

March 12, 1975

## METHODS IN EFFECTIVITY

I want to talk for a few minutes this morning about integrity. But, I don't mean by that what my daddy meant 40 years ago in Dallas when he talked about integrity. I mean it in the sense of a mathematician--integrating--that which holds things together into a picture. Wholeness is integrity, a sense of wholeness. But, our public relations department who has to approve speeches before an officer can give a speech didn't have a filing system for that; so, we decided to call it effectiveness. And not theoretical, but practical--really doing that which really counts.

I'll do that first by talking about what my relationship is to the ICA, and then discuss with you for a minute methods for discerning and then responding, leading toward a discussion of the LENS seminar, by which the ICA makes available the results of the work of the ICA to the business community. LENS is an acronym--LENS, Living Effectively in the New Society--everything has to spell something for some reason or another. And, then, also to share with you some of the ways that Gulf Oil Corporation has used the material and the insights and the methods that our people have gotten from the LENS seminar.

My association with the ICA began about five years ago when I met some gentlemen, what developed into about 200 of them, businessmen centered here in Chicago but spread across the North American continent and even around the world. Our basic beginnings were out of common concerns that we found that each of us had and sensed maybe was common for all businessmen. First was a lack of the sense of accomplishment that you have after you've accomplished what you worked so hard to accomplish. The second was the lack of effectiveness. You know, I've got a big corner office in the Gulf Building, I can push buttons on my desk, and people jump and do all kinds of things; but, in the long run, what's the real difference. What difference does all that make? What's really getting done? And then, third, why do anything? And after some serious discussions with each other we found we had these same concerns. Then, we began to learn of the work that the Institute of Cultural Affairs was doing in discerning the changes that were going on in the world and what the effect of those changes would be. And, finally, that's all there is, is change--that's the mark of the 20th Century, says Kenneth Boulding. Peter Drucker says the only thing you can be surprised at during the day is that you're not surprised at something. The newness of every day. And, also the work that the ICA was doing in making the results of their research available through training seminars that they were holding around the world to enable people to be self-determining in response to those changes. And they had developed on the research base and on the pedagogy base some methods that we thought might be helpful in attacking the problems that we sensed that we had and that were common to the whole business community.

So, this group of about 200 businessmen with different perspectives and different backgrounds and different interests began to work together to develop some pragmatic ways of coping. I guess you really never solve a problem. You can address it, you can deal with it, you can cope with it. And to do that in the real world, the real business professional world where you've got stockholders or clients or customers who are expecting real results. So businessmen such as myself who are involved part-time in the ICA began to work with the full-time faculty of the Institute of Cultural Affairs, building on the base of about 100 faculty centers around the world, about 50 of which are outside of

MY RELATION  
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North America--and we put together this LENS seminar and first made it available to the business community worldwide in 1973.

I will never forget that winter. Two other businessmen and I went with three full-time ICA faculty members on a trip around the world. I took a vacation and was gone a month and visited about 12 cities from Bangkok to Majuro, which I found out after I got there is the capitol of the Marshall Islands, having luncheons with businessmen such as yourself, visiting people in their offices, making this kind of seminar available to them. And, during the following several months these LENS seminars were held in these cities around the world.

It might be helpful to you to know exactly what's going on in Gulf so that my comments will--you'll have a perspective: I am in charge of the Planning Research Department, which is assigned to developing methods for making decisions which impact the future. And, I finally figured out that's the only kind you ever make. The issue used to be "What do I do?" But, that's not the issue anymore. The issue is, "What direction should we be going?" It's only after you've mastered that question that you can decide what to do. And, the direction that you choose has no limits. Now, of course there are limits, but within those limits there are no limits. There are just fantastic possibilities. You just start thinking of the different direction that your firm or your corporation or your department could move in, and it's just limitless. So, my department is charged with the responsibility of developing methods whereby top management, our management committee, can decide the direction for Gulf, which give the operators a context for deciding what they want to do, where they want to spend their money, what countries to move into, what projects to build, where to put their investments, how to redeploy their resources. No longer is it adequate to let momentum carry you, to just do better tomorrow what you did yesterday is, I think, pretty clearly the road to disaster. Being bigger or better is simply not enough and avoids the real problems. So what we're assigned to do is develop a conceptual framework in which corporate strategy can be defined. And by that I mean both the direction for the corporation and the speed at which we move. What's our goal? What should we be 20 years from now? What mix of things should we be in 15 years from now? What style of management is going to be required in order to keep track of what you've decided to be and do?

One of the interesting dynamics that we've put together is what we call a Corporate Planning Task Force, which I'm chairman of, but which is composed of executives of each of our operating divisions. The more descriptive title that this group is the Planning Research Advisory Board. These are the people that don't have to devise systems for making decisions or for developing directions-- they can work as a think-tank and come up with half-baked ideas. You know, why don't you do this? And, then, walk away. But, to develop those kinds of imperatives to lay on our door as a feedback system with the guys who really have to live with the plans that the executives make. Really, what it amounts to is the Corporate Planning Task Force develops the plan for planning, and the Planning Department develops the systems whereby Corporate Management can decide what our strategy is, what our future direction is, and how fast we ought to move. It's this task force that attended the LENS seminar just about a year ago. We have taken methods from

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the LENS seminar, together with some others, and have a very effective body within Gulf, dealing with what are the trends in the world and how do we use our resources in the midst of those trends that are taking place -with integrity--with something that makes sense--with something that holds together--with something that the chairman of the board can carry around in the front of his head. You know, not a stack of stuff that thick, but it's a plan that you can really thing through, that has meaning.

I sense that every institution has this same kind of need-- all the way from the family, to the city, corporation, professional firms, educational institutions, and nations. When you start talking about what direction should we move in, there's no limit to the list you could make. The problem is how you pick from that list; and, of course, the easy thing is well, let's do what we did yesterday--one more day. That gets said a number of times and finally, that's your strategy.

But, it's the business community, I think, the corporation, primarily, that has the vision, that has the resources, that's familiar with developing processes, that has the imperative for accomplishment, that can develop these new systems and these new methods. It's the corporation that's success oriented. "What have you accomplished in the last seven days" is a very real question in any corporate office. And, also, it's the corporation that has not lost its sense of primal community. I'm amazed at the collegiality among businessmen, and not just in any one corporation, but across corporate lines, across competitive lines. We'll fight to the death in the marketplace, but underneath that is a real sense of collegiality.

In developing a way to deal with the problem of where you go so that you can deal with the problem of what you do, the most crucial thing, I would say, is context. What are you going to consider and how do you consider it? One of the most helpful things that we found in the LENS seminar was a comprehensive social model, and I mean that from the standpoint of the model builder. I'm old enough to remember whitening model airplanes out of balsam wood. It's the kind of model that is a simplification and a miniaturization of the real thing; but it doesn't leave anything out, and it really flies. That kind of a model shows the interrelationship of all of the factors in any particular society; it doesn't have any content in it so that it's useful for any particular society, and it's dynamic in that it doesn't say "This is the way things are"--but, "These are the kinds of tensions and these are the kinds of relationships that you can look for".

It's a comprehensive model so that you don't leave something out, and that's probably the easiest thing to do. I always worry about brainstorming sessions or idea sessions. You know, that's a great list that we worked up, and it's got 14 things on it, but what if we've left out the most important. How do you check yourself? Because it's the thing that you leave out that always rears up when you're about halfway down the road and bites you in the back. And this model provides a checklist so that you haven't left something out when you're considering what the problem is.

It's a screen, it's a grid through which you can view an issue, and not analyze it. When I was in college taking chemistry, analysis meant to take things apart. I keep seeing on lots of tables of organ-

ization, lots of analysts all over the place. Where are the synthesists? Who's putting all that stuff back together? The important thing is not, I think, better analysis but how can you use effectively what you already know. How can you release your intuition, your creativity. Analysis assumes you know pretty well, based on past experience, what to expect in the future. But my past experience teaches me not to use that past experience in order to figure out what's going to happen in the future. I have never been so crushed in my life: I only had one economics course in my whole life, but that's really all I need, I figure, because it was from Paul Samuelson, who won the Nobel Prize in economics. This was back when he was an instructor. If you've had an economics course from a Nobel Prize winner, where do you go for encores? And he writes an editorial, as you probably know, in NEWSWEEK several times a month. About six months ago the thrust of one of his editorials was that there is no such thing as econometrics--that we do not know, based on history, enough about the parameters and the relationships of economics to ever make a forecast, period. An interesting thing is that he got his Nobel Prize in econometrics. Analysis which is based on familiarity with the past is severely limited in usefulness. And what we're thrown back against is our own intuitions, our own ability to think creatively, to have inspiration on demand, when you really need it.

This model divides society into three segments, economic, political, and cultural. The economic dimension doesn't have anything to do with big corporations making a lot of money, it has to do with that which enables society. The political dimension doesn't have anything to do with running for office, it's the decision-making part of society. And the cultural dimension doesn't have anything to do with art museums, it has to do with the meaning of society, or why you bother to be enabled or why you bother to make decisions. And the model allows you to sense where imbalances are so that you're not overwhelmed by the list of the manifestations of the problem but are able to sense where the real problem is, the problem that's beneath the problem, that's the real problem--so that if that gets solved, then the rest of the issues are dealt with effectively.

One of the ways that we're using that kind of thing; one of the divisions in my department is called Environmental Scanning and they've been charged with finding out what's going on in the world. The way that has been done in various places in the past, is you'd have a clipping service; and every day you'll have 3 or 4 mimeographed sheets of lots of interesting data, or you'll subscribe to all the magazines on petroleum. There are about that much every day. You are just overwhelmed by the data. What in the world do you do with it? But, by using a comprehensive model that shows relationships between all of the factors what you can do is take selected pieces of data small enough in quantity so that you can handle it and impute to each segment of society a strategy which, if that were their strategy, would explain all of the thing that they're doing or explain all of the data. Then, all you have got to remember is the strategy. You can try it on your competitors; you don't have to keep up with what they're doing, you just have to update what you've decided their strategy is. And, all you need is a model that doesn't leave any of the pieces out. It's the whole effect. You can't just go in to a problem and fix a little something because something else will pop out somehow. The whole

world is a system. Buckminster Fuller's book stays right on the edge of my desk so I don't forget it. "Operating Manual for Spaceship Earth". When something goes wrong somewhere, some guy in Kuwait makes a decision, the shoeshop on the corner in Bethel Park, Pennsylvania, has to turn his thermostat down. And he didn't even know he was running a multi-national corporation.

There's no way to segment problems into pieces; and building a strategy, deciding on a direction, doesn't mean eliminating the risks. I think all of us planners have an education job to do on what people can expect from good planning, and that's not, certainly foretelling the future. And, it is not also eliminating the risk-it's identifying the risk. It's mapping the future so that you know that there's a ditch out there, so when you're going into the future and you fall into the ditch you're not surprised. But the risk is not removed. It has to do with relating risk and rewards, and you can pick your route depending on your propensity for risk and your desire for rewards. It has to do with problem identification, finding THE problem.

I don't know how to make this as clear as I need to make it, but it doesn't have anything to do with simple solutions. It has to do with the concentration of effort in dealing with issues because we're all clear that there aren't any simple solutions.

I'm amazed at the great strength of the business community. Of course, the business community is dominant, I would say, of these three areas--the political, the cultural and the economic. I would say that the political and the cultural dimensions have collapsed; and if we in the business community which still has great strength don't rebuild those other two dimensions, they're going to take us down the drain with them. For, no society can exist without all three of those dynamics in tension with each other. Now, ten years ago it was pretty popular for people to say, "Well, everything is being dominated by the economic dimension." They didn't say it that way, they talked about the almighty buck, and so forth, and money's bad; so let's squash the economic dimension back to its proper proportion. I say NO. Let's build the political and the cultural dimensions to match the fantastic strength of the economic dimension--but that can only be done by the economic dimension, by the business community that has the strength to do that. And that's not an altruistic statement, it's not something you ought to do; it's not something that would be good for you to do; it's not something that would be nice, there's nothing there; I mean that has to do with survival. It's a matter of, are we going to be around or not in the future?

I've got no patience at all with anybody who says business ought to be socially concerned. I will not waste my time on anybody that has that view. Business has got to be socially concerned if they're interested in their own existence. Business is social concern, and any good marketing textbook will tell you that. In the long run, if you're really going to be around, if you're talking about any kind of long-term view, business is social concern.

For any kind of perspective at all to be effective, you need a total picture so that you can see what your perspective is. Business is global. There just aren't any non-multinational corporations. At one time you could segment your business. You could say now here we're going to have a little department over here doing social concerns--

over here we're going to have a little department doing labor-management relations--over here we're going to have a little department doing public relations (they're going to manage public relations, they even said). The real business was back here doing something. I don't guess there's an organization in the country, probably not in the world, that doesn't understand that those are all one relationship and that there's no way to divide them out and parcel them out and subjugate one to another. At one time urban collapse, inflation, national politics--they were somebody else's problems. Now, who else is going to take up the task?

But, that means we need new forms, it means we need new methods of responding to the issues that we sense. You can't call it social responsibility because that creates all of the wrong images. It goes back into a world that just doesn't exist anymore. Meeting the world's market needs is meeting the world's needs. The problem is the world's shifting back and forth without asking us first if it's all right. It requires new internal relationships in management and a new polity for management--a new management of management--new decision making processes. We've got the data base, we've got the community; we've got the network; we've got the discipline; we've got the organization; we've got the reputation of accomplishment; we've got the ability of accomplishment; we've got the realization that there are not business problems and other problems. There's no dichotomy anymore between internal problems and external problems and corporate problems and non-corporate problems. There are just problems. It's like the company manager who, when boarding the company plane, was asked by the pilot, "Where to?" He answered, "Take me anywhere. We've got problems all over."

Where do you start? Where do you begin? How is all of that related to each other? How do you appropriate your problems? How do you take them in so that you can deal with them; and not just pick them off one at a time and hope that they're not multiplying down at the other end somehow faster than you're picking them off? It's not a broadside approach to all of the problems that we've got. It's not a matter of doing what I want to do? It's not doing what somebody says I should do. It's not a matter of doing what I can do, which is probably easiest. We know how to do this, therefore, let's do it. And let's look for some places where people will let us do it. That's opportunism. The question is what do I need to do and how do I decide what it is that I need to do. How do you take a brainstorming list of things and order them into a schedule of tactics that deal with what you've decided is the crucial issue that's got to be dealt with which will, in turn, deal with all the manifestations of all the problems.

One of the particular things that we have found extremely useful, particularly in this Corporate Planning Task Force, is motivity. What we had found through experience was, what I guess everybody already knew, you can't motivate somebody else. Motivity comes from engagement in a task within a group. It doesn't have anything to do with getting along with somebody else. It has to do with accomplishing the task that the group is working on.

Another thing that we have been experimenting with a lot and are still working on and got a great boost forward was consensus. That's a popular word these days, but not too many people have really worked it. You see it every once in a while. When I got this promotion just a month ago the public relations department had me come down and pose for pictures for press releases; and they ended up with a dozen proofs. So, I took them home to Helen, and we had to pick out a picture. We decided I'd pick out one that I thought was the best and not tell her; she'd do the same. Well, of course, we picked different pictures and we worked through until we both decided on the same picture

and, of course, it was different than either of our first selections. Now, that's consensus. The final decision is not a compromise; but it's capitalizing on the wisdom and the insights of all the people there until you end up with a better decision that could ever have been arrived at any other way. It's kind of weird, to see that going on. This task force has 11 people in it. We have decided to use that methodology. I don't know any other word for it. It's weird. It depends on the group being in the same context and having the same motivation, out to accomplish the same task. Maybe you never agree with anybody else but you end up with a decision that every person can say, "That is my decision." But if I had to make it by myself, I wouldn't have made it. BUT THAT DECISION is my decision --has to do with commitment.

This task force meets 3 days every third week in various cities around the world. We were in Miami a few weeks ago and Pittsburgh last week. A couple weeks from now we'll be in Houston. One of the ways we have used the output of the LENS seminar in order to systematize identification of the key problems that we need to work on is we've built what we call a periodic table. Anybody taking high school chemistry will remember periodic tables. Back then, there was only 92 elements. That'll tell you how old I am. That's all there were. We had to prove that is all there ever could be!! Now I understand in the research lab they'll invent a new element during coffee break. But what it is is a system for relating generic issues with specific issues so that when you have a specific issue like should we put another million dollars into our real estate subsidiary in Reston, Va., then you can look in this periodic table to see what the general issues that relate to that are--for instance, it has to do with do we have enough management talent, will that decision affect legislation or will additional legislation affect that decision--which way does that go? It picks out the 2 or 3 general issues that are raised, then it cross indexes those against other specific issues that are related, and you don't end up inventing a wheel all the time. You go see where you solved that same problem before, with different names, but that you might not have recognized before. We are building a system that ties the decisions that you've already made together with the direction you've decided you wanted to move in so that your decisions are related to each other. That's what I mean by integrity. They hold together. They make sense. It is a matter of being operationally effective, of really having an impact, of really making a difference.

Well, we took LENS worldwide 2 years ago, in 1973 to test to see whether it was really applicable to a wide number of situations, a wide number of cultures. Since then we've had about 150 sessions, 50 of those outside of the North American continent and about 6000 participants have been thru LENS from Bangkok to Boston, from Pittsburgh to Paris, from Caracas to Chicago. I can relate to you what I have heard have been some results in some other companies. Phillips Cable in Edmonton sent a number of their managers to the LENS course and as a result redesigned their manufacturing facility based around zero defects. Proctor and Gamble had a number of their engineering staff participate in the LENS course. Now the LENS course itself is a stand-alone.

It is it. But at the same time the faculty at the Institute of Cultural Affairs makes itself available for follow-up consults where that is requested and P&G has made that request and is now still related in an informal way with the ICA. That other oil co., Exxon in Houston, has used LENS methodologies in developing their community relations program. The Royal Bank of Canada, by having their officers and managers participate in LENS is using those kinds of methods to develop an authentic relationship between each of their branch banks and the community, the particular community in which each branch bank exists.

The implication here is that it is most helpful if groups go to LENS from a particular corporation because it deals with group methods. LENS really has to do with discovering where the leverage points are in the particular issues that you face. It has to do with a practical visioning of the future and of how to get there. The word corporation has always been interesting to me--it just means body. I don't guess you ever say "Gulf Oil Body"--it doesn't sound right but it is the body. LENS has to do with a body projecting itself into the future and then devising the means that are necessary for propelling itself into that future.

Ben Ball