

Jim's Profit Accelerator 106: What Else Are You Missing?

You and I are aware that interest rates have been down for some time, benefiting investment and hammering money market returns. We're also aware that government budget deficits have declined, especially in Europe. So I was surprised to learn that 40 percent of the reduction in budget deficits in the Eurozone is from lower interest rates on their debt.¹

SPEED BUMP: Did you miss the link between low interest rates and debt reduction?

All the conversation about interest rates has seemed to be about lower cost of borrowing, investing, buying, merging, and so forth. It has not been about the increase in available capital that is a related outcome. Amid all the noise about inflation and interest rates, we've missed a key outcome—right in front of us.

This matters because we're trying to lead an organization while swimming in data—never mind the faster flow and 24/7 availability, and so on. It's worse than missing our exit on the freeway. It's the risk that we're missing key sign points from our customers, our people, and our suppliers. In fact, let's try a test:

SPEED BUMP: What vital information have you missed today?

Okay, that's a softball. The answer for all of us is LOTS. Except, of course, we don't know what it is until later, if at all.

What is your remedy of choice for keeping up?²

1. Faster computer?
2. Better assistant?
3. Speed reading?
4. Delegate more?
5. Turn off your phone?
6. Better advisors?
7. Outside leadership group?
8. Meditation?
9. Slowing down?
10. Doing less?

HINT: Eating faster doesn't accomplish anything good—but it can do harm.

If you know this, why do you think speed or a bigger truck will get the results you want?

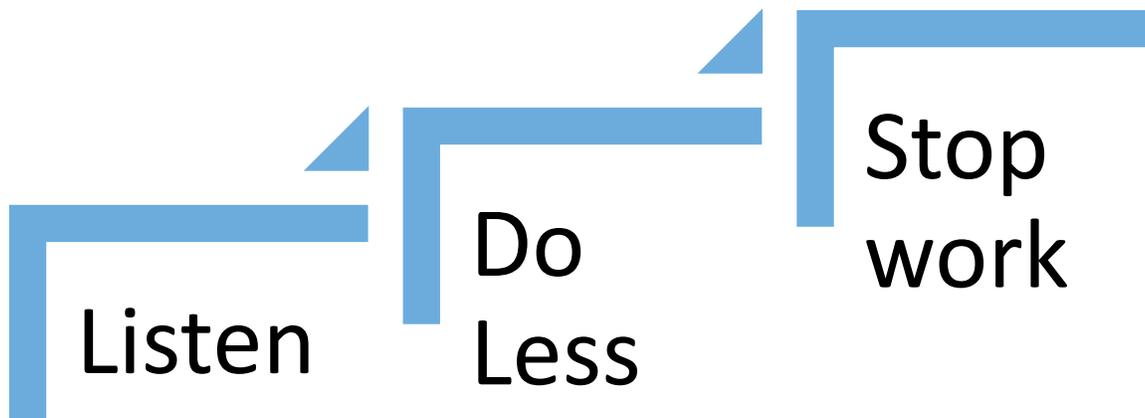
Instead, here are three proven ways to boost your results:

1. **Listen more:** Listening expands the data to choose from, helps you choose from it, and helps enhance your action leverage (see formula below).

$$\text{Action Leverage} = \text{Value of Results}/\text{Hour}$$

2. **Do less:** Even harder, cut your “gotta” inputs. Just don’t do them. Don’t delegate them, file them, or carry them in your worry basket. Just don’t do it.
3. **Stop work sooner in the day:** This may be your most effective tool, because the trigger is consistent and big.

Here’s your private results booster:



Why this might work for you: All three move your focus from output to input. You might have a chance to make more knowledgeable decisions if these steps replace your frantic activity, because you might have time to use what Daniel Kahneman calls System 2 thinking³.

System 1 is quick, intuitive, and relies on experience. It’s going with the flow, which is a critical skill of a successful CEO or senior executive. The hidden secret of System 1 is that it relies on the analytics of System 2, which is deliberate, logical, and analytical, and teaches System 1 what its ideas mean. One problem with a steady diet of System 1 is the increasing chance that you will blow past critical information, missing nuances and their powerful but invisible outcomes.

SPEED BUMP: The faster you run, the deeper your rut.

Here's an example: If you review customer comments over twelve months instead of just last month, patterns likely will emerge that you've missed. They may be good or bad, but since customers pay your way, it's valuable to keep up with their experience. The teacher, System 2, requires your full attention in order to dig out its truths.

When have you recruited your System 2 analytic thinking this week? If your thinking is quick and fluid, it's System 1, with all its advantages and limits. System 2 is like a shy, plodding little kid: she only comes out when it's slow and safe.

Slightly embarrassing admission: I left the last company that I ran (as president) most days by 4 p.m.—some days earlier. I left because nothing there appealed to me. I now know that I was ready for some space to learn and process, which happened after I left the office.

ACCELERANT: What will you do to let yourself be each day?

1 *Wall Street Journal*, 7/25/16, p. C1

2 #8 and # 10 have the best chance of helping

3 *Thinking, Fast and Slow*, Daniel Kahneman, 2013

For more information, visit www.grewco.com.

Jim Grew, the Business Defogger and Accelerator, helps leaders discover hidden opportunities within their businesses and exploit them for dramatic results. Jim has led 9 businesses, worked in 31 companies at C-level, and is an expert in strategy and executive leadership. He presents regularly to industry groups, mentors business leaders, and shares insights in his Executive Letter (above). Jim holds BA and MBA degrees from Stanford University. In his new book, *The Other Side of Succession*, he shares how to plan for the future by growing your business now.

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