

Chapter One – The Lone Bullet Is A Fallacy

It's always more than one thing. . .

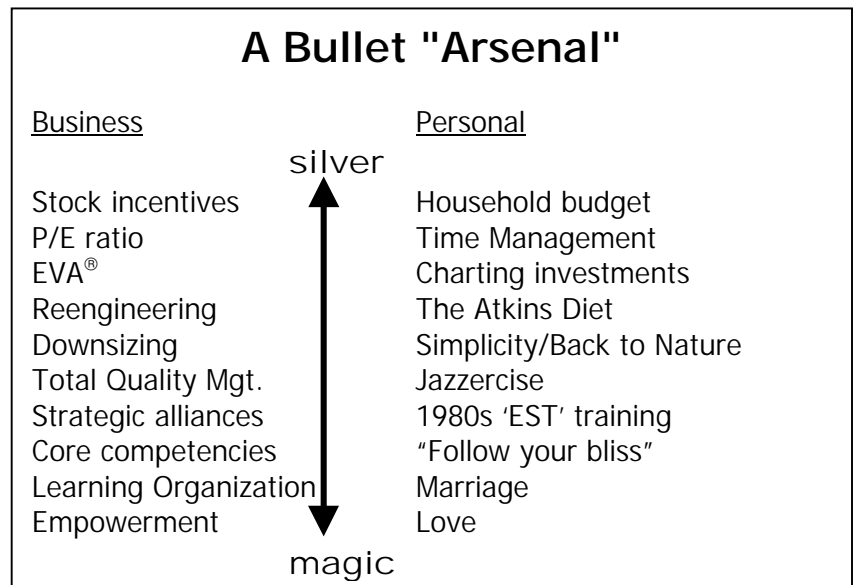
Bill Hass

Silver, or magic, bullets are metaphors for thinking about the many tools, concepts, and processes that experts have passed down over time. They are a short-hand way that wise people communicate a boiled-down simplification of what has worked for them and others – based on their own experiences and observation. For someone facing an identical set of circumstances, the wise person's silver or magic bullet may work equally well. But take away those identical assumptions, the limitations, and the special circumstances, and a single silver bullet will probably not work at all.

Silver bullets refer to the hard, left-brain and scientific concepts

Silver bullets are the solutions that are, at first blush, easy to measure and quantify. They are the ones that reflect the results of rigorous scientific and empirical studies. They're the solutions we typically find in most left- brain business organizations. For example: "If we increase sales and reduce receivables, our cash flow will improve." A given stimulus imparts a fairly consistent response.

We also find silver bullets in our personal lives. If we eat significantly fewer calories, we generally lose weight. If we eliminate smoking, we reduce our chances of lung cancer many percentage points and increase our "real age"¹ by about four years. These are statistically proven results and usually supported by numerous scientific studies.



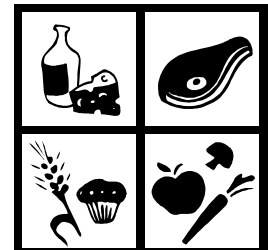
Magic bullets refer to soft, right-brain, creative, and artistic concepts

Magic bullets are the solutions that everyone finds hard to measure and quantify. They're the ones that are soft and squishy. They make you feel good. They occur mostly in our personal lives and relationships with others. They are often not scientifically proven, but are passed on by stories through the years. They are crafted by poets or sages, but only rarely by the scientist. They are the herbal diets and the infomercial exercise machines guaranteed to help us lose weight. They involve concepts such as positive thinking, meditation, and music.

Magic bullets are also prevalent in our business and professional life. Since organizations are composed of people, magic bullets usually play an often-mysterious role in improving organizational effectiveness. A magic bullet could be the passion of a charismatic leader, or the power of a newly formed self-directed team. They are the things that are hard to measure, which tend to be casually dismissed by an analyst. They are hard to describe, and even harder to prove effective. That doesn't stop us, however, from believing in their magic.

We need both silver *and* magic bullets

*In both our business and our personal life, the right **blend** of silver and magic bullets is what will most likely lead to success and happiness. You wouldn't think of eating just one type of food for very long. It would be both boring and unhealthy.*



But in business and our personal life we're constantly bombarded with a variety of quick-fix silver and magic bullets – and each one is *the* one that promises to solve our current problems. It's the sole recommended 'diet' of the day. This is not because experts mean to harm us, but rather results from their passion for their own unique solution to a problem. Experts often tend to encapsulate a problem, and dismiss the impacts of different environments, different types of people, and different contexts. Offering up just one simple solution ignores the need to blend a variety of tools and concepts to solve problems or make decisions.

Strategic planning runs the gamut from silver to magic bullets

Over the last 40 years, strategic planning has gone from a highly structured, numbers-oriented budgeting exercise, to an almost magic form of organizational learning and empowerment. Because it's at the cutting edge of business, strategic planning has been subject to more than its fair share of management fads – but it's not the *only* business function that has been shaped by silver bullet 'fads.' Management fads have been coming and going for most of modern corporate history, as the table below notes.

Management Fads

1960s	1970s	1980s	1990s	2000s
Financial Planning/ Budgeting	Strategic Planning	Scenario Planning	Strategic Thinking ERP	Adaptive Learning
GE: 8 key success areas	PIMS at Harvard & Strategic Planning Institute	Porter's Five Forces	Reengineering	Networking
Growth share matrix	BCG experience curve	TQM/Continuous improvement	Six Sigma	E-commerce
Portfolio thinking	Zero-Based Budgeting	Value-based management	The Learning Organization	The Adaptive Organization
Management by Objectives (MBO)	Functional silos		Core competencies	Stock incentives
		JIT (Just-in-Time)	MRP (Materials Resource Planning)	Supply Chain
		Value Chain analysis	Value mapping	B2B vertical hubs
Diversification	Synergy	Focus	Balanced scorecard	Blended Scorecard
Zero Defects	Excellence	Complexity	Teamwork	Agility
"foreign" off-shore	"international"	"multinational"	"transnational" cross-border	global
<u>Fad Enablers:</u> Large organization mainframes	"mini-computers" Spreadsheets	Personal computers CAD	Internet browsers Groupware World Wide Web	Broadband Wireless
<u>HR Continuum:</u> Bias Discrimination	EEOC Equal Opportunity		Diversity as a competitive necessity	Job sharing Talent shortage
Functional Focus			Process Focus	

Silver and magic bullets evolve through time

Perhaps it's worth tracing the trajectory of the 'silver bullets' which were embraced as strategic planning solutions during those forty years.

In the 1960s the primary strategic planning "bullet" was essentially budgeting – which is still an effective silver bullet, but only one among many in the planning 'arsenal.' Budgeting is highly left brain – allocating resources to specific departments and then measuring results to budget. But as experience with planning grew during the 1960s, leading organizations like General Electric began to experiment with non-financial measures. The computer-enhanced ability to study results of many different business units allowed researchers to identify some basic principles of business strategy. This approach gained momentum throughout the 1970s and 80s, growing into what noted planning authority **Henry Mintzberg** called the "Positioning" school of planning.

Just as it sounds, Positioning planning revolves around the enterprise's 'position' in the marketplace relative to competitive suppliers, customers and substitute products. A company with a large marketshare, high quality, and lower costs, is considered to have a strong 'relative position.'

Positioning is still is a useful and popular perspective, even in today.

As the business environment of the late 1980's and early '90s heated-up, however, strategic planners who applied the principles of the positioning school found that organizations didn't always understand or follow the classic definitions the model required. Boundaries were changing, markets and competitors were increasingly hard to identify and, if the principles were misapplied, the resulting decisions could be questionable. Nevertheless, this approach clearly demonstrated that non-financial metrics describing an organization's "position" relative to its competitors can offer significant insight to a company's value proposition.

Faced with the problem of applying the positioning school of planning in rapidly-changing or unclear competitive environments, business strategists began to articulate a new set of planning constructs designed to deal with marketplace complexity and chaos. While positioning probably reached its peak of silver-bullet-dome in the early 1990's, this new wave of strategic planning – based on "adaptive learning organizations" – began to take hold. The new thinking was that the old positional

strategic planning was too rigid to explain environmental dynamics, changing market boundaries, and the complexity of competitive interplay.

The "learning organization" became the silver bullet for planning in the late 1990's and the new millennium. But is it a silver bullet? The learning organization was new and unproven, with very little empirical research to support it. It just made sense that if the environment was changing quickly all around you, using a static model might not be the best way to develop strategy.

In some ways, the learning organization is more of a *magic* bullet. It relies on the belief that, through dialogue and deep understanding, organizations can adapt and learn faster and, by so doing, perform and adjust better in a variety of ways.

In his popular book **Strategy Safari**, the strategic planning expert Henry Mintzberg categorizes the evolution of almost 40 years of strategy theory, tracking the popularity and attributes of 10 different strategy movements. In our metaphor, he's following the trajectory of various silver (and magic) bullets through that timeframe -- *Planning* was big in the 1970s; *positioning* in the late 1980's and 90's; *Organizational learning* enters strongly in the 1990's.

The point to remember is that techniques that we call silver bullets change over time – and not just in the planning field, but also throughout all aspects of business and life.

Some silver bullets fall into or out of favor, yet some pass the test of time

Some silver bullets, like re-engineering or jazzercise, work for a few years or for some individuals, group of individuals or companies, but when everyone tries them and many are disappointed with their results, they usually fade out of view. But you can't keep a good silver bullet down – they frequently are reincarnated in another form or with some additional whistles and bells.

We are convinced that a balanced, or 'blended,' approach to working with silver bullets can get you more of the results you desire. True, good looks do sometime work. People do win lotteries. People and businesses are sometimes in the right place at the right time. Some love-at-first-sight marriages do flourish. However, perhaps 99% of

the time, it takes a blend of more than one silver or magic bullet to get the results you want.

Rarely, if ever, will one simple solution – one silver bullet – solve the problem

It's easy for an expert to be passionate about his product. As an example (and there are many in the consulting world), the consulting firm of Stern-Stewart bills its Economic Value Added model (EVA[®] is their registered trademark) as the only true way to create shareholder value.

EVA[®], Stern-Stewart contends, is the *one number* that best represents the economic value created by an enterprise – the single and only appropriate number for evaluating business results. Just as no one has found the Holy Grail, we and many others find it hard to believe that EVA[®] is it. Yet many experts promote EVA[®] as the enterprise's Holy Grail. Part of its appeal is its simplicity, but that's also its fatal flaw. It's only one metric; it's only one result area; it's 'reductionist' in a complex, dynamic world. And, in fact, it's a reincarnation of a much older silver bullet used by General Electric and others in the 1950's, called *residual income*.

Yet silver bullets like EVA[®] seem so darn attractive as a single answer, a single solution, that they constantly tempt us. Certainly, the business advertising industry takes full advantage of organizations' desire for a fast and simple answer.

Granted, silver bullets have their place. For one thing they feed, clothe and house the multi-billion dollar consulting profession. They have generated wealth for hundreds or thousands of self-help and business authors. And most importantly, the *right* silver bullet, selected judiciously, and applied at the right time and to the right degree and for the right reason, will often produce tremendous results.

EVA[®] can get people thinking about creating economic value, for instance. Stern Stewart has some great educational programs at SternStewart.com, When combined with an appropriate compensation program, EVA[®] can produce dramatic results. But if applied to most new, growing and high-risk businesses, it will stifle investment, growth, and risk-taking. My turnaround experience has repeatedly shown me that if applied to a business

in a declining industry, EVA[®] can be one of the final straws that can lead to bankruptcy.² One tool alone is never enough.

It's just that the experts who are passionate about their products and services sometimes get carried away.

One-dimensional solutions are simple, but are rarely – if ever – universally correct

Most clichés contain an element of truth – which is why they have been used to transfer wisdom through the ages. Just look at some of them and consider whether they "always" work:

<u>Some simple solution clichés</u>	
Better safe than sorry	↔ Nothing ventured, nothing gained
Stick to your knitting	↔ Don't put all of your eggs in one basket
Look before you leap	↔ He who hesitates is lost
If at first you don't succeed, try, try again	↔ Don't throw good money after bad
Slow and steady wins the race	↔ The race is to the swift – speed wins!
The Internet changes everything	↔ The only constant is change

These clichés contain wisdom, for sure, but they are not a single solution; in fact, many times, folk wisdom (and our own experience) contradicts itself! Paradox, as we know, is alive and well in the 21st century.

Personal experience shows that no single silver bullet always works

How do I know that there's no single silver bullet? Or for that matter, magic bullet? I have worked to apply many of these unique approaches to planning and management to a variety of both good and bad companies, of a variety of sizes, in a variety of healthy and sick industries. I have been an active leader in industry associations for both growing organizations and those in need of a major turnaround. I have been a consultant and an entrepreneur; I have been present at the birth of a company and have seen companies fail. Probably most importantly, I am a husband

and father of three teenagers. I have experimented with all types of silver and magic bullets in business and in my personal life.

But don't take my word for it! Plenty of experts believe as I do that there are no single silver bullets or magic bullets. Many books have been written about consulting "witch doctors" and management fads. Several of these represent fairly good research. There is growing proof that no single solution for every circumstance exists.

Some of my favorite voices of business wisdom agree that (as the next chapter contends) it *a/ways* takes more than one bullet to achieve happy results. Their names will appear often:

- Dr. Michael Roizen, of the **Realage.com** book and website, which offers insight on a multiplicity of life-enhancing factors.
- Jim Collins and Jerry Porras, authors of the seminal business book **Built to Last**
- W. Edwards Deming, quality guru and author, many years ahead of his time
- Peter Drucker, 20th century's leading management/business philosopher
- Henry Mintzberg, strategy guru and long-time observer of the corporate world
- Tom Peters, outspoken author of **Crazy Times Call For Crazy Organizations** (and of many other classic, high-voltage business books)
- Peter Lynch, a legendary investor, and well-regarded analyst and speaker

If the weight of their powerful ideas don't convince you that single bullet solutions are a fallacy (and through the years, they have convinced me), then perhaps the way to do so is to take a quick look at a Chicago company which grew up, along with many other 'baby boomers,' in the last decades of the 1900s.

Retailer Crate and Barrel fired a variety of silver and magic bullets as it grew

Crate and Barrel is a well-known retailer that started in a kitchen in Chicago. According to president and owner Gordon Segal, it was "**passion**" that brought the business to life in the Old Town section of Chicago in the 1960's – the passion to bring unique home furnishings and tools to young couples. Passion is one of those hard-to-define magic bullets. Their passion to bring what's new to newlyweds was blended with Gordon and Carole Segal's other passion – a desire to travel the world.

When they opened Crate and Barrel, the couple knew nothing about business. They learned quickly that to grow their business they had to provide an **economic advantage**. This economic advantage was created by cutting out the importer and distributor who typically took a 30 to 40% cut of the value. By traveling and doing their own purchasing, they were able to cut out the import middleman and offer their young customers a real value. Their business grew rapidly.

As they grew, they needed to attract people -- the right people who were interested in and capable of running their own

store. The Segals had a unique ability to **attract and incentivize people** with the managerial talent to grow the business and open multiple locations.

And over time, their growing business needed **systems** to keep costs competitive. Competitors saw the success of their basic concept and quickly began to copy it. Without efficient purchasing systems, accounting systems, distribution systems, and personnel training systems, they could not have sustained their growth. Using the right tools at the right time protected them from becoming a has-been like so many other initially innovative retail concepts.

According to Gordon Segal, they never directly pursued economic profit. It was passion that built the business. But passion alone would not have taken them to their current level of success. It took the silver bullets of economic advantage, hiring the right people, and implementing the right systems at the right time to keep their business on a profitable growth track. Without any one of these bullets being "fired" at the right

Current Mission Statement, from Crate and Barrel website

At Crate and Barrel, we have an abiding passion for the three Ps—People, Product and Presentation.

People

We believe in nurturing our relationships with you and the other customers who've made us what we are, as well as our vendors and the valued employees who make up the Crate and Barrel family. They're bright, spirited, informed and committed; we strive to keep them happy, and we empower them to keep you happy.

Product

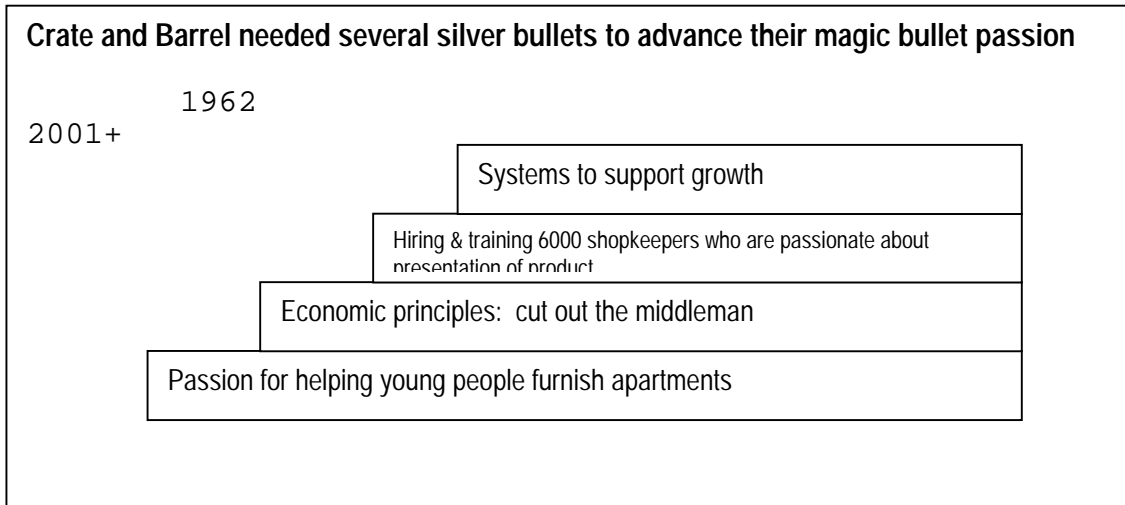
We scour the world seeking the most wonderful merchandise, working hard to ensure that our stores have the best products. We are known for our standard of excellence and consistency of eye, as well as for the product knowledge of our sales associates. We build relationships with the finest artisans, designers and factories worldwide, bringing you the freshest, brightest products at the best prices.

Presentation

At Crate and Barrel, we strive to keep things fresh with a constant flow of creative sales ideas and merchandising techniques. This is how we show you our sense of beauty and fun, our way of inspiring you to think of your own home in new ways. Crisp, clean, dynamic...every Crate and Barrel display vignette tells a story.

For more insights on the Crate and Barrel story and growth philosophy, go to crateandbarrel.com

time, the business could have failed along the way. Although we've illustrated these bullets as blocks, they really **blend together** to form the unique organization called Crate and Barrel.



Making better choices is what it's all about

This book is intended to provide some tools, concepts and ideas to help people make better choices on what silver and magic bullets to use at any given time. Choosing bullets frequently, and mixing and re-mixing them frequently, will improve a person's or an organization's results, we are convinced.

Arranging an 'arsenal' of silver and magic bullets is a way, though perhaps an imperfect way, to organize some of the most commonly used bullets. Although we haven't been able to identify the "DNA" of corporate and personal decision-making, instead, we've assigned bullet categories to help demonstrate the point that just as all people need a balanced diet of different foods and vitamins and minerals to survive, all people need *to blend together* a variety of silver and magic bullets to make the most of our lives and our businesses.

Think of the impact categories as you would the nutritional information on food products. Those nutritional labels contain information on minimum daily requirements, and the content of vitamins and minerals and fats and carbohydrates. Although we don't know what the minimum personal and organizational requirements are for silver and magic bullets, we can make some educated guesses on how they are interrelated.

We all learn every day.

Although my background and reputation were built in the area of strategic planning and corporate turnarounds/renewal, I continue to learn from others every day. Several years ago I heard Henry Mintzberg speak about the decline of strategic planning. What he was saying about the problems with strategic planning rang true to my own experience. Strategic planning is not an unique, single silver bullet. All types of ideas fall under the strategic planning umbrella. Mintzberg categorized them into the ten schools (or, in our metaphor, into the ten different silver and magic planning bullets) which we looked at earlier in this chapter. He concludes his 1998 book **Strategy Safari** with the following thoughts: (italics added)

... should strategists pick and choose from among all these ideas like diners at a buffet table or should they try to combine them into palatable dishes as chefs do back in the kitchen?... We have gone both ways on this question for one good reason: the answer has to be yes both times. ... **Every strategy process has to combine various aspects of the different schools.** Can anyone possibly imagine strategy making in any serious organization without mental **and** social aspects, without the demands of the environment, the energy of leadership, **and** the forces of the organization, without the trade-offs between the creative **and** the revolutionary? And can any strategy process be realistically pursued as purely deliberate **or** purely emergent? To deny learning is as silly as to deny control.³

And so it goes with the complete arsenal of silver and magic bullets. Success is best achieved by understanding that it takes a combination – an unique blend – of hard and soft skills and concepts and tools to maximize success in any endeavor. (Perhaps it also requires looking at a situation through a variety of different decision frameworks, as we'll see in Part Two.) As Henry Mintzberg so aptly put it, rather than forever

Impact Labeling

Holistic

- Planning
- Motivating
- Learning
- Deepening

Strategic

- Quality
- Marketing
- Renewing
- Value-adding
- Pricing

Operational

- People
- Cost
- Investment
- Speed/Capacity
- Revenues

rejecting any of the strategic planning bullets or types, he favors using it **when** and **where** it might be appropriate. Throughout this book, we will try to apply the when and where to a variety of silver and magic bullets, far beyond strategic planning.

While any silver bullet may work in a specific circumstance or occasion, it may not work for 90% of the people or organizations that try it in different circumstances. The trick is learning where, when, and what silver bullets have worked in the past in similar circumstances, and giving them a try. The blend for each person, and for each situation, will be different. And then, once the results are in, learning from your experience, and beginning the selection and blending process all over again!

(3420 words)

Some Silver and Magic Bullet Trivia

(could be used in margins as small boxes, or as a full page)

- Perhaps the best known *silver bullet*, if you are over 45 anyway, is the one that the Long Ranger left as his 'calling card' after having solved a weekly half-hour-long crisis. In his world, good and evil were immediately distinguishable, and he and Tonto resolved problems without ever resorting to lethal solutions.
- The most widely-published of the Y2K consultants and commentators was Peter de Jager, who fondly framed the technology community's frantic search for the solution to the Year 2000 Bug as a search for *The Silver Bullet*.
- *Bullets of silver* are the preferred way to kill a werewolf. Of all the folklore monsters that fill our nightmares, the werewolf is one of the creepiest, partly because he is "us," just transformed into our wildest, hairiest nature.
- When medicine was still not that far removed from alchemy, a 16th century medical cure was sometimes referred to as a "*Magick Bullet*." The small hand-made pill or injection (the 'bullet'), when infused with the practitioner's 'magick' would contain the innate intelligence to travel the body until it arrived at the injury or sickness, where it then delivered the lethal 'knock out' punch.
- What boomer could ever forget Bob Seger and his *Silver Bullet* Band?
- In the 1960's and 70's, a leading model for describing mass communication – specifically a 'one way' model of communications – was commonly called the *Magic Bullet* theory of communications. The communications 'source' fired a 'magic bullet' out into the world, somewhat willy-nilly, and a receiver at the end picked it up – be it an ear, a TV set, or a radio. But as communications became more interactive (as with radio call-in shows, email, and the internet) and/or more closely calibrated (as by using marketing focus groups), communications have become more two-way. The Magic Bullet theory of communications has understandably fallen from favor in describing mass communications as a consequence.

Chapter One Summary – What to Remember About Silver and Magic Bullets

- Single silver and magic bullets are a fallacy.
- In both business and our personal lives, we need to constantly improve and choose the right blend of silver and magic bullets to achieve a higher degree of success and happiness.
- Management fads and tools come and go. Each has some value at a particular time and in particular circumstances. Silver bullets evolve over time.
- It is dangerous to assume what has worked in the past will always work in the future. If your circumstances or the environment change, you must change.

Previously Asked Questions

1. Why differentiate between silver and magic bullets? Isn't this an unnecessary complication?

We could have defined them as all "silver bullets" but we want to characterize an important difference. Silver bullets are observable, can be measured and are subject to empirical or experimental testing. We think there's a clear difference between those and magic bullets. Magic bullets are solutions that are hard to prove, measure, and observe, yet everyone accepts them to some degree. In effect, they have some magic to them. The term 'bullets' encompasses both.

2. --- *early readers are encouraged to add meaningful questions here-----*

3.

Additional Resources and References

Michael Roizen and Elizabeth Stephenson, **Real Age**

Henry Mintzberg, **Strategy Safari**

Joel Stern and Bennett Stewart, **The Quest for Value**

----- , **Consulting Witch Doctors**

Fieldbook Exercise*

*Recording your observations will help!

What are your experiences? What silver bullets have worked for you?

Rate the bullet on a 5 point scale: 1=Poor, 3=Average, 5= Exceeded Expectations

What? _____ when? _____ how well? _____

What? _____ when? _____ how well? _____

What? _____ when? _____ how well? _____

What? _____ when? _____ how well? _____

What? _____ when? _____ how well? _____

Based on your experience, are they likely to work for everyone in the same way?

Could you have produced better results by adding to your blend sooner?

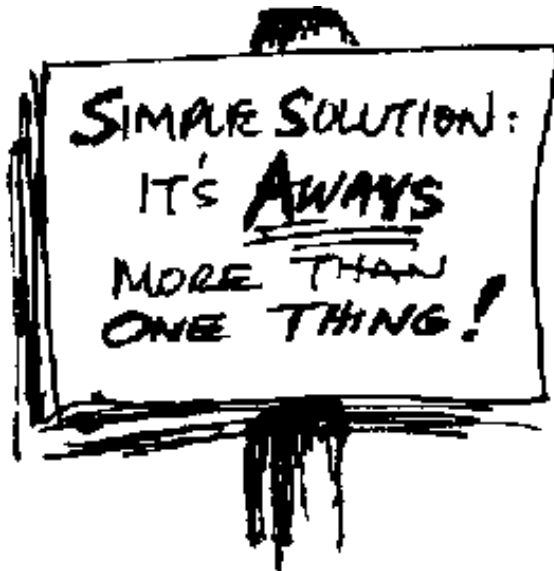
End Notes

1. Permission is needed to reproduce Mintzberg graphic on page 5 showing planning theories rise and fall over time, (Strategy Safari, page 353).

1. See realage.com, for a variety of health-improving tips based on scientific evidence. Realage.com is an abundant source of ideas for personal improvement, and a metaphor for the continuous blending of silver and magic bullets required to improve both organizationally and personally.

3. Milwaukee based Harnischeiger Corp., a publicly traded mature manufacturer of heavy equipment and paper making machinery, adopted EVA to improve its results and (hopefully) its stock price. It filed for bankruptcy only a year or two later. Some blamed the EVA adoption as encouraging management to over-leverage the company and take on additional debt. The company entered bankruptcy because of this high debt, and its inability to pay interest when several large contracts ran into problems. Similarly, winners of the Malcolm Baldrige award for quality have also found themselves on the steps of bankruptcy court. Although EVA and the Baldrige criteria give management a road map to improve and change, like all silver bullets they are not appropriate for all companies in all circumstances.

4. Page 367, **Strategy Safari** by Henry Mintzberg. Pick up this book to learn more about how business planning and corporate strategy has evolved over time. Any management tool (such as planning) must be crafted to a particular use and should evolve as the company's needs and environment change. For example: strategic planning, if done improperly, does not produce strategic thinking.



Can you think of any exceptions?