

NATIONAL ASSOCIATION OF INDEPENDENT LIFE BROKERAGE AGENCIES

# NAILBA Magazine

## FOCUS 2004 | THE BUSINESS OF DOING BUSINESS

### Even Monkeys Fall From Trees: Embrace Change...In Order to Remain the Same

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*Lipp will discuss different trends to maximize business success at FOCUS on Friday, June 11 in New Orleans.*

You are a middle-aged principal of an insurance agency. You have been in business for over 20 years. You have 10 to 20 employees and almost 1,000 agents run their business through your agency. You have had tremendous success over the years...you are ripe for failure.

As was learned the hard way at the Walt Disney Co., success breeds arrogance and arrogance can lead to complacency. Complacency can come in many forms and one of them is the *one-trick pony*. In other words, you ride your successes-to-date well beyond their effective life spans. It might be the creative way you give presentations to prospective clients, or it could be the way you have traditionally communicated with and supported your customers, your agents. For example, why deal with all of that confusing Internet, e-commerce, or e-learning stuff when you have done just fine without it for so many years? Why change now? Great question. The key to getting beyond the one-trick pony is to level with yourself and recognize that, quite possibly, the way you currently conduct business is out-moded. Perhaps your customers would like services that you can't or won't provide. Quite possibly having the biggest or oldest agency might not be the key to holding onto existing, or attracting new agents. Join the club. In order to remain the same (successful!), we must all change.

#### Lessons From Disney

At Disney, we had our *one-trick pony* and his name was "Herbie the Lovebug." Do you

remember him? Adorable little Volkswagen who appeared on screen with Buddy Hackett, Dean Jones and Suzanne Pleshette. The trouble was there was nothing beyond "Herbie the Lovebug" except: "Herbie Goes to Monte Carlo," or "Herbie Goes Bananas." To put it bluntly, Herbie was getting a little long in the tooth, but no one at Disney Studios had the guts to pull the plug on the Herbie franchise. Why? There were various factors, but the most compelling arguments of the day were a combination of risk aversion: "What would Walt think?" and arrogance: "We're Disney, we know better than our customers about their wants and needs." This combination was a recipe for disaster. Too many people at the highest levels of the company were facing the past and wondering if Walt Disney himself would approve of a different direction. In spite of the fact that this was during the 1970's and early 80's and Walt was long gone.

During this period, the concepts of *change*, *creativity* and *innovation* were not embraced. Instead, there was a tremendous force to stay the course and avoid upsetting the applecart. The results were disastrous. After years of creative neglect and turning out box-office flops like: "Tron" "The Black Hole" and "Baby" (do you even remember these?), Disney stock took a nose dive. The company was targeted by several financiers who attempted several hostile takeovers from 1983 to 1984.

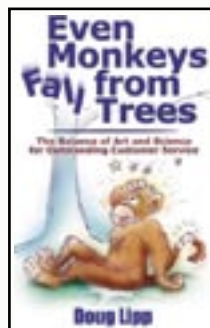
#### From "Davey Crockett" to "Finding Nemo": Embracing Change

As you know, the Disney organization was not taken over or broken up as was the case with so many companies targeted in the 80's. In fact,

during the takeover attempts, the company enjoyed some of its most successful times. The reason? As a strategy to

move into the future, the Board of Directors recruited some executives who weren't afraid of either the ghost of Walt or the legacy of the company. To be sure, they respected the tremendous successes of their predecessors. They also believed strongly that respecting the legacy of an organization didn't mean staying in the past.

The renewed emphasis on creativity and challenging the "sacred cows" of the past enabled the company to explore new approaches. Instead of the same, tired formulas for script-writing, the company hired the talent that created such block-buster hits as: "The Lion King," "The Little Mermaid" and, most recently, "Finding Nemo." This meant letting go of certain decision-making criteria that had been extremely successful...in its day. From 1937-1979, Walt Disney Productions had an unparalleled string of hits with the movies and television shows it produced. This was over 40 years of knock-the-ball-out-of-the-park success and how dare anyone suggest making any changes to the recipe! The creative drought from 1979 to 1984 marked the end of one era and the beginning of another. Had it not been for the willingness of the new management team to take some calculated risks with such things as: product development, marketing, sales and the use of technology, the





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company could very well have vanished. No one is immune to changes in the marketplace. No one has all of the answers.

## Even Monkeys Fall From Trees

This is an old Japanese proverb that captures the essence of what Disney faced. It is what *any* organization and *any* leader ultimately faces. It means that regardless of how capable or skilled we are, sooner or later, we all lose our balance and make mistakes. Let's think about this for a moment, have you ever heard of a monkey falling from a tree? Probably not, but we have all heard of remarkable capable people and successful companies making mistakes. In essence, we have all seen companies and very capable people from a variety of fields fall, figuratively, from their respective trees. How about yourself, which skill or ability are you particularly proud of? Is that skill as valuable now as it once was? Is it possible that the same qualities that have helped you succeed are now a hindrance that can lead you to "falling from your tree?"

It is important to learn from our successes and mistakes and apply that learning to the area of customer service, whether it is service to your employees or your agents.

## The World is Changing, Are You?

Many companies and organizations embark on new initiatives to improve any number of things, including: their service, product quality, production methods and leadership. However, the sad reality is that too many fail in their attempts. All too often, these change initiatives are started with much fanfare and public pronouncements, yet end up in the ever-growing junk pile of "Flavor of the Month" programs. What might have been an inherently good initiative loses popular or corporate support and falls into the category of a waste of time and money; someone's "kick," spending run amok. Within a few months, the old attitudes and destructive behavior patterns return.

Change in and of itself is not difficult. The challenge is in sustaining the change and weav-

ing it into the corporate culture. To embark on a journey of sustained change requires answering two vital questions:

- 1) Is it the right change?
- 2) Are support systems and supportive people in place to give it a chance to succeed?

Certainly, there are many sub-sections to each of these questions; life is never this simple. With that said, it is important to avoid making any process too cumbersome to implement, much less sustain. The exercise that follows is a simple, yet extremely effective tool for implementing and sustaining change.

## What Can You Do to Start, Stop, and Continue to Improve Current Practices?

Think of and list as many ways you would like to improve your ability to consistently provide exceptional service to your internal and external customers. What can you do that is an improvement over current practices? What should you *start, stop or continue*? Challenge **every** existing area of your approach to your

job, your team or the agency as a whole.

**Start:** What do you, as an individual, team or company want to *Start* doing that will be an improvement over your current approach?

What can you do that is more up-to-date from the perspective of your agents?

**Stop:** What have you identified as unacceptable, either for your agent or employee groups that you need to *Stop*?

**Continue:** What are your strengths? How can you ensure the maintenance of these strengths in light of the changes you are planning to make? It helps you avoid "throwing the baby out with the bath water" that so often accompanies change initiatives.

The opportunities to put these ideas into practice are many. The benefits of *managing* the change process proactively, compared to the consequences of having change *forced* upon you, should convince anyone to let go of defenses he or she has about not dealing with this important issue. Where do you stand?

### I. Short-Term: Your Leadership Style

Start:

Stop:

Continue:

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### I. Long-Term: Your Leadership Style

Start:

Stop:

Continue:

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### II. Short-Term: Your Agency

Start:

Stop:

Continue:

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### II. Long-Term: Your Agency

Start:

Stop:

Continue:

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