

Applying Worker CycloPraxis to the Paradox of Why Large Firms Suddenly Fail to Innovate

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INTRODUCTION

In today's world there is constant pressure for firms* to demonstrate continued top line growth. Small, medium, and large firms each face differing challenges in achieving this growth challenge. Large firms often plateau and reach a point where continued growth becomes elusive. This outcome is particularly paradoxical when one considers that large firms at one time had the growth recipe well in hand, else they would not have grown to their current large size. In an effort to push past the plateau, much has been written about various contributing factors: evolutionary stages of firms, disruptive technologies, new ventures, and high technology marketing. But it seems that large firms continue to experience difficulty in deploying the necessary new products and engaging the new markets necessary for top line growth. This paper describes the effect of worker cyclopraxis – especially the diversifier-builder-praxis – on the growth of large firm top line growth.

There are many elements to the mathematics of growth, including the size of the firm and the diversity of individual business units*. Small and medium sized companies can show strong growth percentages because they are dealing with smaller sales bases. Small companies with a hot product or service often double, triple, or more in their early years just by following the natural maturing of their single business. Medium sized companies can still realize 30 to 50% per year gains if they are bringing out a suite of new products with improving price/performance and are successfully applying growth marketing practices all across their various business units. At the other end of the scale, large firms would have difficulty growing even 30% -- say from \$30 to \$40 B in a year.

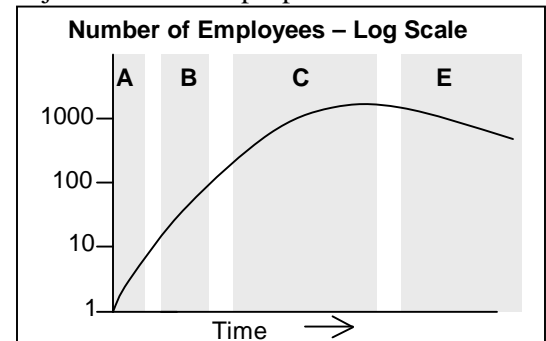
Of course, by virtue of small relative size a single new business unit will have only a small impact on the overall numbers of the large parent firm. Consider that a new high technology business is often doing well if it's producing 10's of Millions in top-line revenues in its 3rd year. So after 3 years, a typical very successful new business may only be contributing just 0.1% growth to a \$50B giant company. Indeed, to maximize growth, the large or giant firm must aggressively launch multiple new businesses capable of triple digit growth in their respective market segments.

New businesses may be found in radically new markets with their same products or taking revolutionary products to their existing customer base – sometimes both. The strategic planning process of identifying superior new businesses is well documented. Despite thoughtful studies of discontinuous innovation, chasm crossing, management of knowledge workers, leadership styles, and entrepreneurship few large firms are succeeding with new business development at the pace necessary for sustained high growth. It is time to introduce the concept of cyclopraxis [see side bar] and identify the key role that the diversifier-builder-praxis plays in development of new businesses.

* *Business Unit* is a term used in this article and may mean company, division, branch, store, practice, class, clinic, floor, or other similar profit or resource center. Business unit could even be a non-profit, a utility, a government agency. Individual business units might combine together to form medium or large *firms*. Elsewhere the term *Customer* can also be interpreted more broadly as patient, client, student, and consumer, etc. It is important to apply these terms broadly. When we speak of cyclopraxis it is important to understand that we are considering the lifecycle of an individual business unit.

BUSINESS UNIT EVOLUTION DRIVES CYCLO-PRAXIS EVOLUTION

Consider the growth of a manufacturing business unit that will eventually make \$100M/year in revenues and employ nearly 1000 people. Most, start with one – or at most a few – authors. If a true startup, the original author may go it alone or may partner with a VP of development and a VP of sales/marketing. If the new business unit is a diversification in a medium to large firm there are also just a handful of people who hatch the new idea and are subsequently responsible for pursuing approval and funding. Shortly after initial proof of concept and demonstrated customer interest, the business unit must start growing and the need arises for people to productize, to launch operations, to write first sales materials, and to win additional customers -- to name but a few builder stage activities. In numbers these people might swell the ranks of the new business unit from a handful to 10, 50, or even 100. The first thing one should notice is that the ranks of builders now outnumber authors by perhaps ten to one. Sooner or later the builder's task is finished and the business unit is best served by the capitalizer's excellence in generating and fulfilling customer demand. Once again the number of capitalizers are now outnumbering the builders by ten to one and outnumbering the authors by one hundred to one. To visually show represent this phenomenon we need to utilize a logarithmic scale on the vertical axis as graphed to the right. This same 10:1 concept can be applied to the business unit that reaches 10, 100, or 10000 workers.



As authors give way to builders by 10:1 and builders give way to capitalizers by 10:1 the outnumbered populations are simultaneously pushed and pulled to leave the business unit! We will first examine this phenomena with looking at the Author-Builder transition.

As the number of builders increase to 3X, 5X and ultimately 10X the number of authors tension builds in the business unit. While the original idea for the business came from the authors, the builder's pragmatic approach will modify the author's original idea. The author's natural reaction is to reaffirm the original idea and to likely rescind permission to make changes. But the builders now outnumber the authors and can wear them down with issue after issue. The builders are also realizing successes in developing marketing materials, defining sales territories, establishing finance and controlling departments, and a host of other activities that the author-praxis has little interest for. Slowly but surely the business centroid is moving to the builder. Coffee breaks that used to be filled with exciting napkin-innovation have become the de rigueur place for ad-hoc debates over processes. Each day this new business unit is looking less and less attractive to the authors; simultaneously the authors are longing to return to their cyclopraxis thrill of another creative idea. At the same time the builders – now dominant in numbers -- are establishing their strong cyclopraxis of pragmatics, drive, deadlines, meetings, communications, etc. When the minority sized author group doesn't adopt the builder-praxis, the builders stop including them in decision making and in the building activity. Only by the seniority of the authors' positional power are they not quickly pushed out by the very builders they hired. However, the authors are rarely the owners -- a privilege reserved for venture capitalists or the corporate office -- and slowly but surely the builders are demonstrating to the financially motivated owners how little the authors are now contributing. The consequence is obvious yet often protracted.

The tensions between builder and capitalizer styles are different, but the result is the same. First, once the building is completed the evolving business unit no longer needs 50 or 100 builders. Many of the builders are offered capitalizing-stage jobs [e.g. a development engineer is offered a position in manufacturing engineering or customer consulting, or a marketing value proposition visionary is offered a position in the sales support department]. Few builders find these jobs rewarding against their cyclopraxis values and so over time they exit the business unit. Capitalizers replace them. Sometimes the very builders who developed the business unit ask for and are rewarded with promotions into management positions. But the new employees who are now being

recruited for the maturing business unit have a capitalizer-praxis and quickly find themselves at odds with the builder-praxis. The capitalizers don't have the same drive, the same sense of urgency, or the same creativity as their builder predecessors. Yet these builders-turned-managers subconsciously expect these qualities in the capitalizer stage employees and become frustrated in their absence. Simultaneously, the capitalizers trundle off to complain to Human Resources that their builder managers are expecting too much, are too harsh, are not involving them in team building, and are not appropriately emphasizing employee development. Remember now that the capitalizing behavior will soon outnumber the builder behavior employee 10:1. Whom will HR listen to? Whom must the CEO listen to if the business unit is to make its numbers? And so, one by one the builders turned managers leave the business unit. Capitalizer managers – called Captains replace them.

At some point in the evolutionary tale of the business unit, diversification becomes an option. This option may be considered during the capitalizing or during the extending stage. In either case, a special praxis is necessary to both initiate and to execute any chosen diversification. Initiation requires a Captain with sufficient external vision to see the changing landscape and with sufficient will to overcome the conventional wisdom that reinvestment in the present paradigm is a better course. These special captains are awarded the additional praxis traits of the diversifier. Sometimes the diversifier role is played by a builder praxis serving in an individual contributor senior strategist role. Once again this builder-diversifier sees the changing landscape and has sufficient will to challenge the status quo. Of course, the captain managing the business unit's human resources must also come to appreciate the vision and agree to the activity in which case the captain also becomes a diversifier simply by allowing the activity.

A diversification requires more than the business unit's management initiation. A diversification takes execution. Now, a few authors and many more builders are necessary. The business unit must find people with these praxes from within their ranks. For some business units, finding authors and builders can be problematic. In the preceding paragraphs, two transitions were discussed that suggest a mature business unit may not have sufficient authors and/or builders. Some number of authors and builders are healthy in any organization. Yet most are pushed and pulled to leave the very business unit they created. Without appropriate proactive action, these key individuals will leave the business unit altogether and join other – probably medium and small – organizations. The obvious consequence is that business unit will find it difficult to diversify and maintain its growth. A large firm with multiple business units has the easy solution – albeit rarely used -- of transferring the author and builder onto a new project somewhere else inside the company

Faced with this dilemma, many firms turn to their pool of capitalizers for the diversifying-building tasks. But the results are seldom satisfactory. Successful new market diversification calls for starting in a startup type environment with an attitude of “just do it”, where deadlines take precedence over traditions, where 95% done may be good enough, and rapid learning from mistakes – however inefficient – is cherished. Furthermore every existing process in the business unit will be challenged for its applicability in the new market. Each of these elements of praxis is foreign to the values of the capitalizer. For instance, a capitalizer holds dear the processes of a business because achieving excellence against these processes is the capitalizer's fundamental reward. Now, the capitalizer is being asked to abandon the very foundation of their excellence. Making mistakes – even if done in order to learn – is inefficient in the near term so making mistakes is opposite the capitalizer's efficiency value. Instead the capitalizer praxis prefers to study the situation and or wait for more information in order to avoid mistakes.

THE AUTHOR AND BUILDER CYCLO-PRAXES DRIVE NEW BUSINESS SUCCESS

As suggested above, a key question for the large firm is whether it has sufficient numbers of author-praxis and builder-praxis throughout its organization to enable new businesses to be effectively executed and launched. [Note: Extensions to existing businesses may be possible with capitalizing stage employees. But major moves

to diversify will certainly require author and builder styles.] Likely the authors and builders are long gone from the last business they started. Where are they? Are these people still in the firm, or have they left altogether? The common answer from many a giant company will be to point to their central research facilities – IBM Watson Labs, Xerox Parc, Bell Labs, HP Labs are all examples. Indeed this move retains the leading technically talented authors. Follow-on question: what about the builders? How are they rewarded? What are their retention programs? Unfortunately, programs for builders are few and far between.

Large firms often just nudge capitalizers into the role of building new businesses. The large firms send selected capitalizers off to class to learn new skills. But skills are not the same as cyclopraxis; the building instinct is not in the capitalizer's genes. And when these newly trained capitalizers-turned-builders return to their day jobs, the large majority of capitalizing employees – including their closest friends – object to any builder style behavior just as they opposed the builder population who preceded them in the business. Upon feeling the opposition, the capitalizers-turned-builders soon revert to their familiar cyclopraxis with which they are more comfortable, personally suited, and for which the organization re-embraces them.

Even in a properly incubated new business with just authors and builders, reassignment of capitalizers typically yields disappointing results. New skills can be taught, but it's nearly impossible to alter the fundamental style attributes of a capitalizer-praxis in areas of risk-tolerance, grounded-ness, creativity, accomplishment orientation, sense of urgency, and problem-solving abilities. These core cyclopraxis traits far outweigh all the skill-sets and tool-sets when it comes to effectiveness and productivity in an authoring or building environment.

The fundamental principles are now in place to understand why so many ideas are authored in small startup organizations or in some more fortunate mid-sized companies that have retained their builder-praxis culture. Many a large firm's authors and builders leave large companies and seek out exactly this culture making these companies their new homes. The extreme irony of the situation is that the large firms are training their future competitors' workforce.

Senior Executives can have an intuitive appreciation of the difficulty of getting a new business off the ground. It's not too hard to sense the differences in capitalizer and builder employee work styles. They intuitively realize that the authors and builders have left their large firm and followed the call of their personal cyclopraxis. Their large firm now has a predominantly capitalizer team who are ineffective at authoring and building. As a result, many a seasoned leader will choose to acquire new business rather than thrust an internal development upon an ill equipped organization.

Acquisitions are expensive and notoriously difficult to integrate. In good times a promising new company can be valued at up to ten times projected 12 months sales. This means paying \$500M for the promise of a \$50M new business instead of the \$50M a large firm might have invested under the grow-your-own-business method. Then the large firm -- mostly capitalizers -- has the formidable task of integrating the startup culture -- mostly authors and builders. The anticipated clashes between cyclo-praxes quickly develop. The integration -- small company into big -- will likely stall sales growth for two or more years as the small company's builders are forced to slow their key growth mission in order to engage in corporate activity. This is a tall price for a large firm -- all because they lack authors and builders -- to have to pay to own a new business unit. Compare from your own experience the cost of an acquisition to the cost of a retention program for builder-praxis employees.

RECOMMENDATIONS FOR LARGE FIRMS – WANTING TO DEVELOP NEW BUSINESSES

The popular business literature -- [1], [2], [15], [19] -- makes recommendations for firms and business units interested in successful diversifications. A quick summary of the top three principles cited is:

- Have the fortitude to challenge your own businesses
- Think small, be patient
- Place diversifications into their own stand-alone business units

The extensive discussion surrounding these recommendations will not be repeated here. Instead, each will be noted below and explored in terms of cyclopraxis.

Several authors [15] [19] cite the importance of top management support for the new business. Moore [19] provides some praxis like reasoning. See the short paper “CycloPraxis and Crossing the Chasm” [www.cyclopraxis.com] for a full discussion.

Several researchers [2], [15] noticed a pattern associated with successful breakthrough diversifications. Each success had a long time champion who persisted in convincing the organization [sometimes over many years] to diversify in their direction. Often the champion was the originator of the idea. CycloPraxis would call this champion the Author. This principle is embodied in the idea of a stand-alone business unit.

CycloPraxis suggests yet one more fundamental principle heretofore unconsidered and critically important.

- Staff diversification projects with the builder praxis.

RECOMMENDATION #1: Challenge your existing businesses before your competitors do.

If there is going to be a disruptive technology in your market space, or the opening of a new exciting market segment, or some other discontinuity you are far better initiating this activity yourself than allowing someone else put you on the defensive. This concept is well documented in the popular business literature.

The large or giant firm needs someone [or some few] to author the new opportunity as it will not arise from the development or marketing or sales engineer with a capitalizing-praxis. Yet, at least four obstacles impede even this authoring. First, captains in large firms know from experience that any successful authorship will be moved outside their business for building and nurturing. Second, it is difficult for a few lone authors to raise a voice loud enough to be heard against a few thousand capitalizers -- many author’s suggestions have been squelched by the author’s captain. Third, there may be very few authors left in the existing business, because the normal evolution from authoring to building to capitalizing contains many subtle nudges for the authoring-praxis to leave. Fourth, why should a captain provide funds for an idea’s early growth – the very same funds that could engineer process or sales effectiveness improvements?

The solution to all four obstacles is Top Management. Perhaps the most difficult obstacle is the first: opening the captain’s mind to accept the values of supporting new businesses. The top management of the firm might consider making diversification a measurable and compensate-able objective well aligned with the captain’s praxis. In order to assure middle management communicates new ideas freely and openly [the second obstacle], top management must work with the hierarchy of captains to insure that communication is not stopped along the way. This calls for a broad education program and additional changes to reward structure. To overcome the third obstacle, top management should charter with human resources to devise plans to keep the company’s prized authors excited with continuing freedom to innovate even as the business unit they started moves into subsequent stages. The final obstacle requires the simple leap of faith that you are far better initiating a discontinuity yourself than allowing someone else to put you on the defensive.

RECOMMENDATION #2: Think small, be patient.

A multi billion-dollar firm with large centralized business units will tend to look for large diversification opportunities. It's hard to spot the billion dollar opportunities when all one has are ideas in a few author's heads. All opportunities start small, and even the large firm should start small and be patient.

Wal-Mart started small – in 1962. Six years later they managed just \$12M in sales. Not till 1973 [11 years] did Wal-Mart top \$100M. And in 1979 – 17 years later -- Wal-Mart reached \$1B in sales making them the fastest company at that point in time ever to do so. In recent times, several other retail companies have achieved less than 10-year growth to \$1B. Some examples:

- E-Bay – widely noted for on-line auctions -- reached \$1B company revenues in 7 years.
- Amazon crossed the \$1B mark in 1999, just 4 years after it's start in July 1995 and proved that an internet presence can be built faster than a traditional real estate shopping experience.

However, the company focus for this paper is manufacturing companies, where achieving \$1B in under 10 years seems a more difficult feat to achieve.

- Parametric Technologies Corporation [PTC] reached \$1B in Mechanical Computer Aided Design Software and associated management of design documents in 10 years. They have since slipped below the \$1B mark.
- King Pharmaceutical grew to \$1B in 8 years mostly by buying rights to manufacture key drugs—a different business model than used by other pharmaceutical companies.
- Siebel reached \$1B in 8 years by developing and selling customer relationship management software.
- Google has certainly done well, having achieved just over \$1B in 2004, roughly 6 years after the company was founded.

Certainly everyone is envious of such glamorous successes. But there are many more examples of not-successes. Over 500,000 new businesses start in the United States every year – 499,999 [plus or minus] don't make it to \$1B in 10 years – so the odds seem pretty small.

Astute reader will note that we are looking at companies not business units of large firms. Unfortunately, large firms are not required to break out the performance of individual business units. The information is not as readily available as for entire companies. One might jump to the conclusion that the pharmaceutical market is full of \$1B in less than 10-year success stories. However, when one takes into account the long authoring and building stages in the drug discovery process, this is no longer the general case. Examples however do exist of very quick increases from product authorship to outstanding sales. These examples rely upon existing channels, existing infrastructure, and the resources that only a major corporation can bring to bear.

- Perhaps the greatest success was the IBM PC, which was started in the summer of 1980 by author Don Estridge, and a team of 12. Industry estimates were that the \$1B sales rate was achieved in 1983, just 3 years later.
- The camera innovation in cell phones reached the \$1B annual rate in 2003, just 2 years after their commercial debut in 2001.
- Hybrid cars

But many other popular innovations – fax machines, VCR's, HDTV – took far longer. Indeed, the research for examples of fast growing products turned up some slower than expected surprises.

- Netscape – the company that commercialized the Internet browser [by doing the building work on top of 5 years of authorship at University of Illinois] -- grew to \$400M in 5 years amongst great fanfare. If one adds the authorship time, then the Netscape browser achieved \$400M in 10 years.
- In 1982, Hewlett Packard started work on the LaserJet based upon 10 years of authoring with partner Cannon. Less than 2 years in the building stage permitted a 1984 launch. But after 4 years in the marketplace, Hewlett Packard's 1984 laser jet was only selling at the rate of \$100M/year. The product went on to be a multi-billion dollar line for HP and within 10 years had sold 10 M units and generated nearly \$50B in revenue.

- After 4 years, GE Medical's CAT Scan breakthrough was only selling at the rate of \$100M/year after having entered a market pioneered by others. The story of authoring and building is well told by Morone [2]
- Cell Phones were a notable phenomena of the '90 decade and as of 2005 there are now more than 1.5 Billion in operation worldwide. The basic concept started in 1947 when researchers at Bell Labs looked at the car phone system and realized using small cells would optimize capacity. Dr Martin Cooper at Motorola was the inventor of the first modern portable handset. He made the first call to a rival in Bell Labs in 1973 – still in the authoring phase. In the mid '70's authoring ended and building started. 1978 saw the first public trial and 1982 saw regulatory go ahead. By 1987, there were a million users, but Motorola's market for handsets did not climb through the \$1B annual mark until 1990 and the debut of its flip phones – 43 years after the patent and 17 years after Motorola's invention.
- Digital Cameras are one of the newest phenomena of the '00 decade and are poised for a \$25B market by the end of the decade. But the first patents were issued way back in 1972 to Texas Instruments authors. Sony launched the first commercial camera –the Mavica -- in 1981. In 1986 Kodak scientists invented the first mega-pixel sensor. Then in 1994, the first line of consumer cameras appeared from Apple. The market finally achieved \$1B in the United States in 2000, nearly 30 years since the patent and 14 years since the breakthrough mega-pixel sensor. Yet, this market is divided amongst a half dozen major manufacturers.
- Dr Ferdinand Porsche developed the first gas-electric hybrid car in 1902. Authoring went on for 90 years, without a commercialization effort. The authoring stage ended when Toyota decided to incorporate 30 years of recent innovations and market the concept as the modern day Prius in 1997. Applying industry normal development cycle times, would mean Toyota made this commercialization decision in 1993 and applied a team of builders to bring the car to market. Sales took off slowly as experiments suggested alterations. Not till 2002, did the total Hybrid market exceed \$1B in sales [for Toyota, Honda, and a few others]. For pioneer Toyota, it was 10 years from the time building started until \$1B in revenue was achieved.

As one looks at this data, there is a constant reminder that we are only talking about very successful products – the top 0.001%. Many large firms however set their sights even higher. The \$50B firm tends to look for the next \$5B idea. This research would suggest that under the very best of circumstances, \$5B ideas take 15-20 years to mature. And under similarly ideal circumstances, \$1B products take 10-12 years including authoring, while \$100M products take 6-8 years. For planning purposes, it may be more appropriate to assume 50% to 100% more time for a large firm's very best new business units to reach such milestone sales goals.

Rather than look for those rare and risky \$1B ideas, diversifiers should consider instead a portfolio of \$25M and \$50M ideas. Some may grow 10X or more a dozen years later. Others will fade away. With a portfolio, the odds of having a winner increase.

CycloPraxis suggests small ideas from small teams will outperform large ideas and large teams on radical new ideas. Large ideas take large teams. Yet, authors and builders rarely function as part of larger teams. The processes, structure, and teamwork preference over individual accomplishment make such projects less interesting to the author and builder. Large teams therefore are frequently staffed with capitalizers and experts and of course captains. [To get an idea of a large design team, think of the multi-thousand design teams associated with new car models, new aircraft, and mainframe computers. Of course these are not radically new ideas and are therefore well suited to capitalizer staffing]. CycloPraxis predicts that builders are higher productivity for new designs than large teams of capitalizers.

RECOMMENDATION #3: Place Diversifications in separate business units.

Once again, this recommendation is well documented in the literature, and there is little need to repeat the logic for the recommendation. It is illustrative however to explore this recommendation from the perspective of cyclopraxis. Consider...

The sales organization of the large established firm with a homogeneous collection of capitalizing and declining businesses is likely composed of capitalizer-praxis using what's sometimes called the "farmer" sales style. Yet any new business will need a much different sales style called "hunter", as well as builder-praxis. If the sales forces for the new business and homogeneous collection of mature existing businesses are combined by virtue of co-located offices, singular compensation plans, common order processing, and perhaps common first level managers, tensions between "farmers" and "hunters" can now be added to the usual tensions between builder and capitalizer. As sales management goes about its recruiting, the firm will again find itself with more capitalizer/farmer personalities as these are the candidates who would be attracted to the large firm's compensation policy and sales methodology. In addition, "farmers" tend to hire "farmers" and "hunters" tend to hire "hunters". If the new business is lucky and manages to assemble a few builder-hunter cyclopraxis specialists as a result of a focused effort, the style of the "hunter" sales professionals will come under close scrutiny by their "farmer" captains. Unable to make their numbers using a farmer style, the builder/hunters will leave causing the new business to struggle even more to make its numbers. Because there might be just one builder/hunter per sales office [in the midst of a much larger number of capitalizer/farmers] the builder/hunter is especially prone to becoming the odd-person-out.

For more information on cyclopraxis in the sales function, read the companion paper "Author, Builder, Capitalizer, & Extender CycloPraxis Work Preferences", Doug Johnson, 2005, www.cyclopraxis.com. Large firms with a large mix of mature businesses have a number of reactions – sometimes called immune reactions – to the establishment of any new business unit. These immune reactions occur because the upstart must challenge established traditions to be effective in the new competitive landscape. Never fully appreciating the big picture, the capitalizing and extend cyclo-praxes are uncomfortable with the requisite changes and fight for the status quo.

Many diversifications create separate organizations only for development and management. Studies have shown this to be insufficient. Other functions must be included as well for cyclopraxis reasons suggested below

MANUFACTURING/OPERATIONS: As a new business unit in a large firm readies its product/service for market, it will place demands upon a capitalizer-staffed manufacturing/operations department that are not well aligned with the traditional capitalizing praxis. The new business unit in a startup organization with a builder-staffed manufacturing/operations department will have a competitive advantage. An existing capitalizing-staffed manufacturing/operations organization sets a high standard for the release of product from development, emphasizes predictability in forecasts, extends purchase negotiations to get lowest costs, optimizes efficiency and quality to top results, and has processes and procedures for every step – all well justified by the competition in the marketplace and all energizing to the capitalizer praxis.

Now, along comes a new business staffed by builders who have a singular goal of getting manufacturing/operations going in the shortest period of time. The forecast provided in the building stage will be highly uncertain – a situation that might lead to inventory outages or surpluses. The builder sees this as just another experiment. The capitalizer sees this a mark against efficiency. Purchasing could be a similar story. Early in a product's life, speed to market is important, and purchasing should prioritize the accomplishment [building] of finding a supplier above the efficiency [capitalizing] of lowest cost. Purchasing might also need to look outside traditional suppliers where the outcome is sure to be less predictable. A capitalizing manufacturing/operations organization will ask for processes and procedures – none of which are known during the early building stage. The builder is willing to experiment; the capitalizer wants predictability.

As each of the builder-capitalizer mismatch scenarios unfolds, there will be significant tension and protracted debate. Sometimes the builders will compromise and the product/service will be delayed to market. Other times the capitalizers will compromise and the organization's scorecard will be affected. In all cases, there is energy consuming debate and delay to market when measured against a startup business unit not located in the midst of a large firm.

QUALITY CONTROL: A new business's first customers are often providing valuable feedback on suitability

of product features so a few quality defects hardly get noticed. It's often said that 95% is good enough for the building cycle – that way there is plenty of improvement to engage the capitalizers. With these generalizations, the value of a quality control department goaled with 99.99%-correct is at odds with a builder population looking for quickest time to market. Sometimes the builders will compromise and the product/service will be delayed to market. Other times the quality team will compromise and their organization's scorecard will be affected. Best to move the quality function into the new business unit and staff with builders who have the same objectives as the rest of the team.

SALES: Many large companies value the benefits of a single face to the customer and the VP of sales steadfastly insists that all products go through the single established channel. Such practice will certainly impair if not kill a new business unit. For instance, what fast growing new business whose builders have endless to-do lists can find the time and resources to train and support a global sales force with numbers 10-20-50 times their size. And what sales professional with a number of mature successful offerings to sell will pay much attention to the training on a new offering, which at very best might represent 1% of sales [and compensation] over the next 12 months. Finally, what sales manager is going to pledge high-level support to the customer's VP for an early reference site for a brand new product when such high level support may jeopardize business 50 times its size in more traditional products. The list of points of failure could be extended to many more examples, making an even more convincing argument for the need for a separate sales force for the emerging business.

The compromise frequently suggested by the Sales function is to use Product specialists – one per important geography and co-mingled with the rest of the sales team. This compromise will under-perform a more focused competitor and the writer has seen far more new businesses fail as a result of the sales dis-function than any other challenge. A separate sales team and separate sales management is the most important accommodation a large firm can make in assuring the success of new business. If the new sales team must report to the VP of sales instead of the VP of the new business, then there must be one senior sales manager accountable for the numbers of the new business and reporting directly to the Sales VP with dotted line to the new business VP.

These sales force recommendations are reinforced when considered from a praxis perspective. The new business unit builders are comfortable with uncertainty – even seeing it as a challenge. The capitalizers however prefer predictability of same departments in the same accounts. The capitalizers also appreciate the structure of the successful sales recipe. The new business unit however has no sales recipe and therefore no structure. The builder sales force must experiment until a recipe is found.

HUMAN RESOURCES: The target praxes for human resources departments in large firms is the capitalizer and extender. But, the needs of the team building the new business are very different than the needs of the team running an established business. Hiring, compensation, and extended business trip issues are a few examples where the builder praxis has different needs than the capitalizer or extender praxis. The builder praxis must be addressed differently – either with special focus in the main Human Resources department or in a separate department that becomes part of the new business unit. An ideal scenario would call for staffing the separate department with builder-praxis human resource specialists.

FINANCE: The financial measures for the developing business unit are very different than the measures for existing businesses. For instance, an established business may find return on assets a useful measure. But those building a new business will just waste time reading and explaining their unusual numbers in standard ROA reports. This means that a capitalizer praxis finance analyst will experience frustration trying to measure and work with a new business unit in the building stage. In parallel, the new business unit will be frustrated trying to excel under a set of measures designed for capitalizing and extending business units.

One would hope that the finance department could put in place a specially engineered set of measures appropriate to a growing business. This is a very difficult task for a capitalizer financial analyst accustomed to following standard processes and who is personally measured by quotas, teamwork with fellow analysts, efficiency improvements, and predictability. A better solution is to assign a builder financial analyst to the task of instituting the appropriate special measures. But are there any builders in the finance department. Likely not, so the reasonable alternative is to let the leader of the new business unit [themselves a builder] hire builders into a separate finance function homed in the new business unit.

RECOMMENDATION #4: Manage your builder-employee pool.

This recommendation is introduced as a result of understanding cyclopraxis. It may be the most important of all recommendations. For without builders, new business unit initiatives are less likely to succeed.

The firm that wants to grow aggressively should have at its disposal 10% or more of its employee base that operates with a builder-praxis. Those employees should be identifiable by name, specialty, function, and geography. Furthermore, the firm should be able to mobilize up to 50 of the builder-praxis on a single project – regardless of geography -- within a 3-month window. Can your company do this? Your startup competition can!

Most large companies have no idea who their most talented new business-building employees are, have no customized reward and retention programs, and would be severely challenged to bring 50 of them together for a critical project. No wonder so many large firms have so few new businesses underway despite top-notch central research teams. Since builders often leave large firms for medium or small companies it is no surprise disproportionate levels of innovation occur outside the large firm.

To manage the employee base capable of building businesses, a large firm first has to know who their builders are, which means that Human Relations and Senior Management have to learn how to spot their unique talents. Once identified, the top performing builders need to be:

- Rewarded well in both monetary and recognition ways;
- Evaluated according to the special skills they possess;
- Targeted with custom retention programs;
- Provided a company 'rank' equivalent to the that of the capitalizer style population which by virtue of having 10 time the number of reporting employees often are rewarded at levels much higher. [Applying this technique lessens the builder-employee's interest in being a manager in the capitalizing stage, a task for which they are not well suited;]
- Provided specialized training to sharpen their cyclopraxis; and
- Re-assigned early to the next building opportunity.

These recommendations apply regardless of function – development, sales, marketing, or manufacturing.

The human resources job is not yet complete. Certainly the 10% builders will notice a great improvement. The next step is for the other 90%. Authors, Capitalizers, Captains, and Extenders all have their issues with builders. The other praxes find the builders impatient and insensitive to people. The other 90% are not likely to be accepting of special builder programs or of the finding builder praxis employees for purchasing, quality, finance, sales, and other functions. Education programs are needed that clearly explain why builder praxis is so important for the formation of new business units. While engaged in education, why not also explain the principles of cyclopraxis as well.

Frequently the new business opportunity might be in a different geography from where the builders reside. No problem, as a group builders are temporarily mobile just as a consultant from the Big-7 often takes assignment far from their home base. And by its very nature the task of building a business is a temporary activity; when done the builder will turn the business over to capitalizers.

Periods may exist where the builder-employee is not needed for any particular business development. Fortunately there exists another task in most any mature firm at which the builder-employee is also skilled. Builder-employees make excellent “change agents.” Give them a challenge to improve some aspect of an existing capitalizing stage business that has a combination of process modification, technology infusion, and people behavior change, and to a builder-praxis this looks just like putting together a new business. Use care however that the corps of business building capable employees doesn’t become a corps of change agents instead. Firms thrive and grow on new businesses, not on exacting every last efficiency step possible. And builders will tire from the ‘change agent’ work after a few rounds of tension trying to change the capitalizers.

VARIATIONS.

The preceding recommendations were based on the model that the new idea emerged from within another of the firm’s businesses currently operating in the capitalizer or extend stage. What if the idea came from the central research group? Or what if the idea came to an emerging business currently in the building stage? Or what if the CEO/CFO has sufficient acquisition money and spots a potential outside candidate? Another possibility is that the idea might be more or less just an extension and not totally new. The impact of these questions on the four recommendations is discussed below.

Many companies solve the author-praxis retention problem by creating a central research unit for the entire company. In effect they are applying recommendation #4 but for the author-praxis instead. While this approach helps with retention of potential authors, the pool of authors in central research often fails to achieve satisfactory new business commercialization. One common suggestion [even if these research labs are centrally funded and managed] is to give the business unit diversifier-managers considerable leadership over what is researched. The message for mature business unit managers is to treat these central researchers as an extension of direct staff, and be actively involved in setting their priorities. Having adopted the central research staff in this manner, the authorship of a new idea into a business can proceed just as outlined above – hopefully paying attention to recommendations. Unfortunately over the last few decades the track record of building new businesses from central laboratory output has been declining. Applying the understanding of the role played by the builder-praxis strongly suggests a remedy. The recommendation is simply to mobilize a population of builders around promising new ideas. More rigorous application of the principles in recommendation #4 is an excellent first step.

While a business unit is undergoing rapid building it is not at all uncommon for those involved to get ‘yet another great idea.’ After all, there is still plenty of author influence at this point in the lifecycle. Frequently, the additional great idea becomes the next hot task -- a very dangerous practice. While in the building stage the business needs to apply maximum energy to as small a focused target as possible in order to achieve time-to-market ahead of competitors, while funding is still available, and while customers are interested. Pursuing ‘yet another great idea’ amounts to defocusing. The proper answer is for the developing team to behave just as a mature business and divest the idea – along with its author -- into the corporate idea pool. Then the developing team returns to its original focus un-encumbered by the diversion. The new idea will live or die based on its merits evaluated against all peer candidates in the next funding round.

The logical extension to the previous discussion is what happens if a very early new business – one still in authoring – gets a new idea. First, it’s worth noting that this is an unlikely scenario because most authors become quite preoccupied by their initial idea. But in the event that an alternative strikes their fancy, the same rules must apply: one idea per business unit. Either drop the original and adopt the new, or send the new off to the corporate idea pool.

New ideas also come from external sources and may pose a threat to an existing business in the large firm. The external idea could have been developed in an independent laboratory, it could be a project at a competitor, or it

could be fertile ground for a startup. The authors of ideas in your firm will rarely take notice because they are strongly focused on their own ideas. When working on a related idea, the builder-praxis will notice the new idea. Nevertheless as previously recommended, everyone should continue with their chosen business and not switch paths. The capitalizing or declining business will have a competitive intelligence function that will also see the external idea. Their answer will be to re-double efforts in the established direction of the business and in such a way close the window of opportunity for the threat. Sometimes they will win. Other times the new idea will be a disruptive technology and permanently damage the market position of the mature business. Therefore the proper action for the mature business is to document the threatening idea and ask the large firm's new business sponsoring function to consider assigning an authoring and building team to the threat. It takes great courage for the leader of a mature business to take this step because they are suggesting starting something that may very well limit their own business success in the long run. The firm creates an internal competition: at the same time the firm may invest in the new idea challenging tradition, the existing business manager may invest in traditional products to block the challenger.

The next alternative for discussion is when the large firm considers an acquisition when faced with an external threatening idea. Frequently, the acquisition has the advantage of a functioning team of author and builder personalities. Unfortunately, failures are more common than success. Multitudes of the acquiring firm's captains with their finely tuned processes descend upon the relatively few overworked authors and builders of the newly acquired business. Each existing process owner [a capitalizer] proceeds to tell the acquired business [a builder] how the acquired business has to change to fit into the structure of the homogenous mature businesses that make up the large acquiring firm. It should be the other way around. If the new franchise is to succeed against the rules of its emerging marketplace, the new business must have the latitude to break from the traditions of the large acquiring firm. It is especially important to follow recommendation #3 and separate the new business from the establishment.

Authors are most commonly found at the root of new technologies, disrupting product ideas. In practice however, individuals with the author-praxis do not start every new business. For instance, extensions to a product line – moderate enough to deserve their own business unit – could be authored by a builder-praxis [or even a capitalizer] who temporarily re-assigns themselves to the authorship role. The same may be said of extensions to new customer segments such as exotic new geographies or radically new applications.

SUMMARY

The key tenant of this paper is that large firms wish to grow their business. Sooner or later the existing businesses in large firms plateau in sales necessitating the establishment and growth of new businesses. Large firms are constantly looking to improve their success in developing new business units.

Four natural working styles – called cyclopraxis – are identified that map to lifecycle stages in the evolution of a business unit. The concept of lifecycle stages in a firm is not new and has been extensively researched over the past 30 years. However no prior work was discovered that suggests workers' styles [cyclopraxis] might align better with one or more of the lifecycle stages. CycloPraxis principles apply regardless of whether we are looking at the function of marketing, sales, development, manufacturing, operations, or finance. Indeed cyclopraxis may often be a more important point of job match optimization than function. CycloPraxis is especially relevant to high technology businesses where the intellectual capital of the employee base is the principle asset and where business life cycles are considerably shorter than people's careers.

When discussing cyclopraxis, the four-lifecycle stages are: Authoring, Building, Capitalizing, and Extending. Each business stage has a unique mix of challenges and activities that tend to attract differently energized employees with differing cyclopraxis. For the large firm to capitalize on its employee assets, it must engage the appropriate cyclopraxis during the authoring and building stages of any new business. This requires identifying employees with the author-praxis and builder-praxis and actively managing this talent pool. Properly timed rotations between emerging and established businesses are necessary. The large firm must also recognize the

inherent friction between the capitalizer-praxis and the builder-praxis and minimize the involvement of capitalizers during the building of any new business. The capitalizers' natural quest for the status quo will impede the progress of most new businesses.

Bold measures are required to maximize the chances of the new emerging businesses:

- When the large firm is mostly homogeneous in life-cycle stage, extra effort will be necessary for the overall culture to accept a new business;
- Builder-praxis is often the limiting asset in successfully growing new businesses. Firms should identify and invest in their builder-employees;
- Don't ask the capitalizer personality to take a temporary assignment and build a new business. No matter how good the capitalizer's technical knowledge they have a different cyclopraxis;
- Look carefully at acquiring startups. The mismatch of cyclopraxis in different life-cycle stages between the newly acquired and the established firm can halt forward progress;
- New businesses require a separate organizational unit – including sales and manufacturing.

Large firms are advised to identify and retain their top authors and builders at the time in a business cycle when those authors and builders are being pushed and pulled to leave the very businesses they started. Unfortunately exactly the opposite happens in corporations today. In an ideal scenario, the large firm would identify its authors and builders and keep proactively assigning them to new businesses –one after the other. In practice, large firms tend to simply reassign geographically convenient employees from the large pools of capitalizers into authoring and building positions.

A new business unit in the middle of a large established firm with otherwise mature business culture could feel challenged in multiple ways. If carefully managed, development and marketing functions frequently can break with tradition and to establish new best practices effective for a new business. And a savvy development or marketing function has the best chance of finding sufficient numbers of authors and builders. But manufacturing and sales are often highly centralized and inclined to impose significant capitalizer-praxis traditions on any new business.

During the building stage of a new business, profits are usually absent because they are reinvested to accelerate this growing stage. At some point profits become important because: investment funds are gone, the market is initially penetrated, a competitive disruption occurs, or the building is 90% done. Whenever management recognizes the shift in strategic direction from expense management to profit management [from building to capitalizing], management should also aggressively shift the workforce from builders to capitalizers. Lastly, management should reward, retain, and reassign its builders.

Other papers on cyclopraxis available at www.cyclopraxis.htm include:

CycloPraxis in the Business World

Round Pegs in Round Holes ... Matching Worker's CycloPraxis to the Job

Author, Builder, Capitalizer, and Extender CycloPraxis Work Preferences

Prior Research Related to Company Life Cycles and its application to the Study of CycloPraxis

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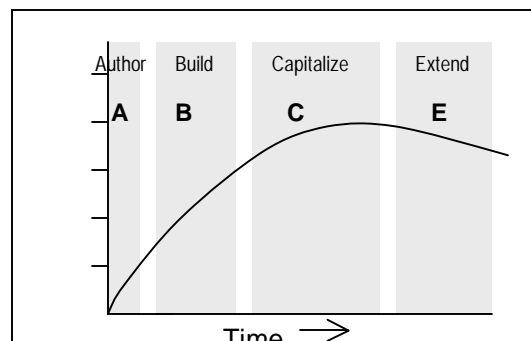
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CYCLOPRAXIS OVERVIEW

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.

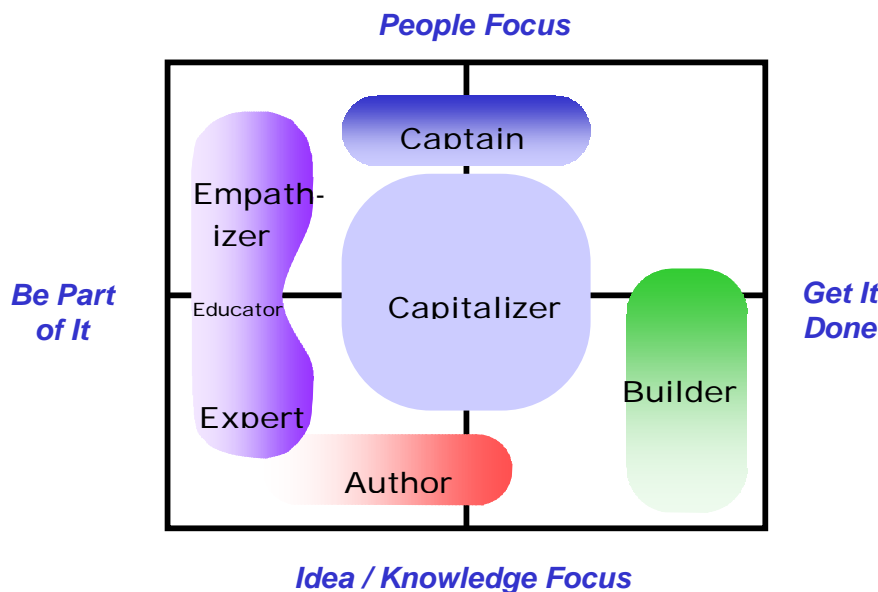
Extenders are not as effective at other business unit stages. The extender’s interest in closure, continuity, and completeness over deadlines and quotas means builders and capitalizers will out perform the extender at building and capitalizing. Indeed, a source of tension exists with capitalizers who become frustrated by the extender’s apparent disinterest in efficient delivery. Another miss-match 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