

Notes from Duke's Casebook

Volume 4, Issue 1

The Chicago Steakhouse Issue

September 2007

About this edition

It has been awhile.

I'm glad I never promised to keep to a timetable for publishing my newsletter. The 16 months since my last issue have been busy, but slowly I have pulled together a series of pieces I think you'll find topical and useful.

This issue's main focus is on the inner element of our work, the psychological dimensions that are as much a part of what we do as the technical things we master.

Enjoy!

Duke Kuehn
September 12, 2007

The Facilitator's Toolbox

Based on how much fun I appear to be having some of you are now considering a career in consulting. Obviously you are not here at the end of the month when the bills have to be paid, but I must confess there are many satisfactions in consulting and here are a few things to do if you want to succeed.

1. *Create a product, something identifiably yours.* It can be a workshop, a method for doing something or a publication, like this newsletter. Create something tangible that clients can assess, that's what you're selling. Even if the product is a commodity or a service it should carry your distinct mark. There has to be a reason why *you* are providing it and why a client would chose *you* above your competitors.

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Flattening the Business Cycle

Some Practical Advice for Dealing with the Inevitable Ups and Downs of Professional and Personal Life

With all the talk of business trends, it helps to remember that most of us work in professions driven by cycles. Some of us see workloads (and cashflows) shift with the season. Not surprisingly our emotions rise and fall with the cycles and downward cycles can get anyone discouraged and frustrated.

I've begun to wonder if there aren't some effective strategies for getting through the slumps and doldrums. To answer the question I checked the scholarly literature, but I also sent out an e-mail to many of you asking how you deal with the "roller coaster." The responses were profound.

Let's look at what the psych experts say first. (By the way, none of this is meant to discount the truly serious nature of chronic depression which leads to real suffering and demands professional attention). There are three widely advocated strategies for dealing with "the blues:" exercise and good nutrition, positive self-talk and activity.

Exercise helps us feel and look better and the endorphins released make us happy. Good nutrition assures good blood chemistry, also helping us feel physically better. Physical exertion and good food forestall those behaviors guaranteed to make our emotional downs worse: shutting down and self medicating with junk food or worse, alcohol or drugs. The old adage holds, healthy is as healthy does.

The recommendation for self talk is sensible, because reminding yourself that you have been successful and that you've rebounded from these dips before helps put current events into perspective and prompts reminders of how to get out of the slump.

Activity is a surefire way to beat the bad times. Keeping busy and getting *anything* accomplished, even if it's a hobby, reminds us of our efficacy and talent. Working hard by focusing on business basics gets us back on track and often starts a new cycle of success. Most counselors prescribe *social* activity, recognizing that the more we interact with others, the better we feel. Why? Humans are social animals and we enjoy the company of others.

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Consulting

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2. *Develop credibility.* Having a long resume of successful clients creates a sustainable referral network. Referrals are a huge part of the consulting business and your credibility can be measured by the number of successful clients who can validate your expertise and value.
3. *Find existing networks and become attached.* In most states there are hundreds of businesses and organizations affiliated through associations. Associations are always looking for speakers and they provide a one-stop point of contact you can use to form the relationships that lead to contracts. A note of caution: do not be self-promoting; let your work speak for itself.
4. *Deliver the goods.* Live up to your promises and exceed client expectations. Build a relationship and cement it by doing everything you can to help your clients succeed. Show your clients you care.
5. *Don't get hung up on money or billable hours.* Unless you are delivering a physical product, you have no true costs except for the overhead of operating your business. If the job takes longer than anticipated, eat the cost... all you're doing is lowering your daily rate. If possible, do the job for a lump sum and take phone calls for free.

Good luck! If this works, send me 25% of your first paycheck.

I Really Wish I'd Said This: Why:

In most Big League ball games there comes an inning on which hangs victory or defeat. Big League managers mention it as the "break," and pitchers speak of the "pinch." It is in the pinch that a pitcher shows whether or not he is a Big Leaguer. He must have something besides curves then. He needs a head, and he has to use it. Christy Mathewson, *Pitching in a Pinch*, 1912¹.

The Great Matty had it right 95 years ago. What made him one of the greatest pitchers of all times still holds and works just as well outside the ball field. Successful entrepreneurs don't just take opportunities, they know how to recognize them. Thinking strategically means to be on the look-out for Matty's "pinch" and being prepared to take it when it arrives.

Follow Mathewson's advice and you'll sharpen your senses to spot trends earlier, perceive possibilities when none appear to others and take action first.

¹ Christy Mathewson, *Pitching in a Pinch*, U of Nebraska Press, 1994

The Strategic Gourmand: Sizzling in Chicago

At some time or another you and a side of beef are going to meet each other in Chicago. By now you've recognized that those "best steakhouse" lists in the airline mags are poorly disguised ads. In pursuit of knowledge and driven by hunger, I set out to find the answer to the question, what *is* the best steakhouse in Chicago?

They all serve the best of Midwest beef, and with great style. What varies *is* the style, hence my rankings:

1. *The Saloon*, 200 E. Chestnut St., 312.280.5454, better known by locals than tourists, the atmosphere is bright and upbeat. There is room at the tables and the din is enough to feel party-like, but low enough to have a table conversation.
2. *Phil Stefani's 437 Rush*, that's where it is, 312.222.0101, a very close second, a terrific place, even a dash of elegance. Comfortable, bright, upbeat, fun and competent staff, a new twist on an old idea. Excellent cocktails, crisply made.
3. *Wildfire*, 159 W. Erie, 312.787.9000, it could be 1952., the steakhouse you knew as a kid with a menu adjusted to your tastes today. Outstanding use of crusts to make really tasty and moist cuts. Brick walls and lighting must be seen.
4. *Gene and Georgetti*, 500 N. Franklin St., 312.527.3718, getting a little frayed around the edges and never known for its service, this place is a Chicago tradition and they defined the future for Morton's and the rest. Good beef plainly done.
5. *Gibson's*, 1028 N. Rush St., 312.266.8999, a great place to be seen smack dab along the best part of Rush, but usually noisy, crowded and frantic. Be prepared to yell across the table. Unique.
6. *Morton's of Chicago*, 1050 N. State St., 312.266.4820, here's where it started and they do it all and do it well. But there is too much of everything here and by the end of the meal you understand why gluttony was a deadly sin and gout is increasing in the US.
7. *The Palm*, 323 E. Wacker Dr., 312.616.1000, ditto and a less satisfying copy of Morton's. Caricature murals are a fun local touch.
8. *Shula's*, 301 E North Water St, 312.670.0788, chains don't do much for me, but Shula does a good steak and has a nice view of the river. Football memorabilia is cool. 48 oz. steak!
9. *The Weber Grill*, 539 N. State St., 312.467.9696, can the guys who made the grill go wrong? Not really. A fun place to eat.
10. *The Capital Grille*, 633 N. St. Clair St., 312.337.9400, haven't tried them in Chicago, but it is one of the best in DC. Very classy place.
11. *Smith and Wollensky*, 318 N. State St., 312.67.9900, also untested in Chicago, but if half as good as Manhattan a great steak.

Profiles in Leadership: Peter Hanson

All of the accomplishments of Peter Hanson would fill pages in this newsletter; the thread common to all of his accomplishments, is his ability to see the future with a particularly clear and practical vision. He thinks and acts strategically. Chairman of the Board of NAI James E. Hanson in Hackensack, NJ (a second generation of a firm moving into its third generation of family leadership) he is also past president of the Society of Industrial and Office REALTORS®.

Peter has a talent, as a leader, for recognizing innovators and supporting them. In the commercial real estate industry, Peter has been at the forefront of major new market initiatives, from the evolution of corporate services to the effective use of a world wide network, NAI Global; from the development of shopping centers to governmental partnerships.

I have seen him apply his exceptional visionary skills repeatedly to find practical options for his own firm and a range of organizations he supports. His leadership has impacted significantly the development of organizations as diverse as SIOR, its Education Foundation, the REALTORS® Commercial Alliance, the Salvation Army of Bergen County, the Hackensack University Medical Center, the Boy Scouts and the circuit of cabaret artists in Manhattan and around the world.

Above and beyond his ability to recognize, seize and take strategic advantage of opportunities, anyone who has ever worked with Peter knows of his great generosity and kindness. He is a leader of the highest magnitude.

Duke's Rule #19: Always Seek Variation!

Whether analyzing market data or assessing public opinion, look for variation. There are few constants in the world and things that don't vary don't tell us much. The wonders of the world are revealed through variation. Your ability to seek variation by looking for a different opinion, an over-looked market niche or an idea just different enough from the norm opens the door to creativity and innovation.

Consistent with the theme of this newsletter, variation in our own performance, up and down, provides useful clues to get higher highs and less intense lows (or lows of shorter duration). Taking the time to analyze our own role in variation, alongside the usual market and economic forces, will almost always reveal things we can do to make a cresting wave last longer.

Those who use down time variation as opportunities to learn are correct. Learning what doesn't work can be more valuable than discovering what does.

Handling Up & Downs *continued from page 1*

That's what the experts say. The responses all of you provided, however, were particularly enlightening and thoroughly consistent with the psychologists' three-pronged approach of good-physical-health-activity-and-positive-self-talk.

Joe Genovesi of NAI New York put it well: *Create challenges for your self. Be confident that you didn't get this far by accident.*

Peter Blanchard at the Garibaldi Group, CORFAC in northern New Jersey, adds: *Put on your best suit and tie, think positive and create! The business is out there, and it cannot be found while in the office staring at four walls.*

Physical exercise helps. Jeff Licht, NAI Mertz in Philadelphia, tell us: *My methods of escape used to be playing competitive sports and coaching kids. Even after Jeff was slowed by a knee injury, he compensated with: rehab, coaching kids, seeing a rock concert, going to Penn State games. While reasonable minds may differ on Penn State, the advice remains solid. Dean Cotlow of the Cotlow Company in Tucson adds: I have observed a correlation between those who work hard and work out hard, a certain discipline that churns up the level of success with their production.*

Many recommend the best time to go back to the basics are when things are down. Barry Chavin at NAI MLG Commercial in Milwaukee recommends: *Focus on what you have direct control of, like identifying users, making the phone calls, being available for meetings and showings, creating the marketing materials, getting the product exposed, etc....*

Part of the reason for getting busy is that it keeps you from dwelling on the negatives. Ross Miller of FM Stone in Elkhart follows this procedure when things aren't going well: *respond to tough times in calm way and do whatever is needed to complete the task at hand. Then immediately turn to something else, other business; make a few calls, go visit some clients, do some chamber work. Do anything to turn my attention away from it.*

Genovesi goes on to add that by just working on deals, any deal no matter how small, keeps you sharp. He says: *Mix in smaller and quicker deals. In golf they say take a good practice swing and create muscle memory for the real swing. Doing any size deals are good for the head. Miller adds: go back to basics, start making cold calls.*

Many folks suggested using down times to analyze personal strengths and weaknesses with an eye to improving your market position. Cotlow comments: *Look at every transaction that fails as a positive. If there is a problem, review the issues, fix what is wrong.*

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Getting Past Hard Times *continued from p. 3*

Moving forward with a hard lesson learned was a theme of many responses, including John Henderson's, also of NAI MLG Commercial: *If what happened (deal fell apart, lost client, etc.) was beyond your control then you need to move forward and not dwell on the negatives at all. If it happened because you made a mistake or misjudgment then it is necessary to reflect and learn from it.* Scott Revolinski (RFP Commercial in Milwaukee) agrees: *Nobody ever promised that life was fair so just get over it and get the job done.*

Eric Powers of NAI Capital Commercial (Bakersfield) takes an even bigger view of his position in the industry and economy: *You have to be a student of your own history... you have to understand what made the roller coaster go down in the first place, then execute a plan to not allow that to happen again.*

Taking a longer view of the market often exposes opportunities. Sanders Thompson of Transwestern Urban Advisors in Dallas elaborates: *You have to keep up with trends and ups and downs in the market, stay flexible and always be looking for a better way. In short you have to embrace change, not resist it. You always have to be finding new clients; that means meeting new people, understanding new problems or business opportunities.*

Kirk Faulkner (First Horizon Home Loans in Portland) is even more strategic in his view: *Down markets are too often viewed through a glass half empty lens. Truth is, this can be the best of times if you take advantage of what the market offers.*

Steve Blau in Philadelphia reiterates the need for keeping things in perspective: *I don't invest too much of myself in any one assignment - I don't fall in love with projects. I assume that they are temporary experiences with a beginning, middle, and end.*

This kind of self and market analysis is very likely to lead to the Charlie King's (King Realty/CORFAC Atlanta) conclusion: *Keep your pipeline full. If you are working on multi transactions you do not have time to worry about a deal going south.* A suggestion seconded by Genovesi: *Mix up your biz.*

Mike Foxworthy at Daum (Los Angeles) counsels to do things in good times that can make the hard times more enduring: *Keep personal expenses low; invest in real estate that produces some cash flow during the down time; continuously cold call at least 20% of your work week even during the good times.*

It helps to take some perspective and, above all, not blame yourself. Joan Cenicola of NAI Hanson in Hackensack came to realize: *I stopped taking rejections personally and continued to seek out clients who truly understood and appreciated my knowledge and experience.*

Mike Mooney, dean of NAI MLG Commercial points out: *A wide open plan of workstations instead of private offices puts agents in close proximity allowing for the sharing of successes and downturns with others.*

Dave Matthes, former CEO of ONCOR International and now with Highwoods Properties, tells me: *when a deal dies I "bounce back" by thinking of the fun, challenges, lessons learned, my personal gratitude for having had the honor of winning the confidence of the decision makers to pursue their goals, the creative energies needed to dig myself out of the most recent hole and above all my internal smile of knowing that I will bounce back and win the next one.*

Many responses stressed the importance of keeping professional lives in proper perspective with the equally important endeavors of being a spouse, parent, friend and community member.

Bryan Poynter at Colliers in Indianapolis reflects: *you must have a personal faith...this grounds you in what is truly important and emphasizes why life's issues are mostly petty and temporary. I have found this to be comforting. The more you are filled with faith the less likely you will succumb to the pressures.* And Scott Perkins (NAI Hanson) reminds us of some timeless counsel in the Prayer of St. Francis: *God, grant me the serenity to accept the things I can not change, change the things I can and the wisdom to know the difference.*

Sean Osborne, of NAI MLG Commercial, reminds us that during tough times our actions as leaders can also make a difference: *I tell my new guys to come see me when they are down or looking in the job section of the paper....because it will happen.*

For a different approach Ross Miller remembers someone who had an effective, but novel, response to dips in the market: *A friend of mine had a solution--every time he started to slump he bought a new Mercedes. That got him out real quick! Some variation of that is good, I think.*

And when all else fails, John Frager of Grubb and Ellis BRE, falls back on a traditional strategy for getting over and getting on: *forget about today, go have a margarita and come back tomorrow and start over.*

In the end hard times like winter days, stubbed toes, ground ball double plays and ink stains on a new shirt are just part of the natural progression of life. The discomfort of slumps are real and unavoidable, what we can control is the degree to which we let that uneasiness get in the way of enjoying the rest of our lives.

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