

Grow Your Leadership Mindset

Take a Quantum Leap to Manifest Your Leadership Potential



"You are what you are and where you are because of what has gone into your mind. You can change what you are and where you are by changing what goes into your mind."

— Zig Ziglar: Motivational author and speaker

Introduction:

Global business leaders call on Jay and Carlos when they get stuck. Their back story runs to a fairly universal pattern. Cut away the details and it goes something like this. They're frustrated because their business is falling far short of its commercial potential. Oh sure, it's surviving, maybe even growing, marginally. But high sustained exponential growth not happening. They keep bumping their heads against an invisible growth ceiling. They've gotten themselves locked into a low growth pattern and they don't know why. No matter what they try, they can't reach escape velocity in their business. Can you relate? Are you seeing a similar pattern in your business?

Now here is the amazing thing. These leaders who need to get unstuck, they're located all over the world. They're in every niche of every industry you can think of, every size business, old industries and new, doesn't matter, because nine times out of 10 the root cause of their slow growth can be found on this chart. What the chart is saying is that there is a way to change your results, if you change the way you think. Conversely, if you don't change the way you think, then no matter what you do, you're not likely to change your results much at all.

So listen up. In this inflection point webinar you'll get to eavesdrop as Carlos shows a CEO how to use this chart to locate the key growth limiting barriers in his business, and how to knock over those barriers once and for all.

Carlos Dias:

That is one, if not the most important mentoring session we will have John. Why? Because I will give you the secret of leading companies, in other words, why they succeed in a fast-moving world.

This chart explains why your growth is flat lining John. In fact, Jay and I developed this chart to be a diagnostic tool, as well as a road map for finding the solution. Let's quickly review what the chart is telling you. First the vertical axis. It represents five different stages of knowledge in an executive's professional life. At the bottom is what Jay and I call a low mindset. You know when it's foggy out and the weather forecaster tells you there is a very low visibility on the roads, that is what we mean by a low mindset. You don't have enough current information to see ahead clearly. So you are essentially maneuvering based on guess work. For an executive, the lower the mindset, the higher the risk associated with any decision you make.

At the other extreme you see growth mindset. Executives who reach this level have achieved close to 100% visibility. They know with clarity what will happen as a result of any move they make, which means that they can see quite clearly how to make growth happen, even in fast changing times.

For you personally John, remember when we were speaking early? You told me that you were not sleeping well at night. Your mind won't let you rest because you are wrestling with how to make growth happen in the face of a talent gap. In fact, a widening gap, which means that you and particularly your people lack the skills to successfully deal with a barrage of new opportunities and threats in today's fast-moving world.

John:

So you're saying Carlos that reaching the growth mindset level improves my visibility?

Carlos Dias:

That's right. That is how to stop the craziness. You have certainty about what to do and what will happen when you do it, even, so you are leading your business through fast changing times you are at peace John, you are at peace.

John:

Carlos, you're saying I will get that peace of mind I've been searching for?

Carlos Dias: Exactly John.

John: Carlos, can you explain the words arrogance and modesty in the chart?

Carlos Dias: Of course. Remember, we are talking about leaders, whether you have a low mindset or a high one you still have to set direction for your people. If you've got a low mindset, remember, that means you don't have good visibility about the consequences of your actions. Your people will do what you say because they have to, but they have learned not to trust your judgment. In fact, you probably don't trust your own judgment at this level. So what happens? You keep changing your mind and blaming your people when things don't work out. The lower your self-esteem, the more likely you are to yell and pound the table and punish anyone who disagrees with you. Jay and I call it arrogance because you are exercising your authority based on minimal knowledge and no business understanding.

John: Okay, so that explains arrogance. And what about modesty?

Carlos Dias: When you have clarity about what is going to happen, you trust yourself. By the way, your people trust you too. Your people know instinctively that following your lead is going to do good things for their careers too. At the growth mindset level you won't have to brag about your achievements in order to convince people to follow you. You just have that quiet confidence, you act in a very modest way, but it's clear that you know what you are doing, so at this level people are excited to follow you.

John: So Carlos, I would be in peace and so would my people.

Carlos Dias: That's right. Absolutely John.

John: So Carlos, where would you put me on that scale?

Carlos Dias: That is it why we are here to find out John, but first you need to understand the rest of the chart. There is a horizontal scale too, the journey to leadership. It's showing you the basic methodology that a CEO or executive defaults to as they lead and make decisions for their organization. You got talker executives, doer executives, and thinker executives. Talkers are very good at expressing their opinions. They can be very persuasive. Doers, they are people who know how to get things done, and thinkers they are your strategists. They are paid to think right.

Here is the important point about this scale. For executives is dangerous to have only one of these skill sets. Why? Because until the thinker does, the doer thinks, and the talker walks your business will not be able to succeed, especially in a fast-moving world. In a fast-moving world leaders evolve or your business dies.

This chart shows you why. Look at how fast knowledge is growing. Let's assume it's doubling every seven years on average. Another way to look at it is basically everything you know now will be obsolete in seven years, everything John, everything. Now consider how fast executive knowledge is growing. On average executives' knowledge is growing at 5% a year. That means doubling their knowledge only every 14 years. That is a lot of time John, enough for your knowledge to become obsolete.

John: But Carlos, that strikes me as being so extreme. Seriously in our company, can you give me an example of where we are becoming so outdated?

Carlos Dias: Okay, here is one example we touched in our last session if you remember. We were talking about developing a business ecosystem rather than building internal expertise in every business function. But you said that your people were still stuck in the not invented here mentality.

John: Yes, it's true Carlos. I don't think we're ready to accept the idea of leveraging another company's expertise when we've got a lot of very capable low people who are good at what they do.

Carlos Dias: I understand. In fact, I understand your point very well John. But without an ecosystem here is what is likely to be playing out right now in your business. You are allocating time and money into developing little sideline capabilities that support your mainstream business but are not really part of your core competencies. Am I right? Now, what is the net effect of this approach? You drain off resources from your core competencies where you should be focusing. Meanwhile, the sideline efforts are struggling.

John: Yes Carlos. I admit you're right. The sideline areas do seem to be falling further and further behind. We probably should have never started those projects in the first place.

Carlos Dias: And your core business is falling further behind too. Why? Because you are diluting your focus and that is happening because your leadership team has an outdated understanding of how to succeed in a fast-moving world. What you are experiencing John is evolution in action. It's not just happening to you. We see this pattern play out in big companies too like Kodak and Blackberry. They are dinosaurs. They stopped evolving and adjusting to new conditions. Before long, they got trapped in a tar pit and became fossils.

John: No wonder I'm not sleeping at night Carlos. If those giant companies were doomed by the pace of change, how is my business supposed to survive?

Carlos Dias: It's a choice that you make, that every executive in your organization makes, to evolve or not? No one is forcing you to limit your knowledge growth to 5% a year. If you are a leader, you take action to accelerate your growth. It takes effort, discipline, commitment, of course. But who's stopping you from seeking

out trusted resources, questioning recognized experts, attending high content webinars, and reading relevant business books?

This is what you are doing in our learning programs and these mentoring sessions as this one, and that is why you have invested in getting the 24 seats for our program for your key senior and junior executives too. You are choosing to evolve yourself and your organizational culture too. That is [succession 00:14:33] planning in action. Because the marketplace is teaching you every day you can't afford dinosaurs. Dinosaurs executives stay in their comfort zone. They accept the conventional wisdom that is predigested for them on TV or in the newspaper. They only talk to peers and coworkers who think the same way because it's uncomfortable to hear opinions from outside of their echo chamber.

But John, you are no dinosaur. You are already taking action to evolve your leadership thinking through this mentoring session. So consider there is another way to read this chart. It represents huge potential advantage if you can just nudge your executive staff to evolve and acquire knowledge a little bit faster than your competitors.

John: Carlos, I can see real opportunity here. If I can change the culture of my organization, I can do it too, I see that now, by getting my key executives to participate in your creative leadership for turbulent times e-learning program.

Carlos Dias: And then apply what they learned in the mastermind groups. That is how you will acquire the cumulative business acumen for this new fast-moving world.

John: I'm beginning to get excited about what we can accomplish Carlos. I see the possibilities.

Carlos Dias: Absolutely John, and the leadership mindset chart can show you how to make it happen. You see, the leadership mindset chart can tell you where your executives are and where they need to be. Maybe they won't all make it to the fourth or fifth stages, but you can make sure they are moving up the evolutionary chain instead of getting fossilized. One thing you can know for sure is in your interest for the future of your organization to have only level four or five executives in every key position. Accomplishing that should be a strategy goal for you. In fact, it's mandatory for you John. It's mandatory for you to succeed.

John: Carlos, so you think that's realistic? You really think we can accomplish that goal?

Carlos Dias: More than realistic. It's necessary. It's required John. But every journey begins with a first step, and yours is to truly understand the message of this chart. Let's take it stage by stage. Down here at the bottom we call these the wishful thinkers. Their knowledge in this stage is very low as you can see. For whatever

reason they lack enough current knowledge and consequently understanding to have good grasp of cost and effect in the business. They of course will like to connect the points of impact in the business, but they are unable to identify that. So they make decisions based on what they wish will happen, or maybe what they think the boss wants to hear.

John: Are these mostly junior executives or can these be senior executives too?

Carlos Dias: You often find junior executives here. The ones who have book knowledge but have not figured out how things really work yet. But you can get experienced executives, even senior executives here too, if they don't work at evolving their approach, well they are not increasing their knowledge. Remember Hewlett Packard? They had five failed CEOs in five years John, all because they could not get innovation out of the labs and into their products fast enough. They stopped updating knowledge. In fact, they had been under investing in research for years in favor of taking short term profits. Their executives and their board too became fossilized. They got stuck in wishful thinking mode.

John: Carlos to be fair the HP executives must have been pretty good. They kept getting promoted in a very prestigious company.

Carlos Dias: They probably sounded very good, but at one time, but not in a fast-moving world. That is the problem with senior executives who are wishful thinkers. By definition they are great talkers, but that's by definition. They are all opinion. If you question them you will see, they lack accurate up-to-date evidence for their beliefs. They are blind to where the future is trending so they are unable to shape that unseen future. Wishful thinkers may present a very strong sounding plan, but they always base it or plan by pointing at yesterday's research. They are unable to justify why it should work in today's reality. Wishful thinking, magical thinking, that is all they have.

John: I think I know some wishful thinkers in my company.

Carlos Dias: You probably do John. Jay and I estimate that 35% of executives fall into this category. Some of them are senior executives. That is dangerous. I say if you have more than 10% of wishful thinker executives in a strategic decision making jobs, you are probably already in serious trouble John.

John: What do you suggest I do if I have wishful thinkers on my staff or in my management positions? Fire them?

Carlos Dias: My advice is never to appoint a wishful thinker to a managerial or executive position. If you think the person has potential, put them in an assistant role to learn from someone who is in stage three or higher. For wishful thinker executives who are already in decision making roles, you have to nudge them back on the journey.

John: I'm thinking about those Carlos. So I give my senior executives and I make them evolve upwards or I fire them.

Carlos Dias: In fast-moving times at minimum executives should be at stage two. These are the efficient tactician executives and entrepreneurs. I will say about 50% of today's executives fall into this category. Efficient tacticians are doers. They have learned enough knowledge about whatever is their specialty and they have gotten really efficient at it. They have solid up-to-date understanding of cost and effect, but only within their limited operation area of expertise. If you tell them that you want more output in their functional area, they will know exactly where to think to make it happen in the business as it exists today. If you are working for an efficient tactician as long as you can follow orders you are going to like this person. You will respect them. You will willingly follow their lead because you trust their operational judgment.

John: I definitely know some efficient tacticians on my stuff Carlos. They're excellent reliable managers and always get the job done.

Carlos Dias: But here is the limitation with efficient tacticians. They are unable to decipher the points of impact in your business. They don't have the expertise to connect the dots through your internal and external ecosystem. That means if you have only efficient tacticians your business is still heading for trouble John. That is why you also need strategists. These are the people who can carry you toward the future. Remember all of that new knowledge that is quickly obsoleting and replacing the existing knowledge? That is going to drive new ways of doing business, which means you will be continuously be innovating with new unique business models and competitive strategies John. That is the future. Executive who are merely efficient in the old methods won't take you where you need to go. By the way, this is also why Jay and I put so much emphasis on building a mastermind group culture, so you create teams of executives who have learned to leverage their collective knowledge and understanding in order to craft your strategic bright future.

John: I have to agree with you Carlos, it's what the leading companies of any size are doing, and we have to do it, and I have to convince my board that we have to do it. Actually what you're saying is encouraging. You're saying it's a learnable skill set.

Carlos Dias: Learnable, yes, definitively. You are right. But only if you can grow your tactician executives to think like strategists.

John: Carlos you have me confused now. I thought tacticians were sufficient in my management organization. But you're saying I also need strategists. Are the two ways of thinking really so different?

Carlos Dias: Quite different, quite different John. You see, tactician focus on the short term consequences of an action. If you drop a peddle into a pond your tactician

knows that it will make a splash. In fact, they can tell you exactly how big a peddle to use if you want to adjust the size of your splash. In other words, tacticians can foresee the direct immediate effect of any decision. By contrast strategists think in terms of longer term, the indirect cause and effect. They foresee the unseen effects that will occur on the line in three to five years, and that is very important in a fast-moving world John. They can tell you that dropping a peddle will create a splash, but they can also foresee the ripples, ring after ring of them that eventually [inaudible 00:27:38]. See the difference?

John: What you're saying is that tacticians see the seen, while strategists can also see the unseen, and now I understand why I have to have strategists in my organization.

Carlos Dias: Exactly John. You are right. Our educational system doesn't form strategists, despite that they pretend to do it. Professors are not used by nature to foresee unseen effects, a decision only practice managing a business will do it. Tacticians are good at efficiency. They excel into the ability to do something without wasting materials, time or energy. Again, their ability to do something without wasting materials, time, or energy. But that is execution John. But in a fast-moving world you need first identify what to do before to decide how to do John. Tacticians are good at the entrepreneurial decisions that help you make a higher profit in the short term, only in the short term John. For example, they can help you produce faster with less waste and so on. But we live in a fast-moving world John, a world in which the future will be entirely different, so efficiency in the past doesn't guarantee to be also efficient tomorrow. You understand, John?

John: Carlos I understand the importance of being able to see the unseen and why I have to have that talent within my organization. But I also want to encourage the tacticians to help execute these plans.

Carlos Dias: Yes, but not so fast. Not so fast John. That skill set can also be a dangerous trap for you. It's often the case that pursuing a small benefit in the near future will cause a huge hardship in the more distant future. Kodak got very efficient at producing film. Circuit City made a great profit selling computers out of the big box or retail stores. Blackberry essentially owned the market for mobile executive messaging. They only invested huge resources in becoming efficient, but they forgot that we are living in a fast-moving world. So they got efficient in doing the wrong things. This is why these companies went down in their path to bankruptcy John.

John: Yes, Carlos, they got disrupted by the lack of strategy, but they also got disrupted by new technology.

Carlos Dias: Yes, but is more than just outdated technology. It's also using outdated performance measures, which mislead you so you cannot see you are on the wrong course. For example, entrepreneurial tacticians use two key performance measures to evaluate every decision: increasing sales and increasing profits. But

looking at sales and profits can mislead you. What if you widen your view to connect their sales performance to their total assets, what we call assets velocity. Remember, in a hyper competitive world, margins are shrinking. If you are making decisions that grow sales but you are not factoring the whole wealth you are building and leveraging assets, what happens? That is how you find CEOs who thought they were doing well when they are actually destroying wealth in their business. According to surveys done by respected institutions like PricewaterhouseCoopers, eight of 10 CEOs and seniors executives are in this dangerous situation, in a path to bankruptcy. That is alarming John.

John: Carlos, now you have me concerned. You're saying that efficient tacticians are not just my functional managers?

Carlos Dias: I will be willing to bet that you have some senior executives who think that way too. That is what happened in the IBM for example. Back in the '70s IBM was making a fortune on the Selectric typewriter. Do you remember that product? It was a very high quality electric typewriter and it let you adjust the type faces in your document. That was revolutionary technology at that time. Basically every serious business and professional office in the country had to have a Selectric. IBM's executives had mastered every aspect of designing, manufacturing, and selling that product. They were efficient tactician only.

So when Apple introduced the personal computer in 1977, IBM had plenty of resources to invest in creating a competing product. But they didn't. For five years, five years John, their executives focused on perfecting this electric typewriter instead. It's ironic. After all, IBM was a computer company, but their executives were unable to see the unseen. They were trained to see only the splash, not the ripples. They assumed that the customer would just keep on wanting typewriters, so why offer a product that could disrupt their extremely profitable revenue stream? They could not adjust to see the unseen. Tactician or magical thinking.

It took IBM five years to jump into the PC market. When they did, they compounded their bad decision making by letting Bill Gates and Microsoft retain the word rights to the PC's operating system. Think about that John. Microsoft was a startup. IBM was a multinational market leader in computer technology. But their executives were tactician thinkers rather than effective strategists. And you know the history. Bill Gates won. Why? Because he had been able to see the unseen, and IBM not.

John: Carlos, you're right. I had forgotten how small Microsoft was back then. But the important point of all this is how IBM's lack of vision and strategy has led them down the path where they're at today and they continue down that path.

Carlos Dias: Here is more John. By 1993 IBM's annual losses reached a record \$8 billion on 63 billion revenue or sales while Bill Gates and Microsoft became immensely wealthy. That is the cost of letting tacticians determine your future in a fast-moving world. IBM bet on efficiency when they should have been investing in

effectiveness too. Microsoft was able at that time to be efficient too, but first they were able to see the unseen, to define what John, what today will do to create, decide the result to become extremely wealthy. That is effectiveness in action. They were making strategy decisions, they were actually betting the company so they didn't realize it based on an obsolete tactical worldview by IBM. That is what a poor leadership mindset can cost. That is why I'm telling you this now John, so you never have to pay the price in your business.

Let's quickly finish up the last three stages on this chart. Stage three is a corporate effective strategist. This leader has achieved what we call wisdom. They understand how to identify first and second connect the dots. They can foresee the ripple effect of a decision, but up to a point only. In a few minutes you will understand John why up to a point only. People respected that and follow corporate effective strategists because of what they have achieved. They have reached an important inflection point in their careers. Only five out 100 executives have reached this stage John. They are therefore rare to find in the market.

John: Carlos, if IBM's leaders had been corporate effective strategists, would that have saved the company?

Carlos Dias: Interesting question. And the answer is probably not. The stage three leaders you know are strategic thinkers. But they are still basing their strategies on what they have already seen in the past, in their own experience. They are efficient at doing things right. And they are effective at doing the right things, the seen things, but they still lack of level of creative thinking that is needed to chart an entirely new course. They cannot see the unseen.

That is a rare ability to foresee and understand the future. They have already come to pass what in the future will certainly occur. You could say that they lack acuity. That is what you will find only at the stages four and five. Acuity is the ability so see the unseen. For an executive in a fast changing world it means being able to visualize and ultimately understand what is likely to happen over the next three to five years. And then to adjust your assumptions so you can take maximum advantage of that likely future. Acuity is an attribute of executives at stages four and five. These are the people who can lead a company into uncharted territory John. And that is where the strategic growth opportunities can be found.

John: Carlos, I fully understand what you're saying. But if an IBM executive that was a strategist predicted the PC boom back in 1977, they would have been left out of the boardroom, right?

Carlos Dias: It's true John. That is why character and personality are so crucial for leaders. Self-esteem, confidence, accurate thinking and commitment, an executive needs the discipline to keep learning, the strategic skills to identify and connect the dots, but also the self-belief to stand up for your vision. Philosopher Arthur Schopenhauer put it like this, "All innovative ideas go through three steps. First

the idea is ridiculed. Second it's violently opposed. Third it's accepted as self-evident." Unfortunately that cannot happen until people accept true reality. But most people refuse to quit their comfort zone. Why? Because they lack the new skills, the business acumen, the ability to think clearly and make good strategic decisions. Consequently, they prefer to be in denial, which not only harms the organization but their careers too.

Creative leadership means recognizing true reality before it becomes self-evident, and then leading others to recognize that reality too. That is why as a leader you need a great deal of self-esteem and commitment to persevere. You also need the talking and doing skills, as well as the thinking skills. You have to see the unseen. You have to identify and connect the dots for how that unseen future could potentially impact your business. And you know? Moreover, you have to persuade others too.

John: Carlos, I understand the difference between seen and unseen, but can you further elaborate on the importance with these two concepts?

Carlos Dias: Yes, it's a little bit harder to describe. Think of it this way John. You're a leader. It's your job to set the direction. If you are at stages one, two, and three, you are leading by doing more of what has been done before. That is a problem because the world is changing very fast. Remember, that in stages four and five, you are creating a whole new road map, new business models and singular competitive strategies that offer your clients what they need, not only what they want.

Why bother to do this? Because you can envision a better future position for your organization, because you are able to see the unseen, you are able to shape the unseen, to create a better destiny for your company John. Do you remember The Web Trend Watcher from our previous session? You were excited when you saw our proprietary process in action. Suddenly a lot of new possibilities became apparent for you. In fact, by the end of the session you and your mastermind group identified over 30 different opportunities and threats for your company in the next three to five to years.

John: You bet I remember. Frankly, we were surprised to find so many, and we're already planning to put the most interesting ones into action.

Carlos Dias: Excellent. So imagine that each of those new ideas was a ripple. At the stage three you can see how the ripple effect of each of them will play out in your organization, but assuming nothing changes in environment, in your business ecosystem. But you live in a fast-moving world. That is why you need stage four and five leaders. Those ripples are not going to just move along calmly with no external disruption. That is not reality. But if you can see the unseen, you can predict what external forces are likely to impact your environment. You can foresee how those external ripples are likely to intersect and disrupt your current pattern, and you can see where to position your business in that likely future. So instead of getting swamped by the new pattern, you actually leverage

it to your advantage. That is what Apple is continuously doing, changing the rules of game by releasing new innovative products.

John: I get it Carlos. It's just like the drone technology of today that allows real estate agents to take aerial photographs of a house very inexpensively. And the other tech startups too, they're anticipating the external forces, planning for them, and that's how they're able to shape the unseen.

Carlos, you're talking about an entirely new dimension. It's breakthrough thinking. I remember once you told me we could change our destiny by changing how we think. That's what you are saying, right? Adopting your strategic thinking process will allow our organization to become an innovative, profitable industry leader.

Carlos Dias: That is the way you have to play the game of business these days John, if you want to win. The world is moving too fast. There are no isolated events anymore. To master the game at this level you need strategic accurate thinkers. That means having current updated knowledge and understanding, and being able to connect a lot of dots that are in constant motion. For example, what is happening in your market and where is it moving? What is happening in your company? What is happening to your executives and other employees? What events are happening right now that could impact the next three to five years in your business directly or indirectly? What major challenges does your organization face? And then of course, to have the acuity, the ability to see and understand to select the best path for the next three to five years.

John: Carlos, I understand why these six questions now are so important, and what they mean strategically for the company, and why nine out of 10 executives are not strategic thinkers. But best of all, this creates a competitive advantage for my company.

Carlos Dias: That is what our six strategic toolkits in our strategic wealth creator system are for.

John: Carlos, I'm connecting the dots now finally. The six strategic thinking toolkits are for seeing and shaping the unseen. It's created an inflection point in my career and the company. We'll be able to identify all the different paths available and figure out so we know ahead of time which ones will lead to the highest most prosperous outcome.

Carlos Dias: To know the right path yes and also how to get there. Not just where you want to end up, but also the right timing, sequence, and the speed of strategic moves to get you there is all required if you want to create high sustainable business growth and wealth.

John: And of course, we don't want to forget, profits.

Carlos Dias: Profits yes, but I cannot stress enough, they are only part of the equation. Profits only tell you how well managed your expenses. In actuality cash flow is more important, especially in difficult times like these. Think about it. Profits is what we call net margin on sales. You have to multiply net profits by asset velocity in order to create wealth.

John: You know Carlos, I never thought of it that way. Come to think of it, I bet you my fellow CEOs don't see this either. Another inflection point and another competitive advantage for my company.

Carlos Dias: Now factoring that we live in a dangerously terrible world where inflation can spiral up at any moment, can you see the problem?

John: Carlos, I see your point. Fixating on profits alone can mislead us. We think we're safe but we're at risk. On top of that you bring up two very important points, inflation and what this will give my company is the tools to be able to take advantage of those inflationary pressures.

Carlos Dias: I advise using return on assets as your performance indicator. Return on assets tells you how profitable you are, relative to your total assets. In other words, you can evaluate how effectively you have been managing assets, in other words your tangible resources, to generate a profit. The higher your return on assets, the better you are at making more money with less investment. That is management key job, right, to make wise choices about allocating resources. Anyone John, that is very important, anyone can make a profit by throwing a ton of money at the problem, but in a fast-moving world it takes the business acuity of an accurate thinker to excel at making larger profits on little, small investment.

John: So in a way return on assets is a measure of business acuity. You know Carlos, you just made me realize something very important. Return on assets gives me the ability for me to be able to measure the seen and the unseen. It also gives me a competitive advantage against my competing CEOs because I know they don't look at return on assets, so like me, they have no way to be able to measure how well they're seeing the unseen.

Carlos Dias: I think that is a fair statement. What Jay and I see is that nine out of 10 executives don't perceive an event until after it has happened. Take the internet. It was available for the mid '90s probably early '90s, but it took many executives five years or more to realize that the internet will change their way of doing business. It's not that the executives were unaware that the internet existed. But they either lacked the acuity to see its potential or they were in denial about it.

Fast-forward to today and we see the same sign John. Executives want to grow, but they are not making the foresight-based moves that will get them there. They just continue with what they have always done and hope that this time

magically it will be different. In fact, Jay and I recently wrote a white paper on this type of magical thinking and we have a series of video related to allocating resources effectively. I will email the links to you.

John: I wanted to ask you something about stage four. Why does it say trust?

Carlos Dias: At stage four you have confidence that you know the true facts rather than guessing or inventing them. Remember before, when you talked about seeing things in a new dimension? That's when you use The Web Trend Watcher with your key people you have developed the strategic acuity to think, see, hear, and imagine accurately, and you trust your ability to re-conceptualize your business based on all of these inputs, along with new knowledge you are systematically acquiring.

John: Systematically?

Carlos Dias: At the stage four you have made self-development and continuous learning a part of your routine. It's not something extra for when you have the time. It's an integral part of who you are.

John: Carlos, why is that so important?

Carlos Dias: Because learning ignites passion John. Look at very successful CEOs. They have all taken different path to reach success. There is no single magical route. But they all share one important characteristic. They all love what they do. They have passion.

John: So they don't mind investing time and learning to become accurate thinkers.

Carlos Dias: In fact John, they are obsessed with learning, they want to know everything, and the more they learn, the more possibilities open up for them, the more interconnections and impact points they see.

John: This level of passion, it's the ideal, but is it necessary in the real world? What if a leader doesn't feel it? Are you saying they won't be successful?

Carlos Dias: I go further. I say that if you are not passionate about what you want to become and what you want your business to become, it will be a struggle for you John. If you don't have the passion and the self-esteem and commitment that go along with it, I advise a CEO like that to step down, make room for someone else who has the passion.

John: That's a very strong statement Carlos. Are you saying I should step down?

Carlos Dias: With passion you can accomplish anything as a CEO. Without it you will never leave your comfort zone. You will hold yourself back, and you will withhold your company back too. Remember, we are talking about the leader. You simply

cannot transfer to your team what you don't have yourself. It's impossible. Stage four is an important threshold. You have developed acuity. You are now an accurate thinker leader.

John: And stage five, what do you mean by enlightened?

Carlos Dias: Enlightened means you are able to transfer your knowledge, your understanding, your ability to connect the dots, and most importantly your passion. Working with you causes people to grow intellectually and spiritually. As a result they follow you because of who you are and what you represent for your business and for them, and process it. So you can see ahead with acuity. In stage five John, you have now certainty in your ability to not just see the unseen, but shape the unseen, to make your desired future happen. Fate and certainty imply that you are ready, willing, and able to act on your intentions and see them to a successful conclusion.

John: But Carlos are you saying at stage five you never fail?

Carlos Dias: In turbulent times events can overtake you. It's true. But consider Steve Jobs. He was an excellent creative leader, possibly stage four at that time, but even he got fired from Apple after which an incompetent board drove Apple to the brink of bankruptcy. Now think about it. Without that early failure, Steve Jobs might not have developed a stage five level of leadership. By the time he returned to Apple he had evolved into a leader who would dramatically change five different industries: personal computing, computer animation, digital music, phones, and mobile computing and tablets.

Steve Jobs didn't invent these things. He had stage two, three, and four people in key positions on his team to help him do that. But by reaching a stage five himself, he also helped the other key executives grow to become stage five leaders too. It's true. Look at what happened after Steve Jobs passed away prematurely. Some people predicted that Apple will never be the same. They were wrong. They were wrong John. Jobs had transferred his intellectual and spiritual vision. He created a legacy of enlightened creative leaders. That is why Apple continues to flourish today.

John: Yes Carlos, it's true. But Steve Jobs was special, very unique.

Carlos Dias: I believe that Jobs did have one talent that truly was unique. He was able to take an honest look at an industry to identify what was lacking and what customers will truly go crazy for. Then he had the acuity and passion to make that vision a reality. Steve Jobs performed this task better than anyone else we can name. All this despite the fact of possibly due to the fact that he dropped out of college after his first semester.

Now to end this session John let me explain you the difference between stage four and five. In fact, a more and different gap between stage four and five,

because yes, there is still a subtle difference in between stage four and five. Look at what is written as the stage four. Accurate thinker characterized by trust. What does this mean? It's about listening to the right sources, is about talking information and putting it into a real perspective, shining a spotlight on it and evaluating. It's true. When you are thinking accurately you are dealing only with facts, regardless of how they might affect your own interest. That is because you know that ultimately this strategy will bring you out on top, will prepare you to your definite major purpose. It also mean you trust in yourself, you believe, you are reliable, good, honest, and effective. You make things happen.

Here is the but, the shock John. You can trust in yourself, but still being arrogant, having a feeling always of superiority that shows itself in an overbearing attitude to others. Now read the definition for executives in stage five. Enlightened, creative, accurate thinker leader, characterized by confidence. What does this mean? Well John, it means you reach your greatness. Preeminence, that is the secret, I learned from great world leaders John.

John: You know Carlos? This session's made me come to a realization that I really have to change the thinking in my company and my executives. This mentoring session that we've had should be mandatory, not only for all my senior executives, but all my executives and my juniors. Thanks Carlos.

Speaker 1: Now that you understand the chart, let me show you how to use it as a diagnostic tool and also a road map. Let's begin with the obvious question. Were would you place yourself on this chart today? Where would you place your staff, your other managers and executives? That profile is going to tell you quite a bit about why you aren't profitably growing.

Second question. This one is a little less obvious but it's important. Where did everyone fit on this chart a couple of years ago? Are you wondering why you need to take that step backward in time? It's because this diagonal line, this evolutionary chain is capable of flowing freely like water. Remember, new knowledge is obsoleting old knowledge at an incredible pace. By the same token, your new understanding will eradicate your previous understanding so you can identify the key impact points in your market and the levers that will let you create unique business models and profitable strategies.

You want to see a profile where executives are evolving upward. But what if the profile shows that your leaders are not evolving? If they become fossilized, they stand still, and eventually they begin to slide back down the evolutionary chain. If that's the profile you're seeing, no wonder you're not profitably growing. That profile should be flashing red.

Third question for you, and this is the key one really. What you want the leadership profile on this chart to look like? Where do you aspire to be? Where do you need others to be if you want to create breakthrough business growth?

And now for the road map. As a leader you need to create a path that prods, pushes, pulls your executive up the evolutionary chain. That's your job. Your goal should be to expect every experienced executive to reach stage three at a minimum, or junior executives they should be on a path to stage three, and your staff, at minimum they should be at stage four and on the path to stage five. Realistically it's likely to take a cultural shift to make it happen.

That's part of your job as CEO. You have to make continuous learning and expectation for every executive doing the right things right. Strategic effectiveness, that's the goal, no matter their job title or record of past successes. You should be seeking out and encouraging executives who breakthrough to stage four or five so you can leverage their extraordinary acuity to help profitably grow your organization. That's how you'll harness the strong forces of a fast-moving non-linear world. That's how to breakthrough to extraordinary high and sustainable growth and wealth. It's what large companies like Apple and Google do, and what leading small and medium companies are doing too.

Are you ready learn with your key people as fast as the world is changing? Are you ready to become an enlightened, creative, accurate thinker? Are you ready to learn how to thrive in a fast-moving world? If your answer is yes, Jay and Carlos would like to start a conversation through a conference call, online call, or in person. To begin email Carlos Dias at carlos@carlosdias.com and tell him about your organization, your actual sales, and concerns, so we can make our contact more effective. Links to the resources mentioned in this web cast are on your screen. Thanks for giving us your valuable time.