

Issue 214 - December 2021



A few years ago, I facilitated a workshop with managers struggling to stay positive during a very difficult time. We discussed the choice we all have: either we can focus on a problem and let it overwhelm us, or we can keep things in perspective and re-frame what's wrong within the much larger frame of what's going right.

To illustrate the point, I drew a large, heavy blue dot on a clean flip chart page. I then talked about how we can narrowly focus on just the dot by zooming in on the problem and ignoring the rest of the page. I demonstrated this by forming a circle with my index finger and thumb, encircling my eye with it, and thrust my finger and thumb encircled eye right up to the dot on the flipchart page. With closing my other eye, the blue dot was all I could see.

I didn't realize the marker was leaking, and blue ink was all over my index finger. When I pulled back from the flipchart and looked back at the audience, instead of seeing participants enraptured with my graphic demonstration, I got hearty laughter. There was a very large blob of blue ink around my eye. A participant in the front row offered me a moist cloth. I began wiping around my eye as I continued to make my point about how our focus becomes our reality.

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Despite Our Incredibly Tough Times, Our World's Still Getting Better and Better

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Feedback and Follow-Up More laughter. I'd smeared much of the ink around my eye and the side of my face. This time I was given a mirror and more wipes and paper napkins. The group continued laughing at my attempts to clean off the ink. I reduced the ink, but never did get it all off my face until I got home. Maybe I could have joined the Blue Man Group.

This messy experience turned out to be an accidental and excellent illustration of an even bigger point. When we get overly focused on a problem, we can't see much else. We often smear ourselves and make an even bigger mess. We can easily go from having a problem to making ourselves blue.

We're going through blue times right now. It's easy to lose perspective and develop a serious case of the blues. If we pull back to look at the bigger picture, there's much reason for hope in 2021. The incredible speed of vaccine development is one reason for celebration of what's right with our world. Helen Branswell, one of the top infectious disease journalists in the world, calls the arrival of the vaccines "extraordinary." "It's astonishing that 11 months after the posting online of the [genetic] sequence of the new virus, that vaccines were designed and tested all the way through Phase 3, and were produced and are starting to be used.

This New Year issue leads with my seventh annual New Year reality check on how our world continues to get better and better -- even with the enormous COVID Cloud blocking our view. 78 trends in a new book show the relentless march of humanity's continuous -- but not without setbacks -- improvement.

A new year is always a great time to look back at lessons we might apply to move ahead. This issue applies 2020 hindsight to the blog posts that stand out as the most critical changes, challenges, and choices of our chaotic year. How we respond to turbulent change shows. – yet again – our success and happiness results not so much from what happens to us, but what we do about it.

Customer service has always been important. For many organizations, it will be critical in the rebuilding that lies ahead. We'll help you determine if you're squandering money on acquiring rather than retaining customers. A high-performance service culture is a vital element. Visioning a high-performance culture without effective action is hallucination. Talk without strong follow-through perpetuates the delusion.



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In her bestselling 19th century novel, *Middlemarch*, Mary Ann Evans (writing under the pen name of George Eliot) warns, "Will not a tiny speck very close to our vision blot out the glory of the world, and leave only a margin by which we see the blot?"

Despite Our Incredibly Tough Times, Our World's Still Getting Better and Better



I kicked off 2020 with my sixth annual post on how our world keeps getting dramatically and relentlessly better and better and better. As in the five years before that, Lose those News Blues and Leave the Dark Side: The World's Never Been Better, listed over 30 major improvements and 24 sources for further reading. I introduced that January newsletter with Don't Start the New Year Losing Touch With Reality. This discussed how "headline stress disorder" fuels the pessimism and even despair that make us sick, hurts our mental health, and reduces happiness.

It sure didn't feel like the world got better this year. With the COVID-19 pandemic and all its fear, death, and destruction, it's very easy to lose perspective. And all those wild, unfounded conspiracy theories throw jet fuel on our burning fears.

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I was brought back to reality and the truth of just how much better our world's becoming -- despite this year's major setback -- by a new book published this fall. **Ten Global Trends Every Smart Person Should Know** goes well beyond their top ten, with a total of 78 trends showing humanity's huge improvements. Each trend has a graphic and research source to illustrate the tremendous progress we're making.

Harvard professor, Steven Pinker, author of *Enlightenment Now: The Case for Reason, Science, Humanism, and Progress* (click here for my review of this outstanding book and **Thoughts That Make You Go Hmmmm on...Enlightenment Now**), said, "There are two ways to understand the world: a constant drip of anecdotes about the worst things that have happened anywhere on the planet in the previous hour, or a bird's-eye view of the grand developments that are transforming the human condition. The first is called 'the news,' and for your wisdom and mental health I recommend balancing it with the second. *Ten Global Trends Every Smart Person Should Know* is a pleasure: gorgeous, self-contained vignettes on human progress, which you can sample at your leisure or devour in a sitting."

Just reading these chapter outlines of all 78 trends is an inspiring dose of reality:

- The Great Enrichment -- world economic growth on steady upward trajectory.
- The End of Poverty -- only 8.6% -- and falling -- of humanity now live in poverty.
- Are We Running Out of Resources? -- spoiler alert; NO. They're more abundant than ever.
- **Peak Population** -- world population growth is rapidly slowing and projected to peak this century.
- The End of Famine -- famines have virtually disappeared outside of war zones.
- More Land for Nature -- huge gains in the global tree canopy are offsetting declines in the tropics.
- Planet City -- 55% of humanity now live in cities with higher wealth and lower environmental impact.
- Democracy on the March -- democracies are increasing as autocracies decline
- The Long Peace -- war between countries has become a rare event
- A Safer World -- death by natural disaster has dropped 99% in the past 100 years

People Trends

- Life options are expanding
- · Global happiness is rising
- · Global income is rising
- · Global income inequality is falling
- Slum living is declining
- Empowering women
- · Choosing smaller families
- Achieving universal literacy
- More kids in school
- More years in school
- IQ scores rising massively
- · Decriminalizing LGBTQ
- Global free press progress, with setbacks
- · Life expectancy is rising

Health Trends

- · Global death rate is falling
- · Vastly fewer children die young
- · Mothers are living longer
- · Vaccines are saving lives
- Overcoming HIV/AIDS
- Trouncing tuberculosis
- Malaria retreats
- · Winning the war on cancer
- Tobacco's last stand
- Accelerating vaccine discoveries

Violence Trends

- · Global murder rate is falling
- · Capital punishment plummets
- · Battle death rate is declining
- · Genocides are disappearing
- Military spending ratio is falling
- · Armies shrink as proportion of population
- Nuclear arsenals dwindle

Work Trends

- · Working less for more
- Work grows safer
- · Children labor less

- · Service sector work is growing rapidly
- The wage gap between men and women is narrowing
- Universal emancipation

Natural Resources Trends

- Peak farmland
- Conserving more land and sea
- · Decarbonizing the economy
- No peak oil
- · Rising natural gas reserves
- · Using water more efficiently
- · Producing more with less

Farm Trends

- Hunger retreats
- Grain cornucopia
- Yields increasing
- · Farming and eating more fish
- Protein boom

Tech Trends

- Increasing global access to electricity
- · Lighting costs near nothing now
- Solar power ever cheaper
- · More access to clean drinking water
- Improving sanitation
- Mobile phone revolution
- Internet explosion
- Vastly cheaper computation
- Global tourism rises (pre-pandemic)
- · Tariffs are falling

U.S. Trends

- · Share of spending on household basics declines
- · Lower cost and higher adaption of new technologies
- Violent crimes are falling steeply
- Declining racist attitudes
- · Air pollution is falling steeply
- · Bigger and better housing
- · Raising vaccination and plunging infectious disease
- · Air travel is getting cheaper

Cancer incidence and death rates at 26 year low

In explaining why they published this book in the midst of the pandemic, the authors write, "You can't fix what is wrong in the world if you don't know what's actually happening...the dark view of the prospects for humanity and the natural world is, in large part, badly mistaken...of course, some global trends are negative...however, many of the global trends we describe are already helping redress such problems...the nature of news thus tends to mislead readers and viewers into thinking that the world is in worse shape than it really is...most of us attend far more to bad rather than to good news."

As Steven Pinker says: "It's essential to realize that progress does not mean that everything gets better for everyone, everywhere, all the time. That would be a miracle, that wouldn't be progress."

Rutger gives a five-minute video overview of the book **here**. Many of its key points are summarized in a *Time* magazine **interview**.

It's so easy to believe many of those opening statements -- especially with news and social media feeding our negativity bias to increase their views, clicks, and likes. I highly recommend *Humankind: A Hopeful History* as a thoughtful antidote to the poisons of cynicism, pessimism, and negativity.

2020 Hindsight: Soaring or Sinking on the Winds of Change?



What a year!! 2020 is almost over... Like many of us, you're likely going to stay up on New Year's Eve just to make sure that the old 2020 man is kicked out by a youthful and more hopeful 2021.

These Holidays will be different -- and very memorable! Hopefully, you'll have some time to pull back to see the bigger picture. As I wrote in my blog post, **Zoom Out to See Where You're Going**, this is a good time to downshift and pause. It's the R & R that can bring us reflection and renewal.

As I reflect on over 50 blog posts of the past year, these standout as our most critical changes, challenges, and choices of this chaotic year. How we respond to turbulent change shows. – yet again – our success and happiness results not so much from what happens to us, but what we do about it.

- Navigating Change: Leading in Turbulent Times -- Sailing through life
 is easy when our seas are calm. It's much tougher when clouds gather,
 and the gentle winds of change suddenly become a full-blown gale. I got
 very positive feedback on this webinar from a leadership development
 organization in our community.
- Bounce Back: 9 Ways to Strengthen Resilience -- In Japan, the
 Daruma Doll is a good luck charm with a rounded and weighted bottom.
 When knocked down, it bounces back upright. This ability to bounce
 back is a symbol of perseverance and good luck for the Japanese New
 Year. Bouncing back is vital to getting through tough times.
- Leading the Way: 13 Approaches to Navigate Through the Storm -Even mediocre managers can get by during calm times. Today's
 massive storm calls for strong leadership. The American Pulitzer Prize
 winning author, Willa Cather once observed, "There are some things you
 learn best in calm, and some in storm." Lots of leadership learning
 opportunities this year!
- How the Pandemic Could Positively Reboot and Re-energize Our
 Organizations We're in the midst of one of the biggest disruptions of
 our lives. I've been a lifelong collector of failed (often hilarious)
 predictions and prophesies showing how uncertain life can be. At risk of
 joining the swelling ranks of failed forecasters (how many predicted the
 pandemic?), here are my thoughts/hopes of the good that could emerge.
- Changing Our World: 5 Steps for Coming Out of Our Crisis -- What's
 your thinking on this pandemic? Is it a depressing disaster, or can we
 grow and become stronger? Professor Richard Tedeschi has been
 studying questions like this for decades. He shows how to grow after
 trauma.
- Is What's Missing/Throwing You Off Your Game? Are you and your leaders leveraging your strengths? Don't let a deeply conditioned focus on what's wrong throw you.
- Humankind: A Hopeful History -- this is my top book pick of the year. My copy of this insightful new book is full of yellow highlights. See my

review for the points that really stand out. I also published a blog with the book's best **thoughts** that make you go hmmm...

- Trust Matters: It's Critical in These Disruptive Times -- Is your organization suffering from truth decay? Honesty, integrity, and trust are critical in chaotic times. Are you widening or bridging your creditability gap? How do you know?
- We Can't Let the Pessimism Plague Infect Us as Well Harvard
 Business School's Working Knowledge published a thought-provoking
 series of reflections from their professors and researchers on "How the
 Coronavirus Is Already Rewriting the Future of Business." Here are a
 few leadership lessons that stand out.

Most Popular Social Media Posts of 2020

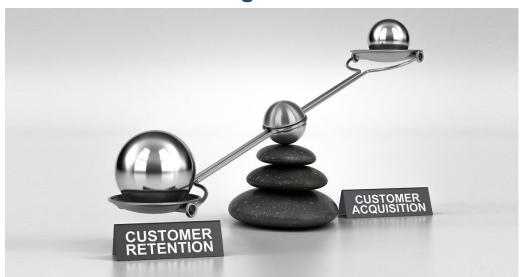
- Everything Starts with Trust
- Instead of Laying Off 20 Percent of His Company, This CEO Made an Unusual Decision. It's a Lesson in Emotional Intelligence
- We Wait Too Long to Train Our Leaders | ZENGER FOLKMAN
- 10 renowned mindfulness, meditation and spiritual teachers -- and specific talks to bring calm right now | CBC Life
- Building Resilience

Oh No, Santa Lost a Ho!

Even Santa's challenged by this crazy year. Here's my favorite Christmas song this year -- **Santa Lost a Ho**.

17th century English poet, Edward Young, said, "They only babble who practice not reflection." Yoda, the funny little Star Wars philosopher, and teacher, would like how he phrased that sentence. So, as Yoda might say, here's a great way to end 2020...babble, do not. Reflection guide you, it will, if you pause to see where going you are.

Are You Squandering Money on Acquiring Rather than Retaining Customers?



Just how much does satisfying today's customer reduce the cost of acquiring tomorrow's? That's the question headlining a recent article in *Harvard Business Review*. We know that satisfied customers lead to higher revenues. But how to quantify that to show senior executives the value of building a customer-centered culture.

We assume that happy customers reduce ongoing service costs and lower sales/marketing costs through referrals, viral word of mouth, positive ratings, and raving social media fans. "However, that assumption lacked credible empirical backing -- until a team of researchers recently decided to test it. The researchers gathered nearly two decades' worth of data from 128 publicly listed U.S. companies. Their analysis showed that on average, each one-point increase in the American Customer Satisfaction Index score lowered a firm's future Cost of Selling by almost 3%. That money goes straight to the bottom line.

This study aligns with others showing the outstanding financial returns of high customer satisfaction. American Express found that when Net Promotor Scores (based on whether a customer would recommend the company to a friend) are **high**, "we see a 10% to 15% increase in spending and four to five times increased retention, both of which drive shareholder value. In fact, our operating expenses associated with service have gone down because we're more streamlined, and we limit friction points and errors."

A study co-authored by Disney Institute and McKinsey & Company reports that "companies offering an exceptional customer experience can exceed their peers' gross margin by more than 26 percent. Emotionally engaged customers are typically three times more likely to recommend a product and to repurchase it themselves...companies that had a 1-percentage-point lead over their peers in key customer journeys typically enjoyed a 2-percentage-

point advantage in revenue growth. In addition, companies that deliver excellent customer journeys increase employee satisfaction and engagement by 30 percent."

Customer service levels sink or soar on the strength of the organization's culture. In high service cultures, leaders serve the **servers**. IBM draws a direct link between employee engagement and customer service. Senior Vice President of Human Resources, Diane Gherson, said, "We've found that employee engagement explains two-thirds of our client experience scores. And if we're able to increase client satisfaction by five points on an account, we see an extra 20% in revenue, on average."

Many companies entice buyers with special offers, social media campaigns, branding, and other expensive sales and marketing programs. That brings customers in the front door. But many customers are forced to use unfriendly systems that seem to say, "we will dictate to you the terms upon you will have the 'pleasure' of doing business with us." Does that bring any painful encounters with, say, communication, technology, entertainment, or insurance companies to mind?

Indifferent or unfriendly staff add to the dubious 'pleasure' of the experience. So many new customers slip quietly out the back door, never to return. Leaders then pump even more money into attracting more buyers in the front door...

How are your customer service systems and culture? How much sales and marketing money are you wasting? How do you know?

Are you Building or Hallucinating a High- Performance Service Culture?



How reasonable would it be to hold a shipping dock worker responsible for the quality of the products in the boxes he or she is shipping? So how reasonable is it for managers to hold the final deliverer responsible for the quality of the products or services he or she is delivering?

The person on the front serving line is a symptom carrier of their organization's processes, systems, and culture. Rarely are they the source of the problem. While he or she may be contributing to low service delivery, blaming him or her is not only unfair, it's misdirected.

The cause of this confusion is that people are visible, but the systems and culture shaping their behaviors are mostly invisible. So, when something goes wrong, it's easy to trace the problem back to the last touchpoint and lay the blame there.

When a good person works in a bad culture, the culture usually wins. This has become a truism called the "85/15 Rule." This research shows when errors or service breakdowns are traced back to the root cause, about 85% of the time the fault lies in the system, processes, structure, or practices of the organization. Only about 15% of the services problems can be traced back to someone who didn't care or wasn't conscientious enough.

Many attempts to improve customer service levels are smile training programs. These send "you're the problem" messages to frontline servers. And they do little to address 85% of the issues frustrating customers. How much does a smiley and "empathetic" server satisfy you if the food's terrible, the flight's cancelled, the product is defective, or an invoice is a mess. If senior management truly wants to find the source of their organization's customer service shortfalls, the place to start is a deep look in the mirror.

Improving customer service and quality levels isn't as simple as dunking service providers in a training program and dangling some incentives at them. Sustained and continuously improving service/quality is the result of strong leadership and organization effectiveness.

Building a higher-performing culture has many moving parts. It can get pretty complex, but a few keys stand out:

- Internal culture and leadership brand must align with the external brand despite how marketing might try to position the company.
- An unfiltered feedback system keeps leaders from confusing their desired culture with their actual culture.
- Three to four core values are the bedrock of culture. These must be central to hiring, promotions, performance management, succession

- planning, HR systems, recognition, and mergers/acquisitions, to transform values from rhetoric to reality.
- It's a virtuous circle -- better leaders make better cultures, and better cultures make better leaders. The opposite -- vicious circle -- is also true.
- Most companies with enduring greatness have a culture of both purposeful profits and profitable purpose.
- Many organizations believe they have communication problems. What they often have are leadership problems. Team members see the messages loud and clear.

Visioning a high-performance culture without **effective action** is hallucination. Talk without strong follow-through perpetuates the delusion. Are you walking your talk?

Bridging the Distance: Reading, Leading, and Succeeding



Leaders bring hope, optimism, and positive action. That's really tough to do while social distancing and facing an uncertain future. We multiply misery if we allow the pessimism plague to infect us as well.

To counter Headline Stress Disorder and strengthen resilience, I actively scan a list of resources for research, articles, and tips on leading ourselves and others through these turbulent times. I post those articles every day.

Let's shorten our social media distancing. Follow or connect with me:



Read *The Leader Letter* in Weekly Installments



The items in each month's issue of *The Leader Letter* are first published in my weekly **blog** during the previous month.

If you read each blog post (or issue of *The Leader Letter*) as it's published over twelve months, you'll have read the equivalent of a leadership book. And you'll pick up a few practical leadership tips that help you use time more strategically and tame your E-Beast!

Feedback and Follow-Up

I am always delighted to hear from readers of *The Leader Letter* with feedback, reflections, suggestions, or differing points of view. Nobody is ever identified in *The Leader Letter* without his or her permission. I am also happy to explore customized, in-house adaptations (online these days) of any of my material for your team or organization. Drop me an e-mail at jim.clemmer@clemmergroup.com or connect with me on LinkedIn, Twitter, Facebook, or my blog!

Let's leverage our leadership strengths to work together and get through this challenging time.



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