everyone came up with pieces of the truth that gave us better solutions on how to organize and run the teams, and to serve our clients better.

The results

Using the *PathFinder* process, Nahser developed a new corporate strategy: “Creating enduring relationships by going beyond expectations.” In determining the important values and skills required of us, we came up with a set of resilient teams whose morale remained high even after restructuring brought some downsizing. We were able to determine the individual, complementary strengths of the members of the executive team, and figure out how to cut 15% of our overhead while maintaining the volume of our business. The process brought us an awareness of our blind spots and our strengths. It also helped us achieve and refine a statement of purpose that has served us well.

And at Geneva VII, we set out to develop a better method of inquiry to guide the development of our creative work; what we call a “creative brief.” After a day and a half of writing in the *PathFinder*, we found ourselves returning over and over again to an idea that had surfaced early: tension. As we developed the concept we saw that tension inevitably found its way into our everyday process of working together. The issue was how to manage the right amount to foster better creative work; at one point we compared it to the necessary tension on a string to make music. But we further determined that our best work had developed out of solving a tension, dilemma, or seeming paradox that our clients faced. In one revealing image, we saw a river of information that needed to be dammed and put to creative use. We came up with a three-part, creative-strategy brief to capture the tension: (1) Investigate various aspects of the client’s situation; (2) Determine what is the real problem—not the symptom—seen as the crux point of opportunity based on the tension, dilemma, or paradox the client faces; (3) Develop a clever communications plan to seize the opportunity by resolving the tension for the consumer. As our work on the creative strategy brief came to a conclusion, the wonderful symmetry slowly dawned on me—that we were using the *PathFinder* pragmatic method for corporate inquiry to create a pragmatic method of inquiry for our agency: explore, interpret, hypothesize, and act! A perfect reflection.

As we worked with the idea of tension it became clear to me that it was the basis for generating creativity because the tension or paradox creates doubt, which as we have seen begins an earnest pragmatic inquiry. Finding the point of tension, challenge, or problem in our client’s situation begins our work in finding the answers and communicating the results to enlist the efforts of employees and customers alike.

As a result of over a decade of using the *PathFinder* in our own work, we recognized the paradox of change in our own industry and reconfigured our business to better reflect our findings. CORPORANTES, Inc. began offering the *PathFinder* Pragmatic Inquiry.

In our work as a strategy and communications firm, use of the *PathFinder* process gave us insights into the changing character of our clients’ markets. Thanks to the wisdom we were able to access through the *PathFinder* exercises, we reconceptualized what it is we do as advertisers. In true Peircean fashion, we now see the business

of marketing as a process of interpreting the signs of the facts and trends evident in the market, using all of our perspectives and experiences. And following Progoff, we consider how the products and services help people as they journey through life.

As a CEO, the *PathFinder* process helped me to reflect on both the personal growth of the people who work with me, and the corporate growth of my business. It has provided a way for me to see patterns in my personal and corporate life that were not visible before. It has helped me clarify my own vision for the business, and for the way we want to create advertising in serving our clients and society. As people have come and gone in our fast-paced business, it has helped me continue to develop and communicate this vision. It has helped us at the agency to become more open, and able to look at ourselves and each other in ways that we haven't done before, and most important we have all come to see the value in the statement: "We all have a piece of the truth." We have come to see that the *PathFinder* process can help us "uncover the truth we do not yet know, and the action we have yet to take."

Some general lessons

From my experience with the *PathFinder* process, in over a hundred applications in a variety of businesses and organizations, I have come to several general conclusions.

First, everyone has a piece of the truth: every employee can make a contribution toward seeing the big picture, but to do so, employees need a process that gives them a voice and a way to be heard.

Second, there is immeasurable value in quiet reflection, those times when we sit, notebook in lap, pen in hand, allowing the deep insights and wisdom of our inner voice to come through. By going more deeply into ourselves, we are paradoxically taken out of ourselves and connect with those around us in a more meaningful way.

We experience instinctively the movement between our beliefs and the facts that we confront outside ourselves, which corresponds to the movement between inductive and deductive thinking, so admirably developed by Peirce, which he called "abduction." (For a reminder of what abduction is, see Chapter 5). We are thus led to a greater appreciation for diversity and difference. Time and again, in my own company and in the many settings I have been called into, staff diversity has become a source of strength, not division, once the *PathFinder* process has been applied. People can feed off each other's insights and ideas in this supportive, nonjudgmental environment, and a dynamic synergy results: the whole group becomes much more than the sum of its parts.

Likewise, the organization comes to have a life of its own. There is intrinsic value in understanding the corporation's history, for this history informs both the present and the future. And the people who work for the business become much more effective when they recognize their place in the larger movement under way.¹⁴⁴

Perhaps the most personally meaningful lesson I take away from my experiences with the *PathFinder* process is the value of listening as the basis for learning and building a viable organization.¹⁴⁵ I have come to realize that, if he or she is not an effective listener, a CEO can wreak havoc in a business. This is, in fact, what happened with John Hudiberg.

Back in Chapter 2 we left Hudiberg basking in the glow of winning the Deming Award for his firm, Florida Power & Light. No U.S. company had done this before, and it was possible because John Hudiberg experienced that unforgettable Sunday when his neighbors picketed his house. I mentioned in passing that he made one critical mistake, and it was this: Hudiberg failed to listen. While he had gone through an epiphany, and thereafter preached his gospel and imposed it on his subordinates, he never bothered to listen, or even to try to gauge the reactions others in the company were having to his total quality management edicts.

The result? His staff followed his orders, but the corporation began to unravel. In Hudiberg's frenzied drive to break apart, measure, and improve all the systems in the business, the company fragmented. People would understand what they needed to measure in their particular function (and he measured everything), but they lost sight of the larger picture of which they were a part. Hudiberg had become like the religious convert who enthusiastically begins shoveling the doctrine down everybody's throat. And so, shortly after he won the Deming Award, Hudiberg was asked by the Board of Directors to step down, and his successor had to dismantle the entire total quality management effort and put the company back together again.

This sequel to Hudiberg's story echoes the wisdom in the *PathFinder* process: that everyone has a piece of the truth, has to interpret the signs for him or herself, and deserves to be heard. Without these, no total quality management program will work, and no genuine teamwork is possible.

Reading the signs

- How does your organization bring people together to explore decisions?
- What habits, both good and bad, does your corporation have?
- What are your favorite examples of teamwork in sports, society, family, etc., and what are the underlying causes of their success?
- Have you worked with dreams and images as a way of finding clarity in a situation?
- What are your internal conversations? Are they monologues or dialogues? Who are they with?
- Did any of the case histories give insight into your situation?
- What is your "case history"?