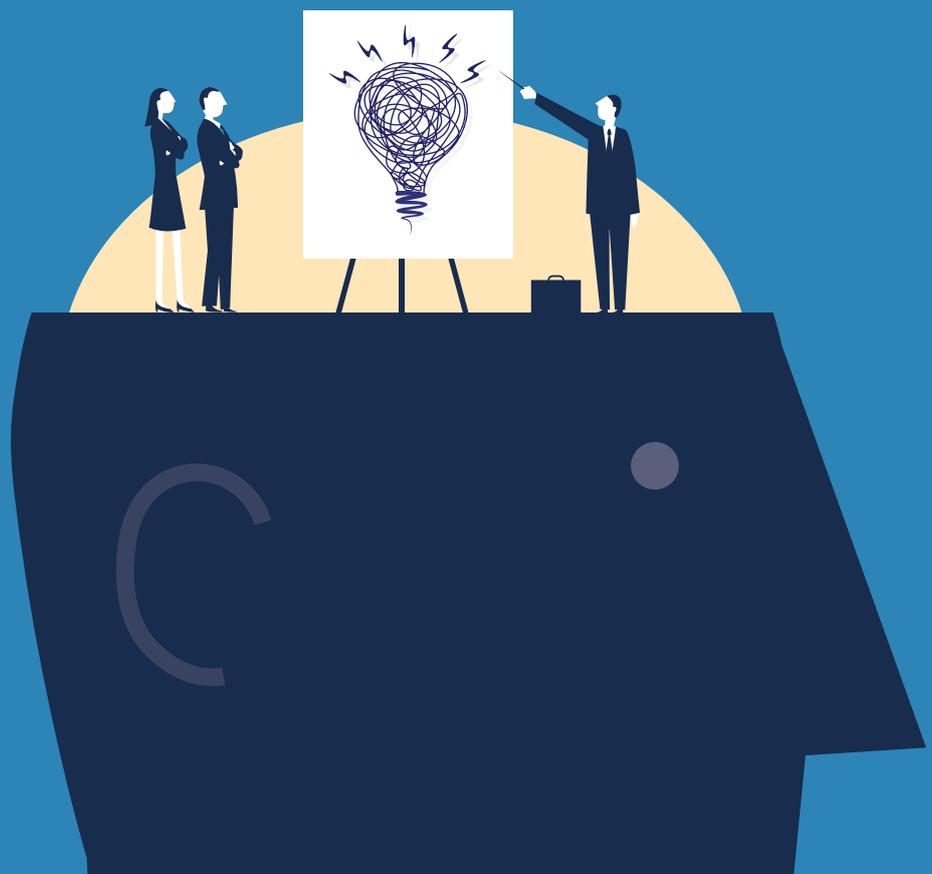


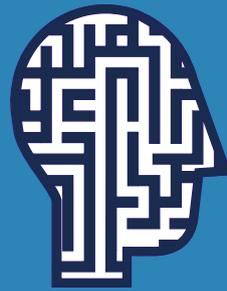
A GUIDE TO THE SUBTLE ART OF

# CORPORATE PERSUASION

The missing skill that  
could be costing your  
business millions



## Is your business capable of recognising a good idea?



**In 1876, William Orten**, President of Western Union, was offered the patent on a new invention called the telephone for \$100,000. He was curtly dismissive of the idea and wrote to its inventor, Alexander Graham Bell, saying:

*“After careful consideration of your invention, while it is a very interesting novelty, we have come to the conclusion that it has no commercial possibilities...*

*...what use could this company make of an electrical toy?”*

### **The corporate maze is the graveyard of good ideas**

Today, nearly 150 years since William Orten turned down the idea of the telephone, nothing has really changed. Innovation remains the key to business success. It is self-evident that a good idea can deliver a clear competitive advantage and significant revenue streams. According to a recent PWC Innovation Survey, top innovators can generate 75% of their revenue from products that did not exist five years ago.

However, having the best business idea in the world is useless unless you can turn it into reality, first by having the ability to have thought the whole thing through to a point that you could describe it as “bullet proof”, and secondly by having the skill to sell the idea internally through your own organisation and then on into the market itself.

The ability for businesses to let the seeds of great ideas fall on stony ground is legendary. It can also be extremely costly.

# The ideas that got away

**In 2000, Blockbuster** was presented with the opportunity to take on a fledgling business idea called Netflix. Today, the original Blockbuster is corporate history whilst Netflix enjoys a market capitalisation in excess of \$150 billion.

**In the 1990s, twelve leading UK publishing houses** turned down a synopsis from a yet unpublished author about a wizard called Harry Potter, handing Bloomsbury what proved to be the publishing coup of the century. J K Rowling has since become the UK's most successful author with sales in excess of £238 million.

**In the 1960s, Decca** famously turned down the opportunity to sign The Beatles, handing EMI the chance to capitalise on record sales worth £17 million between 1962 and 1970, or in today's money £340 million (\$500 million).

Ouch. Missed opportunities can really hurt a business, not just its pride, but more importantly the bottom line.

So, if a renowned inventor like Alexander Graham Bell couldn't sell an idea as brilliant as the telephone, how can a young manager or business executive with a bright idea get their business to turn it into reality?

## The answer lies in two critical but intertwined skills, namely, thinking and storytelling

No seemingly great idea will succeed in the market if the thinking is flawed. Equally, great looking presentations get pulled apart inside an organisation, not because someone hasn't done a lot of hard work or got an innovative idea, but because the thinking is either incomplete or worse still flawed. Whilst thinking is fundamental, being able to sell your thinking is equally critical because the best idea in the world is useless if you can get others to see what you see. Clearly Alexander Graham Bell had a great idea, but he couldn't sell it to Western Union.

Developing the ability to create, present and sell a compelling business plan is what might be called the art of 'corporate persuasion'. This is a critical skill that will enable managers with bright ideas to overcome the naysayers who will come up with the inevitable objections like "sorry can't see what it is you are proposing" or "it's been tried before and didn't work" or "finance will never approve of this". This is what we call the corporate maze and it is the graveyard of innovation.



## Converting an idea into an actionable plan is the universal key to success

There is perhaps one thing that every executive in every industry could agree upon, which is that all success is driven by having a management team with the ability to convert an idea into an actionable plan, one that either solves problems or capitalises on emerging opportunities. Obvious though this may be, it is a skill which is not taught anywhere.

If you are fortunate enough to go to one of the great business schools or universities, you will learn no end of management theories. Join one of the Fortune 500 companies and you will be sent on courses for almost everything under the sun, from being taught assertiveness, negotiation and presentation skills, finance and budget control, to diversity in the workplace and people management skills. The list is endless.

## However, managers are rarely (if ever) taught how to think strategically

How to think through to determine the problem, think creatively to find the right breakthrough solutions, and then build a story that will command a management decision, incredibly is a fundamental skill not taught in universities or business schools. In a research study carried out for SCQuARE by pollsters, Harris, we found that 74 per cent of senior managers in the UK have not received any training on how to convert a business idea into a workable plan. Given its critical importance, surely it is a skill that should be incorporated into all academic business degrees and into the induction process for any new executive joining a business that values innovation as the base on which to build future prosperity?

Without this skill, good ideas can get wasted and management teams can spend a hideous amount of time in meetings accomplishing nothing, usually ending up with the dreaded words "I think we need another meeting" and, rather than value creation, the absence of this skill creates the single biggest hidden cost in business.

# Solution, solution, solution and here's another solution!

**Starting with the solution** is the most dangerous and most commonly made mistake not just in planning but also in problem solving and business meetings in general.

It is in the human DNA to go looking for solutions and to come up with that 'Eureka' moment. It is natural for young executives to feel that they should be seen to be creative in doing their job. It is an instinctive urge to say "I've got an idea!" and one that should be encouraged.

However, the reality is best encapsulated by Einstein's quote: *"If I had an hour to save the world, I would spend 55 minutes defining the problem and five minutes on the solution."*

Process and creativity are not easy bedfellows, but in business they need to become happy partners. The secret is not to be creative with analysis, but to be creative with the solutions.

It is because the art of corporate persuasion as a management skill is not taught anywhere, it automatically leads to people jumping to solutions, having "brain storming sessions" that all just lead to ideas that neither solve the problem nor capitalise on the opportunity.

**" A problem well defined is 90% solved "**  
*Albert Einstein*

The simple reality is that if you have a problem there are only two things you can do:

- 1) Fix the cause  
and if you can't then;
- 2) Find an alternative solution to avoid the negative consequences.

It is that simple but sadly, because this isn't a skill that is either taught or a standard corporate discipline, people instinctively just leap into solutions.

However, not only does the lack of this discipline create enormous time wasting it also restricts creativity because when the problem is well defined, people's confidence will soar and group and individual creativity will explode, confident in the knowledge that they are solving the right problem.

## Selling the problem is the key to selling the idea

To turn a business idea into reality, managers need to have the skill, not to just present their idea, but to be able to "think through and sell the scale of the problem or the opportunity" that their idea will capitalise on, i.e.: to sell the problem or opportunity and present their idea as a workable proposal or plan to which their peers and colleagues can say 'YES'. There is a synergy between ideas, plans and persuasion that creates the possibility of sound leadership and innovation, the cornerstones of a successful business. The Dean of Harvard, Howard Johnson, was quoted as saying: *"The key to leadership is the ability to tell a story."* True, but the key to telling a story is having the right thinking in the first place and avoiding the scenario as described by one of the most senior executives in a global FMCG giant who once said of the strategy process:

**" We have spent two months working on the PowerPoint, now we are going to start on the thinking! "**

### Ineffective decision making and meetings that go nowhere costs billions in management time

- According to the recently published 'State of Meetings' report from the online scheduling service, Doodle, the cost of poorly organized meetings in 2019 will reach \$399 billion in the U.S. and \$58 billion in the U.K. This is almost half a trillion dollars for these two countries alone - a tremendous drag on the effectiveness of businesses.
- A study from the Harvard Business Review found that 65% of managers said meetings keep them from completing their own work. 71% said meetings are unproductive and inefficient. 64% said meetings come at the expense of deep thinking.
- In an earlier research study carried out here by SCQuARE, we looked at a number of leadership and management issues, including use of time, it was found that in the UK business is losing over £12.3 billion a year on managerial time spent on ideas which went nowhere and failed business pitches.

Given the astronomical sums involved and the billions invested in learning and development, the question hangs as to why this is perennially the case when a fix is available?

## SCQuARE writes your story as it shows you how to think strategically

How can you encourage good ideas and filter them from the bad ideas to make innovation a reality in your business?

SCQuARE provides managers with a robust, logical, structured and tested methodology for creating plans. It enables managers to analyse any subject, determine the problem, create the right solution and then convert the entire plan into a story-based presentation enabling the plan to be sold and command a decision, not just in their own business, but also to customers, clients, investors and other stakeholders.

By going through a properly structured planning process, a manager can prepare a well-thought-through proposition which will enable colleagues to make an informed judgement and sound decisions based on what they hear. Such a plan should address these key principles:

- **Start with a clear aim or mission** – The heart of any good plan is a clearly defined end goal, but the writer needs to explain where this lies within the context of the business's main aims and objectives.
- **Ensure the analysis shows the consequences and causes of every issue** - If a manager cannot explain the consequences and causes of any issue, then the truth is they don't understand it and should not expect a decision. The simple but brutal reality of problems is that there are only two things you can do. Either fix the cause or find a way to avoid the negative consequences.
- **Identify the pivotal question** – For every plan there is always one overriding question that must be addressed. The fullness of the question will dictate the fullness of the solution. The key stage in building a plan or proposition is to identify this pivotal question. The question that will move your brain from analysis to creative solution finding.
- **Balance creativity with process** – Creativity and process are not typically seen as easy partners, but managers need to reconcile the tensions between the two concepts in order to ensure that creativity is always directed towards achieving organisational goals.



- **Tell a story, headline to detail, conclusion to data** – A common problem in business planning involves overloading a plan with facts, figures and statistics, pie charts and graphs with no story. Facts and data should be there to support the story which will aid comprehension. A great presentation should be able to be understood from the headlines alone.
- **First sell the problem, then the solution** – There are only three reasons why anybody agrees to commit a resource in business:
  - 1) You've identified a problem
  - 2) You've spotted a threat or
  - 3) You've identified an opportunity.The secret of the planner is that they must first sell the decision makers on the scale of the problem or opportunity, and not just walk straight in with a solution. If they don't buy your problem, then they won't buy your solution.
- **Demonstrate that all the options have been looked at** – Management won't necessarily want to be presented with a "menu" from which to choose, but they do need to be confident that all of the angles have been considered.
- **Specify the 'How?' and explain the 'Why?'** – Plans can often end up going nowhere because the two critical questions of 'how' and 'why' have not been answered. The bottom line is if you cannot address these two simple questions, then you probably do not have a plan, only a concept, and the likelihood is that it will fail if it is ever launched.

# The strategic puzzle - where and how plans go wrong or right

**One of the advantages** of a structured and rigorous planning process like SCQuARE is that ideas can be objectively assessed, and peer reviewed to ensure good ideas can be adopted, but it also helps to ensure bad ideas are rejected. Whilst innovation breeds success, business disasters can be really costly too.

The ability to review ideas can be achieved by looking at ideas and developing plans using the strategic puzzle illustrated below:



Adapted from Knoster



Just for fun, we have reviewed some well-known business ideas that failed and speculated as to where poor planning may have contributed to their downfall.



### McDonald's Arch Deluxe

The McDonald's Arch Deluxe was a luxury product aimed at "urban sophisticates" - people who probably sat outside of the burger chain's normal target market.

McDonald's spent \$100 million behind a product that never really caught on, making it what has been described as 'one of the most expensive product flops in history'.

*Where in the puzzle might this have failed?*

**No clear aim, no properly resourced action plan and no clear sales story.**



### The Daily

The iPad-only newspaper from News Corp, closed in 2012 just one year after its launch. Its failure has been linked to two causes: The Daily was believed to have achieved 100,000 paying subscribers, but the original business plan was for 500,000 plus subscribers to break even and move into profit. And, as one leading analyst put it, The Daily 'didn't offer anything that readers could not get from any other newspaper, and it lacked a brand.'

*Where in the puzzle might this have failed?*

**No analysis of the facts and an unrealistic aim. What evidence was there that the 500,000 + subscribers was an achievable target?**



### Coca-Cola reformulation:

In 1985, Coca-Cola changed its market-leading product and introduced the now infamous New Coke. Spooked by Pepsi-Cola's increase in market share brought about by its highly successful Pepsi Challenge TV advertising, showing most consumers preferred the taste of Pepsi over Coke, the company changed the formula of its main product. What they didn't plan for was the consumer backlash that followed, with brand loyalists demanding Coca-Cola reverse its decision. Within three months, the company brought back the old formula under the name Classic Coke and the company's performance began to recover.

*Where in the puzzle might this have failed?*

**No agreement as to the problem. The problem for Coca-Cola was Pepsi's advertising creating market share growth, not the main product itself. After all Coca-Cola is the biggest selling branded product of all time.**



### Ford Edsel

Ford's \$250 million mistake is a legendary lesson in bad marketing and poor planning. Ford invested heavily in a year-long teaser campaign leading consumers to believe that the Edsel was the car of the future - an expectation they failed to meet. After being unveiled to the public, it was unattractive, over-priced, and overhyped.

*Where in the puzzle might this have failed?*

**No targeted creativity. Ford failed to bring something new to the market. Edsel was just another car, and not a very good one at that.**



### R J Reynolds smokeless cigarettes:

RJ Reynolds spent \$325 million developing a smokeless cigarette launched in 1988 under the brand name Premier. The product heated the tobacco rather than burned it, requiring special instructions to light, making it difficult to use. Reporter Magazine wrote: 'Inhaling the Premier required vacuum-powered lungs, lighting it required virtually a blow-torch and, if successfully lit with a match, the sulphur reaction produced a smell and a flavour that left users retching.' One consumer who tried the cigarette said it 'tasted like shit'. He happened to be the chief executive of RJ Reynolds.

*Where in the puzzle might this have failed?*

**Mediocre solution and no sales story. How do you convince smokers that an inferior experience would be better than either continuing to smoke or just giving up?**

# Politicians and Brexit

Great, supine, protoplasmic invertebrate jellies or mutton-headed old mugwumps?

The most glaring example of an inability to plan and sell an idea is the never-ending saga of Brexit. This is not an attempt to make a political statement one way or another as to whether Brexit is a good or bad thing, but it shows what happens when there is no agreement as to the aim. When the first step of the puzzle fails everything will go wrong. Politicians can agree what they don't want to do, but cannot agree as to what they do want to do!

The failure of their thinking is exposed at every step of the strategic puzzle:



Adapted from Knoster



**SCQuARE International – Proud to be known as  
“The traditional management consultants worst nightmare”  
25-years of expertise delivered to many of the world’s  
leading companies.**

For many years SCQuARE has been proud to be described as  
**“The traditional management consultant’s worst nightmare”.**

This is because SCQuARE consultants travel the globe advising  
and training senior managers in some of the world’s leading  
companies on how to use SCQuARE. The result being that plans are  
created by the company and not a consultant hence the title of being  
a consultant’s “worst nightmare”. Many executives trained  
in the SCQuARE process have gone on to become managing  
directors of major corporations.

SCQuARE has worked in over 80 countries. Its clients are global  
players from all industries and sectors and include major  
corporations like Arla Foods, Cigna, Coca-Cola, Diageo,  
GSK, Lloyds Banking Group, Nestlé, Nike, Novartis,  
PepsiCo, Sainsbury’s and many others.

## All now wrapped up in an app



The iSCQuARE web application shows and guides you through the thinking of any plan, building and challenging your strategic thinking along the way and enhancing your storytelling skills – and, with one click, it automatically generates a powerful presentation ready to sell.

The key advantages to companies of this application are:

- It vastly accelerates the planning process for managers tasked with developing and presenting proposals by providing an easy-to-follow process based on a robust, logical, structured and tested methodology.
- In particular, it kick-starts the thinking process and overcomes the blank sheet of paper or empty computer screen as inertia sets in at the outset of the task because managers 'don't know where to begin'. On-screen prompts take managers through a step-by-step process from start to finish.
- It helps build an online repository of plans and proposals other managers can use to follow and benchmark their own work in developing their own plans and proposals.
- It provides a structure for plans and proposals company-wide, which can be used for internal selling, for pitching to customers, clients, investors and other stakeholders.
- At the touch of a button, the final and working documents can all be downloaded and converted into all the major working office formats including Word, PowerPoint and PDF files.

**iSCQuARE – strategic thinking made simple**

***'No-one has ever made money out of a plan,  
only in executing it. SCQuARE will get your ideas  
to market in a fraction of the normal time.'***

**SCQuARE International Limited**

United Kingdom (Headquarters)  
3 The Square  
Liphook  
Hampshire  
United Kingdom  
GU30 7AB  
+44 (0)1428 727 888  
info@scsquare.com

**Australia**

+61 (0)2 9328 6223  
australia@scsquare.com

**USA**

**SCQUARE International USA Inc**

Brandywine Executive Center  
1521 Concord Pike #301  
Wilmington DE 19803  
USA  
+1 (302) 824 7099  
usa@scsquare.com

**Malaysia**

+6 013 3562378 or +6 013 3642885  
malaysia@scsquare.com

**Thailand**

+66(0)96 220 8695  
thailand@scsquare.com

**Latin America**

+57 318 306 9252 or +57 316 860 7589  
latam@scsquare.com

[www.scquareinternational.com](http://www.scquareinternational.com)

