



Three Big Ideas

Principles for Post-Recession Success

www.the3bigideas.com

***** near final, but remains a work in progress *****

LEARNING RESOURCE & IMPLEMENTATION GUIDE FOR THE WORKPLACE

Also available *Customer Service Excellence* (see page 3)

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1. *About This Guide*

Who

For veteran employees, *Three Big Ideas* is a quick, clear refresher course in how to attain sustained high achievement. For people in their 20's and 30's, the film may be their first exposure to concepts that virtually every organization wants its associates to know.

What

Used in tandem with *Three Big Ideas*, this *Learning Resource* is designed to help your organization better understand, and then implement, the ideas presented in the film. You improve your chances of success by aligning your efforts with the principles, which come to life because of the documentary format.

Goal (“our area”)

The goal of the group learning experience is to help you manage through, and beyond, the recession, by using time-tested concepts that drive high levels of organizational achievement. Obviously, you do what you must relative to your specific circumstances, but you can inject powerful ideas from the film to help make sure yours is the best possible team, department, division, company, hospital, armed service, non-profit, whatever you may be.

You will find references to “*our area*” ... it refers to how you “localize” working through *The Three Big Ideas*: this means engaging the entire organization if you are in senior leadership right down to implementation activity by teams of just a few individuals at very “local” levels.

Authoritative Basis

Three Big Ideas is a documentary film that reveals and explores the principles featured in the three best-selling business books of the last 30 years: *In Search of Excellence* by Tom Peters and Bob Waterman, *The 7 Habits of Highly Effective People* by Stephen Covey, and *Good to Great* by Jim Collins. The film's producer, Sam Tyler, has created documentary films about each of the books for public television, beginning with his *excellence* film in 1985.

Companion DVD: Customer Service Excellence

The Customer should be an obsession for everyone who works with you. The simplest definition is the customer is the person or entity that receives (and usually, but not always) pays for the product or service offered by the organization. If, after working with this DVD and guide you want to drill down into deeper approaches to delivering world class customer service you may want to obtain ***Customer Service Excellence***, a two program DVD with free workplace implementation guides. [Download the Customer Service Excellence Guides here.](#)

Contents

This *Learning Resource* begins with a narrative summary of each of the film's 6 segments:

- Introduction
- Excellence
- 7 Habits
- Disciplined Thinking
- *The Next Big Idea: Sustainability*
- Summation

The resource explores the key points made in each segment and, then, suggests specific training exercises and discussion areas. Recommendations are provided for additional reading and assignments. There are also links to websites that can extend the learning opportunities deep into each topic.

How to Present the Material

There are two primary options:

On Your Own

- In a 90 or 120-minute block of time, you can show the entire 57-minute film and have up to an hour left for follow-up discussion. Subsequent sessions of a half-hour or hour can turn to specific areas that the group believes to be significant to its circumstances and goals.
- You can set aside an hour once a week for a month to create a 4-part ***Big Ideas Boot Camp***. Determine which areas of the film are most relevant to your area and, using this guide and other resources, develop 4 sessions that will drill down into the topic(s) in a

concentrated period of time. Remember, the Internet has numerous resources in each area, as do the author websites on page 23.

With Your Training Department

If your organization has a training department, you will find support specific to the organization's goals.

If there is no training department, you will find that everything about ***Three Big Ideas*** is basically common sense. So have fun and use ***Three Big Ideas*** to help focus your group on topics that you believe are critical to the unit's success.

2. Description and Discussion of the Film's Segments

The film consists of 6 segments:

Segment 1

Introduction (9 minutes)

It is noted that the various segments have been created from almost three decades of filming at some of America's best-run companies. Lessons can be learned from the experiences of companies that have figured out how to solve serious problems in the past. Brief case studies of companies rising to the challenge follow: Coca-Cola in the "New Coke Crisis", Southwest Airlines when it began to run out of cash, and Apple, which suffered serious leadership problems in the early 1990's. An example of a company that failed to comprehend its reality is GM, while Tennant, which understood how to catch the green wave, is the contrasting story.

Key Learning Points in Introduction

- **Look to lessons from the past for ideas to help with current problems.** For example, the quest to develop a flying machine finally led to the Wright brothers' innovation in 1903 when they achieved the first manned flight. Persistence and focus are both useful qualities for an organization facing the need to transform itself today.
- **Great opportunity lies in thinking about, and then working through, serious threats to the organization's existence.** An example is Southwest Airlines, which nearly went out of business in its early days when it had to sell one of its four planes. Yet Southwest committed to operate the same schedule with the remaining three planes that it had previously with four. This decision rallied the organization to create its famous "ten-minute turnaround" and it helped forge Southwest's unique corporate spirit and culture.

- **If Tennant can do it, any organization can.** The story of a staid, Minneapolis-based manufacturer of floor cleaning machines, which, in the midst of the recession, figured out how to eliminate chemicals and compete on the basis of sustainability, is an example of the power and benefits of rejecting complacency. In Tennant’s case, being good was simply not good enough. Every organization should look at this segment, discuss its implications, and find its own “sweet spot”.
- **Customer feedback and constructive public criticism should be both welcomed and taken seriously.** In 1985, Coca-Cola responded to angry customers and media ridicule by taking both seriously. Leaders did not argue; rather, they looked at the underlying cause, realize they had made a mistake, corrected it, and went on to unprecedented success.
- **Leadership at every level, from the top to project teams, is vital to the success of any organization.** At Apple, when the board brought Steve Jobs back in 1996, it reinvigorated the company, a decision that has led to Apple’s iconic status. Having the right people in the right positions throughout the organization is one of the most important drivers of sustained high achievement.
- **The quality of thinking and the discipline to go with new realities, i.e., to change, is what differentiates winners and losers.** As the introduction points out, America’s largest company in 1990 -- General Motors – missed the green wave. The company’s leaders failed to think through and act upon shifting public attitudes. The unwillingness and/or inability to think clearly and dispassionately about change destroyed the company.
- **Principles from the three books are a major driver of success in any sector of the economy – business, government, non-profit, etc.** Each of the three books is based on diligent research, and the principles which each espouses have been proven over and over again to be operative in organizations which excel. To be sure for complex organizations like NASA or IBM to succeed, great technical competence is required. For a hospital to meet its mission, expertise in medical care management is essential. But, underlying such core competencies is a fundamental understanding

and ability to execute day-to-day, guided by the principles of excellence, interdependence, and disciplined thinking.

Introduction: Management Action Ideas

1. *Relating to the Coca-Cola lesson:* Have everyone write down how your area seeks feedback and deals with customer complaints. List the key results for the group to see. Discuss whether your mechanisms seem adequate and what improvements could be made? Do a role-play in which two team members explain the difference between 'understanding' customers and 'agreeing' with them. The objective is to have everyone in the organization be able to see the reality of the other person's position and feelings - whether they are right or wrong. Finally, make sure your complaint resolution mechanisms are such that your customers will remain loyal. (See [Stew Leonard's](#) story in the *In Search of Excellence* segment)

2. *Relating to the quality of your thinking (GM):* Organize a “what are we missing?” discussion. Set it up by noting how GM missed the green wave as rising oil prices drove consumers to the kinds of cars that GM was not producing. Ask “what is the comparable force in our area?” There are trends and forces at work that impact every organization. How you and your team think about them will impact your success. This does not have to be a big picture topic. A shipping department may be unaware of developments in packaging, or lower rates. Every unit has some quality thinking to do.

3. *Relating to the producer's comments at the end of the segment.* Involve the people in a group read of *Good to Great*. Make this a three-month project, like a book club. Have several regular discussions about the book as time goes on. A good way to organize is around the three main topics: disciplined people, disciplined thinking, and disciplined action. Everyone can read the entire book, or groups can read and report on the primary topics. All parts of your organization can benefit from understanding the keys to the transformations described by [Jim Collins](#). Some goals to shoot for: (1) *do not do* lists, (2) more frank and open meetings where people really dig into realities behind problems, and (3) brainstorming Mini-Hedgehog Concepts for specific parts of the organization.

15 Introduction Discussion Starters (note that “our area” means whatever functions fall within the working group’s responsibility. For executives, it might be the entire organizations. For a department manager or team leader it could be just that specific unit)

1. What is the role of innovation in American business?
2. Where is there a need for innovation in our area?
3. What do you think of Southwest Airlines’ decision to sell one of its 4 planes?
4. How did Southwest’s decision drive the airlines’ future success?
5. What tough decisions should we be thinking about to reinvigorate our delivery of products and/or services?
6. What is the lesson in the story about the New Coke debacle?
7. How would our customers react if we changed our products?
8. Why did Apple bring Steve Jobs back from exile in 1996?
9. What are the main strengths of leadership in our area?
10. Where should we seek to improve leadership (motivation, communication, mentoring, strategic discipline, etc.)?
11. Why did GM become bankrupt?
12. Would innovating around fuel efficiency back in the 1990’s have saved the company?
13. The film says that GM suffered from the poor quality of its thinking. Are there subjects in our area where we should reconsider and challenge our current thinking?
14. Of the three books upon which the film is based which is most relevant to our area?
15. Should we read or re-read these books?

Note: Although the story of Tennant’s chemical-free floor cleaners appears in the Introduction, its coverage in this guide begins on page X.

Segment 2

In Search of Excellence (9 minutes)

In 1982, Tom Peters and Bob Waterman addressed mounting concern that American business was losing out to its foreign competition by profiling domestic companies that were thriving. Their book, *In Search of Excellence*, took the country by storm and *excellence* became the byword of three decades.

The problem, they said, was that too many companies were little more than stagnant bureaucracies, run by lord-like bosses, who intimidated the spirit and creativity of their employees. This segment looks, briefly, at 5 of the 8 keys to excellence, and then focuses, in depth, on the three most popular: productivity through people, close to the customer, and autonomy & entrepreneurship.

Segment stories include: Stew Leonard's Dairy, Springfield ReManufacturing, Intuit, McDonald's, Southwest Airlines, Dallas Police Department, and Timberland.

Key Learning Points in Excellence Segment

- **The ideas presented by Peters and Waterman were based on research at what they called “America’s best-run companies”.** Tens of thousands of organizations worldwide became devotees of the findings and implemented countless initiatives to improve themselves, making *excellence* the byword of three decades.
- **The 8 elements of *excellence* are based on common sense.** Though the authors were received as rock stars in the mid-1980's as their book quickly sold millions of copies, Peters was bemused at the uproar. He called the 8 elements of greatness “*a blinding flash of the obvious*” and maintained that virtually any organization could achieve success if it embraced the principles. For a review of the key ideas of [check out this summary](#).
- **“We put our people first. If they’re happy, then the customers**

will keep coming back and Wall Street will be happy”. Though this concept may seem obvious today, it was a breakthrough when introduced. The idea was to reduce the role of bureaucracy and rigid systems of control thereby unleashing the power of teamwork, innovation, and desire to succeed that old-style bosses had limited. The quote is from Herb Kelleher, co-founder of Southwest Airlines, the most successful stock in America from 1972 to 2002.

- **There are many pillars to a people-centered organization.**
Among the most critical are:
 - *Humble leaders who help build a people-centered culture
 - *Disciplined hiring
 - *Respect for all (Jack Stack’s janitor story)
 - *A commitment to empowerment and teamwork
 - *Support of no-workplace interests
 - *Recognition and “fun” activities
 - * Creation of a learning environment
- **“Close to the Customer” is an essential discipline that takes many forms.** Stew Leonard’s rock represents the fundamental commitment to satisfying customers that every excellent organization must possess. Employee attitude, positive in every respect, is also a critical factor. Empowering employees to “make right”, and quickly, is vital as well. The payoff can be huge – Southwest Airlines, with its focus on customer delight won the FAA’s Triple Crown award five years in a row and Stew Leonard’s Dairy grossed more sales per square foot than any America retailer.
- **Loosening bureaucratic controls on people and encouraging them to think outside the box drives innovation at many levels.** Peters and Waterman believe that America’s entrepreneurial spirit is an important quality for established companies to emulate. At Tennant Company, for example, people were given great latitude to find and develop an entirely new way of cleaning floors. In the day-to-day routine of running a business, empowered teams can get things done right without supervision by several layers of management. Freeing people and letting them follow the human desire to create, succeed and advance is one of the essential drivers of *excellence*. The creation of Quicken and the Egg McMuffin story are classic examples.

Excellence: Management Action Ideas

Productivity through people

(1) Get multiple *business literacy* sessions going with your group. Have people learn about the processes, costs, and desired outcomes for the area. Show how they contribute to the larger department or division. Develop procedures to generate further understanding until your people become business literate. Teaching employees to act like owners is a long-term project. You can get some ideas from Jack Stack's [Great Game of Business website](#).

(2) Reflecting on the Whole Foods segment, assess where you are when it comes to teams. The imperatives below can help your assessment or, if you do not use teams, it can help you develop them.

The most important areas to consider are:

- Establishing leadership
- Setting goals
- Creating a shared vision
- Building trust
- Having a mechanism for conflict resolution
- Empowering people
- Monitoring progress
- Evaluating results

Close to the customer

(1) No matter how big, or small, your area, develop a Customer Service Standards book. Make sure that everyone understands your policy toward customers. Once the book is developed have a few team meetings to gain buy-in, make revisions, etc. Try a *customer service audit* to see how you are doing. [Google “customer service audit”](#) for ideas on how to get started.

(2) Game through a “buddy” program to work with all new employees in their first week. The idea is that someone who understands your service commitment makes sure that new hires see great customer

service in action. This goes well beyond retail service. Sometime it's by phone or email --- the key is make customers happy so they keep coming back. [Google "new employee buddy system"](#).

Autonomy and entrepreneurship

(1) Convene a group. Review the segment about the creation of the Egg McMuffin. Designate someone to take the role of Herb Peterson's at his McDonald's restaurant. Have that person begin a discussion of what untapped opportunities are staring your team in the face? Peterson recognized great potential in the fact that his stores did not open until 11AM, when they began serving lunch. What if they opened at 6AM? Where and what is your Egg McMuffin?

15 Excellence Discussion Starters

1. What is the definition of *excellence* for our area and how are we doing in achieving it?
2. Are we a people-centered area (building the esteem and contributions of our own people first and foremost) or does some other factor characterize our day-to-day operations?
3. Do we have and pay attention to mechanisms for employee feedback, such as a suggestion box or regular brainstorming sessions?
4. Do we do enough to train and educate our people?
5. Could we be better at helping our people engage non-workplace interests?
6. Is work "fun" for our people? Why, why not, what should we be doing to make the workplace more enjoyable?
7. What is the general message when we get feedback from customers?
8. Is the customer always right?
9. Should the customer always be satisfied when there is a complaint?
10. What does it take to achieve excellence in customer satisfaction day-in and day-out?
11. When people take intelligent, reasonable risks that might yield improved results, how do we deal with failure?
12. One third of McDonald's revenue comes from breakfast, spurred by the innovation of the Egg McMuffin. What are some areas where we might try to innovate?
13. What are some factors holding innovation back in our area?
14. Should we be talking with our customers about what they see as major

trends and needs ahead?

15. Can the needs of our customers drive our efforts to innovate?

Segment 3

The 7 Habits of Highly Effective People (9 minutes)

By the 1990's, interdependence and empowerment had become key business buzzwords. Stephen Covey's *7 Habits of Highly Effective People* often provided the framework for organizations trying to unify and engage employees. His ideas seemed to appeal to everybody. By 1997, over half of the Fortune 500 was active in 7 Habits training.

In this segment, all 7 habits are listed, but the focus is on Habit 3 “put first things, first” which is the pivot between *dependence* and *interdependence*.

In Covey's inside out approach, the first 3 habits are meant to move us from *dependence* on others and on external circumstances to a state of *interdependence*.

Independence is the private victory, but the ultimate goal, what Covey calls the public victory, is *interdependence*.

Two decades after its publication, Covey's framework is still the “go to” concept as organizations seek to maximize the benefits of interdependence while they cope with scarce resources and workforce reductions

Key Learning Points in the 7 Habits Segment

Becoming a more capable and valuable person within the organization requires that one evolve to what Covey calls interdependency

The first three of The 7 Habits lead to independence.

What truly frees a person to be most productive and the strongest contributor is interdependence -- the result of mastering habits 4 – 7.

Literally tens of thousands of organization have given their people raining in Covey's 7 Habits, including virtually all of the Fortune 500.

It is worth taking the time to understand the difference between private and public victories and how each is important to effectiveness.

7 Habits: Management Action Ideas

This guide briefly summarizes The 7 Habits material presented in the film. It is recommended, however, that you pursue specific action ideas and training on this topic by reading the book and by [accessing the training resources available at Franklin – Covey.](#)

10 7 Habits Discussion Starters

1. What are The 7 Habits (list and describe each)?
2. The first 3 lead to independence: why is this important?
3. Habits 4 – 7 lead to interdependence: what is this?
4. When people in organizations achieve interdependence why does this bode well for future results?
5. Is teamwork an example of interdependence?
6. Is it better to work in teams or alone?
7. Did that scene with the colored pebbles and rocks (habit 3) seem important to you?
8. Why do you think that so many companies get involved in The 7 Habits?
9. For our area, what is the best way for us to deal with this material?
10. What is the relationship between The 7 Habits and Jim Collins' notion of discipline?

Segment 4

Disciplined Thinking (9 minutes)

In 2002, the third big idea came along, building on and connecting back to the combined influence of *Excellence* and *The 7 Habits*.

When researcher Jim Collins published *Good to Great*, two insights about how people in organizations need to think were particularly well received.

Key Learning Points in Disciplined Thinking

This concept is nothing new. Peters and Waterman were writing in the same zone when they talked about “Stick to Your Knitting”. Covey’s entire approach, particularly “Put First Things First”, is about personal and mental discipline. Collins’ contribution is to offer insights on *how to think*. In short, he makes it clear that how we think is the critical step in organizational transformation.

Establishing mechanisms to get all facts on the table and into the discussion is an essential step in developing productive courses of action.

The Stockdale Paradox is a mode of behaving and thinking that leaders can use to work toward a valid Hedgehog Concept.

Disciplined Thinking: Management Action Ideas

(1) Choose a subject that is a major concern in your area. Convene a meeting of the key people involved. Dig into the topic from every angle with vigor. (This may take multiple meetings). Ask everyone for input. Ask questions like “why” and “who needs to change?” and “what are the first steps?” During this dialogue, allow no blame or politics. Read "Disciplined Thought" from *Good to Great* for more insights. This is an effort to get the brutal facts out on the table. Understanding the true nature of your situation allows the group to work toward valid responses

and strategies. At the “*great*” companies, it took three or more years in most cases to get the brutal facts out and The Hedgehog Concept developed.

(2) Begin a process to develop a Hedgehog Concept for your area. In a series of at least three meetings, discuss (1) what can we become really good at within our area, (2) what will make us feel excited and committed, and (3) what will have a positive economic impact on the organization. If your area is a small one -- a department or team for example -- you will be seeking to find a process that will make you a much stronger contributor to the whole organization. If your area is the whole organization, this is an exercise for senior leaders. Either way, it can take a long time to come to the understanding that is, essentially, the reason you do your work. It is the strategic focus, the differentiator that makes you great. For more on the Hedgehog Concept, go to <http://www.jimcollins.com>

15 Disciplined Thinking Discussion Starters

1. When someone suggests an action that could expand the scope of your area, what is the standard response?
2. Are some ideas that will increase revenue actually bad ideas that should not be pursued?
3. Jim Collins talks about creating “a culture of discipline” as an element in achieving *greatness*. Is discipline part of the culture in your area?
4. Why did the 11 companies that transformed themselves from being merely *good* to becoming truly *great* in Collins’ book have in common a culture of discipline?
5. What are some of the characteristics of an area that embraces a culture of discipline?
6. Does a disciplined culture mean an unfriendly work environment?
7. When should the boundaries of a clearly established culture of discipline be changed?
8. Can we create “sub-cultures of discipline” within the organization? Why? Where?
9. What are the elements of The Hedgehog Concept?
10. In the context of the segment on Stew Leonard’s Dairy, what is their Hedgehog Concept?
11. Should an organization have more than one Hedgehog Concept?
12. What is the relationship between The Stockdale Paradox and The Hedgehog Concept?

13. Relating to the scenes from Southwest Airlines is the following statement true or false, and why? “For Southwest what they could be *best in world* at was creating a memorable customer experience. Their *passion* was “freedom” ... enabling people who had never flown before to fly. Their *economic engine* was high frequency, no frills, low-cost flights.
14. Where does a “*do not do*” list come into play in relation to The Hedgehog Concept?
15. What are you doing now that should go to our “*do not do*” list?

Segment 5

The Next Big Idea: Sustainability

Excellence taught organizations how to execute. *The 7 Habits of Highly Effective People* emphasized the importance of human interaction, and *Good to Great* put the spotlight on decision-making. Each of the big ideas seems as relevant going forward as it has been in the past.

But, as American business moves toward 2015 // 2020 and beyond, it faces a formidable new challenge. The solution is **The Next Big Idea**. Today, sustainability is emerging as the prime opportunity for economic growth.

Key Learning Points in Competing through Sustainability

Sustainability, as a core element of competitive strategy, is a relatively new area of opportunity.

Your customers have green pressures and needs of their own. If you take the time to understand what they face and want, your innovation is more likely to pay off.

Moving forward in the uncharted waters of adding sustainability to your competitive mix requires that leaders set a clear vision.

GE partners with other companies to add to its competitive mix in this area and to learn more about new opportunities and new technologies

Setting financial expectations at the outset is a characteristic at GE and Tenant, both companies that are sustainability competition leaders.

Andrew Winston maintains that catching the green wave is not optional -- a company risks demise if it fails to act.

Winston also says that great opportunity awaits those companies that do figure out how to move forward in this area.

Segment 6

Summation

Producer Sam Tyler introduces some of the most interesting stories encountered during his 30-year career of filming at great organizations. They are, in order:

- Herb Kelleher and Colleen Barrett talking about how business is a tough game, noting that competitors tried to put the out f business through a variety of actions, including getting Congress to pass a bill limiting Southwest's' operations.
- Margaret Bohem of GE expressing her delight and excitement over the results of research on leaves that led to ice-resistant coatings for wind turbines.
- Jack Stack's "Janitor Story", making the point that in a business-literate organization everybody is thinking about improving the business at all times.
- Gary Kelly, CEO of Southwest Airlines, discussing the concept of discipline not to undertake certain actions that, on the surface may seem appealing, but, in fact, would undermine the company's core strategy.
- Roberto Goizueta of Coca-Cola talking about decision-making and even the role of luck.
- Steve Jobs exhorting his troops to get the job done or "we ought to go broke."

Key Learning Points in Summation

Three quarters of the American public believe that the business sector is responsible for the country's strength.

America's competitive position in the world is under challenge as never before. Innovating and growing new industries in the area of sustainability is an important way forward.

The quest for knowledge should be never ending. Every organization should have a commitment to continual learning.

A simple value – *respect* – is behind great companies like Southwest Airlines and SRC. Both built their success around this simple word.

10 Summation Discussion Starters

1. After watching the entire film what segment do you think is particularly meaningful to our area?
2. Herb Kelleher talks about putting his Southwest Airlines employees first. Some observers say this is a “soft” approach. How would you characterize Kelleher and the culture he built at Southwest: hard or soft, or something else?
3. At the end of the film, Steve Jobs made a forceful statement about accountability, saying, “We ought to go broke” if we can’t deliver new software on time. Is it a good idea for leaders to drive a stake in the ground so forcefully?
4. What are our stakes in the ground? Do we have enough // too many // the wrong ones?
5. In his conclusion, the filmmaker says that “respect” is a desirable organizational value. How should we relate to Jack Stack’s story about the janitor?
6. Knowledge-seeking is another imperative suggested in the conclusion. Do we have our own version of the scientist with the leaf? Should we be concerned about in our area?
7. Is any part of the organization too small and too insignificant or isolated to be spending its time looking for a new and better way?
8. What do you consider to be the single most important concept in the film?
9. Of all the concepts presented, where are we doing particularly well?
10. Of these concepts, where do we have the most work to do?

This concludes the guide. For more information on each of the three big

ideas you may wish to check out related websites:

[Tom Peters](#)

[Stephen Covey](#)

[Jim Collins](#)

And, for more information on the film and its companion DVD *Customer Service Excellence*: <http://www.the3bigideas.com>