

Is it time to prepare the envelopes?

Dear *LogiStyle* Colleague:

Food for Thought is our way of sharing interesting concepts on corporate leadership and management with others who might find it useful. The thoughts offered are intended to be controversial and thought provoking. They always follow our motto of helping develop logical leadership.

An old corporate joke tells of a departing manager leaving behind three envelopes in the desk drawer and advising the new incoming manager to open one of the envelopes for advice when faced with a difficult management problem. Within a couple of days the new manager resorts to the first envelope, which reads "Blame it on the last guy." Empowered to blame all things wrong on the last guy, the new manager makes numerous changes, but soon finds it necessary to open the second envelope. "Reorganize," the envelope advises. With a reorganized management team the organization moves along merrily for a few years. One day, pondering on a difficult management problem, the now mature manager recalls the third envelope, forgotten in the desk drawer, and eagerly seeks its advice: "Prepare three envelopes." ☺

Few people have the same level of energy and enthusiasm in their jobs three years into it as they did three days on the job. When you start a new job you usually walk into it with a modest set of assets, but without any liabilities. Your assets consist of all your previous education and experience that makes you acceptably qualified for doing the job. And, your assets grow as you perform the job functions and grow in that role. This growth in assets is dramatic in the initial months on the job, slows down in subsequent years and starts petering out in a few years. Pretty soon you find yourself having used up your entire bag of tricks and short on new ideas to face the daily challenges of the job. In contrast to the growth of your assets, your liabilities on the job start out practically zero. You have no baggage. You start with a clean slate. But sooner or later you make mistakes: you make a wrong decision; you make some wrong hires; you enter some wrong markets; or you take a public stance that turns out to be wrong. In most of these

cases, people around you realize the error of your ways before you do. These wrong moves become your liabilities. And, the liabilities continue to grow, slowly but incessantly. Soon enough – say, after a few years - your assets have petered out and your liabilities just keep on growing. It is time to prepare the envelopes.

Even though your assets are not growing, or not growing rapidly, you might still have a strong base of assets to do the job, and do it well. Why then should you leave this job? The problem is that your liabilities continue to grow, deteriorating your net contribution. So, how could you shed yourself of those liabilities? If you move to a new job you could leave your baggage behind. That is why the new guy comes with no baggage. He or she left it at the curbside! But what if you are the CEO? Do you have to go to a new company? Is it fair to your current company? Is it fair to you? What if you are the owner, or a major shareholder? You can't just up and leave!

We offer a method for a CEO with an established tenure to shed his or her baggage: *declare yourself as the new guy*. Do this ceremoniously and with fanfare. Do this when it would be most convenient to make a change at the top. In one actual implementation of this method, the CEO invited the Chairman of the board to declare to the management team, at their annual offsite kickoff of their fiscal-year, that the board had decided to make a change and bring in a new CEO. You might even try to incorporate visible style differences in your attire and maintain it for the next many years, say adorning a tie or shedding one, changing your hair style or color, or any other visibly different characteristic to represent that you are the new guy.

Declared the new guy, keep introducing yourself at meetings and events as the new guy and feel free to blame all things wrong on the last guy. Do this purposely, and with a straight face. Make those changes that you were always opposed to but others advocated. Give your management team a fresh new performance appraisal and blame any inconsistencies on the last guy. Be open to a totally different organizational structure. At meetings and discussions play dumb about the last guy's rationale for past actions and have others explain to you what the last guy was thinking. All of this empowers you to shed your baggage, and empowers the organization to relieve you of your baggage.

The basic idea here is not new. Gordon Moore and Andy Grove are known to have asked themselves, "What would a new guy do," while pondering over Intel's memory business. Jack Welch is known to have reinvented himself every six years or so with a passion for a new concept which he drove across GE. The concepts of reinventing yourself, and "the second act," are gaining popularity in the press. The idea proposed here is merely a dramatic way of implementing the basic concepts that leaders like Moore, Grove and Welch found easy to do.

We have received many responses to our Food for Thought mailings, asking if you can freely share and forward these thoughts. Indeed you can. All we ask is that a clear attribution to LogiStyle and our contact information are included. For the interested reader, we have archived some of our recent Food for Thought mailings at our website, and can be viewed at [LogiStyle: Food for Thought Archive](#). As always, we welcome your comments. We hope your business is doing well. If we can be of any assistance please feel free to call – even, if just to chat.

Best Regards,

Balaji