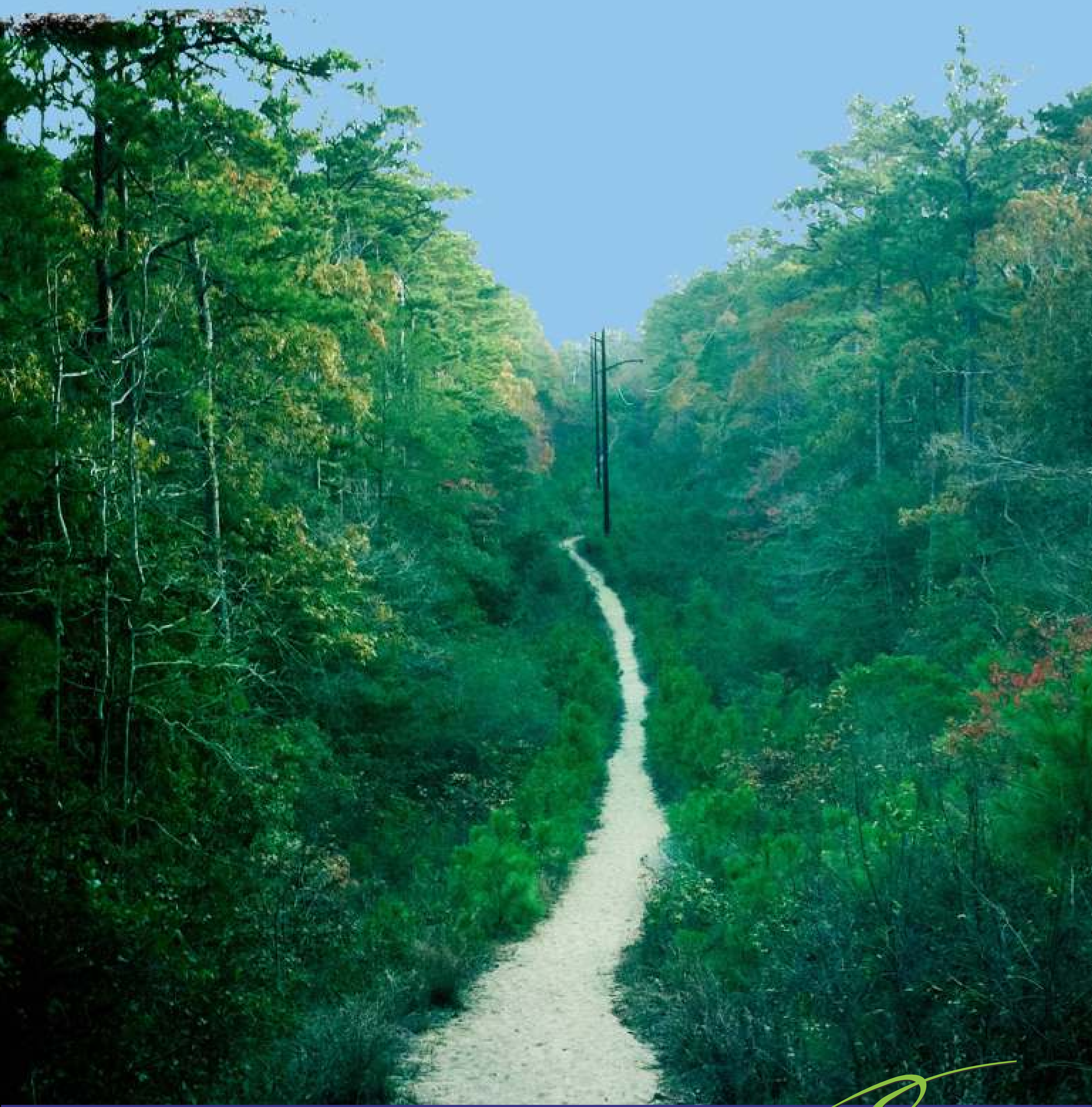
eSPIRIT 2015

Vol. 2 Issue 1



Initiatives of Change

Caux Initiatives for Business

Dear Readers,

Caux Initiatives for Business is delighted with the fact that its quarterly ezine, CIB eSPIRIT has completed a year. Even prior to our July-Sept. 2014 issue, 'Unveiling Good Leaders', we had been very keen to document the lives of business persons with inspiring stories. Our confidence was derived from the past, on how the courageous decisions taken by CEOs or MDs could be an encouragement to many. The issue on JRD Tata only confirmed this when we saw the response it received.

With the start of a new year, CIB has decided to carry in each of these next four issues a story of businesspersons who have shown by their walk on the 'road less travelled' that it is possible to be ethical in business while still remaining competitive.

This issue, Vol. 2, Issue1, carries the story of a young MD from a small-scale industry in Mumbai, India. It reveals the accomplishments and struggles through the last 36 years and how despite all odds, they have remained a successful business enterprise.

Describing how some companies and leaders navigate the environment of uncertainty exceptionally well, renowned author of several business case studies, Jim Collins says, “They don't merely react; they create. They don't merely survive; they prevail. They don't merely succeed; they thrive. They build great enterprises that can endure.” With this he describes how a CEO of an Insurance company chose not to dance to the gallery but through 'fanatic discipline' made tough choices that eventually paid off.

A couple of key traits have been found to make up the common thread in the stories you will find in this issue – courage and perseverance. It is our hope that just as much as we have enjoyed producing this magazine for you, you too would enjoy reading it.

Sanjiv Tare
Editor

CAUX
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For private circulation.
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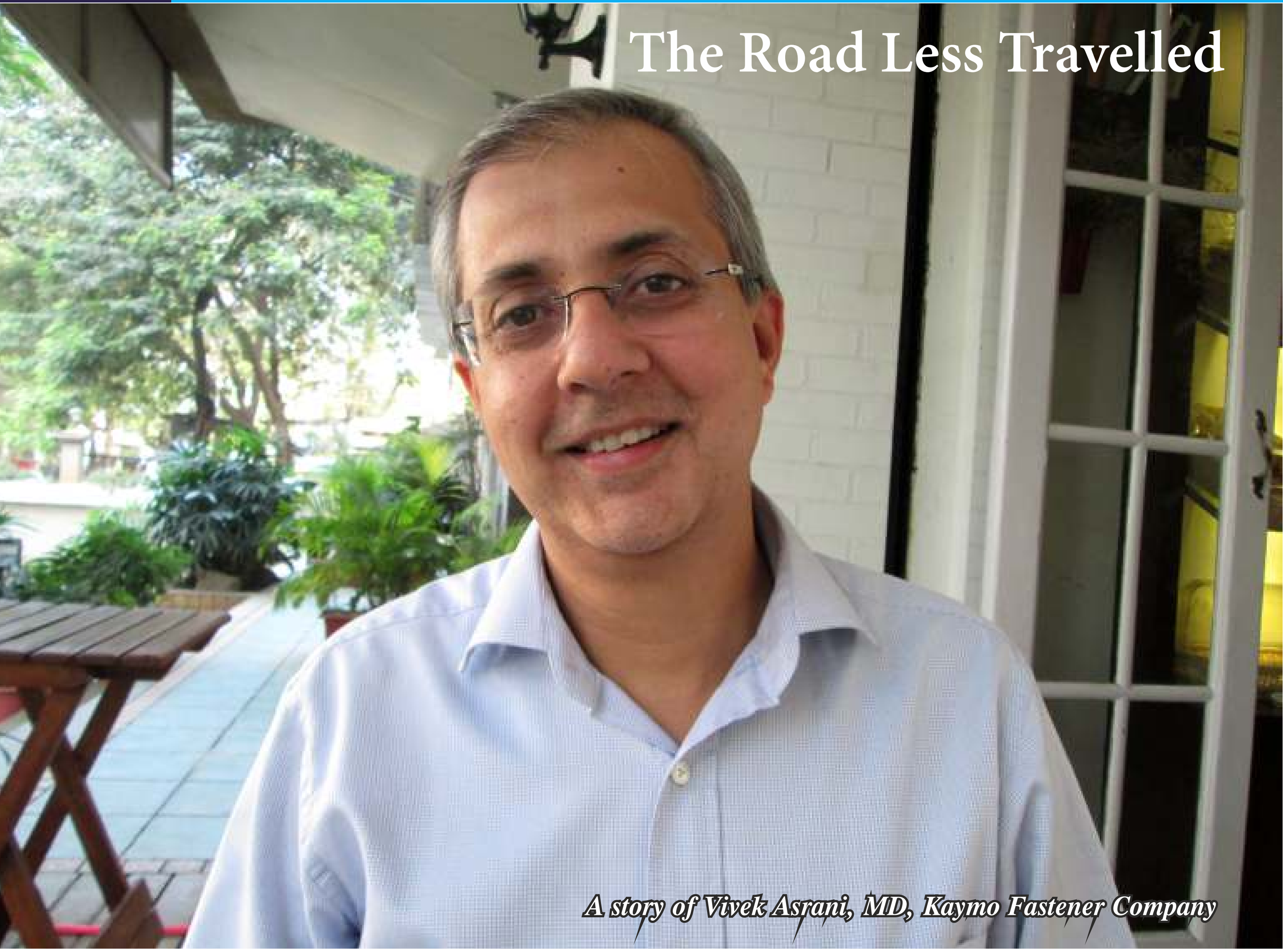
The Road Less Travelled



A story of Vivek Asrani, MD, Kaymo Fastener Company

Sitting outside a French Café in an uptown street in Pune, Vivek Asrani shares his very inspiring story of the road his company travelled through the 56 years of its existence and the 20 years of his taking over. Unveiling the secret of good leadership he speaks candidly of the periods when all was well and the times when all seemed lost. Through each narrative he provides insight on how being ethical was their best business strategy and how it has paid off.

GENESIS

"At the time of the partition of India, while my father was all of 9 years old, my grandfather, Chhugomal Asrani, left his home, his business and everything he had to relocate from Karachi, formally in United British India to the city of Bombay. After living for some time in a refugee camp he decided to venture into business." Recalling those days that he would have heard of, Vivek continued, "Operating from a 600 square feet shop that was located in a stationery and hardware market area of Bombay, they used 200 square feet of that space as a shop with the remaining as their residence for six people. With one table and a typewriter, my grandfather who was an Indenting Agent, wrote to 25 or 30 of his suppliers from UK and Germany saying, 'I am in a new place with new people and no money for samples. I am willing to work hard if you could send samples of your products so as to book orders on your behalf.' Almost all the companies he wrote to, sent him a sample set," Vivek trailed off before narrating the genesis of Kaymo.

By the mid-50's, when the fledgling Republic of

India had found its feet, the government introduced strict import norms. Few or no licenses were being issued. Foreign exchange was very difficult to obtain. So when the senior Asrani and his son, Gul (Vivek's father) reflected on the situation around them, they realized that unless they explore new options there was very little chance to survive.

“It was at a time like this,” recounted Vivek, “that my father suggested that they venture into manufacturing.” Having no prior experience, no manufacturing facilities and very little capital, Vivek's dad, Gul reasoned with his father saying in his inimitable style, “All those who are manufacturers today did not learn this from their mother's womb, did they?” And so in 1959, Kaymo Industries began.

EARLY CHALLENGES

Managing to import few machines from China, Gul Asrani manufactured staple pins for office stationery use. “He would make the products with his own hands during the day and take whatever was ready by taxi, to the shops to distribute,” narrated Vivek as he recounted those days. He shared of how his dad faced rejection and how skeptical shop-keepers openly questioned if the young man planned to compete with the far superior products from overseas. Yet with a firm resolve not to allow such talk discourage him, he persevered. Focusing on good quality, Mr. Asrani targeted the end-user by way of door-to-door marketing until eventually the demand at the stationery stores forced the once cynical dealers to welcome the product.

Original Factory of Kaymo Industries

The young man, barely 30 years of age was faced with two choices: either to compete with these unorganized sector players by being better at their own game of unethical practices or move up the value chain.

THE FIRST BIG BLOW

In 1971, India and Pakistan were engaged in their third war with each other. A ship carrying raw material for Kaymo Industries had to make a port of call at Karachi. Without justification, all the packages meant for Mumbai were off-loaded at this port town of Pakistan and nothing was permitted to reach the business city of India. Gul Asrani had taken loans by way of Bills of Exchange for the purchase of this shipment and now it was all lost. Word spread quickly in the market that Kaymo's consignment was seized in Karachi and that the company is likely to go bankrupt. Lenders purportedly close to the Asrani family asked for their money back. Refusing to cow down to pressure, the survivor of numerous challenges sought a line of credit from State Bank of India while simultaneously requesting his overseas suppliers to pursue their insurers from their end. And while the trying period lasted close to eight years, Vivek shared how Kaymo not only came through the crisis but how his father eventually paid off all his creditors.

TRIAL BY FIRE

Though Vivek Asrani was groomed since 1984 , it was only in 1995 that he took over the company. Barely had this 27-year-old man taken over when he found himself confronted with a crisis that threatened to shut down the business. Kaymo

Industries, a company that had built a reputation in the manufacture of staple pins for now close to 36 years found itself suddenly competing with the unorganized sector. Small shanties had sprung up producing pins with shorter lengths, using poor quality material and selling with no invoices. What was worse was that they were selling their product cheaper by at least 25% of Kaymo's value. Vivek found himself competing with a parallel economy that all the while depleted his market share.

To add to his woes, because of the company's limited producing capacity, it gave rise to duplication of Kaymo products. Spurious goods with identical packing and company name were sold all over the country. Could a small, family-run business with limited resources fight little shanties that were more like fly-by-night operators?

The young man, barely 30 years of age was faced with two choices: either to compete with these unorganized sector players by being better at their own game of unethical practices or move up the value chain. He chose the latter and founded Kaymo Fastener Company for industrial staples, nails and fastening tools.

MOVING UP THE VALUE CHAIN

Four principles were soon to be the guiding light for Kaymo Fastener's future. These were: (1) Integrity; (2) Win-Win; (3) Customer Delight; and (4) Excellence. Guided by these principles, Vivek took a leap by getting into a range of products that was still to make its entry on a large scale in the Indian market. From manufacturing just staple pins for office use, Kaymo Fastener Company now began promoting fastener tools for industrial use. To begin with, this business was highly imports dependent with duty close to 80% of the product value. Staying true to the first principle of 'integrity' meant that there would be no under-invoicing; no selling without invoices; and no bribes to avoid duty.

Initially, those who meant well questioned the sense of it all. “Is it practical?” “What if someone else decides to import the same tools and decides to under-invoice or pay off an officer with 20% of the duty fee? How does one compete with this kind of business?” The principle of ethics seemed good to hang on the wall but was it possible to do business this way? Shrugging off these well-meaning posers with the reasoning that 'we can at least give it a try', Vivek imported pneumatic, electric tools to drive staples and nails meant for concrete and fasteners for industrial application such as packaging, auto seats, shoes and upholstery.

> In life one will face challenges and one will fall. In that we don't have a choice. But we can choose how we fall.

In the first year, Vivek Asrani sold just six tools, each valued at Rs.10,000/-. Selling one tool was such a great feat that the young MD would celebrate with a box of jalebis (an Indian sweet) saying, “Today I sold a pneumatic stapler.” He visited at least 400 dealers in the first few years just showing the product and talking about it, most often returning unsuccessful. Fortunately for him, industry had just begun to migrate from the manual system of fastening to the automated. Therefore in 3 or 4 years of its introduction he found that the company was able to do a marginally decent business totaling a few hundred thousand Rupees a month.

“Today,” he said with his characteristic smile, “we are selling around 40 tools a day.” Needless to say, backward integration was the logical result. For with the selling of the fastener tools the industries needed the fasteners. So began Kaymo's divergent product line that kept increasing.

THE GREAT TEMPTATION

In the third year since the launch of industrial fastener tools, Vivek found himself negotiating an order that was equal to his company turnover. There were only two companies that were in the race for this contract, the other being a very big company. Unfortunately for him, the purchase department was one of the most corrupt departments in that private sector company. Staring directly at the cross-roads, this young MD needed to make a choice. Should he take the bite and push his turnover up several times higher (and shred the first of his four principles) or should he stay true to what he believed was the best business strategy? Again, he chose the latter. After having turned down the order he gathered his then small team of 4 or 5 staff and asked, “What does it still take to be market leaders?”

This situation pushed them to bring out their best. They were forced to explore innovative and creative ideas in order to grow and expand. Smiling nonchalantly Vivek then drew a 'then' and 'now' comparison to bring to perspective the result of being forced to work better. He said,

“From 6 to 7 products we now have 400.

“From 2 models of pneumatic tools, we now have 80.

“From having no dealers, we now have 150.

“From 5 staff we have expanded to 60 all over India, with 18 or so looking after sales.

“From no service centres, we are now India's largest service centre, managing over 3500 spare parts with 31 authorized centres all over India.

“And we now have a network of 25 suppliers from around the world that manufactures products for us with the Kaymo OEM label, design and brand.

At an Exhibition

"I bless that corrupt purchase officer," tailed off Vivek, "for pushing us in the right direction. If not, we would have been fat and lazy and would have lost all drive for innovation and creativity."

Anchoring themselves to this principle, which as Vivek poignantly stated was 'non-negotiable', it not only helped Kaymo Fastener Company set an operative standard to run their business but also kept them poised for longevity. "For had we given in," he said, "in the long run, we would have perished."

VALUE LIES IN THE BRAND

Recounting a meeting he had with a Korean businessman while participating in a business exhibition, Vivek shared how one simple yet profound statement hit him like a ton of bricks. Ken, who soon became his close friend said, "Vivek, value lies in the brand."

This led the Kaymo Fastener MD to look at how he could establish the brand of his company instead of just being a distributor for others. So apart from increasing the product offering and setting up sales teams in various cities outside Mumbai, they explored better products having better quality and features from overseas.

But it also led them to making a decision that was to come with a huge effort. Kaymo's decision to package many of its products in its own brand name had great logistical implications. Practically it meant having labels, packaging and other things now in Kaymo's name. But their quantities were not great. Still they overcame this hurdle to establish the name Kaymo as a brand name in the field of fasteners.

In January 2001, he participated in the Industry Exhibition in New Delhi, "IMTEX". Though it meant spending close to 10% of his turnover for this event, Vivek was all of excited. In time, the dealership network increased and their producing units expanded.

TRUST – THE ETHOS OF KAYMO

For trust to be built, integrity had to be a strong supporting pillar for Kaymo. Dignity in

relationships be it with staff, dealers or suppliers was another pillar on which their company was to lean heavily on.

Stressing the importance that trust played in Kaymo's existence, Vivek shared how he still does business with the same stationery dealers that his grand-father worked with in 1959. Elaborating further on how managing relationships was a key element in the Kaymo mindset he said, "In 2001 we set up dealers that rose to 160 in number. In the 14 years that have gone by, barring 3 or 4, the rest are still with the company."

Narrating an incident of a potentially damaging situation he spoke of how his Accounts department had erroneously submitted to the Income Tax Department a stock statement that had been generated with random figures from a new software they were trying out. The Commissioner on comparing these figures with the other sheets submitted believed that there was an attempt to avoid tax; and though repeated visits by the Accounts Manager was made to the Tax office to explain the error, the Commissioner refused to believe him. Recognizing how this situation had the potential to blow up on one's face, Vivek decided to personally meet the Tax Commissioner. His meeting with him went something like this: "If we have done anything with malafide intent to avoid tax, I ask you to not only penalize us but to double that penalty. However, if you believe that this was a pure mistake as all of us are prone to making, I ask you to please return the incorrect stock statement that we may submit to you the correct one." Recounting what transpired from this brief plea, Vivek continued that the officer looked him straight in the eye and told him how he believed him for if he was lying, he would not have been able to stand in this manner in his office.

CHALLENGES AND FAILURES

Like everyone else, Kaymo Fastner has had its fair share of challenges and failures. While it is a fact that in trying situations even the strongest can break, a glimpse of how this small staple pin company responded would give us an idea of the strength of their resolve or otherwise.

December 2008. The economic world was in the throes of an economic crisis. At a time when Kaymo Fastener was poised to catapult itself to the next level, the US Dollar rose by 20% in India; steel prices first increased by 40% before crashing by 20%. Kaymo stocks consisted of high cost material. Prices tumbled; demand slumped due to the recession and liquidity in the market dried up resulting in delayed payments. The result was that Vivek Asrani was staring at falling sales, eroding

margins (some products even registering negative margins) and working capital under intense pressure.

In a situation like this, fear and anxiety could halt all rational thinking. There would be nights when Vivek would suddenly sit up and wonder how he was to manage the next morning. Revenue for salaries and running expenses were required even if the storm around was severe. Drawing inspiration from a story he read, Vivek chose his approach to deal with the crisis. His inspiration went like this:

"In life one will face challenges and one will fall. In that we don't have a choice. But we can choose how we fall." He then gave a case of the impact three balls had in the way they fell. "One can fall like a steel ball, breaking all around you, fermenting anger and negativity wherever you are; or fall like a clay ball shattering you within, where the situation completely overpowers you. But falling like a rubber ball forces you to bounce. The harder the surface, the higher the bounce," he concluded philosophically.

He chose to fall like the rubber ball. Determined to bounce back he devised a simple way out. He broke his parents' and his own Provident Fund amounts to first pay salaries for he had earlier resolved that come-what-may he was never going to delay salaries nor retrench staff on account of cost-cutting. Sharing his expectations with the staff he told them that while they stood by the company in the good times, the company was going to stand by them in these times of difficulties. However he needed them to understand that there would be no annual increments as long as the crisis persisted. And while Vivek never cut corners he became very cost conscious at every level.

The crisis lasted two whole years. But in 2011 when the US Dollar rose again, this time around they were ready for it. Reading the warning signs early he took preventive action to ensure that all measures were in place prior to its occurrence. In a span of one calendar year, he revised his prices twice. Though the sales teams were skeptical of this action, Vivek counseled them saying that he would rather have a small business with profits than great sales with losses.

These measures not only protected margins but also helped release a lot of pressure in the internal running of the company. Systems and software lead to the efficient functioning of the team. The team though leaner was empowered with greater responsibilities and a heightened awareness on growth.

"You know," said Vivek smiling as he stirred his cappuccino, "cutting corners would have brought us temporary increase. Having our eye on growth however brought in the long-term gains."

REMAINING EVERGREEN

Using an analogy, Vivek compared his small company with large corporates by saying that companies like the Tata's or Infosys can be compared to a forest while in contrast, Kaymo can only be compared to a blade of grass. "Yet," said this young man, "I always tell my staff that though there is no comparison in the size, the one thing we can ensure is the colour. We can always remain as green as they are." So despite the size, practices and policies with regard to employee welfare were already put into place.

The company now sponsors 50% of the course fee for any staff member that decides to pursue further education while permitting the balance 50% to be treated as a soft loan payable in 3 to 4 years. Mothers are allowed a three-month maternity leave while fathers can avail of a month's paternity leave. Access to a library containing books and periodicals that are selected by the staff members is made available; and they ensure that they never skip the annual company outing which includes families too.

Elaborating further Vivek said, "The purpose for our existence is to create value beyond ourselves." So when Ayesha, who benefitted from the education sponsorship to do her MBA eventually decided to leave Kaymo Fastener Company for Rediff, "I was genuinely very happy for her," said the greying, bespectacled MD with all sincerity. It thrilled him to see someone grow. It gave Kaymo a sense of creating value. Vivek then spoke of how profit is a byproduct of working well but must be distinguished from value for he said, "the two are very different things."

This student of Vedant drew great inspiration from a Vedantic scholar, Swami Chinmayanand. Recollecting his teaching Vivek said, "Profit is like petrol in a car. Without petrol, you cannot drive the car. However, you do not drive the car for the petrol but rather to get you to a certain destination."

"Similarly," he continued, "Business cannot run without profit. However you do not run business purely for profit. The purpose of running a business goes way beyond profit."

Revealing how he had no qualms of sharing information with others he said, "Knowledge belongs to the universe." Backing this philosophy with the benefits he reaped from this approach he shared how Robert joined his company as a mechanic. "Today after 15 years of service, this man who now heads our R&D and All India Service network is a walking encyclopedia." At every stage he encouraged and practised the teaching-and-learning-from-each-other principle. Sunil, a man who formerly worked as a salesman in a small automobile dealership now heads the entire sales operations of the company that covers close to

Customer Care

60 cities in India. “His work is exceptional,” beamed an obviously proud leader of the team. “He had a willingness not only to work hard but also to sit and gain knowledge from the experiences of others while sharing that of his own.”

“There is a flip-side to this practice,” he cautioned describing how a group of 14 staff members led by two senior managers decided to join a competitor who had lured them away to begin his new business in this field. “Initially we were affected,” Vivek confessed but he bounced back to counsel his staff, “We must respond to this set-back in a positive manner.” Building on this statement he described how the fruits of one's labour will eventually show if the roots are strong and nurtured well. Sometime after this break-away, he received a call from one of his dealers telling him that the senior managers who had defected had come over to meet him. This group now sought to whisk away the dealers too. “He told these gentlemen that they were welcome to sit and have a cup of tea with them, but that their loyalties stayed with Kaymo.”

“Barring just one of the 160 dealers throughout India, all remained faithful to the relationship that we had established,” said Vivek before concluding with a question: “Does trust get abused?”

“Yes!” he went on to answer himself, “but just because of this 2% we can't stop trusting the balance 98%.”

APPEALING TO THE HIGHER IN ANOTHER

Narrating another incident he shared how his worried Accounts Manager once came up to him saying that though the Income Tax Department was due to discharge a refund, the Officer at the time was holding it up with an expectation of receiving something to release it. “The man is just not willing to heed,” complained the concerned Accounts Manager to his boss.

> Business cannot run without profit. However you do not run business purely for profit. The purpose of running a business goes way beyond profit.

Vivek while passing by the Tax office, a few days later decided to visit the Officer. Politely introducing himself with, “I understand that you are unwilling to release the refund because you are expecting something,” Vivek then explained to the man on the seat that it wasn't that the Accounts Manager could not pay the money but that the company was not going to allow him to. After describing a bit of the business and what they stood for, Vivek then told the Officer that all the business dealings were via invoices. “We are doing this to partner with you so that our tax paid can be routed for the right development it has been assigned for. If I compromise on this, we would both be doing a great disservice to the nation.”

Appealing to the good in the other, Vivek witnessed how the corrupt officer turned his attitude completely. He began to describe how he too is involved with a lot of social work for the upliftment of society. Needless to say, the refund was released without having to bribe the officer.

“Through all these years of business,” concluded Vivek after a delightful 90 minutes of sharing his inspiring story, “I have come to the conclusion that good relationships and remaining ethical is for me one of the best business strategies.”

Don't Quit

When things go wrong as they sometimes will,
When the road you're trudging seems all up hill,
When the funds are low and the debts are high
And you want to smile, but you have to sigh,
When care is pressing you down a bit,
Rest if you must, but don't you quit.

Life is strange with its twists and turns
As everyone of us sometimes learns
And many a failure comes about
When he might have won had he stuck it out;
Don't give up though the pace seems slow -
You may succeed with another blow.

Success is failure turned inside out -
The silver tint of the clouds of doubt,
And you never can tell just how close you are,
It may be near when it seems so far;
So stick to the fight when you're hardest hit -
It's when things seem worst that you must not quit."

The author of the above poem is unknown but is believed to be St. Jude.

Vivek Asrani has drawn inspiration from this poem and has it posted on his office board in his cabin.

Great by Choice

The following is an extract taken from the book, Great by Choice written by Jim Collins and Morten T. Hansen and published by Random House Business Books 2011.

What's coming next? All we know is that no one knows.

Yet some companies and leaders navigate this type of world exceptionally well. They don't merely react; they create. They don't merely survive; they prevail. They don't merely succeed; they thrive. They build great enterprises that can endure. We do not believe that chaos, uncertainty, and instability are good; companies, leaders, organizations, and societies do not thrive on chaos. But they can thrive in chaos.

To get at the question of how, we set out to find companies that started from a position of vulnerability, rose to become great companies with spectacular performance, and did so in unstable environments characterized by big forces, out of their control, fast moving, uncertain, and potentially harmful. We then compared these companies to a control group of companies that failed to become great in the same extreme environments, using the contrast between winners and also-rans to uncover the distinguishing factors that allow some to thrive in uncertainty.

We labeled our high-performing study cases with the moniker "10X" because they didn't merely get by or just become successful. They truly thrived. Every 10X case beat its industry index by at least 10 times.

Fanatic Discipline

In the late 1990s, Peter Lewis, CEO of Progressive Insurance, faced a seemingly irrational Wall Street driving Progressive's stock price wildly up and down. On October 16, 1998, Progressive's stock jumped nearly $20, an 18 percent jump in a single day. Did anything fundamentally change about the company that day? No. Did the economy make a sudden lurch? No. Did the market rally 18 percent that day? No. Absolutely nothing of any significance had changed for Progressive on October 16, 1998. Yet the stock price soared an outstanding 18 percent.

Then in the very next quarter, on January 26, 1999, Progressive's stock plummeted nearly $30, a 19 percent drop in a single day. Did anything fundamentally change about the company that day? No. Did the economy make a sudden lurch? No. Did the market crash? No. Absolutely nothing of any significance had changed for Progressive on January 26, 1999. Yet the stock price fell an outstanding 19 percent.

These fluctuations stemmed in part from Peter Lewis' belief that playing earnings games to satisfy Wall Street lacked honesty. He refused to play the game of telling analysts about forthcoming earnings so that they could more reliably "predict" those very same earnings, a behavior Lewis saw as a shortcut alternative to deep analysis and field work. Lewis also rejected the idea that a company should "manage earnings" by smoothing them out from quarter to quarter so as not to rattle the markets, viewing such shenanigans as undisciplined. But this caused a problem. Because Lewis rejected the "I'll tell you what we'll earn and you predict what we'll earn and we'll both be happy" model, and because he refused to smooth earnings, analysts couldn't consistently predict Progressive's earnings. As one analyst complained, "We might as well flip a coin."

And so on October 16, 1998, Progressive exceeded analyst expectations by 44 cents a share, driving the stock up, and then on January 26, 1999, Progressive's earnings fell down below analyst expectations by 16 cents a share, driving the stock down. If Lewis were to continue to refuse to play the game, Progressive's stock price would continue to spike up and down, which would make the company vulnerable to raiders. To ignore that risk would be like a polar explorer choosing to ignore the possibility of a freak storm that could kill him. Yet capitulating would compromise Lewis' principles. What was Lewis to do?

He rejected Option A (to ignore) and Option B (to capitulate), and chose Option Q. Progressive would become the first SEC-listed company to publish monthly financial statements. This would give analysts actual performance data as the quarter progressed, from which they could more easily estimate quarterly results. Other companies had capitulated to the guidance game because, well, they had no choice, that they were imprisoned by this huge force out of their control. But Lewis freed Progressive from the prison. He accepted that these pressures existed, yet he mitigated their effect by prodigious effort.

What does this story have to do with "discipline"?

Discipline, in essence, is consistency of action – consistency with values, consistency with long-term goals, consistency with performance standards, consistency of method, consistency over time. Discipline is not the same as regimentation. Discipline is not the same as measurement. Discipline is not the same as hierarchical obedience or adherence to bureaucratic rules. True discipline requires the independence of mind to reject pressures to conform in ways incompatible with values, performance standards, and long-term aspirations. For a 10Xer, the only legitimate form of discipline is self-discipline, having the inner will to do whatever it takes to create a great outcome, no matter how difficult.

10Xers are utterly relentless, monomaniacal even, unbending in their focus on their quests. They don't overreact to events, succumb to the herd, or leap for alluring – but irrelevant – opportunities. They're capable of immense perseverance, unyielding in their standards yet disciplined enough not to overreach. In our research-team discussions, we struggled with how to best describe 10X leaders. Most business CEOs have some level of discipline, but the 10Xers operated on an entirely different level. The 10Xers, we concluded, weren't just disciplined; they were fanatics.

Squeeze the Most out of Your Day

About one hundred years ago, a man named Ivy Lee went to the president of Bethlehem Steel, Charles Schwab, and made a deal with him. Lee told Schwab he could increase Schwab's productivity as well as the workload of all his managers. What's more, Lee told Schwab he could help Schwab's executives produce a significant amount more if he could just spend fifteen minutes with each of them.

To make the offer especially enticing, Lee told Schwab he wouldn't charge anything at all unless his advice worked. “Then, after three months,” Lee told Schwab, “if my advice proves profitable, send me a check for whatever you think it's worth.”

They struck a deal.

Here's how productive he was—Lee actually spent only ten minutes with each executive. Here's what he told them: “I want you to promise that for the next ninety days, before leaving your office at the end of each day, you'll make a list of the six most important things you have to do the next day and number them in their order of importance.”

The executives were shocked that that was all they were asked to do. “That's it,” Lee said. “Scratch off each item after you finish it. Then go on to the next item on your list. If something doesn't get done, put it on the following day's list.”

Each Bethlehem executive agreed to follow Lee's instructions. Three months later, Schwab studied the results. He was so pleased, he sent Lee a check for $35,000! That may or may not seem like a lot of money to you, but this was one hundred years ago.