

Leadership Barometer 133 Stupid or Brilliant

by Bob Whipple, MBA, CPTD



I do a fun exercise in my leadership classes called "Stupid or Brilliant." I go through a number of scenarios and specify an action that, on the surface, appears to be stupid. In each case, the loss of control would appear to be devastating from a risk point of view. I ask the participants to vote if the action was stupid or brilliant.

There are some examples where there is a suggested "correct" answer, but most of the questions can lead to lively debate. For any example, it can be a toss-up whether a particular action is "stupid" or "brilliant." In reality, it can be either depending on the people involved and the circumstances.

The world has also changed over the past few years, and it is not as safe to take risks as it might have been in the past. It takes a bit of soul searching to come up with an answer.

Here is an example of a question with an answer that worked over a decade ago that might not be the same today.

Selling Doughnuts

A doughnut street vendor at the base of a skyscraper in New York City noticed that the line was too long while people waited for him to make change. He was losing customers. He put out a box with change and small bills and a sign that read "In a hurry? Make your own change: I trust you!" At first glance, putting money out in trust in NYC would be stupid. People could just take the cash and go. Instead, the vendor found the strategy to be brilliant for three reasons:

1. The throughput of his vending operation increased by 50% because the line moved faster.
2. People started talking about his trust throughout the building, and they came out to buy from this honest vendor.
3. Many people would not even take the change. If their total came to \$3.75, they would just put in a five-dollar bill and walk away.

His method worked in 2012, but it might be a different story today. It undoubtedly also matters what the exact location of the vendor was.

Charging for Services

One consultant decided to charge only what the customer felt was appropriate after completing his work. He would leave the fee totally at the discretion of the people he was helping. This tactic defies negotiation logic because it ignores an important principle of negotiation (the perceived value of a service is lower after the service is rendered). Yet, this consultant generally did very well and often received larger fees than he would have if he had negotiated a firm price before doing the work.

Treating Impacted Employees with Respect

One organization needed to do some downsizing. They decided to allow the impacted people to continue to use their old office, computers, and cell phones for a month if they wanted while they looked for work elsewhere.

Of course, there were a few stated rules about not being disruptive and honoring professional behaviors while on the premises, but other than that, they treated the severed employees the same as the ones retained. There was a risk, but the company found that in all but a few rare exceptions, the benefits far outweighed the risks.

Selling Booze

You can carry blind trust to an extreme where a strategy is likely stupid. One example I give in my classes is this: The owner of a bar does not charge patrons per drink but asks each customer to keep track of what he or she consumed and pay at the end of the night. Obviously, most people vote for this as a "stupid" strategy. The customer's memory of how many drinks he or she consumed would be cloudy in many cases.

On the other hand, it would make an interesting research experiment, because it may be possible that some customers would pay more than required rather than less.

Key Point

The point is that when we really do trust people to do the right thing, they often respond in ways that defy conventional wisdom. That logic comes from a social norm based on a controlling philosophy. When given the chance, most (but not all) people react with integrity and gratitude when we extend trust to them.

First Law of Trust

I have developed what I call the "First Law of Trust." It is: "If you are unhappy with the level of trust others have toward you, the first corrective action is to find ways to extend trust more to them."

The caveat is that some people are basically not trustworthy. In that case, you need to find small ways to extend trust and build up an environment where the person earns higher trust over time.

Trust is reciprocal in nature, so the best way to receive more trust is to give more. Try this technique with the people in your life, and you may see a dramatic increase in trust. Often what seems like an unwise risk to take will turn out better by far greater loyalty than you can imagine.

Bob Whipple, MBA, CPLP, is a consultant, trainer, speaker, and author in the areas of leadership and trust. He is the author of: *The Trust Factor: Advanced Leadership for Professionals*, *Understanding E-Body Language: Building Trust Online*, and *Leading with Trust is Like Sailing Downwind*. Bob has many years as a senior executive with a Fortune 500 Company and with non-profit organizations. For more information, or to bring Bob in to speak at your next event, **contact him at** www.Leadergrow.com, bwhipple@leadergrow.com or 585.392.7763

