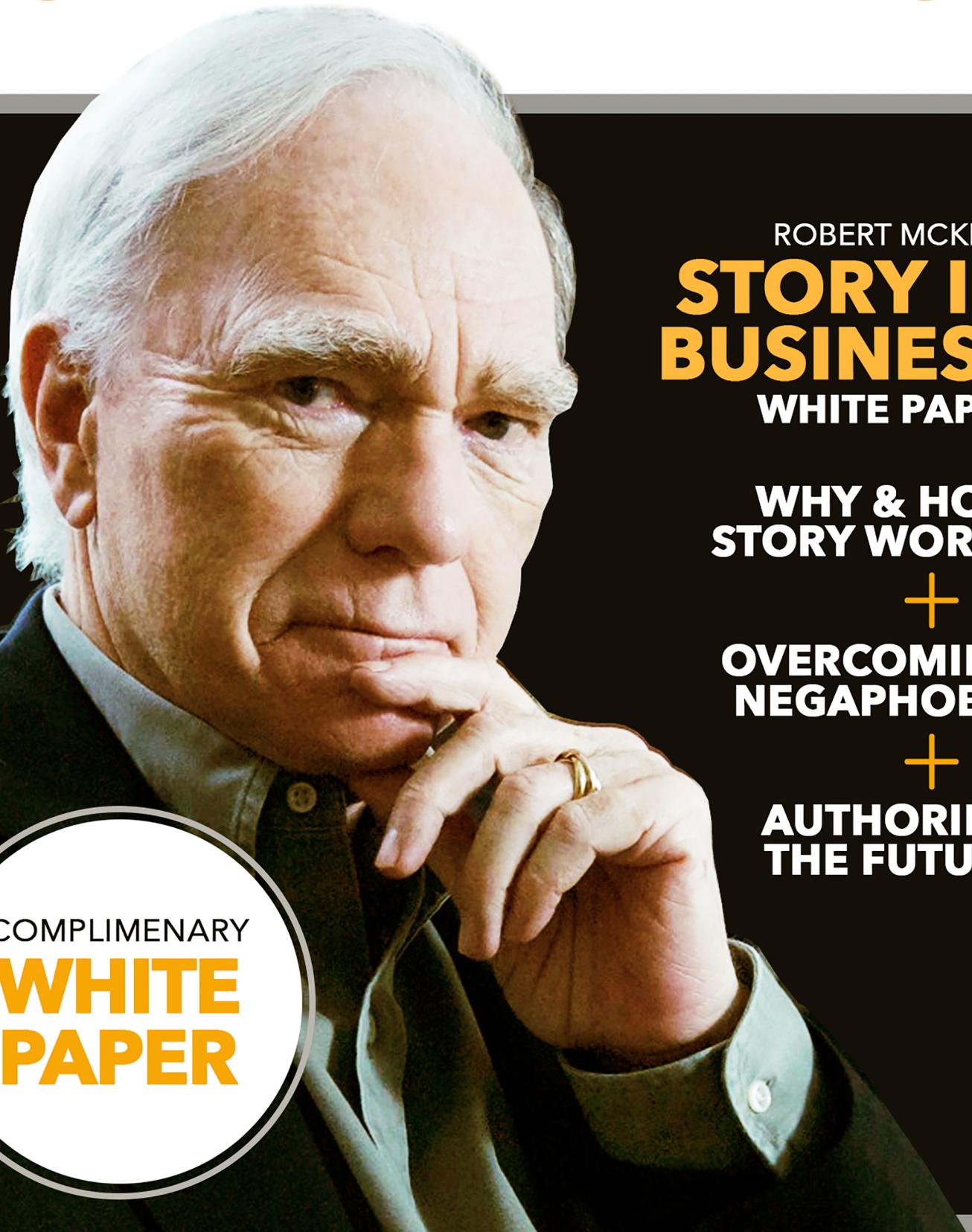




Storynomics™

The Business Art



ROBERT MCKEE'S

STORY IN BUSINESS WHITE PAPER

WHY & HOW
STORY WORKS



OVERCOMING
NEGAPHOBIA



AUTHORING
THE FUTURE

COMPLIMENTARY

**WHITE
PAPER**

STORY-IN-BUSINESS

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STORY WORKS: WHY BUSINESS LEADERS NEED TO USE IT

The Boldt Company builds mammoth construction projects: power plants, hospitals, educational and industrial complexes. But before Boldt can build, it must win bids. In the past, Boldt's bid team, working in the time-honored way, pitted its numbers against its competitor's numbers. Their win rate was one in 10.

With some face-to-face coaching about storytelling, the bid team soon mastered the craft of turning data into drama creating a story-driven bid, entitled "Boldt Builds." This new pitch stars Boldt on a heroic quest for engineering excellence, fail-proof scheduling, transparent costings, sustainability, and worker safety. The Boldt quest climaxes with an on-time, on-budget, owner-ready facility that's lawsuit-free and aesthetically inspiring. Thanks to Boldt's new bid-with-a-story strategy, the company's win rate jumped from 10% to 50%. In this year's ranking of America's top 100 construction companies, Boldt vaulted forward more than 20 places.

What's true for Boldt is true for every corporation in the world today. Beyond sales and bids, business leaders must master the purpose-told story for all strategic tasks – including training, sales, budgeting and, especially, branding. Brand equals reputation. As goes your reputation, so goes your fate. If you don't control your story and tell it powerfully, others will tell it for you with less than flattering results. Fair or unfair, stories shape corporate futures.

Leading with story is not a new tactic. Study after study documents how well-told stories fuse bonds of interest and empathy between teller and listener that trigger money-making results. Today's customer-centric firms use the heat of story to weld themselves to their

clients. Instead of wasting money on lavish marketing campaigns, media-savvy innovators lead with a story, make their client's experience a pleasure-filled story in itself, then let word-of-mouth do their marketing for them as satisfied customers take to social media to tell and retell their tale. This is priceless marketing ... literally.

As a result, story-in-business is all the rage ... in the media. But not in reality.

The vast majority of corporate leaders working in this super-competitive world do not tell story. They strategize with numbers, not narrative. Pinioned by excruciating demands on executive time and attention, few trust story, and almost no one uses it to make critical decisions. Why? Why is story strategy still more theory than practice? Here are seven reasons:

ONE: THE TYRANNY OF TIME

Data is quick. A flick of an eye to the bottom line – point made. But a powerfully persuasive, purpose-told story needs time. Purpose-told stories do far more than entertain. They trigger an action in the listener: a purchase, an investment, a job well done. A purpose-told story needs talent, imagination and time to conceive, create and hone to its audience. Time is a luxury few executives can afford. But they must make the time to create and use powerful stories to cut through the noise.

TWO: THE IMPERSONALITY OF DATA

We've all seen public speakers stumble over a story written for them by a speechwriter. They mumble because the tale is so foreign to their heart, their mouth won't let it out. To tell a story effectively, you must own it, feel it, spill

your guts into it. Few executives have stories they care to spill.

THREE: STORYTELLING NAIVETÉ

Because people consume thousands of films, TV, plays and novels, they think they know how to storytell. Because they've put a clip or two on YouTube, they think they've actually done it. But that's like thinking that because you sing along to your CDs, you can compose music. Fact: Most people cannot tell story worth a damn. More often than not, the "... and then and then and then ..." of the self-proclaimed raconteur is not a story at all but just a boring recitation of how he repainted his boat.

FOUR: THE RHETORIC HABIT

From junior high through grad school and on into our careers, we have been trained to think and write from the specific to universal. We habitually compose business presentations and reports following the principles of inductive logic. We build data, statistics, quotes and evidence point-by-point to a proof. But, as philosopher David Hume pointed out, inductive logic simply reflects the human penchant for taking relatively limited experiences to unreliable conclusions. This, nonetheless, is how we were trained; induction is our habit.

FIVE: BUSINESS ENVIES SCIENCE

Science turns inductive logic into the Laws of Nature; business longs for an equally rigorous method to create the Laws of Commerce. Because storytelling behaves like art and not science, it seems too wobbly to trust.

SIX: FEAR OF EMBARRASSMENT

Ever tell a joke and nobody laughed? Telling story always risks embarrassment and who wants that?

SEVEN: THE PRUDENCE/PASSION DEBATE

Prudence conserves money; passion risks it. Have you ever noticed that when companies start losing market share they suddenly fixate on prudence and obsess over competition and compliance, whereas companies on the rise embrace passion and focus on complexity and change?

On the other hand, undisciplined passion greases the track to bankruptcy. For that reason, those focused primarily on money often distrust emotions for fear it will warp their decision-making. The prudent executive might use an anecdote to open a meeting with a laugh, but calm must be restored before taking a vote. Inversely, detachment also distorts decision-making. Avoidance of emotion equals avoidance of humanity, and is therefore ruinous to leadership.

When the business mind steps back to take an all-inclusive view, it realizes that to make sense of this chaotic world, it needs a balance of both factuality and narrative. Data recites robotic recordings; only story speaks in a human voice. Data is meaningless until interpreted in story form. Stories radiate the deeply felt meanings that equip entrepreneurs to sell ideas, manufacturers to sell product, providers to sell service. Despite all the reasons listed above, the leader must overcome resistance to story and learn how to use it. Because if you can't tell, you can't sell.

**Fair or unfair, stories shape
corporate futures**

NEGAPHOBIA: THE FEAR OF ALL THINGS NEGATIVE

Carl Linnaeus (1758), the Swedish taxonomist who created the binomial system for naming all living things, gave humanity its title: *Homo sapiens*, the Thinking Ape. He felt that sapience, logical thought, distinguishes us from our fellow primates. PowerPoint presentations endorse this centuries-old belief; modern science contradicts it. PowerPoint uses inductive logic; neuropsychology stresses causal logic. We're not computation apes; we're storytelling apes. That's why the dry accruals of PowerPoint rarely change anyone's mind. Nonetheless, executives still cling to their laser pointers and resist the human voice of story.

Why? What do stories say that the business mind does not want to hear?

Since the evolution of human consciousness, all stories in all genres of all cultures have expressed one grand truth: *How and why life changes*. *Fact* is what is, but *Truth* is how and why what is is. As a story expresses its hows and whys of change, the listener's mind fills with understanding. As a story's events change a character's life from positive to negative, or negative to positive, the listener's emotions ignite.

A well-told story carves a sliver of meaningful emotional sense out of existence. Storytelling takes us through the upheavals of change in the safe environment of narrative in order to prepare us for the unforeseeable reversals of real life. In Kenneth Burke's famous phrase: "Stories are equipment for living."

But to the MBA-trained mind, emotionality (and stories can be a very provocative) distorts decision-making. That maxim has some validity. Impulsive fervor, unrestrained

by prudence, will no doubt destroy a corporation. But at the other end of the spectrum, an aversion to feeling, taken to its heartless extreme, reduces people to objects and distorts decision-making in an equally destructive way.

To glimpse the hidden reasons behind a mistrust of storytelling, we need to understand the nature of emotion. It begins with the concept of *Value*. I don't use the term *Value* the way politicians do when they talk about *Freedom, Success, Justice* and other such ideals.

In life as we live it, a value is a binary: *Freedom/Slavery, Success/Failure, Justice/Injustice, Wealth/Poverty, Love/Hate* – the list of value-charged human experiences is longer than any one life can live. Like the poles of a planet, a value can shift its charge from negative to positive or the reverse.

When events change our lives from negative to positive, we respond with pleasure-filled emotions. During the change from positive to negative we suffer. In both cases, the stimuli of change catalyze the chemistry of emotion. Emotions, therefore, are simply the side effect of change.

An ongoing business, by its very nature, is a flow of events through time. Events are also the core components of story. A business, therefore, is a living story – where meaning and emotion are constantly in play. We live in the tides of emotion, day in, day out. So why should anyone in business fear emotion?

Aversion to emotionality is a symptom, not a cause. Emotions do not threaten decision-making because these biological by-products

only flow *after* change happens and well after the decision that caused the change. The dread of something far more intimidating than emotion flows through the undercurrents of commerce. The terror is change.

What pushes us into irrational business decisions is the fear of what lies beyond the bend of change: paradise or hellscape? Fear of change is more than fear of failure, for the ratcheted demands and pressures of success can be equally dreadful. As a result, rather than face change and the cataracts it may bring, most of human beings steer their life through an uncomfortable but familiar status quo.

They fear change because it forces them to face a lesser-of-two-evils dilemma: Do I die a fast death or a slow death? Do I change things now and risk immediate failure? Or do I prevent change and hold on to my job until failure finally arrives? For this reason, many executives who are called upon to lead cannot and do not. Change paralyzes them. Inside big corporations, they die a lingering death; small companies kill their careers quickly.

That's the psychological reason why many executives recycle data rather than tell a story, but there's a sociological reason, as well. To tell a story you must dramatize both the negative and positive sides of life. In other words, envisioning corporate life in story form forces us to admit that negative situations exist.

Here's the opening of a typical business story: "When an unforeseen financial disaster hit, we tried to correct the problem, but things only got worse." The story's middle may grip the listener with high suspense,

its climax may dramatize the company's triumph over adversity, but the story will never be told because to get it started someone has to admit to mistakes and failure.

Over recent decades, negaphobia, the fear of all things negative, has infested American culture. Rather than face the trials of life, we hide behind euphemisms. A marriage doesn't have conflicts, it has *issues*; life isn't an uphill struggle, it's a *journey*; a pain-in-the-ass business problem is now a *challenge*. Employees who point out obvious mistakes are the worst of all things: they're *negative*. In fact, more often than not, those who complain are simply realists. But in today's world, realism is treated as defeatism.

For a story to move the listener to a positive action, it must dramatize the negative side of life. In the same way, a positive work environment cannot exist without acknowledging the negative. When "positive thinking" ignores things negative, terrible business decisions follow as night the day.

The wise leader fosters a corporate culture that allows for the open expression of observations and insights—especially when those ideas are insightful, negative criticisms. Always in pursuit of the truth, the hidden hows and whys, a great leader embraces storytelling and surveys his corporate universe as if he were an author imagining a novel.

A business is a living story – where meaning and emotion are constantly in play

THE LEADER AS AUTHOR OF THE FUTURE

Lou Gerstner, the IBM CEO who led Big Blue out of the wilderness, said, "I tell Wall Street stories about IBM's future because facts about the future do not exist." What set competitors apart today are not the scientific skills of dueling algorithms, but the aesthetic talents of storytelling: imagination, insight and creativity. With enough data, any executive can read a cross-section of the now; only a few, like Lou Gerstner, can author the future.

Story is more than a communications tool, more than a sales tool; it is a decision-making tool. I mentor my clients in all three uses of story-in-business: to bond, to persuade, to envision. Each of the three has three dimensions.

TO BOND: Use story to:

- 1) Speak in a human voice that creates empathy between employer and employee, building engagement in the work.
- 2) Inspire teamwork within and across corporate divisions.
- 3) Enhance the flow of communication up, down and across the corporation's pyramid of power.

TO PERSUADE: Use story to:

- 1) Create positive brand awareness in the public's mind.
 - 2) Forge new markets within that public.
 - 3) Sell. The modern business wraps its identity in the meaningful emotional web of story to capture the customer's awareness and persuade sales.
- Compare the engaged storytelling of Siemens' highly effective branding campaign, *Answers*¹, with the syrupy, eye-fatiguing montages of Cisco's

failed and abandoned campaign, *The Human Network*².

TO ENVISION: Shape knowledge and feeling into the form of story to:

- 1) Broaden and deepen an executive's wisdom,
- 2) so he can make effective decisions based on both hard and soft data, and
- 3) lead implementation of this strategy the way a great author guides the reader through a novel. Executive genius is a kind of literary genius.

The story a leader tells becomes corporate strategy, a map to the future others can follow to a success-filled climax.

The higher up the pyramid of power an executive ascends, the broader and deeper her vision. The more distant her horizon, the more all-inclusive her wisdom. The more complete her story, the more impactful her decisions.

Reliance on data, coupled with an inability to express oneself in story leads to disengaged employees, bland marketing, failed deal making and, most critically, bad decisions. In 2013, Siemens fired its CEO Peter Loescher because, as the German press put it, "He had no story." Imagining corporate life like an author actually makes decisions all the more logical, all the more insightful.

A leader sees possible futures; his decisions create the future. When you use your imagination to envision the world in story form, you can sense how your corporation's desire will rub against the world's antagonisms before this friction sets events on fire. Story gives you foresight to see the

¹ See *Answers* commercial: bit.ly/1rAaOFA

² See *The Human Network* commercial: bit.ly/1vRFDUo

consequences of future events long before they happen. A leader prepares for change no matter how illogical its cause. In fact, sensitivity to irrational change is quintessentially rational ... if you wish to lead.

Until recently we've only been able to speculate about persuasive effects of storytelling. But throughout the last decades, neuroscience has researched the relationship between story and the human mind, and results repeatedly show that our attitudes, hopes and values are story driven. Fiction changes beliefs far faster than logical argument. Lawyers understand this. Evidence has its place, but a trial tells two stories—one of which the jury believes.

Therefore, this caveat: Although we tend to watch PowerPoint presentations with skepticism, when a story absorbs us, we drop our intellectual guard. The mind-molding power of story may blind us in ways only facts can prevent. Therefore, a business leader has an ethical obligation to only use story in service of what he deeply believes to be a positive, human value.

A powerfully told tale always seems like a gift. But a story is actually a delivery system for the teller's theme and

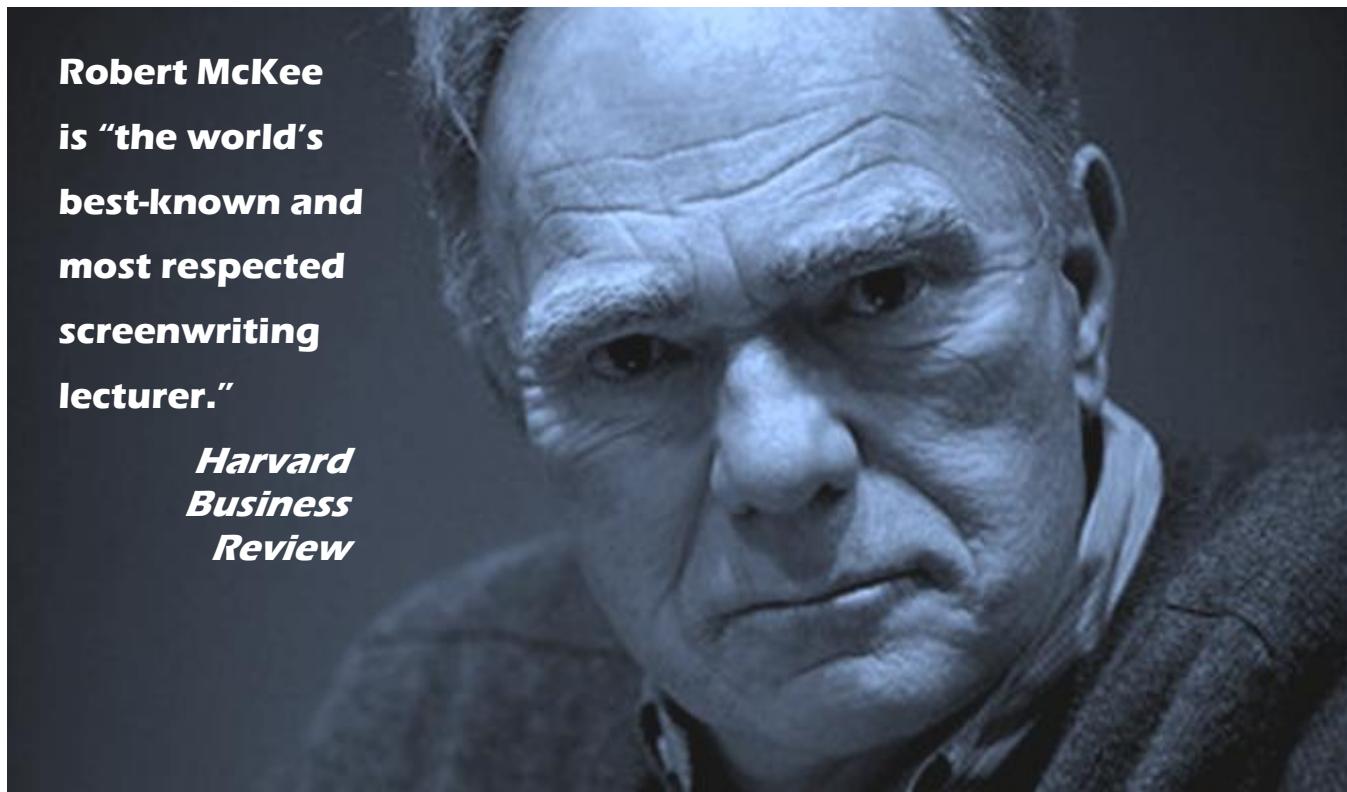
purpose. A story sneaks a message into the fortified citadel of the human mind and can be an instrument for good or ill. Like fire, it can warm a civilization or burn it down.

Story is morally neutral. It can express profound truth or propaganda. The two greatest political storytellers of the 20th Century were Winston Churchill and Adolph Hitler. Because storytelling is a form of persuasive jujitsu, and because world is full of black-belt storytellers, the corporate leader has to train both his offensive and defensive moves. Like a magician's sleight of hand, storytellers use empathy and curiosity to distract critical thinking.

So while you work to master storytelling for the corporate good, it's equally important that you learn to see the pitch coming so you steel yourself against the power of "Once upon a time ...".

The story a leader tells becomes corporate strategy, a map to the future others can follow

ABOUT ROBERT MCKEE



**Robert McKee
is “the world’s
best-known and
most respected
screenwriting
lecturer.”**

*Harvard
Business
Review*

Robert McKee has been helping writers tell powerful stories for more than 25 years through his legendary STORY Seminar and his award-winning book, *STORY: Substance, Structure, Style and the Principles of Screenwriting*. More than 100,000 students have completed his courses, including numerous Academy Award, Emmy Award, Tony Award and Pulitzer Prize winners.

Now Robert McKee is helping business leaders from companies like Microsoft, HP, Siemens, Mercedes-Benz, Time Warner, The Boldt Company and others use story to more effectively persuade and engage their various stakeholders.

Find out more about Robert McKee, his STORY Seminars and additional resources to support writers by visiting McKeeStory.com. Plus, join us for ...

ROBERT MCKEE’S STORY-IN-BUSINESS SEMINAR

An exclusive, one-day event that shows businesspeople how to create and use stories to persuade, inspire and engage employees and customers

bit.ly/mckeesib

ADDITIONAL RESOURCES

HOW ROBERT MCKEE TEACHES BRANDS TO TELL BETTER STORIES

By Robert McKee as told to Drake Baer
Fast Company
bit.ly/fcmckee

STORYTELLING THAT MOVES PEOPLE

By Robert McKee and Bronwyn Fryer
Harvard Business Review
bit.ly/hbrmckee

THE BUSINESS OF STORY

Exclusive interview with Robert McKee
Speaker
bit.ly/spkrmckee

SCREENWRITING FOR EXECUTIVES

Video interview with Robert McKee
Big Think
bit.ly/bigthinkmckee