

The Art of Business In the Footsteps of Giants

Prologue and Abridged Chapter One

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Prologue

This book is a result of more than twenty years of curiosity beginning in the late 1970s, when I was a research fellow at Fujitsu, the giant Japanese computer and systems company. I noticed that many top Japanese executives read and extensively utilized two strategic books: *The Art of War* by Sun Tzu and *The Book of Five Rings* by Miyamoto Musashi, the famed samurai of ancient Japanese history and Sun Tzu's disciple. As I began to read these two oriental classics, I found them difficult to understand, especially Musashi's book. Years later, when I was running my own companies, I felt frustrated by many of the gung-ho, systematic approaches advocated in popular management books. Peter Senge's book, *The Fifth Discipline*, proved helpful because he treated the organization as a living system rather than a machine. His ideas jarred my memory and reminded me of Sun Tzu and Musashi. Sun Tzu, as I understand him from his book, always views any organization—even an army—as an organic whole.

It is interesting to note that the word *business* in Chinese consists of two characters: *Sheng* (生), which is life, and *Yi* (意), which is meaning. So the word *business* in Chinese translates into “the meaning of life.” In other words, the ancient Chinese thought of organizations as living, organic systems long before the arrival of the Newtonian model. Since I believe that wisdom transcends time and culture, I began a research project to determine whether the best modern companies currently practice Sun Tzu's wisdom. This book is the result of my private research project that delved into the business practices of more than 30 leading companies and their leaders.

My research revealed that a great organization must first of all have a soul, which creates meaning for the people who work there. Such an organization knows where it is going and somehow always seems to *flow* with the changing world, arriving at its destiny in perfect synchrony. A great organization cleverly *leverages* everything in its environment, including competitors, to effectively and efficiently utilize its resources. It is also the *master* of its trade, constantly trading on the leading edge while maintaining effective balance. Finally, a

great organization is made of *leaders* who help to actualize the organization's vision by aligning their own dreams to it.

Although many books attempt to translate Sun Tzu's wisdom into systematic guidelines for business, the wisdom of this ancient teacher actually needs to be experienced rather than simply analyzed. To offer you, the reader, that experience, I have chosen to present Sun Tzu's teachings in story format. These stories describe how the best companies in the world have put Sun Tzu's strategies to work, allowing you to follow in the footsteps of giants—the business leaders who have walked before us. The story format frees you to select and read any story that interests you, even before you read the introduction to each chapter. The wisdom is in the stories themselves, in the actual experiences of these leaders and their organizations. The introduction in each chapter captures the essential wisdom of these companies and their leaders, providing a framework for insight. There is no specific sequence for reading or using this book. If you have a specific problem, pick a story and dive in. I also included Southwest Airlines in every chapter to give you a deeper look at a company that uses all the strategic arts introduced in this book.

The power of Sun Tzu's teachings lies in the five fundamental arts of strategy that he used, in various combinations, to influence his environment to his advantage. These five arts, outlined at the beginning of *The Art of War*, are Tao, Tien, Dee, Jiang, and Fa. According to Sun Tzu:

“War is a matter of vital importance to the State; the province of life or death; the road to survival or ruin. It is mandatory that it be thoroughly studied. Therefore, appraise it in terms of the five fundamental elements... The first of these elements is Tao; the second, Tien; the third, Dee; the fourth, Jiang; and the fifth, Fa.”

Table i expresses the meaning of the Chinese characters and the essence of Sun Tzu's wisdom as I interpret it. The specific arts listed in italics in the essence column are the titles of the five chapters in this book.

The great organizations included in this book are from around the world, and include for-profit and non-profit companies as well as

both young and mature organizations. The practice of these strategic arts empowers an organization to hold a steady course in the quest for its vision, resisting the temptations and pressures in its environment. This steady aim is crucial because of our society's focus on the short term bottom-line, which often causes a company to lose its *soul*. Enron, WorldCom, and Arthur Andersen so ably demonstrate the dire consequences of the loss of corporate soul. Finally, this book assists leaders at any level with insights from great leaders on the application of these arts for guiding their organizations in this ever changing and unpredictable world.

Enjoy!

Chinese Character	Translation	Essence
Tao 道	Vision/Truth/Path	Pure Potentiality <i>The Art of Possibility</i>
Tien 天	Weather	Synchronize with Destiny <i>The Art of Timing</i>
Dee 地	Terrain	Utilize What You Have <i>The Art of Leverage</i>
Fa 法	Discipline/Process	Balance on the Edge <i>The Art of Mastery</i>
Jiang 将	Commander	Service <i>The Art of Leadership</i>

Table i. The Essence of Sun Tzu's wisdom.



The Art of Possibility

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The Art of Possibility

道



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*“The Tao that can be told is not the eternal Tao.
The name that can be named is not the eternal name.
The nameless is the beginning of heaven and earth.
The named is the mother of ten thousand things.
Ever desireless, one can see the mystery.
Ever desiring, one can see the manifestations.
These two spring from the same source but differ in name;
This appears as void.
Void within void...
The gate to all possibility.”*
—Lao Tzu—

A young disciple serves his Zen master while listening to two older disciples, A and B, arguing just outside the door. After a few moments, disciple A enters the room and relates the argument to the master as well as his own point of view. The master smiles at disciple A and says, “You are right.” As soon as disciple A happily leaves the room, disciple B walks in. Disciple B proceeds to elaborate his side of the argument to the master. The master smiles at disciple B and says, “You are right,” and disciple B also happily departs. By this time, the young disciple, who is still in the room, is thoroughly confused and says to the master, “It seems that disciples A and B cannot both be right.” The master smiles at the young disciple and says, “You are also right.”

In classical Chinese literature, Tao is like a multi-faceted crystal, encompassing multiple different meanings that are difficult to behold all at once. Tao is the way or ultimate destination. Tao is also moral purpose, enlightenment, and truth. At the same time, Lao Tzu tells us, “The Tao that can be told is not the eternal Tao.” In other words, no written definition or intellectual understanding ever captures the true essence of the eternal Tao. Tao cannot be grasped with the intellect, only glimpsed with the eyes of the spirit through experience.

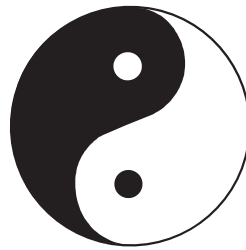


Figure 1.1 The Yin/Yang Symbol.

Classical Chinese authors often use the Yin/Yang symbol (see Figure 1.1) to capture the multiple expressions of Tao. For instance, Tao is:

- **Holistic:** While we cannot predict the amount of Yin or Yang at any given moment, we know the whole is always there.
- **Dynamic:** The Yin and Yang are fluid, and they tug and pull each other—the makeup is constantly changing.
- **Inclusive:** There is always Yin within Yang (the dark spot within the white space) and Yang within Yin (the white spot within the dark space).
- **Harmonious:** The ebb and flow of nature automatically balances itself.

Tao is the dynamic flowing force that constantly seeks to create in the world. As such, Tao can be thought of as the pure potentiality or pure consciousness of which everything is a manifestation. In Tao,

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mind and body are no longer separable, but are the complementary aspects of life co-evolving together as the Yin and Yang.

The Tao Experience

A common experience of Tao for many people is that of being “in the zone.” When athletes are in the zone, they describe feeling light and effortless as their bodies automatically and instinctively reach peak performance. Legendary coach and track star John Smith recalls being in the zone the day he set the world record in the 440 meter race: “It feels as if gravity is pulling the body along rather than impeding it.” Whether in sports, music, business, or art, we’ve all tasted Tao. Tao could be a runner’s high, a musician’s groove, or a feeling of being “on.” Tao is the life force that constantly seeks to manifest through each of us in different aspects of our lives.

Perhaps the easiest way to begin experiencing Tao on a personal level, to get in touch with one’s soul as it were, is to answer three basic life questions:

- What is my dream?
- How do I realize my dream?
- Who am I or what do I stand for?

When we begin to answer these questions, we have begun our quest for the soul. Indeed, the answers to these questions are the end game for many people on the spiritual path and the tools of many masters past and present. While the Tao cannot be grasped, these questions can be answered. They are doorways into the possibilities of the soul.

Just as it is the omnipresent fabric woven into every aspect of the living world, Tao is also a part of the man-made systems of business and commerce. If Tao is pure consciousness, the essence of the creative processes of life, then any organization that wishes to evolve and grow as a living system must have Tao. While many of the artificially created systems of man are mechanical, there are organizations that are true living systems, true expressions of Tao. These are organizations with soul.

I have developed a keen awareness of the difference between organizations that are living systems and those that are simply

mechanical expressions of man-made goals over the years. Those organizations that were living, growing, and dynamic systems seemed to be informed by some intelligent presence influenced by a higher purpose. In every aspect of those companies I saw that same soul, that same drive to create something beyond individual selfish desires. What I saw were living expressions of Tao in a business setting; a situation in which we have come to expect automation and lifelessness.

After many years of walking in and out of companies that were both living and mechanical, I realized that only those companies possessed of a soul had any hope of longevity in the constantly changing business climate. Only those companies with Tao could evolve at the pace of life, matching the dynamic creative processes of life itself. For years I was unsure of how to describe and explore the presence of something which, by its very nature, cannot be named. While there are libraries of books devoted to the personal exploration of the soul, I found a scarcity of books that focused on the exploration and development of an organization's soul. Yet, we devote years of our lives to the growth and creation of business and commerce. How, then, can we knowingly and deliberately nurture the development of an organizational soul?

The answer lies in the same three questions that we must ask ourselves when we seek our own souls. In organizations, the answers to these questions have long been expressed as the Vision, Purpose, and Values (VPVs):

- *Vision:* What is our dream?
- *Purpose:* How do we fulfill our shared vision?
- *Values:* What do we stand for and how do we behave ethically?

In a marketplace that thrives on the Darwinian principle of “survival of the fittest,” strong VPVs are the guiding forces that help living organizations keep their aim and stay the road despite dramatic changes in the business climate. If the vision defines the ultimate destination of the path, then the purpose and core values form the path itself. While there are numerous ways of traveling from a starting point to a destination, the purpose and core values help leaders choose

the way and stay on track despite obstacles and trials. In other words, the quest for vision must be *value-centered* and *purpose-driven* as illustrated in Figure 1.2.

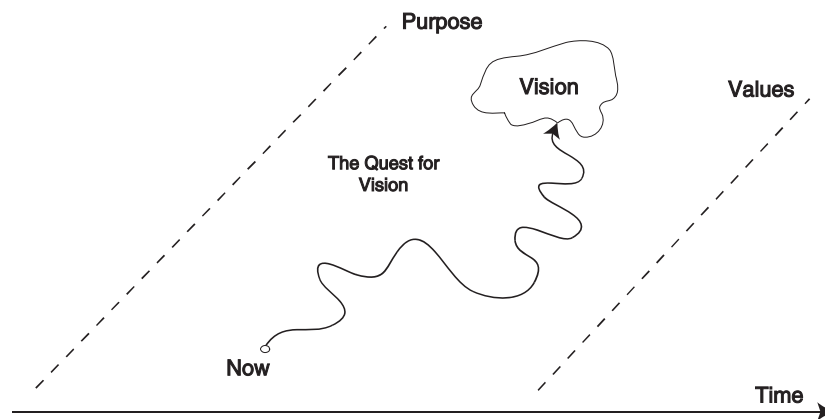


Figure 1.2 Vision, purpose, and values.

Most organizations, living or mechanical, have a set of VPVs. However, not all VPVs are equal. In ordinary organizations that are not inspired from within by a compelling vision, the VPVs may be duly written and recorded in the dusty back issues of annual reports or even posted on the walls. Yet, as a guiding force they lack power and do little to influence the employees and officers—the very people for whom they were intended. The VPVs exist, but fail to guide the daily decisions of the organization. In these companies, the people may be active and busy, but they often fail to create lasting results.

In a dynamic organization with soul, however, the VPVs are expressed in every moment and every interaction. VPVs can be heard in casual conversations between co-workers, in speeches and press releases to sources in and out of the company, in celebrations, and in what is celebrated. The VPVs consistently inform and influence decisions both trivial and major, and guide the steady and deliberate evolution of the organization.

The Yin/Yang Formula

In a marketplace based on survival of the fittest, competition is the beginning and end of the story. Within any industry, companies struggle and fight with each other to be the top dog, to have the next great breakthrough that will send profit margins soaring through the proverbial roofs. Within any company, corporate directors nurture the killer instinct by enticing employees with stock options and raises at one end while lashing them with the threat of layoffs and downsizing at the other. Few can see beyond the next quarterly report and most live or die by market analyst reports. The same game of competition is played as avidly among employees as among companies.

But to the giants of business, who represent only a small percentage of players in the market, the dog eat dog world is not only the lowest form of evolution but also a poor form of strategy. These players are true strategists who understand that corporate longevity and success come from working for a higher purpose, or working in Tao.

In companies with Tao, there is the urge to create something real and beneficial in the world, not just achieve top dog position. Indeed, rather than always looking outwardly at the competition, these companies are inwardly focused on their higher purpose while having a high degree of awareness of all things around them.

Lifting one's gaze from mere survival to living in Tao is no simple task when competition is all around. Competition seems real and self-evident, easy to grasp, while Tao is often only an ephemeral concept or a fleeting glimpse of what might be possible. One formula that helps us get a better grasp of Tao is the Yin/Yang formula. Tao is difficult to grapple with because it is pure potentiality, a single presence that is in all things, the one force behind all creation. While Tao is one, everything that manifests as an expression of Tao is a duality; hence, the Yin/Yang symbol is the perfect expression of Tao.

The Yin/Yang symbol beautifully expresses the duality of all manifestations. For instance, light and dark are dual manifestations of the same thing. Without dark there cannot be light, and vice versa. The same is true of good and evil. Or, in the case of the elemental particle theory, the building block of the universe exists as both wave and particle at the same time.¹ In these dualities, you cannot have one

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without the other. The dark enhances and emphasizes the light while the light provides contrast for the dark.

To see the Tao of an organization and begin to develop a living Tao in your own organization, apply the Yin/Yang formula. For instance, in a mechanical organization the basis for guidance and management is control, which is the Yang. As a result, employees often lack initiative and investment in the organization and live only to serve their own selfish desires—this is the Yin. By contrast, in organizations with Tao, the Yang is freedom and empowerment. Employees are given the freedom to handle situations in their own way. The flip side of the coin is accountability and discipline—this is the Yin. With freedom must come accountability and responsibility lest individual decisions run riot or contrary to the Tao. Control necessarily breeds self-serving (which leads to the need for even greater control) while freedom and empowerment leads to accountability and investment in the organization. The Yin/Yang formula always describes a cycle that feeds itself continuously.

Fueling the Winning Formula

The Yin/Yang formula is akin to any mathematical formula in that the results differ depending on the initial values that are fed into the formula. For the formula to produce freedom and accountability, one must create trust as the fuel. In this fuel there must be something that invites each person in the organization to step beyond the natural human instinct to ask, “What’s in it for me?” The human DNA, programmed through millennia of evolution for survival and indoctrinated by the marketplace in competition, naturally reverts to selfish and self-serving behaviors before all else.

Trust is the bridge that allows each person in the organization to step beyond his or her selfish instincts to take part in something much greater. To really exist, trust must be a two-way bridge. For instance, when employees trust the organization, they are saying, “I trust that you have chosen a strong and worthy set of VPs. I trust that you will empower me to help achieve the VPs. I trust that you will take care of me.” This allows employees to focus on creating real meaning in

their work rather than constantly worrying about job security. For instance, Southwest Airlines pilots and flight attendants willingly work more hours than employees at any other U.S. airline. Why? Because they trust that the company will take care of them through job security, profit sharing, and employee benefits.

At the same time, an organization must trust its employees. When an organization trusts its employees, it is saying, "I have faith in the VPs. I trust that you see they are worthy and will do your part to achieve them. I will help you." Inepar, an energy and telecommunications company with headquarters in Curitiba, Brazil, demonstrates this high level of trust. The company's symbol is a Brazilian bird called Quero Quero, meaning in Portuguese, "I want, I want." The first "I want" symbolizes the wants of employees, including a better quality of life, a higher salary, opportunities for professional growth, and more training. The second "I want" symbolizes the needs of the company, including total quality, higher productivity, the expansion of business, the incorporation of new technologies, and environmental preservation. Together, the stakeholders find the common "I want" and work toward achieving these common goals.

Atilano Sobrinho, Inepar's co-founder and President, told me: "I learned from the poor people that they don't have a problem with being poor, but having no prospects in life is a big problem." To expand the life possibilities for employees and their families, the company pays the educational expenses of every employee's dependent children. In response to this level of corporate trust, Inepar's productivity and quality have increased steadily.

Finally, employees must trust each other. When they do, they are saying, "I trust that we are all on the same path, seeking to achieve the same goal." Organizations must provide conditions in which team members are encouraged to trust each other rather than compete with one another. At Intel, for instance, the sharing of technical knowledge is an essential part of the culture, and is acknowledged as being the key to gaining speed and competitive advantage. These three forms of trust are all invitations for every member of the organization to step beyond the self-serving, competitive goals that are the norm in

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companies without Tao. Trust invites people to expand their horizons and take part in living a dream.

As a result of taking the time to cultivate trust, soulful organizations reap all the benefits sought by “dog eat dog” organizations, including profitability, longevity, adaptability, and innovation. Indeed, these are all the indicators of conscious, living evolution. In contrast, “dog eat dog” organizations fuel their Yin/Yang formulas with fear—the fear of being fired, the fear of financial loss and the fear of non-survival. The result is a constant state of reaction, lack of unity, and the failure to evolve purposefully.

Companies fueled by trust and living in Tao access the wisdom and ingenuity of every single employee by offering them freedom in exchange for accountability and discipline. In addition, employees are inspired by the pride of creating something of real benefit in the world, which leads to continuous innovation and almost no resistance. While the journey to living in Tao cannot be defined in concrete detail, the major pieces of the puzzle are clearly in evidence: a compelling vision, freedom, accountability, and trust.

One More Piece of the Puzzle

A final maverick piece of the puzzle must be mentioned before we start you on the journey of exploring the Tao. In every soulful organization we have explored, we find that the Tao has always begun with the dreamers. There are always one or two dreamers, usually the founders of the organization but not always, who spark the Tao into life. These dreamers then feed and nourish the dream, which is often considered to be an impossible dream, with raw inspiration, sheer determination, and contagious enthusiasm. They often create the VPs as a way to communicate that dream to others and ground the dream into reality.

Consider the founding of the United States. On the night of July 2, 1776, word reached the delegates attending the Second Continental Congress in Philadelphia that hundreds of British warships and troop transports were arriving New York. As the delegates cast their initial votes, the British Empire struck, intending to annihilate the budding

democracy of its rebel colony. By August there were 32,000 British troops in New York, ready to march on Philadelphia, a city with a population of only 30,000. George Washington's pickup army of 7,000 untrained, ill-equipped farmers stood as the only line of resistance.

Each of the delegates who signed the Declaration of Independence was fully aware of the death sentence that awaited them if their bid for freedom failed. As Benjamin Franklin said so well, "We must all hang together, or most assuredly, we will hang separately." The dream of freedom, the declaration that "All men are created equal; that they are endowed by their Creator with certain inalienable rights," meant more to these men than life itself. The fight for this dream has been renewed time and again by the great leaders of American history: by Abraham Lincoln during the Civil War, by Martin Luther King, Jr. in the civil rights movement, and by Lyndon Baines Johnson with his vision of a Great Society. Though every fight was different, each of these leaders was guided by the dream of freedom, of creating a society in which, "all men are created equal."

At heart, all of these dreamers have an irrepressible urge to create a freer, more beautiful and more dignified world than the one that exists today. Being with these dreamers can light up your life, and many people join great organization simply to be part of the dream. In the three stories that follow, we offer you a heavenly taste of those dreams and the dreamers. These three organizations each live in Tao in their own unique way: Medtronic, the leading medical technology company in the world, restores people to full life; Grameen Bank, the bank in Bangladesh that started micro-lending for the poor, uplifts the poorest of the poor to dignity and pride; and Southwest Airlines, the best airline in the U. S., brings democracy to the skies. Let the journey in the footsteps of giants begin!

Grameen Bank ***Micro Lending for the Poor***

Mufia Khatoon used to be a beggar in the streets of Bangladesh. Most days, she only managed to beg a few ounces of rice, hardly enough for her and her three children. Besides having to scrape a thin living from begging, she had to deal with regular upheavals living in Bangladesh, a land of frequent natural disasters. Khatoon starved through the famine of 1974, and a storm destroyed her makeshift house in 1978. Life looked bleak. But Khatoon's life took a turn for the better when she became a member of Grameen Bank in 1979 and received a small loan of 500 taka (about \$25). That tiny loan, now popularly referred to as a *micro loan*, transformed her from a poverty-stricken beggar to a proud, independent businesswoman. Khatoon is only one of the thousands of former beggars and millions of women, all considered to be unworthy of loans by conventional banks, who now live dignified lives because of micro loans from Grameen Bank.

During the famine of 1974, Muhammad Yunus, a Professor of Economics at the University of Chittgong, was shocked at the utter devastation he found in the villages situated around the University. He came to understand that the poor people in these villages were committed to a form of labor, or slavery, in which they traded their labor for a mere 22 cents per day, barely enough for survival. This cycle continues day in and day out, from one generation to the next. Yunus recalls,

*"I never heard of anyone suffering for the lack of 22 cents. It seemed impossible to me, preposterous."*⁵

He personally lent the equivalent of \$27 to 42 people, which amounted to about 62 cents per person. With this money, each person bought materials for the day's work, weaving chairs or making pots. At the end of their first day as independent business owners, each of the 42 people sold their wares and paid back the loan. Thus began the micro credit movement and the subsequent formation of Grameen Bank, which means "village." Based on this experience, Yunus, together with a group of like-minded colleagues and students, formed Grameen

Bank as a micro-lending organization dedicated to lifting the poor out of the perpetual cycle of poverty.

A Basic Human Right

More than 25 years later, Grameen Bank is 93% owned by 2.4 million borrowers. Ninety-five percent of those borrowers are women, and the bank has loaned out more than \$3.5 billion dollars. More importantly, the practice of micro credit lending has spread to 43 countries, including some highly developed countries such as the United States. Furthermore, an unprecedented 98% of borrowers have paid their loans back in full.

Grameen Bank was created out of the deeply held belief that the poor are as trustworthy as the wealthy or middle class. By studying the villages around him, Yunus came to understand that the poor are poor not because they are untrained or illiterate, but because they cannot retain the returns of their labor since they have no control over capital. Once they are economically empowered, however, they “are the most determined fighters in the battle to solve the population problem, end illiteracy, and live healthier, better lives.”⁶

Grameen Bank considers credit to be a basic human right, and operates on the faith that the poor will repay their debts. Unlike traditional banks, Grameen exists in a counter-culture of its own creation, focused not on making money but on helping people get out of poverty. While profit is a necessary condition of success, the officers at Grameen Bank use profit only as a measure of efficiency. If borrowers are unable to repay loans, the bankers at Grameen focus on assisting borrowers in overcoming problems, not punishing them. This unconventional approach, rare in the banking industry, springs from the belief that each person should be given the necessary tools and assistance to control his or her destiny.

Since many of the bank’s borrowers are illiterate, Grameen keeps the repayment formula very simple:

- Loans last for one year.
- Loan installments are paid weekly.
- Repayment begins one week after the loan.

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- Weekly loan payments are 2 percent of the loan amount each week for 50 weeks.
- Interest payments are 2 taka per week for every 1,000 taka loaned.

Micro credit lending provides small, collateral-free loans to the poor as capital for building small businesses. It is the logical extension of small business loans that provide reasonable loans to entrepreneurs unable to qualify for traditional bank loans. Micro lending has proven itself to be an effective and popular countermeasure against poverty, enabling people without access to traditional lending institutions to borrow at market rates to start small businesses. More importantly, micro loans structured by Grameen Bank force borrowers to set aside savings as guarantees for their loans, which increases the wealth and financial standing of not only the borrowers, but also the villages, towns, and the entire nation. More than eight million people currently receive micro credit and approximately half of them live in Bangladesh.

A no-handout, inexpensive program that helps the poor with a hand-up to build businesses, micro credit goes directly to the poor. In contrast to many welfare programs, micro credit actually creates long-term jobs in the villages, and helps women develop confidence and independence in a masculine-dominated culture. The economic multiplier effect of micro lending is significant because the poor reinvest the money they earn back into the local economy, buying basic goods such as food, clothing, and shelter. By limiting the size of the loans to small amount of money, micro credit institutions are able to avoid borrowers motivated by greed.

Grameen Bank pioneered the micro credit movement by becoming the first micro lending institution. Since most of its borrowers are women, who in the 1970s were considered the property of their husbands, bankers had to physically visit each village to encourage the women to step out and create independent lives with the help of micro loans. As such, Grameen Bank created a set of core values for its staff and borrowers. The VPVs of Grameen Bank are listed below:

The Tao of Grameen Bank

Vision: A poverty-free society.

Purpose: Extending credit as a human right.

Values:

- Discipline
- Unity
- Courage
- Hard work

How It Works

One of Grameen's major successes has been the discipline of its borrowers in repaying loans in spite of the regular cataclysms, natural disasters, and personal tragedies that occur. To achieve such success, Grameen has a policy of never canceling a loan because of such tragedies. Rather, bankers will restructure any loan into a very long-term loan, even if it reduces the repayment amount to half a penny each week. Such discipline helps the borrower maintain a sense of self-reliance and confidence.

The majority of Grameen borrowers are women, who have fewer opportunities for work and who are more likely to spend new earnings on their children rather than investing in their businesses. Therefore, Grameen requires that all borrowers have unity, and organize themselves into groups of five. All five are considered in default if a single borrower in the group defaults. The group meets once a week to make their loan payments and to critique one another's business plans. Grameen also requires that all borrowers deposit 5% of their loan into a group fund. Any borrower can take an interest-free loan from the group fund so long as all the other members of the group approve the amount and its usage, and the loan does not exceed half of the fund's total amount. Such loans help borrowers stave off seasonal malnutrition and pay for medical and educational needs. Groups can also request help from other groups in their "center," which is a federation of up to eight groups in a village that meets weekly with a bank worker. This kind of unity encourages members to assist each

other, spot problems before they occur, and promote discipline among all members. As of 1998, the total amount of savings in all group funds exceeded \$100 million.

Both bank workers and the majority of Grameen's women borrowers must overcome tremendous obstacles and demonstrate enormous courage to carry out the bank's mission. Bank workers must overcome the traditional male-dominated poverty culture of the villages, personally meeting with potential clients and encouraging them to create new lives. The women borrowers, most of whom are illiterate, must overcome their fear and uncertainty and become willing to help themselves and their children break free of the vicious cycle of hand-to-mouth poverty. They must take the first bold step of applying for a micro loan without the approval of their husbands. Both bank workers and women borrowers are often at the mercy of outraged husbands and religious conservatism.

Hard work is a natural and necessary part of working with Grameen Bank. Within the five-person groups, everyone ensures that each borrower is putting forth the necessary effort so that no one will default. The bank's staff works hard, too. Most bank workers do not have offices and must walk for miles each day to meet with potential clients. Twelve-hour days are the norm for these workers. Hand-in-hand with hard work, however, is an environment of trust. Grameen trusts each of its bank workers to analyze situations and create necessary solutions. This trust is one of the reasons that the workers are so creative. Unlike other bank workers, the workers at Grameen consider themselves to be teachers who help borrowers realize their full potential as human beings. Perhaps this is the most satisfying part of working with Grameen—the ability to be creative in helping others to create solutions. In summary, the bank's secret is that it facilitates poor people helping themselves while helping each other. People without credit are organized into borrowing support groups such that each borrower has a real financial stake in all the others in the group.

Along with Grameen's core values of discipline, unity, courage, and hard work, the majority of Grameen Bank members—mostly poor women from the different villages in Bangladesh—developed

another set of core values for themselves called the Sixteen Decisions. They are:

- We shall follow and advance the four principles of the Grameen Bank—discipline, unity, courage, and hard work—in all parts of our lives.
- We shall bring prosperity to our families.
- We shall not live in dilapidated houses. We shall repair our houses and work toward constructing new houses at the earliest opportunity.
- We shall grow vegetables all year round. We shall eat plenty of them and sell the surplus.
- During the planting season, we shall plant as many seedlings as possible.
- We shall plan to keep our families small. We shall minimize our expenditures. We shall look after our health.
- We shall educate our children and ensure that they can earn enough to pay for their education.
- We shall always keep our children and the environment clean.
- We shall build and use pit latrines.
- We shall drink water from tube wells. If they are not available, we shall boil water or use alum to purify it.
- We shall not take any dowry at our sons' weddings; neither shall we give any dowry at our daughters' weddings. We shall keep the center from the curse of dowry. We shall not practice child marriage.
- We shall not commit any injustice, and we will oppose anyone who tries to do so.
- We shall collectively undertake larger investments for higher incomes.
- We shall always be ready to help each other. If anyone is in difficulty, we shall all help him or her.

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- If we come to know of any breach of discipline in any center, we shall all go there and help restore discipline.
- We shall introduce physical exercises in all our centers. We shall take part in all social activities collectively.

One of the means for the Grameen community to sustain its culture is through celebrations. Alex Counts, President of the Grameen Foundation in Washington, D.C. related his experience when he first arrived at Bangladesh to witness the celebration that borrowers of the Bank organized in one village to commemorate the founding of their local branch office. He recalled that Yunus whispered to him towards the end of that huge celebration:

“These events are times when the poor can show off, be heard, be loud, make a stir. The slogans, the fanfare, it’s all part of a process of overcoming the shame and isolation of poverty. Society has always told the poor, ‘Stay in your crummy houses; you are neither to be seen nor heard.’ Grameen invites them to come together, hold their heads up high. Be seen! Be heard.”⁶

Sending Poverty to the Museum

Given Grameen Bank’s success over the last 25 years, what is its vision for the future? Professor Yunus’ vision is to create a poverty-free society by 2050. In a summit for micro credit held in Feb. 1997, he said:

“Only one hundred years back, men were still struggling to find a way to fly. Many people seriously thought men would never fly. Those people who were committed to the idea of flying were looked at as crazy people. In 1903, the Wright brothers flew their first plane. It stayed in the air for just 12 seconds. Yes, 12 seconds. It covered 120 feet. At that moment the seed of a new world was planted. Only 65 years later, man confidently went to the moon, picked up moon rocks and returned to the world. The whole world watched every moment of it on the television.

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In the micro credit field, we are just flying our Wright brothers' plane. We are covering 120 feet here, 500 feet there. Some find our plane unsafe, some find it clumsy, and some find it not good enough for the job. We can assure you we'll soon fly our Boeings, our Concorde; we'll be ready with booster rockets.

We believe that poverty does not belong to a civilized human society. It belongs to museums. This summit is about creating a process which will send poverty to the museum.... Sixty-five years after this summit, we will also go to our moon. We will create a poverty-free world.³⁷

Sustaining the Dream

Dream the impossible dream! If there is one message in all the stories of this chapter, it is that for true dreamers nothing is impossible. The dreamers at SWA, Medtronic, and Grameen Bank smashed every mold, ignored every preconception, and denied every scrap of conventional wisdom in their quest to create a freer and more humane world. How many people could conceive of the idea that credit is a human right, that Frankenstein could be real, or that the masses should be liberated to fly? Clearly, dreamers are inspired in some special way when they encounter life events that others would consider normal or “just the way things are.” Some force calls these dreamers to step forth and change what they see, create something above and beyond “the way things are.” Most of us have been inspired in this way at some time or other in our lives, but few step forth with the vigor and spark of these dreamers. Few answer to the higher purpose that is always calling to us. By their actions, these dreamers not only show us how it is done, but also ask us whether we are willing to step up and create our own dreams.

What separates Herb Kelleher, Earl Bakken, and Muhammad Yunus from most ordinary dreamers is that while they have their heads in the clouds, they also have their feet on the ground. Not only do they clearly see the vision they strive to create, but they are also able to develop and nurture the means to create it. To manifest the dream, each has created his organization around its *soul*—the VPVs discussed earlier in the chapter:

- ***Vision:*** When people in an organization align to a shared vision, they unleash their passion to make a difference. At the Medtronic holiday party, the patients and doctors who tell their stories serve as constant reminders to employees that they are not just doing a job, but actually restoring people to full life. A shared vision provides a collective identity for the organization to move forward as a whole.
- ***Purpose:*** The destination is clearly stated and repeatedly communicated to every member of the

organization. The purpose guides the people in the organization to move in synchrony towards its vision. In the case of Grameen Bank, everyone strives to lift human society out of poverty by entending credit as a human right.

- **Values:** These form the concrete ethical guidelines or boundaries for employees and officers, within which empowered actions and decisions can occur. At SWA, while employees are allowed great flexibility in changing their schedules, they are required to show up on time, all the time.

Within the boundaries of the purpose and values, organizations can empower their people with the freedom to make independent decisions. To balance the equation, these organizations teach and cultivate accountability and responsibility. Within the Grameen Bank culture, the four values (discipline, unity, courage, and hard work) and the Sixteen Decisions form the boundaries within which workers and borrowers have the freedom to develop their own businesses and create financial freedom in their own ways. At the same time, the structure of the five person groups ensures accountability and responsibility. Freedom and accountability are thus the two sides of the same coin for an organization with Tao.¹⁸

Beyond creating the VPVs for others to share with, though, dreamers must do more. Dreamers are the sparks that set the dream afire, yet these dreams are massive and will take lifetimes to fulfill. As each new generation joins the dream, how do they keep the spark alive and fan the flames? What will keep the dream alive when the dreamers pass the torch to the next group of leaders? Medtronic, SWA, and Grameen Bank all seek to institutionalize the dream in different ways:

- **Celebrate:** Whether with noisy parades and parties, funky awards, impromptu gatherings, or joyful stories of recovery, these companies celebrate! They celebrate to remind themselves of their higher purpose and to

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acknowledge how their daily actions have changed the world for the better.

- ***Back to the Beginning:*** With the Mission and Medallion Ceremony, Medtronic officers bring every new employee back to the humble origins of the dream and the inspiration to restore people to full life. At SWA, new recruits are constantly educated by managers and peers alike about the airline's history and crusade to liberate the skies. Keeping the dream alive means that every new employee has to first experience the dream.
- ***Dignity:*** At Grameen Bank, each successful micro-loan creates a little more human dignity in the world. Both borrowers and workers are freshly inspired each time this happens, and more driven to seek out the next person to uplift.
- ***Hire to Fit the Vision:*** Rather than trying to force people into a certain mold, SWA hires only those people with the right attitude. Hiring to fit the vision ensures that the dream lives in every employee.
- ***Cultivate Culture:*** All of these companies cultivate their culture to serve a higher purpose. In fact, SWA dedicates an entire committee, the Culture Committee, to nurturing the culture and keeping the dream alive. These cultures create such a positive contribution to the dreams that we anticipate the development of Chief Culture Officers in many organizations in the near future.

No matter how an organization expresses its Tao, these great organizations show us that the key to living in Tao is to make a difference. Each of these companies seeks to improve the world condition in some major and very visible way. They pit themselves against impossible odds willingly and enthusiastically.

More importantly, the Tao that inspires these companies is all about freedom. Medtronic works to create freedom from pain or

dysfunction in the body, and to free patients to once again live their lives to the fullest potential. Grameen Bank is on a mission to free the poor from society's shame and scorn, and to free the world of the image that the poor cannot be trusted. SWA seeks to create freedom in the skies so that more people are able to fly, travel, and expand their horizons. It seems that the Tao of truly great companies are expressions of freedom and liberation from conditions that limit the world. These visions of freedom call to each of us, asking us to step forth beyond selfish desires and participate in creating a more wondrous tomorrow. It calls us forth to make a difference.

It is fitting to conclude this chapter with the following story:¹⁹

A young girl was trying hard to rescue thousands of starfish washed ashore by throwing them back to the ocean one at a time. She was stunned when a man stopped her and told her: "Why are you doing this? You can't possibly make a difference by saving all these starfishes."

She was deflated for a moment and then she bent down, picked up a starfish and hurled it back to the ocean with all her might. She then looked up straight into the man's eyes and replied: "Well, I made a difference to that one"