



## Cooperative Advantage: *How 1 + 1 becomes 3*

Business leaders today typically focus on creating Competitive Advantage when seeking to improve their performance. This aim worked well when industry structure was stable and business was not so interconnected. However, our bias for competition overlooks and often undermines a vital driver of value creation in business today: The synergy of potent cooperation that allows 1+1 to become 3. The best way to innovate and deliver superior performance with increased prosperity for all is through outstanding cooperation among your people and stakeholders who productively mobilize the right resources and capabilities. We call this **Cooperative Advantage**.<sup>1</sup>

### Summary

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Our conventional management methods are not delivering the results we need. Most companies are unable to sustain performance over time as illustrated by short and decreasing CEO tenure and the limited time most companies remain in the Global 500 (average of 10 years).<sup>2</sup> Workforce stress is pervasive, and 70% of U.S. employees are not engaged.

Cooperative Advantage promises a different result by harnessing the combined human potential of your people, customers, suppliers, business partners and other stakeholders such that they work together with excellence with more trust, less wasted effort, and better results for all. They align around shared mutually beneficial objectives, build powerful joint capabilities and work in synergy to create what's next and deliver superior results for business and society.

Cooperative Advantage begins with the realization that 1+1 can in fact become 3, and often does so with the right set of competencies and practices. It occurs when your people, relationships, and resources culminate in unexpectedly superior results. Achieving this requires:

- **Human Excellence** is central to Cooperative Advantage because in today's world the majority of business value is intangible (e.g. innovation, brand, reputation, trust, loyalty, relationship capital) and this is created when people and partners work together with excellence. Just as we know from sports and the performing arts, combined human excellence requires both extraordinary skills acquired through practice and the ability to reliably perform selflessly with our attention on making a positive impact.

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<sup>1</sup> Cooperative Advantage uses theories and practices that are credibly grounded in research evidence across fields of strategy, innovation, psychology, creativity, neuroscience, and organization behavior.

<sup>2</sup> Business Insider September 23, 2011

- **Synergistic Architecture** is important because today's business models, structures, processes, technologies, and incentives are frequently overly bureaucratic, stifle intrinsic motivation, and fragment collective efforts, often setting people up to work at cross purposes. Hence these elements must be realigned to more naturally bring the best out of people and create synergy among them.
- **Focus** is needed to make the most of the time and resources you invest in your improvement efforts. Priorities for strengthening your key strategic capabilities should guide your efforts to advance human excellence and re-align your business architecture to best deliver superior near- and long-term results.

Cooperative Advantage is a practical way for you to realize the vision set out in our recent book, *Flourishing Enterprise: The New Spirit of Business*.<sup>3</sup> This book aims to inspire a higher aspiration, a world that flourishes rather than one that merely aims to continue to be viable. A flourishing world requires that organizations and the people in them also flourish; and paradoxically this is a recipe for greater business success.

The first half of this document will provide you with the background thinking and research references that have informed this unique approach to business success. The Appendix in the second half will provide you with brief summaries of the most empowering practices that we've seen that bring these ideas to life.

## The Imperative

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Business leaders today are challenged in an increasingly dynamic environment with volatility, change, and ever-rising expectations. Many of us are running faster and harder to keep up. Yet most of us will experience accelerating challenges as we face more technological change and disruption in our industries and an increasingly dynamic, risky, and interconnected global environment.<sup>4</sup>

Our conventional management methods have not delivered the sustained performance we need. Most companies are unable to sustain performance over time as illustrated by short and decreasing CEO tenure and the limited time most companies remain in the Global 500 (average of 10 years).<sup>5</sup> Our methods also produce many unintended side effects that adversely impact society and nature; today we face a growing imperative to reinvent the way we do business across many sectors such as energy, food, healthcare, education, and transportation.<sup>6</sup>

At the same time our organizations do not harness anywhere near the "full-potential" of our people let alone our partners. As a recent Gallup poll confirms, 52% of all full-time workers in America aren't involved in, enthusiastic about, or committed to their work.<sup>7</sup> Another 18% are "actively disengaged," meaning they have gone beyond just checking out mentally, and could even be undermining organizational success. Gallup estimates that the cost of wasted human potential in U.S. business is \$450 to \$550 billion a year. Furthermore, the untapped potential of cooperation and entrepreneurial creativity, both internal to our organizations and with partners, represents a vast but invisible untapped upside worth many multiples of the Gallup estimate.

<sup>3</sup> Co-authored by David Sherman, Paul Werder and seven other authors as a product of a Distinguished Fellows program at the Fowler Center for Sustainable Value at Case Western Reserve University; Stanford University Press, August 2014. The book posits that the path to flourishing requires an additional ingredient beyond the norm today: reflective practice. It offers practices suitable for individuals, organizations, and systems.

<sup>4</sup> World Economic Forum Global Risk Report, 2011

<sup>5</sup> Business Insider September 23, 2011

<sup>6</sup> Berkeley-Haas Dean Lyons video: Path-bending Leaders <https://www.youtube.com/watch?v=DRGUhI8bHGw>

<sup>7</sup> Wall Street Journal, June, 11 2013

## The Strategic Logic

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Competitive Advantage, the dominant strategic narrative in business today, is outdated. While competition plays a role, our over-reliance on competition often undermines our biggest opportunities. Competitive Advantage focuses our attention on how we can get a bigger piece of a fixed pie, while today, the most important opportunities are those that grow the pie.

Thought leaders are declaring that the more powerful driver of value creation for business in the 21<sup>st</sup> Century is cooperation.

*“Our approach to management is the limiting factor in our ability to commercialize and scale the innovations necessary to fuel the next phase of economic growth and positive impact. We must become much better collaborators in order to build the capabilities necessary to successfully integrate multiple scientific disciplines and bring innovations to multiple markets.”<sup>8</sup>*

Cooperation focuses on collaboratively growing the pie through creativity, innovation, and superior execution. Organizations that learn to attract and motivate the best employees, partners, and other collaborators to create and deliver together as one interdependent business system have an advantage over those that don't.

The strategic logic of Cooperative Advantage is to use outstanding cooperation to leverage opportunities consistent with three of today's most potent theories of business strategy.

- 1 **Resource Based Theory** – deploys the right resources, including knowledge, relationships, networks, reputation, brand, and intellectual property;
- 2 **Dynamic Capabilities** – exploits superior ability to sense the environment, create new opportunities, and dynamically deliver sustained performance;
- 3 **Stakeholder Theory** – creates synergy among the diverse faces and personalities of employees, customers, suppliers, business partners, government and other stakeholders within your business model.

Thus you can create and sustain superior performance by effectively deploying the right resources and capabilities developed through the cooperation and synergy of your people and stakeholders.

## What Does Cooperative Advantage Look Like?

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When you achieve Cooperative Advantage your strategies, business models, actions, behaviors, and incentives all foster and leverage outstanding cooperation. Your employees, customers, suppliers, business partners and other collaborators resonate with your compelling purpose that supports a broad range of aspirations including business and stakeholder success, the needs of society, and the laws of nature. You engage a robust set of stakeholders who apply their strengths and innate potential to work together in synergy to “grow the collective pie” while delivering on their shared sense of purpose.

**People/Team:** Your employees and teams within your organization hold a deep sense of purpose, common values, trust, and connection. They leverage their strengths and consistently access their source of insight and creativity. Team members feel deeply connected to one another, honor differences and paradox, and synergistically work together.

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<sup>8</sup> Raymond Miles, Professor Emeritus and Former Dean, Berkeley-Haas School of Business, author of Collaborative Entrepreneurship, during a lecture to the Haas Alumni Association, May 2013

**Organization:** Your organization’s purpose is compelling to your employees, partners, and stakeholders. Your culture fosters effective and creative teaming both internally and externally. Your external reputation reflects the integrity and vibrancy of your culture.

**Business System:** Your customers, suppliers, business partners and other collaborators apply and build from their strengths, and co-create strong network-based capabilities and solutions. Your stakeholders are aligned around shared, mutually beneficial objectives. Trust and commitment to one another’s success throughout the business system is exceptionally strong.

**Business Model:** Your business model creates and delivers outstanding value for your customers, stakeholders, and shareholders. Increasingly you reach beyond delivery of products to include hard-to-imitate solutions and services that better address the needs of your customers. You engage a wide range of collaborators to serve customers and deliver on your value proposition.

Your business model also uses technology to expand cooperative potential and turns this potential into outstanding cooperation through strong mutual understanding and trust among the collaborators in your business system. You align the incentives of your stakeholders, foster synergy among them, and reward those who contribute to the combined success. You effectively employ a full range of extrinsic, intrinsic, monetary, and non-monetary rewards that reflect what your key stakeholders truly value.

**Examples:** There are an increasing number of examples of companies whose business models reflect key elements of Cooperative Advantage. Cooperation and co-creation with customers and platform partners is particularly strong in new economy companies such as Amazon.com, e-Bay, Google, LinkedIn, GeoMagic and Airbnb. Many traditional, longer-standing, companies also employ many elements of Cooperative Advantage. Examples include; Unilever, IKEA, IDEO, JetBlue, Johnson & Johnson, Southwest, UPS, Caterpillar and the list is growing. Whole Foods, is an example of a retailer that is leveraging core values, business mission, and stakeholders in their overall business concept as shown in Figure 1.



*Figure 1 – Whole Foods Example of Cooperative Advantage*

## Key Performance Levers and Supporting Competencies

It is popular for executives today to focus primarily on tangible results (the numbers), fact-based management, and tangible performance levers such as structure, process, and information management tools. When business was less-complex and company value came primarily from tangible assets such as plant and equipment (e.g. Ford Rouge Factory) this type of focus made a lot of sense. But today, intangible assets such as intellectual property, brand value, goodwill, reputation, and employee engagement are what matter most, and in fact, they comprise 80% of the value of the S&P 500.<sup>9</sup> This value is created largely through less tangible people-centric ingredients.

Business increasingly delivers products, services and solutions using networks of employees and partners who must work dynamically and effectively together across functions and organizations to deliver and sustain high performance. To achieve high performance in this new environment you must shift your focus toward performance levers and competencies that are more adaptable and less tangible than those called for in the past.

Figure 2 presents our short-list of tangible and intangible competencies and performance levers. The bold indicates those that deserve your added attention in a complex and dynamic world where intangible assets matter more than ever.

|                    | Competencies                       | Performance Levers                              |
|--------------------|------------------------------------|---|
| Tangible           |                                    |   |
| <b>Traditional</b> | Fact-Based Management              | Structure, Process, Tools                       |
| <b>Complex</b>     | <b>Pattern-Based Management</b>    | <b>Experimentation, Co-Creation, Adaptation</b> |
| Intangible         | <b>Awareness, Insight, Synergy</b> | <b>Purpose, Values, Trust, Practices</b>        |

**Figure 2 – Two Types of Performance Levers and their Supporting Competencies**

**Tangible:** In traditionally stable business climates, fact-based management, clearly defined structures and processes, and performance improvement tools served us well. But if you want to deliver high performance in today’s more complex world you need the ability to recognize context (simple, complicated, or complex) and identify/assess opportunities and threats in context-appropriate ways. We increasingly face complex challenges with unpredictability and flux, unknown unknowns, and no “right” answers. Success in such situations requires **pattern-based management**, with the skill to effectively probe, sense and respond. Under such conditions **experimentation, adaptation, and co-creation** particularly using large group methods that spur your people and stakeholders to generate and mobilize around new ideas are especially powerful.<sup>10</sup> Such approaches help your organization and people flourish provided they are focused in areas that matter, structures are adaptive, and people are free to experiment dynamically to discover the best path forward to achieve results.

Traditional fact-based management works well in situations where the “right” answers can be determined using sound analysis and expertise. However, when we inappropriately apply fact-based management to complex challenges we waste resources, create burnout, and have a false sense of confidence based on unfounded assumptions.

<sup>9</sup> Ocean Tomo Intangible Asset Value Study, April 4, 2011

<sup>10</sup> Snowden, Harvard Business Review, 2007, A Leader’s Framework for Decision Making

**Intangible:** Performance levers such as *purpose, values, trust, and practices* are increasingly important for engaging stakeholders who must effectively work together and adapt under complex conditions. Organization behavior was long considered the “soft and fuzzy” domain of the human resource function; however, it is now known to be a powerful driver of business performance in a dynamic world. Credible insights from the fields of strategy, positive organization science, team effectiveness, and neuroscience provide the evidence and necessary guidance to re-design our organizations, fully engage our workforces, spur collaboration, and unleash latent potential. These insights lead us to three intangible competencies that we call awareness, insight, and synergy.

In order for your people to realize their “full potential” and deliver with excellence they must first master their minds and emotions. Mastery of mind and emotions begins with competence in **awareness** directed inward, on others, and on the wider world. When we learn to imbue our attention with awareness, we can see how our behavior impacts others in “real time” and avoid dysfunctional behaviors from reacting to each other’s reactions.

When we cultivate our “intuitive mind” our competence in accessing **insight** and creativity grows.

*“The intuitive mind is a sacred gift and the rational mind is a faithful servant. We have created a society that honors the servant and has forgotten the gift.”*

*- Albert Einstein*

Fortunately, a great deal is now known about how to cultivate the intuitive mind. Physiologically, creativity and insight are heightened when the nervous system and brain are properly aligned and shift from a “fight or flight” response (sympathetic nervous system) to a relaxed and more-healthy (parasympathetic) stance. The brain also shifts from a beta wave state to alpha and theta. Intuitive insight is the inherent wisdom that comes to us naturally when we are in the relaxed or parasympathetic state of mind. Creative insight is distinct from automatic thinking (fast conditioned judgments and the perceived meaning we attach to events) which results from a stress response and is prone to mental bias.<sup>11</sup>

The third competency, **synergy**, enables masterful co-creation and coordinated action. When we interact with synergy we engage and blend with others to understand and honor their perspectives while sharing our own, and co-creating new possibilities. We accomplish what needs to be done through combining our collective strengths. Ultimately, synergy can look like jazz, improv comedy, or the magical performance of a champion basketball or soccer team.

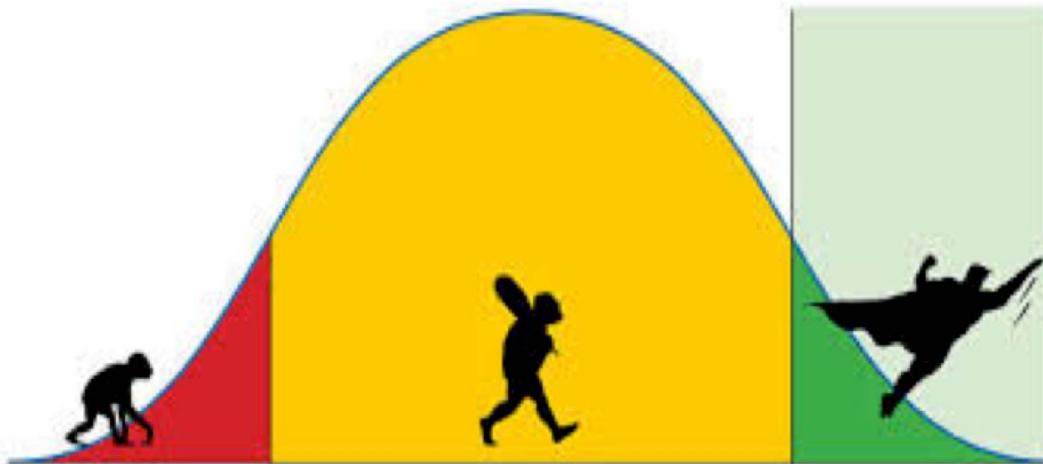
## **Generating Change from the “Inside Out”**

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To consistently create and deliver with excellence we must perform at our best individually and with others, and continually consider ourselves “in lifelong training” (see Figure 3). This requires that we change ourselves from the “inside out” and the best way to do this is through intentional practices. If you observe closely you will see that people and organizations are always practicing something, either deliberately or by habit, as they go about their activities. Our current practices, which often include limiting habits, lead to our current results. Since 95% of our daily activity is subconscious, intentional practice is required to overcome our habits and embed new behaviors that we want to exhibit routinely and with more ease.

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<sup>11</sup> Thinking, Fast and Slow by Nobel Prize winner Daniel Kahneman.



- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• <b>Contracted and closed</b></li> <li>• <b>Overwhelmed</b></li> <li>• <b>Burned out</b></li> <li>• <b>Reactive</b></li> </ul> | <ul style="list-style-type: none"> <li>• <b>Centered, present, aware</b></li> <li>• <b>Relaxed and alert</b></li> <li>• <b>Open and creative</b></li> <li>• <b>Energized and in flow state</b></li> </ul> |
|--|---|

**Figure 3 – Performing at Our Best**

Yet, in business, intentional persistent practice on a path to mastery is rare. It is more popular to chase the latest fads, look for quick fixes, and copy/benchmark competitors. All of us know that mastery in athletics and the arts requires intentional practice but most of us do not apply this understanding in business. You and your organization can, however. Through inquiry and the intentional selection and use of practices you can understand your current effectiveness and monitor your progression. Next we discuss a set of core practices for you to consider.

**A Brief Overview of Sample Practices for Building Competence:** To attain Cooperative Advantage you need to work with others to create what’s next and execute with excellence despite disruption and change. As such we recommend a core set of practices of four types:

- Acting from Your “Best Self,”
- Cooperating from Your “Best Selves,”
- Cooperating Across Your Organization and Business Systems
- Managing Your Continuous Improvement.

**Acting from Your “Best Self”:** These practices support your individual performance and effectiveness and ability to collaborate.

1. **Increase Your Awareness and Sharpen Your Focus:** *Manage your attention and focus inwards, outwards and on others* – You cultivate your ability to focus inward and on others in order to enhance emotional self-awareness, empathy, and mental agility. You also cultivate an outward focus on your external environment in order to increase your ability to devise strategy, innovate and manage your organization.<sup>12</sup>
2. **Act from Being Centered and “In the Zone”:** *Notice when you react based on your conditioning and shift to a more expansive inclusive stance* – You shift your point of reference from your “conditioned self” to your “centered self,” where you are relaxed and alert, at your best, and “in the zone.” You place and keep your attention where you want it.<sup>13</sup>

<sup>12</sup> Daniel Goleman, The Focused Leader, HBR Dec 2013; *Search Inside Yourself*, 2012 by Chade-Meng Tan of Google

<sup>13</sup> Wendy Palmer, Leadership Embodiment and iPhone/iPad Centering Practice application

3. **Access Your Insight and Creativity:** *Open to your deepest source of insight and creativity* – You cultivate your access to insight and creativity and illuminate your innate positive qualities and character traits so they become more natural during both times of ease and of difficulty.<sup>14</sup>
4. **Work at Maximum Effectiveness:** *Manage your priorities and energy to maximize your impact and contribution* – You develop the discipline to shift from working harder over longer durations to working more effectively over shorter durations. You engage in your highest priorities with high positive energy, monitor your mood and energy level, and renew (even briefly) at least every 90 minutes. You discover how to increase your performance while working fewer, higher quality hours.<sup>15</sup>

**Cooperating from Your “Best Selves”:** These practices foster collective creativity and effective collaborative action.

1. **Engage for Synergy and Insight:** *Enlist deep listening and dialogue to spur innovation* – You and your collaborators bring a deep awareness and presence to your interactions enabling each of you to inspire and cooperatively build value from your deepest sources of insight.<sup>16</sup>
2. **Coordinate for Impeccable Action:** *Improve performance and build trust through clarity, commitment and follow-through* – You and your collaborators make, modify, and deliver on clear action commitments. This strengthens mutual trust and helps you maximize performance and minimize rework.<sup>17</sup>

**Cooperating Across Your Organization and Business Systems: Ultimately,** Cooperative Advantage requires you to align your organization and key business systems around common values, a vision of the future, and actions for fulfilling your strategic intentions. Two powerful methods that help you accomplish this are introduced below.

1. **Manage Organizational Values:** *Measure and manage the full-spectrum of organizational values* - Your organization clarifies and aligns around authentic personal and organizational values. You measure values, identify behavior gaps, and help each other change behavior and better align your organizational architecture with your values.<sup>18</sup>
2. **Transform Your System with W-Holistic AI:**<sup>19</sup> *Envision and realize a compelling future by engaging employees and stakeholders* - W-Holistic AI fosters change for your organization or business system by building upon and deepening the well proven Appreciative Inquiry (AI) Summit. AI helps stakeholders discover and leverage collective strengths, envision a compelling future, and design and launch initiatives to bring about that future. W-Holistic AI includes practices that help people connect to what is most important and meaningful to them and bring these aspirations into the summit. It also includes practices to access deeper levels of creativity and provides for a program of powerful follow-through after the summit.

**Managing Your Continuous Development:** You can ingrain deliberate and consistent practice throughout your organization by adopting the following two meta-practices. In combination, they will help your people clarify a deep sense of personal purpose and guide

<sup>14</sup> Adapted from LionHeart Consulting Remembrance Practice

<sup>15</sup> Adapted from Stephen Covey, First Things First and The Energy Project [www.TheEnergyProject.com](http://www.TheEnergyProject.com)

<sup>16</sup> Developed based on Theory U, <https://www.presencing.com/theoryu>; Nonviolent Communication, [www.cnvc.org](http://www.cnvc.org); and Emotional Connection [www.cushnir.com](http://www.cushnir.com)

<sup>17</sup> Sources: Impeccable Workflows: [www.lionhrt.com](http://www.lionhrt.com); *Promise-Based Management*, Harvard Business Review April 2007, *Conversations for Action and Collective Essays: Instilling a Culture of Commitment in Working Relationships*, Fernando Flores, 2013

<sup>18</sup> Source: Barrett Values Center

<sup>19</sup> See *Flourishing Enterprise: The New Spirit of Business*, Stanford University Press, 2014. Adapted from Appreciative Inquiry (AI) summit. See the Appreciative Inquiry Commons <http://appreciativeinquiry.case.edu>

efforts that help each person develop continuously towards mastery.

1. **Live from Your Highest Goal:** *Clarify and live from your most compelling life purpose* – You identify and align with your most essential purpose and the values that give real meaning to your life, enabling you to be more creative and self-directed.<sup>20</sup>
2. **Improve and Change with Intention:** *Build competence, overcome limiting habits, and improve effectiveness through deliberate practice* – You clarify your ideal self and develop a learning agenda to get you there. You experiment with new behaviors, are supported by trusted colleagues, and identify and overcome your limiting habits and the hidden obstacles that keep you from achieving your most important goals.<sup>21</sup>

## Is Cooperative Advantage For You?

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Cooperative Advantage is for you if you have the requisite commitment affirmed by answering yes to these two challenging questions:

1. **Strategic Importance** – Is a higher level of outstanding cooperation critical to advancing your core competencies and strategic priorities?
2. **Commitment to Mastery** – Are you and others in your organization willing to align yourselves with your highest sense of purpose and pursue a path of mastery that includes disciplined practice?

## Taking Action

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You may see your organization as “already cooperating at a high level.” If so, a brief diagnostic exercise to assess what you are currently doing well, and identify where you can best strengthen your strategic capabilities and deliver superior results, will illuminate the never-ending possibilities of cooperative advantage.

Based on the insights from your diagnostic exercise you may choose to:

- Build on your successes with a deeper or broader application of these principles and practices
- Address challenging partnerships, customer relationships, or innovation and operations processes
- Address key leverage points such as critical projects, strategic initiatives, teams, or regular meetings.

Success with Cooperative Advantage requires that your senior leaders set the tone and create the conditions to unleash the untapped human potential and creativity throughout your organization and business system. Having done so, you turn your attention to empowering others. Once your people and partners are free from limiting mindsets, habits, and bureaucratic constraints, they will more fully engage themselves and learn to work and flow together in the spirit of excellence, allowing your business to flourish without compromise.

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<sup>20</sup> Based on *The Highest Goal* by Michael Ray – Berrett-Kohler Publisher 2004 2005; Michael Ray was called by Fast Company Magazine “The Most Creative Man in Silicon Valley” because of his Stanford Business School Course, Personal Creativity in Business. This exercise was the key to that course.

<sup>21</sup> Boyatzis’ Intentional Change Theory, published with Goleman in *Primal Leadership: Realizing the Power of Emotional Intelligence*, 2002; Harvard Business Review Press; Kegan, *Immunity to Change: How to Overcome It and Unlock the Potential in Yourself and Your Organization*, 2009; and Harvard Business Review Press; Duhgg, *The Power of Habit*, 2011

## Conclusion

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In the afterword of *Flourishing Enterprise*, David Cooperrider<sup>22</sup> states “nothing brings out the best in human enterprise faster, more consistently, or more powerfully than calling the whole organization (and system) to meet humanity’s greatest challenges.” David goes on to ask, “Could it be that the quest for sustainable value – when everyone is galvanized around strategic innovation in the service of a more sustainable world and strong business results – is *the most significant opportunity of the 21<sup>st</sup> century?*” At a time when over 70% of our workforce is disengaged and a focus on simply becoming more competitive will no longer suffice, the imperative to work effectively together is greater than ever. Cooperative Advantage offers innovative leaders and organizations a practical way to capitalize on this immense and rewarding opportunity.

## Appendix to White Paper

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Our appendix (pages 11 - 24) will provide you with a brief view of “how” our sample practices can assist you and your organization develop your competencies to improve your performance and create a cooperative advantage. Ideally, you will encourage your people to arrive at, and experiment with, these types of practices until they find the perfect fit and the “ease” that comes from developing new, positive habits. Until your new habits are making it easier to achieve more satisfying results you have not yet identified all of the best practices you need.

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<sup>22</sup> Pioneer of Appreciative Inquiry and author of numerous books on the topic, [www.appreciativeinquiry.case.edu](http://www.appreciativeinquiry.case.edu)

**1. Increase Your Awareness and Sharpen Your Focus: *Manage your attention and focus inwards, outwards, and on others***<sup>23</sup>

**Purpose:** Learn to focus one’s attention in order to be fully present and attract and engage the attention of others on what matters most. Cultivate an inward focus and a focus on others in order to enhance emotional self-awareness, emotional intelligence, and foster mastery of your mind and emotions. Cultivate outward focus in order to improve your ability to devise strategy, innovate and manage organizations.

**Basic Techniques**

***Inward focus:***

- Sit in a way that you can remain relaxed and alert, either close your eyes or focus them lightly on the ground several feet ahead; focus on your breath and notice when your mind wanders, gently bring it back to your breath (practice for 10 minutes or more per day)
- Alternatives to watching your breath include: 1) focus on the sensations in your body and notice the emotions connected to them, 2) focus on and identify your emotions while allowing the energy of the emotion to dissipate with acceptance while providing us with an insight for personal growth, as opposed to expand with resistance

***Focus on others:***

- Sense - Look the other person in the eye, pay attention to their expressions, and check inside yourself to sense any emotions that could be reflecting the other’s emotion; practice sensing what others feel and discerning what they may need from you
- Understand - Take an interest in understanding others and practice listening to understand their subtle perspectives, motivations, concerns, and aspirations

***Focus on the wider world:***

- Periodically disengage from deep concentration on the job at hand in order to roam more broadly and pursue new directions; give yourself uninterrupted time to reflect on the big picture
- Zoom in and concentrate intently on a problem you are trying to solve and on a wide variety of related information; zoom out and let your mind wander freely; zoom back in with new insights

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<sup>23</sup> Daniel Goleman, The Focused Leader, HBR Dec 2013; *Search Inside Yourself*, 2012 by Chade-Meng Tan of Google

2. **Act from Being Centered and “In the Zone”:** Notice when you act based on past conditioning and shift to a more expansive inclusive stance <sup>24</sup>

**Purpose:** Shift your point of reference from your “conditioned self” to your “centered self,” where you are relaxed and alert, at your best and “in the zone;” place and keep your attention where you want it.

**Basic Techniques**

**20 second centering practice**

- Inhale up the spine towards the sky and lengthen your spine and body
- Exhale from the front towards the earth and allow gravity to soften your shoulders
- Relax your eyes, jaw and mouth
- Balance your awareness in the space around you, left with right, front with back

**5 second centering practice**

- Inhale lengthening the spine, long exhale relaxing your chest
- Use gravity to soften the shoulders
- Extend your awareness outward into the space around you

**5 - 20 minute re-centering practice**

- Notice you are tightening up emotionally and/or physically
- Identify what specifically is bothering you right now (your problem)
- Stop taking action for a few moments to re-center
- Identify the undesirable future you believe is destined based on the problem
- Ask yourself if this dreaded future is indeed inevitable
- Imagine who you would be and how you would feel if it was not inevitable
- Reframe your future into your highest intention and best possible outcome
- Begin taking action in pursuit of your highest intention and best possible outcome

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<sup>24</sup> First two practices adapted from Wendy Palmer, Leadership Embodiment and iPhone/iPad Centering Practice application; third is adapted from LionHeart Consulting’s Transformational Problem Solving practice

3. **Access Your Insight and Creativity: *Open to your deepest source of insight and creativity***<sup>25</sup>

**Purpose:** Access insight and creativity and illuminate your innate positive qualities and character traits so they become more natural during both times of ease and difficulty.

**Basic Technique**

- Notice and accept your mental, emotional, and physical state at the beginning, during, and end of each practice period.
- Choose a word or phrase that represents the highest source of insight for you or returns you to your highest goal.
- Close your eyes, focus on your heart area, allow your breath to find its natural rhythm, and quietly repeat your word or phrase.
- Allow your heart to fill with the positive qualities that are present within you, but often elusive. Allow the process to wash away any distracting or unproductive thoughts.
- With practice, you will notice a variety of positive experiences (i.e. from a deep sense of calm to insightful creativity and even guidance on the best way to approach a challenging situation).
- The practice can also be done with eyes open as you go about your daily activities, to set your intention to behave in the most positive way possible.

4. **Work at Maximum Effectiveness: *Manage your priorities and energy to maximize your impact and contribution***

**Purpose:** Shift from burnout in trying to get more and more done to shorter bursts of purposeful action focusing on what matters most with high positive energy

**Basic Techniques**

***Shift from problem solver to anticipatory innovator***<sup>26</sup>

- Establish priorities based on values, strengths and where you can contribute the most
- Maximize focus on important non-urgent priorities (planning, innovation, relationships)
- Anticipate and minimize important urgent ones: (crises, problems, tight deadlines)
- Eliminate and minimize less important priorities, especially time wasters

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<sup>25</sup> Adapted from LionHeart Consulting Remembrance Practice

<sup>26</sup> Adapted from Stephen Covey, First Things First

***Shift from marathoner to sprinter<sup>27</sup>***

- Proactively manage your energy output and time for renewal so that your physical, emotional, mental, and spiritual needs are in balance.
- When you engage, fully engage; when you disengage, fully disengage; work fewer but higher quality hours.
- Do one thing at a time; multitasking increases the time it takes to finish any given task by 25%.
- Take a 5-10 minute break every 90 minutes to stay highly focused and productive; give yourself real renewal with just a few minutes of deep, relaxed breathing.
- Make optimizing human capital over the long run a critical component of your strategy and culture; as part of this, consider wellbeing a non-negotiable aspect of high performance.

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<sup>27</sup> From The Energy Project [www.TheEnergyProject.com](http://www.TheEnergyProject.com)

### 1. Engage for High Creativity: *Engage in deep listening and dialog to inspire creativity and innovation*

**Purpose:** In this practice participants bring a deep level of awareness and presence to group interactions enabling them to access and cooperatively build upon their deepest sources of creativity

#### **Basic Technique**<sup>28</sup>

**Invest in a Meaningful Exchange** - Allow sufficient time to attend to the quality of participants' relationships as an integral aspect of high performance. We recommend a safe environment with a commitment to ground rules, a designated facilitator, and practices that deepen the group's ability to freely open and explore new possibilities. Groups without a history of authentic exchange will often require a series of sessions to expand the permission to participate in this new way.

- **Listen deeply** – each participant thoughtfully develops these positive habits:
  - **Connect** – requires caring about others and really wanting to fully understand them.
  - **Be Aware** – observe your mind and emotions and, at the same time tune into others.
  - **Be Open** – listen carefully to observe accurately and deeply understand others. Hold the attitude of “not knowing” or beginners mind. Listen beyond the content to understand feelings, values, mental models, needs and interests that shape others perspectives.
  - **Confirm Understanding** - Paraphrase to test and create a deep level of mutual connection.
- **Share from total attention** - Share your own perspective (observations, feelings, needs, ideas, requests) once you have listened deeply and have a perspective that will advance the conversation.
- **Co-create** – Listen for what is new or emerging in the space between you. Share and exchange insights that arise and notice whether you are repeating old thoughts or surprised by fresh and relevant insights that you had not considered before.
- **Attend to limiting emotions** - If you notice a limiting emotion (sensation or constriction that keeps you from being fully present and connected) then:
  - Slow down, or take a short break, if necessary;
  - Place your attention directly on the sensation in your body and breathe;
  - Follow the sensation with close attention as it shifts and changes (surf it) until it dissipates and no longer interferes with your ability to connect with the other.
  - If necessary, shift your attention away from what is troublesome towards the positive contribution you want to make; share your own process without blame, and with an intention to deepening your connection to others and the group.

<sup>28</sup> Developed based on <https://www.presencing.com/theoryu>; Nonviolent Communication, [www.cnvc.org](http://www.cnvc.org); and Emotional Connection [www.cushnir.com](http://www.cushnir.com)

- ***Allow the Creativity and Innovation to Emerge*** – As deep connection and listening stimulates new insights and possibilities, capture what is occurring without detracting from the creative flow. Once the group is ready to move into action with whatever has emerged, take the time necessary to create clear commitments as outlined in the next practice.

### 2. **Coordinate for Impeccable Action: *Improve performance and build trust through, clarity, commitment and follow-through***

**Purpose:** With flatter structures and processes that extend beyond organizational boundaries, effective coordination with clear requests and powerful commitments are more important than ever. However, with a need to move quickly, we often shortchange each other when it comes to coordinating action. Effective communication is required each time a “customer” makes a request for action from a “performer” or a “performer” makes an offer to do something for a “customer.” This practice reduces rework by clarifying, early in the process, the expectations of the customer and the promises the provider(s) can actually fulfill. It also ensures that as circumstances change everyone realigns so that no one is surprised at the last minute. Finally, it provides for feedback and learning for the future. By using this practice each time people consider whether and how to work together, organizations can coordinate their actions to deliver with excellence while effectively adapting to change.

#### **Basic Technique<sup>29</sup>**

- Each time we enter a conversation for action the aim is to establish a specific working relationship with a customer (who requests and receives the work) and one or more performer(s) (who offers and/or promises and delivers the work).
- The central aspect of all four phases of the conversation is understanding and taking good care of one another’s concerns. Concerns are not our worries or apprehensions, as commonly used. Concerns are the positive and meaningful aspects of our work experience that we are trying to protect and strengthen.
- Each working relationship has the following four steps that require focused attention each time a new project or task is initiated or a new work relationship is developing:
  1. **Assessing the Match** - The customer and performer(s) initially assess their match specific to this assignment in terms of expertise, availability, interest, priority etc. Once a good match is determined, they both clarify why the request/offer is important and how and when it should be fulfilled such that the workflow will be successful.
  2. **Negotiating Clarity** This step includes clear success specifications and an understanding of the resources needed to complete the work. The step ends when the performer(s) commit to deliver to the agreed upon conditions of satisfaction and the customer accepts the commitment.
  3. **Executing the Work amidst Changing Priorities** - The performer(s) engage in the work. If anything changes (e.g. priorities, available resources) such that additional customer input is needed or the commitment cannot be met, the performer(s) renegotiate the agreement. The customer initiates renegotiation if their circumstances or priorities change. This step ends when the performer declares the work is complete and submits it to the customer.

<sup>29</sup> Sources: Impeccable Workflows: [www.lionhrt.com](http://www.lionhrt.com); Promise-Based Management, Harvard Business Review April 2007, Conversations for Action and Collective Essays: Instilling a Culture of Commitment in Working Relationships, Fernando Flores, 2013

4. ***Closing the Loop and Learning for the Future*** - The customer declares that the performer has either delivered as promised or has not. If not, they go back to step 1 and negotiate how to proceed. They also debrief and provide each other feedback on how to work more effectively in the future. Each successful experience deepens trust and their ability to work together effectively
- When people do not take the time to effectively manage steps 1, 2 and 4, they end up with wasted effort and rework during step 3. Customers often neglect to take full responsibility for the success of the workflow. Performers often do not voice their concerns to their customers (especially hierarchical superiors) or educate and negotiate with them to ensure the work will be done to everyone’s mutual satisfaction. Without such clarity everyone ends up working harder, deadlines are missed, and trust and mutual respect among people is diminished.

### 1. **Manage Organizational Values: Measure and manage full-spectrum of organizational values**

**Purpose:** Gain clarity around critical success factors, core values, and leadership behaviors that are both desired and will foster Cooperative Advantage. Measure and manage values and behaviors such that leaders walk their talk and values are lived consistently throughout the organization

#### **Basic Technique**

##### **Values Visioning: Simple Exercise**

Imagine it is 5 years from today and your organization has been hugely successful with its strategy; it is truly seen as leading the way in its sector.

- Describe what you see; how is your organization operating?
  - What are its most important core values?
  - What were the most critical success factors?
- How did you lead? What specifically were your most important behaviors that helped enable success?

##### **Values Management Process<sup>30</sup>**

- The process is based on the Barrett Values Centre and their Cultural Values Assessment (CVA). The CVA is offered to all employees (multiple languages available).
- Each employee completes a 20 minute survey by answering the following three questions that ask them to select the top 10 values from a standard or customized list:
  - Which of the following values/behaviors most represent who you are?
  - Which of the following values/behaviors most represent how your organization operates now?
  - Which of the following values/ behaviors most represent how you would like your organization to operate?
- The Barrett Values Centre provides a detailed report of the top 10 values in each of the three categories (personal, current organization, desired organization) and the values are grouped into seven levels, each of which plays a different but complimentary and important role in creating a healthy culture. The data can be reported in as many relevant subgroups as desired, and it becomes very empowering to see where there are potentially limiting values and what values people are asking for in terms of positive change.
- Organizational culture change efforts are then undertaken to improve alignment of the personal, current, and desired values while seeking to ensure all 7 levels are effectively represented. This work involves aligning the mission, vision, and structures of the organization to ensure there is cohesion throughout the group and the capacity for cooperative action.

<sup>30</sup> Source: Barrett Values Center

- The Values Centre also offers individual Leader Values Assessments (LVA) which illustrate the alignment and gaps between what a leader believes his/her top 10 values are, and how their colleagues see them matching up to the desired organizational values. Leadership development work is a critical aspect of the culture improvement process.
- By regularly repeating the survey an organization or leader can track progress and understand the effectiveness of its values management efforts.

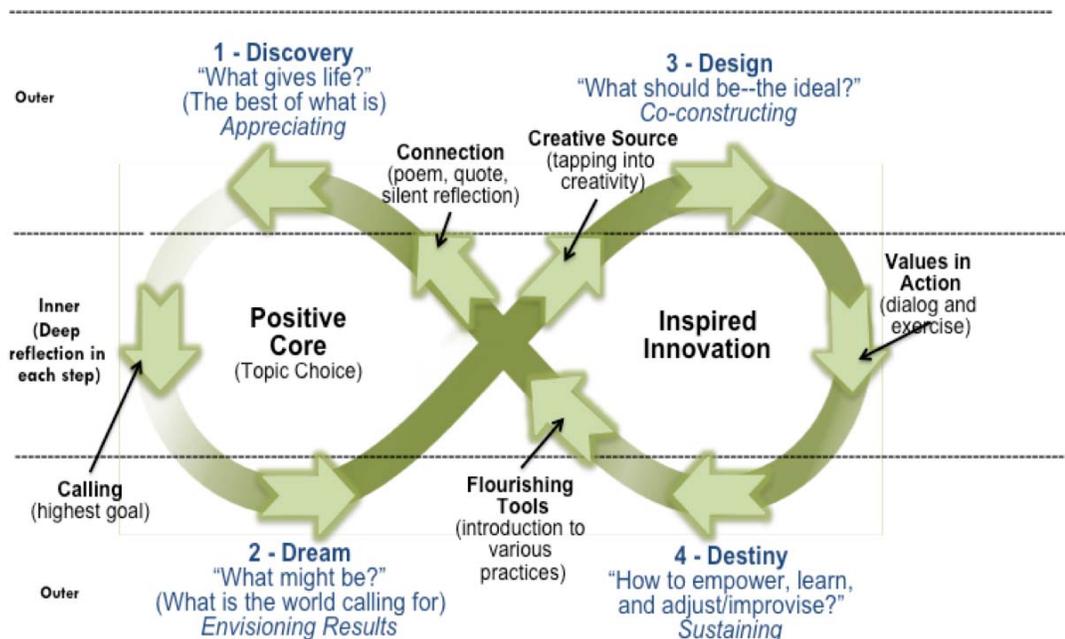
2. **Transform Your System using W-Holistic AI: *Envision and realize a compelling future by engaging employees and stakeholders***

**Purpose** W-Holistic AI is an adaptation of the Appreciative Inquiry Summit process designed to foster change at the scale of a whole system. The process enables a whole system to discover and leverage its collective strengths, envision a compelling future, and design and launch initiatives to bring about that future. This adaptation helps people connect to what is most important to them and bring this into the process.

**Basic Technique**<sup>31</sup>

The overall process uses the 4-D Appreciative Inquiry process and integrates the “outer” cooperative work with “inner” reflection to promote deeper more meaningful action. The schematic below provides a high level overview of the approach.

1. **Discovery** often includes analytical pre-work and uses inquiry and appreciation to identify and lift up the best of what is. This helps everyone understand key strengths that can be leveraged.
2. **Dream** is the creation of a shared vision for a compelling future. The inner work for this step is to give everyone a chance to connect deeply with their personal mission and values.
3. **Design** is prototyping key actions needed to realize the dream. The inner work is to give everyone a chance to connect to their deepest source of inspiration and creativity.
4. **Destiny** is launching the program needed for success. The inner work is to connect with the lived values that will foster success. Following this step, earlier referenced practices are employed to help everyone strengthen and build the required competencies to be successful.



<sup>31</sup> See *Flourishing Enterprise: The New Spirit of Business*, Stanford University Press, Forthcoming. Adapted from Appreciative Inquiry (AI) summit. See the Appreciative Inquiry Commons <http://appreciativeinquiry.case.edu>

### 1. **Live from Your Highest Goal: Clarify and live from your most compelling life purpose**

**Purpose** Our highest goal is what we live for beyond material success and external recognition. It is the force that gives real meaning to our life. It's what makes us feel connected, motivated and sustained. Clarifying and living from our highest goal encourages us to “slow down and breathe deeply to discover our deepest inner essence.” In doing so, we discover our innate ability to “make our lives a creative work of art.” Approaching life from this perspective opens up our ability to perform at our highest level and experience a deep peace inside of ourselves that often eludes even the most successful people.

#### **Basic Technique**<sup>32</sup>

To discover our own personal highest goal is easier than most people think. It involves reflecting upon your most memorable high point experiences from different times in your life as clues to what motivates and sustains you. For example, you could reflect upon a feeling of real success from the past 30 days, the professional highlight of your career, a wonderful experience with your family, and your earliest inspirational childhood memory. Once you have completed this exercise, look for the themes from your various reflections and use the key words to craft a meaningful and motivating highest goal statement (ideally 1-3 words).

Your best approach is to relax, trust the process, and take great notes about whatever comes to you. Some people write a very good first draft within 45 minutes. Others will need a few hours or even a reflective weekend. For everyone, it will naturally evolve and clarify itself if you reflect on it regularly and use it as your compass.

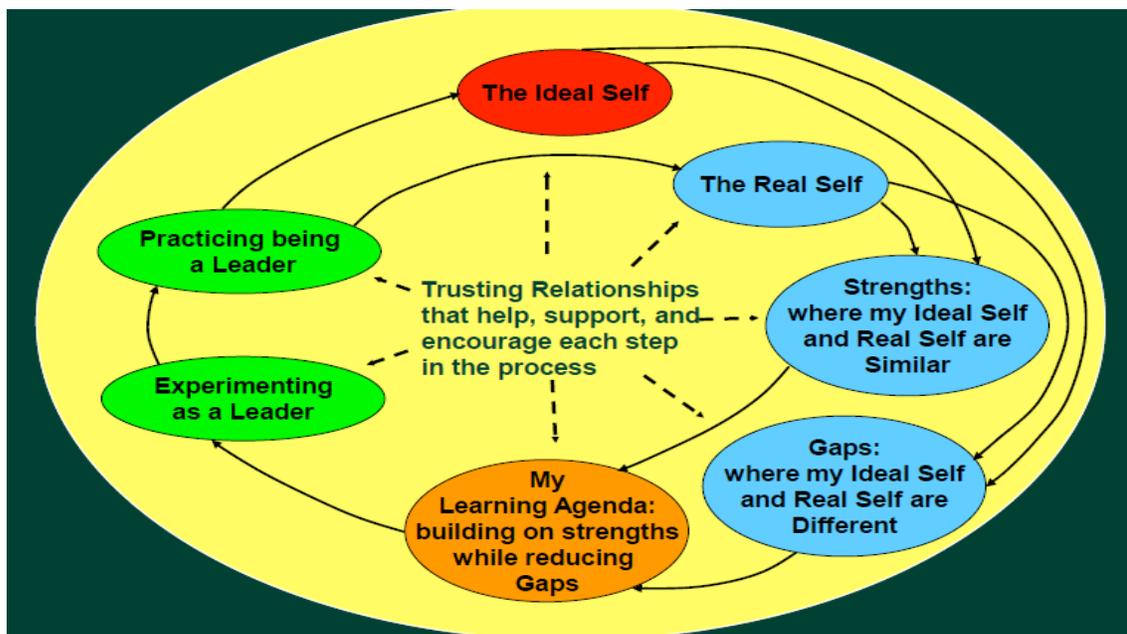
Once you arrive at your highest goal you will want to “live with it” and let it guide your decision-making and return to it as a means of getting through your most difficult challenges. You can pursue it actively so that you can discover where your life's work is meant to go. It is also wise to revisit it from time to time to see if it is sufficiently guiding you to personally flourish in all aspects of your life.

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<sup>32</sup> Based on *The Highest Goal* by Michael Ray – Berrett-Kohler Publisher 2004 2005; Michael Ray was called by Fast Company Magazine “The Most Creative Man in Silicon Valley” because of his Stanford Business School Course, Personal Creativity in Business. This exercise was the key to that course.

2. **Improve and Change with Intention: *Build competence, overcome limiting habits and improve effectiveness through deliberate practice***

**Purpose:** The ideal self provides the drive for intentional change. The ideal self has three major components: an image of a desired future; hope; and a comprehensive sense of one’s core identity (past strengths, character traits, and other enduring dispositions). Intentional change is hard work and often fails because of a lack of sufficient drive and the proper intrinsic motivation. The first model<sup>33</sup> provides a comprehensive context within which a person (or group or system) can formulate why and how to adapt and evolve, or maintain their current desired state. A second model<sup>34</sup> presents a worksheet that can help uncover and resolve the hidden obstacles that keep us from achieving our most important goals and commitments.



Each of the steps in the Intentional Change Model above are straightforward, and employ the support of a circle of trusted people who know you well and care about your success. The process requires a commitment to deepening one’s self-awareness and openness to receiving honest assessments from the people in your circle of trust. It also requires personal experimentation that challenges your existing view of yourself as well as, developing a set of new practices that support your successful learning journey.

<sup>33</sup> Boyatzis’ Intentional Change Theory, published with Goleman 2002 Primal Leadership: Realizing the Power of Emotional Intelligence

<sup>34</sup> Kegan, *Immunity to Change: How to Overcome It and Unlock the Potential in Yourself and Your Organization*, 2009, Harvard Business Press

## Appendix D – Meta-Practices to “Develop Continuously”

Improve and Change with Intention: *Build competence, overcome limiting habits and improve effectiveness through deliberate practice (continued)*

**Example:**  
Senior Partner  
Hidden Obstacles



| 1) Commitment  | 2) Doing/not doing instead   | 3) Competing commitments                           | 4) Conflicting assumptions  |
|--|--|--|---|
| <i>To better develop the “being” side (vs. the “doing” by develop-ing a stance oriented just to understanding (without instrumental or ulterior purpose)</i> | <p>Tendency to drive toward a solution, jump in with “the answer,” save the day</p> <p>Look for (maybe even set up) situations where I am needed to make a difference</p> <p>Don’t listen well once I have made up my mind</p> | <p>To be the hero</p> <p>To feel indispensable</p> | <p>I assume I will not feel deeply satisfied unless I am being the hero</p> <p>I assume the metric I currently use for “satisfaction” is the only one that will work for me</p> |

The Immunity to Change model assists you identify “the one big, but heretofore elusive, change” you would most like to make in yourself to improve your performance and/or well-being. It continues with a full exploration of all of the behaviors that you engage in that thwart your intention to make your big change. Ultimately you identify the competing commitments those behaviors support and the assumptions behind them. Once this assessment is complete, step-by-step personal experimentation is done to see which assumptions are not true, allowing the behavior changes that lead to change that has previously felt impossible.