

Video-Blog #4

**Managing Through Systems Thinking  
in Turbulent Times**  
**What They Don't Teach You in Business School**  
**Part III of III**

Transcription

Carlos: Good morning, John. Are you ready for another strong session? What could happen if everything you thought you knew about your business is wrong? If you expected a milestone session today, you will be not disappointed, John.

John: I'm excited to listen to your wisdom again, Carlos. Tell me more about today's session, what does sustainability mean to you, and what do you mean by changing the seen and shaping the unseen?

Carlos: Sustainability refers to the ability of your business to continually generate profitable growth. To do this, whether you are a solo consultant, a small company, or a larger conglomerate, you need to be able to switch from changing what you see in your business today to being able to shape the unseen. That is where the first moving opportunities are. Without this ability, it's impossible to shape the unseen, John.

John: No, but Carlos, I can't shape what I'm not able to see.

Carlos: To do it, John, you need to learn what is called perceptual acuity, which it refers to the strategic skill of seeing around corners and spotting new external opportunities and risks, that otherwise hidden in today's landscape. This skill be your radar to help you see through the fog of a fast moving world so you can act first before your competitors.

John: But what do you mean by that? How will I be able to change the seen by shaping the unseen?

Carlos: That is where systems thinking is mandatory in your path to greatness. Look at component number nine on your screen. Systems thinking means to look at the whole landscape rather than just the separate elements that cannot shape your business. Most executive, John, have been trained to solve their problems by breaking their businesses into multiple parts and working to make each element perform as well as possible. However, maximizing each one of these elements doesn't always add up. In fact, it often happens that maximizing one element can actually make the whole system work less effectively. Potentially, making it impossible to achieve sustainable and profitable growth.

John: You already know, Carlos, I'm an inquisitive man. I need your help with some questions turning to my mind right now.

Carlos: What are you questions? I will answer them one by one to make our session more comprehensive.

John: Okay, here's the first one. Why, compared to strategic planning, is systems thinking best suited to the challenges of a fast-moving and complex world?

Carlos: Because systems thinking is a way of leveraging your mind to better see and understand the powerful forces and interrelationships that shape the behaviors of your business

ecosystem. Your business ecosystem. This new way of thinking, John, will help you to see how to create an ecosystem in tune with the natural processes of the economic world. Look all around you. Systems are everywhere. Everywhere. Tropical rainforest systems, still water ecosystems, river and stream ecosystems, red road systems, digestive systems, nervous systems, and countless more.

John: I get it. Never the less, Carlos, can you give me an example of how a business leverages the concept of systems thinking?

Carlos: Of course, John. Look at the Apple ecosystem. One of the main advantages of using Apple products is how they synchronize, working each other. With an Apple-designed ecosystem, everything you need is already built in. There is no need to download or install anything. That is why iPhone users use a Mac computer and many other Apple products, as some features will not work connected to a Windows computer or Android phone.

John: Apple focuses on proving the best user experience through its naturally built ecosystem and its own completely, but not every business can emulate Apple. Do you have another example? In an oldest industry, maybe.

Carlos: Here it is, John. That is Zara, the Spanish base global clothing retailer leader. Zara manufactures and sold its own products with sales of roughly 25 billions. 25 billions would be, in 2016, close to 15% net sales profit. That is 4 billions, 4 billions would be with a 20 percent return on assets. That is six time the cost of capital, John. The ecosystem works wonderfully. Compare it to the Gap. Gap is the largest American retailer, far behind Zara, which in the same year made only four percent net profit on sales. Zara, remember, did three times more and the Gap did nine percent return on assets. Remember, Zara did two times more. That is no high tech. Zara is a clothing retailer. That is an ecosystem in action, John. Many older companies have built successfully ecosystem in different industries and services. Most of global leading companies strive today by being able to leverage unique ecosystems. Contrarily, many small and larger companies continue to underperform because they are still attached to the concept of reductionism.

That is believing that you can break down a business into small parts, and that those parts can be, through benchmarking, made more effective. It's a crazy concept, John, and one that is still widely thought by gurus and academia.

John: Why do you think reductionism and benchmarking are crazy concepts?

Carlos: Because natural forces that control what happens in the world, like the law of gravity, including what happens to business, require they work well together and depend on each other to achieve successful results. An automobile is a great example. You can take the best transmission from one brand, and the best engine from another, and the best brakes from a third brand, but they will not work together. You will have created a monster, John, a monster, not an automobile. Why? Because, as you will learn later on

this session, if you optimize any part of a system, you risk reducing the effectiveness of the whole. So you cannot create sustainable, profitable growth in doing it.

John: I see your point clearly now, Carlos. So here's my second question. How can we design a unique and singular ecosystem for a company that is capable of sustainable and profitable growth?

Carlos: Your business has been perfectly, perfectly designed, to get positive or negative results that is now getting. So to create sustainable and profitable growth, your business must, must respect the natural forces of the world. The key question is, John, did you create your system by default because you failed to respect these natural forces, or did you design it? The harsh reality is that most businesses are not performing well today because their ecosystem were designed by default. Most CEOs, owners, and senior executives do not realize that a business system is made of different elements, and that to succeed, they need to work well and depend on each other. That is why I developed this strategic wealth creator system, which is made of six interactive thinking processes. Look at the screen, John, at the six internal and six external elements of a business. Remind me, by the way, to send you a link to a video where I explain each one of these elements.

John: I will, Carlos. I want to learn each of these elements.

Carlos: Look at your screen, John, to see the whole of how this strategic wealth creator system works. Read the definition and objectives carefully.

John: What's the difference between a system and a process, Carlos?

Carlos: A thinking process is a carefully, step-by-step planned sequence of events that enables executives to understand how, for example, design a unique competitive positioning strategy or create unique products and services, or craft a unique customer value proposition, et cetera. Systems are what is used to execute the process, to connect the dots in a business. In other words, how you see the world, risks and opportunities and the powerful concepts that will let you create sustainable and profitable growth in your business.

John: Here's the last of my three questions. How should my business proceed to design and implement a unique and competitive business ecosystem?

Carlos: The strategic wealth creator has been designed to achieve these and more, John. Before anything, you need to align your business culture with the singularities and characteristics of a fast-moving and complex world. You can't change your business culture without first introducing new concepts and tools, such as the ones I'm talking about in parts one, two and three, John. And such a change can be done quickly if your staff and key executives actively, actively participate in our different elearning by doing programs.

John: What will it take to do so?

Carlos: It depends on your readiness, commitment and willingness to invest in and absorb our concepts and unique processes. You create mastermind groups to work effectively on your own data. That is, John, elearning by doing. If you want to drive an automobile, design a building, or make perceptual acuity part of your culture, you have to be committed to doing it. I will be there along your trip to help you and your executives to succeed.

John: I agree, Carlos. Instead of encouraging students or executives towards learning by doing, the educational systems, gurus, seminars and webinars create instructional programs that involve theory alone. A lot of content, and very little substance. They'll never focus on the actual tasks.

Carlos: Without being engaged in these professions for years, an acquired business understanding is not easy for a professor or guru to transfer practical perceptual acuity and how to connect the dots in a business to create breakthroughs and sustainable, profitable growth. It's like medicine. You cannot become a surgeon without first practicing for years, so most professors and gurus who have never managed successfully a business cannot transfer the practical skill that they don't possess.

John: Why did you develop different elearning by doing programs?

Carlos: The strategic wealth creator system was originally created for the corporate world. That is how Creative Leadership for Turbulent Times was born 20 years ago. I then redesigned the program for small and mid-sized companies, changing the format but keeping the full concepts and processes.

John: How different are these types of companies?

Carlos: People in small and mid-sized companies work under stress created by a complex and turbulent world, and for the lack of a business understanding, but nevertheless, they need fast results to solve constant bottlenecks in their business. They don't realize that the cause of these bottlenecks is the short-term tactical and operational way they act in their businesses. To help fix the problem, I simplified my original program by creating a series of small kits. Each one is easy to understand. It's just a matter of watching and listening to the elearning, then to read and apply through a mastermind group and online guidebooks with the knowledge they offer for immediate impact on cashflow, sales growth and profits.

John: I'm excited to know all the components of the strategic wealth creator system you have created, Carlos.

Carlos: Then look at your screen. Let me introduce you to key components 10-13 of the strategic wealth creator system.

John: What about components one to six of part one, and seven and eight of part two? Are they not key components too?

Carlos: Absolutely. They are, John. Are you familiar with what subliminal messages mean?

John: Yeah, I think so. Each of our five senses constantly sends us information to our brains, but there's another way our brains can receive information, through subliminal messages.

Carlos: Correct, John. The unconscious mind picks up on things that many people don't realize. So components one to six from part one, that is awareness, are incorporated in our seminal Socratic questioning mind maps that I will introduce you now. In components seven and eight from part two, our fundamental principles like values, vision, and passion that are wholly integrated into the strategic wealth creator system as well.

John: I see, Carlos. Socratic Questioning is systematic, disciplines, deep, and focused analysis of fundamental concepts, issues, and challenges. But how does Socratic Questioning work in the mastermind group? What does the mastermind group mean?

Carlos: Allow me to quote Napoleon Hill, who is well known for his book, "Think of Grow Rich", written in 1937, 80 years ago, that which is among the top ten best selling handbooks of all time. "A mastermind is the result of a conscious attempt by an individual to surround himself or herself with a group of people who are so in-tune with one another, that they don't just bring out the best in each other, but the group as a whole takes on a life of its own, elevating everyone's level of thinking and generating shared leaps of logic, insights, and flashes of intuition."

John: So Carlos, why did you decide to incorporate mastermind groups into the strategic wealth creator system?

Carlos: Good question, John. I did ti for three key reasons. First, because it accelerates change in an organization. Second, the [trinity 00:18:50] of the mastermind, as Napoleon Hill describe it, is that two great executive heads are not only better than one, but much better than two.

John: Why are they much better than two?

Carlos: An example given by Napoleon Hill will answer to your question. The brain of an executive, much as anyone else, can be compared to an electric battery, It will become exhausted, or run out, causing an executive to feel dependent, discouraged, stressed, and lacking in energy.

John: But wait a minute, sorry to interrupt, Carlos, but this is a particular case when facing the challenges of a fast-moving and complex world.

Carlos: Correct, John. An executive mind working under these conditions needs to periodically recharge, and the best way to do so is through contact with other energetic executive minds. The great leaders understand the necessity of this recharging process, particularly in turbulent times, and moreover, they understand how to accomplish this

result. This knowledge, John, is the main feature which distinguishes a leader from a follower.

John: And what is the third reason why you decided to incorporate the mastermind concept into the strategic wealth creator system?

Carlos: The third reason is that the concept leads to the blending and coordination of all the executives to create a sense of perfect harmony. Harmony is the secret, John, of the success or failure of practically all businesses that involve teams.

John: Why harmony, Carlos?

Carlos: Harmony means coherence and shifting positions in a team to move a position without losing control or failing. Now remember part one, John. Power, power is organized knowledge actionable through business understanding, expressed through mental models properly fitted to the needs of an ecosystem. So no effort can be organized unless the individuals engage in the [authored 00:21:28] coordinated business understanding and mental models in spirit of perfect harmony. The lack of such harmonious coordination of effort, John, is the main cause of practically every business failure today. The main cause of practically every business failure today.

John: I understand now why this key is very important concept, Carlos. Knowledge and business understanding alone are not power. It's only potential power. In other words, the raw material of which real power may be developed. My people can have all the knowledge we need to face a complex world, including acquiring the business understanding through your program, but that's not enough to succeed today. Why? Because it's not organized. It can only be organized through harmony first, and second, common shared mental models. That is why you developed mastermind groups and Socratic questioning in your programs. Carlos, that for me is a point of inflection and a milestone in the way I should manage my business in the fast-moving and complex world. I also now understand why parts one, two, and three are so critical to be understood to thrive in turbulent times.

Carlos: Thanks, John. I appreciate your comments very much. I learned from Napoleon Hill that an executive may become a walking encyclopedia of knowledge still without transferring any value to a team or business. This knowledge becomes power only to the extent that this organized classified input into action through a mastermind group driven by Socratic questioning. That is how you create harmony. So you see, John, how a mastermind group alliance does much more than just aggregate seven people's ideas. It creates a new singular intelligence and a culture unique to your business. That is what leading companies like Apple, Zara and much more successfully work, John.

John: And we all know, Carlos, that my company does the same thing as my competitors claim to do, there will be nothing for us to differ on in fierce competition, which brings everyone's profits to zero if not below. Now, Carlos, why seven and no more people in one mastermind group?

Carlos: Based on running thousands of mastermind groups, I have found that seven is the limit. More than seven leads to chaos. People stop actively participating and begin expressing strong opinions. They refuse to change their ideas. It discourages creativity and individual responsibility.

John: What happens, then, if I have 14 people, including managers and my staff?

Carlos: I suggest you to create two groups of seven people.

John: But that would create disagreements and conflicting conclusions, the opposite of harmony.

Carlos: No, if you create a third group, in which all participants debate on the best conclusion, John, that is how you create breakthroughs in your business. Through dramatic innovations and improvements via consistent focused and synergic efforts, that is how Apple, Google, and no leading companies have done it.

John: But to do so, you need a process.

Carlos: Correct, John. The six different processes are foundational in the strategic wealth creator system.

John: In a nutshell, where do the components number ten, mastermind maps, and what can they do for my business?

Carlos: These mastermind maps are electronic versions of classic posters that I once used with my people when I was [inaudible 00:25:48] as well as my clients later. Mastermind maps and Socratic questioning are akin to gasoline for an automobile. Without them, there is no energy to move the wheels. Thinking is not driven by answers, but by questions, John. Answers, on the other hands, often signal a full stop in thoughts. Questions define tasks, express problem, and well delineated, clearly describe answers to issues. Nine out of ten companies, based on my experience, don't have a library of questions. Moreover, most of the time, questions are not well expressed enough during meetings. I cultured and mentored thousands of executives to see this as a big, huge problem, John.

John: Being a strategic leader for turbulent times is about asking the right questions, isn't it, Carlos? How many strategic questions in the strategic wealth creator system?

Carlos: Over 300, John, easily.

John: Wow. Can you give me an example?

Carlos: Of course, John. Here is one. A subliminal message connected to part one, awareness and passion. Here is a question. What appears impossible, impossible for us to do, but if we somehow managed to do, would fundamentally, fundamentally transform practices in our market? I would bet that Apple asked this question before creating the iPad. The word "impossible", will encourage people to bypass typical normal beliefs in mental

models, including false perceptions. It will, a mastermind group working in harmony, to push to their limits to come with the right answer. The word, "fundamental", entails a high level of solution. For, as example, a new product or service. These two key words, impossible and fundamental, help to warm up a mastermind group before starting a session on innovation. You don't think so, John?

John: I'm impressed, Carlos, to see the different pieces of the strategic wealth creator system fit together.

Carlos: To push component number ten, John, I developed the mastermind maps to be filled out during each strategic session, project, or screenshare and then to be copied and distributed so that everyone has an accurate and up-to-date record of their work. This is also useful for businesses to keep a copy of how fast the decisions were made, which helps to ensure that the strategic decisions can be continuously improved upon. The mastermind maps prompt you to look at your businesses differently to consult important data you previously overlooked, to consider critical metrics that you've previously been unaware, and to ask Socratic questions that you're never taught of when looking at the strategic answers.

John: I see, Carlos. The mastermind maps act as a catalyst, energizing a mastermind group, sparking breakthrough ideas and generating new growth-building strategies that propel businesses to a new level of wealth and prosperity.

Carlos: Correct, John. That is why we want it, it will happen in your company too, but only if you and each executive invest the required time. All it takes is three hours a week, that is around only five percent of your time, and the commitment to keep it running. In fact, it's your job to keep it running, John.

John: Why should I do it? I have no way to know if my people are investing three hours a week or not.

Carlos: Yes, John, you can.

John: How can I?

Carlos: Don't forget, there was a time when I was a CEO just like you, and probably like you, I know most executives pretend to be busy to justify their procrastination. So I made sure [inaudible 00:30:44] elearning program was the sign for a CEO to know exactly how much time that people have invested watching and listening to our elearning programs. Of course, you will be the only one in your company to know this confidential information. By the way, John, I have been personally looking at how much time you've invested a week in our elearning platform.

John: Fantastic, Carlos. That is an important feature for me to know, not to control, but to encourage my people, the critical importance for them to commit to succeed in their career and help our company to thrive in the complex world.

Carlos: So, John, it's time to [BC 00:31:29], component number 11 in your path to greatness.

John: I'm excited to listen to you, Carlos. Component number 11 is an adaptive learning, but what does that mean?

Carlos: Adaptive learning is an educational method which uses computers as interactive teaching devices and works to orchestrate the allocation of human and mediator resources to the unique needs of each executive.

John: I assume adaptive learning has been personally driven by a realization that tailored learning cannot be achieved in a large-scale using traditional non-adaptive approaches?

Carlos: Correct, John. Before we're learning by doing and applying every thinking accompany, adaptive learning allows executives to absorb important concepts and adopt new tools designed for a fast-moving and complex world. That is how you will be able to find unique solutions to your challenges, John.

John: So how does it work?

Carlos: Elearning begins with individualized and elearning has six online modules or kits that feature audio, video, illustrations and charts. Each of which is accessible on computer, laptop, iPad or smartphone. This modules are conveniently packaged so that each executive can gain new knowledge anywhere, anytime, either in long sessions or short increments. Your learning is fully under your control. I suggest a minimum of three hours a week. Everything is designed for a CEO. Depending on the program, small business owners, executives, small businesses, or the corporate world. Do you want to learn a new tool, just click a link and try it for yourself with your own company's data. Want to be exposed to a new concept, use the visual chart in questions in your own work context. And fifthly, to share with others, your company. You will be able, and your key people will be able too, John, to put each strategy or process to work right away to create a wealth of new opportunities for your business. The elearning by doing program includes strategy thinking outline guidebooks.

One for each one of the models or toolkits that are designed to add to the visual elearning experience in a way that deepens understanding and provides real-world practical context. In each guidebook, you will find key concepts and visuals from the elearn as well as additional examples, tips and links to online tools. Most executives tell me they did back into these guidebooks again and again to quickly review a concept or technique. As mastermind group participants, they use these books and tools such as predictive what-if scenario calculators, collaborative activities, working through the step-by-step strategic thinking processes, and then implement them on a functional level with unique managers and employees.

John: Outstanding, Carlos. I assume your programs are unique in the global market.

Carlos: Absolutely true, John. In fact, I know it's unique, because in 2010 I did a year's worth of research to find what I was looking for, a business program like I am introducing to you

now. I didn't end up finding it, so I decided to invest in creating this astonishing program.

John: What is unique to your programs, Carlos? What is the one thing that makes the elearning by doing strategic wealth creator system unique compared to anything available in the global market today?

Carlos: First, the unique concepts, they come in the form of processes like systems thinking, ecosystems, mastermind maps, predictive scenario building calculators and virtual recorded mentoring sessions, all of which comes in one full package.

John: Carlos, as you can see, I'm a happy and active client now. My 24 people agree your program makes it possible for our company's culture to accelerate in the right direction, so Carlos, is there a second unique quality to your programs?

Carlos: The strategic wealth creator system differs from classic strategic planning, it plans backward, in reverse, so opposite to what is usual. This means planning from where you want to be in a 5-year business vision to where you truly are today.

John: What do you mean by where your business truly is today?

Carlos: Management in most cases typically pretends to know their competitive positioning in a market, as well as the strategy they are currently pursuing, but the truth is that there are companies, usually have more weaknesses they think they have. At the same time, management is commonly unaware of key latent strengths that they could develop in leverage to design unique business models and competitive positioning strategies.

John: Why does this happen?

Carlos: Because the law of incompetence, John. It says that when an executive is inefficient, he or she, is often unable to understand why. It's this obvious that we can no more explain systems thinking to an executive who has never been exposed to it than we can explain light to the blind.

John: Here's my interpretation. If an executive lacks the strategic skills to craft strategies to succeed in a fast-moving world, he or she will likely also lack the knowledge of this being the case. Interesting but true, Carlos.

Carlos: Exactly, John. Back to why the strategic wealth creator system differs from the classic strategic planning. Backward or reverse planning comes with competitive advantages that gives businesses a strategic edge. I can tell you by myself experiencing it with my clients.

John: What are these advantages?

Carlos: First, backward planning simplifies processes considerable. It is well-known that the challenges of finding a path from a known origin to a known destination is best solved by working end-to-beginning.

John: I agree, Carlos. Mazes are most easy solves by working from the exit to the entrance.

Carlos: Second, the strategic wealth creator is also more adaptable and fit to a fast-moving world and that is extremely important, John.

John: Can you expand on why it's more adaptable, Carlos?

Carlos: Strategic planning consists in a series of strategic activities that last a few month, usually, which are then followed by a long period, usually three years or so, of operational execution. At the end of the period, most companies and board of directors sadly realize that their management has failed to deliver their intended goals, ambition. The strategic wealth creator system solve this embarrassing situation by utilizing continuous scalable process.

John: What do you mean by scalable, Carlos?

Carlos: Scalability mean the expandability of the six strategic processes in the strategic wealth creator system as a mean of generating knowledge and business understanding. This has two anonymous advantages. First, by continuously updating knowledge and understanding all around your company, and second, process are easily upgraded to fit your needs created by the fast-moving world and/or your company.

John: That's a huge double advantage, Carlos, because making the processes expandable to fit our needs generates both new knowledge and understanding.

Carlos: There is another major third advantage for scalability, John, which is that strategic learning by doing is continuous happening, and is not limited merely to just senior executives. In fact, more managers and junior executives are given the opportunity to actively participate in it too.

John: This concernedly increases the chances of successfully implementing plans, as the executives who participate in the six different processes, part of the strategic wealth creator will have a vested interest in seeing to it that the implementation is properly done as intended.

Carlos: Yes, John. That is succession planning in action. Do you remember part two?

John: I remember well, Carlos. I realize how much the strategic wealth creator system can help us to create a pipeline of high potential leaders.

Carlos: I think it's time to discuss component number 12 in the path to greatness in a fast-moving world. That is the predictive what-if scenario calculators.

John: What are the predictive what-if scenario calculators, Carlos?

Carlos: They help you to respond to different scenarios more quickly and effectively.

John: And how is that?

Carlos: Because by utilizing these different scenarios, a business can develop effective alternatives. A scenario is a combination of predictable events that might have a significant impact on a business.

John: So the what-if scenarios let a business to create best-case and worst-case scenarios? This seems like a great benefit in the turbulent times of today.

Carlos: Exactly, John. These predictive what-if scenario calculators are powerful tools that let you [inaudible 00:43:17] to test the different scenarios for different business models and competitive strategies. They are available online and engineered to be more user-friendly than the spreadsheets. You can use them in your own or with your mastermind group. You can even share with your boss. In fact, why not to your bankers too? They will see that you don't make vague dubious assumption, that everything you do and say is back by strong facts.

John: Carlos, I tried a few of them and I was impressed. In fact, I was so impressed, that I started calling them magical calculators. I particularly like the value map calculator. I was able, in only a matter of minutes, to see the positioning competitive advantages of both my competition and my business within the market. I then built, in minutes again, different future positioning scenarios. I like being able to print the different scenarios and show them to my staff. We started an interesting strategic conversation that otherwise would've been impossible to do without this magical tool.

Carlos: This lead us to component number 13, John. An online library of inflection points reports for your business to grow in turbulent times, such as today.

John: Are you referring to the recorded mentoring series with your clients?

Carlos: Not exactly, John. The virtual mentoring service I'm talking about are intensely and practical skill building sessions on our special topics related to each toolkit or module in the strategic wealth creator system. Each session is potential game-changer for any big executive, be they from a small or corporate business.

John: Can you give me an example of a virtual mentoring series?

Carlos: I will give you two examples. One of the virtual mentoring reports is entitled, "What could happen if everything you knew about your business is wrong?" It's a 40 minutes audio-video session in which I explain what is happening in most companies today. I introduce key strategic concepts from the strategic wealth creator system. Then I explain what leading companies have done to change the rules of game in their markets.

It has been a key milestone for many of our clients deciding to subscribe to our program.

John: I can tell you, Carlos, this presentation had a major impact on my people and myself. For the first time, we saw exactly what we were doing wrong in our business. It's a primary reason I decided to subscribe 25 executives including myself to your program.

Carlos: The second example of a virtual mentoring session is dealing with contribution margin, which is the key to profits. Contribution margin relate to how much each product line or business unit contributes to a customer's total profit. There are so many CEOs and senior executives hopelessly looking to increase profits.

John: And they don't have any clue about it, what contribution margin can do to increase your profits. I know this quite well, Carlos. I was one of those naive executives who ignored the value of acquiring the business understanding and failed to consider contribution margins in my strategic decisions.

Carlos: The contribution margin is calculated as sales minus variable costs. This number can then be converted to a unique base measure by simply dividing by the number of unique [inaudible 00:47:24]. This measure is extremely useful.

John: Why is it so useful, Carlos? I know it will be important for my people to know the importance of this measure directly from you.

Carlos: Because, John, contribution is ultra practical. It tells a CEO or management how much profit a business can make for every unit sold past the point when a company's sales breaks even.

John: By calculating the contribution margin, a manager has the ability to quickly determine critical points along the spectrum of profitability.

Carlos: Correct, John. Breakeven sales and contribution margin are part of the predictive what-if scenario calculator available in our library. Before we end this mentoring session, John, I want to mention one last component in your path to greatness in a fast-moving and complex world, business acuity.

John: This is related to how to see around corners and become an innovative leader in business, doesn't it?

Carlos: Correct, John. Transformational leadership causes continuous change in executives in an ecosystem. It creates valuable and positive change in executives with the end goal of developing high potential followers into leaders.

John: It's the key to creating sustainable and profitable growth in any business. Can you speak about the mindset of an accurate thinking leader?

- Carlos: This mindset is what you and your people will take on after following through the strategic work creator system. It has been designed to do it.
- John: How will this acquired talent specifically translate into sustainable and profitable growth?
- Carlos: Let's first define what sustainable and profitable growth mean. It means three things: strong growth, abundant cash flow, and increasingly wealth creation.
- John: Can you expand on why these three things are more important today than ever?
- Carlos: Strong growth means healthy growth and relates to management's ability to sustain a business. If you are not growing sales and profits, you are dying in a fast-moving and complex world. Abundant cash flow is the lifeblood of any business. Cash is king. Poor cash flow threatens the very existence of any business. A business is insolvent when it lacks the ability to pay suppliers, employees and creditors. Wealth creation, the most important. Why? Because it creates strong growth and abundant cash flow. It refers to the accumulation of product if tangible and intellectual assets, assets capable to generate strong sales. Profits grow in abundant cash flow. A return on assets equal to twice the costs of capital minimum.
- John: Carlos, wealth creation looks as another strong critical concept articulated in the strategic wealth creator system. I don't know any CEO or guru talking about assets being the key element to succeed in the business, but I understand how critical it is in a fast moving world. In fact, sales and profits are the consequence or effect of select physical and intellectual assets. Only maximizing them can you obtain higher sales profits and abundant cash flow. I now understand the importance of the wealth creation formula to thrive in the fast-moving world. What about awareness? What about vision? What about strategic thinking?
- Carlos: Awareness refers to not only knowing that a situation, condition or problem truly exists but more importantly, to understand what should strategically and successfully be done about it. Knowing a problem brings you awareness alone, but understanding helps you to connect the key dots in your business and makes you to succeed in a complex world. Vision and purpose help to build passion. Passion builds energy. Building a business to simply make money is likely to result in failure. Why? Because finding the courage to excelling in fast-moving world and overcome, what at times unsurmountable challenges, require passion. It require passion, John. Systems thinking will bring you from the rim of hopeless problem to the rim of opportunities and solutions. Helping to bring awareness, vision and purpose and wealth creation, is the very foundation upon which the strategic wealth creator system was created. It took my team and I five years for our elearning by doing program to be released in 2016 to the market.
- John: How can a senior executive learn about their company's lack of awareness, purpose and systems thinking skills?

Carlos: We have developed two singular assessments. The first one includes ten questions that help to clearly explain awareness, vision and purpose and systems thinking to an executive.

John: Why do you say clearly explain, Carlos?

Carlos: Because it is obvious, John. Sorry for repeating again. We can no more explain what awareness and systems thinking to an executive who has never been exposed to them than we can explain light to the blind. I did, and now you're recalling, that explains each one of the ten questions in detail, which means that an executive can not only [feeling 00:54:06] the assessment, but can learn what skills he or she needs to succeed in a fast-moving and complex world at the same time.

John: What about the second assessment?

Carlos: It's more comprehensive with 12 questions: six internal issues and six concerning external issues to a company. Senior executives should answer these questions by selecting them in the menu, the most relevant characteristics related to their businesses.

John: Is there another important ingredient to creating and sustaining profitable growth?

Carlos: Yes, there is one, John, and it's very important one, a very important one. In fact, without it, nothing is possible.

John: What is it?

Carlos: The willingness of a CEO, owner or senior executive to turn to me after listening to this session.

John: Why?

Carlos: Because there already exists a symbiosis, the relation between his or her business and its ecosystem. Yes, this relationship between the natural forces in his or her company already exists. It only need to be activated for the business achieve success, but the leader listening to this audio is the only one, John. The only one that can decide to positively activate this relationship. How can she or he do it? Talk it to me. My personal email is at the end of this session. I can show him or her how the strategic wealth creator system can be the catalyst, the catalyst to create sustainable and profitable growth in this fast-moving and complex world. Thanks, John, for accepting this session being recorded.

John: You're very welcome, Carlos.