# NO
# DUMBING
# DOWN™

# NO DUMBING DOWN™

*A No-nonsense Guide for CEOs on Organization Growth*

Karen D. Walker

BEP BUSINESS EXPERT PRESS

# Abstract

*No Dumbing Down™: A No-nonsense Guide for CEOs on Organization Growth* is a book for a company's executive leaders looking to make improvements when aligning the organization's internal and external strategies for fast, profitable, and sustainable growth. Learn how to do the one job only you can do: aligning the organization's internal and external strategies for fast, profitable, and sustainable growth. As one of the first employees at Compaq Computers, Karen Walker was part of the senior team that grew the company's revenue from zero to $111 million in its first year. By the time she decided to leave 14 years later, Compaq had grown to $15 billion. Needless to say, it was a formative experience for Karen, and today, as a consultant, the Compaq work has provided her with the exact tools needed to help leaders. Karen's consulting business delves into every imaginable market where she assists leaders to master the counterintuitive art of organizational growth and success. Helping everyone from Fortune 500s to start-ups deliver on the promise that they've made to their customers, her motto is truly "no dumbing down." This book will serve as the perfect instruction manual for growing your business beyond what you thought was possible.

# Keywords

business, CEO, C-suite, executive, growth, innovation, leaders, leadership, management, organization, scale up, startup, venture capital

# Contents

# Foreword

## by Rod Canion

*Founder and former CEO, Compaq Computer
Corporation*

### Author of *Open*



Only Karen Walker could write a book entitled *No Dumbing Down*—
phrasing like that couldn't be closer to what she is about and who she is.

With her background in industrial engineering, Karen has a keen
understanding of systems and what it takes to make them work. She's
leveraged these experiences to become an excellent model for all kinds of
leaders, including organization executives who go on to become consul-
tants. Her work with people like me—CEOs and other senior leaders in
growth-oriented organizations—generates results because of her unusual,
yet, formidable mixture of business acumen with her intolerance for

corporate politics. She knows when and where to take a stand and turn inactivity into action.

When we founded Compaq, one of our primary goals was to create a *good place to work*. That goal encompassed both *what* we did as well as *how* we did it. Our company's work ethic was not only efficient and effective, but it was also immensely rewarding for so many people. As the company grew, so did we. Karen was one of the many to walk away having learned extremely valuable lessons. But what I find most remarkable is how she's been able to transpose these experiences so brilliantly into her consulting work today.

At each juncture of this book, she will show you how to support growth in your organization in proven and insightful ways. She will also make it clear why only *you* can make it happen. The five core principles she outlines, coupled with a compatible product/market fit, were critical to Compaq's incredible growth, and I believe they have been key to the expansion of many other successful companies. An organization that lacks these principles—even with an excellent product/market fit—will begin to decline over time. Her approach, focusing on the internal strategies to support growth, is indispensable.

When it comes to running a business, none of us has time for approaches that leave us asking, "So what?" In our decade of working together, Karen demonstrated an unflappable bias for action and an obsession for meaningful results. Her book will enable you to achieve those same kinds of results and all the different types of success that goes with them.

# Preface

*No Dumbing Down™: A No-nonsense Guide for CEOs on Organization Growth* is a book for a company's senior-most leaders. It teaches you how to do a job only you can do: aligning the organization's internal and external strategies for profitable, sustainable growth.

Why do leaders need this guidance? The problem is that too often, corporate leaders misunderstand what it takes to grow.

When most companies try to grow, they invariably emphasize on sales and increasing revenue at the expense of making sure they've aligned the infrastructure needed to support that expansion. The result?

Sales outpace the firm's ability to fulfill its promises.

Suddenly, product quality drops; employees get overwhelmed by rework; missing commitments produces dissatisfied customers; firefighting becomes the norm; top people run for the exits; and the reputation of the business tanks.

What happened? It's not that Marketing forecast demand poorly, or that Sales couldn't close, or that Engineering designed a lousy product. It's that the organization was missing cross-functional alignment.

Only senior leaders can fix this. They are the ones who have the necessary control, they can see from above. They can make sure that what happens *inside* the company can support what's happening *outside.*

This book will help CEOs and other senior leaders create and align the internal strategies and structures that support external growth. That's because early in my career, I got hooked on growth: fast, powerful business growth.

Years ago, I was one of the first employees at Compaq Computer, when it was the fastest growing company in American history. As employee #104, I was part of the senior team that increased the company's revenues in its first year from zero to $111 million. Five years later, Compaq hit the $1 billion revenue mark, taking the least amount of time (contemporaneously) to reach that milestone. You can imagine the exhilaration and stress of that growth curve! By the time, I decided to leave 14 years later, Compaq had grown nearly 15,000 times bigger, to $15 billion.

What I've done for the past couple of decades in my consulting practice, and what I do today, is to help companies—from start-ups to Fortune 500 firms—grow fast, profitably and sustainably. I've taken what I learned at Compaq and applied it over and over again, in the process identifying which strategies deliver long-lasting results most quickly.

Those strategies work because they take direct aim at pitfalls that can trip up even the most stellar companies, such as:

- Teams that don't work to their full potential because internal forces cause them to dumb down their output.
- Processes, tools, and behaviors that are stuck in the status quo, lacking the agility and responsiveness to keep up with change.
- People's inability to handle unexpected events and to prevent the company from careening off in directions that undermine critical strategies.
- An emphasis on the short term and the urgent, at the expense of the long view, and the nurturing of scalable, replicable success.

This book shows senior leaders how to—and why to—capitalize on five proven strategies for aligning the skills and efforts of top management. I've chosen these five because they are most impactful. Any others can't match the speed and results of the five presented here.

Overall, this work will make an organization more agile. And "agile" is a word chosen with care. As used by software developers, it denotes a process that enables rapid response to fast-breaking, fast-changing customer requests. This book takes the intention of that process and applies it to the dynamic environments and other challenges most companies face every day. The solutions mapped out are all about improving collaboration, co-creation, and flexibility and providing outstanding value throughout the process.

A CEO can't sit down with his or her market and say, "Tell me what you want, and every two weeks I'll adjust accordingly." Companies can search for trends, talk with individual customers, and even try to force change, but they still can't predict the outcomes, nor direct them in their favor. This book reveals how top managers can and must develop new abilities to be responsive, to get entire organizations aligned for responsiveness, and to enhance profitability over the long term.

# Acknowledgments

This book is, in many ways, a distillation of my life and learning—so far. I'm grateful to many people for helping me arrive at this place where my talent, passion, and the market all intersect.

First and foremost, I send my gratitude to my clients. Without you, there is no impetus for growth. I've been greatly influenced by our partnerships. A special word of thanks to: Kathy Miller, Dave Keil, Dave Gould, Ed Murray, Mike Sullivan, Steve Schlesinger, and Dave Finney, among many others.

Thank you to my colleagues, mentors, and advisors: Mark Levy, Gabe Kahan, Alan Weiss, Dorie Clark, and to the many Lisas in my life.

Heartfelt thanks to Rod Canion and my colleagues from Compaq Computer, who showed me what was possible with no dumbing down.

Finally, I want to thank my husband, Dr. Bob, who is fond of saying that he taught me everything he knew. I hope I've proven to be a good student.

SECTION 1

# Growth Is Not Just About Increasing Sales Revenue

# CHAPTER 1

# Introduction

## Are You Doing Your Best Work?

*Enthusiasm is the mother of effort, and without it, nothing great was
ever achieved.*

—Ralph Waldo Emerson

At 25, I gave my notice and walked away from a stable, well-paying job.
What was I thinking?

It was 1982, and I was working as a branch manager for Texas Instruments. After four years and a series of promotions, I was comfortable in
my role as a female director in a male-dominated industry. We were working on commercial digital hardware using silicon transistors and integrated
circuits. I received a promotion every 6 months. As an industrial engineer,
it was an ideal situation. But, I began to notice a shift in the company.

Several well-regarded managers were leaving the business. Word got
around that there was a new venture starting by the name of "Gateway."
Without warning, I saw a number of my firm's brightest and most driven
colleagues leave their jobs for the new enterprise. These were all people I
admired a great deal.

And it didn't stop. So many people left their jobs at Texas Instruments
that the company filed a lawsuit against the new venture for poaching its
employees. The tension was rising. What could drive my colleagues to
give up their job security at Texas Instruments?

It was time to investigate.

Everyone leaving had been involved with the business of manufacturing hard drives, so we all assumed the new company focused on
electronics—we made lots of guesses, but no one knew. Whatever it

was, the management of the new business couldn't let me in on the secret because of the lawsuit. But while their mouths remained shut, their arms opened wide.

Without disclosing what I'd be doing, the new venture welcomed me onto the team. "I don't think I can do this job," I told the hiring managers, unsure if my qualifications would be adequate. They smiled, shook their heads, assured me that I could handle it, and ushered me into my new future. Little did I know the venture I had just joined would go on to become Compaq Computer—a corporation that would set a new precedent as the fastest growing company America had ever seen. (You might ask, what happened to the name Gateway? They changed their name to Compaq just prior to launching the first product.)

Yet my decision to join the new venture wasn't tied to any technological innovation. Because no products had been launched, I assumed I would now be spending my days supporting the design and manufacture of hard drives. But this wasn't the deciding factor. I decided I wanted a piece of the action because of the *people* who were joining the new firm.

In addition to pioneering the portable computer, the company was founded with the goal of creating a business environment that offered a wonderful place to work in. Our products were only one variable in the equation. There was vibrancy in our day-to-day operations that transcended any professional team to which I had previously belonged. Everyone who came to work wanted to be there, and it showed.

Garnering massive growth in our first year—over $100 million in sales—we became an indomitable team of intrapreneurs. We collaborated on everything, running into every imaginable problem, and tackling each one with the same eagerness and fortitude. There was an explicit awareness of cause and effect. The impact of every individual contribution, or lack thereof, was felt by all.

While this high-performing environment combined with an enviable product/market opportunity allowed the company to expand rapidly, it also encouraged its workers to grow in parallel. I was able to push myself further than ever before with my new found autonomy. I learned that solving technical problems was not difficult. In reality, building healthy interpersonal relations was more challenging, and it took work. This came as a surprise—nothing in my past had prepared me for the realization that

*how people worked* mattered as much as *what they did*. Not only that, but I learned that to be a true superstar as a leader, you had to excel in both areas: solving technical problems and leading people with compassion and understanding.

About 14 years later, the company had achieved monolithic proportions. We'd grown to 17,000 employees worldwide and grossed $15 billion in annual revenue. But something had changed.

We had begun to hire people who were joining the company for little more than our benefits. At first, we settled for this only occasionally when the need to fill a seat was overwhelming. But it began to occur more and more frequently. The people coming on board weren't bad people, just motivated to achieve different goals than those of our original team.

This difference in personnel diluted the single-minded passion and drive we once enjoyed. An old professional dynamic began to show its face; office politics grew rampant. Taking stock of the climate, I decided it was time to leave.

I got my next job consulting for a company in San Francisco. Inexperienced, yet ambitious, I flew out to the Bay Area and, shortly, thereafter, met my husband. We partnered to form Oneteam Consulting, the firm I now lead. Fast forward 20 years, and here I am writing a book about what I've learned while advising CEOs and their senior leadership teams on how to uncover their organization's potential.

But those two decades were crucial. I encountered organizations struggling with inconsistencies in leadership, operations, workplace culture, and every other facet of a business. And while each of my clients dealt with constricted growth in unique circumstances, the fundamental roadblock was always the same.

Every one of these organizations was experiencing misaligned *internal* and *external strategies*.

By this, I mean that what was happening *within* the company was affecting its overall growth. Its level of performance was being unintentionally *dumbed down*. Sounds obvious, right? The issues themselves were never devilishly complex—recognizing them was half the battle.

Here are a couple of telling examples.

Imagine an organization focused on increased sales. They're directing all their attention and resources toward their customer base, and their

marketing department is finding explosive success in gaining people's attention. But what happens when they bite off more than they can chew?

Their external strategy may involve gathering a large pool of sales, but internally, they may not have the workforce or systems to deliver on their promises. Now they run the risk of disappointing customers and losing future sales, a move that may be fatal. It's this discrepancy between what they've agreed to on the outside versus what they're capable of on the inside that will impede progress.

Next, picture an organization that is reactive. One quarter they're focused on propping up sales, next they're focused on hiring, and next, they concentrate on ramping up their marketing. Their internal processes allow no room for juggling all of the different activities a successful business needs to survive. This dysfunction creates a haphazard and lopsided external strategy. They constantly have one department outpacing the others. As a result, their customers begin experiencing the organization as unreliable.

There is no substitute for a solid fit between product and market. But understand here that a superior product/market fit isn't enough. If an organization's internal operations prevent it from operating successfully, it won't matter how brilliant its product or business model may be. A dumbed-down input ensures a dumbed-down output.

Now, let's take a look at the big picture. Managing a company amidst evolving industries, innovative competitors, and unprecedented customer demands can cause enough worry. But many business leaders fail to understand that misaligned internal and external strategies create additional problems for them and the organization they lead. A CEO can wind up shooting himself (or herself) in the foot—scrambling to react to issues he (or she) could have, and should have, foreseen.

I often describe my work as "helping businesses realize their potential." As you look to the future, it's always best to optimize your current operations. Not only does this reinforce the strengths you already have, but it also allows for bigger and better long-term rewards.

A useful metaphor for this occurs in real estate. As a developer, your goal is to create the *highest and best use* of the property on which you work. You want to optimize every element of design you can to appease regulations, while ensuring your investment is as profitable as possible.

Similarly, what is your organization's potential? You want to optimize your productivity, profitability, and feasibility. You want to make sure that they are aligned with you and those with whom you're working. What's more, you want to make success sustainable.

It's important to understand that the strategies I reveal here have less to do with *creating* growth, and more to do with *supporting* growth. An organization's success will always come from its product/market fit, or how successfully it is serving its market. What I'm offering, however, are methodologies for unearthing your capabilities and minimizing your blind spots, allowing you to serve your market in an improved way.

What do you see when all these stars are aligned? Cohesive teamwork. Enthusiastic workers. Explicit communication. Collaborative decision making. A bias for the right actions at the right times. Your whole organization should be functioning as a high-performance unit.

These group dynamics were fundamental to my time at Compaq. I will never forget the experience of working in such an exciting and high-energy environment. Many of you reading this have experienced this yourself, and most of us have tried to duplicate it again and again. It's hard, I know. But I can show you how to get there.

And this goes for organizations at all levels of success. While I believe there's always room to refine strategies, this book doesn't serve only companies that are struggling. These strategies apply to a whole spectrum of circumstances.

Maybe you feel you're already operating at full capacity. Perhaps your organization is doing well, but you know it can do better. What if your board says you've had a great year, but there's room for improvement and you're not quite sure how to get there? Maybe your organization is outpacing its capacity. Or perhaps new people have joined the leadership team. Times of transition can always greatly benefit from closely aligned strategies. If you find yourself in any of these situations, this is a perfect time to assess your internal and external alignment in order to avoid any fatal mistakes.

Why stunt your growth with below-average performance? Eradicate any dumbed-down strategies to lead your organization to its full potential.

# Index

## OTHER TITLES IN THE HUMAN RESOURCE MANAGEMENT AND ORGANIZATIONAL BEHAVIOR COLLECTION

- *Creating a Successful Consulting Practice* by Gary W. Randazzo
- *How Successful Engineers Become Great Business Leaders* by Paul Rulkens
- *Leading the High-Performing Company: A Transformational Guide to Growing Your Business and Outperforming Your Competition* by Heidi Pozzo
- *The Concise Coaching Handbook: How to Coach Yourself and Others to Get Business Results* by Elizabeth Dickinson
- *Lead Self First Before Leading Others: A Life Planning Resource* by Stephen K. Hacker
- *The How of Leadership: Inspire People to Achieve Extraordinary Results* by Maxwell Ubah
- *Managing Organizational Change: The Measurable Benefits of Applied iOCM* by Linda C. Mattingly
- *Creating the Accountability Culture: The Science of Life Changing Leadership* by Yvonnne Thompson
- *Conflict and Leadership: How to Harness the Power of Conflict to Create Better Leaders and Build Thriving Teams* by Christian Muntean
- *Precision Recruitment Skills: How to Find the Right Person For the Right Job, the First Time* by Rod Matthews
- *Practical Performance Improvement: How to Be an Exceptional People Manager* by Rod Matthews
- *Creating Leadership: How to Change Hippos Into Gazelles* by Philip Goodwin and Tony Page
- *Uncovering the Psychology of Good Bosses vs Bad Bosses and What it Means for Leaders: How to Avoid the High Cost of Bad Leadership* by Debra Dupree
- *Competency Based Education: How to Prepare College Graduates for the World of Work* by Nina Morel and Bruce Griffiths

## Announcing the Business Expert Press Digital Library

*Concise e-books business students need for classroom and research*

This book can also be purchased in an e-book collection by your library as

- *a one-time purchase,*
- *that is owned forever,*
- *allows for simultaneous readers,*
- *has no restrictions on printing, and*
- *can be downloaded as PDFs from within the library community.*

Our digital library collections are a great solution to beat the rising cost of textbooks. E-books can be loaded into their course management systems or onto students' e-book readers.
The **Business Expert Press** digital libraries are very affordable, with no obligation to buy in future years. For more information, please visit **www.businessexpertpress.com/librarians**. To set up a trial in the United States, please email **sales@businessexpertpress.com**.