THE NEW
AGREEMENTS
FOR LEADERS

The 4 New Agreements and
7 Simple Tools that Develop
Emerging Leaders and
Managers and Grow
Excellent Organizations

DAVID DIBBLE

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"The growth and development of people is the highest calling of leadership."

-- Harvey S. Firestone

PROLOGUE

Imagine there was a new model for leadership and management that produced more value—potentially much more—in your business. And further imagine that this model was based on Nobel Prize-winning systems and process science that not only sped robust change for the better in critical business functions, but actually developed good or even great leaders and managers in the process.

Well, that's exactly the model you'll learn in this book, and it's comprised of two parts: The New Agreements for Leaders and the New Agreements Tools.

Importantly, The New Agreements model is systems based. But unlike other systems-based organizational improvement programs, it is *not a program*. It is a *way of being* in the workplace as a leader or manager that is fast to implement and sustainable once implemented. In its implementation, both business operations and people experience transformational growth in ways that bring more value to others, themselves, and the company.

This Prologue is for those decision makers, mostly in larger organizations, who will say, "We're already doing

that." We already have a leadership, quality, productivity, or other program that we're heavily invested in. While that may be true, it's unlikely your company is doing something similar to the New Agreements for Leaders work, and here's why.

Almost all programs around leadership, quality, productivity, and employee engagement are top/down. Often the goal is to drive the program to where the work is being done: the frontline staff. More often than not, these types of well-intentioned programs falter before reaching their destination, so the full value is never realized. Some become the dreaded 'flavor of the month' improvement program; quickly tried and discarded.

By contrast, The New Agreements for Leaders and implementation of the New Agreements Tools (NAT) start where the work is being done. The optimizing of systems/processes is, for the most part, created by those closest to the work. Regardless of title, those directly involved in the process learn to be good managers and leaders. As a team, they become more self-directed in solving problems and setting up the people and the company for maximum success. Accomplishments flow from the frontlines *up* the organization instead of from the top/down.

Leaders who have big investments in legacy programs can take comfort in the fact that other than providing a little general support, implementing The New Agreements

work requires you to change virtually nothing you're currently doing. Implementation is designed to start almost unnoticed with a small initial project or two, run by frontline staff, and possibly a leader or manager who wants to learn the New Agreements Tools to up his or her own management or leadership skillsets.

Based upon the successes of the initial teams and chatter in the hallways, spread of the work is organic. As successes are shared with others, it is not unusual for formerly resistant frontline staff to be standing in line to bring the New Agreements work into their departments. Compare this with the pushback you often see for most top/down programs.

Whether this book ends up on your nightstand or the trashcan, there is one final plug I want to make for The New Agreements work. The Tools outlined herein work in creating better businesses. There is much data to support this. However, one example will forever stand out for me.

In fiscal 2013, a $30M business lost $9M due to gross mismanagement. The CEO and four VPs were fired. Brian, the last VP standing, was appointed as a first-time CEO. He re-implemented the New Agreements work, which the former CEO had done away with. In eleven months, the company turned a $9M loss into a 1.1M profit—with no layoffs. While there have been some seemingly miraculous turnarounds in business, this is

the only one I know of that didn't involve layoffs. Here we see the potential for added value when implementation of the New Agreements Tools becomes the method for leading and managing a company. This stuff works!

Brian had the advantage of having frontline staff already trained in use of the New Agreements Tools, so he had only to turn them loose to fix what ailed the company. Still, you may be surprised by how quickly your frontline people become effective using the Tools. Changes in outcomes that might be expected to take a year or more will be realized in months. Improvement projects normally projected to take months will be accomplished in weeks. This is what happens when we align Right Actions with the scientific principles that dictate how the physical universe expands and evolves. Enjoy the journey.

INTRODUCTION

"In times of change, learners inherit the Earth, while the learned find themselves beautifully equipped to deal with a world that no longer exists."

-- Eric Hoffer

PART I

Having been a business owner with a couple of hundred employees, I remember the problems I experienced with my internal leaders and managers. We seemed to fight the same fires over and again; costly surprises I did not appreciate. We often missed deadlines after assurances everything was on track. Quality was up and down. We seemed to have no time to do things right, but plenty of time to do things over.

Probably the things that upset me most were people issues: conflicts and finger-pointing among leaders and managers and between teams. A close second was excuses. My leaders and managers often complained about a lack of people or resources as the reason we missed goals or deadlines. Strangely, with all the drama, the company was considered a great place to work. I

wondered what it must be like to work in organizations that weren't good places to work! I believe many business owners and CEOs face similar problems in their organizations.

After leaving my early businesses, I began a 28-year odyssey into business and systems optimization consulting and leadership training. Almost from the beginning, I became acutely aware of the problems faced by leaders and managers up and down the organizations I worked with. I find it interesting and disturbing how universally different the points of view of top management, leadership, or management positions are from those further down the chain of organizational command.

From the top, it appears that internal leaders and managers in various positions within the organization are all over the map in their leadership abilities. Some, mostly the best firefighters, appear to be doing a good job. Others are struggling. Most of the struggles show up as not meeting goals or deadlines, asking for more people or resources, getting unwanted surprises, and stumbling over the dreaded people issues among the leaders or within their teams.

From the manager's point of view, things are a little different. Most mid-level leaders and managers are stressed and overworked, some to the point of feeling overwhelmed. In many cases, they are doing the

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work rather than managing the team and process. Unreasonable goals, timelines, and objectives burden them. Most have had little or none of the training they need to be successful in their position. They are kept up at night by issues such as lack of resources, conflict resolution, holding people accountable, or being heard/communicating both up and down the chain of command. Many feel undervalued and lacking respect and recognition.

What if these issues and others could be made to fade or even disappear for both top management and leaders throughout the organization? What you will discover here opens a new possibility for that and more. We are talking about nothing less than a new model for leadership and management that contains within it the "making" of the great leaders and managers who will take companies to unprecedented levels of success.

"Great leaders are almost always great simplifiers..."

-- Colin Powell

PART II

It is said that one form of mastery is making the complex simple and easy for the user. For example, the incredibly complex technology that makes an iPhone work is made elegantly simple and easy for the user. In this little book, we are going to look at complexity made elegantly simple and effective in *leadership*.

While many have defined what makes good leaders, few have presented an actual process of *becoming* a good or even a great leader. The process of becoming something better is a transformative one. As most of us know, transformation for human beings is often difficult. We want to be different, expanded, and better, but seem to unconsciously fall back into old familiar patterns. Emerging and even seasoned leaders face the same challenges when it comes to transforming themselves into the best leaders they can be.

There is a second challenge to becoming a great leader which has been virtually invisible: the legacy paradigms or models for leadership. We have, for the most part, defined leadership and management within the legacy top/down, directive model that long ago was made obsolete by the higher-level leadership paradigm of systems-based leadership.

The reason for the emergence of this higher-level leadership paradigm is simple. Systems-based leadership creates more value in businesses than its predecessor. Stuck in the old model, we see even good execution often resulting in less-than-optimal management, leadership, and outcomes.

However, this book is not about either top/down or systems-based leadership models. It is about a quantum leap to a new, higher-level leadership model: The New Agreements for Leaders. Within these four simple

agreements resides this new model for leadership that creates more value in companies than either top/down or systems-based leadership models. Also, within this model is the resolution of many of the seemingly intractable "people" issues faced by most leaders in business today.

As you will see, The New Agreements for Leaders is the application of little known "leadership" science. The Agreements are a mash-up of Nobel Prize-winning systems science and universal spiritual science. This model aligns with how the universe evolves and is a proven process for *growing* great leaders, managers, and businesses.

Herein, you are introduced to a simple set of four leadership principles and seven tools (New Agreements Tools) that anyone can use to improve significantly the performance of almost any company. Critically, the *use* of the New Agreement Tools *makes* people into good and even great leaders. The use of the Tools is transformational.

The Tools engage and align workers and leaders alike. They solve problems quickly and sustainably. Probably the most impactful result for leaders in using these tools is setting up their people to be successful—even wildly successful. If there's anything a good business leader must aspire to do, it is setting up his or her people and the organization for success.

If you are looking to grow your managerial or leadership skill sets, look no further. What you are about to experience is the iPhone of leadership models. It comes complete with a user's manual and a set of tools so simple and elegant that virtually anyone can be successful in becoming a good or even great manager or leader. In the process of becoming a better leader, you will also become a more evolved, skilled, happy person. In some ways, you will become magnetic, and those who interact with you, either at work or home, will be lifted in some way.

That is what leaders do. They lift and set up others to be the best they can. Becoming a great leader is an inspiring and profound journey. Shall we begin? Welcome to The New Agreements for Leaders.

CHAPTER 1: STUCK IN THE PAST: WHERE GOOD LEADERS AND MANAGERS GO TO DIE

"We can't become what we want by remaining what we are."

– Max Depree

There is a form of "do-do" that soils all of us in some way, many of us profoundly. It is the do-do of poor leadership and management in the workplace. The term "do-do" comes from the proclivity of legacy leaders and managers to focus on *doing* something, and if that doesn't get the desired results, doing some more! We have been taught, "Don't just stand there, do something!" We do and do until we drop, never realizing there is a better—and more meaningful—way.

From a higher-level leadership standpoint, telling people what to do is do-do. Putting out fires over and over is do-do. Setting goals that are mostly pulled out of thin air is do-do. Most strategic planning is do-do. Performance reviews are do-do. The employee of the month is do-do. Meetings, meetings, and more meetings are do-do. Cracking the whip is mostly do-do. Working harder and

longer is for sure do-do. Most "cost" cutting is do-do. Anything done top-down will usually end up in the do-do pile.

I should know. As a leader, I did all these things and many others we take for granted that added little value to my people or my business.

"Stubborn problems always require a shift in paradigm."

-- Jamelle Sanders

While lack of training for emerging leaders is a big problem, there is a significantly more important one— an existential one. We are passing down to and training emerging leaders in an obsolete model, a familiar paradigm that has been domesticated into the western workplace for the last 200 years. This is the top-down hierarchy model that became popular at the start of the industrial revolution. Even though this management model was made obsolete in business by the next evolutionary management paradigm, systems-based management, most companies still cling to some form of the top-down model.

Leadership models or paradigms come into being because they produce more value in the world than the previous paradigm. Systems-based management, the paradigm that made top-down management obsolete, came into being in the 1950s in Japan. In businesses

that used it as their leadership model, systems-based management manifested in the form of higher quality products and services, faster, for less cost.

Toyota, for instance, a company that operated within the systems-based management model, became the most successful car company in the world. American car companies—the ones that haven't gone out of business or been acquired—still mostly use the top/down management model. They also struggle mightily to compete with Toyota or other car companies using the systems-based management model. Which brings me to the do-do that is at the heart of management in the top-down model: ignorance of the power of systems/process.

The 94% Rule - *Data are clear that approximately 94% of the results we experience in the workplace, good or poor, are a function of the systems/processes in which people work, not the efforts of people.*

How many leaders know or understand this fact? Not many. Legacy education and training for emerging leaders and managers tend to focus on three things:

1.   People and behavior; specifically how to get people to behave the way management thinks they should.
2.   Numbers and financial management.
3.   Policy and following the rules.

This type of leadership is asking our people to bale the water out of the sinking boat faster or better or differently instead of finding and fixing the leak in the boat. Picture a leader saying to the paddling team:

"Team, we are not named the Good Ol' Rowing Company for nothing. We've been successful in the rowing business for decades. We are committed to using the trusty boat that has served us so well in the past. We know there is water coming into the boat, and we aren't sure why. The water in the boat has been an ongoing problem, and we seem to be falling behind in the race with the other rowing companies in our market. To solve this problem, we have implemented another quality and productivity program, so you'll have to double your efforts and work more as a team.

"We've invested in bigger paddles and bigger buckets for baling. We've given you everything you need to be successful, including setting new goals for both paddling and baling. We're going to paddle faster and bale faster, rowing on the weekends if necessary. We're going to do whatever it takes to get us back in the race with our competitors."

Dilbert would appreciate this analogy. The boat, workers, paddles, buckets, water and, yes, *the leak,* are a system. Because top-down leaders and managers are usually unaware of systems, they will instead default to what they know, directing the workers to paddle and bale *more, better*, or *differently* instead of fixing the system—do-do at its finest.

While occasionally our problems are people related, the great majority of the time problems are caused by how we are doing things, which are mostly invisible and informal systems and processes. We do and do and do some more, attempting to paper over the symptoms of the hole in the boat.

You see, systems/processes are invisible until we make them visible. We know water is coming into the boat, but we can't see the hole - the root cause of the water in the boat, until we make the system visible. Instead, we'll usually look to workers to improve results by changing behavior in some way, for instance, rowing and baling faster and on the weekends.

Look at the huge resources expended to resolve problems by attempting to get workers to behave differently. Team building, retreats, workshops, motivational speakers, meetings upon more meetings, pleading, threatening, an arm on the shoulder, a kick in the butt, cracking the whip, getting rid of "bad" workers, hiring "better" people, flavor-of-the-month programs—almost always driven by the myth that people are somehow in control of the results being produced. The list goes on as we may or may not become better at bailing out the boat.

Most of this well-intentioned effort is simply a waste of time and money unless the right systems optimization work is part of the equation. Please note, this does not mean resurrecting a failed or underperforming quality

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or cost reduction program such as Six-Sigma, Lean, or Lean-Sigma. While there is nothing wrong with these programs, they seldom work well when jammed into the top/down leadership model.

MORE–BETTER–DIFFERENT — MANAGEMENT BY DEFAULT

When problems arise, instead of looking at the systems/processes, most leaders fall into the trap of *more-better-different*. They try to do *more* of what's no longer working, try to do what's no longer working *better*, or try to do *differently* what's no longer working—all based upon the old management paradigm that focuses on trying to get people to behave differently to achieve a different (better) result.

In a rapidly changing business environment, more-better-different often makes things worse rather than better, with a high probability of unintended and costly consequences. This is why we often fight the same fires over and over. We never fix the hole in the boat or the do-do in the systems and wonder why the same do-do hits the same fan with the same nasty results.

Why do we do this to our people and ourselves? In Chapter 2, we'll explore the insanity of doing the same things over and over expecting a different result.

CHAPTER 2: DO-DO: IT'S WHAT WE TEACH OUR BEST AND BRIGHTEST

"There is nothing quite so useless as doing with great efficiency something that should not be done at all."

-- Peter F. Drucker

As an emerging leader/manager, how much training have you had? It's not unusual for many new leaders to have had very little formal training in the skill sets needed to be effective in the job. Often, the new leader is "promoted" to the job when a vacancy appears and there is a need by the company to fill that vacancy. This can mean taking a good employee and putting him or her in a difficult position to be successful.

In other cases, progressive companies require formal training for emerging leaders. This improves the odds of an emerging leader being successful in the role, but successful at what? If we define the primary role of the effective leader as setting up his or her people to be successful in their jobs and as a team, what type of training does the leader need?

Asked a little differently, what must be the skill sets of a leader/manager whose primary role is setting up team, self, and company for maximum success?

Whoa! Can that question even be answered? Yes, it can. Just not from the old top/down leadership paradigm.

Because 94% of the results produced in the workplace are a function of the systems in which people work and *not* the efforts of people, and the results those systems are producing will be a big factor in people feeling successful in their jobs and as a team, a leader must know how to engage his/her people in optimizing systems to produce the desired results.

There cannot be a more important skill set for any leader/manager. Yet, how many leaders (or managers) have been trained in this foundational skill set? We can start counting on one hand.

Notice that whatever training emerging leaders get, it's mostly valid only in the old top/down leadership paradigm. We get leaders focused on the do-do of trying to change people's behavior to get a better outcome. We row and bale faster while the boat sinks lower in the water. No excuses—just get the job done! In the top/down model, this is often called *strong* leadership. There must be a better way.

"You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete."

-- Buckminster Fuller

WHAT'S BEYOND THE OLD DO-DO

We've spoken of leadership paradigm shifts to higher-level functionality. This sounds complex, but it's actually quite simple and worth a look here. In a nutshell, a new leadership model comes into being because the new paradigm creates more value in organizations. In business, this usually means higher quality products and services created faster and at less cost. As a leader, how long can your company compete with a company producing higher quality products and services, faster, with less cost? How would you like to be the one producing higher quality products and services, faster, at less cost? You can be.

Just like automobiles superseded horses, the new leadership paradigm is slowly putting the old leadership paradigm out of business. Note that horses and buggy whip makers don't get to vote on this paradigm shift and, longer term, leaders do not have a vote on a paradigm shift that produces higher quality products and services, faster, with less cost.

When we shift to a higher-level paradigm such as The New Agreements for Leaders, much of what we've been

taught about leadership in the top/down leadership model goes to the back burner behind the 94% Rule.

The New Agreements for Leaders is, I believe, a higher-level leadership paradigm that expresses beyond both top/down and systems-based leadership paradigms. In particular, within The New Agreements for Leaders is a roadmap for *becoming* a higher-level leader. This roadmap and transformational practice are intrinsic in the application of the seven New Agreements Tools in your business (more about the Tools later). The benefits to you are many, but two stand out:

1. In applying the Tools in your business, the company will perform at much higher levels, which may include greater sales, profits, quality, and reduced cost on the operations side of the business. On the "people" side of the business, expect your people to be more engaged and working more as teams with reductions in turnover, absenteeism, and conflicts. In general, your people will be happier at work, including those amazing Millennials who will respond to meaning and authenticity but not command and control. In short, you get a much better business.

2. You and the other leaders and managers in the company are transformed into better leaders and managers who know how to set your people up for success. You *become* the leaders

and managers to which you aspire. For those of you on a career path to the top, when you master The New Agreements and the Tools, you master leadership. You *become* elite in your leadership skills.

It is now time to unveil The New Agreements for Leaders, your roadmap to higher-level leadership.

CHAPTER 3: THE NEW AGREEMENTS FOR LEADERS

"It's not the absence of leadership potential that inhibits the development of more leaders; it's the persistence of the myth that leadership can't be learned. This haunting myth is a far more powerful deterrent to leadership development than is the nature of the person or the basics of the leadership process."

-- James Kouzes and Barry Posner

The four New Agreements for Leaders are a roadmap for creating the high-level (effective) managers and leaders who can lead companies to unprecedented success. Within this roadmap is a set of amazingly simple tools that, in the process of their use, not only significantly improve the performance of companies, but actually *grow* great leaders and managers.

Let's look at The New Agreements for Leaders and their transformative power:

"Hard work is painful when life is devoid of purpose. But when you live for something greater than yourself and the gratification of your own ego, then hard work becomes a labor of love."

—Steve Pavlina

THE NEW AGREEMENTS FOR LEADERS:

1. Find Your Higher Purpose for Work

We are all here for a purpose, even a higher purpose. A purposeful life, including work life, is designed to be meaningful. When we find our higher purpose and commit to it, the universe aligns with us to bring that purpose into being. Providence moves too.

A part of each of us yearns to know and be aligned with our higher purpose. For many of us who have not yet discovered our purpose, life becomes a demonstration of what most certainly is *not* our life purpose. It is the feeling of being trapped in a lackluster life driven by obligation, habit, and the expectations of others. It may well feel like a life that is long on stress and short on meaning.

Knowing and living one's life purpose creates meaning that transcends the humdrum of our normal wake-up, do-life, go-to-bed routine that constitutes the unexamined life. It appears that a deeper part of our humanity is awakening in many of us to ask, "*What is my life purpose? What am I here to do?*"

The answers to these profound questions are central to living a transformed life both at work and at home—and to building great organizations. If you know your life purpose, universal creative energy conspires with you to bring your purpose to you. You become "attractive" to the circumstances in life that will allow you to live an expanded life. The universe will meet you half way.

"It has generally been my experience that the very top people of truly great organizations are servant-leaders."

— Stephen Covey

2. Grow and Serve Your People

Leadership is about service to others. Part of that service is setting up our people for success and providing growth opportunities to become even more valuable to self, others, and the organization.

The workplace can be seen as a living being, for it is made up of living beings. The long-term wellbeing of an organization depends upon the wellbeing of its employees. Leaders, in particular, will benefit from integrating a deeper understanding of this universal principle into their leadership approach.

By growing your people through cultivating their talents, increasing their capabilities, and expanding their skill sets, you'll enhance the performance and production of the whole, thereby enhancing the

performance of the business. Focusing on growing, serving, and setting up your people for success frees up their energy to better serve your customers, suppliers, and *each other*.

This Agreement requires that a leader cares about people—not as resources to be managed, but as human beings. If a person can't care, he or she can't lead. This lack of caring is a big contributor to keeping "leaders" stuck in the old top/down leadership paradigm. Lack of caring creates separation between leaders and those they are supposed to lead. Even a powerful individual with a cold heart is less a leader than an ordinary one with ample empathy. Fear creates separation. Real leadership pulls people toward it. Caring is attractive.

> *"Does experience help? No! Not if we are doing the wrong things."*
>
> **–W. Edwards Deming**

3. Lean Into the Core Problems

Most leaders are not trained to identify the core problems keeping their people and the company from being optimally successful. Again, we go back to the power of the 94% Rule: *Approximately 94% of the results we experience in the workplace, both good or poor, are a function of the systems/processes in which people work, not the efforts of people.* When a leader thinks this way, everything changes in the way core problems are addressed.

In addition, the leader will want to identify the 20% of the problems usually creating 80% of the poor outcomes, or what we call 80/20. This way the higher-level leader is always working on the most important issues in setting up his or her people for success. With the 94% Rule and 80/20 at the forefront of a higher-level leader's thinking, the company can stop fighting fires and treating symptoms and begin identifying and resolving the core issues.

As leaders, when we lean into the core problems, we move from do-do and treating symptoms to taking Right Action. This means finding the hole in the boat and repairing it or, if we create a completely new system, possibly investing in a powerboat that obsoletes rowing as the engine driving the business. Can you see how either solution requires a paradigm shift in the leader's thinking?

Leaning into core problems means taking a systems-based approach to leading and managing that sets people up for success. This is the most powerful New Agreement. The mastery of this single Agreement is enough to transform any manager, any leader and any business. The New Agreements Tools (see Chapter 5) are particularly helpful in mastering this Agreement.

"When you can see mastery as a path you go down instead of a destination you arrive at, it starts to feel accessible and attainable. Most assume mastery is an end result, but at its core, mastery is a way of thinking, a way of acting, and a journey you experience."

– Gary Keller

4. Pursue Mastery

When you master The New Agreements for Leaders, you master leadership. The master of the Agreements *is* a great leader.

All roads to mastery are paved with practice. We practice that which we seek to master. This is the master's journey. Practice being the New Agreements. Practice using the seven Tools. You'll soon see that practice of The New Agreements for Leaders requires a certain level of awareness in the moment when you are *not* being the Agreements. From that awareness, course correct and pull yourself into alignment with the Agreements.

In particular, the mastery of the third New Agreement, Lean Into the Core Problems, will take you a long way in becoming a master leader. The mastery of this Agreement is in the practice of using the New Agreements Tools as the way you lead, manage, solve problems, and set your people up for success.

Practice doesn't have to be arduous. Actually, we do our best practice when we are inspired or having fun, which you will see is part of using the Tools. We aspire to mastery in order to *become* great leaders and managers and build amazing companies. We become what we practice. Pursue mastery.

In the next chapter, we begin our exploration of the New Agreements Tools. This look starts with the formidable science behind the creation of the seven Tools.

CHAPTER 4: THE SCIENCE BEHIND THE SEVEN NEW AGREEMENTS TOOLS

"If you knew how much work went into it, you wouldn't call it genius."

-- Michelangelo

I n this chapter, I share with you the powerful science behind the New Agreements Tools. I have been very fortunate to be introduced to the work of a number of great people who have made a real difference in my life and work. Herein I present to you those who I have designated the "Greats," whose contributions were especially important to the creation of The New Agreements for Leaders and the seven New Agreements Tools.

THE SCIENCE/PRINCIPLES FROM WHICH THE NEW AGREEMENTS TOOLS EMERGED

Dr. Ilya Prigogine – Dr. Prigogine won a Nobel Prize for his discovery of the Law of Dissipative Structures (LDS), which explains how systems in the universe go through the process of change, evolution, and growth. Systems that resist change become stressed. The workplace is no different. Because systems that resist change in a

changing business environment become stressed, I originally used that stress to speed change in physical systems and processes in the workplace.

I soon discovered that the physical stresses in those systems were passed on to the people who worked in those stressed systems.

We found we could use the stress in people to speed transformation at the level of thinking or shifting paradigms. The Law of Dissipative Structures is the engine that powers the seven New Agreements Tools and makes them so fast and effective.

Don Miguel Ruiz, MD – Don Miguel is author of the worldwide best seller, *The Four Agreements*. I had the privilege to work directly with him for eight years, starting when he first came to the US in 1990. During that time, we took a deep dive into what I now know to be spiritual science.

Dr. W. Edwards Deming - Dr. Deming is considered the #1 quality/systems guru ever. He is credited with turning Japan around after WWII and Ford Motor Company in 1980, when it was ticketed for bankruptcy. *US News and World Report* listed him as one of the 9 Hidden Turning Points in Human History. He is the creator of the 94% Rule: 94% of the results we create in business are a function of the systems and process in which people work, not the efforts of people. The

94% Rule, by itself, is a powerful paradigm shift for leaders and managers.

Dr. Peter Senge – Dr. Senge is a professor at MIT with a focus on systems-based leadership and management. His seminal best seller, *The Fifth Discipline*, begins the merger of systems science and spiritual science. Senge believes that there are five key disciplines of great leadership, with the fifth discipline being far and away the most impactful: Systems Thinking.

Vilfredo Pareto - Pareto discovered the 80/20 Principle, which is that usually 80% of the results are produced by 20% of the causes. This principle shakes up the old leadership paradigm in that it requires high-value leaders and managers to identify the critical 20% of the causes that are responsible for 80% of the outcomes and know how to optimize the 20%.

Dr. Albert Einstein – Of all his amazing work, he said one thing that greatly influenced my work: "You can't solve problems with the same level of thinking used to create them." This led The New Agreements to the necessity of a paradigm shift in our thinking as part of business transformation. He also added, "Insanity is doing the same thing over and over expecting a different result." This took The New Agreements into resolving the insanity and do-do of the top/down management paradigm and its default reaction setting of more-better-different.

Dr. John Stuart Bell – Dr. Bell discovered Bell's Theorem, which proves the connectivity of all systems and the illusion of separation. This was especially powerful for me in explaining why the top/down, win/lose paradigm of leadership was fatally flawed, and in the longer term, unsustainable. That being said, it also brought great optimism that much of the good we do as New Agreements leaders will be passed on to others and the world.

R. Buckminster (Bucky) Fuller – Bucky was a genius in league with Einstein and other Greats. He described the universe as being made of systems and subsystems from the macro to the micro. He noted that in the physical universe, 100% of the results are a function of the systems/subsystems. Critically, he showed that the mind is also systematic, even going so far as to show that thought is a system. With the mind being systematic, a little tweaking would allow the New Agreements Tools to transform the mind as well as the physical systems.

Unless you decide to go deeper into The New Agreements for Leaders through Foundational, Mastery, or Train-the-Trainer Programs, this is all the information you need on the various components that are mashed up to create the seven New Agreements Tools. I do believe, however, that knowing the Tools are based upon the mash-up of Nobel Prize winning systems science and universal spiritual science will give

you confidence in their utility to grow great leaders and amazing businesses.

We are now ready to look at each one of the Tools, explain how and why each one works in conjunction with the others, and allow you to try them out for yourself.

CHAPTER 5: INTRODUCTION TO THE NEW AGREEMENTS TOOLS

"Today, you have the opportunity to transcend from a disempowered mindset of existence to an empowered reality of purpose-driven living. Today is a new day that has been handed to you for shaping. You have the tools, now get out there and create a masterpiece."

–Steve Maraboli

Over a period of four decades, I explored possibilities of how we might address the problems created in a workplace stuck in an old, often ineffective leadership paradigm. We needed a methodology that made it simple and easy to shift leadership paradigms.

In addition to a shift in leadership paradigms, we needed a set of simple super-tools that not only made optimizing systems and removing do-do a snap for businesses, but through their use, actually grew great managers and leaders in all types and sizes of businesses. The New Agreements Tools emerged and were soon hard at work creating better leaders and higher performing businesses.

The Nobel Prize-winning Law of Dissipative Structures (LDS) is the engine that powers The New Agreements Tools. The LDS tells us that all systems in the universe go through the process of change in the same way. A system is stable when the amount of energy coming into the system is approximately the same as the energy the system dissipates.

However, in a changing environment, systems naturally resist change, and in so doing, they bring more energy into the systems than that which is being dissipated. This stresses the system.

As the system continues to resist change, stresses build within the system until it flies into a state of chaos, only to reform later into a completely different system that can handle the energy coming and going that is again stable. See the diagram opposite:

1. STATUS QUO EQUALIBRIUM

ENERGY IN

Stable System

ENERGY OUT

2. RESISTANCE TO CHANGE STRESSES THE OLD SYSTEM

ENERGY IN

Higher Stress, More Complexity

ENERGY OUT

System Becomes Stressed
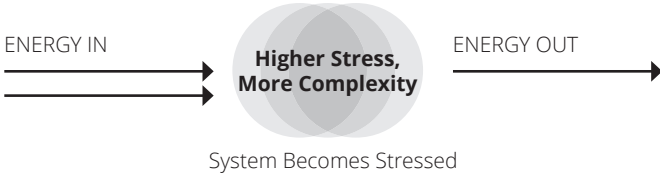
3. HIGHEST STRESSES CREATE POTENTIAL FOR FLIGHT INTO CHAOS

ENERGY IN

Highest Stress, More Complexity

ENERGY OUT

Flight into Chaos

4. OUT OF CHAOS A NEW HIGHER LEVEL SYSTEM IS FORMED

ENERGY IN

New System is Stable

ENERGY OUT

What we found in doing systems/process optimization work in companies was that stresses within the workplace systems are transferred to the people who have to work in those stressed systems. In the process of transferring stress energy from systems to people, the energy is transduced from mostly physical energy to emotional energy. Also, note the transfer of energy does not reduce stress on the systems themselves, which results in both stressed systems and stressed people.
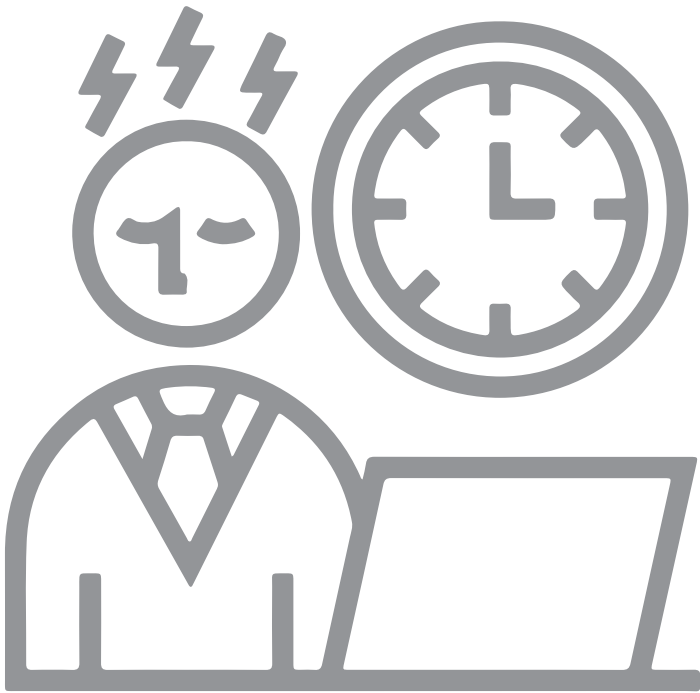
We discovered that making visible the stresses in people proved to be a highly reliable indicator of systems within the company that, when optimized, would provide the greatest ROI to the company and relieve stresses on the people. In addition, we found that we could use the energy/stresses in both the systems and the people to speed change and enhance sustainability. This led to the creation of the New Agreements Tools (NATs) for leaders and managers. Included in our toolbox are the following Tools:

<u>NEW AGREEMENTS TOOLS</u>

NAT 1: Disruptive Discovery

NAT 2: Distillation & Naming

NAT 3: 80/20 Ranking

NAT 4: Right Actions & Sequencing

NAT 5: Real-time Reporting

NAT 6: Right Measurement

NAT 7: New Agreements Facilitation

CHAPTER 6: NEW AGREEMENTS TOOL 1: NAT DISRUPTIVE DISCOVERY

"Where would we have been without the discoveries of our predecessors, and where are we going without your discoveries?"

– Ogwo David Emenike

NAT Disruptive Discovery (Discovery), as the name implies, is the Tool that allows us to discover and make visible the stresses in people, which can then be backtracked to the systems causing those stresses. Discovery is as simple as it gets and can be done with single individuals, small teams, large teams, and even large groups. I've used this Tool with groups numbering in the hundreds.

With a few minor tweaks, the tool is effective online, which tells us that the number of people we can bring into the Discovery process is virtually unlimited. Like all the NATs, it's simple, simple, simple. With a little practice, anyone can use these Tools. Here's how Discovery works:

Assemble in a room the people who you think have an interest in resolving major issues in the business or

becoming great leaders. When everyone is assembled, explain the following:

I'm going to ask you this question, and I want you to honestly share what's been on your mind. The question is: "Are there any issues or problems or things that have been bothering you about work or the company?"

Tell the group you (or a scribe) will record the issues on the flip chart in the exact words of the person presenting the issue or problem. You will go one at a time until everyone who has something to add to the list has been heard and his or her problem noted. Don't try to fix anything. Repeats are fine. Avoid getting personal about others. We will know when the process is complete when the room goes quiet (this happens virtually every time, both with individuals or groups of any size). Raise your hand if you have an issue and we will begin.

Call on people one at a time until there are no more hands in the air and the room goes quiet. That's it; simple, simple, simple. There are a few more considerations for really effective facilitation, but this is enough to get you started in trying out the tool for yourself.

Before going further, I want to introduce you to what we call the New Agreements Cycle (NAC). The NAC is composed of the first three New Agreements Tools:

Discovery, Distillation & Naming, and 80/20 Ranking. You have to run the NAC until you are far enough into a system to know what Right Action to take. In this and the next two chapters, I will share with you what this might look like on a flip chart in running Discovery, Distillation & Naming, and 80/20 Ranking as the NAC. As you will see, it is simple, simple, simple.

Let's say we were doing Discovery for the Good Ol' Rowing Company with the leaky boat we discussed in the Chapter 1 of this book. At the end of the Discovery Process, the flip chart might look something like this:

THE NEW AGREEMENTS CYCLE
NAT 1 – Disruptive Discovery

**Problems or Issues at the Good Ol' Rowing Company
(on a flip chart)**

- Too much overtime
- Too much stress
- Old worn out paddles

- Water in the boat

- People not wanting to bale

- Management setting unreasonable goals

- Buckets that are too small
- Buckets that are too big

- Not enough time for lunch

- The boat is old and leaks
- The boat is leaking
- Our feet get wet

- Accounting won't let us spend money
- We don't get the resources we need

- The second and third shift rowing crews leave the boat a complete mess

- We keep adding new rowers but no one has time to train them

- We haven't gotten raises in two years
- Corporate is cheap

- Too much time in meetings

- The lunchroom is filthy
- We are in overwhelm
- We have too much turnover

- We can't seem to keep good people

Note: The room goes quiet here and the process is complete

CHAPTER 7: NAT 2: DISTILLATION AND NAMING

"My success, part of it certainly, is that I have focused in on a few things."

-- Bill Gates

Once you have completed Discovery, it's time to move to the next Tool, Distillation & Naming. This is a two-part Tool. Do Distillation first, then do Naming.

Distillation, as the name implies, is about distilling down the issues made visible in the Discovery process. Again, Distillation is simple, fast and easy.

Ask your group to put the issues that are similar into groupings or categories. Tell your group we will circle in one color all the issues that are similar. I often start the process by circling any issue with a color and then asking the group, "What are the other issues on the flipchart(s) that are similar to this one?" Take your time and let your group conclude each issue.

As your group agrees on issues that are similar, circle the issues in the same color. Do this for all issues on the flip chart until everything has been assigned to a like-type

grouping (color). Don't worry if you get a stand-alone issue or two. Also, don't worry if the group decides an issue belongs in two categories. Simply circle the issue in both colors. This won't happen often, and it's not critical that your groupings be perfect.

Once everything has a color, you're ready to move on to Part two, Naming the categories. Ask your group to give each color/grouping a name, usually a word or two. Write whatever name your group gives to a category in the same color that you used to draw the circles and list the names on the flip chart. When the group has named them all, you will usually have a list of between 4-8 categories.

Let's take a look at what Distillation for the Good Ol' Rowing Company might look like. At the end of the *Distillation* part of the Distillation and Naming Tool, the flip chart might look something like this:
(I have marked the colors for each of the circles in case you have to view the chart in black and white.)

THE NEW AGREEMENTS CYCLE
NAT 2: *Distillation* and Naming

Too much overtime	Light Blue
Too much stress	
Old worn out paddles	Red
Water in the boat	Green
People not wanting to bale	Green
Management setting unreasonable goals	Light Blue
Buckets that are too small	Red
Buckets that are too big	
Not enough time for lunch	Light Blue
The boat is old and leaks	
The boat is leaking	Green
Our feet get wet	
Accounting won't let us spend money	Purple

We don't get the resources we need

The second and third shift rowing crews
leave the boat a complete mess   Dark Blue

We keep adding new rowers but
no one has time to train them   Light Blue

We haven't gotten raises in two years
Corporate is cheap   Purple

Too much time in meetings   Light Blue

The lunchroom is filthy   Dark Blue
We are in overwhelm   Light Blue
We have too much turnover   Light Blue

We can't seem to keep good people   Light Blue

We are now ready to move on to the second part of the
Distillation and Naming Tool, *Naming*. Let's see what
Naming for the Good Ol' Rowing Company might look
like. At the end of the Naming part of the Distillation and
Naming Tool, the flip chart might look something like
this:

THE NEW AGREEMENTS CYCLE
NAT 2 – Distillation and *Naming*

Problems at the Good Ol' Rowing Company
Name

- **Too Much Stress (color = Light Blue)**
  Too much overtime
  Too much stress
  We are in overwhelm
  Not enough time for lunch
  We keep adding new rowers but no one has time
  to train them
  We have too much turnover
  We can't seem to keep good people
  Management setting unreasonable goals
  Too much time in meetings

- **Poor Equipment (Color = Red)**
  Old worn out paddles
  Buckets that are too small
  Buckets that are too big

- **Bad Boat & Leaks (Color = Green)**
  Water in the boat
  People not wanting to bale
  The boat is old and leaks
  The boat is leaking
  Our feet get wet

- **Not Enough Resources (Color = Purple)**
  Accounting won't let us spend money
  We don't get the resources we need
  Corporate is cheap
  We haven't gotten raises in two years

- **Dirty Working Conditions (Color = Dark Blue)**
  The second and third shift rowing crews leave the
  boat a complete mess
  The lunchroom is filthy

We can now move on to the NAT 3 – 80/20 Rankings.

CHAPTER 8: NAT 3: 80/20 RANKINGS

"Things which matter most must never be at the mercy of things which matter least."

-- Johann Wolfgang von Goethe

The next NAT is 80/20 Rankings. This is a super simple Tool and also one of the most fun— especially for the facilitator. Here is how it works.

The group has completed Discovery and Distillation/ Naming and has a list of problem categories on the flip chart. Tell the group that of all the named categories on the flip chart, they get to choose *only one* to work on or fix. The room may go a little crazy here. That's fine. The group must come to *an emotional* consensus. As a facilitator, don't rush them. Let them hash it out.

In fact, the crazier the room goes, the better. Remember, we are now measuring which system has passed on the most stresses to the people in the room. Only when the group has reached consensus, mark the category with a "1" to designate the most important issue for the group. Then, tell the group you will allow them to pick one more category. Do the process again until #2 has been identified. Then move on to the other categories

until the group has ranked all categories from most important (most stress) to least important (least stress), a simple 80/20 emotional analysis. Note that the ranking of categories is driven by the stresses (emotional energy) passed to the people by stressed systems.

Note: For the most part, avoid working on emotional issues or stress reduction. Groups new to New Agreements work often want to address the stress they are feeling. In fact, it is virtually impossible to address stress or emotional issues without doing the systems-improvement work. We must keep in mind that the stresses and emotional upsets people are feeling are mostly a function of poor systems and processes passing stress on to the people who have to work in them. Instead, improve or re-create the systems that are passing on the stress to the people. As we re-create poor systems, the stresses on people will naturally decline and be replaced by the emotions associated with success.

Let's see what 80/20 Rankings the group came up with for the Good Ol' Rowing Company. Here is what the flip chart might look like.

THE NEW AGREEMENTS CYCLE
NAT 3: 80/20 Ranking

Problems at the Good Ol' Rowing Company

Too Much Stress (color = Light Blue)

Poor Equipment (Color = Red)
The Boat is Old & Leaks (Color = Green)
Not Enough Resources (Color = Purple)
Dirty Working Conditions (Color = Dark Blue)

You can only work on one. Which one do you choose?

Ranking

1. The Boat is Old & Leaks (Color = Green)

If you can only work on one more, which one do
you choose?

2. Poor Equipment (Color = Red)

If you can only work on one more, which one do
you choose?

3. Dirty Working Conditions (Color = Dark Blue)

You have now completed the first New Agreements Cycle
and the group has chosen addressing the old, leaky boat
at its first priority. Now the boat will move to the top of a
flip chart and the group will run the NAC again, this time
for the boat issues. "What are all the issues we might
want to consider about the boat?"

At this time, you can go to leadership with a highly
accurate prediction where the company will get its best

ROI for doing New Agreements work. A note of caution: Avoid committing to work on things that will take a long time to be successful such as IT or ERP systems. We want to work on something meaningful where we can begin to show positive results in 30 days or less.

Also, don't take on too many projects. Two or three projects for most companies are plenty in the beginning. Successes in initial areas will lead organically to other improvement projects. There is also the issue that leadership still has a business to run while making the New Agreements changes within the systems. Strive for a balance between holding the old together and creating the new.

When systems are stressed, it is not unusual for people doing the work to feel as if there are not enough people to do all the work. I make it a point to tell everyone that in doing the New Agreements work, in the beginning; there will actually be more work to do as we hold the old together while creating the new.

However, there is an infliction point at which the systems improvement work is buying us more time than the work we're putting into fixing the systems. I also share with them that when the systems are running the way we want them to, we often find we have too many people.

This doesn't mean laying people off. Absolutely not! It means turning those people loose to do something that will bring much more value to the team and the company—often doing more systems improvement work.

THE NEW AGREEMENTS CYCLE

The New Agreements Cycle will always spin you in the right direction—toward taking Right Action. Often a system is too big to take Right Action on. For instance, if the group chose Marketing as the number one system that needed work, Marketing may contain multiple functions within the department.

To figure out where to work within Marketing, simply run the New Agreements Cycle—Discovery, Distillation & Naming, and 80/20 Ranking—on *Marketing* to identify the functions within Marketing that are the most stressed and the optimization of which will produce the greatest benefits.

If those internal functions are still too big to know the Right Actions to take, move the internal function you want to break down to the top of a flip chart (perhaps PR or Advertising as a part of Marketing) and rerun the New Agreements Cycle until you are working with the function within a function that is manageable and easy to identify and take Right Action on.

Using the New Agreements Cycle, even larger organizations can be chunked down to the point where Right Action can be taken, setting people up for success and the company for huge ROIs.

You will be amazed at how this process changes the actions you would normally take to what we call "Right Action." Now let's look at where the rubber meets the road—NAT 4: Taking Right Action.

CHAPTER 9: NAT 4: TAKING RIGHT ACTION/RIGHT SEQUENCING

"Action is a great restorer and builder of confidence. Inaction is not only the result, but the cause, of fear."

—Norman Vincent Peale

This is a two-part tool: Right Action and Right Sequencing. Let's first explore Part 1: Taking Right Action. The New Agreements for Leaders is action based—Right Action based. Little right actions taken weekly by everyone on the team is recommended.

Actions should generally take 5-30 minutes to complete. Try to avoid actions that are too big and will be a burden for people to complete by the following meeting or specified date. You want your team members to be successful in completing tasks in order to build confidence and show progress.

When the New Agreements Cycle has been run to the point where we can take Right Action, those actions become mostly obvious to the group. For instance, with our water in the boat paddling system, in running the

New Agreements Cycle, we quickly see the leak in the boat as the number one problem we want to address.

The group rightly concludes that we must determine the source of the leak. The Right Action, in this case, becomes clear; it is to test in some way to find the source of the leak. This might mean pulling the boat out of the water for inspection or bringing in a team of leak detection experts or something else. In most cases, the Right Actions become clear to the group.

Every systems-improvement meeting must create Right Actions. Right Action items are little actions the team determines must be taken to move the improvement process forward to remove the do-do from existing systems or create new systems that produce the desired outcomes.

The three elements of a Right Action are:
1.   the action to be taken;
2.   the person or persons who will be accountable for completing the action;
3.   the date by which the action will be completed.

The Right Action items become the agenda for the following meeting. Completed Right Actions bring new information to the team and allow it to create the next list of Right Actions that keeps the whole process moving forward—rapidly.

For example: Sally will research leak detection companies by June 14 (next meeting date, one week if possible). Who = Sally. What = research leak detection companies. When = June 14.

The making of a great company is done much like eating an elephant—one bite at a time. It is little Right Actions taken on a continuing basis that move the whole company optimization process forward.

There are important additional benefits to Right Actions.

On any New Agreements systems optimization team, effort should be made to ensure every member of the team has a Right Action he or she is taking responsibility for completing that week. This keeps all members of the team engaged in doing something meaningful.

Because the Right Action items become the agenda for the following meeting, a report out for each member of the group and inputs on follow-on Right Action items make the group meetings experiential and create teaching/learning moments for all. Note how the completing and reporting out the results of Right Action items and being responsible and accountable to the team are the skills we look for in good leaders.

When facilitating a New Agreements team, I normally circle Right Actions in red. When pulling Right Actions into the agenda for the following meeting, I also list the

Right Action items in red. Red is an emotionally intense color. It enhances human metabolism, increases respiration rate, and raises blood pressure. It prepares us for action—Right Action! I recommend you use red for your Right Actions.

> *"A company can seize extra-ordinary opportunities only if it is very good at the ordinary operations."*

- Marcel Telles

PART 2: RIGHT SEQUENCING

It is important to make sure that whatever Right Actions are being taken, they are in the right *sequence*. There is almost always a right order in which things should be done. For instance, we don't decide how to repair the hole in the boat until we understand the nature of the leak. We don't hire more people until we have a good/formal hiring process in place.

If you have things in their right sequence, progress will be swift. If you get out of sequence, you will have to backtrack, often doing things over. This is a lower quality; higher cost way of doing things—top/down—do-do—and you may fall into the more-better-different trap.

A strong top/down leader might say, "We don't have time for all this analysis. We need do something and get the boat back in the race. Put a cork in the hole and let's get going."

Unfortunately, the wood near the hole in the boat was rotted and leaked water around the cork, so the cork fell out of the hole. The leader then fell into more-better-different and instructed that the hole be filled with a bigger cork, a better cork, or a different type of cork. I know this sort of thing sounds crazy, but it happens all the time in business. Ask Dilbert.

Just as The New Agreements Cycle makes Right Actions mostly obvious, Right Actions make the Right Sequence mostly obvious. Unless something unexpected comes up, once you determine the Right Sequence, stick to it.

CHAPTER 10: NAT 5: REAL–TIME REPORTING & COMMUNICATION

"The more elaborate our means of communication, the less we communicate."

– Joseph Priestley

Each New Agreements meeting must be documented. This includes taking notes on important parts of the meeting and recording Right Action items. There is also a parking lot for ideas that won't be acted on right away. New Agreements reports should include photos of flip charts completed in the meeting. When this documentation for a meeting is complete, it is sent to all members of the team and others designated to receive updates on the meetings.

The Right Action items become the agenda for the following meeting. As a facilitator, simply bring the meeting to order and begin going through the Right Action items with whoever was responsible for completing the Right Action reporting out. If two or more are responsible for completing an item, try to make sure everyone has a chance to say something.

It is recommended that these reports and photos of the flip charts be kept in chronological order in an archive that can be easily accessed. These reports then become a step-by-step history of how both the leaders and company became better or even great. Often, when a company encounters problems that are similar in some way to past problems, a look in the report archives will reveal useful information for resolving the current problem.

Note: These reports are meant to be short and to the point. For the most part, they should contain only the critical 20% of the information that is driving 80% of the process.

See an example of a flip chart and a Real Time Report on the following pages. It is recommended that the Real Time Reports contain photos of relevant flip charts.

Note: Flip charts are often messy because they are usually part of a creative process.
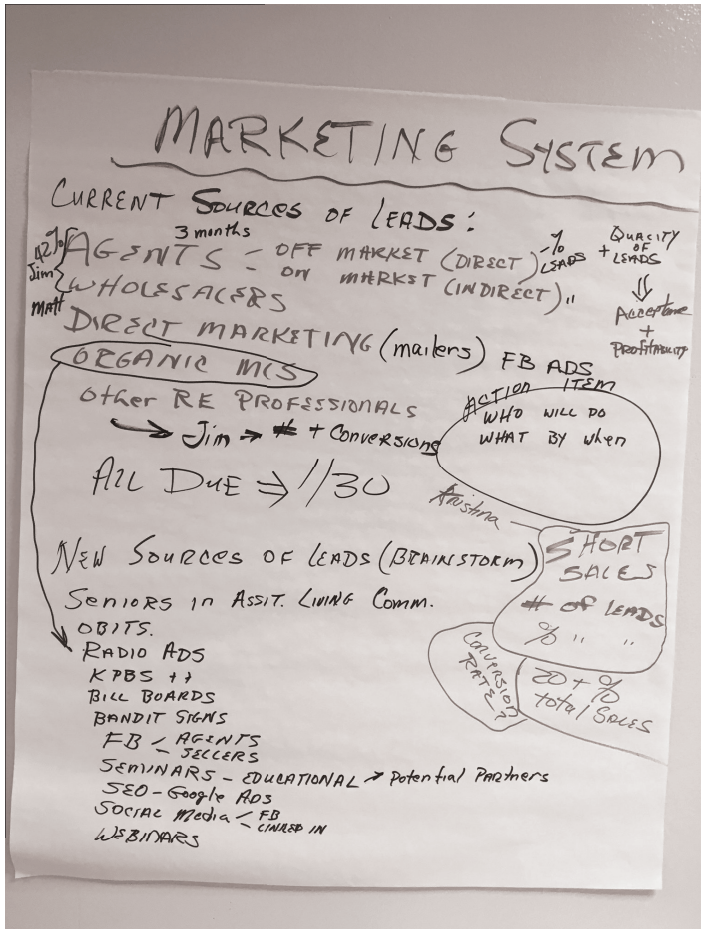
ABC Company – Flip chart - Marketing System Breakdown
– January 23, 2018

The New Agreements Cycle: Big Picture – Where Should We Work?

This was a small company doing about $1M in sales. Sales had fallen off 30% and the company had some operational issues as well. In this meeting, we looked at the big picture: functions. This was to make visible the various functions and the areas of the company that would benefit the most from systems optimization.

The results of this NAC were to identify and rank the following areas of the company:

1.   The Marketing System
2.   The Sales Process
3.   Operations

In 80/20 Rankings, it was determined that optimizing the Marketing System was the #1 priority.

We then ran the NAC on the Marketing System and began to identify the critical 20% of the system that, if optimized or re-created, would have the most positive impact on the company.

THE FOLLOWING RIGHT ACTION ITEMS WERE CREATED:

Action Item: Due 1/30/18

Kay will determine the percentage of short sales verses overall sales.

Action Item: Due 1/30/18

Tom will look at 3 months of where leads came from and the quality of those leads (conversions). If possible, he will also look at the profitability of leads from various sources.

Action Item: Due 1/30/18

Mike will research all current lists of leads available within the company along with the quality of each list.

Action Item: Due 1/30/18

Alex will make a list of all leads that have not been followed up on in the last 3 months and why the leads fell through the cracks.

New Business: None

Parking Lot: None

Agenda for the next meeting:

- Greeting and Grounding into the present
- Report out of each Right Action item by the one responsible.
- Add new Action items
- Any new business
- Add new Action items
- Completion & Thanks -- End meeting

CHAPTER 11: NAT 6: RIGHT MEASUREMENT

> *"The most dangerous kind of waste*
> *is the waste we do not recognize."*

-- Shigeo Shingo

I t is said that in business, we measure only the things that are important to leadership. I believe this is mostly true. It is also true that anything that can't be measured can't be managed. The two measures that appear universally important to businesses are sales and profits. It's difficult to imagine a business that didn't in some way measure these two aspects of business performance. Even when other measures/issues are important to leaders or managers, those other measures often directly relate to sales and profits. However, a focus on sales and profits (outcomes) misses measuring the critical variables within the systems that are producing those outcomes.

There is some debate, but what *makes* Apple currently the most "successful" company in the world? Underneath the amazing innovations or other measures, it is likely the huge sales, profits, and share price numbers that garner the monikers of most successful, most admired or best led. It has always been that way in the top/down

leadership model. But where do those sales and profit numbers come from?

We are back to the 94% Rule: 94% of the outcomes are a function of the systems/processes, not the efforts of people. It is the systems that produce their own outcomes/numbers that make up the final tally of sales and profits. New Agreements leaders know which systems are producing the most value in the company and measure in those systems the 20% of the variables contributing 80% of that value.

The other critical thing about measurement is what we often *don't* measure in the top-down model. We tend to overlook very important "soft" issues that dramatically affect company performance. These are things like employee engagement, teamwork, ongoing training for all, retention, absenteeism, creativity, quality, safety, customer satisfaction, community involvement, and for many, supply chain management. Top-down management models often see employees more as resources or expenses as opposed to the heart of any business. Could there be a colder term for the department looking out for the welfare of people than Human Resources?

Using New Agreements Tools as your management and leadership model addresses many of the "people" problems associated with unhappy or disengaged employees. This is important to businesses that care

about customer satisfaction. You see, data indicates that customers will feel about a business the same way employees feel; there is simply a lag period. I notice the companies I dread doing business with are the ones most likely to mistreat their employees. Conversely, the companies I enjoy doing business with are often known as good places to work.

For sustainability, it is imperative to document and train those who will be working in the new systems and those who *manage* those who work in the new systems. Most optimized systems will have some new tools associated with gathering critical data on how those systems are performing. Training in the use of the tools is necessary for workers who will be using those tools. Probably the two most used tools for measuring and monitoring your systems will be check sheets and data collection forms.

We have gone so far as to create a New Agreements Checklist for Creating a Check Sheet and a New Agreements Checklist for Creating a Data Collection Form. Without a doubt, the two most important questions you must answer correctly are: *What* are you measuring and *how* are you measuring. If you get these right, you are well on your way to good leadership and management and sustainably better businesses.

It is not unusual for people new to the power of Right Measurement to transform companies to feel building

data collection tools with this level of detail is overkill. It isn't. Imagine the cost to you, your people, and the company if you don't measure correctly and one of your key functions goes off the rails.

But instead of knowing about it in real time, you only find out about the problem much too late. Although this situation happens all the time (it's called fire fighting), prominent examples of missing critical 20% measurements are car recalls, e-coli in food products, and lead in pipes. Nothing is more costly than internal systems issues showing up with customers.

Measurement will usually include only the critical 20% of the process that will produce 80% of the outcomes. This documentation not only acts as a guide for workers, it can easily become the training manual for employees new to the job, including managers new to the job. Many top/down companies still hire new employees and turn them over to a lead, supervisor, manager or even another worker who has been on the job for a while to train the new employee. This is do-do personified.

With 94% of the results being a function of the systems, we want to train new employees to our now-optimized systems that are producing the results we want. We surely don't want to turn the new employee over to well-intentioned Willy who has created his own informal system, likely one far from being optimal.

Worker training worker perpetuates do-do and more-better-different and is one of the costliest practices in the old top-down management model. If you're doing this, stop it. It will force you to start fixing your systems—hopefully using The New Agreements Tools as your business improvement model.

CHAPTER 12: NAT 7: NEW AGREEMENTS FACILITATION

"Leadership is not about knowing the answer; it is the capacity to release the collective intelligence and insights of groups and organizations."

-- George Binney

Facilitating a New Agreements team is, in many ways, a demonstration of the practice of being a New Agreements leader. Facilitation uses a "pull" strategy and is rarely directive. Even how people are chosen to be on the team is a pull. If at all possible, participation on a team should be voluntary.

Particularly in larger companies where people may be somewhat hostile to the thought of more work or the perception of another flavor of the month "program," I have people sign a contract indicating that they understand what will be required of them. They must want to grow as a leader or manager and they must want to learn how to quickly improve the quality of their work and the performance of the company. Signing the contract does not mean the signer will be chosen to be on a team. It only indicates his or her interest in being on a team.

Part of the contract indicates participants may be asked to leave the team if they cannot be responsible and accountable for keeping their word and completing their Right Action items. Being on a New Agreements team is a *privilege*. It is the fastest way to become a good or great leader, especially when combined with other New Agreements training. World class CEOs have come out of learning the Tools and how to facilitate New Agreements teams. Likewise, world-class consultants and executive coaches have emerged from applying and facilitating the Tools.

For the most part, good facilitation will be about asking questions as the team goes through the process of using the New Agreements Tools. In fact, I have an exercise we do in the Mastery and Train-the-Trainer courses where students are required when working one-on-one or in front of the room to *only ask questions.*

This exercise often starts out a little stiff for people, but soon morphs into the questioner becoming comfortable while learning so much more about the non-questioner or the group. Asking questions requires students to practice one of the Masteries that is core to The New Agreements and transformation in general, the Mastery of Awareness. Actually, the Mastery of Awareness is the foundational Mastery of all human transformation. Without some level of awareness *in the moment*, we run on automatic pilot and change is not possible.

In addition to asking questions, we want facilitators to use regulators in their interactions with team members. These are simple acknowledgments of people as they participate and contribute in some way. Regulators are usually verbal, with a facilitator saying to a participant after a contribution to the team words like, "good," "great," "excellent," "perfect," "yes," "thank you," or others to indicate how well the participant is doing and how much their contribution is appreciated.

Bodily regulators such as a nod of the head, a little fist pump, or an air high five are also good. With practice, using regulators will become part of the way you communicate and teach as you build rapport with your students and team.

Physics tells us that everything is energy. Every team creates an energy field that is determined by their level of engagement in the process. As a facilitator, you will want to monitor the energy in individuals, parts of the room, and the group as a whole.

Whenever the energy drops in an individual or a part of the room, simply move to that part of the room that has lost energy. This can usually be easily done by simply walking closer to an individual or to the part of the room that has lost energy and asking a question of the whole group.

If someone in the low energy area answers the question, great! If not, that is fine, too. Simply being in the area will engage and raise energy. For the group as a whole, if the energy drops, take a break or do something totally different that requires them to move their bodies. Even after a break, it is often useful to get them to move their bodies in some way. A little stretching is usually enough.

There is one area the facilitator must not allow the group to fall into too soon in the process: problem-solving or jumping to a solution. Because most of us are problems solvers, and problem-solving is so valued in top/down business cultures, the desire by most groups to jump to the solution is a strong one. The attempt to jump to solution usually happens early in The New Agreements Cycle before the group is deep enough into the Cycle to identify Right Actions. As a facilitator, expect it, especially with groups new to The New Agreements work. When you see this type of activity in the group, it must be acknowledged and nipped in the bud.

If you allow problem-solving or a jump to the solution too early in the process, the process itself will stop and the meeting will likely dissolve into a committee meeting of some sort. As a facilitator, it becomes obvious when the group has jumped to solution prematurely. Expect the group to fragment into people having separate discussions and people sitting doing nothing, with some trying to get their points across with the facilitator or others across the room.

Luckily, after a few prompts from the facilitator that the group is trying to jump to a solution or problem solve too soon, the group itself will usually recognize this type of behavior and police itself. It is not unusual for a seasoned member of the group to ask the question, "Wait, are we jumping to the solution here?"

Last but not least, have fun. Laugh, especially at yourself. Be real. Trust the genius of the group. Allow the Tools and processes to work. Don't push unless absolutely necessary. Enjoy the ride. Remember, you are not running the universe, nor do you have the qualifications to do so. Everything will turn out exactly as it should.

This concludes our short journey into The New Agreements for Leaders and The New Agreements Tools. I'll close with some final thoughts and Next Steps for those of you who want to go deeper into this work as a leader, manager, consultant, or coach.

EPILOGUE

*"The world doesn't belong to leaders.
The world belongs to all humanity."*

-- Dalai Lama

As I move into the twilight of my career and life, I am reminded that wisdom is more useful than knowledge. I think wisdom comes mostly with years and a little good fortune. The New Agreements work is wisdom, and I am a lucky man indeed to be its messenger. Business and the world need this wisdom so we all can heal and be better.

It became clear The New Agreements for Leaders might also be used to solve planetary problems. As a systems thinker, I naturally look to systems as the source of problems, including big or even planetary ones. The big issues that threaten our planet and thus humanity are primarily caused by human-created systems gone amuck.

It appears we still have an opportunity to fix the holes in our planetary boat, but it certainly won't be by applying new layers of unconscious more-better-different strategies. As Einstein reminds, "We can't

solve problems with the same level of thinking that created them."

If you take a systems-based look at the existential problems we face, you will see business sitting front and center as a major contributor to those problems. I am not making business or leaders wrong. Business has raised the living standards for billions of people.

However, like too much of a good thing, business, the way it is currently being conducted, is clearly not sustainable. We're running out of planet and technology won't save us. We need to do more with less. The difference between medicine and poison is dosage, and we've been drinking too much of the top/down punch.

In the process of implementing the New Agreements Tools and a higher-level leadership paradigm, companies will naturally create so much more value they will be in a position to give back to the community and the world.

Importantly, giving back will be something New Agreements leaders are pulled to do, possibly as a mission. Equally important will be the fact that these leaders will know how to determine Right Action and bring people together to implement those Right Actions.

These companies and their leaders will become catalysts for solving the proven, obstinate problems

faced by humanity and the planet. Companies will do good because that good will come back to them multiplied.

Because the universe and nature work only synergistically, business will too, throwing off the myths of win/lose and separation. Everything is connected. We can't do something to others without in some way doing it to ourselves.

As part of our commitment to fixing the holes in our shared planetary boat, we will be forming a non-profit side of the New Agreements business that will provide free New Agreements Tools training and consulting to non-profit organizations we feel are doing good work in the world.

We see the New Agreements Tools for managers and leaders of non-profits as a powerful *lever* for good in the world. Can we, working together, change the workplace and the world for the better? We believe we can.

I believe there is a gathering of messengers who are meant to take this wisdom to the world in a significant and meaningful way—in a way that makes their hearts sing. You are a messenger. You would not have read this far in this book if it were not true. The world needs your assistance and your wisdom.

My hope and wish is that many of us, working together, co-create such synergies that a tipping point for good is reached and we and the world are changed, with no person or thing left out. If not us, who? If not now, when? Carpe Diem!

With great admiration, respect and love,

David

NEXT STEPS: BECOMING A MASTERFUL LEADER

"The single biggest way to impact an organization is to focus on leadership development. There is almost no limit to the potential of an organization that recruits good people, raises them up as leaders and continually develops them."

— John C. Maxwell

In writing this book, I attempted to create an introduction to The New Agreements for Leaders work. I hope this book is a starting point for kindred spirits who want to become great leaders and managers and build great businesses. I believe that for those who aspire to leadership mastery, the opportunity is in front of you. Like life, the opportunity is a step-by-step process of transformation and growth.

Online Next Step: If you wish to go deeper into this work, the next logical step is taking The New Agreements for Leaders Online Course. In this course, we dive into The New Agreements and the Tools, with the purpose of the course being to get each of you to the point where you can effectively begin *practicing* application of The New Agreements and the Tools in your business or

place of work. This is also an excellent starting point for consultants and coaches interested in adding the New Agreements Tools to the services they provide.

Live Next Step: We will be doing some of The New Agreements for Leaders live training for intact groups and the public. For more information, visit our website: www.thenewagreements.com.

New Agreements Mastery Certification Program: This combination of live and online training is for those who want to master The New Agreements and Tools to be certified as internal or external consultants or coaches of The New Agreements for Leaders and New Agreements Tools. A prerequisite for acceptance in this training is having completed the foundational training, either online or live, and having the work experience you will need to be successful as a New Agreements Consultant or Coach, either internally or as an outside expert.

New Agreements Train-the-Trainer Certification Program: It is said we learn the most when we teach. It is also said we teach what we most need to learn. I believe there is much truth to this. This is our deepest dive into The New Agreements work. This comprehensive program is a combination of online and live training for people who want to learn to train others in The New Agreements for Leaders and The New Agreements Tools. This is a higher-level certification program that produces Master Trainers and potential partners with New Agreements, Inc.

Consulting: For select companies that wish to create a significant transformation in a short period of time, bringing in a Certified New Agreements Consultant is the way to go.

Speaking: For keynote presentations, I am honored to speak to your group.

Half-Day Trainings: A half-day training usually consists of a combination of a presentation to your group, interviews with key people, and a strategy session around how a company transformation can best move forward.

Licensing New Agreements Trainings: We are happy to discuss licensing or white labeling of any of our training programs.

Partner with New Agreements, Inc. Our mission is to make The New Agreements for Leaders the new paradigm in business leadership that *creates* great leaders, managers, and businesses. We are anxious to partner with other kindred spirit companies to create *leverage* toward the success of our mission.

New Agreements, Inc.
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INSIDE THIS POWERFUL LITTLE BOOK, YOU WILL DISCOVER:

- The hidden #1 reason managers, leaders and companies struggle
- Why the 94% Rule makes obsolete most leader/manager training
- How to make stress your ally in leading and managing your people
- How you and the team can always know the Right Actions to take to resolve almost any problem
- How to get your people engaged, aligned and working as a true team
- The 4 New Agreements for managers and leaders that change everything (for the better)
- The 7 New Agreements Tools that make great leaders, managers and businesses

"As the new CEO, using these leadership principles, we transformed a $30M business from a $9M loss to a $1.1M profit in eleven months—with no layoffs."
– CEO

"I was in a bad place with my business. From years of rapid growth, we had stalled and started to regress. We implemented the New Agreements Tools. The Tools work as advertised. My people and I are completely rejuvenated. We doubled sales and increased our margins 14% in five months. I'm enjoying my business again."
– Business Owner

THE **NEW**
AGREEMENTS

RRP: $9.97