

The Leaders' Guide to Storytelling: Mastering the Art and Discipline of Business Narrative

Stephen Denning

- Storytelling and leadership are both performance arts and like all performance arts, they involve at least as much doing as thinking.
- Intersection of leadership and storytelling.
- Only 10% of all publicly traded companies have proved themselves able to sustain for more than a few years a growth trajectory that creates above-average shareholder returns.
- Mergers and acquisitions only succeed in terms of adding value to the acquiring company of 15%.
- What if your airline's flights only arrived 10-15% of time? Or if surgical procedures was only successful 10-15% of time.
- Managers thus have little reason to be complacent about their current mode of getting results.
- The choice is not about using storytelling or not. But rather to use unwittingly and clumsily or intelligently and skillfully.
- Storytelling is a sizable part of the economy. Persuasion constitutes more than ¼ of the US GNP. IF storytelling is half of persuasion, that amounts to 14% of GNP, or more than a trillion \$s.
- Different narrative patterns are useful for the different purposes of leadership.
- Learning to tell stories is not so much a task of learning something as it is reminding ourselves of something we already know how to do.
- Storytelling is more than one tool: it's a whole array of tools—tools that could help achieve multiple purposes such as sparking people into action, communicating who you are or who our company is, transmitting values, sharing knowledge, taming the grapevine and leading into the future.
- Discipline of storytelling deals with leadership more than management. Leadership deals more with the ends than the means. Concerns issues where there is no agreement on underlying assumptions and goals – or where there is a broad agreement, but the assumptions and goals are heading for failure.
- Leadership is essentially as task of persuasion—of winning people's hearts and minds.
- *A different kind of leader*
- The case is made, step by step, that if you consistently use the narrative tools described, you will acquire new capabilities. You communicate who you are and what you stand for, others come to know you and respect you for that. Because you are attentive to the world as it is, your ideas are sound. You speak the truth, you are believed. You make your values explicit and your actions are consistent with those values, your values become contagious and others start to share them. You listen to the world and the world listens to you. You are open to innovation and happy accidents happen.
- Narrative patterns can be learned by anyone who wants to lead them—CEO, middle management, on the front lines of an organization or outside any organizations altogether—anyone who sees a better way to do things and want s the organization to change.

1—Telling the Right Story

- Analysis might excite the mind, but it hardly offers a route to the heart.

- Eight different story patterns:
 - **Sparking action** – describes how a successful change was implemented in the past, but allows listeners to imagine how it might work in their situation. Avoid excessive detail. “just imagine”, “What if”
 - **Communicating who you are** – provides audience-engaging drama and reveals some strength or vulnerability from your past. Provide some details; ensure audience has time and inclination to hear your story. “I didn’t know that about him!”, “Now I see what she’s driving at.”
 - **Transmitting values** – feels familiar to the audience and will prompt discussion about the issues raised by the value being promoted. Use believable characters and situations and ensure the story is consistent w/ your actions. “That’s so right!” “Why don’t we do that all the time?”
 - **Communicating your brand** – Is usually told by the product or service itself, or the customer word of mouth or by a credible third party. Be sure the brand delivers on the promise. “Wow! I’ve got to tell someone about that.”
 - **Fostering collaboration** – Recounts a situation that listeners have also experienced and prompts them to share their own stories about the topic. Ensure that a set agenda doesn’t squelch this swapping of stories—and that you have an action plan ready to tap the energy unleashed by this narrative chain reaction. “That reminds me of the time...” “I’ve got a story like that.”
 - **Taming the grapevine** - Highlights through gentle humor some aspect of a rumor that reveals it to be untrue or unreasonable. Avoids the temptation to be mean-spirited. “No kidding!” “I’d never thought about it like that before.”
 - **Sharing knowledge** – Focuses on problems and shows, in some detail, how they were corrected, with an explanation of why the solution worked. Solicit alternative – and possibly better – solutions. “Gosh! We’d better watch out for that in the future.”
 - **Leading people into the future** – Evokes the future you want to create without providing excessive detail that will prove to be wrong. Be sure of your storytelling skills. “Where do we start?” “Let’s do it!”
- Different combinations of story can be woven together as an integrative narrative tapestry.
- The ROI of storytelling. Often the request to quantify benefits is merely a pretext for taking no action, or a polite way of making a negative statement.
- Mintzerg’s classic *Nature of Managerial Work*, showed that talking comprises 78% of a manager’s time.
- **When storytelling gets the message across more effectively, its incremental cost is zero or close to zero, and so its ROI is massive.**
- Most change programs unsuccessful. Study of 40 companies involved in major change. Each project initiated by senior mgt, e.g., Six Sigma, business process revamps. Remarkable how little success the companies had with their change programs. Key findings:
 - 58% of companies failed to meet targets;
 - 20% captured only a 1/3rd or less of what was expected.
 - 42% who were successful not only gained expected returns, in some cases exceeded them by 200-300%.
 - Storytelling was a key success factor. Without a storytelling capacity, the chances of success were significantly lower.

- There is no simple cause-and-effect relationship between introducing a management technique and getting an improved business result.

2—Telling the Story Right

- Four key elements in storytelling:
- **Style** - Tell the story as if you were talking to a single individual. Avoid hedges. Don't give alternate points of view. Keep the story simple, focused and clear. Present the story as something valuable in itself. Lou Gerstner, "clear to him and to many others." Be yourself.
- **Truth** – Don't waste time with grinding persuasion. Offer listeners an unobstructed view of the truth and listeners will see it and recognize it for what it is. Any reasonable person would have to agree. Don't argue, present. Make the storytelling experience a sprint, not a marathon.
- **Preparation** – Be rehearsed but not spontaneous. Choose the shape of your story and stick to it. Show only the final cut, like a movie director.
- **Delivery** – a 1973 finding at only 7% of the meaning of a communication came from the content of the words spoken, while 93% of meaning comes from nonverbal communication.
- To connect with your audience, you approach the task of storytelling interactively and model your behavior on the concept of conversation—a dialogue between equals. You proceed on the basis that the relationship between you and your listeners is symmetrical. You talk as if the listeners could take the next turn in the conversation.

3—Motivate Others to Action

- Leadership is centrally about inspiring people to implement new ideas in the future. And not just grudgingly but enthusiastically, because they believe in it.
- It's not just any story that results in people buying into major change.
- *Main Elements of the Springboard story.*
 - Change idea behind the story is crystal clear.
 - Story is based on an actual example where the change was successfully implemented – that is, it's a true story.
 - Story is told from the point of view of a single protagonist.
 - The protagonist is typical of the audience.
 - The story gives the date and place where it happened.
 - The story makes clear what would have happened without the change idea.
 - Story is told with little detail – in minimalist fashion.
 - Story has a positive tone –it has to have an authentically happy ending.
 - Story is linked to the purpose to be achieved in telling it.
- Clear Purpose. The first step is getting clear on the change idea that you are trying to get across.
- For each of the other steps in the process, ask: is this part of the story relevant to communicating my purpose? If the storyteller isn't clear on the purpose, the story usually fails. The change idea has to be specific enough so that people could see whether they are making progress to implement it or not. If you're having persistent difficulty in coming up with a story to communicate a change idea, check the clarity of the change idea. Put your change idea in writing, preferably a single sentence.
- The second step in the process is to think of an incident where the change idea has already happened.

- For a springboard story, state the date and place where the event happened. The right way, the normal way, to signal that you are telling a true story is to give the date and place.
- Who is the single protagonist of your story? The hero or heroine? Not a group, a team, a company, a country. A single person.
- ***You tell the story from the perspective of someone who will inspire your audience to say, “I know that situation! I’ve been there! I’ve had that problem!” And so they identify with the protagonist. IN effect, they start to live a similar story for themselves. They may be listening to the story that you are telling. But they’re starting to tell themselves a new story in which they become the protagonist, in which they undertake the hero’s journey, in which they encounter and overcome obstacles, and in which they attain the goal. (Wipeout—Ben is the protagonist—let the reader also be the protagonist)***
- Invite the audience to make large and rapid leaps of imagination. In a business setting, strip out all unnecessary detail. The minimalist style leaves plenty of space for the audience to imagine a new story in their own context.
- For each member of the audience, you actually have two listeners. There’s the physical person you see in front of you and there’s also a second listener known as “the little voice in the head.”
- What makes the minimalist story so powerful is that it resolves a fundamental conundrum of transformation. Transformation must be both personal to all participants and centrally directed in order to be coherent.
- A springboard story told in a minimalist fashion resolves the paradox by creating a vehicle that encourages all listeners to craft similar stories, each of which is still the listener’s own story. The result is personalized coherence across large numbers of people.
- In a story aimed at sparking action, you have to have a happy ending.
- How to give enough guidance but not too much? Use the magic phrases of ... “What if” and “Just think”
- Negative stories get people’s attention, but they don’t spark action. The action comes from a positive story that shows the way forward. So use the negative knowledge-sharing story to convey the message that the situation is indeed grim, but follow it with the positive springboard story that shows how to solve the problem.
- Two ways to get the audience’s attention. One is to talk about the audience’s problems. Talk about the issues that are keeping them awake at night. The other way is to tell them who you are. Tell them a story that can begin to generate the interest and trust you will need as a platform to spring them into the future.
- Template for Springboard story p. 75.

4—Build Trust in You

- The first reason you tell a story is to show people who you are—to stop being a stranger.
- Your uniqueness as an individual—your very identity—doesn’t lie in the roles you fill or the abstract values you claim to have. It resides in the one-of-a-kind person that you have become as a result of the experiences you have had.
- How to Tell Your Story
- A story that communicates key choices you have made in your life.

- For most of us, our own hopes and fears tend to get in the way of realistic assessment of who we are.
- One of the underlying principles of most psychotherapy: Creating a situation that requires personal storytelling, participants seem to discover a degree of coherence that wasn't there before.
- People look for someone with a self-image that is largely consistent. It is therefore important for you as a leader to have a clear view of a personal life-story that is aligned with the factors of your life. Newt Gingrich as an example during Bill Clinton presidency.
- It takes courage to tell a strong personal story, because the story implies certain values that you will hold to even if the world changes.
- A fruitful source of stories of who you are concern stories about turning points in life, moments of disruption when your world as it appears on the surface is disturbed by some incident that gives a glimpse of these regions of deeper feeling and how they affected you.
- Making sure the audience wants to hear your story:
 - First encounter
 - A difficult decision
 - Coaching or counseling decisions
- Template for Who You Are story on p. 99.

5—Build Trust In Your Company

- Telling the story of your brand.

6—Transmit Your values

- Distinguishing the different types of values
 - 1. Values of the robber barons – bare faced greed;
 - 2. Values of the hardball strategists – ½ step away from robber barons. The heirs of Machiavelli; they live in an amoral world and have no worthwhile values to transmit;
 - 3. Values of the pragmatists – Costco example.
 - 4. Genuinely ethical values – Starbucks and Southwest;
- Some companies face a “values bankruptcy” even though from a fiscal standpoint, they are solvent.
- Although it may not be clear whether good environmental and social practices always create value for shareholders, it is now evident that bad ones can destroy it. Since the brand is often the most valuable asset on the balance sheet, firms are particularly vulnerable to bad news about their values.
- People often have difficulty in answering questions like these:
 - So tell me what your values are?
 - On a one-to-five scale, do you value this? Or that?
- Values live in the actions that people engage in and the stories that they tell about these actions to try to make sense of them.
- Here are topics that can be used to prompt stories that reveal values:
 - Occasions where you faced adversity;
 - Times when two values conflicted;
 - What you find most satisfying in working with your firm;
 - Something that showed you what your organization is really good at;
 - The worst thing that ever happened to you in your organization;

- How a client was badly treated but it eventually turned out well;
- Your happiest day at work;
- Something that your organization is good at but few people know about;
- Something that showed you what you have to do to get ahead in your organization;
- Sometimes too much to ask a person to tell a story about themselves. So ask them to share a story about someone who made a difference in their life. Could be about:
 - Someone they knew when they were growing up;
 - Someone in the organization who has meant a lot to them;
 - The person they admire most in your organization;
 - The person who is closest to them in the organization;
 - Someone who did better in the organization than anyone expected;
 - Someone who really taught them the ropes at the organization;
- **7—Get Others Working Together: Using Narrative to Get Things Done Collaboratively**
- Work groups are the traditional subunits in an organization: departments or divisions. They entail people working on the same subject and sometimes in the same space.
- Teams are organizational groupings of people who are interdependent, who share common goals, who coordinate their activities to accomplish these goals, and who share responsibility for the performance of the collectivity.
- While work groups, teams and communities are conceptually distinct, in practice they tend to overlap.
- *Collaboration Rests on Shared values*
- Often the basics aren't in place to enable teamwork to happen.
- There's a deeper root cause—collaboration rests on values. And the espoused values of collaboration and the operational values at work often exist on opposite sides of a deep gap.
- Growing numbers of people are interested in moving from a world of “me” to a world of “we.”
- The viability of a higher performance team or community is going to depend on its members. For them to get to first base, they must have a minimum degree of understanding of the nature of the entity they are creating.
- High performance teams are rare and their nonhierarchical, passionate modus operandi and distributed leadership run counter to the pervasive hierarchical thinking in organizations today.
- **12—A Different Kind of Leader**
- Implicit in all this is a different idea of what it means to be a leader. The interactive, Tolstoyan leader works with the world, rather than against it. Interactive leadership both adds and subtracts elements from the leadership palette.
- Interactive leadership builds on personal integrity and authenticity. Because you can communicate who you are and what you stand for, others come to know you and respect you for that. Because you are attentive to the world as it is, your ideas are sound. Because you speak for the truth, you are believed. Because you treat others as ends in themselves, not merely as means to your own ends, people trust you. Because you make your values explicit and act in accord with those values, your values become contagious and others start to share them. Because you are open to innovation, happy accidents happen. You bring meaning into the world of work; you are able to get superior results. Interactive leadership doesn't depend on the possession of hierarchical authority.

- *Leadership That Participates*
- Once leaders adopt the interactive mode of thinking and behaving, the world is no longer separate. They escape from the illusion of passionless objectivity, which may aim at clarity but inevitably ends up distorting the world by stripping away the dimension of human viewpoints, emotions and goals.
- If you are to achieve appropriate connectedness with the people you lead, you need precisely those capacities for understanding, trust and respect that the Napoleonic mode of management suppresses. Choosing to feed compassion instead of detachment is often ridiculed in business as being insufficiently “hard”—insufficiently firm, hard-nosed, tough-minded, aggressive and ultimately hard-hearted.
- In most leadership situations, trust respect and collaboration are simply more effective than preemptive domination.
- For the interactive leader, the situation is very different. The interactive leader comes with a message and an agenda, but also seeks to interact with the audience and learn from their viewpoints. For this purpose, storytelling is an extraordinarily suitable too. Since all good storytelling begins and ends in listening, the session is inherently participative and interactive.
- Even before the presentation has begun, the interactive leaders show an appropriate rapport at the outset to enhance the chances of the audience being responsive. Thus the leader might welcome the audience individually, shaking hands or otherwise physically acknowledging their presence. The interactive leader does this because it’s difficult to be utterly unresponsive to someone who is actively signaling responsiveness and reciprocity.
- So the interactive leader uses a story and the responsiveness of the audience to the story is contagious.
- The interactive approach to leadership is modeled on the concept of conversation—a dialogue between equals. It’s not impossible to maintain a conversation of equals when dealing with someone who adopts a superior hierarchical position, but it isn’t easy—there is an inherent tendency to slide into an adversarial relationship of either submission or rebellion.
- Are there CEOs today who are running real companies with interactive leadership? A case can be made that Lou Gerstner at IBM was sometimes in this mode. Bill Bratton of the NYC police, Tom Chappell of Tom’s of Maine, Bill George of Medtronic, Steve Jobs of Apple Computer, Herb Kelleher of Southwest, Anita Roddick of The Body Shop. The 40 or so “idea practitioners” Tom Davenport and Larry Prusak cite in *What’s the Big Idea?*
- There’s little to in the collective psyche that makes it easy for people to understand and slide into this mode of operating. This maybe part of the problem: society is trying to give birth to a new type of the human psyche that would actually encourage good people and innovation and still survive and flourish. Like anything worthwhile, the birth pangs are not painless or easy. Nevertheless the need is there.
- *Interactive Leadership That Is Not for Everyone*
- The interactive leadership approach will not appeal to everyone. To those who are comfortable in the command and control mode, to those who are the robber barons, the hardball strategists, the upwardly mobile lackeys, fawning aides de camp, commercial mercenaries, paid-for-politicians or scheming demagogues. Such people have used inauthentic narrative as a tool of manipulation and control.
- These propelled will go on practicing their counterfeit leadership in offices, dangling the threat of layoffs or other disasters over people’s heads while increasing the pace and

intensity of the work. They will go on using pseudo-empirical studies crafted to contain creative people in cages of quiet desperation. They will spend their time speaking to those who obey, or in order to force obedience, or to seduce newcomers with duplicitous maneuvers.

- *Leadership that Is Relatively Free of Ego*
- The interactive approach to leadership is not concerned merely with making the deal. This is key, because if who you are gets defined according to the current rate of exchange in a marketplace, then the accommodation you make with the world will distract you, one degree at a time, from what matters. This is how the commercialized version of what it means to be a person brings people under its spell.
- By removing ego from the game, you change the nature of the game, since the principal lever of those in the control mode is eliminated.
- Being relatively free of ego means never exacting revenge. Your opponents are oppressed by a larger foe—their own fear.
- *Leadership That is Like Judo*
- When you take on the role of the interactive leader, aware of who you are, confident of your values, assured of the soundness of your mission and competent to communicate it through a story, you will acquire supporters. You don't fight your opponents: you invalidate them. Those who bear the trappings of power don't necessarily have much authority.
- Besting means not fencing people in—you leave them room to change their minds. You behave as if your opponents are your allies, demonstrating your trust in them and giving them strength to do the right thing. You give them the courage to change by creating heroic expectations for them. The bigger the expectations, the harder they will try to achieve them. A change in relations occurs as all participants recognize the need for change.
- *Leadership that Has Feeling*
- Interactive leadership involves passion—another ingredient that is missing from command and control leadership.
- Another reason why the interactive leader resorts to storytelling is its aural character. The ear enjoys a privileged passageway to the heart, as may be seen in the emotional impact of music.
- The interactive mode of leadership isn't simply about being emotionally intelligent; it's about *acting* with emotional intelligence. If you are emotionally intelligent only in your thoughts while you remain in the control mode, regulating and optimizing, then you are unlikely to be successful in engaging the emotions of others. It is generally through narrative that you activate passion and channel the passion in others for constructive purposes. To achieve the proper balance inherent in "well-targeted and well deployed emotion", you also need to avoid being too much in love with order.
- The control mode of management is deadening. You can recognize it in the gray feeling that comes over you when you participate in a departmental meeting, listening to the voice that drones on with the announcements of "new findings" that could hardly be more banal, or the latest reorganization. These are stagnant waters in which no living thing flourishes. The dreariness of the modern workplace.