

CYCLOPRAXIS CAPITALIZERS

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CycloPraxis has been established as a useful method of identifying and matching work styles to the needs of a business unit as the business develops from an idea, into growth, then profits, and finally lasting customer appreciation.

Praxis is a Greek word meaning “habitual or established practice.” Translated to one’s business routine, it implies the way one naturally does their job. There are many ways to describe praxis; adjectives such as creative, driven, sympathetic, excellent problem solver, organized, efficient, and decisive are all examples. Unfortunately, these adjectives are relative and imprecise. Tests have been derived which measure behavior and personality, which are key elements of praxis. Myers-Briggs, and Enneagram are two very popular evaluations yielding 16 and 9 “types” respectively. Even though we know how important work style can be, we still see many situations where describing a specific job as simply marketing, sales, contractor, or even a trade such as nursing could attract someone with the right background but with a very inappropriate work style.

CycloPraxis is the mapping of worker praxis to the lifecycle stage representing the maturity of any given business unit. For the purposes of cyclopraxis the lifecycle stages are defined as authoring [startup], building [early growth], capitalizing [late growth and maturity], diversifying [really authoring/building a new business unit], and extending [decline]. Authors, Builders, Capitalizers and the Captains who manage them, Diversifiers, and Extenders best staff these respective lifecycle stages. Each of the praxes has unique characteristics that have been well researched. Authors are responsible for undeterred championing of the initial idea. Builders are personally credited with necessary and important first accomplishments. Capitalizers seek maximum returns by carefully adhering to processes, being mindful of boundaries, and consistently improving performance. Extenders keep both accumulated wisdom alive and key customers supported for as long as possible. Diversifiers and Captains play key leadership roles as managers in the capitalizing stage. Each group has a natural way of working [praxis] that happens to align with the needs of the business as the business moves from lifecycle stage to stage. For more information, see the appendix at the end of this paper. Or better yet, download the companion article “*Cyclopraxis in the Business World*” available at www.cyclopraxis.com.

This paper is written for Capitalizers [and for those who would like to understand how the Capitalizer relates to others]. The first section talks about the nature of the work of the Capitalizer. The next section focuses in on a personality description of the Capitalizer. This section is followed by how the Capitalizer is perceived by and works with others. Now the stage is set to examine how the Capitalizer will perform in the midst of business units in various stages of growth.

An interesting caveat is addressed specifically to the Capitalizers who will read this paper. Early research indicates you are least likely to appreciate the insights of the CycloPraxis model. Authors, Builders, and Extenders express gratification as they learn that their special work preferences align with a lifecycle stage and are labeled with actipraxis and cyclopraxis terminology. Capitalizers, on the other hand, work in the midst of the mainstream of economy and simply dismiss the other praxes as distraction.

THE WORK OF THE CAPITALIZER

Capitalizing work drives the economies of the world without regard to whether they are agricultural, manufacturing, information, or even services based. Solid capitalizing production enhances GDP’s and improves shareholder performance. Capitalizing work is the true engine of society. Capitalizing work is universally common. The 1880 Census listed the top 10 positions as: farm worker, laborer, servant, carpenter, clerk, teacher, tailor, blacksmith, miner, and cotton mill worker. Most performed pre-defined tasks with steady output and productivity improvement. The

2000 data comes from the US Bureau of Labor Statistics. Some of the top occupations are: Nurses and health care support, security guards and police, food preparers and servers, janitors, cashiers and retailers, customer service representatives, bookkeepers, secretaries and office clerks, production workers, truck drivers and freight handlers. While each position is different, the nature of the work also involves performing the pre-defined tasks with steady output and productivity improvement.

To more fully understand the nature of the work of the capitalizer, we first define *actipraxes*, which embraces many different types of work activity. Most work in a midlife business unit is defined by formalized pre-existing rules that are repetitively followed to maximize performance. We call this work *productive-actipraxis*. Such work is typically further classified in ways specific to individual industries and human relations departments.

Contrasting productive actipraxis to other types of work helps on better appreciate productive-actipraxis. We have identified 5 other types of actipraxis work:

- inspirational – deviate from rules for something brand new,
- discovery - learn rules through exploration,
- prescriptive – decide upon, validate, and encode rules,
- assistive – deviate from rules to satisfy customers
- encouraging - deviate from rules to motivate others.

Reviews of the both scholarly and popular business literature suggest that this classification of work is novel. Understanding actipraxis helps with the appreciation of difference between cyclopraxis stages.

Most everyone's fundamental image of work aligns with productive-actipraxis activity. Examples are varied and include assembly line workers, telephone operators, operating room nurses, drywall installers, roofers, retail cashiers, pilots, and accountants. Productive work most often delivers the output that is the basis for a business collecting revenue from its customers. Jim Collins [2002] in Good to Great captures the productive-actipraxis in describing the hedgehog principle as taking a simple concept and implementing it with fanatical consistency. Repeated customer appreciated productive work formalized by optimum rules is a surefire recipe for mature business success.

The universal measure of productive work is to achieve the most efficient use of resources. Efficiency might be measured objectively as cost per event, resources consumed, or time elapsed; effectively with quality or achievement; and/or subjectively by features, benefits, or fitness of purpose. Repeating the same activity increases proficiency and improves efficiency. Independent of the measurement[s], a nearly universal goal is steady improvement in chosen performance measures. Successive repetitions should show incremental gains. All productive work follows the same overall lifecycle: -1) train participants on input, output, tools, rules, and community, -2) action -3) monitor -4) repeat.

Top performance at productive work requires capable and motivated workers. Training workers – be they operators or professionals -- for their rule-based productive repetitive tasks is a key task in itself. A variety of capability assessments are in use in various industries. Motivation is an ongoing challenge. In periods of repetition, motivation is linked to steady achievement of ever increasing goals. Most mid-lifecycle companies have established motivation programs finely tuned for steady state. In periods of change, motivation may require significant encouragement to get workers to abandon a rule based task at which they have become increasingly proficient for one at which they will be novices. Since the modern day environment changes rapidly, the focus of modern motivational research is often how to get Capitalizers to retrain and embrace different productive-actipraxis work methods.

Motivation includes the worker's interest in and enthusiasm for doing the job well. Instilling and maintaining high interest and enthusiasm for many repetitive rule-based jobs is management's most difficult challenge for the 21st century, especially in cultures where the lowest standard of living is above Maslow's basic physiological and safety needs. Recent decades have witnessed dozens of management experiments to improve the motivation of workers in repetitive rule-based performant jobs.

In recent years, monitoring the progress of productive work has gained an important position in achieving overall operational efficiency. The Activity Theories of Rubinshtein and Leont'ev specifically study the monitoring activity. At times monitoring is made a part of every productive-actipraxis worker's set of rules. For instance, modern automotive assembly practice establishes peer quality teams at every workstation. Another example might be the construction-framing worker who after nailing every board grabs it to make sure it is tight. At other times, monitoring is a specialized function of selected productive-actipraxis workers. Incoming goods inspectors, beer brew-masters, and financial auditors are examples. Monitoring requires decision-making, which can only be controlled when the decision-making is bound by formalizing structure. In the 'everyone monitors' scenario, every worker is delegated the authority to select which of various subsequent rules a given situation warrants. In the 'dedicated monitor personnel' scenario, the judgment required is beyond the scope of the average worker thus requiring the selection and training of specialists. It is important to realize that these monitoring situations remain based on repeatedly following predefined rules.

At some point the pursuit of performance and efficiency through improved rules and high repetitions will result in some of the overall activity being automated or exported to a lower cost labor center. For instance, automated checkout machines are replacing cashiers and tax returns are being shipped to India for processing. Similar risks face much of today's productive rule- based tasks.

Productive work was once equated with "blue-collar" jobs and tasks. Certainly in 1950 when blue-collar workers comprised over 40 percent of the workforce this might have been an accurate association. Today, two trends suggest otherwise 1) Blue-collar employment is well below 25 percent, and 2) Many white-collar jobs – especially those in the service industry – now have rule-defined tasks. Today's job enrichment trends of increased breadth/scope/variability and increased decision making are not diminishing the importance or comprehensiveness of predefined rules, formalization, and performance. Only the job titles are changing; instead of roughly 100 different job titles for productive-actipraxis workers at a traditional auto plant, the Saturn Automotive plant has just one title for production workers and six titles for skilled trades.

Service workers often combine productive-actipraxis work and assistive-actipraxis work. Services have grown dramatically -- from 30% of workforce to nearly 80% of the US workforce between 1900 and 2000. The 'Services Work' label embraces a variety of helpful, assisting, teaching, repairing, guarding, monitoring, construction, cleaning, and information retrieval tasks. While a slice of services work remains assistive, the general trend has been for services activity to become increasingly productive-actipraxis due to increasing rules, repetition, and performance focus. The trend toward productive work may be due to three driving factors. Specialization is the first trend; service providers increasingly focus on narrower core contribution. More professional services workers [lawyers, doctors, engineers, accountants] are banding together in firms than working solo. For instance, between 1931 and 1980 doctors working solo declined from 80% to 50%. Similarly, less than one third all lawyers in the US now work as private practitioners. Working in a firm permits more repetitions of core competency activities and less time doing a wide array of different activities. The profound migration from generalist to specialist in professional practices clearly results in more repetitions. Increasing repetitions inevitably drives formalization and calls for productivity enhancing tools that are simply rules for effective completion of repetitive tasks. Examples might include word processing templates, Computer Aided Design methodologies, automated diagnostics, and established procedures. The second driving factor is technology itself. Years ago a serious abdominal pain may have involved an external exam followed by a good deal of judgment and maybe some exotic exploratory tests for further discovery – an interesting combination of productive, assistive, and discovery work styles. No longer. Today the patient is promptly put in the queue for a formalized CAT scan procedure. The same may be said about how computer office automation applications reduce business controls to a series of routine tasks. The third and final driving factor is competition. For instance, the customer needing a tax return completed has many options and is justified on settling for lowest cost. Economics will reward the most efficient provider. Initially at least, efficiency follows effective use of formalized productive work definition methods including defining tasks and establishing rule based approaches for each. Service professionals are once again encouraged to structure their work according to productive-actipraxis best practices.

THE CAPITALIZER

OVERVIEW

The capitalizer praxis and Capitalizers make substantial contribution in the business world. They are responsible for most of the classic ‘work’ – from agriculture to production to services. Capitalizer activity generates the revenues and profits [or equivalent overarching measures] from the original idea imagined and championed by an author and commercialized by the builders. Authoring and building is fundamentally just a series of investments upon which returns are not realized until the capitalizing stage. Fortunately the capitalizer praxis has an orientation to positive economics, operational excellence, and established hierarchy. They are the ideal worker for the capitalizing stage in a business unit’s or other program’s evolution.

Capitalizers exemplify the term ‘Protestant work ethic [first coined by Max Weber [1864 to 1920], a German political economist and sociologist who despised the nobility and the seeking of power for its own ends. He studied capitalism in general combined with the role that religion played in economic wealth]. The ‘Protestant work ethic’ has come to embody a dedication to simplicity and hard work. Mass production during the industrial revolution further supported the ideals of equality while countering prior emphasis on individualism. In that bygone era, commercial success and personal simplicity was seen as a particular demonstration of piety. In this way, modern capitalism actually grew from religious seeking of wealth through honest work. Without the influence of Weber’s religious connection, greed and laziness would instead be the chosen path as they can lead to making sufficient money at minimum effort. The get-rich-quick dot.com companies of 2000 exemplify the greed and laziness alternative.

As a business [or program] matures it will become more hierarchical and more structured. There will be a process to follow – composed of many individual rules or steps -- for most situations. Management will be under pressure from competitors and shareholders to increase performance and will introduce programs that remove risks, assure predictability, eliminate resource wasting quality defects, and continuously improve each process step. Capitalizing praxis workers seeking internal rewards [personal accomplishment and satisfaction] and external rewards [wealth and workplace status] will be drawn to these opportunities and enthusiastically engage in the revenue and profit generation. For instance, workers will enthusiastically specialize in order to gain ever-increasing efficiency at tasks that align to their strengths and avoid their weaknesses. Or workers will accept the repetition of activities– at times even developing it into a pleasant personal rhythm -- as a means to tangible reward and recognition.

Fortunately the natural working style [praxis] of a segment of the population contributes at their maximum efficiency under conditions of structure, consistency, hierarchy, consistent and individual measures, processes and rules, rewards for continuous improvement, and economic success. We call this segment the *engaged capitalizers*. Basically they say “tell me the rules and the rewards and if I like the game, I’ll play my absolute best.” As this name suggests, there is another segment of capitalizers who are *disengaged*. The disengaged segment works in the same capitalizing lifecycle stage and in the same work environment but with less enthusiasm, motivation, skill and subsequent output. A variety of reasons why a capitalizer may be disengaged are discussed in a later section.

PRAXIS DISCUSSION

There are three key themes to the engaged capitalizer praxis: *accomplishment*, *predictability*, and *structure*. The engaged capitalizer seeks to maximize their achievement, which is best realized with predictable activity in a well-defined structure. Predictable activity executed as part of a well-defined structure can be summarized as *methods*, *processes*, or *rules*.

Accomplishment

[Ed Note: Accomplish and achieve are close synonyms. www.wiktionary.com discusses the differences

>> Accomplish: generally implies intentional perseverance and skill;

>> Achieve: usually implies some undertaking of importance, difficulty, and excellence.

“A great or heroic deed, something accomplished by valor, boldness, or praiseworthy exertion.”

Perform and Execute are other synonyms and is contrasted as:

>> Perform: conveys a notion of protracted and methodical effort.

>> Execute: implies a set mode of operation – perhaps following procedures or rules.

For the purposes of cyclopraxis, we describe the builder praxis goal attainment with *achieve* the capitalizer praxis goal attainment with *accomplish*, *execute*, and *perform*.]

Accomplishment is the top priority of the capitalizer. Foremost is personal accomplishment against personal goals, quotas, and/or other measurable outcome. In close second is helping the organization [ranging from workgroup to entire business] accomplish its goals of revenues, profits, and/or other measures. Much has been written in the popular business press on creating alignment between these two sets of goals. And it's a commonly accepted held management principle that aligned organizations are essential for excellence in competitive markets.

A capitalizer's accomplishments can take many forms. The athlete may define accomplishment as steadily improving times or standing in their chosen sport. The pilot may define accomplishment as a safe flight. The farm worker may define accomplishment as increasing number of acres plowed, fertilized, or harvested per day. A government office may define accomplishment in terms of providing required services at or below budget. A non-profit program might include a growing number of donors or the number of customers as fundamental accomplishments. A lawyer's accomplishments might all equate to billable hours. The CEO of an enterprise business most likely has revenue and profit goals to accomplish. The preceding examples include two types of accomplishment: improving or growing accomplishments [athlete, farm worker, non-profit, lawyer] and fixed or static accomplishments [pilot, government office, CEO]. Capitalizers with obsessive and/or competitive nature prefer to accomplish against improving or growing goals. They tend to be more engaged in their jobs. Continuous improvement is motivating. Capitalizers with goals against which growth cannot be measured tend to be less engaged in their jobs and are motivated by activity outside the workplace.

Capitalizers like measures. Measures serve multiple purposes. Properly executed, measures define what is important in the performance of capitalizing work. Improperly executed, the organization will be uncompetitive. The old saying [Eliyahu Goldratt] “tell me how you will measure me and I will tell you how I will behave” is directly applicable. Measures help achieve consistency of performance both over time and from one contributor to the next. Consistency is motivating for the capitalizer. Measures can reinforce the capitalizer's efforts by showing steady progress and improvement. Wins – no matter big or small – are internal rewards and create a documented physiological positive feeling. Finally, measures help the capitalizer keep score toward the realization of their promised external rewards. External rewards may be financial, material, status, recognition, or something else appropriate to the success. Thousands of books [29000 as of mid-2006 according to www.amazon.com] have been written on goal setting. Recipes for effective measures are of course adequately covered.

Capitalizers prefer to work alone when performing their productive-actipraxis work. That way the accomplishment or lack thereof from co-workers does not impact their personal accomplishment. The capitalizer prefers to be singularly responsible for their accomplishment results. They will work in teams when necessary and when the roles are clearly defined and when others are held accountable to get their work done too. Failure by management to assure equitable output of co-workers is often the capitalizer's number one complaint.

Capitalizers plan their work and make progress at a remarkably consistent pace. With sufficient consistency and structure accomplishment of agreed upon goals is almost certain. Capitalizers are strong on details. Their attention to the quality, completeness, and detail far exceeds the author and builder praxis. Capitalizers readily embrace specialization. By focusing on a narrow slice of the entire business's activity, the capitalizer increases their performance and is able to accomplish more resulting in increased reward. For instance: the physician specialist

financially outperforms the family practice doctor; swimmers specialize in a single stroke and in sprints or distance; and production machinists align with one piece of equipment.

Accomplishing the goal – which we will call winning-- is very energizing to the engaged-capitalizer. Physiologically the act of winning causes the brain to stimulate the body to produce the hormone serotonin. Serotonin is at the root of strong positive reinforcement. Elevating levels of serotonin creates a “happy feeling” and improves brain neuron response both of which can lead to further wins. Beyond the positive feelings, capitalizers have a deep need to win in their chosen area of accomplishment because this proves that they are accomplishing their goals and are in control. On the other hand, if they lose, they not only do not accomplish the goals, but also are seen by others as inferior and are likely to receive less support and esteem in the future. Loosing also shows that their goal setting process is not good, making all other predictions of accomplishment possible future failures.

Predictability

The capitalizer is strongly aligned to predictable work environments. Predictability helps the capitalizer accomplish their goals and realize subsequent rewards. An unpredictable environment will quickly de-energize the capitalizer causing disengagement and/or departure. Externally imposed change can also cause anxiety amongst capitalizers. Predictability is achieved through consistency in people, assignments, processes, structure, measures, and rewards. Predictability is enhanced through well-defined and non-overlapping responsibilities of everyone in the workgroup. Predictability is enhanced with written definitions of the job, measures, results, and rewards. Predictability is enhanced when there is alignment between all goals including budgets, forecasts, cycle-times, yields, efficiency improvements, and of course individual quotas or measures.

To ensure ongoing predictability it is essential to harmonize the business unit’s hierarchy, all elements of the workplace structure, the processes and activity rules, with the individual accomplishment ambitions, measures, and rewards. Once aligned, capitalizers will feel a pleasant rhythm as execution repeats again and again. If the capitalizer uncovers a heretofore undetected misalignment, they will feel compelled to re-define so that the misalignment no longer exists. Then the capitalizer’s will strive to maintain status quo and retain familiar and predictable patterns by resisting changes. Stability and the accompanying security are important.

The capitalizer seeks to make things work continually day after day. There can be a rhythm to repetition and a sense of satisfaction when accomplishment continuously improves. Other praxes, which are not as well satisfied by continuous improvement toward accomplishment, are noticeably less tolerant of a routine.

The preceding discussion on predictability should not be interpreted that capitalizers abhor any change. All engaged capitalizers are motivated by incremental changes of their own volition as they seek to improve their performance. Capitalizers who elect not to specialize prefer variety in a predictable mix of assignments. Some capitalizers look to promotions as a means of greater breadth – albeit still predictable -- in their work world. Engaged Capitalizers are simply are the best of the praxes at embracing a steady routine and can outperform other praxes in predictable environments thereby earning maximum rewards.

Structure

Capitalizers seek workplaces with strong elements of structure [that are of course consistent with their accomplishment goals]. The concept of structure is widely encompassing and includes elements of hierarchy, staffing levels, workforce training, performance appraisal, objective setting, workflow, individual processes and methods, job definitions, budgets, forecasts, planning cycles, accounting’s measurement systems, application of IT automation, HR policies including rewards, etc all formalized into one consistent system. Taken together, these elements must also homogeneously harmonize with a single statement of culture, vision, and mission. For many years, this was considered the only effective way of organizing and still today these are a basic elements of the vast majority of mature business units. These same structure elements are rarely present -- and those that are present are at risk not harmonizing -- in the new business unit during authoring and building cyclopraxis lifecycle stages.

Some elements of structure are associated with *planning*. The Capitalizer is energized by consistent plans they can accomplish. These plans must align with a rollup of each individual's accomplishment to the organization's total expense budget and with output forecasts. Lack of alignment will be seen as an inconsistency that may result in individual missed accomplishment that may further result in capitalizers losing motivation and becoming disengaged. Planning cycles, decision-making, and communication of both the organization's goals and individual alignment in support of the organization's goals must all consistently contribute to the overall picture of structure.

Other elements of structure are associated with effective organization of the resources needed to accomplish the overall goals. Clearly defined job definitions – both so that each Capitalizer knows what is expected of them and so that the same thing is not expected from multiple contributors – are one important element. Also important is the flow of work elements – often from person to person and/or department to department -- necessary for accomplishing the ultimate customer deliverable. In large mature business units, hierarchies are created to effectively manage large numbers of capitalizing workers. Hierarchies have respect for position and power. Hierarchies often have their own collection of well-defined policies, processes and procedures. Hierarchies require additional leaders who are typically coordinators and organizers and who must keep a close eye on what is happening.

Capitalizers count on the structure to assist in the actual performance of delegated work. Efficient use of resources requires management to make an appropriate division of tasks among well-trained specialists. Staffing levels must be precise. High quality and few defects in both performance and process is another requisite to efficiency. Staging and queuing of work is essential to keep the capitalizer busy. Capitalizers will quickly notice the absence of any these elements of structure and will experience disillusionment in working within a system that does not permit their full accomplishment [and quite possibly full reward].

The final important element of structure we will discuss is the control factors. Controls must be aligned to the rest of the work system. The measurements made by the business unit's accounting department and the workflows and processes defined by the business unit's computer systems are extremely important components of structure that touch each capitalizing worker on a far more frequent basis than performance appraisal and accomplishment rewards.

Structure brings the capitalizer a simple assurance that there are sufficient controls on the external environment to that nothing unpredictable will happen to prevent success at accomplishing their individual goal. Since most capitalizers are exceptionally organized and detail oriented, they will quickly spot misalignments in structure. Because capitalizers have a good sense of right and wrong and see situations as black or white, misalignments will quickly interfere with motivation. Over-application of structure leads to claims of a state of bureaucracy. Bureaucracy occurs when the levels of structure detract the capitalizer [or any other praxis] from achieving their ambitions. Motivation wanes when bureaucracy persists. The level of structure at which bureaucracy occurs is dependent upon the individual, engaged capitalizers generally have lower thresholds than disengaged capitalizers. Change agents and builders have very low thresholds.

Methods, Processes, Rules

Capitalizers are best of all the praxes at focusing on what is expected and requested and on executing orderly procedures to bring these about. Their respect for established procedures is grounded in belief that these structures have persisted because they function well and provide the best external environment for accomplishment of their goals. The capitalizer's support of structure translates into support for the chain of command. The support further translates into support for the rules, processes, and methods adopted by the authority because when administered equally to all, the playing field is leveled. Processes and Methods become the guides by which capitalizers live and seek their order and clarity. In the capitalizing lifecycle stage, no work situation is too complex that it cannot be reduced to a set of operating steps. These steps are the process rules that govern the capitalizer's activity.

Rewards

It is a well-known principle of management that a behavior will increase if it is followed by positive reinforcement. The same behavior will decrease if it is followed by negative reinforcement. Three main types of rewards motivate capitalizers.

1. Performance results – such as “making my numbers” -- are the most powerful reinforcement. Performance results are first and foremost internally motivating. Recognition of performance results with financial or visible symbols of accomplishment sends strong messages of approval.
2. Organizational recognition is used for sustained performance. Examples include: compensation, award, promotion, career path development, and improved working conditions such as corner office, company car, expense account, flexible schedule, etc.
3. Peer recognition is also a powerful motivational element. The coworker who praises is often taken more seriously than a manager or supervisor.

People lose their commitment only after they realize that good performance doesn't make a difference.

Additional comments on the Capitalizer's work style

The primary elements of the Capitalizer's work style have been discussed in the preceding paragraphs. They are most comfortable in predictable structured situations and enjoy creating order to enhance predictability. They work with steady energy and predictably complete jobs fully and on time. They work well within the business unit's structure and can be counted on to support that structure and not rock the boat. They have a good sense of responsibility and are motivated by internal and external rewards for following the procedures and accomplishing performance goals.

Capitalizers are the most dependable, faithful to the organization, and considerate of the praxes. They are realistic, down to earth, and have a practical respect for facts. They judge black or white – shades of grey are not considered. Their focus is on the present; the past is not terribly interesting; and they often lack optimism for the future. They are the most enthusiastic participants with established traditions and celebrations. Capitalizers are motivated by approval and praising of progress and similarly de-motivated when management shows indifference to accomplishment or performance. If the Capitalizer's work is underappreciated or is challenged by change, they become rigid about time, schedules, procedures, and/or measures. The capitalizer is quick to use the system as their defense against conflict. Capitalizers will otherwise conflict except when part of a structured match or as part of a sanctioned negotiation.

Capitalizers commit to the people and groups within which they are associated. Because capitalizers are warm, sympathetic, helpful, personable, cooperative, and tactful, they work well together with most others. They seek small groups whose performance levels are similar to their own; if an applicant's performance is below par or overachieving, they will be disqualified from the group. In these small groups, they are generally interested in the lives of the others. Their interactions with this peer group are patient and moderate and lack flamboyance and competitiveness.

Capitalizers dislike chaos and will work diligently to turn into order. They dislike unpredictability and will self select work methods to drive surprises to another stage in the workflow. They dislike risks and demand environments where the structure minimizes risks. Capitalizers avoid change and innovation because the time spent learning new skills and methods detracts from goal accomplishment and because most probably their efficiency and accomplishment of the new methods and skills will lag proficiency on the old. Potential changes are often countered through passive resistance and by using schedule, measure, process, and other elements of the structure in rigid defense.

IMPORTANT CAPITALIZER SUBCATEGORIES

Further segmentation of the capitalizer praxis is useful. Most enlightening is to separate the capitalizer praxis population into engaged and disengaged groups. These groups will be discussed further. Then, within the engaged group there are distinct differences between those who apply the processes and rules to what they do and those who operate on the premise that the processes and rules are meant for others and not for themselves. There is a third subgroup -- still within the engaged group – that can be counter productive to the organization's overall throughput and efficiency.

Engaged and Productive Capitalizers are the goal of every firm, business unit, and program. These workers embody all the positive characteristics of the preceding section. When properly managed, such employees yield maximum competitiveness and continued improvement for the business unit. Often there is some further refinement of roles. For instance, *specialists* may be identified to become experts in their field or process steps. The specialist concept is designed to accelerate skill increases by permitting the worker to focus on narrower task. Well-executed specialist programs also improve worker motivation by conveying expert status on key contributors. The disadvantage of expert programs is worker reluctance to undergo retraining for new evolving expert categories. Another role refinement is that of the *inspector*. Inspectors focus on evaluating the work of others – usually for defects. Inspection work is rule and process based just like other capitalizing work but involves different underlying skills. Inspection work also requires a work style that is more detail oriented, has a higher regard for exact correctness, and routinely focuses on what’s wrong rather than what’s right. Other engaged and productive capitalizers are the best at leading continuous improvement. They share some of the same change-friendly characteristics of the author and builder albeit in a more evolutionary manner.

Some engaged capitalizers seek first and second level supervisory positions. The drivers are often the opportunity to train and mentor others, to gain variety rather than further specialization, and to have more influence on a broader swath of continuous improvements. Common executive-level management drivers of power, recognition, and existing above the rules rarely come into play. These people are excellent supervisors because of the capitalizer’s easygoing style, genuine caring for people, appreciation of accomplishment/predictability/structure, and their great work ethic.

Engaged Capitalizers not Bound by Rules. Some capitalizing workers show clear disregard in applying the normal rules and processes to their own actions. This is frequently the case with top producing salesmen. A salesman who is heavily compensated with commission pay has strong motivation to disregard many of the businesses established policies, methods, and rules in order to maximize his/her number. The business unit tends to look the other way because a good flow of revenues is beneficial to all. Top managers may also disregard many of the rules and procedures that apply to the rank and file. This is especially true if the top manager is the authoring founder. And this is frequently the case for the powerful manager who has had to wage political battles in order to rise to the top. All these situations are normal occurrences in the mature business unit in the capitalizing phase. The common work habit is the underdevelopment of listening skills. The salesman doesn’t hear “no” [from either the customer which is a good thing nor from inside their company which may be a bad thing]. The senior manager doesn’t hear the “rules” and thereby lives with a distorted sense of the business unit culture.

In a very similar way top athletes and entertainment celebrities – much of their work is capitalizing in nature -- also don’t hear the rules of society. Their encounters with illegal substances and with the law are legendary. Their interpersonal relationships never hear the needs of the other. They may be very engaged and doing capitalizing work, but the style by which they live and work is very different from the productive engaged capitalizer.

Counter Productive Engaged Capitalizers Most everyone has encountered an overachiever at one time or other. Overachievers demonstrate fanatical interest in their work and an intense continual pursuit of accomplishment [performance results]. When the structure emphasizes individualism [as in an olympic racer or entertainer] overachievers win the gold. However in organizations relying on some harmonization of effort, the overachiever may not be an asset. In a team oriented business context, the overachieving capitalizer can be identified as an individual with an overwhelming commitment to their own ambitions thereby precluding automatic acceptance of the organization’s goals. Their motivation is largely internal and flows from deeply felt personal goals. They function at peak efficiency and expect recognition equal to their contribution – high wages or leadership. They have high opinion of own work are reluctant to share and/or delegate. Others can estrange the overachiever from the group due to feelings such as: why try, can never win; the overachiever gets all the rewards, thank-you’s, and compliments; and the overachiever causes management to expect too much from others. Soon, group motivation and output suffer. Overachievers can lessen group accomplishment by causing other engaged-capitalizers to become disengaged-capitalizers.

Most everyone has encountered a perfectionist at one time or other. Defect free work is an important performance accomplishment for the capitalizer. But the perfectionist's passion extends well beyond the black and white situation of defective or defect free. The perfectionist is usually strongly engaged in pursuit of their quest, which included the necessity to improve any shade of grey to a better outcome. The perfectionist's top performance ambition is the examination, detection, and improvement of sub-optimum results – stemming from theirs or others contribution. The perfectionist goal may not be congruent with the overall organization goals, and the organization's output may diminish due to the actions of the perfectionist. They are so focused on the possibility that some aspect of could be improved that there is strong reluctance to declare anything complete. Despite these people having shy personalities they really exhibit strong control by pointing out flaws in otherwise working system. If they are over-concerned with rightness, they may have trouble making decisions in ambiguity. With their tendency to worry, they may get bogged down in analysis paralysis. This is detail orientation and conscientiousness taken to extreme.

Most everyone has encountered someone perhaps nicknamed *enforcer* who has to ensure everything progresses exactly 'by the book'. In many organizations the structure includes both written rules and the unwritten conventions. The unwritten conventions are commonly accepted rules that have just not been formally encoded. The enforcer's focus on extreme correctness is subject to discounting the convention elements of structure and just acknowledging the encoded rules some of which can be at odds with the convention. Once again this engaged-capitalizer is more oriented to their personal set of ambitions than the group's performance accomplishment. The enforcer can impede overall group performance by interrupting harmonious workflow. The enforcer can de-motivate the group resulting in reduced engagement and reduced performance.

Type A & B

Capitalizers include both Type A and Type B work styles. The capitalizer category is not self-limiting to one or the other.

The type A personality generally lives at a higher stress level. Type A enjoys the achievement of goals, with greater enjoyment in achieving of more difficult goals. They are thus constantly working hard to achieve these. When progress is not productive, they feel pressured by time. They find it difficult to stop even when they have achieved goals. They are highly competitive and will, if necessary create competition. They hate failure and will work hard to avoid it. Type A's make excellent capitalizers. But in some situations type A's cause others to loose interest.

The type B personality generally lives at a lower stress level. Type B works steadily, enjoying achievements but not becoming stressed when they are not achieved. When faced with competition, type B do not mind loosing since they enjoy the game and can find satisfaction on their individual improvement. Type B is often reflective and think about outer and inner worlds. Solid type B's make steady productive capitalizers. However, it is easy to mistake a type B capitalizer for a disengaged extender doing capitalizer activity.

Disengaged Capitalizers. Each of the groups in the preceding discussion is an *engaged* category of capitalizer. Some are productive in a broad array of situations. Others have elements of their individual work style that introduce unproductive elements to the output of a work group. Another group worthy of consideration is the *disengaged* capitalizer. A disengaged capitalizer is a worker who is working in capitalizing job but does not share the work habits of performance accomplishment, predictability, and structure. When a worker does not share those ambitions, then they are by definition another praxis. Nevertheless they find themselves in a capitalizing role where performance accomplishment, predictability, and structure are the norm. The miscasting could be due to a variety of reasons such as too few positions in their dominant authoring, building, or extending praxis and/or too many positions perhaps with better pay scales in the capitalizing position. The fundamental laws of supply-demand frequently result in extenders and sometimes authors and builders cast into capitalizing positions. Motivation to excel is low. Accomplishment is low. The situation is reaching epidemic proportion as the protestant work ethic wanes and first rungs of Maslow's needs hierarchy are met by the social systems of governments. Further discussion in this paragraph is organized by praxis. But first it is enlightening to introduce some data from the Gallup organization.

The Gallup Management journal reports:

- 29 percent of employees are actively engaged in their job
- 54 percent of employees are not engaged
- 17 percent of employees are negatively disengaged.

The actively engaged workers are committed to the mission, vision and values of the organization. A "can-do" attitude characterizes their behavior, they go the extra mile in giving and doing their best, and they function in a spirit of partnership. These people have a clear understanding of personal accountability and tend to look to themselves first for resources and solutions. Instead of fixing blame, they fix the problems. Regardless of praxis, these employees feel energized, recognized, appreciated and encouraged to do their best. They work hard, and seem to be energized by the quality and significance of their work. They take great pride in their accomplishments and speak well of their company. You will likely hear such statements from them as "I love my job;" "This is a great place to work," "This feels like home to me and "I am proud to work here!"

Not-engaged employees tend to concentrate on step-by-step activity rather than the goals and outcomes they are expected to accomplish. They want to be told what to do just so they can do it and say they have finished. The members of this disengaged group are characterized by their lack of spirit and vitality. They are quick to explain why something cannot be done and frequently offer excuses. They look to other people to fix the situation and seldom share creative ideas. They feel discounted, un-appreciated and insignificant. You are likely to hear such statements as "Nobody listens to me," "It's not my job" and "Nothing gets done around here--the same problems keep coming up over and over again." Members of this group avoid risk taking at almost all cost, do the absolute minimum. they can to get by and tend to watch the clock very closely. They are neutral to mildly negative about the company, yet do not feel motivated to improve the situation. When a dominating force, this group will slowly drain the vitality out of an organization. In spite of their low productivity, they tend to leave work exhausted. Employees who are *not-engaged* often attribute their state to feelings that their contributions are being overlooked, and their potential is not being tapped.

The *negatively disengaged* group works against the business unit and go out of their way to seek out and find the flaws--and they do find them. They focus on problems and even resist attempted solutions. They feel angry, frustrated and highly disconnected. Blaming, moaning and whining, you will likely hear them say things like "My boss is a jerk," "This place is the pits," "The pay and benefits are lousy" and "This is hopeless."

When the author or builder is required to perform rule based productive work with improving accomplishment goals in a highly predictable and structured position they obviously are having to contribute in an environment that does little to energize them. The author or builder will loose motivation and explain their situation with adjectives such as tedious, simple, routine, behind, and constraining. The author or builder in such a situation will behave as a disengaged capitalizer. Because authors and builders are minority praxes and because there are usually plenty of employment opportunities for successful authors and builders, the occurrence of authors and builders working as disengaged capitalizers is low and usually limited to the poorer performing author or builder.

When the extender is required to perform rule based productive work with improving accomplishment goals in a time driven and structured position they obviously are having to contribute in an environment that does little to energize their needs of helpfulness and belonging. Extenders in capitalizing roles behave as a disengaged capitalizer. The extender is being denied the opportunity for assistive actipraxis work that the extender finds energizing. Furthermore the extender lacks the internal competitiveness that motivates the engaged-capitalizer to excel in performance accomplishment. The extender also subordinates profit-oriented rewards to continuity of existing relationships and knowledge. So the extender never does very well against metrics designed to encourage capitalizing behavior. The extender praxis may indeed be the majority praxis. But there are insufficient well paying extender jobs. Unfortunately there are more capitalizer jobs than engaged-capitalizer praxis candidates. The result is that many extenders fill capitalizer positions and display signs of disengagement.

Capitalizers – workers who perform best with predictability, structure, and performance accomplishment on rule based productive work – may also become disengaged. If the capitalizer is no longer challenged by the opportunity for improved performance because the rest of the workflow cannot keep up, or they have achieved the maximum permitted by their skill, or there is no higher level of reward the capitalizer will quietly disengage. Similarly, a capitalizer with performance ambitions of promotion who is passed over may disengage. Other possible scenarios include: reduced need for a capitalizer’s specialty, skill degradation with age, and management tolerance of equivalent reward for poor performers.

THE CAPITALIZER PRAXIS IN OTHER PERSONALITY TESTING

Meyers Briggs is a popular work preferences assessment tool. Candidates are measured on 4 continuums

- Extroversion to Introversion E/I
- Sensing to Intuition S/N
- Thinking to Feeling T/F
- Judging to Perceiving J/P

The 16 resulting combinations are not at all equally distributed.

Meyers Briggs experts believe the engaged capitalizer style arises from the SFJ combination [Sensing, Feeling, Judging] combination. The E/I [extroversion or introversion ways of assimilating information] is of less consequence. The ISTJ type can also make a strong capitalizer. ISTJ’s frequently achieve senior management positions. Types ISFP, ESFP, ISTP, and ESTP [called the Experiencers] are shared between the capitalizer praxis and extender praxis and are the next highest performers in capitalizing roles. Some of these shared praxis types may fall into the disengaged capitalizer category.

Meyers Briggs typing makes no distinction between a medial score and a polarized score. In reality two persons that are a medial I versus a medial E – perhaps scoring at the 55th percentile and 45th percentiles respectively – would be far more alike than a medial I scoring at the 55th percentile and a polarized I scoring at the 95th percentile even though both are labeled introvert. The same argument can be applied to the other scales S/N, T/F, and J/P. Polarized tendencies are very important to cyclopraxis. Workers who are best performers in extender, builder, and author roles tend to have scores that are strongly polarized. Workers with medial scores may feel drawn to author, builder, or extender positions, yet may loose out to others with polarized scores and peaked skills. These same medial score workers will ultimately have to settle for one of the plentiful capitalizing positions at which point they are prone to behaving according to the disengaged pattern.

Enneagram is another popular personality testing model available for free from a variety of places [see www.enneagraminstitute.com]. Subjects are scored on each of 9 dimensions yielding a multiplicity of combinations that are difficult to map to functions and professions. Hence, corporate usage is low. The primary descriptions [Achiever, Helper, Loyalist, ...] yield a thought provoking series of options to staffing a capitalizing business. Capitalizers are sure to score well on the Loyalist and possibly the Achiever and Peacemaker dimensions. Captains who manage capitalizers will be well described by the Challenger and the Individualist. Capitalizers will likely score lowest on the Reformer, Helper, and Investigator dimensions.

DiSC is another popular personality assessment vehicle that correlates to characteristics important in the workplace. The subject takes a 28 question test and receives a score on 4 dimensions: D – Dominance; I-Influence; S-Steadiness; and C-Conscientiousness. The profile for a capitalizer is high on Steadiness and can be high on one other dimension. Sales types might also be high on Influence. Line Managers have to be average or above on Dominance. Inspector Capitalizers and some Specialist-Capitalizers are high on Conscientiousness.

Strengths Finder. The Gallup organization has popularized the 34 strengths of Donald Clifton. Those strengths most closely related to capitalizing cyclopraxis and productive-actipraxis work include Analytical, Communication, Discipline, Fairness, Focus, Learner, Maximizer, Positivity, Relator.

- The Analytical strength searches for reasons and causes. They have the ability to think about all the factors that might affect a situation.
- The Communication strength generally finds it easy to put their thoughts into words. They are good conversationalists and presenters.
- Discipline strength enjoys routine and structure. Their world is best described by the order they create.
- People strong in the Focus theme can take a direction, follow through, and make the corrections necessary to stay on track. They prioritize, then act.
- The Learner strength has a great desire to learn and want to continuously improve. In particular, the process of learning, rather than the outcome, excites them.
- The Maximizer strength focuses on strengths as a way to stimulate personal and group excellence. They seek to transform something strong into something superb.
- The Positivity strength has an enthusiasm that is contagious. They are upbeat and can get others excited about what they are going to do.
- The Relator strength enjoys close relationships with others. They find deep satisfaction in working hard with friends to achieve a goal.

Excellence in capitalizing work [productive actipraxis] is achieved through the utilization of these strengths more than the other 26 of Donald Clifton's strengths. It is easy to see how a worker with a different mix of strengths – largely under-utilized in a capitalizing job – could become disengaged. Conversely, as with many elements of personality, any strength taken to an excessive position can become a liability and the capitalizer's contribution can become counter productive.

Obsessive. A strong correlation exists with the work of Freud and extended by Erich Fromm. Freud sorts personalities into just 3 types: narcissist, obsessive, and erotic. Fromm added a 4th type called the marketing personality. Maccoby [2003] does an excellent job aligning these personality types to experiences in the workplace. There is a strong observed relationship between Capitalizers and the Obsessive personality type. Obsessives are conservative persons who preserve order and maintain values. They live by the rules where those rules are set by some higher authority. When they decide to do something they will do it correctly. The obsessive believes work requires performance, is a race that must be won, and standards must be followed. They preserve tradition and ties to the past and resist the new and different. They are excellent recorders and make lists, spreadsheets, charts, etc. Obsessives have calculating minds and are regularly tabulating costs, time, numbers, performance. They are organized in office and home and in calendar. And they collect and hoard information as well as objects. Obsessives have a strong belief in self-improvement and so they snap up self help. Jim Collins in Good to Great describes these people as: disciplined, rigorous, dogged, determined, diligent, precise, fastidious, systematic, methodical, consistent, demanding of self, focused, accountable, and responsible. In the 18th and 19th centuries when most people were farmers, craftsman, or factory hands, the obsessive personality was at the heart of the national character. Today, Fromm's marketing personality is the most common. Most all sports superstars are obsessives. Most professionals are born with natural physical skills, but those skills have to be reinforced with hours of repetitive practice. Other personality types would get bored with this kind of practice – not so the obsessive.

The obsessive who feels they are mistreated or underutilized often becomes passive aggressive. Obsessives can easily become mired in details and rules and loose sight of overall goals. They can be more concerned with doing things the right way than with doing the right thing. Overuse of obsessive personality traits causes others to decry their contribution with labels such as: 'control-freak', 'paper-pushers', 'bureaucrat', 'obsolete', 'know-it-all'. Given the choice between being liked and being right, obsessives will choose being right. And obsessives are relatively uninterested in the help offered by the Freudian erotics. These last two style differences and are especially unnerving to the erotics and cyclopraxis extenders who often jointly staff a business unit at the late capitalizing early extending lifecycle stage.

Productive obsessives can often be found in top medical specialists, engineers on large projects, financial sector [accountants, lawyers, insurance, stock], scientists and researchers, technicians, and the construction trades. Obsessives also make excellent middle managers, CFO's and COO's.

SUMMARY

The characteristics of the capitalizer are described in many ways with great underlying similarity. The same worker behavior can be noticed in cyclopraxis, Meyers Briggs, Disc, Gallup, and Freud. Observant readers will also notice that many workers in capitalizing jobs seem uninspired by their roles. Unfortunately, the need for productive actipraxis work [capitalizing opportunities] exceeds the number of capitalizing praxis workers. Thus people who prefer the discovery and encoding work of builders or the assistive work of extenders are often placed into capitalizing roles. The management hierarchy is frequently challenged to deliver expected output with these uninspired workers.

THE CAPITALIZING LIFECYCLE STAGE

Capitalizing is the performance of productive-actipraxis work based on pre-determined rules. Normally this happens when a business unit is in the middle of its lifecycle evolution. But the concepts apply equally well in other situations.

The concept of lifecycle stages is normally applied to a company or firm. The model works well for the small firm with a single line of business. The first extension normally considered is scale up by applying lifecycle stage thinking to individual separate lines of business within the larger firm. It is also possible to scale down and apply lifecycle stage thinking to individual programs or projects. Lateral scaling to professional practices, franchises, government organizations, and non-profits is also possible. CycloPraxis – and more importantly ActiPraxis which is the changing nature of work activity throughout a lifecycle – are robust enough to apply from the program level to a specific business unit to the large firm with multiple business units. ActiPraxis preferences are also found to apply in a wide spectrum of professions.

AUTHORING, BUILDING, CAPITALIZING, EXTENDING

The business unit starts with an idea championed by an author praxis during the initial stage called authoring. The work is truly inspirational both in the creativity of the idea and the recruitment of others to contribute their efforts. Significant activity always seems necessary to bring the idea to market. Rarely are all the details worked out. Instead, alternatives are explored [discovery-actipraxis work] and the final choices validated and encoded into rules [prescriptive-actipraxis work]. This lifecycle phase is called building. Builders complete the discovery and prescriptive work, expected by mainstream customers. Now with the rules of operation encoded for manufacturing and sales teams, the business can concentrate on satisfying the needs of as many customers as possible in as efficient a manner as possible. This is capitalizing lifecycle stage. The generation of rich profits is a priority during the capitalizing stage. Growth will be strong early in the capitalizing stage; headcount can easily grow by 10X – even 100X. Competition will intensify requiring the winners to continuously improve. At some point the evolutionary progress inherent in our society will offer customers an alternative they prefer and the business will enter the extending lifecycle stage. During the extending stage, the top priority is to continue proving value for the customer for as long as there is a market and for as long as a profit can be maintained. Customer solutions frequently lack differentiation between entrenched competitors. Success during the extending stage is a combination of continued operational efficiency plus other intangibles which the customer values enough to continue purchasing. Sales usually decline during the extending lifecycle stage; headcounts are reduced. Different activities – including significant assistive actipraxis work – become necessary.

While an individual business, practice, or program may decline and ultimately disappear, the same fate is not necessary for the entire firm. Diversification is the antidote of choice. Diversification is a very important activity for the firm's

capitalizing businesses; diversification adds new customer choices alongside aging prior successes. A diversification effort requires inspirational, discovery, and prescriptive actipraxis work, and author and builder praxis workers. A diversification effort also requires senior management commitment and careful change management. Diversifications are not easy. Diversification is discussed elsewhere in this paper and in depth in the companion paper “*Applying Worker CycloPraxis to the Paradox of Why Large Firms Suddenly Fail to Innovate*” available at www.cyclopraxis.com.

The transition from building to capitalizing is difficult and full of tensions. At the root of the tensions are the builder’s interest in continuing the unstructured and unpredictable discovery and prescriptive actipraxis work. [for more information on the interpersonal tensions and the business drivers of the builder to capitalizer transition, look for the companion paper “*Praxis Battles*” soon to be published at www.cyclopraxis.com] Customers however are expecting the business to behave in a quality, predictable, structured, and steadily improving manner. Management expects growth and profits. It’s time to end the building and begin capitalizing. Some sure signs would include:

- The first customers have been found, the value proposition is understood, and additional similar customers are ready to buy.
- Financial statements for the business unit are scrutinized as closely [or more closely] on the revenue lines than on the expenses lines
- Manufacturing / Operations are fully defined and those who developed the recipe are no longer interested in continuing to validate the correctness.
- Human Relations is doing the majority of entry level hiring
- Competitors who started about the same time are now shipping
- Sales materials, pricing, and promotion projects all grab the last version as the starting point
- Further development is schedule driven rather than achievement driven.

Some other telltale signs of the transition will be apparent in the actipraxis-details of the work

- Additional discovery-actipraxis work is met with resistance of “it’s too late to incorporate now”
- Additional encoding-actipraxis work results in revisions to an existing document
- Performance goals become the norm. The uncertainties of unpredictable task achievement are not permitted.

As the builders achieve their discovery and prescription tasks, they will have less long-term motivation for and be less long-term performant in the very same predictable structured environment that they themselves defined. Still, the temptation is to continue to employ the builders because they are knowledgeable and trained. But, if the builders stay, they will likely evolve to become disengaged capitalizers. The builders will overemphasize the opportunity for change and for special tasks because they are more oriented and passionate about achieving challenging tasks than making steady performance accomplishments. Better to hire engaged capitalizers make the training investment.

The transition from capitalizing to extending is also difficult. At the root of the difficulty is the capitalizer’s interest in higher performance in a time and life-cycle age when performance is not all that matters. Other intangibles play a large role – especially intangibles that convey an impression of continuity, satisfaction, and assistance. Workers naturally oriented around these qualities – members of the extender praxis -- are best suited to deliver intangibles of this nature. As the transition begins the business starts hiring extenders, charging them with assistive-actipraxis work, and granting top rewards to these newest employees. Depending on the speed of transition to intangible customer values, the speed of revenue loss, and the attrition rate of capitalizers, there may be some forced headcount reduction of capitalizers in order to staff with extenders. Starting the attrition early before crisis is sound advice. Some sure signs of impending transition would include:

- The number or frequency of customer requested special situations has dramatically increased
- Customers talk about being locked into one particular vendor’s solution.
- A new paradigm has appeared on the horizon and is catching on.
- Overall volumes and revenues have declined for the industry
- The base of customers is saturated and hardly expanding if at all. New sales are a small fraction of repeat business.
- Sales techniques have shifted from education and ROI to relationship
- Financial analysts are starting to question return on assets

- Human Relations has introduced various rewards for many intangible aspects of the work environment. Performance achievement is no longer the #1 goal.
- Suddenly there is time for employee teams with aspirations of enhancing the workplace
- Control of excess inventory is a key concern for manufacturing.
- The focus of development has shifted from a values race with competitors to a satisfaction of wishes of major customers.

Some other telltale signs of the transition will be apparent in the actipraxis-details of the work

- Efficiency improvements seem self-defeating – they will only reduce the demand for productive labor.
- There is increasing need to deviate from long standing rules in order to please important customers.

Overall the workplace is less predictable and less stable. Great uncertainty exists surrounding the adoption level of the threatening new paradigm. Workers can feel that the structure that is so well understood may soon need modification. Customer retention techniques that are so important when supply exceeds demand are unusual methods for a capitalizing workforce that has excelled in a period where demand exceeds supply. Furthermore, the capitalizing workforce may lack critical skills and strengths that yield greater productivity and success with customer retention. The need for extender praxis employees is critical.

THE IDEAL ENVIRONMENT FOR THE CAPITALIZER

Predictability, structure, and opportunity for improving accomplishment are the ideal environment for capitalizing actipraxis work and the capitalizer praxis. When these elements are all present in the workplace an engaged and productive capitalizer feels personally energized to perform at their best. This same positive energy – and the peak efficiency that accompanies it – will be reduced when:

- Exceeding an Individual's threshold of change or threat of change to the structure upon which they have become dependent.
- Too many unproductive or disengaged capitalizers are reducing the overall output of the overall team
- Requests for exploratory-actipraxis work or prescriptive-actipraxis work are made. It is hard to claim performance against un-measurable discovery, validation, and encoding tasks.

When Capitalizers are functioning at peak efficiency they expect reward equal to their contribution – high compensation, leadership positions, higher expectations for next measurement period, and visibility amongst peers.

A century ago, the capitalizing philosophy meant that people were cogs in a machine to be used and controlled. Individual accountability on tasks and performance improvement were key. Management continued to search for the perfect division of labor to make all people efficient at specialized tasks. The business unit's organization was in vertical rigid hierarchies around workflows. Information and communications technology was used to police the work and control the people. The focus was internal on the structure imposed by the organization and administered by the boss. These same practices and philosophies are still in place in the low cost labor manufacturing industry of developing countries.

Advanced economies [Western Europe, Japan, Americas] have evolved to a 21st century set of values where people are considered valuable assets who can and must provide basis for competitive differentiation and success. Team performance has become as important as individual performance. Employees are offered enriched jobs with variety of activity and workstation rotations. Focus everywhere is on the customer – customer needs are shared with operations, human relations, finance, etc. Information technology and communications flows keep workers informed of the company's overall success. Employee training for purposes of growth, development, and satisfaction is key..

Yet, despite these modern values and approaches, predictability, structure, and opportunity for improving accomplishment are the ideal environment for capitalizing actipraxis work and the capitalizer praxis. Scholarly literature shortens predictability, structure, and opportunity for improving accomplishment into a single word: *formalization*. Formalization is found in many elements of a business or program. Some examples are suggested below. Each example is a process or method that must be rigorously followed. Everyone involved knows what to

expect because they are all part of the same structure and have been trained on the same process rules. Predictability is high. Practicing the process or method yields better efficiency and improved performance.

Finance

- Travel expense reimbursement forms and guidelines
- Expense level authorization
- Capital budgeting cycles
- De Jour Measures such as return on assets, revenue per employee, inventory turns, working capital

Human Relations

- Defined criteria for wage scales
- Job description catalog
- Templates and schedules for performance reviews
- Union relations policies

Information Technology

- Access control lists limiting specific information to specific users
- Locked down personal computers that only run the company software

Marketing

- Pricing formulae
- Approved seller and/or partner lists often with membership tiers with defined levels of service.
- Standard kits and templates for trade shows, seminars, advertising placements, literature, etc

Sales

- Rigorous volume discount schedule
- Lead follow-up systems.
- Customer relationship management systems.

Operations / Manufacturing

- New component and/or equipment approval processes
- Computer generated scheduling and delivery determination
- Standard configurations, packaging, shipping, exporting.
- Assembly steps, person-to-person interaction scripts, delivery routes, and other controls on operations workers
- Insurance or other 3rd party billing procedures.

Development

- Standard milestones and timelines for development process
- Boundaries on creativity such as form factor, color, uniform, message

Management

- Creation of branches and/or plant consolidations
- Regularly scheduled staff meetings and/or regularly scheduled operational meetings.
- Innovation policies and review boards

As the capitalizer learns these – and many more – how-to's they become part of the formalization. Formalization is sometimes a deliberate process whereby a worker is reprogrammed to accept and conform in order that the business unit can manage a large number of people with a minimum of managers.

Brainstorming – a technique for generating ideas -- is an fine example of formalization in action. Most often, modern brainstorming involves a group of people sitting around a conference room working ideas out into the open. Authors are rarely present in these sessions; they do not require the stimulus of a brainstorming session to be creative with ideas. Builders resent these sessions because they consume time away from their already plentiful kit of ideas to test. Brainstorming is meant for capitalizers and extenders. Early academic research – repeatedly verified – demonstrates that groups can generate up to 44 percent more ideas than individuals. The term was coined by Alex Osborn in his 1953 book Applied Imagination, where strict protocols were prescribed. In its true form, it is a rigidly structured process. Such a formal approach is necessary; else a well-intentioned brainstorming session can degrade to participants staring into space frustrated with an apparent constipation of ideas. Why does formalization make such a

difference? The formality typically includes permission to have new ideas, structure about how to behave, and processes for introducing new thoughts, and notice that the performance measure is quantity of ideas shared [not quality and not other measures of work]. These are exactly the environmental conditions that make work appealing to a capitalizer. For instance, without permission to have new ideas capitalizer would naturally filter ideas away as being deviations from existing rules. And without a metric for the quantity of ideas, the capitalizer would see no advantage to sharing. Formalization makes both these behaviors safe, accepted, and expected.

CHANGING WITH THE TIMES

Despite significant value to the company during the capitalizing stage workers performing capitalizing actipraxis work – both highly productive engaged capitalizer-praxis and less productive disengaged extender-praxis – introduce the liability of resistance to change. Change alters the structure. Change is not entirely understood and therefore introduces an element of unpredictability. Change means learning new skills, processes, and methods, which temporarily reduces performance.

Diversification is another word to describe the process of commercializing new opportunities, and reengineering is another word to describe necessary modernizing change. Capitalizers are relatively inefficient in making contribution to either initiative. And Capitalizers are even less effective at leading such initiatives. The builder praxis achieves much higher effectiveness in these roles. Capitalizers however should not be excluded. The psychological concept of ‘buy in’ is facilitated through capitalizer awareness of and superficial participation in change initiative’s.

THE CAPTAINS WHO MANAGE CAPITALIZERS

Perhaps in an ideal world, the structure [including the prescribed rules for productive-actipraxis work activity] plus the strong performance accomplishment drive would permit capitalizers to work with minimal supervision. The real world indicates otherwise; business units have multiple layers of management with strong hierarchy. Such layers are often maligned as too bureaucratic, too political, too much overhead expense. While these observations are true, a certain number of overhead persons are necessary. These overhead persons – the managers in the capitalizing lifecycle stage – are called *Captains* [another word that starts with “C” making it easy to remember this lifecycle stage. In the large business unit, captains report to captains, who in turn report to more captains. Captains are caretakers of the structure and police existing employees plus train new employees in addition to other caretaker jobs. Captains also filter away external events that would otherwise reduce predictability. They measure the performance accomplishments and continuous improvement and convey the rewards according to systematic rules. Indeed, Captains are responsible for equitable application of all the rules. Captains must also deal with poor performers regardless of whether the issue is engaged or disengaged.

The actipraxis types of a Captains work involved rule based productive work plus the *decision* work normally found in the prescription actipraxis plus a special work type called *encouragement-actipraxis* work. The productive-actipraxis rule based work should be the most familiar to the captain and the easiest to perform. Decision work is involved when an evolving change will occur to the structure, assignments, processes, methods, or workflow. Someone has to decide for the change and that task falls to the captain. Many excellent capitalizers struggle in a captain’s role [or turn down promotion possibilities] because they do not feel comfortable in the decision role. Encouragement work is the most important activity for the captain because encouragement work can be a major determinant of the performance of 10 or 20 or more subordinates assigned directly to the captain. Encouragement work occurs when a captain -- using judgment and perhaps following guidelines -- departs from the company rulebook and established structures to accommodate employee individual situations in order to maximize performance output. A professor colleague tells a story about his younger years as a capitalizing employee on a jobsite.

Steve valued this job because the pay was above the norm. And he realized there were others waiting for his spot if he were no longer valued. So he worked as hard as he could, sometimes through breaks, and accomplished a little bit more than others. At the end of every day he stayed an extra half hour to help the supervisor clean up. One morning, Steve asked for and received permission to start an hour later because of a doctor’s appointment. Much to his pleasant surprise

his commute was reduced from 45 minutes to just 15 minutes and he was just a half hour late. That evening after spending 30 minutes helping clean up, Steve explained the improvement in commute time and asked the supervisor if his start time could be adjusted 30 minutes. Steve promised a full day's work and to formalize his after hours cleanup help. The supervisor turned him down without any discussion – the start time was company policy. The next day Steve reported to work on time. But he worked a slower pace, took all his breaks, and never again helped with end of day cleanup.

The supervisor had failed to exercise judgment and use encouragement-actipraxis work choosing instead to uphold the rules. Steve lost motivation and his work output [for the same pay] dropped at least 20 percent. Supervisors skilled in encouragement-actipraxis can not only avoid 20 percent drops in performance but can also boost accomplishment a positive 20 percent through effective leadership of capitalizers. Effective use of employee encouragement is self serving for the captain as it is certain to enhance the performance of his or her workgroup. Excellence in employee encouragement is a special skill that some captains are lucky enough to have.

Except for the decision and encouragement activity discussed above, Captains live with a governing set of rules and policies right in the midst of the organization's structure. And like other capitalizers, captains appreciate predictability and are measured according to performance accomplishment of their group. Captains are happiest and most energized when the rules are well understood and fair, the environment is productive, and their performance is steadily improving. Just like other capitalizers, captains are de-energized by excessive change, poor performers, and inequitable application of the rules; but unlike other capitalizers, captains are expected to do something about these demotivators. Lastly, Captains have one more very special work habit. They are energized less by personal accomplishment and personally improving their own performance and more by having others do the work assigned to their group. The most memorable example comes from Mark Twain's classic Tom Sawyer in the section where Tom gets all his friends to whitewash the fence – a job originally assigned to Tom by his Aunt -- while he sits back and supervises. Neither authors, builders, nor extenders gain the same energy from organizing others to do the work.

For their accomplishments, Captains expect two basic kinds of rewards: financial and visible. Financial rewards include salary increases for expanded responsibility, pay for performance such as options and bonuses, and perks such as expense account and club memberships and company cars. Some perks serve dual purpose – financial and visible. Other visible rewards such as desirable office location, private secretary, or community entertainment account, have less monetary value but signal success to others. Above and beyond financial and visible rewards, the ultimate captain's reward is a promotion up the hierarchy of captains. Such a promotion should be the result of superior performance of the capitalizers for whom the captain is responsible. Superior capitalizer performance should be the result of effective performance achievement [measurement and improvement] coupled with effective use of encouragement-actipraxis work that motivates both engaged and disengaged capitalizers.

The encouragement-actipraxis work of the Captains can have a dark side when used for one's own political gain. Henry Mintzberg described a set of political games most of which are about building power in various areas. Several examples are given below. Note how each might be a non-constructive use of encouragement type activity.

Sponsorship game. Building power through attaching oneself to those who can help you in the future. The general deal is that the lower-down people get to be able to call on the higher-up people, who in turn have a loyal servant who keeps their ears to the ground and so on.

Alliance-building game. Building power through peer networks. Note how this is played horizontally through the organization vs. the vertical game of Sponsorship.

Young Turks game. Testosterone rules and aggression is the major tool. It also appears in leadership challenges and attempts to change strategic direction.

Empire-building game. Played particularly by managers on their way up the organization, building their power base. Internal competition then is between complete fiefdoms rather than individuals.

Budgeting game. Budgeting often has clear rules and this game is about getting the most money you can, typically by asking for too much with the knowledge that you will get only a part of what you asked for.

Expertise game. This is played by people with expert power, where they manage their knowledge and skills more for their own gain than for that of the company. For example, they will only give out information or help those who can help them back in the future.

Lording game. This is played with the power of one's position, for example where a senior manager assembles his staff and makes pronouncements, sending them off to do his or her bidding (which may, of course, not be in the interests of the company).

Line vs. staff game. This is the game between line managers who are faced with the day-to-day working of the organization and the staff advisors who seek for example to spread best practices and common working procedures. The staff often has no direct authority, which allows the line managers to refuse or resist.

Rival camps game. When Empire-building turns into an us-vs-them game, typically when there are two main camps, then it can turn into all-out war. This often happens between departments, such as manufacturing and research, marketing and sales, etc. where there are different expertise, goals and interests and it is easy to point the finger over the fence.

THE CAPITALIZING TASKS BY FUNCTION

DEVELOPMENT

A capitalizer product development engineer takes pride in meeting schedule with the highest possible quality and lowest cost. They are the best of any praxis in doing so. The capitalizer praxis shows most skill at adding features to an existing architecture/framework/chassis. They also excel at localization to other geographies, line extensions, development of options, and in improving quality. And this is exactly the kind of enhancements that the business unit needs and expects in this lifecycle stage. The capitalizing-praxis is adept at improving costs and manufacturability. The capitalizer-praxis appreciates a well-tested development methodology with workflow charts, checkpoints scheduled and communicated well in advance, with defined deliverables at each step, and with mutually agreed upon budgets.

The capitalizer-development squad is as close as any team of developers can come to following productive-actipraxis rule based daily activity. Predictability is high [by development department standards], risks are low [by development organization standards], and structure is established. Capitalizer development engineers should be measured on meeting schedule, achieving most competitive costs, and good judgment about the extent of revolution vs. evolution. When capitalizer developers know and understand their measures, they will seek to excel against any and all competitors. These kinds of measures stand in stark contrast to the builder who should be measured in simply getting the first release out the door. This is also in contrast to the authors who should be measured on the customer appreciation of their ideas.

The market share winning capitalizers need someone to have pioneered the architecture/framework/chassis and the tradeoff methodology since the capitalizer-praxis is much better suited to work where there are established processes, optimization opportunities, and the chance to get better and better by repeating the recipe. Good thing there are capitalizers because one cannot expect the builders to stay around for the second or third iteration of the same product. Both author-praxis and builder-praxis developers loose morale with predictability and feel over constrained by the structure around repeated releases, development processes, and even quality improvement. Authors and builders in capitalizing development jobs tend to be disruptive to an otherwise predictable and well performing development team. On the other hand, Capitalizer engineers are also ill suited for the builder job because they struggle on many of the first time challenges that the builder-praxis enjoys. Well beyond the time when capitalizer developers have made their contributions, the expert-extender prefers to spend time continuing their technical contribution in areas where they excel rather than learning new emerging technologies. This technological preference leads the extender-praxis development engineer to keep an older product going for as long as there are customers.

MARKETING

The capitalizer-praxis has talents with consistency and predictability that help the business win as many customer orders as possible. During the capitalizing stage, the marketing function focuses on amplification and repetition of key messages found most effective during and after building. The capitalizer's goal is to get the selected messages out as many times as possible through advertising, shows, public relations, web sites, seminars, etc. Capitalizers also pursue

application development where the principle capitalizing activity is to re-apply the proven recipe in segment after segment. Sales tools get tuned for maximum efficiency. Press, analyst, and customer relationships are nurtured. Customers are engaged through frequently repeated displays, showings, and seminars. Guesswork is all but gone from pricing which is now done according to special models including demand levels and competitive alternatives. Marketing continues to have input to product and service definition by collecting [often through structured survey] and then prioritizing [according to formula] new feature requests. At times these requests require partnership with other companies in order to deliver what is called “the whole solution”. Such partnerships are executed in accordance with the pre-defined rules of the business’s approved partners program. In summary, the capitalizer-marketer requires top focus on execution and creativity within a chosen recipe than on determining the recipe.

The capitalizer appreciates the guidance of process and the predictability of an orderly annual work-plan. The capitalizer-marketer often looks to the budget or marketing plan to see what activities and campaigns are expected each period. The capitalizer feels reward and accomplishment by making 100 pct against straightforward goals, and then revising the goals upward to 105% then 110%. Marketing’s goals in the capitalizing stage should be measurable – at least to the point of measuring activity level. Only a few highly skilled marketing capitalizers will agree to the inherently risky measures that include the customer’s positive reception of individual marketing programs.

During the capitalizing lifecycle stage, most businesses formally establish their Customer Service function. At this stage in life, the customer service function is purely tactical – an expected and therefore necessary part of the product/service delivery. The customer service function is required to strictly follow rules. The work therefore is productive-actipraxis. Customer issues are logged into databases, questions are answered according to published rules, and any requests for special consideration are met with “it’s not our policy to ...”. Only later in the lifecycle evolution will the business consider the opportunity to turn customer service into a strategic point of distinction.

These marketing activities are quite different from the building stage where the first market segments are selected and conquered. Builders also research, select, document and publicize the value proposition of the new product, service, or customer segment. If either of the choices is incorrect, the business will fail to win anticipated business. These activities therefore are high risk and avoided by the capitalizer praxis. Builders approach this responsibility with a combination of thoughtful reasoning [the builder is constantly asking why] followed by trial and error. Along the way there will be some mistakes that necessitate backing up and starting again. The capitalizer praxis becomes discouraged by the apparent poor productivity of exploratory work. The reciprocal pattern is again true. A builder-marketing professional would feel uncomfortable in a capitalizing environment. They will be more interested in adjusting the recipe – even if it means achieving only 90% to goal. They will feel constrained by the structured way of approaching every challenge.

Capitalizing marketing activity is also different from extending lifecycle stage marketing activity. The extending phase begins as some emerging paradigm – a new and different form of competitor -- encroaches the existing business. During the extending stage, customer retention has the most strategic value. Removal of forces pushing a customer to switch, appealing to customers fears of adopting new, and building customer’s loyalty to proven satisfaction can have greater effects than a few percentage points greater efficiency. This is especially true if in pursuit of efficiency one of the earlier tactics is compromised. The customer service function is a wonderful example. During capitalizing managers look for peak efficiency, which is obtained by consistent application of policy and rigorous schedules. During extending however, every call that ends with “it is not our policy to ...” risks the retention of a customer. Every call that ends on time but before the caller feels as if they have been adequately helped or heard risks the retention of a customer. During extending lifecycle stage, assistive-actipraxis work and subordination of efficiency take precedence over productive rule based work and performance accomplishment. Other carefully optimized marketing activities of the capitalizing stage -- sales collateral, press, analysts, market development, promotions -- diminish in importance as the customer support department’s contribution grows.

SALES—VALUE PRODUCTS

A personality-style classification commonly used for sales teams is *hunter* and *farmer* – a distinction that’s very useful as we study the evolution of a business unit. Briefly put, hunters are better at winning new accounts and opening new segments, and farmers are better at gaining additional business from existing accounts. The personality styles correlate with the overall maturity of the market segment with the hunters of course preceding the farmer”. We need to be careful not to confuse *sales style* with *cyclopraxis*, but instead we should recognize a strong correlation. Hunters are effective in many of the actipraxes: inspiring, exploring, prescriptive, and productive. They are most like builders. Farmers specialize in the actipraxes: productive and assistive.

Early in the building lifecycle stage the need is clear, any new business needs a hunter style channel team with builder praxis work habits to explore and prescribe priority market segments. Compensation most likely is a high base percentage with carefully defined commission. The recipe is more important than the initial sales volume.

Mapping cyclopraxis to the sales function during the capitalizing stage involves a complexity not found with other departments. Winning new accounts within the selected market segment is best accomplished with the hunter style and a blended author-builder-capitalizer-praxis to efficiently inspire customers using a recipe that has worked in the past. Still, the work is not simply productive rule based actipraxis. The challenge of winning business from new customer after new customer involves dealing with uncertainty, self-organization, multitasking, creativity, problem solving, and championing the product/service. If a particular customer does not respond to the recipe, it is often best to move on to another customer than drop back and explore a variety of different methods. At his lifecycle stage, the game is to capture as many customers as quickly as possible. Compensation is best with low base percentage and lucrative commission. Volume is more important than new recipes.

Opening new segments during the capitalizing lifecycle stage is best done with hunter style and builder-praxis work habits of exploring and prescribing. The expanding segment skills are the same as the initial segment skills. Compensation is again best with high base. Additional recipes are more important than initial sales volume from the new segment. Managing the new segment sales team in parallel with the new account sales team presents unique challenges.

Early in the capitalizing stage, a significant number of customers have placed their initial orders. At that point, the hunting winds down and sales persons with that style find diminishing returns in looking for additional customers. Many hunter style sales persons leave the business and seek out their next hunting opportunity. The transition is positive for both sales person and customer. With first purchase successes, the business unit’s customers appreciate a different sales approach -- more focused on efficiency, education, and logistics support -- for repeat and expanding volume purchases. These qualities are the specialty of the “farmer” sales style. The business unit – as it continues to mature -- should replace the departing “hunters” with “farmers”. The capitalizer-praxis -- with efficiency and consistency -- is well suited to increasing the level of business from existing accounts and portraying a confident proven structure at new accounts. Indeed, the market dynamics also evolve: competitors’ approaches are predictable; the sales recipe has become a process across the industry; top results are won by those who are focused and dedicated; and goals are suggested, agreed upon, and then slowly raised. Optimum compensation plans are a fair mix of salary [for the support aspects] and commission [for the growing business aspects].

However, even as the business unit is well into capitalizing with capitalizer-salespersons with farmer style, there is still the need for a few lingering builder-salespersons and hunters. New segments – both applications and verticals -- constantly arise. And new geographies can be explored.

When the extend lifecycle stage is reached, sales staffing may undergo yet another round of changes. While sales at many accounts may decline, behaviors toward customers must be increasingly positive. This is a difficult situation for a capitalizing-praxis salesperson that is motivated for increasing performance. Extender-praxis salespersons will find the situation much more rewarding. Compensation plans should be predominantly salary with bonus paid for sales that manage to exceed anticipated declines.

A more in-depth discussion of sales and life-cycle may be found in the article with the very appropriate title “*Match your Sales Force Structure to Your Business Life Cycle*” published in the July-August 2006 Harvard Business Review and available at www.hbr.com.

SALES—VOLUME PRODUCTS

Volume products are rarely ‘sold’ to the final consumer. Instead personnel in the sales function are in a fulfillment positions. The selling is accomplished by marketing function activity that essentially creates demand in the mind of the consumer. The sales clerk in a volume oriented storefront establishment works with the characteristics of the capitalizing-praxis. They perform productive rule based actipraxis work in a predictable and structured environment. Their ability to satisfy customers unique needs – assistive actipraxis work – is quite limited. Their ability to explore and prescribe new rules is limited. The sales clerk simply performs cashier, inventory, cleaning and organizing, and packaging functions. Proper training and policy manuals are key. Management tends to reward increasing efficiency with small raises in wage.

Significant selling of volume products occurs at various levels in the distribution channel – at wholesalers, distributors, and retail chains. Sales persons – hunter and farmer alike – are routinely used at these spots along the value chain. Staffing follows the patterns discussed in the section on selling value products. During the capitalizing lifecycle stage there is rationale for both hunter and farmer sales styles. The actual activity will be inspirational and productive actipraxis when opening new accounts and productive and assistive when continuing with existing accounts.

SOLUTION DELIVERY & MANUFACTURING

The principles of the following discussion apply equally well to all solution delivery as to manufacturing. Solution delivery better describes the work in teaching, nursing, call centers, consulting, tax preparation, and retail. Or consider an airline where the concept of manufacturing also has little relevance. Instead of manufacturing there are elements of solution delivery including baggage handling, flight attendants, pilots, maintenance, customer service agents, etc. Some may prefer calling these non-manufacturing steps of the total solution delivery by the organizational term: *operations*.

Notwithstanding the previous paragraph the manufacturing function is most often associated with the capitalizing praxis. Readers associate manufacturing with following a set of order processing, scheduling, procurement, inventory management, machining, assembly, test, and shipping procedures. Variances of course exist depending on product and/or service and specific operations step. For instance, taking orders at McDonalds, stocking the storeroom at Wal-Mart, piloting a jetliner between two large cities, and installing rear view mirrors on automobiles, each have their special steps. Nevertheless, predictability, structure, rewards for performance improvement, and precisely prescribed activity are present in each example. Supporting activities – training, shift/lunch/break hours, and pay grades -- are also well defined. Unionized organizations are known to carry some structures and rules to the extreme – regardless of whether the situation is manufacturing or some other operation. If external factors never perturbed the system, a capitalizing business unit would just steadily improve.

But external factors – competition, employee turnover, order growth and decline, suppliers, regulations, even builders and extenders – leave the capitalizing business unit with plenty of challenges in addition to simple operational effectiveness improvement. For instance, during the capitalizing stage, operations and manufacturing experience faster growth than any other function. When development or marketing exit the building stage, they may double their headcount during the capitalizing lifecycle stage. In the same time period, manufacturing could grow to be ten or more times its building size presenting special challenges. Strong captains are needed to hire, train, motivate, and organize all the new hires. Another example is the considerable challenge capitalizers face to optimize all the 90% completed activity [from the building stage] up to 99% and 99.9%. In manufacturing, the capitalizer must optimize procurement,

release to manufacturing, ERP systems, assembly processes, ECO processes, quality, etc. Forecast accuracy requires special attention or inventory and/or delivery will degrade. And manufacturing lines and operations staffing must be carefully balanced and tuned or unit costs and output will suffer. Properly delegated to skilled specialists these activities become continuous incremental improvement objectives for administration and management. Productive capitalizers and their captains can be very satisfied in this portion of the capitalizing stage.

The preceding two paragraphs paint an oversimplified positive and inspiring picture of the capitalizing manufacturing or operations function. Some of the uncontrollable real world problems such as missed supplier deliveries, defective components, and equipment or facility failures are missing. Some of the real world labor realities of low output low morale low quality employees, absenteeism, and sabotage are missing. Even the annoyance of management-imposed change has been ignored. External factors such as regulations, competitors, globalization, consumer tastes, and threatening new paradigms will always impose change on the otherwise happy capitalizing business unit. Such changes – no matter how justified – will always be met with an attitude of rebuke because they: 1] imply changes to the structure that has so been so well learned; 2] introduce an element of unpredictability into the routine; 3] mean that performance accomplishment against old procedures will no longer apply as new procedures will be forthcoming. In recent years a whole science and consulting practice has evolved around effective change management for the capitalizing manufacturing function. Retraining, communication, participation, and gentle rollouts are all key elements of a successful change program.

Labor relations are often challenging in the capitalizing manufacturing or operations function. A mixture of capitalizer-praxis employees and extender-praxis employees often staffs manufacturing or operations organizations in the capitalizing stage. The mix occurs because the supply of jobs often exceeds the availability of capitalizer-praxis workers. At the same time, the supply of extender-praxis workers often exceeds the availability of extender-praxis jobs. Extender-praxis workers in capitalizer-praxis jobs will not perform as well as capitalizer-praxis workers. The underperformance of the extender-praxis worker leads to disenchantment first because the extender-praxis worker is unmotivated to continuous improvement and therefore never makes equivalent accomplishment nor equivalent reward, second because the extender-praxis worker is not permitted any of their favorite assistive-actipraxis work, and third because the belonging element of the extender praxis has no part in a capitalizing activity. The result is a potentially large number of sad de-motivated workers that are a significant management challenge. A competing firm properly staffed with capitalizers – perhaps in a different geography – will outperform the mixed workforce.

Many of the systems and much of the structure utilized in the capitalizing stage was developed and validated and documented during the building stage. Hopefully, not all the builders depart at the conclusion of the building stage, for there are also some additional manufacturing tasks that can be worked on by a builder-praxis during the capitalizing stage: establishing a spares pipeline, choosing hiring practices that can grow the workforce with capitalizer-praxis individuals, and assessing whether to move to lower cost labor assembly. These are challenges that were delayed during initial building due to more urgent tasks. In addition the builder may enjoy taking many of the 90% complete activities to 95%, 98% or even 99% complete. But the builder praxis and the capitalizer praxis do not interact very well and therefore not many builders are likely to continue very long in the manufacturing organization once things have mainstreamed in the capitalizing stage. Capitalizers will be outnumbering builders by at least ten to one. And the builder's natural propensity toward change will unnecessarily upset the capitalizing workforce. Captains must manage any residual builder population inside their capitalizing business unit with great care.

When the business unit moves to the extend stage, manufacturing and operations face new challenges. Of course business unit's goal of further maximizing profit surely continues to challenge manufacturing and operations to continue incremental improvement. But the new challenge of retaining customers requires a flexibility that is not always aligned with efficiency. An example of required flexibility might be a program to reduce lead-times to retain important customers, even if such a program means frequent line changeovers and reduced labor utilization.

ADDITIONAL FUNCTIONS

To illustrate the principles of the capitalizer praxis in an operations function, the finance department is briefly explored. Similar discussion might be undertaken for Human Resources, Consulting, Billing, and a many other functions.

The finance/accounting function plays a vital role during the capitalizing lifecycle stage. At this point in the business lifecycle, the ability to show continuous improvement is most motivating to the workforce, which when motivated will in turn improve even more. Individual workers may understand their performance improvement from their individual accomplishments or supervisor feedback. Individual successes aggregate through the hierarchy to overall business profitability. The finance function is responsible for developing the aggregating equations [building praxis activity] and for rigorously and predictably applying these equations at each accounting period [capitalizing praxis activity]. Consistency is essential from period to period. Correctness is essential, legislated even. At the highest levels, the rules are also legislated [GAAP].

During the capitalizing lifecycle stage, the finance function may also participate in other activities of the business such as collecting receivables, paying invoices, coding expenses to various other departments, preparing annual reports, scripting analyst calls, etc. When examined closely each of these activities is predictable and structured by defined rules. Finance function employees are encouraged to perform the tasks with ever-increasing efficiency so that the finance function is contributing to profitability just as operations, manufacturing or marketing.

During the capitalizing lifecycle stage external events will impact the finance function just as they do other functions. The affected business generally seeks to explore alternative scenarios as part of the decision for how to proceed and the finance function is frequently called on to model various measures and the profitability of alternatives. While, radical alternatives may require the discovery skills of the builder-praxis, most financial scenario modeling involves altering one or two variables at a time and is handily accomplished by capitalizer-praxis workers who understand the structure of the aggregating equations. For example, a competitor may discover a more efficient method in solution delivery and suddenly reduce prices and/or reap greater profits. A capitalizer financial analyst in the reacting business may be asked to develop two model scenarios of profitability: one on lowered prices and one on existing prices and lowered volumes.

PRAXIS MISALIGNMENT

The metaphor of round peg in square hole is often used to describe worker ineffectiveness due to some presumed style difference. Cyclopraxis provides the opportunity to quantify the misalignment. The two general cases are discussed below: capitalizers doing work in the authoring, building, or extending lifecycle stage, and authors, builders, or extenders asked to perform productive work during the capitalizing stage.

As a general rule, the winners in the capitalizing lifecycle stage are those most skilled at operational excellence. Similarly the winners in the extending lifecycle stage are those most skilled at customer excellence; and the winners in the author/builder lifecycle stages are those most skilled at product excellence. Stories abound about business units with leading product excellence performing poorly against customer excellence challenges. In the same manner, employees excellent at operational excellence often miss the latest innovations that anchor product excellence and often prioritize efficiency over customer excellence.

THE CAPITALIZER DOING WORK IN THE AUTHORING, BUILDING, OR EXTENDING STAGE

Capitalizers sometimes find themselves being asked to contribute in a lifecycle stage other than capitalizing or to perform work other than productive-actipraxis. None of these situations effectively utilizes the strengths of the capitalizer, and none are very motivating for the capitalizer. Furthermore, any out of praxis assignment results in suboptimal performance. The miss-assigned capitalizer is less productive than they could be [in a capitalizing assignment] and is less productive on the job than someone of appropriate praxis performing in the same role. When

capitalizers work in a later lifecycle stage, they at times appear unwilling and unmotivated. When capitalizers work in an earlier life cycle stage, they at times appear unable to make sought after contributions.

The capitalizer-praxis worker is less energized by assistive work of the extending lifecycle stage. Assistive work deviates from one or more of the structure's rules in unpredictable ways. It is more difficult to optimize performance in an assistive climate because it is difficult to work up the experience curve in a constantly changing environment. The measures are no longer well defined. Black and white gives way to shades of grey. Indeed even the definition of success can vary from situation to situation. The capitalizer facing such an environment can become frustrated and will often wish for a return to the better defined productive-actipraxis work.

The capitalizer-praxis is also less interested in inspirational, exploratory, and prescriptive work of the authoring and building lifecycle stages. Inspirational work is the mainstay of the authoring stage. Inspirational work includes creative idea generation followed by tireless championing and promotion of the idea. Studies of creative idea generation suggest that the more a person is oriented to rules, structure, and predictability, the less likely that same person is to be conscious of any creative ideas. The logic behind the studies is that any creative idea is a deviation from established rules, which makes it impossible for someone who has subscribed to optimizing performance within the rules to harbor thoughts outside the rules. As a result, capitalizers as a group are severely challenged to author creative and/or radical ideas. Companies go to great lengths to tap even the most simple evolutionary suggestions and rudimentary creativity from capitalizers. Brainstorming sessions and problem solving teams provide a safe environment, a socially acceptable context, and a subtle stimulation to permit nascent capitalizer creativity to emerge. In summary, capitalizers exhibit low productivity at the inspirational work that trademarks authors.

Discovery and prescriptive actipraxis work are the mainstays of the building stage. Discovery work fails to motivate the capitalizer in multiple ways: discovery work is totally unpredictable; there is no structure to discovery work; discovery work occurs before any rules exist; and discovery work is full of failed experiments which translate to zero forward productivity. The motivational failure can be so complete that capitalizers new to discovery work never engage. They replace the needed experimentation with the activities of ever increasing precision in planning the experimentation process details and with elaborate identification of future structural elements. These miss-assigned capitalizers are so accustomed to structure and predictability, that when given work assignments where structure and predictability are lacking they feel compelled to first put structure and predictability in place. They set measures and quote performance accomplishment against the process detail and structure identification. As the time progresses, these miss-assigned capitalizers boast about completion percentage of their models being ahead of schedule. In reality however, the task is falling way behind schedule because the actual discovery experimentation is not occurring. Tensions can run high during project reviews as those requesting progress along a discovery roadmap debate the merits of the capitalizer worker's approach. The capitalizers claim great progress against performance objectives they have set. The builders cite minimal discovery achievements. If the project, program or business truly requires discovery-actipraxis work, then the best appraisal a miss-assigned capitalizer can earn is one of low productivity [against the task[s] to be achieved]. A more likely appraisal is that capitalizers are not skilled at or capable of discovery work.

The miss-assigned capitalizer is also less productive with prescriptive-actipraxis work. Prescription involves validating the discoveries, deciding for a specific structure, and encoding rules into policy and training for others to repeatedly follow. The risks involved in these efforts are higher than in classic productive-actipraxis, the structure is only partially in place, and the performance on first time tasks that will never be repeated [rules need be encoded only once] will always be sub-optimal. It should be no surprise that the capitalizer would be reluctant and/or avoid prescriptive work. Avoidance and/or reluctance translate to low motivation. Low motivation and suboptimal skills result in reduced performance compared to the passion a builder shows for the same prescription activity.

Since diversification is the application of renewed authoring and building during the capitalizing lifecycle stage, it should be evident that capitalizers make suboptimum choices as participants in diversification initiatives. For more on this subject see the companion paper "*Applying Worker Cyclopraxis to the Paradox of Why Large Firms Suddenly Fail to Innovate*" available at www.cyclopraxis.com.

OTHERS DOING CAPITALIZING WORK

Generally speaking workers preferring other praxes are capable of doing productive work of the capitalizing lifecycle stage. On the willingness/ability 2x2 scale, this equates to a general ability, subject of course to training and requisite skills. Some skills may not be achievable such as numerical aptitude of an accountant, keen eyesight of a pilot, or physical stamina of an outdoor laborer. No matter what one's mix of basic skills there is most certainly some form of productive work fundamental to capitalizing that they can perform. Skills notwithstanding, most workers best at the authoring, building, or extending lifecycle stage greatly under-perform at the productive work of the capitalizing lifecycle stage. They simply are not motivated.

The author's ideas are not always in the money; consequently authors will frequently take on productive work of the capitalizing lifecycle stage in order to gain food and shelter. When the miss-assigned author praxis is asked to perform the productive work of the capitalizing lifecycle stage, they can initially demonstrate great potential. They learn quickly and attack the new opportunity with learner energy. However that initial energy quickly fades and their creativity begins to disrupt the workplace. The miss-assigned author never feels the energy from increasing performance against established rules; instead their energy comes from creative ideas that are outside the rules. When doing repetitive productive work, the miss-assigned author may introduce unwelcome creativity and diversity. Or when following the rules of productive work, the miss-assigned author may invent and insert new untested rules. Furthermore, the miss-assigned author may disrupt the orderly activity of other capitalizers. When supervision attempts corrective action, any change is short lived. In short order the miss-assigned author is branded as "uncooperative" or "unwilling". If controls are sufficiently strong and the miss-assigned author is not permitted any deviation, they will show signs of boredom and will soon leave. In general, turnover is quick and the organization's payback on initial training is poor.

Strong successful builders find themselves in capitalizing positions for several reasons. Many top builders grow affectionate of their projects and seek continued employment in the capitalizing lifecycle stage. Unless this *holdover builder* is very versatile and flexible, there will be a strong miss-alignment of styles. A builder will often see opportunity for renewal with a traditional business; consequently builders will sometimes take on productive work of the capitalizing lifecycle stage merely for the potential challenge. A final reason is that there is less demand for discovery and prescriptive builder activity compared to more workers who aspire [driven by a combination of strengths alignment and social popularity] to do the work. When supply exceeds demand, only the most talented prevail; *hopeful builders* take capitalizing assignments. The hopeful builder situation is an outcome of the psychological principle of conformity where many people attempt to achieve what is socially popular. The popularity of an airplane pilot career is one example. In a similar way, the builder job is as socially acceptable in 2000 as the capitalizer job was in 1950. Consequently, many hopeful builders aspire to discovery and prescriptive actipraxis work only to discover their skills are not sufficient to land them a position – the supply of workers exceeds the demand of jobs. These hopeful builders accept capitalizing jobs instead because the supply of capitalizing jobs exceeds the demand by true capitalizers.

When the miss-assigned builder is asked to perform the productive work of the capitalizing lifecycle stage, they can initially perform well. They learn quickly, attack the opportunity with zeal, and rapidly improve performance accomplishment to near their potential. Once the builder has mastered the rule-based productive work they start exploring alternatives – either with actual experiments or in their minds. Seeking increased leverage, the builder feels more energy from potential rule-changing discovery and prescriptive actipraxis work applied to the whole team than from continued smaller gains in singular performance accomplishment. Their interest in new methods begins to disrupt the workplace as little experiments are attempted – often at a sacrifice in the miss-assigned builder's personal productive work performance and/or quality. Furthermore, these exploration style activities suggest possible changes and cause a restlessness in the remainder of the capitalizer work group. When supervision attempts corrective action, the miss-assigned builder will defensively argue that changes are imperative and that they should be relieved of sufficient day-to-day production to further develop new methods. Supervision with responsibility for maximum output

under the existing rules will consider such defensive responses as signs of “unwillingness” and “uncooperativeness”. If controls are sufficiently strong and the miss-assigned builder is not permitted any deviation, they may either agitate harder leading to an uncomfortable termination or they may loose interest perform at minimal accomplishment and soon leave. In general, unless the business unit uses the builder’s special talents, the organization will gain little from a strong successful builder in a capitalizer position.

A worker who enjoys the extending part of the business lifecycle often finds himself or herself assigned to productive rule based work because of simple supply and demand – there are more capitalizing jobs than true capitalizer oriented workers and there are fewer good paying extending jobs than extender oriented workers. When the miss-assigned extender worker is asked to perform the productive rule-based work of the capitalizing lifecycle stage, they miss the opportunity to apply their strengths including customer orientation, helpfulness, expert knowledge, patience, and proven judgment. And the miss-assigned extender is not at all inspired by the opportunity for steady performance improvement. As a result of the miss-assign, the extender worker will seem disengaged as he or she minimally performs required capitalizer productive rule-based work. Supervision with responsibility for maximum output will struggle to improve such performance. Ultimately the miss-assigned extender will be ranked lowest amongst peers and self-esteem too will erode. A continuing downward spiral might draw in other miss-assigned extenders. Pretty soon the whole team is underperforming by a wide margin. Collectively, the miss-assigned extenders will engage in a variety of non-productive activity such as social discussions, over focused expertise development, and disparaging commentary on the organization. Unfortunately turnover is low since supply exceeds demand and since the miss-assigned extender values belonging to the organization even an organization not performing to potential. The poor productivity can persist a long time.

COMMENTARY: SUPPLY AND DEMAND FOR CAPITALIZING WORKERS

A disengaged capitalizer was previously defined as a worker who is working in capitalizing job but does not share the work habits of performance accomplishment, predictability, and structure. When a worker does not share those ambitions, then they are by definition another praxis. Nevertheless they find themselves in a capitalizing role where performance accomplishment, predictability, and structure are the norm. The miscasting could be due to a variety of reasons such as too few positions in their dominant authoring, building, or extending praxis and/or too many positions perhaps with better pay scales in the capitalizing position. The fundamental laws of supply-demand frequently result in extenders and hopeful builders and even sometimes authors cast into capitalizing positions. Long-term motivation to excel is low. Ongoing accomplishment is low. The situation is reaching epidemic proportion amongst those raised in the United States as the protestant work ethic wanes and first rungs of Maslow’s needs hierarchy are met by the social systems of governments. The situation is very different for immigrants to the United States. Immigrants are lacking in basic food and shelter. And due to the demand for rule-based productive capitalizing work exceeding the supply of those raised in the United Stages, there are plenty of capitalizing jobs for immigrants to fill. Many are minimum wage for minimal skill requirement. It is interesting to ponder what would happen if the flow of immigrants were halted. Who would perform the pre-programmed rule-based work?

Other countries do not have the same imbalances. The supply of interested workers more nearly equals the demand for rule-defined productive capitalizing work in countries such as Germany, Japan, and Korea, and China. Consequently the immigration dynamics are substantially different. Of note is the relative lesser showing of innovation and new business commercialization in Germany, Japan, Korea, and China when compared to the United States. Even more interesting is the reputation of the German and Japanese cultures for lack of flexibility when dealing with difficult customer situations. An early conclusion one might draw is that it is difficult to balance capitalizing on one hand and authoring/building/extending on the other hand.

CLOSING

All workers are born with a *pleasure principle*, where we will seek immediate gratification of needs. The capitalizer realizes these feelings when accomplishing set goals against accepted rules. As a result, the capitalizer will be most energized by productive-actipraxis work alongside other capitalizers. The reverse is also true, and the *pain principle* says that, whilst seeking pleasure people will also seek to avoid pain. Pain can come from not accomplishing performance goals and/or having to work in a manner outside the capitalizer's strengths [e.g. author, build, or extend]. Pain is more immediate than pleasure and the Capitalizer will quickly avoid inspirational, discovery, encoding, and assistive work. The Capitalizer will also avoid – as we will see in the next section – working alongside authors, builders, and extenders.

THE CAPITALIZER AND OTHERS

Capitalizers are most at home with other Capitalizers. The dissimilarities between style, values, and motivators of the capitalizer versus the author/builder/extender are sources of disharmony.

VANTAGE POINTS

One's vantage point can have a powerful influence on one's perception. As might be expected, capitalizers see other capitalizers as normal well-adjusted workers. From the capitalizer's vantage point the early stage praxes of author and builder are impatient, quick, overpowering, and fail to attend to important details. From the capitalizer's vantage point the extender lacks ambition, lacks competitiveness, has no sense of urgency, and is excessively talkative. These are all valid observations considering the capitalizer's vantage point.

Similarly, the other praxes – from their vantage points -- see suboptimum behavior by the capitalizer. The other praxes would describe the structure and hierarchy of the capitalizing lifecycle stage as a bureaucracy. On a more personal dimension, an early praxes worker would describe a capitalizer with a list of uncomplimentary adjectives including unimaginative, rigid, narrow minded, and boring. Extenders see capitalizers as competitive, driving, reward hungry, and thankless. Capitalizers have positive qualities too. Other praxes are complimentary to the capitalizer's qualities of industriousness, results orientation, quality, fairness, and rule abiding behavior.

These vantage point observations are developed in greater depth in later sections.

Despite a large number of capitalizers and despite a comfortably long period for the capitalizing lifecycle stage, the capitalizer would do well to appreciate the other praxes. At the start of the capitalizing stage, capitalizers and builders will be both contributing to the business in similar numbers. During the capitalizing lifecycle stage the capitalizer will encounter author/builder praxes during diversification and/or re-engineering. During the capitalizing stage, a number of extenders will fill vacant positions. And late in the capitalizing stage, extenders will begin making strategic contribution and earn value top recognition from management. Capitalizers who 'connect' with the other praxes on the other praxes' [not the capitalizer's] terms will likely not achieve any additional personal performance accomplishment. However, the overall of performance of the business may be enhanced.

HOW THE CAPITALIZER SEES OTHER PRAXES

Capitalizers are uncomfortable with authors. They emotionally see and feel the differences yet only intellectually appreciate the author's contribution. The author's style of working feels unfocused, quirky, and undependable. Capitalizers dislike the way authors hijack meetings and dominate with their ideas. And those very same ideas often seem ungrounded and abstract, while the author's continued championing and promotion of their ideas is disruptive to the purposeful and scheduled capitalizer. From the capitalizer's vantage point, working with an author is like working with someone who has their head in the clouds. These perceptions arise from fundamental differences in how people authors and capitalizers react to rules and to authority. Capitalizers abide by the rules and honor the established authority that issued the rules as a means to having a fair and constant system for growing performance accomplishment. Authors on the other hand are uninterested in the performance accomplishment routine and instead

continuously use their creativity to propose alternatives to the rules in a never ending challenge to the established authority.

Capitalizers can rationalize that in the long run the author makes a substantial contribution through creativity and perseverance. And capitalizers do appreciate the author's cleverness. Capitalizers would just assume that the author practice their art apart from serious capitalizing activity.

Capitalizers most dislike the builder's direct pushy, and outspoken style. Builders are considered competitive. In competitive negotiating situations, capitalizers feel disadvantaged against the builder's quick thinking and blunt expression. But when on the same team, the capitalizer sees the builder's competitiveness in a positive light because the builder is toiling to make the company a better place. And that same fast thinking is appreciated when the builder is helping with a problem the capitalizer may have. The capitalizer sees the builder as someone bent on changing – often for no obvious reason – the capitalizer's comfortable routine. It is difficult for the capitalizer to even rationalize that the builder's change will be for the better.

Capitalizers grow impatient of extenders whether the extender is doing extending work or miss-assigned into a capitalizing position. The capitalizer – for whom time is money -- sees the extender as wasteful of time, late to appointments, chatty, and too social. The extender's lack of time urgency is opposite from the capitalizer's interest in continuous performance improvement. Extenders therefore are uncompetitive. Capitalizers also see extenders as indecisive and easily getting lost on tangents. Capitalizers in highly repetitious mundane jobs jealously see jobs that require judgment and variety delegated to extenders who move from productive capitalizing work to assistive extending work. From their vantage point, Capitalizers consider extenders to be friendly people, fine resources with whom to talk thorough problems, and at times useful and interesting. Capitalizers note the high quality of most extender's work and the pride with which they execute. Capitalizers unconsciously appreciate the extender's low competitiveness, which reduces their drive to performance accomplishment thus skewing the averages downward.

HOW OTHER PRAXES SEE THE CAPITALIZER

Authors, builders, and extenders are quick to perceive negative aspects about capitalizers and capitalizing work – aspects they prefer to avoid. They all see the capitalizer as a rigid individual performing relatively simple work in robot like fashion. Capitalizers are overly organized – by the standards of the other praxes. The other praxes consider the capitalizer a typical 9-to-5-er. Capitalizers are known for needing a process and structure around everything ... even work that is not very predictable. All praxes find capitalizers too competitive about money matters and always looking out for personal gain.

In addition, from each other praxis's unique vantage points, each praxis bemoans the capitalizer's lack of appreciation of each praxis's special contribution. Authors criticize the capitalizer for never caring much about the author's fantastic ideas. And to the author, most capitalizers seem totally uninterested in the author's grand vision. Builders are disturbed that capitalizers freeze in the face of unknowns, new challenge, and change – exactly the elements of a fine builder task. Builders silently think capitalizers should “work smarter not harder”. Extenders see capitalizers as unhelpful and bemoan the parsimonious thanks that the extender receives when they are helpful to the capitalizer. Capitalizers also seem impatient and never have time to listen to the extender's story.

The capitalizer's contribution through performance accomplishment tends to be taken for granted. The capitalizer's contribution to profits [which were absent during authoring and building and which decline during extending] is at best simply rationalized. The capitalizer's contribution to the stability of the organization goes unacknowledged.

CAPITALIZERS WORKING ALONGSIDE AUTHORS, BUILDERS, and EXTENDERS

At times a capitalizer will be called upon to contribute by performing productive rule based work for a team composed mostly of a different praxis. Without question this could be one of the most difficult assignments imaginable. [The case of capitalizers performing work not aligned with their praxis has been discussed above].

The capitalizer working in the midst of an authoring business unit – such as found in design firms and some research labs – is sure to surface differing views about rules. The capitalizer’s charter may include upholding the very rules that authors enjoy overlooking. Examples might include allowable expense report items, hours of operation, or procedures for design reviews. On a more personal level, capitalizers will be challenged by the quirky, abstract, and disorganized nature of authors; it will be difficult to make friends. The most constant element of an authoring environment may be the total lack of appreciation and reward for the capitalizer’s contribution. Even when the contribution is foundational such as paying utilities, issuing paychecks, and arranging client meetings, an authoring business unit is unlikely to value – and therefore reward – the capitalizer’s steadiness, predictability, and structure.

The capitalizer working in the midst of a building business unit – such as found in a startup business – will feel uncomfortable in many ways with the approaches taken by the builders. The minority capitalizer will feel somewhere between intimidated and offended by the builder’s direct, brash, and abrasive communication style. But because such style is part of the builder’s social fabric, the capitalizer will have to learn acceptance. The minority capitalizer will be uncomfortable with everything the builders work on being an urgent-top-priority-rush; while at the same time, all capitalizer activities are lower in priority and non-urgent. For instance, the development of a bill-of-materials may be in rush status as last minute improvements are discovered and prescribed by a builder. Once prescribed the loading of such a new bill into the shop floor computer – productive work – may carry much lower priority and urgency. In examples like this, the builders are subtly complimenting the capitalizer for being organized and knowing how to do their job with precision. Regrettably, the capitalizer never hears explicit thanks. The minority capitalizer is also unappreciative with the builders’ exploratory methods during the discovery stage. The builders’ contribution is not at all obvious. To the capitalizer, the builders’ activity seems poorly choreographed, full of retraces, and wasteful of effort. The capitalizer will lust for an environment where coworkers’ contribution is obvious.

The capitalizer working in the midst of an extending business unit – such as process specialist reassigned to some activity in a customer service department – will be challenged by the lack of attention by other workers to simple elements of performance. The capitalizer in this department will have little respect for the contribution made by the extender workforce. Solving the customer’s problem to the customer’s satisfaction may be more important than number of customers serviced. Solving the customer’s problem may entail deviating from established rules. Revenue contribution is minimal, as the customer has already purchased. The immediate contribution to profits is negative [expenses are being incurred] and the future contribution to profits is uncertain. The capitalizer can become demotivated by what’s perceived as poor work habits of the extender coworkers. On a personal level, the extenders are always socializing. If they talked less, they could accomplish more. Much talk is about the ‘good ole days’ of a bygone era. The extenders low sense of urgency and competitiveness pervades interactions of all types.

All workers are born with a *pleasure principle*, where we will seek immediate gratification of needs. The capitalizer realizes these feelings when accomplishing set goals against accepted rules. The reverse is also true, and the *pain principle* says that, whilst seeking pleasure people will also seek to avoid pain. Pain can come from having to work with individuals who have a radically different style [e.g. authors, builders, and extenders]. Pain is more immediate than pleasure. The immediacy leads to a lifestyle of avoidance. Avoidance makes it difficult to employ a good capitalizer into a different population.

BETTER CAPITALIZING AND CAPITALIZERS

MANAGEMENT BOOKS & EDUCATION

The majority of business units are capitalizing. So it is only natural that business school degree programs and management self-help books target the capitalizer. Mature firms send their managers to executive MBA programs in search of additional percentage points of efficiency. Mature business units are also the only category that can afford the tuition costs and management time of executive MBA programs. Executive MBA programs are less relevant to

inspiration and discovery work [they don't teach the technology] and are less relevant to assistive work [they don't teach the psychology of customers].

Mainstream popular press business books are generally written for the capitalizer audience. All titles noted below are in the top 2000 of non-fiction books.

- Good to Great by Jim Collins
- Winning, by Jack Welch
- Joy at Work by Dennis Bakke
- Never Eat Alone by Ferrazzi Greenlight
- Now Discover your Strengths by Markus Buckingham
- How to Win Friends and Influence People by Dale Carnegie
- Execution, the discipline of Getting Things Done by Larry Bossidy
- The 48Laws of Power by Robert Greene
- One Thing You Need to Know by Markus Buckingham
- Spin Selling by Neil Rackham
- First, Break all the Rules by Markus Buckingham
- The Wisdom of Crowds by James Surowiecki
- Built to Last by Jim Collins
- Leading Change by John Kotter
- The One Minute Manager series by Kenneth Blanchard
- The Essays of Warren Buffett: Lessons for Corporate America
- The Innovator's Dilemma by Clayton Christensen
- Positioning the Battle for your Mind by Al Ries and Jack Trout
- Strategic Selling by Stephen Heiman

They are rich with strategies for operational excellence, satisfied employees, and maximum continuous improvement. These same works do less to enhance the delivery of customer service or to accelerate the development of new businesses.

Fewer books deal with the challenges seen by other praxes. Some examples [again in the top 2000] include:

- Art of the Start by Guy Kawasaki [for authors and builders]
- Crossing the Chasm series by Geoffrey Moore [for builders]
- Tipping Point by Malcom Gladwell [for builders]
- 7 Habits of Highly Effective People by Steven Covey [for extenders]
- Raving Fans by Ken Blanchard [for extenders]

In part, these books apply life cycle stages with fewer workers and therefore fewer people to make book purchases. And in part, the specific challenges of the authoring, building, and extending lifecycle stages are less well understood.

MANAGING CAPITALIZERS

Engaged capitalizers are the easiest of worker populations to manage. And appropriately enough, disengaged extenders operating in capitalizer roles are among the toughest population to manage. The former group is self-motivated and shows both respect for the hierarchy and consistent improvement. The latter group is presented with uninteresting work and measured with performance patterns not well suited to their talents. Capitalizers of any kind resist changes, which presents a second difficult management situation.

Engaged capitalizers appreciate consistency, predictability, and well-defined rules. The relationship with supervision is effective if supervision appreciates the same style. During the capitalizing lifecycle stage, the best captains therefore come from the ranks of capitalizing workers. Selection of these captains is better based on skilled encouragement-praxis work than based on most productive accomplishments.

Disengaged capitalizers lack motivation to excel [while ability is usually acceptable]. Extraordinary encouragement-praxis talents are required to realize performance improvement and continued acceptance of the work rules. Often the captain spends significant time managing the disengaged capitalizer's negative influence on other workers. Often the captain has to unwillingly empathize with the extender's position. At times the only recourse is to establish even tighter rules, which sometimes leads to the disengaged capitalizers to quit.

Capitalizer's also present challenges for management when change is imminent. Change introduces uncertainty and reduces predictability. Change introduces new productive work rules against which the capitalizer will see reduced efficiency and performance accomplishment. Change involves retraining and practice sessions neither of which is very efficient. There are well-honed consulting and management practices associated with selling and deploying change inside a capitalizing organization.

FRANCHISING

Franchises are a pillar of today's economy. The individual franchise location goes through lifecycle phases just like other programs and business units. The migration of actipraxis work styles follows the same path as with other programs and business units. However, the alignment of employees to evolving job requirements – author to builder to capitalizer – is impractical and the solo franchise owner by him/her self plays all roles. Most often the franchise owner is of the capitalizer praxis.

When a sole proprietor starts their own business they must be the author and builder. Franchise kits are developed to make the author and builder stages very short and simple. Franchise kits are developed to help a capitalizer make all the necessary authoring and building decisions. Discovery is held to a minimum. Encoding is already accomplished and the rules come in the franchise kit. Then the franchise owner enters the capitalizing stage and remains there for 20 to 30 years. The whole concept of the fast food franchise business model is designed to dramatically simplify the authoring and building stage to the point where the franchisee can succeed with their capitalizer-praxis.

SUMMARY

Capitalizers are the business people responsible for the profitable success of business units. The capitalizer aligns with three key elements of the work environment: structure, predictability, and performance accomplishment. A stable, consistent, and equitable set of work rules underlies each of the elements. Capitalizers are most productive when repeating rule-based activities.

As persons, Capitalizers are dependable, faithful, and considerate. They are realistic, down to earth, and have a practical respect for facts. They judge black or white. Their focus is on the present; the past is not terribly interesting; and they often lack optimism for the future. They are the most enthusiastic participants in an organizational traditions and celebrations. Capitalizers commit to the people and groups within which they are associated. Because capitalizers are warm, sympathetic, helpful, personable, cooperative, and tactful, they work well together with most others. They seek small groups whose performance levels are similar to their own. Capitalizers dislike chaos and will work diligently to turn into order. They dislike unpredictability and will self select work methods to drive surprises to another stage in the workflow.

Capitalizers also dislike change and will go to great lengths to maintain status quo. Resistance ranges from disinterest, to passive-aggressive inaction, outright subversion. The most challenging element of most re-engineering and diversification efforts is the management of change across a capitalizing population.

An engaged capitalizer is a great asset to any business unit in the namesake lifecycle stage. Unfortunately many workers in the capitalizing lifecycle stage are miss-assigned extender or builder praxis workers due to supply-demand miss-match. Extenders and Builders who are miss-assigned to rule based productive-actipraxis work present

themselves as dis-engaged capitalizers and reduce the efficiency and productivity of the business unit. Dis-engaged capitalizers are also management challenges. Capitalizers perform poorly in authoring, building, and extending lifecycle stages. Similarly, authors, builders, and extenders are not as efficient at capitalizing as workers who are energized by structure, predictability, and continuous performance accomplishment.

The capitalizer's vantage point is very different from others and other praxis employees don't score especially well through the capitalizer's lens. A similar critique is true about how others see the capitalizer. Authors and builders alike bemoan the capitalizer's un-creative outlook, lack of urgency, and delayed reaction to paradigm changes. Extenders are offended by the capitalizer's interest in time, money, competition, and accomplishment. Despite apparent cross-praxis appreciation of one another, business unit must consciously staff each lifecycle stage with workers who are appropriately energized by the work in that stage. A developing business unit will encounter a critical juncture as building ends and capitalizing begins and will often require major re-staffing. Another critical transition will occur years later as capitalizing ends and extending begins.

Other papers on CycloPraxis available at www.cyclopraxis.com include:

- CycloPraxis in the Business World
- CycloPraxis Authors
- CycloPraxis Builders
- Author, Builder, Capitalizer, and Extender CycloPraxis Work Preferences
- Round Pegs in Round Holes ... Matching Worker's CycloPraxis to the Job
- Applying Worker CycloPraxis to the Paradox of Why Large Firms Suddenly Fail to Innovate
- Prior Research Related to Company Life Cycles and its application to the Study of CycloPraxis
- ActiPraxis Classification of Work
- Praxis and Nurses
- Praxis and Realtors
- CycloPraxis and Crossing the Chasm
- CycloPraxis and the Inventor's Solution
- CycloPraxis and ActiPraxis Bibliography

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See “CycloPraxis and ActiPraxis General Bibliography” at www.cyclopraxis.com for additional reading

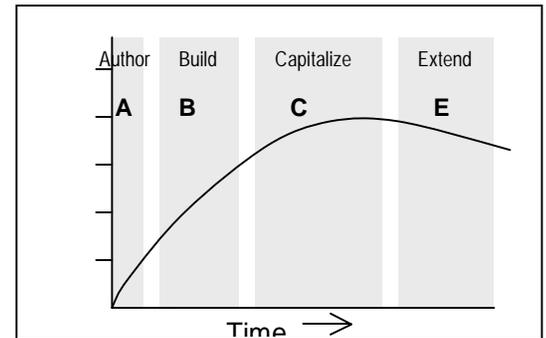
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CYCLOPRAXIS OVERVIEW

Adapted from the paper “CycloPraxis in the Business World”, Doug Johnson, 2005, www.cyclopraxis.com

The classic match between worker and job is function: operations, manufacturing, marketing, finance, sales, development, legal, nursing, teaching, plumbing, retailing,. Business schools organize their classes this way, help wanted ads are organized this way, and career ladders are designed this way. There is another and equally important dimension to the fit between workers and their jobs: CycloPraxis. “Praxis” is one’s “customary practice or conduct”, meaning the way we naturally do things. Adding “cyclo” aligns a worker’s praxis to the stage in a business unit’s overall evolution: start-up, growth, maturity, and decline.

The first lifecycle stage is Authoring [A – for short]. This is where an innovative idea is championed and developed and where the business is initiated. The second stage is Building [B]. This is when innovations become products, early customers partnerships form, markets explode, operations begin, finance and quality and human resource functions begin, first processes are initiated. Next comes the need to maximize output in a stage called Capitalizing [C]. In this stage the business unit reaches its full potential, generates the most substantial profits or best resource utilization, repeatedly wins customers and delivers maximum value. Since all contributions someday diminish in value, the smart business will begin Diversifying [D] by leveraging the rewards of capitalizing business units. Finally, every business unit reaches its peak and begins a long and slow Extending [E] stage. Marketplace rewards erode as demand falls and remaining competition intensifies due to standardization, saturation, and better performing alternatives. The business unit focus shifts from customer acquisition to customer retention. Knowledge experts and appreciative customer service are key volume drivers for sustained business.



Each of these four lifecycle stages of a business unit inherently attracts employees with different cyclopraxis. What entrepreneur would apply to work in an end of life business unit where opportunity identification is sharply curtailed and where the principle activity is strong individual customer intimacy? Conversely, what helpfulness-oriented employee would tackle a new venture without any customers? In between, one finds project managers who are most successful after the idea or initiative is well conceived but before the same work is done multiple times. And the most efficient at repetitive production would look at early growth challenges and exclaim “how do I get started, where are the processes?”

There is nothing new about the concept of the lifecycle of a business and the organizations that participate in birth, growth, profits, and decline. The new concept around CycloPraxis is the connection around a worker’s natural semi-conscious work style preferences and the business lifecycle. Observations of hundreds of workers in wide ranging disciplines suggest 4 meaningful praxes. The first praxis is made up of a small percentage of people that are always having fresh new ideas. A smaller percentage of those idea people go on to champion those ideas year after year until they are proven correct. Further observation identifies a second group of people who seek challenging accomplishments around unsolved problems and who see them through to completion with unwavering focus to task. This second praxis thrives upon getting-it-done, whatever ‘it’ is. Upon completion of ‘it’, they simply look for another assignment. The second group rarely has the original idea and if called upon to propose the new idea might struggle to muster the appropriate spontaneous creativity. A third praxis – and by far the majority -- thrives when there is predictability and a defined structure in which they contribute to the profitability or effective resource utilization of the business unit. They enjoy situations where their output is measured and often tied to pay. Key players are often making incremental improvements in processes, products, efficiencies, yield, and costs. A fourth praxis enjoys work environments where they can apply their expert knowledge, solve the problems of customers, or engage in training. This last praxis creates lasting value with their contribution.

The preceding lifecycle discussion is optimized around the manufacturing corporation. Nevertheless, the same lifecycle concepts can be found in many other business types. Consider a professional practice. The Authoring phase is trivially short; Building – practice startup -- must still occur. Then the professional settles into a long career of capitalizing. The extend phase may be short [sale of practice] or long [services offered part time for little or no fee while in active retirement]. Or consider a Main Street USA business that is a franchise of some established chain. Generally the business owner goes the franchise route because they have anxieties about the building phase and the franchise package permits capitalization to happen sooner.

AUTHORS: The authors’ – entrepreneurs, architects, and visionaries -- greatest strength is the ability to conceive and champion an idea. Authors are risk takers, relatively unstructured, revolutionary, bold, and hold a stubborn persistence to their own ideas. Authors are most fruitful when they and their idea have little organizational grounding. Many feel more comfortable working outside the processes of the large firm; consequently they initiate many startups with VC help. Those authors who do remain in large firms are the idea originators of most new business units. Others see, authors as overconfident and unrealistic about the business appeal of their ideas. Authors are most happy being creative and are constantly offering hypotheses and ideas to everyone around them. Authors are most unhappy when they are not permitted to express their creativity or when others fail to rally to their ideas.

But the same personality traits that are strengths in the author-praxis work against success later in the evolution of the business unit. Authors generally disdain details, financial controls, and aggressive marketing. They often are poor at leading, communicating, and delegating. Authors are frequently disruptive to teams due to narcissist driven competition for best idea. As a result the classic challenge facing many business units – startup or large firm -- is the succession plan of the original author-entrepreneur.

BUILDERS like authors are strong initiators. They play an absolutely fundamental role in the growth of new business units. In product development, they are responsible for commercializing the author's idea. Builders institute the quality control, the first operations, the delivery, the support, the financial controls, the value proposition, the sales recipe, and the first marketing collaterals. Builders are highly organized, energetic, excellent problem solvers, very pragmatic, prolific communicators, and able to simultaneously work on a phenomenal number of tasks. Builders fearlessly run lots of experiments looking for the right recipe and learn rapidly from their mistakes. They work long hours and hold accomplishing the goal above all else [even above employee relations]. The builder-praxis is driven by achievement of goal, and once achieved they need something else to build or they become unhappy.

Unlike the author, a builder needs to be better grounded either with someone else's idea or affiliated with an organization. Builders are strong drivers and push organizations hard, and so once again the same personality traits that make a builder-praxis successful in the expansion stage also limits its effectiveness later in the evolution. Builders are seen by others as impatient, insensitive to people, and overly type "A". They are poor leaders of the large number of effective capitalizers because the builder drives the capitalizer with endless urgent improvements rather than focusing on people management, team motivation, and predictability. The builder's narrow pragmatism – a strength during the building stage – not only inhibits their effectiveness at authoring new ideas but also limits their sensitivity to the motivation needs of the large sales, marketing, and manufacturing populations to follow.

CAPITALIZERS -- due to their attention to detail, excellence in following established processes, and their penchant for steady improvement -- are key to a business's profitable existence. Capitalizers appreciate a structured work environment and delight in repeatedly executing the plan with constant gradual improvement. The setting and meeting of work quotas energizes the capitalizer-praxis. Capitalizers have a stronger people and profit/resource orientation than either the author or the builder. Taken together, these traits increase the business unit's efficient use of resources. During the capitalizing stage, firms gain pay back on the initial investments of authoring and building the new business unit. Business revenues and operational efficiencies reach their peak. And happily, the motivated capitalizer will enjoy growing personal their financial reward.

Working together with capitalizers in this middle stage are *Captains* who fill the role of people management, strategic leadership, and continual improvement of the process and structured work environment. Captains have strong regard for hierarchy and may go by the titles of foreman, supervisor, manager, and vice president. The captain's primary responsibility is continual stewardship of the successful work output from the business unit's capitalizer population. There are lots of straightforward management and leadership tasks [planning, organizing, delegating, controlling] and tools [quality circles, continuing education, ...] associated with the captain's role.

The distinction between Builders and Captains must be made carefully, as many captains want to be builders and vice versa. Builders have an achievement need and are passionate about getting things done. Captains are energized by power and are very satisfied to achieve things by getting others to do them. As a result captains delegate better than any other praxis. People with a need for power feel strong when others react appropriately to them. The best executives feel good when their influence works to make their people grow and be effective. As long as they feel in control, they do not need the constant feedback that builder achievement-motivate people crave. Success is dependent upon the captain's motivational skills, management and leadership savvy, and achieving targeted profits. Success is rewarded with visible perks [corner office, company car] and formal promotions. The captain is happy when things are trending up and to the right

The author and the builder sees the capitalizer and captain as resisting change, unimaginative, unable to identify and solve problems, and too comfortable with 'average'. On the other hand, the capitalizer/captain sees the builder as disruptive, brash, and threatening to the predictable productive environment. Authors in the eyes of the capitalizer/captain are just frivolous idea guys who will likely never amount to anything. Perceptions aside, capitalizers and captains are less effective at authoring or building because neither stage is predictable, because there are no processes, and because of less developed imagination and problem solving skill. Capitalizers are reluctant to deal with the unknown. On an individual's level, capitalizers who draw building or authoring assignments frequently under-perform against management expectations. At the business unit level, the Capitalizer's traditionalism traits can scuttle important diversification. The capitalizer doesn't want their comfortable status quo to change and they frequently resist adjusting to changing market conditions. Sluggish adjustment by capitalizers and captains to a changing landscape prematurely erodes many business units

DIVERSIFIERS: Externally aware and enlightened capitalizers who recognize the enormous challenges a business faces with eventual obsolescence of its core value proposition encourage diversification. Simply re-applying authoring and building accomplishes diversification. Diversifier-builder encounters special challenges.

EXTENDERS: To maximize profits and resource utilization as the lifecycle extends the business unit should employ workers with appropriate praxes – one we call extenders. During the extending lifecycle stage, retaining existing customers is the key strategic

principle. Customer retention is accomplished through a combination of expert assistance, sympathetic customer care, ongoing education of the product/service’s values, and of course just enough value at the right price. The extender praxis is comprised of educators, empathizers, and experts who are all energized by being helpful. Extenders are energized by customer satisfaction challenges, and will show tenacity and creative problem solving skills in pursuit of a solution. The resulting course of action will frequently achieve a great deal with very little invested; often the personal 1:1 helpful attention has significant impact. Extenders are also personally rewarded from both the ‘thank you’ they get from the customer and from the knowledge that their efforts are allowing the firm to build a new business somewhere else. Extenders are helpful, trustworthy, sociable, structured and enjoy the variety that comes with each customer’s unique problem. The expert-extender is passionate about reusing the knowledge they already have about products, markets, and customers. The empathizer-extender lives for the satisfaction of making a positive difference in the day of someone else. Most extenders prioritize providing their special brand of care over maximizing company profits and personal income.

Extenders are not as effective at other business unit stages. The extender’s interest in closure, continuity, and completeness over deadlines and quotas means builders and capitalizers will out perform the extender at building and capitalizing. Indeed, a source of tension exists with capitalizers who become frustrated by the extender’s apparent disinterest in efficient delivery. Another mismatch exists with capitalizers who organize work according to a predictable schedule and the extender who extends each engagement thinking that more assistance is better.

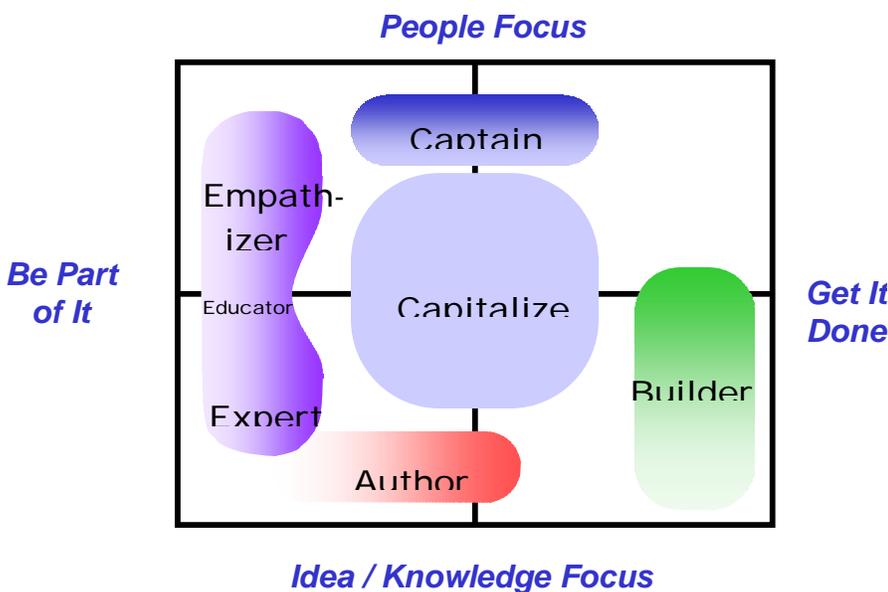
PRINCIPLES: 4 simple principles of cyclopraxis assist in applying the concepts to business situations.

- #1: Workers are happiest and most productive when their praxis matches the business unit life cycle. Each stage – A, B, C, and E -- is best staffed by employees whose cyclopraxis [natural way of working] aligns with the nature of the work required in that stage.
- #2: A mismatch is as challenging to a worker’s productivity as a function [Development vs Sales vs Human Resources vs Finance vs Etc.] mismatch.
- #3: The praxes do not get along very well with one another and this leads to employee turnover. The reason for discord between the praxes is that they each have their unique means of dealing with any specific business problem. These unique approaches are grounded in their strengths
- #4: The culture and operating style of any business is set by the CycloPraxis of the employees

SUMMARY: The preceding sections use a large number of adjectives to describe authors, builders, capitalizers/captains, and extenders. By doing so, everyone is sure to connect in some way with the overall paradigm of cyclopraxis. The downside is “descriptor overload”. Absent is a simple model for visual learners. Therefore the accompanying diagram is offered as a visual aide for the subset of the general population for which the chosen adjectives are meaningful.

One dimension is the subject of our work attention: ‘People \leftrightarrow Idea/Knowledge’. The other dimension is sense of urgency, which has surfaced as a key business driver in this modern age. ‘Get-it-Done \leftrightarrow Keep-it-Going’. Other continuums were explored including ‘risk’, ‘attractiveness of pay’, ‘customer service’, and ‘predictability’. None yield as clean a visual aide as those chosen.

PRAXIS People / Task



Authors concentrate on ideas and tend to avoid translating those ideas to performing businesses. As a result, they predominantly fall in the ‘Keep it Going’ range. Builders have a strong ‘get it done’ focus and generally subordinate the interests of people in pursuit of task accomplishment. Captains have a strong ‘people’ focus and generally defer task completion until their capitalizers can be lead into accepting. Extenders have a strong drive to ‘Keep it Going’ and may apply this drive around people [empathizers] or knowledge [experts]. Capitalizers are the best rounded of the praxes; and without the need to satisfy any of the previously discussed extreme behaviors the Capitalizer is best suited