

Book Reviews
The Answer by John Assaraf & Murray Smith (2008), and
Peak by Chip Conley (2007)

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Greetings,

As previously mentioned, I've been participating in Janet Ott's business book study group at Village Books. Here is a brief review of the first two books read and discussed in the February and March study groups, respectively. Together, they account for about 550 pages, which I have condensed to the following five, for your convenience and edification. I hope you find them profitable, both figuratively and literally.

The Answer: Grow Any Business, Achieve Financial Freedom, and Live an Extraordinary Life.

Here are a few brief, key notes from the first book, followed by my own observation and reflection.

Notes

The question is, "How can I access unlimited abundance?"

The answer is, "Change your mind, since thoughts cause everything."

5 Musts

1. You must find something that stirs your soul.
2. You must become excellent at it.
3. You must recondition your mind to believe that you can have and achieve it.
4. You must understand how to make money at it.
5. You must take daily action.

Meditation is the key to changing your mind.

On increasing income: "If you or your sales team are not in front of qualified prospective buyers more than 50 percent of your time, you are wasting your most precious resource, which is you."

"There is no marketing force more powerful than positive word of mouth from a satisfied customer."

Demographics vs. Psychographics: Demographics indicate what customers need; psychographics indicate what they want. The difference could make or break your business. Demographics examine their outward behavior; Psychographics examine their inward thoughts (surveys, interviews, etc.). Progressing from meeting needs to meeting wants often requires brainstorming.

Effective marketing copy must:

- Grab the reader's attention with a headline
- Engage the reader's attention with a subheadline
- Give the prospect enough compelling information in the body so s/he can make a decision, and
- Offer a crystal-clear, easy-to-take, low-risk next step in the concluding call to action.

Two kinds of help

<i>Help you know you need</i>	<i>Help you don't know you need</i>
Employees	Mentor
Delegating	Coach
Outsourcing	Mastermind Group

Observation & Reflection

The answer: “Change your mind.” Hmm.

In my faith tradition (Orthodox Christianity) the Greek word we use for that is, “Metanoia.” “Meta” means “change” and “noia” means “mind.” In English, we translate that word to “Repentance.” Perhaps it isn't so coincidental that I am writing this review during Lent, a period set aside by the Church to do just that.

Changing one's mind is a struggle since we don't know what we don't know, and it isn't just an intellectual exercise. It's also emotional, and even spiritual; and it takes time. It involves letting go of prejudice, suspending judgment, becoming vulnerable and open enough to consider new things. It's risky, sometimes even frightening.

On February 15 I had dinner with Vicki Robin, co-author of the personal finance classic Your Money or Your Life. One of the things she pointed out to me was that the word “respect” means, “re-examine” or “re-look.” (The word “spect” in “respect” is the same word we find in words like “spectacles” “spectator”, etc. It means, “look.”)

It occurs to me, then, that an essential prerequisite for gaining the ability to change one's mind is to discard proud contempt, and embrace humble respect – putting it on, if necessary, like a strange and new garment, without regard, for the moment, for whether the objects of our respect are, in our judgment, respectable.

But Vicki also challenged Assaraf's question of accessing unlimited abundance, as I also do. She blogs at length about it (<http://vickirobin.wordpress.com/liberating-limits/>), arguing that limits are not the opposite of freedom, but are rather avenues toward true freedom, and that by misunderstanding them, we have caused the financial, environmental, relational, emotional, and spiritual havoc now before us.

Perhaps we need to repent of our insistence on unlimited abundance, and re-examine the positive, life-giving, liberating aspects of limits. This is Vicki's suggestion, and I agree. That is why the question I seek to answer is, “How much is enough?”

So I question Assaraf's question, and offer Vicki's and mine as an alternative. Is his the question we should really be asking? He made most of his wealth in the now-disintegrating real estate market. Doubtlessly, much of his income was financed by unsustainable debt which eventually found its way onto the balance sheets of Fannie Mae and Freddie Mac, whose share prices have all but disappeared, leaving their investors with nothing and causing the global economic ripple effect now before us.

But he isn't the only author. The book was co-authored by Murray Smith, too, and together, they produced a book containing useful truths regardless how well-founded the question they answer may be. Assaraf's focus is inward; Murray's is outward; and together, they develop a much-needed resource that accurately identifies the true causes of economic well-being: thoughts. Assaraf addresses one's own thoughts; Murray addresses the customer's; and together, they demonstrate how to deal with both in a way that creates success.

I say this is much-needed because in business and economics now, I find that our emphasis is much too exterior. Prevailing authorities believe that having the Federal government infuse more borrowed money into the economy will vitalize it. This is an exterior point of view, that salvation is from outside. Or as another example, in most of the economic rhetoric we hear, the emphasis is on “jobs.” The premise is exterior, that we must somehow bring in outside money and outside employers to be saved. (My message is different: if you can't find a job, dig down deep inside yourself and invent one. Odds are the job you invent will be better than one you could ever find.)

Children look to parents; parents to employers; employers to cities; cities to states, states to the feds, and the feds look to foreign lenders and back to households to borrow money to meet everyone else's exterior expectations. It's a vicious cycle that overlooks the fact that our economy was founded by fiercely independent, self-reliant people, and creates an unsustainable, debt-oriented economy.

Assaraf and Murray, on the other hand, exhort us to focus our attention within: in our own minds, and in the minds of our customers. The alignment of the two is where real economic salvation resides. Regardless

of their question, I applaud their effort and recommend the book.

A couple of very specific things I gained from this book was the importance of using pictures, collages, and other visual material to create clear depictions of goals – something more vivid and compelling than abstract words or numbers on a list; and of the importance of “mastermind groups”

The “mastermind groups” reminded me of Benjamin Franklin's “Junto Society”, something I have always wanted but haven't yet had the opportunity to form. Here is a description from www.juntosociety.com:

“In 1727, Benjamin Franklin convinced 12 of his friends to form a club dedicated to mutual improvement. Meeting one night a week, these young men discussed the topics of the day. The group lasted for 40 years and eventually became the nucleus of the American Philosophical Society.

Junto, pronounced who-n-toe, was a private forum for discussion and as a surreptitious instrument for leading public opinion. One of the functions of the group was to brainstorm publicly beneficial ideas.

Franklin described the Junto this way in his Autobiography

I should have mentioned before, that, in the autumn of the preceding year, [1727] I had formed most of my ingenious acquaintance into a club of mutual improvement, which we called the JUNTO; we met on Friday evenings. The rules that I drew up required that every member, in his turn, should produce one or more queries on any point of Morals, Politics, or Natural Philosophy [physics], to be discuss'd by the company; and once in three months produce and read an essay of his own writing, on any subject he pleased. Our debates were to be under the direction of a president, and to be conducted in the sincere spirit of inquiry after truth, without fondness for dispute or desire of victory; and to prevent warmth, all expressions of positive opinions, or direct contradiction, were after some time made contraband, and prohibited under small pecuniary penalties.

The results of the original Junto are still evident today as an integral part of American society. The Junto gave us our first library, volunteer fire departments, the first public hospital, police departments, paved streets and the University of Pennsylvania. They recommended books, shopkeepers, and friends to each other. They fostered self-improvement through discussions on topics related to philosophy, morals, economics, and politics.”

Maybe now's the time. Any takers? Let me know.

Peak: How Great Companies Get Their Mojo from Maslo by Chip Conley

As you may already know, Abraham Maslow was an unusual Psychologist because he focused not on what was wrong with people, but on what was right. He worked to identify common characteristics of peak performers, and from his observations formed his Hierarchy of Needs theory, which Chip Conley then applied to his business, Joi de Vivre Hospitality (a chain of boutique hotels in Souther California) to save it from the post-911, post-dot-com recession afflicting his industry in the earlier years of this decade.

Chip's focus is also interior. He looks inside himself, and he looks inside the hearts, minds, and souls of his employees, customers, and investors. He has also discovered that success means aligning his interior self with their's, and that by understanding them perhaps better than they understand themselves, he is able to identify and predict not just their needs, but more importantly, their wants. By mastering what I have come to call “The Art of the Pleasant Surprise”, he is able to deliver peak experiences to all of them, fulfilling their unrecognized wants while filling their recognized needs, thereby creating intense loyalty and rapport - the kind of rapport that makes the difference between success and failure in an economic downturn.

The total emphasis of this book is on relationships (“The deal is the milk; the relationship is the cow”; “Money follows, it doesn't lead”) and emotional intelligence. It is also revolutionary: it asks questions like, “Why do hotels value their hangers (which are designed to be non-removable) more than their employees?” He gives copious examples of ways to bend over backward to pleasantly surprise employees, customers, and investors. Each chapter concludes with specific step-by-step suggestions for implementing that chapter's lessons, and a generous bibliography. It's a keeper which I am sure I wil review many times.

Chuck Robinson, owner of Village Books, says it's the best book on business he has read.

(Upon reflection, since its emphasis is on relationships and emotional intelligence, what occurs to me is what would happen if I applied these lessons to my loved ones. I wonder what would happen in my family and with my friends if I mastered "The Art of the Pleasant Surprise" with them? Seriously, that's what I'm wondering, for I have A LOT of room for improvement in those areas.)

But back to business: in terms of one's own "self-actualization", Chip also makes a distinction between job, career, and calling, pointing out how a job fills survival needs, a career fills needs for recognition and affiliation, and a calling fills self-actualization needs because it has inherent value. Very few of us enjoy the privilege of realizing our calling, but those who do are truly blessed. But the first step to making a calling possible is to recognize its difference from a job or career. Near the end of the book, he points out how one reason so few experience their calling is because schools don't teach it: "Public education doesn't even speak this language, so quite often we get disconnected early in life from our true callings" (237). One reason I'm volunteering at the local middle school is because I hope to introduce a discussion about calling into the classroom. (For further info, see John Taylor Gatto's book, The Underground History of American Education.)

Reading Peak was vindicating and encouraging for me because I have often felt like an oddball for yearning for meaning in what I do. From this book I learned that I'm not an oddball after all. Everyone yearns for meaning, and when employees are able to find it in their work, thereby transforming it from a job to a calling, they make the best employees and, in turn, fill customers' self-actualization needs, creating a positive spiral.

In both Peak and The Answer, the authors suggest using surveys to better understand customers and employees. Several years ago I spent some time getting acquainted with web-based survey tools that are affordable for any business, and having read both books, I find myself resolving also to make better use of such tools both for myself and for my clients. I've bookmarked them in the "Researching" area of my e-group:

<http://tech.groups.yahoo.com/group/MakinEndsMeet/links/>

More about that later.

Do you remember Dr. Laura Schlesinger, author of Ten Stupid Things Men/Women Do to Mess Up Their Lives, etc.? What ever happened to her? She doesn't seem to be as active as she used to be, I'm not sure why. I have a few hunches but I'll not commit them to print at the moment.

She comes to mind, though, because on her radio show she used to sardonically harangue her callers, "Of course you're special, just like everyone else." That used to resonate and make me chuckle. Or like Henry Ford used to say about his cars, "You can have it in any color you want, as long as it's black." Having been in the military, especially the Marine Corps, I appreciated the value of uniformity, unity, esprit de corps, and the subordination of the individual for the good of the group, that "we" is more important than "me."

It doesn't resonate any more, because although that attitude may be appropriate under wartime conditions, I wouldn't wish such conditions on anyone; and taken to the extreme, such sentiments lead to fascism. (I'm reading about that right now in Johah Goldberg's book Liberal Fascism. More to come on that later, too.)

What resonates now is The Art of the Pleasant Surprise. I would really like to master that in both my personal and professional life.

At the beginning of Chapter 9 Chip also quotes Henry Ford who said, "If I had asked my customers what they wanted, they would have said a faster horse." He pleasantly surprised them not with a faster horse, but with an automobile. He understood their wants better than they did. That's where I want to be. He points out how when you meet your customers' unrecognized needs they become so delighted that they act as evangelists for your business, as the best unpaid salespeople you could ever desire. One example he uses of this phenomenon is Harley-Davidson: when your customers not only wear your T-shirts, but tattoo your logo on their bodies, you know you've arrived.

Chip uses numerous case studies of businesses that exemplify the principles in his book like Google,

Netflix, Harley-Davidson, Apple, Domino's Pizza, Continental, and Southwest Airlines. One of his heroes is the latter's founder, Herb Kelleher. In his concluding chapter on heart he offers several “Herbisms”:

- “The heart of the service journey is spiritual, not mechanical.”
- “Don't think about profit, think about customer service; profit is a by-product of customer service . . . it's not an end in and of itself.”
- “The tragedy of our time is that we've got it backwards . . . we've learned to love techniques and use people.”

. . . which brings us full-circle back to my present Lenten effort of repentance, metanoia, changing one's mind, getting it “forward”: using techniques, and loving people.

As you probably already know, when I design financial statements I routinely nickname the Income Statement (budget vs. actual) the “Cause” report and the Balance Sheet Change the “Effect” report to emphasize their cause-effect relationship. Profit increases equity, while loss decreases it.

But there's a cause behind the cause. What causes profit in the first place? Basically, industry causes income, and thrift keeps expenses within it. But the most important part of industry isn't just the production and delivery of products or services; it is The Art of the Pleasant Surprise practiced on employees, investors, and customers. That is what I learned from this book, and what I am glad to be able to share with you.

I hope these short reviews have pleasantly surprised you, and that you've found them profitable in all ways.

Respectfully submitted,

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PS – The next book is Timothy Ferriss' The Four-Hour Workweek: Escape 9-5, Live Anywhere, and Join the New Rich (2007) to be discussed at Village Books April 1 at noon, no foolin'. :-)