

May 2009

Issue: 13



Welcome to the Change Challenge Newsletter

Dear Eric,

When we recover from the current recession, things still won't be like they were before. The change will force us to make tough new choices, which is always uncomfortable and risky. No one is facing as many tough choices as President Obama and Congress. Are they up to the challenge? Are you and I up to it in our positions as business leaders. That's the subject of the featured article this month titled: "*Tough Choices*."

This e-letter also introduces a new topic called Future Changes. Each monthly issue will discuss a major business change that is already in progress but won't reach its peak impact for a few years. Future Changes are important to you because they will deeply affect how your organization operates and they are business opportunities in themselves for creative entrepreneurs. The On-The-Personal-Side article this month is titled "*The Pain of Change*." It describes why change is so hard, and why we must step through pain and risk to achieve future success.

Your feedback and suggestions regarding this e-letter are very much appreciated via return email or The Change Blog at www.dickstieglitz.com.

Sincerely,

Dick Stieglitz, PhD

DICK STIEGLITZ, PhD
Business Consultant, Author
& Motivational Speaker

In This Issue

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[Business Tools](#)

**Are you and your
organization facing**

Feature Article TOUGH CHOICES

The stock market is creeping up from its mid-March low, banks reported quarterly profits, consumer confidence rose, and there are "green shoots" of recovery in home sales, construction, and the auto industry. Some of my clients are receiving contracts funded directly and indirectly with money from the stimulus act and they are interviewing potential new employees. Can it be that President Obama's actions are turning things around? Before optimism and euphoria engulf me, however, I'm brought back to reality by the realization that our new President hasn't been tested yet on two vital leadership traits: (1) the ability to make tough choices and champion unpopular changes, and (2) resilience in the face of setback.

At his inauguration, Obama said: "*Our time of standing pat, of protecting narrow interests and putting off unpleasant decisions, has surely passed.*" But so far Obama and Congress have avoided unpleasant decisions in favor of give-aways: \$700B to rescue failing companies, \$787B to fund a cornucopia of projects, and a 2009 budget with 8,000+ earmarks to satisfy Congressional districts and special interest groups. When will they face up to the tough choices? For example:

(1) Competitive Clean Energy: Obama said: "*To save our planet from climate change, we must make clean energy the profitable energy.*" But Congress hasn't increased the gasoline tax since 1993, the most effective way of cutting oil usage.

(2) Global Warming: The proposed cap-and-trade system that will acknowledge the global warming crisis and charge consumers the true cost of energy still hasn't been debated in Congress yet.

(3) Dependence on Foreign Oil: Each year the U.S. spends \$800B+ to import oil, but Congress refuses to allow off-shore drilling that would reduce oil imports and create American jobs.

(4) Flexible Defense: Secretary Gates charted a new course for the 2010 Defense budget. Will Congress cancel weapons systems we don't need and build the systems we do (e.g., to prevent teenaged Somali pirates from hijacking ships)?

(5) Fiscal Responsibility: As a society, we must pay in taxes what it costs to deliver the government services we want. Certainly, the rich should pay more, but it's unconscionable to cut anyone's taxes when the country faces a series of annual deficits over a trillion dollars.

It seems we'd rather suffer the problems we know than risk a new pain. For example, we suffer an addiction to foreign oil, a huge trade deficit, and high unemployment, but refuse to drill for oil off American shores. That may be the right choice - but it isn't how we debate the subject and, of course, polarized views prevent us from finding an solution that works for everyone. On a national level, for example, Bush-1 started the moratorium on off-shore drilling 20 years ago. That's why today we still use so much imported oil - and Saudis (among others) get paid for drilling it instead of Americans. The good news is that we make new choices every minute of our lives.

It's easy to rail about President Obama and Congress, but as business leaders we face similar tough-choice challenges. In a world where we can't have everything we want, our needs compete with one another. Making tough choices requires us to prioritize our needs: which is most important? The choices are more difficult than before because the financial upheaval has turned things upside-down. The old rules don't apply any more, but it isn't clear yet what the new rules will be. Business strategies and practices that used to be effective, don't work any longer. To stay on top in the midst of such revolutionary change, you can't just react to change. To succeed you must anticipate tomorrow's change, embrace the implications of that change, and use it to your advantage.

Tomorrow's results will be determined by the choices we make today. Our choices can be conscious or unconscious. That's our first choice. We are reaping karmic rewards and paying karmic debts today for choices we made yesterday. To the extent our choices are different today than they were yesterday, our success tomorrow will be more than it is today. Tough choices are actually easier to implement in difficult times. So don't waste a good crisis - make the tough choices today!

Future Change #1

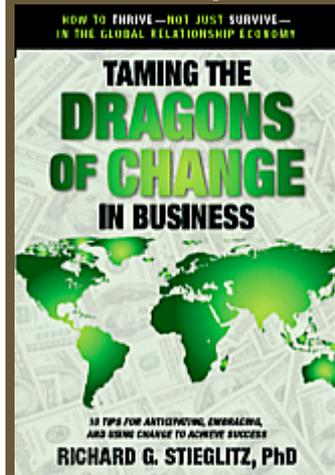
RISE OF FREE AGENT WORKERS

Today's business world is unlike anything we've ever seen. Three fundamental shifts are unique to the twenty-first century:

- (1) Creativity has replaced productivity as the key that unlocks higher profits
- (2) People can communicate instantly with anyone, anywhere, at any time
- (3) Computer chips control everything from toys to toasters, art to automobiles.

Entrepreneurs are combining these shifts in imaginative ways to produce earthshaking economic, social, and political changes. My new book, *Taming the Dragons of Change in Business*, identifies ten future changes that are being driven by the three shifts. That is, the changes are already in progress, but they won't reach peak impact for years. My intent is to discuss one of the ten future changes in each monthly e-letter beginning with this one. It would be useful for you to look at each future change in two ways. First, as a potential business opportunity in itself; and second, as a change that will deeply affect how your organization operates.

tough choices about
change? This book
will help!



Global competition, new technologies, acquisitions, out-sourcings, and downsizings have produced a world of perpetual change. Today, ideas travel at the speed of light. You can communicate with anyone, anywhere, at any time, on any subject. To stay on top, you must do more than react. You must anticipate, embrace, and use

change to your advantage.
**THAT'S WHAT THIS
BOOK IS ALL ABOUT!**

ORDER NOW!



QUICKLINKS

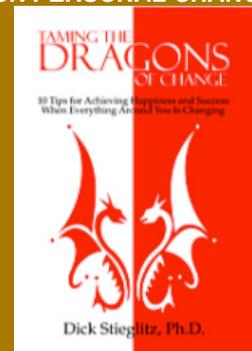
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**ORDER DICK'S BOOK
ON PERSONAL CHANGE**



The first Future Change is the increase in free agent workers. Knowledge workers have become the primary engine of production. Their knowledge is a valuable asset that's highly mobile. In the industrial age, blue collar workers relied on their company more than their company relied on them. Precisely the reverse is true today. Organizations depend on knowledge workers more than free-agent knowledge workers depend on an organization. In 2005 the Labor Department reported that 23% of the U.S. workforce was self-employed or worked for a one-person company. That was up 50% from 2000 and it's likely to grow rapidly because, historically, new business starts (especially so-called micro-companies) proliferate during periods of high unemployment like we have today.

This startling trend profoundly changes employer-worker relationships. More and more workers aren't employees at all. Instead they are 1099-consultants who work on multiple projects concurrently. The successful organization of the future will be virtual. It will perform a set of core tasks (its competitive advantage) and outsource the rest to companies and free agents. If you are a knowledge worker, this phenomenon will forever change your career options. If you manage a staff today, it will change your personnel strategies. You'll find yourself offering customized employment agreements (e.g., days per week, travel or not, and unique benefits) in order to find, hire and retain skilled workers. In addition, your workforce will be more diverse and may include baby boomers who just want to work part-time on interesting projects and/or highly skilled workers in far-away places. The increase in free agent workers isn't new, but its impact is becoming more widespread. How will you anticipate, embrace and use this Future Change to increase your organization's success?

On The Personal Side THE PAIN OF CHANGE

My sister-in-law is an animal lover who usually has five or more dogs in her home. She contains them with an electric fence. But Hubert, a springer spaniel, was one dog she couldn't contain. Hubert knew the pain of the electric fence, but it didn't stop him. One day I watched as he stood ten feet from the electric fence and focused on his escape. Then he sprinted and leaped through the electric fence with a yelp. His momentum carried him through the pain and he was free. After an adventure in the neighborhood, Hubert would return to the front door waiting for my sister-in-law to let him in the house. He wasn't willing to suffer pain to return to where he used to be.

Many of the today's barriers to success are like electric fences. To get where you want to go, you may have to endure the pain-of-change like Hubert jumping through a fence. Did you ever wonder how successful leaders always seem to be ready to exploit a market change? It's because they put themselves and their organizations in position to succeed by preparing for future opportunities. They tame the dragon of short-term pain that tries to hold their organization inside today's comfortable box.

Psychologists say humans are driven more by pain-avoidance than by pleasure-seeking. Therefore, to achieve the pleasure of future success we must conquer our natural resistance to change which usually is painful. At the organizational level, we must consistently implement small changes that improve performance today and prepare for the future. Successful leaders don't waste precious time trying to avoid the pain of change. Instead, they tolerate pain, and make change a habit in their organization and their personal routines. Your future success depends more on the actions you are taking today than on your past successes, resources, or luck. Don't avoid changes that improve your chance for success just because the first step is difficult.

Friends & Colleagues,

If you're facing tough choices in the new economy and a new way of looking at change would help, send me an email and we'll schedule time to discuss the possibilities. If you enjoyed this e-letter, send it to a friend. If you didn't, please tell me why at dick@dragonsofchange.com.

Until Next Month,

Dick

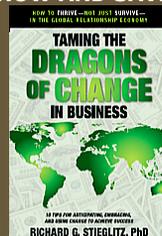
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10 Tips For Achieving Happiness
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