

# FUTALEUFU MUSINGS

## SEARCH FUND INVESTING. OLD SCHOOL.

### How to Succeed in Business? Do Less



As every CEO knows, success does not come without hard work and dedication. Yet, there is clearly not a linear relationship between effort exerted and degree of success achieved. The article below provides insight into how managers can direct their efforts, and those of their teams, toward working smarter rather than harder.

**How to Succeed in Business? Do Less**  
**Wall Street Journal (January 12, 2018)**  
**by Morten T. Hansen**

Most Americans work impossibly hard. We put in long hours and maximum effort, but better performance often eludes us. I'm no exception. I remember being in my 20s and landing my dream job

as a management consultant at the posh London office of the U.S.-based Boston Consulting Group. I strode through the front doors on my first day wearing an elegant new blue suit and equipped with what I thought was a brilliant strategy for impressing my bosses: I would work crazy hours.

Over the next three years, I toiled for 60, 70, 80, even 90 hours a week. I drank an endless stream of weak British coffee and survived on a supply of chocolate bars I kept in my top drawer. One day, as I struggled through an intense project, I happened upon some slides created by a teammate I'll call Natalie. Paging through her analysis, I confronted an uncomfortable truth: Natalie's work was better than mine. Her analysis contained crisper insights, more compelling ideas.

One evening in the office, I went to look for her, but she wasn't there. I asked a guy sitting near her desk where she was, and he replied that she'd gone home for the night. He explained that Natalie never stayed late—she worked from 8 a.m. to 6 p.m., no nights, no weekends.

That upset me. We had similar education and experience and had been selected for our skills by the same rigorous screening process, but she did better while working less. The "Natalie Question," as I came to call it, bothered me for decades. Answering it became the aim of my work when I left management consulting to study workplace performance as an academic. Why had Natalie performed better in fewer hours? More generally, why do some people perform better than others?

The knee-jerk answer to what distinguishes great performers from others is simple: talent. Social

scientists and management experts explain performance at work by pointing to people's innate gifts and natural strengths. How often have you heard phrases such as "She's a natural at sales" or "He's a brilliant engineer"? These talent-based explanations deeply influence our perceptions of what makes for success.

But neither of these arguments accounted for why Natalie performed better than I did, nor did they explain the performance differences I had observed between equally hardworking and talented people.

In 2011, I decided to try to answer the question of why some people outperform others. I recruited a team of researchers with expertise in statistical analysis and began generating a set of hypotheses about which specific behaviors lead to high performance. We then conducted a five-year survey of 5,000 managers and employees, including sales reps, lawyers, actuaries, brokers, medical doctors, software programmers, engineers, store managers, plant foremen, nurses and even a Las Vegas casino dealer.

The common practice we found among the highest-ranked performers in our study wasn't at all what we expected. It wasn't a better ability to organize or delegate. Instead, top performers mastered selectivity. Whenever they could, they carefully selected which priorities, tasks, meetings, customers, ideas or steps to undertake and which to let go. They then applied intense, targeted effort on those few priorities in order to excel. We found that just a few key work practices related to such selectivity accounted for two-thirds of the variation in performance among our subjects. Talent, effort and luck undoubtedly mattered as well, but not nearly as much.

The research makes clear that we should change our individual work habits if we wish to perform better, but the implications are much more far-reaching. We also need to change how we manage and reward work, how we measure economic productivity and perhaps most important, how our culture recognizes hard work. We should no longer take it as an automatic compliment to hear that we're "hard working." Hard work isn't always the best work. The key is to work smarter.

How did the best performers in our study do this? Rather than simply piling on more hours, tasks or assignments, they cut back. They unknowingly applied a dictum invented 700 years ago by William of Ockham, a European friar, philosopher and theologian. Ockham is famous for a principle that came to be called (in a Latinized spelling of his name) Occam's razor. It stipulates that the best explanation in matters of philosophy, science and other areas is usually the simplest one.

At work, this principle means that we should seek the simplest solutions—that is, the fewest steps in a process, fewest meetings, fewest metrics, fewest goals and so on, while retaining what is truly necessary to do a great job. I usually put it this way: As few as you can, as many as you must. The French writer Antoine de Saint-Exupéry neatly formulated the same idea in his memoir: "Perfection is finally attained not when there is no longer anything to add, but when there is no longer anything to take away."

Sometimes "the fewest" means just one. I used to labor through too many slides in my presentations. More, I thought, was better. Then, before a meeting I had with the CEO of a large European company, I was asked to present a proposal for executive education in just one slide. "One slide?" I asked in disbelief. I labored to reduce my 15 slides to four, and then to shrink them down some more. After some struggle, I thought, "What is the key issue here?" Applying Occam's razor, I discarded all of my slides except one: a color-coded, hourly calendar of our program that I obsessed over to get just right. When you present one slide, it needs to be excellent.

And it worked. Since I didn't have to take the time to present 15 slides, the CEO and I were able to spend our 45 minutes discussing the program in greater depth. When we finished, he remarked on how productive the meeting had been.

Once you've cut the clutter in an attempt to be more selective, it's tempting to add new items back in, often in response to outside pressures. In our study, a full 24% of people blamed their inability to focus on bosses who set too many priorities. The top performers we studied combated this by following a second key practice: They said no to their bosses.

Of course, how you say no makes all the difference. The most astute performers explain that their overriding goal is to deliver great work. They are prioritizing, they say, not to slack off but to go all out and excel in a few key areas.

The next time your boss piles on new work, enforcing an old-fashioned "work harder" mentality, try asking if he or she would like you to re-prioritize, giving less attention to previously discussed tasks. Put the decision back on their shoulders. In our data, people who focused on a narrow scope of work, and said no to maintain that strategy, outperformed others who didn't. They placed an impressive 25 percentage points higher in the performance ranking—the difference between being a middling and an excellent performer.

That number should interest managers. If you can set fewer priorities for your team, they will likely perform far better. But there's also a caution here for team members. Some tasks truly don't need to get done, or can wait, or can be delegated. But be careful not to say "no" too often or to focus too narrowly in your work. Doing one small task well doesn't amount to strong overall performance.

The experience of one participant in our study, a customer-order handler, pointed me to a third simplifying practice: reorienting work around its actual value rather than internal goals. The order handler reported that his shipments reached corporate customers on schedule 99% of the time. That's pretty impressive—except for one thing. When his boss surveyed the customers, a full 35% complained that their shipments were arriving later than they required. And why was that? The order handler was focusing on whether the shipments left the warehouse according to his own targets rather than on the time frame that mattered to his customers.

Many people mistakenly obsess over goals such as the number of sales calls made, patients seen, hours logged, customers visited, and so on. The best performers instead ask a crucial question before they draft their goals: What value can I create? And by value, they mean the key benefits they bring to customers and others, not themselves.

Many people never question whether their work produces value. When I conducted research at Hewlett-Packard some years ago, I visited an engineer at the company's Colorado Springs office. He said that he was too busy to talk: He had to complete his goal for the week as specified in his job description, namely, submitting a quarterly report about the status of a certain project. He sent off the report in time, as he had in every previous quarter. Goal accomplished, right?

What I knew—and he didn't—was that the corporate research and development division in Palo Alto no longer used those quarterly reports. His dispatches sank to the depths of an email box that no one bothered to check. He had met his goal according to his job description, but he had contributed zero value.

How to add value? Our study found that people sometimes do it by simply changing something to help colleagues do their work better, downstream or upstream. A production technician at a food-processing plant reported, for instance, that his bosses measured him on “throughput”—the number of boxes he processed with the help of a packing and labeling machine. His throughput was fine, but he found out that when his boxes reached the warehouse, they weren’t “square” enough to fit neatly on pallets for shipment and required extra handling time. He took the initiative to adjust his packing process and straighten up any tilt in his boxes, which made the work flow smoother for his colleagues down the line. This effort placed him in the top bracket of performers in our study.

Attending to what’s valuable often highlights ways to redesign work to make it smarter. At the multinational shipping company Maersk, manager Hartmut Goeritz told me, in the course of our study, how he focused on just one pivotal activity at his terminal in Tangier, Morocco: moving containers on and off ships.

One day in 2011, as Mr. Goeritz strolled around the shipping yard, he noticed that some of the trucks were puttering around empty. “They picked up the container at the side of a ship,” he recounted of the dock workers, “then drove to the back of the giant yard to set it down, then drove back to the ship empty-handed to pick up the next one.” That’s how it had been done for years.

What would happen, Mr. Goeritz wondered, if trucks unloading one ship dropped off their containers in the yard and then carried back other containers destined for nearby ships that were loading? He tried out the idea, encouraging the truckers heading back to the ships to ask their colleagues if they could pick up any waiting containers. Soon team members began using walkie-talkies to coordinate this work, so that they could find more containers ready to ship out. The motto became “never drive empty.” This simple redesign nearly doubled efficiency.

Such redesigns aren’t just the purview of managers. Our study found that successful junior people also challenged and changed their ways of working. Those with a tenure of less than three years carried out redesigns as much as people with a tenure of 10 years or more (in both categories, just under 20% of our subjects made such efforts). Employees at large companies were almost as likely to innovate at work as those at small companies, despite more bureaucracy to overcome.

One useful way to simplify work is to confront a “pain point,” a thorny problem plaguing a set of people. A business analyst for a Minneapolis-based life insurance company in our study processed payroll for the company’s agents scattered across the country. For years she noticed that she got the most calls for help for one particularly labyrinthine part of the online filing process. She reached out to the company’s software coders and worked with them to turn it into a single computer screen’s worth of simple, quick clicks. She thus made it possible for a large group of her co-workers to devote less time and energy to a task secondary to their real work.

So much in our workplaces is premised on the conventional wisdom that hard work is the road to success, and that working the hardest makes you a star. Our analysis suggests the opposite. Yes, the best performers work hard (about 50 hours a week in our data, like Natalie), but they don’t outperform because they work longer hours. They outperform because they have the courage to cut back and simplify when others pile on, to say “no” when others say “yes,” to pursue value when others just meet internal goals, and to change how they do their jobs when others stick with the status quo. They’re innovators of work.

Mr. Hansen is a professor of management at the University of California, Berkeley. This essay is adapted from his book, *Great at Work: How Top Performers Do Less, Work Better, and Achieve More*.

Your Partners at FTF,

A blue ink signature in a cursive style, appearing to read 'D.D. Dodson'.

David Dodson

A blue ink signature in a cursive style, appearing to read 'Susan Pohlmeier'.

Susan Pohlmeier

A blue ink signature in a cursive style, appearing to read 'J.R.R. Jackson'.

Jason Jackson

A blue ink signature in a cursive style, appearing to read 'Samuel Spar'.

Samuel Spar

A blue ink signature in a cursive style, appearing to read 'Kirstin Siegrist'.

Kirstin Siegrist

A blue ink signature in a cursive style, appearing to read 'Andrea Chiang'.

Andrea Chiang