

Lasting Competitive Advantage Issue

True North project guidance strategies

Compass

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Competitive Advantage?

Where will you find your next competitive advantage? I know where you won't be finding it: Increasing your productivity.

Productivity has become table stakes for staying in the game—a competitive requirement—and no longer any assurance of lasting advantage. When all competitors have access to the same means for continuously improving process, improving process stops providing any competitive advantage.

Companies today are more than lean. They've grown anorexic from cutting to the bone, endlessly, almost mindlessly, trimming every smidgen of operational fat.

If you're still in the game, your chopping hasn't created anything like a lasting competitive advantage. Are you engaged in a game without end—one you might not expect to ever win—and one that you dare not ever stop playing? Ever?

Some blame globalization, the cruel free market forcing their hand to hold that self-destructive knife. The world has flattened. Have you?

Almost every physical action you can do to improve your productivity, someone else can already do better, faster, and cheaper. Further, the information revolution has dissolved the barriers to entry that used to keep at bay many threats to your productivity advantage. These enemies are no longer at the gates of your enterprise, they sit on your laptop.

Where will your next great competitive advantages come from? They will emerge from the present emergency for some, but not for others. The gods of productivity encourage us to organize in ways that please them, but also in ways that prevent us from pleasing any better god. We have mature controls over methods which could please no other god. These methods have become barriers between us and whatever must follow.

Lasting competitive advantage hinges upon insight, that mysterious visitor which trumps even the grandest strategies. In the recent past, insight could be overshadowed by economic power, but no longer. Your uncertain future balances on the thinnest, sharpest possible foundation. Individual insight. Will you learn how to leverage it?

This issue of *Compass* looks at competitive advantage and finds a surprising source.

We need to get over the idea that we have something to get over and learn to appreciate the value our imperfections bring. Much of the effort intended to improve competitive advantage is wasted, misguided however competently led.

The odd eccentricity is most difficult to copy, nearly impossible to emulate. Should we successfully leach the variation out of our operations, we will find our competitive advantage has gone missing as well.

What holds our fragile economy together now? The least measurable, the least "manageable" component of all. While I may sound mysterious when I mention it, I intend no mystery. The best of the best practices cannot be found on any industry list of best practices. The effort you spend emulating others' best can never translate into lasting competitive advantage. The competitor you chase will have already moved on to something better than their old best before you ever arrive.

Will you chase or will you lead? Your choice. Those who feel threatened will follow, falling ever further behind. Those who can leverage their insights will find themselves beyond competition, defining for themselves the terms of their engagement.

More on the following pages



A One Percent Solution

by David A. Schmaltz

I am a failed typist.

I am not by nature a cock-eyed optimist but a rheumy-eyed pessimist. I can detect the busted part per billion better than the nine hundred ninety nine million, nine hundred ninety-nine thousand, nine hundred and ninety nine perfectly performing parts. Remember the fable of the Princess and the Pea? She was satisfaction incarnate compared to me.

But none of my considerable shortcomings matter much. I am a failed typist and a published author. My results are meaningfully stumbled only by my own notions of how I am supposed to be. My glass, whether half empty or half full, remains my glass, and will always remain so.

When I was struggling through high school, I managed to convince myself that because I was a failed typist as well as a bonehead mathematician, I would naturally be excluded from the professional world. As if to prove my point, I excluded myself from that world for a very, very long time.

Later, I dabbled in that world and found my presumed encumbrances no barrier to performance at all. Many became competitive advantages. I will never suffer repetitive motion injuries from typing because I rarely use the same finger to hit any key.

In conversations with noted scientists, politicians, and business leaders, I've noted the same sort of shortcomings: The prayerful hope that their junior high school

teacher wouldn't check my work. The many undotted 'i's and uncrossed 't's which comprise every exceptional professional's finest work.

No one hopes for such imperfections. Most of us spend more than half of our lives covering them up while vainly failing to reform ourselves. At some point in these pursuits, many have a small epiphany. Caught with kimono unintentionally open, we find that we do not die from exposure, but thrive on it instead.

Following this unsettling insight, more energy flows into being than becoming, and we allocate little effort to fixing ourselves. We move beyond self help, through self helplessness, and into the unself-consciousness peak performance requires.

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Likewise, each organization seems to be painfully aware of their own shortcomings. Could any corporation exist that does not consume itself with reorganization, reengineering, and continuous improvement? Each loses in these distracting pursuits the full appreciation of how their quirky eccentricities actually contribute to a healthy bottom line, and healthier territory above that line as well.

So, I write this little essay to celebrate the failed typist in each of us, and the eccentric processes within each of our organizations.

During the Cold War, China's leaders, confident of the West's technical superiority, guaranteed their scientists' trailing position by forcing them to copy what the West invented. Spies would steal secret technology, which scientists

who might have been inventing instead, set out to replicate. Replication takes longer than invention and can never backfill the insights supporting any design. They'd replicate technology—bugs and all—while their own, admittedly cruder technology could produce results faster, and at lower cost. That old green-eyed monster, envy, cooked their goose.

How different is it today, when you hear a competitor announcing their latest breakthrough? Wouldn't you like to get your mitts on their blueprint? You'll be wise to keep your mitts to yourself.

Why Reinvent The Wheel?

In a recent piece in The New Yorker, writer Malcolm Gladwell recounted a competition to create the perfect cookie. Three teams were mustered to pursue the same objective. One team was organized like an eXtreme Programming team, working as an independent pair. Another, organized like an Open Source community, was called The Dream Team because it included many of the industry's most creative people. The third team was organized in a hierarchical pyramid, with a small leadership team guiding individual specialists.

The third team won. Not because of prescient leadership, but because one individual contributor had a sparkling insight, which she borrowed from another, apparently unrelated project. Her insight made the difference.

I used to lead teams installing package software. Package software is supposed to be distinguished from the homemade kind by its plug and play capabilities. In theory, defining a few parameters let us avoid the messy expense of designing and building our own system. In practice, no package ever arrived with the parameters our

business needed, so we spent a lot of time reinventing wheels. Often, what the old system could do with one hand tied behind its back, required an act of God to replicate on the new, "improved" context.

Further, each package gave little hint of the trade-offs its designers faced, or what the possibilities and constraints might have provided, given a slightly different insight. I observed that package system solutions can represent denial on the part of the purchasing organization. Denial of their own understanding of their business, and denial that they might be capable of composing their own insights when confronting unbounded possibilities and over-confining constraints. They always had to compose them anyway.

I've seen this same pattern in methodology implementations. Again, like package software, this tree drops its fruit far from the intended orchard. Rather than simply follow the library of checklists, procedures, and best practices, we spent much of our time justifying adjustments to them. Out of any particular context, any method makes perfect sense. Within any context, their perfect prose distills to gibberish.

In each project employing the "standard methodology", we discovered that standardization offered little advantage. We were not really looking for repeatability, but for some advantage. Not for how it has been done, which might have provided some past competitive superiority, but for those insights that could provide real advantage this time. The past was rarely more than a departure point in any of these pursuits.

So, we intended to avoid reinventing the wheel, but we inevitably reinvented it anew anyway. The difference? Our approach ensured that we'd be handicapped by nag-

ging notions that we shouldn't have to be reinventing wheels. While we were justifying each divergence from the prescribed path, and change ticketing every meander into unpredicted territory, we complicated our journey and compromised our fullest capability. All of this under the holy guise of improving our delivery process.

We reinvent wheels because we're driving different highways. The road ahead might seem identical to the road behind us, but we're never satisfied to repeat a prior success. We want—we need—a new success strategy this time, another insight into what our response could be. Balanced against arcane notions of productivity, the need to create lasting competitive advantage by insight demands that we reinvent the wheels propelling us over, over, and over again.

So we do.

Cutting Through The Knot

Before Alexander was known as "the Great," he came upon a nasty knot. The oracles had prophesied that whomever untied this Gordian Knot would rule the world. Alexander, in a moment of blinding insight, drew his sword and cut through the knot.

He did not untie the knot, as others had interpreted the oracle's prophesy. Rather, he became blinded to the obvious solution by an uncommon insight, and resolved the dilemma instead. Alexander's later title might lead us to believe that he was somehow special—an exceptional intelligence, an extraordinary person. But he was merely doing what we all do, what we all have done. He for that brief moment sidestepped his shortcomings as an untier, and followed an intuition which gave him vision as well as resolution. Greatness!

And I think this very human capability is what we always need when we come together to solve some problem. Sure, we carefully construct a plan, but we always encounter some Gordian Knots, some seductions to undo the past which, if we comply, will not make anyone great.

We miss many of the opportunities for greatness presented to us. We are stuck in how it was supposed to be or how we know it must be, and cannot see how else it might become. Of course, this is a feature of life, not a problem needing fixing. Alexander needed one extraordinary insight to slip into greatness. None of us needs to leverage more than that.

All of us have experienced more than one great insight. Each swoops in low, catching us unsuspecting, then transforms everything. What if we could depend upon this capability? Would it make a difference if we considered this skill a normal part of our tool kits?

Losing My Sword

The process and methodology wars rage around me, and I am tempted to join one side or another and become more eXtreme, agile, or lean. I study the techniques, perhaps even master them, then encounter some of the same old barriers I'd hoped to sidestep with my new mastery.

I revisit some of the failed typist in my self, too, and relearn—or not—that *even this* might be an advantage instead of an encumbrance. My practice will diverge from every standard. Will I struggle to fix these obvious shortcomings or learn to leverage them into lasting competitive advantage? Will I follow insight or hindsight into my uncertain future?

My choice.

Is it really my choice? Did Alexander choose? Or was he guided by some greater hand? Or did he choose to be guided by some greater hand in his moment of extremity? Who knows?

I am not now nor do I ever expect to become a completely confident traveler, but I've learned to employ a few "foolish" crutches. I can depend upon insight. I have no idea how to induce it, other than to lose faith in it, tangle myself in some hopeless dilemma, then stumble into insight's unexpected camp just as dinner is being served.

How does this work? I've grown beyond caring. My right hand's two typing fingers remind me that it does work. Do I really need to know why?

When why becomes irrelevant, how becomes more possible. When how becomes irrelevant, anything becomes possible. Of course, I do not want anything to be possible. I want to constrain scope, predefine method, live within my budget, and still achieve greatness. Then I encounter a knot.

My experience tells me that I can depend upon that quiet introvert who never says anything profound to mumble something profound at that moment. It tells me that the anything-but-still, far-from-quiet, wise-ass voice inside me will become uncommonly wise only when I've proven myself completely incompetent to myself.

It's never the (k)nots that blocks me, but my relationship with the (k)nots. Whenever I try to avoid them, I am unconsciously tying another one. When I try to ignore an obvious (k)not, I tie yet another, perhaps even nastier one. I tie more (k)nots than I ever cut through. Seems I only ever cut through any (k)not after I lose my sword.

One Percent Blinding Insight

I want to make one, clear distinction—between method and insight. While we employ great varieties of techniques to guide us from here to there, none of these methods prove successful on their own. Each needs about a 1% injection of something no one can describe. Afterwards, I call it insight and marvel at its transforming effect. Beforehand, I, perhaps correctly, show little faith that it could ever, would ever visit little old me.

Our clients explain that something unexpected happens when True North shows up. Whatever they expected, they are left with no better procedures than before we arrived, no improved standard to aspire to, no auditable metrics to measure their lack of progress against. They are left with the fresh experience of an insight which blinds them to their original aspiration and leaves a vision of a astonishing future capability.

We do not give these insights to them. They give them to themselves, which makes them stickier and infinitely more useful. Their faith is renewed, as is ours, that they might approach the greatness they intended, perhaps deserved.

We all deserve such greatness. It arrives in unlikely packaging, like a failed typist capable of creating something that utterly changes the world. Not even the typist knows how he achieves anything. He learns only to believe in something that could never be described. He stops trying to type and he writes.

We live in a world quite different from Alexander's, but also much the same. Competitive greatness still depends upon an indescribable something which determines the difference between playing well and winning the game. das



Appreciations

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Speaking to the World

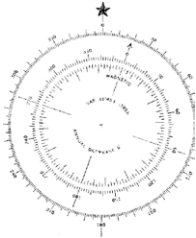
This spring, I was delighted to speak to about 1/6th of the world via New Dimensions Radio. The interview, *Ethics, Values, Integrity and Mastery* is available on CD through New Dimensions at "<http://www.newdimensions.org/NEW/audio-books/3074.shtml>."

Thank you, Michael Toms and Justine Willis Toms for an inspiring experience. Make the best of the curious choices your life brings you. das



About *Compass*

Compass is published periodically by **True North pgs, Inc.**, and is distributed free of charge to a world-wide community.



Compass is a navigation tool for continuing your practice of improving your experience. *Compass* shares stories and insights to serve as the basis for you to provide more effective leadership to yourself and to your community. We enable each other to improve the quality of our experiences by sharing our stories and our insights.

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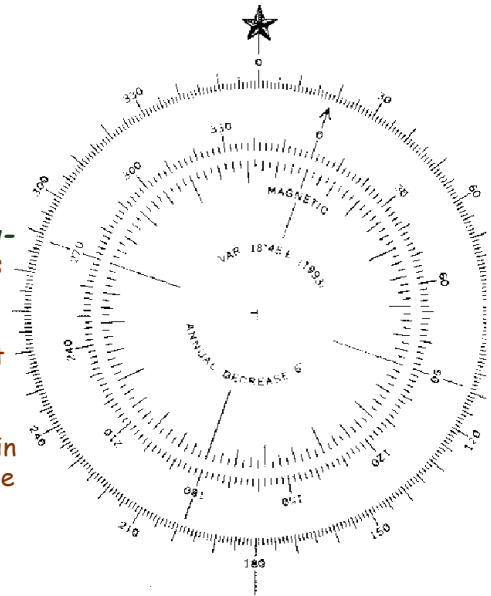
Upcoming Workshops

True North will be conducting an open enrollment **Mastering Projects Workshop** workshop in Frankfort in late November. Contact Amy@projectCommunity.com for details.

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Project Intensive:

To see how True North's **1% Solution™** might affect your project's performance, consider scheduling a three day True North **Project Intensive**. We design each Project Intensive to help your project's community identify those tiny points of significant leverage within your project. So you can do a whole lot more with a whole lot less.

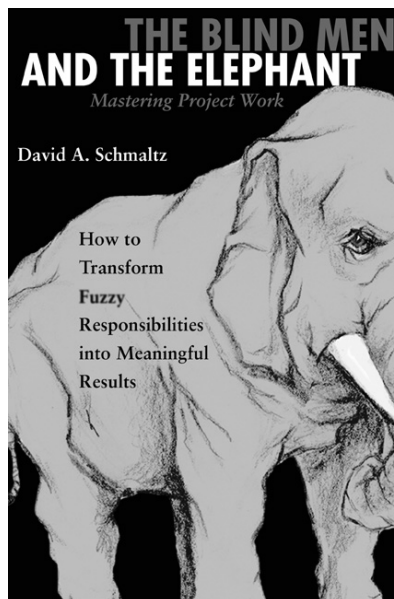


The Blind Men and the Elephant

"There were six men of Indostan, to learning much inclined..."

So begins John Godfrey Saxe's fable of the blind men who failed to see an elephant together. Though each was able to perceive their piece of the beast, none were able to integrate their individual perspective into a coherent whole.

The result? You've seen it on each of your



projects. During that time, which sometimes extends until after the project concludes, factions argue about the true nature of the beast which none of the combatants will ever see.

In my book, *The Blind Men and the Elephant, Mastering Project Work*, (Berrett-Koehler, 2003), I consider this universal feature of our project work and offer some simple tactics for creating the coherent experiences we each aspire to achieve.

Google the title or my name to see reviews of the book. Now available in Thai, Dutch, Chinese, Spanish, and Portuguese- as well as English.

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