

# Making Your Case: Clear, Memorable & Compelling



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## The Virtual Dust Jacket

“The ability to present your case in a clear, memorable and compelling way is the key to success in any organization. It is also the skill most generally lacking. David Beatty’s COMMUNICATION TOOLS provide the means for YOU to communicate effectively and stand out. Study them; practice them; and use them for the foundation for enduring success.”

Peter F. Drucker



Head of the C		
EMBA grads ranked these schools tops by subject area	<b>STRATEGY</b>	<b>FIN</b>
	Georgetown	Chica
	Vanderbilt	Roch
	Toronto*	Colur
	UNC	Chica
	Emory	Notre

\*Schools not in the Top 25 but with statistically valid response rates are eligible for subject-area ratings

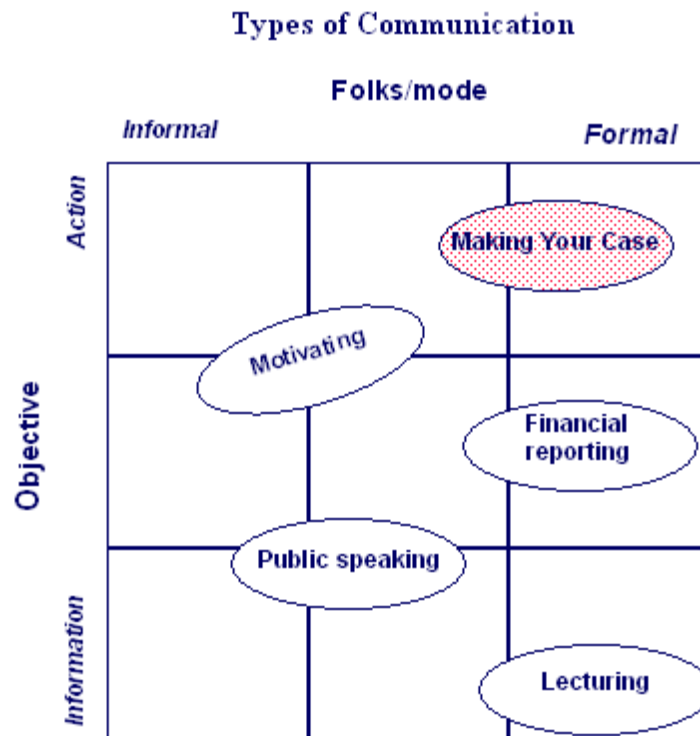
Business Week Rankings put the Rotman strategy course as third ranked in the world. Part of this rating derives from the huge practical appeal of Clear, Memorable & Compelling.

## CLEAR, MEMORABLE & COMPELLING

This book is will give you the tools you need to become an effective executive. To make your case in a clear, memorable & compelling way certain basic skills must be mastered.

### What kinds of communications are we talking about?

This guide is mainly concerned with “Making Your Case”. Communications that are formal and communications where the objective is to get approval for what you want to do.



There are many other kinds of top management communication: speeches to motivate a sale force, presentations of annual financial results, and talks to a luncheon crowd. The rest of this book will help you with these other speaking obligations but is targeted at you making the case for what you want to do.

The approval you seek could be from a Board of Directors or your boss, it could be from the people you lead and it could be from your peers. If you don't make your case in a clear, memorable and compelling way you will not be successful getting the approvals/resources you need to execute your vision.

For a director the only way in which the information chasm between management who work 24/7 x 365 and the “drop in” director can be spanned is with well constructed documents that bring the director into the story, explain the complications that have arisen and then lead with a Main Message supported by a strong case.

The materials in this book have been taught in the classrooms of the Rotman School of Management at the University of Toronto for almost a decade. Students in the Executive MBA classes (about 35 years of age with 15 years of on-the-job experience) often say that the Clear, Memorable & Compelling approach to thinking and communicating is the most important single tool they have learned.

In the Fall of 2003, BusinessWeek published its worldwide rankings of Executive MBA schools and specific courses. The Rotman School was ranked third in the world on its strategy course, an accolade earned in part by the Clear, Memorable and Compelling materials taught to all strategy students.

Based on the techniques taught to all McKinsey consultants for many years the Clear, Memorable & Compelling techniques will make an immediate difference in your ability to solve complex problems and to present your case.

**Today we begin the task of making you more effective and more efficient as a problem solver and presenter...**

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**Be more effective**

- ◆ PROBLEM SOLVING: Develop logical, strategic recommendations
- ◆ COMMUNICATING: Deliver compelling stories for target audiences
- ◆ DECISION MAKING: Secure the resources you need for your strategic investments

**Be more efficient**

- ◆ Develop shared vocabulary
- ◆ Get to solutions quicker
- ◆ Recover your lost weekends

The chapters in this book will take you through three steps:

1. Getting to the Main Message
2. Support the Main Message with logic
3. Testing and refining the Logic

In each step there are examples and tests so that you can deepen your understanding and develop your skills. There is also a website where you can register as a user and develop your skills further with other examples and a FAQ section.

## 1. GETTING TO THE MAIN MESSAGE: B-C-Q

If there was one thing you wanted your audience to remember a few weeks after your presentation what would it be?

1. We should invest \$25mn in the new product launch
2. Costs must be cut 25% in the administration of the sales force
3. Consolidating the industry by acquiring ABC Co. will double profits over the next three years

Of course, each main message will have support for the conclusion. The challenge for you is to get a strong main message that communicates in a clear, memorable and compelling way what action you believe is essential.

We can get to the main message with three steps:

- a) **B** - The historical **Background** behind the problem
- b) **C** - The recent **Challenge(s)** that make the problem complex and in need of some action
- c) **Q** -The **Question** that must be answered as a result of the historical situation and the recent complications

This sequence is called **B-C-Q** from the first letters of the key word in each step.

### (a) **B** - The historical **Background**

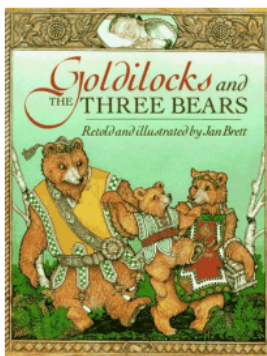
The historical background to the problem is stated first. Sometimes in a presentation there is a lengthy background section, especially if the audience (such as a Board of Directors) is not very knowledgeable about the subject.

Sometimes the Situation or Status is very short as the audience is extremely knowledgeable about the subject. For example, your management team.

The purpose of this section is to anchor the Situation in time and space. For example, almost all the fairy tales we read to our children begin with a Situation statement:

“Once upon a time.....”

In Goldilocks and the Three Bears



Many, if not all, stories begin this way ....

Long ago in a far-off land, there lived a little girl with golden hair.

Her mother called her Goldilocks

The same Situation statement often begins a conversation when we meet someone we haven't seen for a long time. We often say something like: "Remember when we last met it was it was in June of 2002 at the graduation in Stanford....."

All business communications should begin the same way.

Bring your audience into the picture by reminding them of the Situation. Think of this as an introduction or background to the problem you are about to solve.

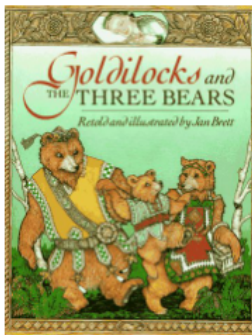
Everything in the Situation should be factual and not debatable. Dates, events and situations are all acceptable. Avoid controversial statements in the introduction.

Some examples are given in Appendix A.

(b) The Challenge (C)

Something happens since the Background that makes life difficult. It could be a complication, a complexity or a challenge. The presentation moves from commonly accepted historical facts to something more controversial and confusing.

For example, in Goldilocks:



Then, something changes ....

---

Long ago in a far-off land, there lived a little girl with golden hair.

Her mother called her Goldilocks.

One day while Goldilocks was playing in the woods, she wandered into an enchanting part of the forest.

There she found a charming cottage nestled among the evergreens.

The child always thinks: "What happens next?"

And when we greet each other we often use the same flow in our conversation:

"We last met two months ago at the ....

But, since then did you know I have lost my job....

In the business world the logical sequence is the same:

Developing the sequence	
Background	Challenge
We were winning	Now we are losing
Winning requires major change	Change is hard and risky
Merger is on	Merging requires total integration
Election seemed sure thing	We lost

c) The Question

The children's story tale always has an implied (not an explicit) question : "What happens next?"

In the case of Goldilocks what happened after she wandered off into the woods that fateful day? Well, she found the house of the Three Bears and tried the porridge, then she tried the chairs and finally she tried the beds in the house.

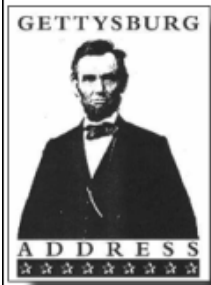
In the case of our examples above:

Background	Challenge	Question
We were winning	Now we are losing	What should we do?
Winning requires major change	Change is hard and risky	Should we do it?
Merger is on	Merging requires total integration	How should we do it?
Election seemed sure thing	We lost	Why did it happen?

The B-C-Q sequence sets up the audience for the Main Message or answer that flows logically from the sequence.

One of the greatest speeches in the English language, the Gettysburg address follows this sequence. Read these 275 words that changed the course of American history and mark in the margin the letters B,C, Q or MM for each paragraph.





## President Lincoln Gettysburg address

Four score and seven years ago, our fathers brought forth upon this continent, a new nation, conceived in liberty, and dedicated to the proposition that all men are created equal.

Now we are engaged in a great civil war, testing whether that nation, or any nation so conceived and so dedicated, can long endure. We are met on a great battlefield of that war. We have come to dedicate a portion of that field, as a final resting place for those who here gave their lives that that nation might live. It is altogether fitting and proper that we should do this.

But, in a larger sense, we cannot dedicate -- we cannot consecrate -- we cannot hallow -- this ground. The brave men, living and dead, who struggled here, have consecrated it, far above our poor power to add or detract. The world will little note, nor long remember what we say here, but it can never forget what they did here.

It is for us the living, rather, to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us -- that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion -- that we here highly resolve that these dead shall not have died in vain -- that this nation, under God, shall have a new birth of freedom -- and that government of the people, by the people, for the people, shall not perish from the earth.

The first two paragraphs both are Background materials. The first recalls the historical roots of the nation

Four score and seven years ago, our fathers brought forth upon this continent, a new nation, conceived in liberty, and dedicated to the proposition that all men are created equal.

**B**

The second paragraph brings the listener up to date in terms of the war and adds the geographical co-ordinates "... we are met on a great battlefield.... a portion of that field"

Now we are engaged in a great civil war, testing whether that nation, or any nation so conceived and so dedicated, can long endure. We are met on a great battlefield of that war. We have come to dedicate a portion of that field, as a final resting place for those who here gave their lives that that nation might live. It is altogether fitting and proper that we should do this.

**B**

Then comes the challenge or the twist in the plot

But, in a larger sense, we cannot dedicate -- we cannot consecrate -- we cannot hallow -- this ground. The brave men, living and dead, who struggled here, have consecrated it, far above our poor power to add or detract. The world will little note, nor long remember what we say here, but it can never forget what they did here.

**C**

Everyone at Gettysburg believed they had come that day to bury these men. That is what the invitation had read. By introducing the challenge or complication that “we cannot dedicate ... this ground” Lincoln introduces the implicit question: “Why can’t we? Isn’t this why we were invited?”

The answer to this question is not only surprising but compelling:

It is for us the living, rather, to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us -- that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion -- that we here highly resolve that these dead shall not have died in vain -- that this nation, under God, shall have a new birth of freedom -- and that government of the people, by the people, for the people, shall not perish from the earth.

A

Only 275 words but brilliantly structured so that the speech was clear, memorable and compelling.

#### EXERCISE:

Think of a complex problem that you are grappling with at the moment. Using the following format attempt to write a number of complete English sentences under each of the headings.

Remember that the **Background** sentences must be ones that everyone would agree are facts. By contrast the **Challenge** sentences are likely to be more recent in time and more contentious in fact. Combined they should lead logically to the **Question** to be answered.

**STEP 1 in building your story ....fill in B-C and Q**

**Background**  
 1. \_\_\_\_\_  
 2. \_\_\_\_\_  
 3. \_\_\_\_\_  
 4. \_\_\_\_\_

**Changes**  
 1. \_\_\_\_\_  
 2. \_\_\_\_\_  
 3. \_\_\_\_\_  
 4. \_\_\_\_\_

**What question are you trying to answer?**  
 \_\_\_\_\_

On the first attempt do not limit the number of **Background** or **Changes** sentences. Try to be as comprehensive as possible. When it comes time to create the final argument you will cut these down to the most relevant sentences in order to sustain your argument.

If you are working with a team try and paper the walls with your sentences on the first iteration. If any member objects to a **Background** sentence it must be excluded from the background. On the other hand expect vigorous discussion about **Change** sentences.

In this exercise there are no bad ideas. Make an inventory of every thought. One of the greatest innovations to problem solving and creating powerful logic structures to make your case is the 'Post-It' note. I use the 3"x5" to record thoughts and later to structure them.

## 2. THE MAIN MESSAGE

If there was one thing you wanted your audience to remember a few weeks after your presentation what would that be?

- We should invest \$25mn in the new product launch
- Costs must be cut 25% in the administration of the sales force
- Consolidating the industry by acquiring ABC Co. will double profits over the next three years

The **MAIN MESSAGE** is the one sentence that captures all that must be done. We will learn how to support that main message in the next chapter. This chapter will describe what a good main message ought to look like. There are three characteristics of a good main message:

1. They should be **prescriptive** i.e. tell you how the answer to the question you posed in the B-C-Q sequence
2. They should be **specific** i.e. tell you enough so that action can result
3. They can be **summaries**, but are richer if a **synthesis** can be created. Always avoid making lists.

There will always be a trade-off between being too comprehensive and being too terse. Sometimes your prospective audience will want fuller explanations and sometimes they will not. Tailoring your main message to the expectations you have of your audience is critical to success.

### Main Messages should be prescriptive

The purpose of any strategic communication is to secure approval for a course of action. Thus, all Main Messages should be actionable.

Wherever possible get to the action and avoid setting up another study or survey.

Good Main Messages must be prescriptive	
BAD	GOOD
<p>ABC Bank has a lot of problems that must be studied</p>	<p>ABC Bank must cut \$200mn from its operating costs in the next year</p>

It is very common for staff groups to come up with studies to prepare for a study. While there is a definite place for rigorous study definition the whole intent of "Making Your

Case” presumes that you are ready to get moving and only need support from those who control the resources.

## 2. Main Messages should be prescriptive

Avoid generalizations, or motherhood statements:



It is very common for both staff groups and line executives to be fuzzy or generic in the Main Message. It is vital that the complete idea be as specific as possible about what needs to be done.

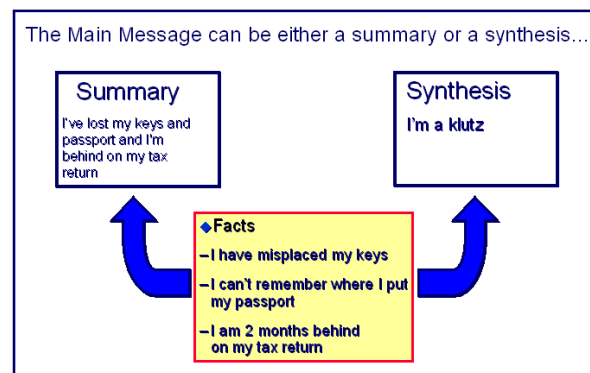
## 3. Main Messages can be summaries, but are richer if a synthesis can be created

A good Main Message can be a summary of the points supporting it or it can be a synthesis of the points supporting it.

For example, if the supporting statements were:

1. I have misplaced my keys
2. I can't remember where I put my passport
3. I am two months late filing my income tax return

The Main Message as a summary will be a repeat of these points while the synthesis will be a higher order grouping.



It is always best to try and find the higher order 'grouping' as the Main Message will be much richer and more compelling.

### Avoid lists

A frequent challenge is reducing a list to manageable and memorable size. Lists are neither memorable nor compelling and often put the audience to sleep.

**Today I want to discuss 18 key factors to respond to disruptive strategic innovations in our industry**

- |                 |                   |
|-----------------|-------------------|
| 1. Turnover     | 10. Compensation  |
| 2. Innovation   | 11. Hiring        |
| 3. Distribution | 12. Expenses      |
| 4. Sales growth | 13. Manufacturing |
| 5. Margins      | 14. Tax           |
| 6. Products     | 15. Debt          |
| 7. Sales force  | 16. Analysts      |
| 8. Market share | 17. Organization  |
| 9. Branding     | 18. Culture       |

There are three problems with lists like this:

1. People tune out. By item #3 most people have gone somewhere else in their minds and they only return to consciousness by about #17 when they recognize the end is near. So, you will certainly not have made your case **clear**
2. No one remembers lists except the first and last items. So, you will not have made your case **memorable**.
3. You have not prioritized your thoughts (if indeed there are complete thoughts behind the one word 'clues'). So, your case will certainly not be **compelling**

A list such as this is fine for a brainstorming session where all ideas are good ideas. But, to turn a brainstorming list into a clear, memorable and compelling case requires you to organize and structure your thinking.

**Exercise:**

This is a typical 'list' that you should try and recast:

- Managers are unhappy with customer information for 8 reasons
- ◆ Reports are infrequent
  - ◆ Data are unreliable
  - ◆ Data are too late
  - ◆ Data cannot be matched to sales data
  - ◆ Reports are impossible to read
  - ◆ Reports contain meaningless information
  - ◆ Reports still require manual calculations
  - ◆ Managers can't identify problems quickly

First, find a grouping of these items – preferably three groups.

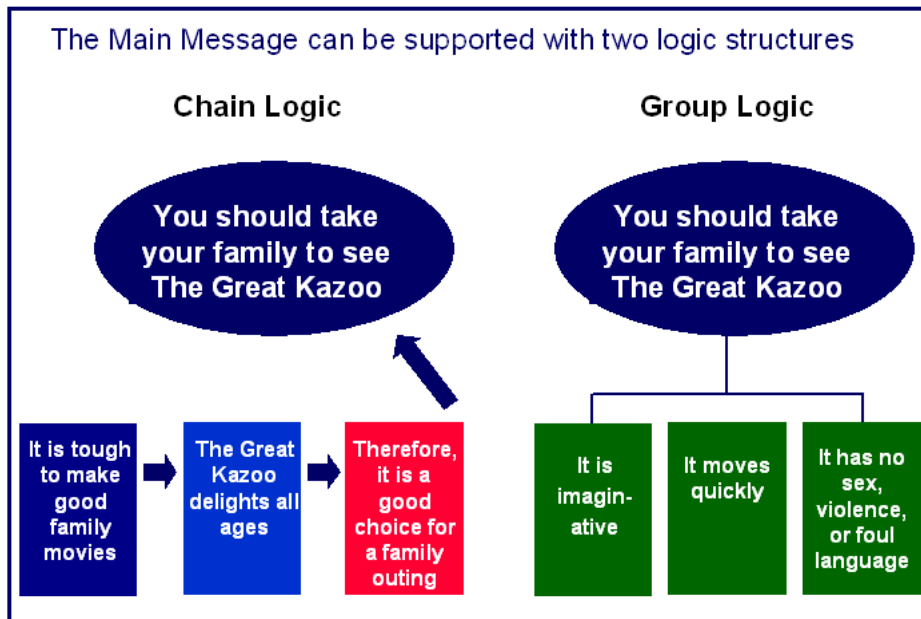
Second, put action verbs at the front

Third, recast the Main Message to be action oriented

See **APPENDIX 1 – Exercise Answers** for one solution

## 4. THE SUPPORTING LOGIC

All great Main Messages are supported with one of two kinds of logic. Chain logic is also known as deductive logic while group logic is also known as inductive logic. Both can support a main message in a clear, memorable and compelling way.



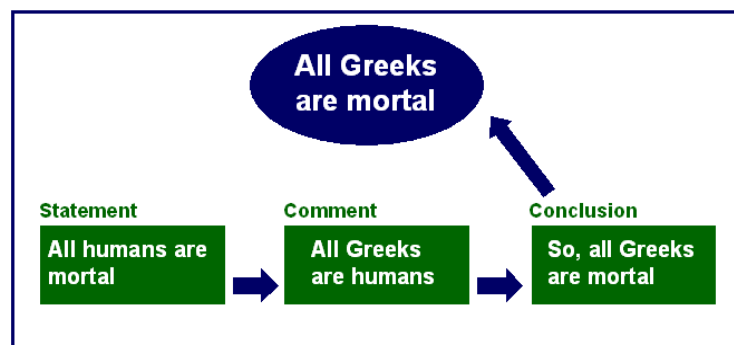
### Chain Logic

Chain logic starts with a **statement**. In the above example: “It is tough to make a good family movies.” If that statement is true and your audience accepts that statement as being true than all is well. If the response is “No, good family movies are easy to make.” Then the chain logic will fail.

Assume the initial statement is accepted. The second sentence **comments** on the first. In the above example “The Great Kazoo delights all ages” indicates that even though it is tough to make good family movies The Great Kazoo is a movie that does delight the entire family.

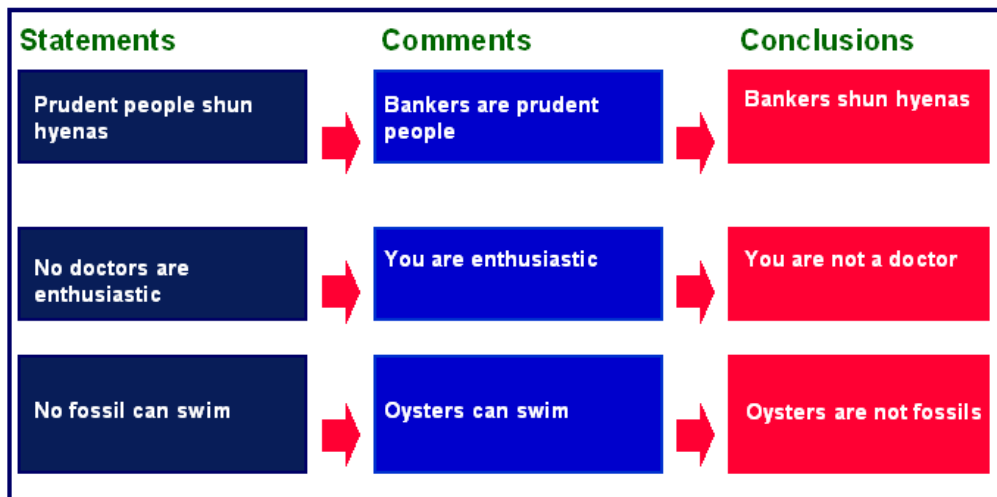
The inescapable **conclusion** is that “it is a good choice for a family outing” !

A famous example of chain logic is:





Lewis Carroll created many of these chain logic structures for teaching logic in his mathematical books:



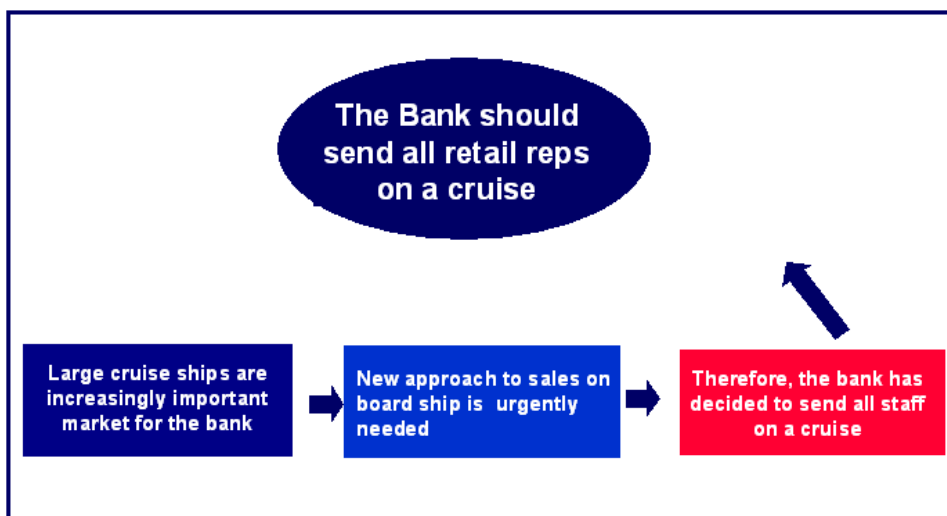
In each case if you accept the initial statement and the subsequent comment, you are compelled logically to the conclusion. The Main Message repeats the conclusion.

Using the first example above, the Main Message is that “Bankers shun hyenas.”

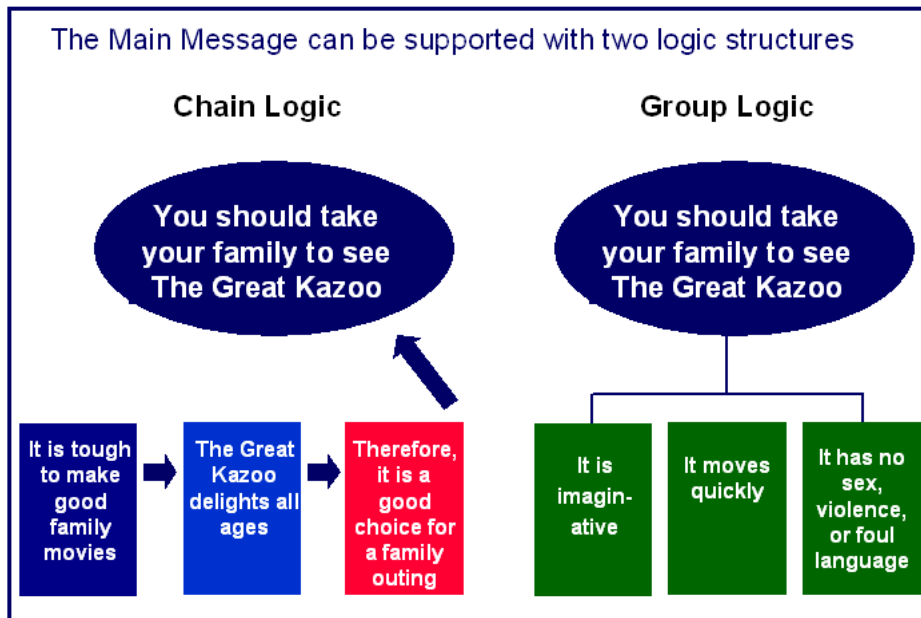
- If a naturalist friend blurted this out to you you might respond: “They are ...why?”
- The naturalist friend would responds: “Well, firstly prudent people shun hyenas.”
- You respond: “Possibly they do, I suppose although I never thought of it.”
- The naturalist friend continues: “and bankers are prudent people.”
- You respond: “Yes, I suppose they are overall.”
- “Well then,” concludes your naturalist friend, “therefore bankers shun hyenas.”

The case is logically correct even if fanciful.

Turning to a more business oriented example:



## Group Logic



In the group logic example all the reasons why The Great Kazoo is a movie you should take your family to see are listed below the Main Message. There are three such reasons:

1. It is imaginative
2. It moves quickly
3. It has no sex, violence or foul language

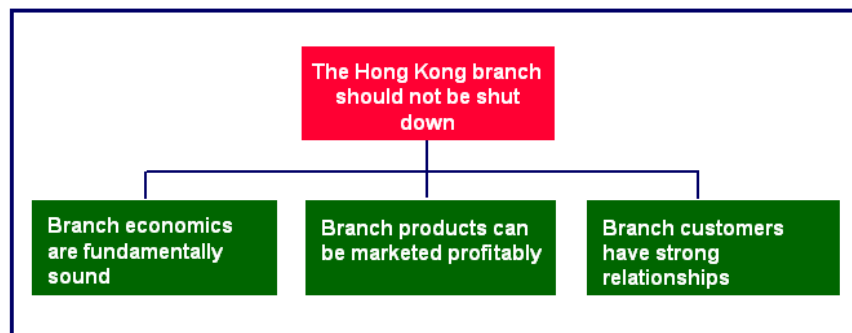
Thus, the selection of The Great Kazoo would seem to be ideal for a family. Your case is clear, memorable and compelling.

Unlike the chain logic, the group logic takes you right to the reasons that substantiate your Main Message. The strength of using group logic is that it is action oriented and suitable for those who like “straight answers.” Furthermore, if one point is suspect, for example... “I heard that The Great Kazoo moves slowly” then one support may be lost but the entire Main Message is still valid.

However, for some audiences it might be best not to be so direct. In such cases the chain logic is better suited. The obvious problem with the chain logic is that if the initial statement is challenged and destroyed then the entire argument goes with it.

Here are two examples of grouped logic:

**EXAMPLE 1:**



Note that the Main Message is specific and prescriptive. The three major supports under the Main Message all answer the question “**WHY** the Hong Kong branch should not be shut down.”

**EXAMPLE 2:**



Note that in this case the major supports for the Main Message all answer the question “**HOW** do we eliminate wasted effort.”

The Magic of THREE

Note that in both these examples there are THREE major supports. There are in the McKinsey world three reasons for anything and everything. Hence, the golden rule is to strive for three major supports. Two major supports are fine and four major supports are OK but the target is three.

“If you are looking for completeness in a phrase, then use groups of three; threes seem to have a psychological effect on humans that is satisfying, fulfilling, and convincing.”

Harvard Management Communication Letter, August 2000

### The Magic of Parallelism

Note also in these examples that each Major Support starts with a similar form of speech.

**In example #1** each Major Support begins “Branch” and describes “branch economics”, “branch products”, and “branch customers”.

**In example #2** each Major Support begins with an “action verb” – “create”, “ensure”, “ration”.

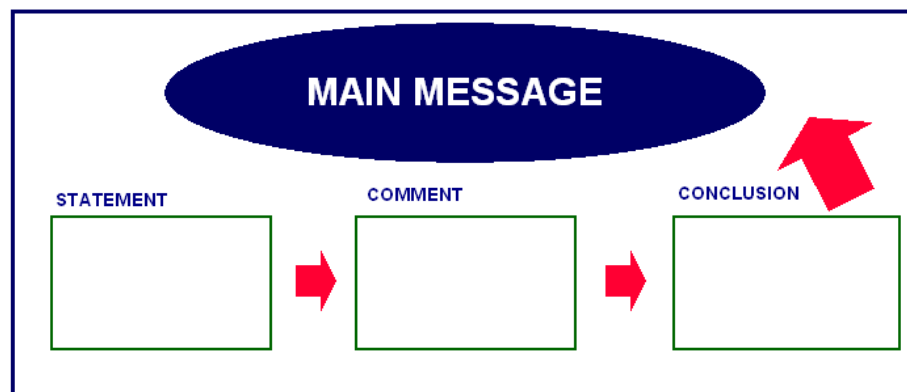
Whether an adjective + noun combination as in the first example or an action verb in the second example the ‘parallelism’ helps the audience understand what your case is about. Anything that helps the audience understand a complex and subtle business case should be used at all times.

### **EXERCISES:**

1. Take the following statements and organize them into a **chain** logic structure at the major support line:

- a) Accordingly, Alphatext must take more aggressive action to succeed in domestic and foreign markets
- b) Alphatext built an enviable performance record in the relatively straight-forward market of the 1980s and early 1990s
- c) Alphatext should pursue more aggressive domestic and international business to ensure continued strong performance in the face of market changes
- d) But recent changes are threatening its market position

The form of the chain structure should look like this:



**For exercises 1-4 photocopy these pages and cut each sentence out into an individual slip of paper. These slips can then be arranged on your desk top in front of you to work out the logic structure.**

The answer can be found at Appendix 1 – Chapter 4 Exercise 1.

2. Here is a background, complication and question that a major British airline had to resolve.

Background:  
A British airline offered free tickets to any destination in the world

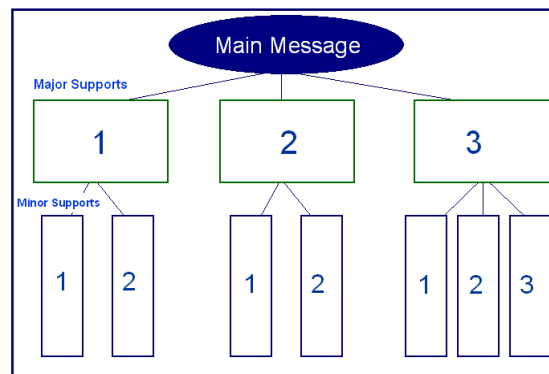
Complication:  
While 1million people applied, 56 million did not

Question:  
Why did so few people apply??

Take the following statements and organize them into a **group** logic structure at both the major and minor support lines:

- a. Life as a tourist is miserable
- b. Home is more comfortable
- c. Food is familiar
- d. Slippers are where they belong
- e. All the main foreign sites are swarmed with tourists
- f. Many destinations are too unstable to visit
- g. The British prefer to stay at home
- h. Travelers have to take orders from air hostesses
- i. Destinations are not worth the effort
- j. Travelers become the slaves of foreign officials
- k. Favourite pillow is on the bed

Look for the Main Message first and then the major supports and lastly the minor supports.

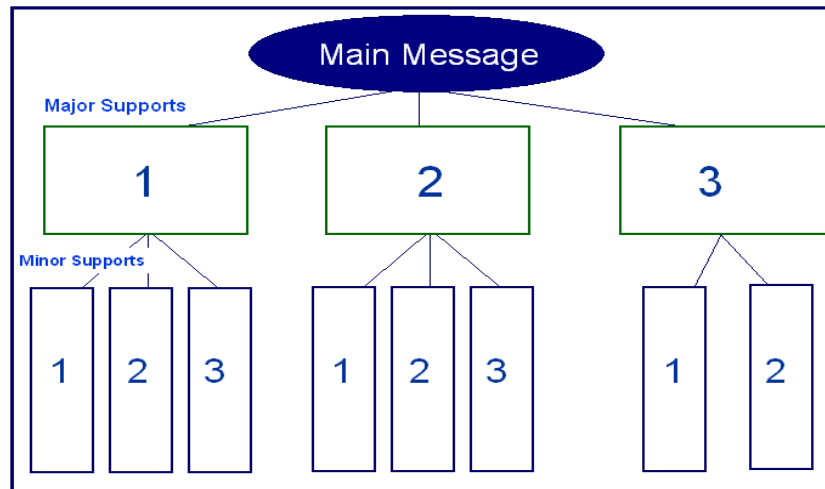


In this exercise there are three major supports. There are two minor supports for two of the major supports and three minor supports for the third. The answer can be found at Appendix 1 – Chapter 4 Exercise 2.

3. Take the following statements and organize them into a **group** logic structure at both the major and minor support lines:

- a. Parent companies are unlikely to invest to reduce production costs given other corporate priorities
- b. The buying decision is based on value rather than price
- c. First Alert has strengths that should permit successful penetration
- d. Demand is growing
- e. Market tests have shown initial acceptance for First Alert products and services
- f. Competitors are unlikely to lower prices to discourage new entrants
- g. First Alert has access to the appropriate distribution channels
- h. First Alert's competitors are important cash generators for their parent companies
- i. The market segments are sufficiently large and varied to make niche strategies possible
- j. Manufacturing costs are the lowest in the industry
- k. First Alert should enter the market for alarms
- l. The market is attractive

Look for the Main Message first and then the major supports and lastly the minor supports.



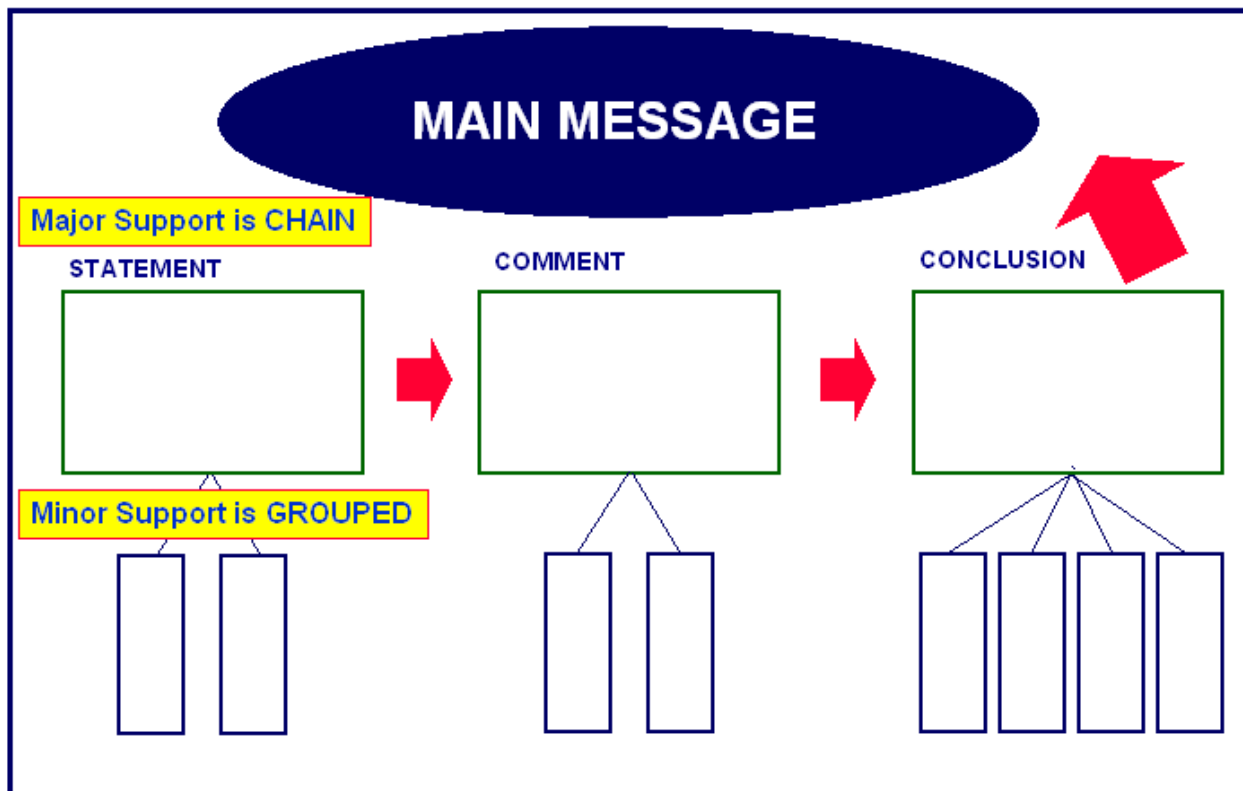
In this exercise there are three major supports. There are three minor supports for two of the major supports and only two minor supports for the third.

The answer can be found at Appendix 1 – Chapter 4 Exercise 3.

4. Some structures can include both chain logic and group logic at different levels of support. The Alphatext example above has a second line of support, a minor support, that is **grouped** beneath the **chain** of the major support. Here are all the statements including the major supports:

- a) Align organization structure to support initiatives
- b) Alphatext grew rapidly in burgeoning market
- c) Alphatext built an enviable performance record in the relatively straight-forward market of the 1980s and early 1990s
- d) Develop an international strategy for attractive markets
- e) Alphatext innovated successfully in a clearly defined segment
- f) Alphatext should pursue more aggressive domestic and international business to ensure continued strong performance in the face of market changes
- g) Product distinctions are blurring
- h) But recent changes are threatening its market position
- i) Take a more aggressive marketing approach
- j) Develop new product configuration and mix
- k) Accordingly, Alphatext must take more aggressive action to succeed in domestic and foreign markets
- l) International market is increasing in importance

The complete structure will look like this:



The answer can be found at Appendix 1 – Chapter 4 Exercise 4

5. Transform the following inadequate memo. Make the three points parallel and add an action title that is a complete thought.

Make these ideas parallel ....and make a complete thought for the title....

<b>FROM...</b>	<b>TO...</b>
<b>Benefits</b> <ul style="list-style-type: none"><li>◆ 15% reduction in inventory</li><li>◆ Productivity improvements will be 8%</li><li>◆ Serve customers perfectly 99.9% of the time</li></ul>	<b>... benefits...</b> <ul style="list-style-type: none"><li>◆ .....</li><li>◆ .....</li><li>◆ .....</li></ul>

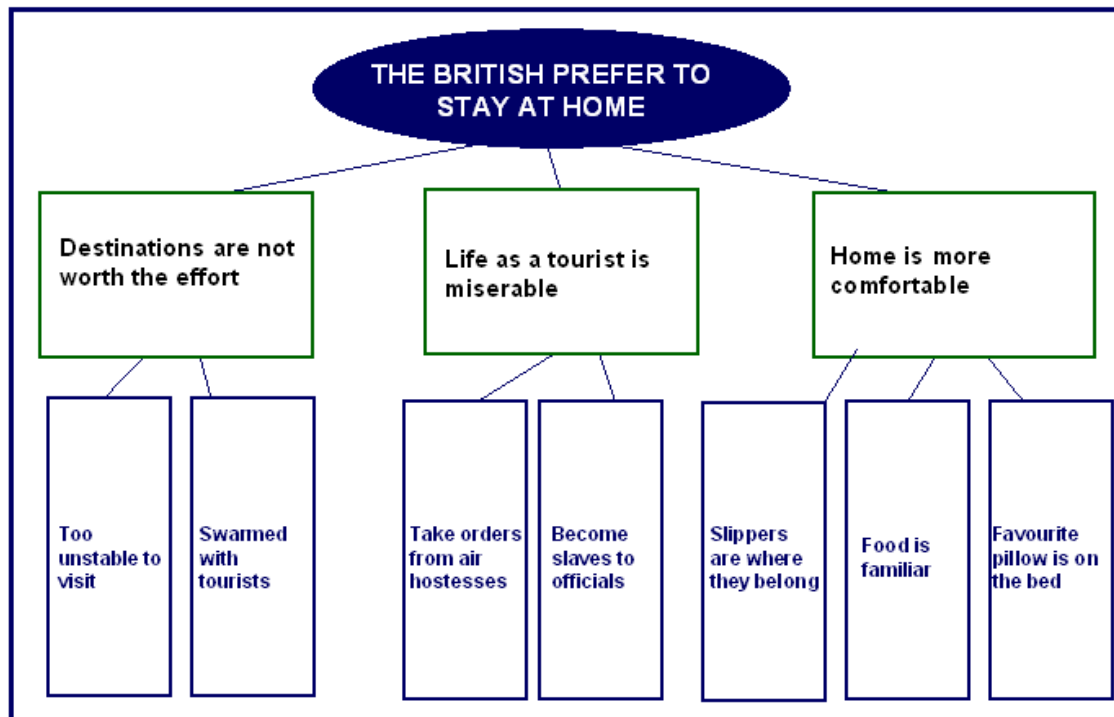
The answer can be found at Appendix 1 – Chapter 4 Exercise 5



## 5. THE TOP-DOWN DIALOGUE

To build a complete argument under a Main Message the Major Supports must each, in turn, be supported by Minor Supports. And then each minor support needs to be supported by minor-minor support and so on. One way to think about this unfolding of the logic is a question and answer dialogue with the audience.

For example, from the British airlines exercise:



- Main Message - "The British prefer not to travel"  
 Audience - "Why don't they like to travel?"  
 Major Support #1 - "Destinations are not worth the effort"  
 Audience - "Why aren't destinations worth the effort?"  
 Minor Supports - "They are too unstable politically ... AND  
 Those that are politically stable are swarmed with tourists"
- Audience - "All right why else don't the British like to travel?"  
 Major Support #2 - "Life as a tourist is miserable"  
 Audience - "Why is life as a tourist miserable?"  
 Minor Supports - "Have to take orders from air hostesses ... AND  
 Become a slave to officials"
- Audience - "All right why else don't the British like to travel?"  
 Major Support #3 - "Home is more comfortable"

Audience – “Why is home more comfortable”  
Minor Supports - “Slippers are where they belong ... AND  
Food is familiar ...AND  
Favourite pillow is on the bed”

The power in this dialogue comes not only from the unfolding logic but also from involving the audience. Attention is heightened and the result is a clear, memorable and compelling case.

When checking your logic always ensure that it follows this top down Q&A format.

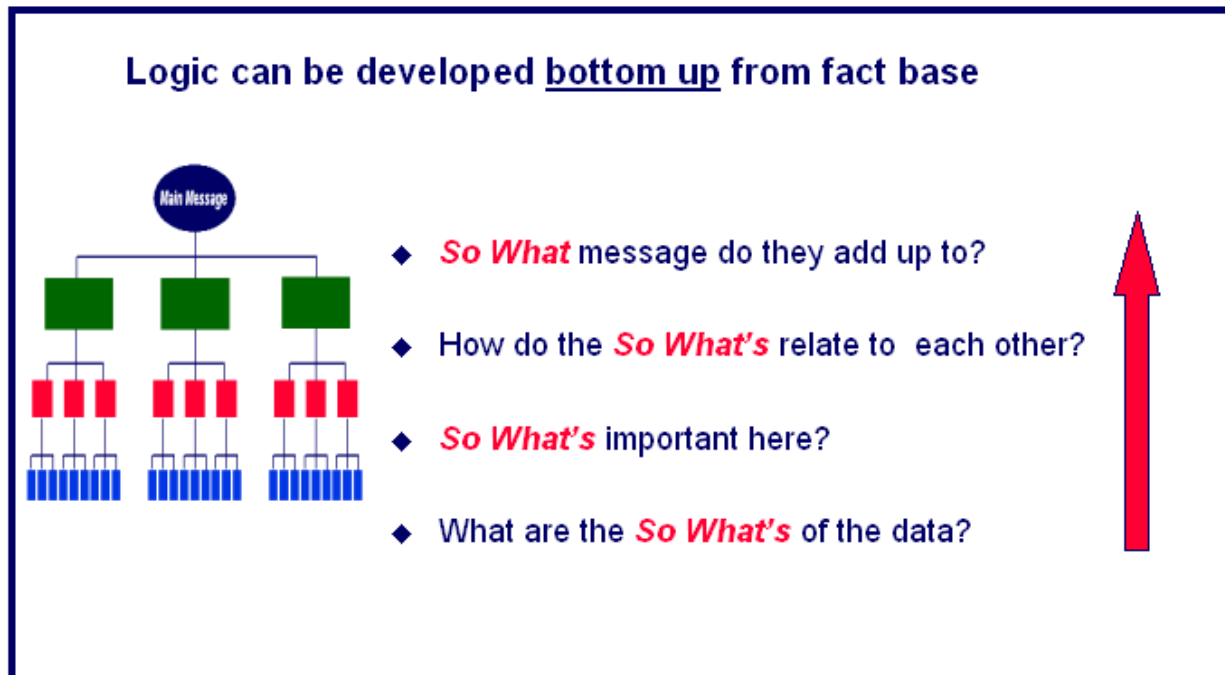
## 6. THE BOTTOM-UP QUESTIONING

Building a powerful argument is not simply a case of structuring a top down logic structure in a closed room. It is also a case of investigating the real world and finding out what's happening. Thus, there are always messy facts and opinions to be sorted out.

As each fact, opinion or hypothesis emerges a Post-It note must be created capturing in a complete sentence the notion. A blizzard of Post-It notes might be good problem solving but it creates a huge sorting problem. Which ideas to keep and which to discard? How to sort the ideas into a structure?

The process of problem solving is a series of iterations - trial and error. The power of the Post-It note technique is the ease with which different structures can be tried out without a tremendous amount of clerical help.

One way to continually test and push your thinking is to keep the question "SO WHAT" constantly in use.

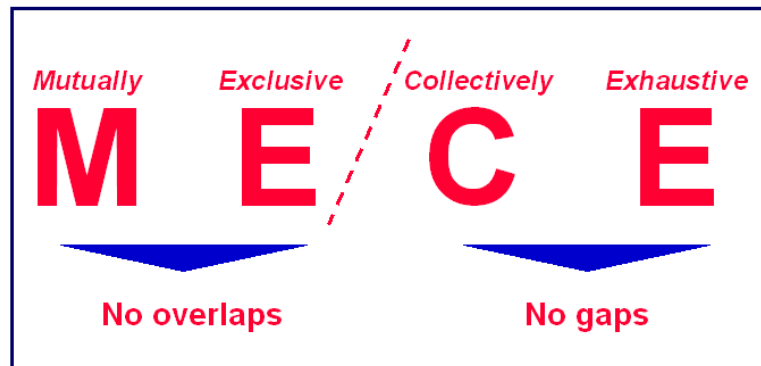


A useful tool is a "**SO WHAT?**" card, the size of a credit card. Everyone on the team solving the problem or creating the presentation gets a number of these cards. Everyone is encouraged to use them as a means of forcing thinking and coming efficiently and effectively to a clear, memorable and compelling case. The objective is to use the cards not to hoard them!

## 7. TESTING THE CASE

Building a powerful argument is not easy. Often an initial attempt at building the case falls short of creating a clear, memorable and compelling result that will “sell” your solution and reward you with the approvals and resources you need. Hence, you need to develop some tools to test your case.

One such tool was developed at McKinsey and is called the **MECE** check. MECE stands for mutually exclusive and comprehensively exhaustive. In other words no overlaps and no gaps in the case you are making.



Another way to improve your case and to enrich your argument is to look for other simple clues that perhaps things are not as strong as they might be.

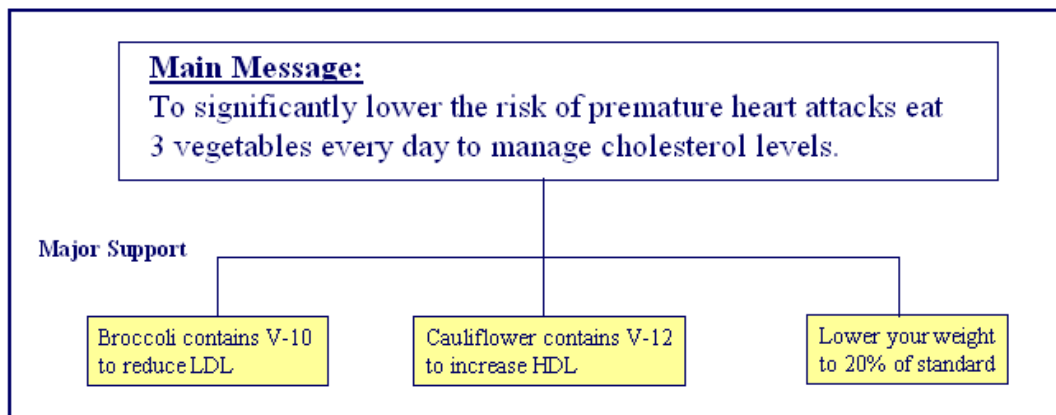
### A Personal Case

**Background:** My best man just died of a heart attack at age 35

**Challenge:** I don't want to follow him into a premature grave.

**Question:** How do I avoid such a fate?

I gave this challenge to my medical advisors and they came back with:

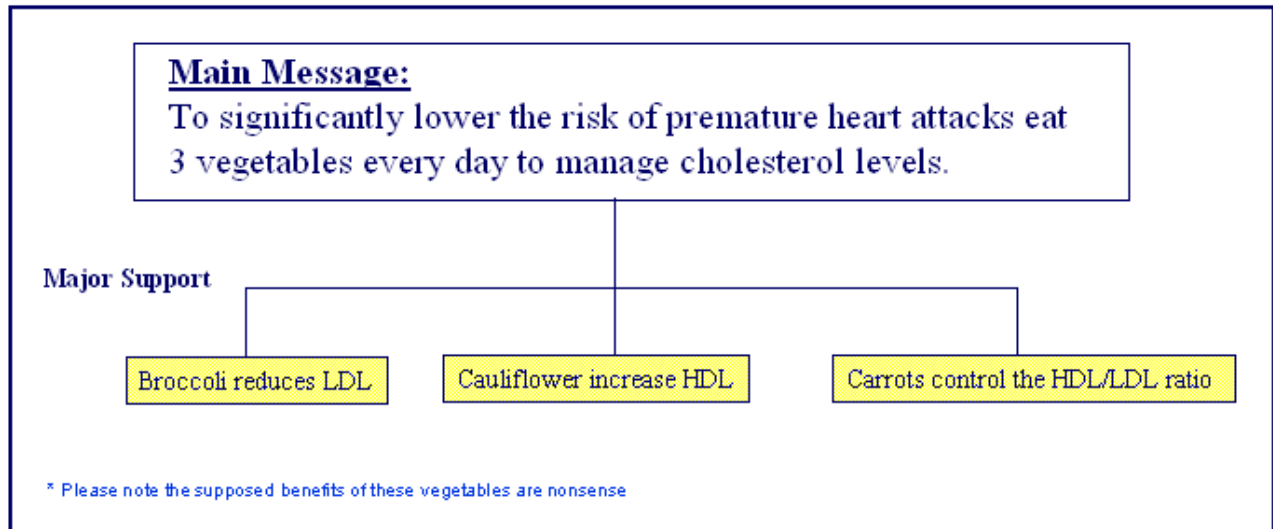


The Main Message is specific and it does attempt to answer the question. But there is clearly something wrong here. Take a look at them and see if you can spot the problem.

The Major Supports do not deliver on the question that arises from the Main Message: “What are the three vegetables?” The major supports say something about “broccoli” and then “cauliflower” but what is the third vegetable?

Instead there is a statement about “lowering your weight.”

One solution: add another vegetable and make the Major Supports more MECE-like.



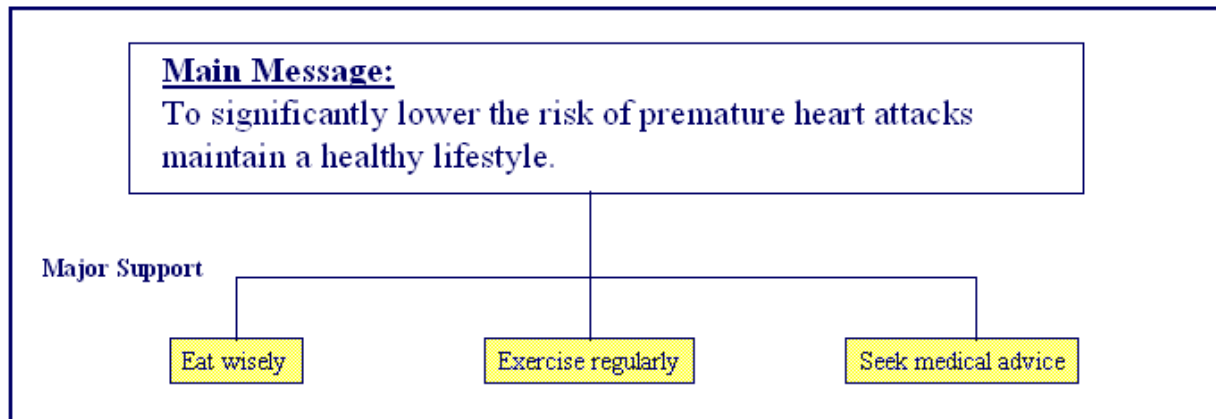
However, a more powerful solution is to take a clue from the “Lower your weight” message in Major Support #3.

**See what you come up with before turning the page.**

Perhaps the Main Message itself is rather narrow. Surely, there is more in real life to preventing premature heart attacks than eating three vegetables?

Perhaps the prevention of premature heart attacks involves not only things you eat, but controlling what you eat, exercising regularly, managing stress ..... a great deal more than just three vegetables.

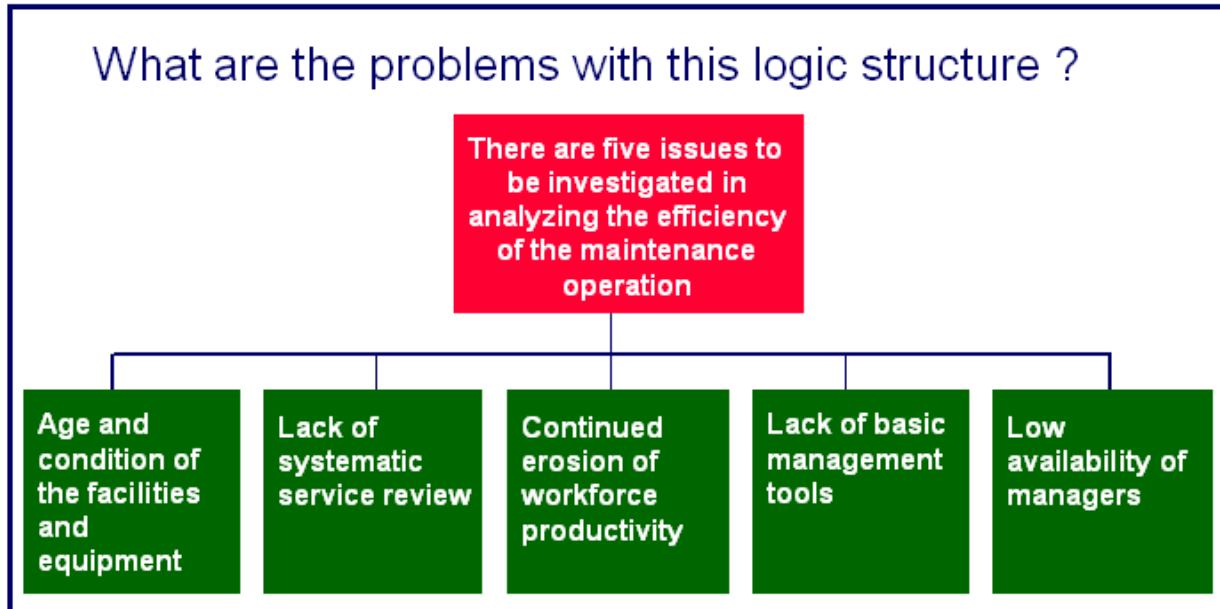
With Post-It notes, some brainstorming and then some grouping the logic could be enhanced and Main Message considerably enriched:



The vegetables then are relegated to a much less significant role – part of the “eat wisely” part of the story and no longer the main thrust of the case.

## A Business Case

Here is a first draft of a solution to a challenging business problem that relates to a maintenance operation that is sadly deficient.



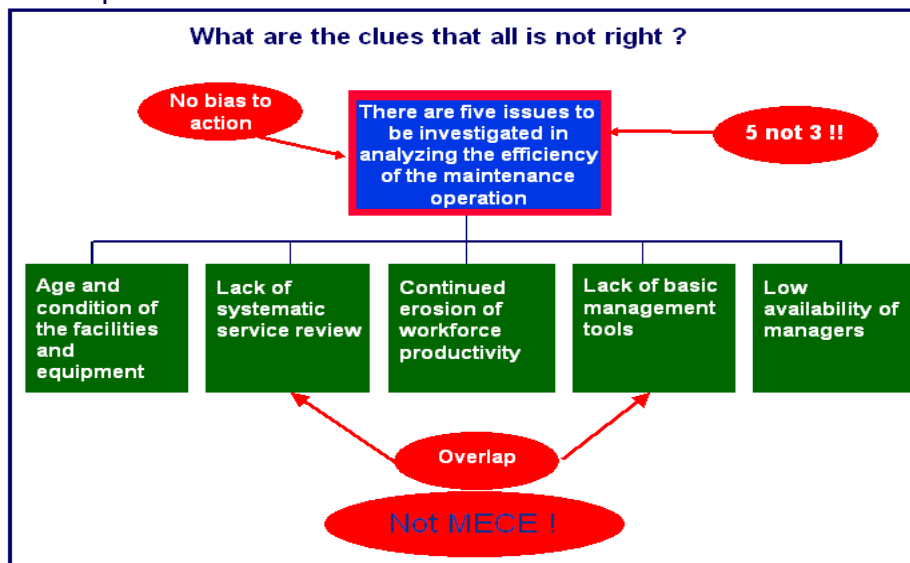
Find a number of clues that indicate that this case is not as strong enough to be clear, memorable or compelling **before you turn the page**.

## Basic Clues to Improving the Structure

Look for simple things wrong with a logic structure and don't get intimidated. Often spotting some basic clues can make significantly better cases.

1. In the **Main Message** there are “five” issues to resolve. The general rule of thumb is that “three” is best with “two” and “four” being fine....but “five” is an indication that the thinking on this problem is not complete.
2. The **Main Message** promises only more “investigation”. The strongest cases are those where the Main Message is action oriented and is both specific and prescriptive in what needs to be done to answer the question.
3. The **Major Supports** are not complete sentences. To communicate in a clear, memorable and compelling way complete thoughts are absolutely essential.  
 In **Major Support #1**, for example, what is the thought about the “age and condition of the facilities and equipment”?  
 Is it that the:
  - age and condition is variable?
  - age of the machinery is fine but the condition deplorable?
  - The condition fine but the age renders them cost ineffective due to technology changes?
 What exactly is the thought?
4. There are overlap (or **MECE**) problems: perhaps the “lack of basic management tools” includes the “lack of a systematic service review”?

These problems can be summarized:

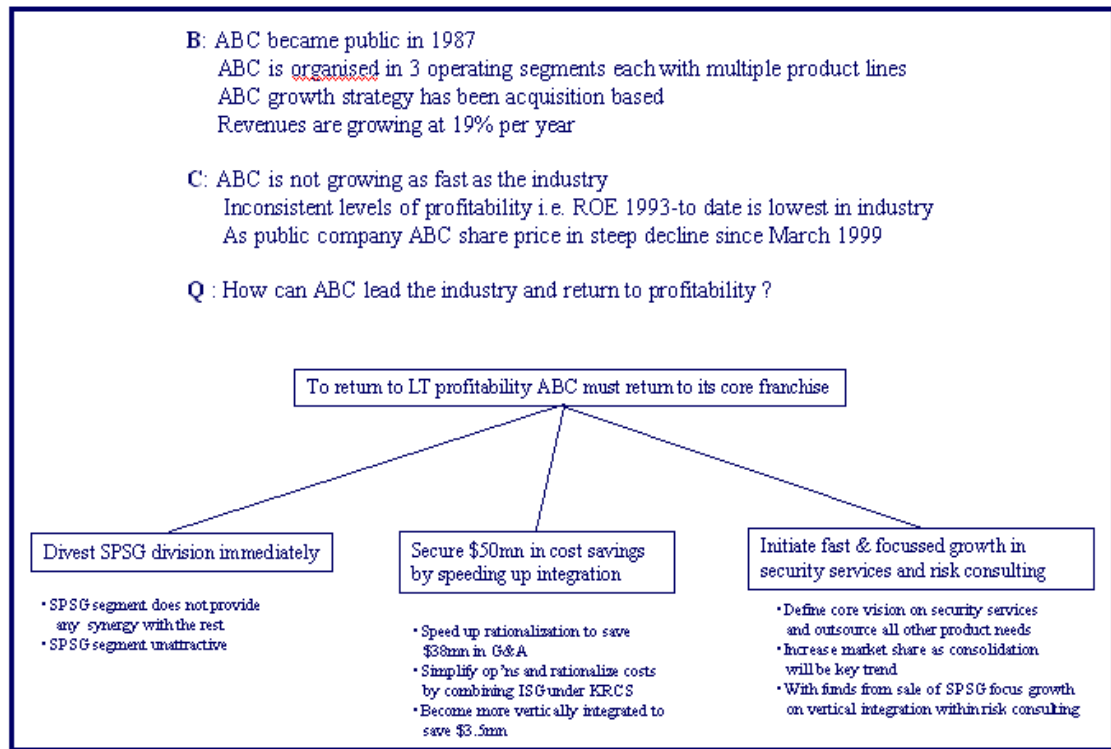


Can you find a better solution? See Appendix 1 – Chapter 7 for an answer



Other hints for improving your structures:

1. Write the whole logic structure on one page and see if it works:



Try reading it aloud to yourself and see if your case 'flows' easily. If you stumble there may well be an improvement opportunity.

2. Try telling your story to someone who is unfamiliar with the situation and see if you stumble and if the other person gets the main drift. This is an expanded version of the "30 second elevator test" examined earlier with regard to the B-C-Q-Main Message sequence.

At McKinsey it used to be that no presentation went to a client without first going through an editor. The editor did not spend the nights and weekends with the client and most likely did not know any of the details of the client's business. Yet, without exception the editor could substantially improve the document by examining the structure of the case being made.

3. A wonderful way to expand your skills in building logical structures is to “reverse engineer” other writing. For example, try and work out the B-C-Q and then Main Message and supporting logic structure for the following article:

## While the world hots up

**W**ITH brackets and sub-paragraphs the weapons of choice, the battle over what to do about global warming has grown bitter. After 11 fighting days in Bonn, negotiators this week produced the draft of a protocol on the reduction of greenhouse gases (thought to contribute to global warming) which 160 or so countries are supposed to sign in Kyoto in December. The idea is that the industrialised world should commit itself to legally binding cuts. But crucial issues remain inside brackets: how much should be cut, by whom and by when?

The European Union wants Annex 1

countries (basically the industrialised world) to agree to cut their greenhouse-gas emissions by 15% from 1990 levels by 2010. They should all sign up to the same measure of compliance. The rest of the world would be exempt.

America wants industrialised countries to stabilise emissions at 1990 levels by 2012. They should be allowed flexibility in the measure of their compliance. The other countries should play a part in the scheme.

China and the developing world want industrial countries to stabilise their emissions at 1990 levels by 2000.

The less-developed countries would not have to take part, but would receive compensation if their exports were hurt through action taken by the others. And if the more industrialised lot missed their emissions targets, they would have to pay a fee to—who else?—the less developed countries.

In short, Europe wants dramatic, immediate regulatory action for what it regards as a major threat. The United States prefers long-term, market-oriented responses to a problem it considers serious, though not immediately pressing. And most developing countries are happy enough to consider global warming a problem, so long as it is not theirs.



# Takeovers needn't be nasty

MERGERS or takeovers can be a messy, and even nasty, business. Indeed, for many people these words are shorthand for hostility, dislocation and layoffs. Yet, in our globalizing and restructuring industries, companies that reject the efficiencies and market clout that can come from merging may not survive.

For example, Canada's oil industry must stay competitive with offshore supply costs. And foreign banks will continue to increase market share at the expense of Canadian banks if they are prevented from achieving competitive scale and cost structures. In industry after industry, changing markets are driving consolidation and restructuring.

So, must we park our collective conscience at the door until we get this dirty job over with?

In *The Wealth of Nations* Adam Smith argued that natural market forces inevitably create the greatest good for the greatest number. This says that if we thwart mergers that

## Do it well.

Fifty per cent of major acquisitions in the 1990s have failed to create value for shareholders. Yet research shows that most of these deals had the potential to create value at the prices paid.

Where most mergers fail shareholders is in the execution - the actions taken or not taken after the deal. That is when leadership, investment of time and resources and project management break or make the deal. Zealous attention must be paid to three essentials:

1. Value - GE has been able to continue to acquire because it has acted to realize potential and create shareholder value in almost every deal. It sets high performance standards for acquisitions, monitors progress and aligns compensation to reward success. Major acquisitions come at a high price, and a failure in the implementation phase will ultimately fail both shareholders and employees.

2. Culture - The presence of

the deal so promising don't get implemented. At the same time, staff anxiety undermines morale and productivity. To the extent that larger mergers prolong implementation, value will be lost and so will valuable employees.

## Do it fairly.

This does not mean nobody loses, nobody gets hurt. But cheating and carelessness fail on both moral and capitalist grounds.

We have a data base of every large acquisition in North America involving a public

company in the 1990s. It shows that the share price of most target stocks increases significantly in the weeks before the transaction is announced. The inescapable conclusion is that this rumour is the result of leaks and insider trading.

That's not fair. It's also not good capitalism. These share price swings translate into billions of dollars stolen from the market to line the pockets of unethical traders and investors.

## Do it with compassion.

Mergers represent a crisis, even in the best-managed instances. They need to be well planned and well managed. At a minimum, employees and their families must deal with uncertainty, and studies show that losing a job is one of the most stressful events in life. The sooner a company can say "we're done," the less traumatized its employees will be even if they are let go. Few senior executives would intentionally be cruel, but in one merger some people were fired by voice-mail. This was a process out of control, an early warning of a deal that would go bad.

A positive example: After St. Joseph Corp. acquired "The Queen's Printer" from the federal government, it flew all of the staff to the St. Joseph plant in Toronto to make them feel welcome and show them the new technology. As a result, the employees embraced the new organization and collaborated in the integration.

\*\*\*\*\*

## 7. SUMMARY

Here is the logic structure of this book in the format of the previous chapters.

### Background

Business managers today are overwhelmed by the sheer quantity of communications in their businesses.

### Challenge

What's worse, these communications are often difficult to understand and as a result rarely lead to action

### Question

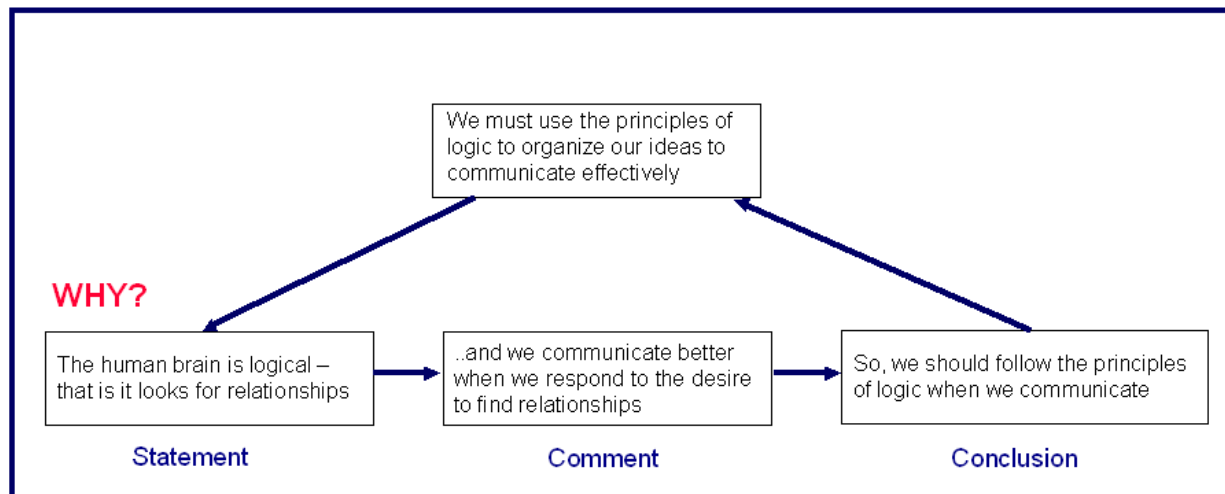
How can we organize our ideas so that we communicate in a clear, memorable and compelling way?

### Main Message

**We must use the principles of logic to organize our ideas so that we can make our case effectively**

... this gives rise to the question in the audience's mind: "WHY will logic help?"

..... the answer is provided in a **chain logic** format .....



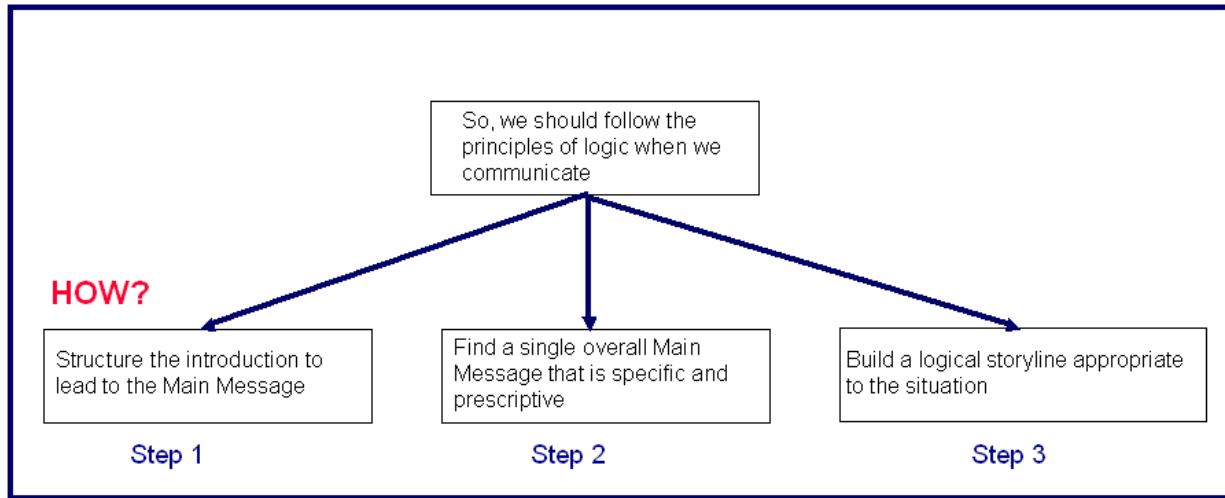
Let us first look at the Statement and ask the question "WHY does the human brain look for relationships?"

The answer to this "WHY?" question is another **chain logic** response:

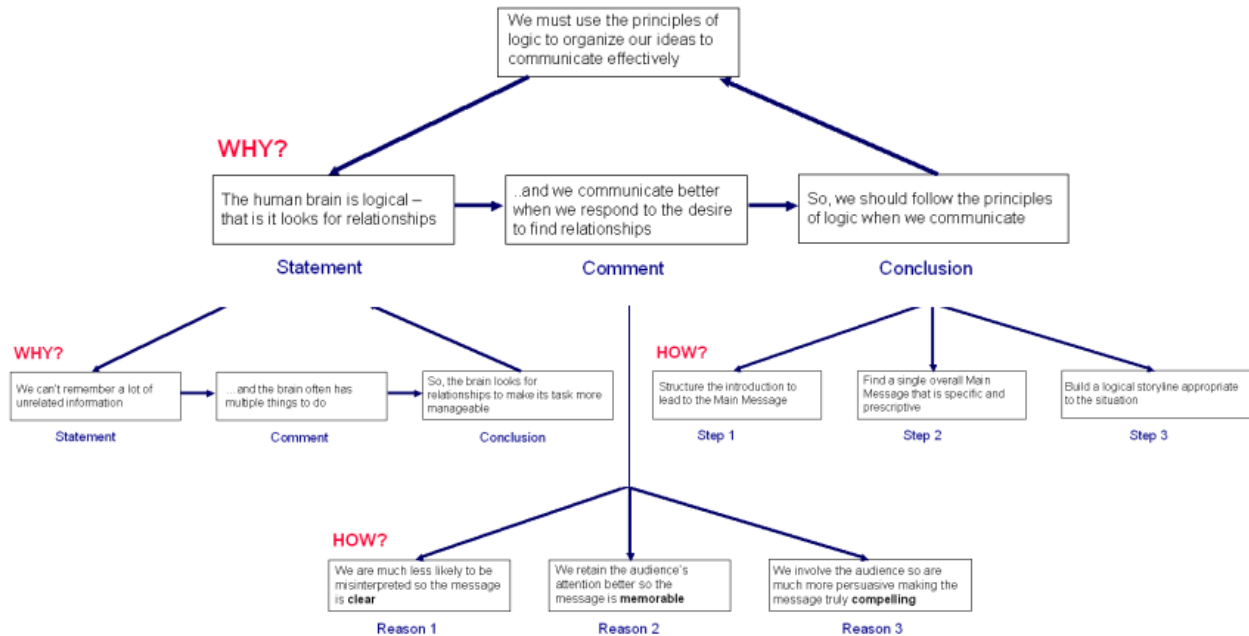


Returning to the Major Supports for the third and final time look at the CONCLUSION “so we should follow the principles of logic when we communicate” and ask “WHAT principles?”

The answer to this “HOW?” question is a **group logic** response:

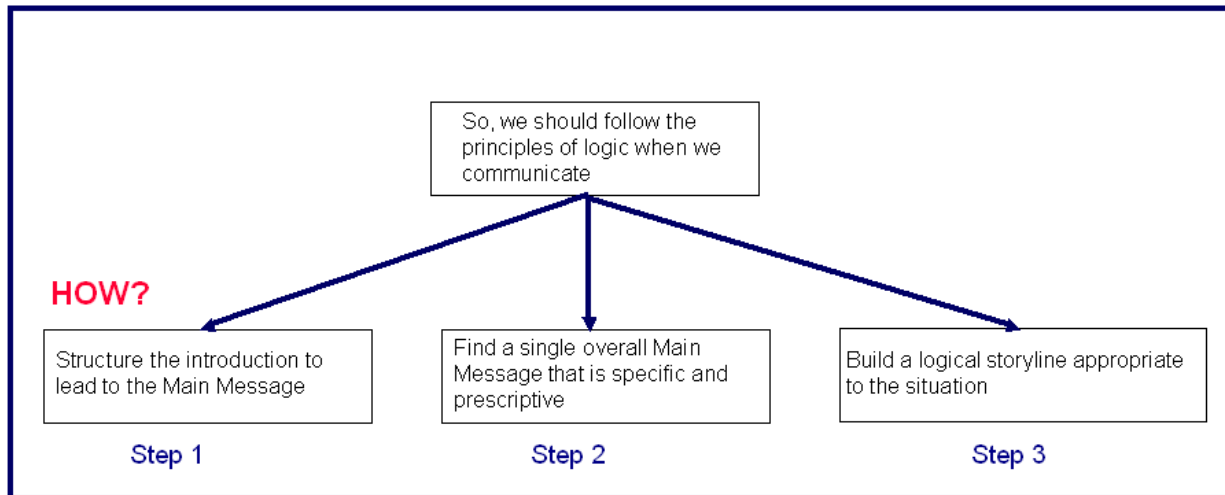


To summarize:



The logic structure can unfold further particularly under the Steps #1-3 required to “follow the principles of logic when we communicate.”

Recall:



### Step 1

We structure the introduction by following the B-C-Q-MM sequence. See Chapter 1

### Step 2

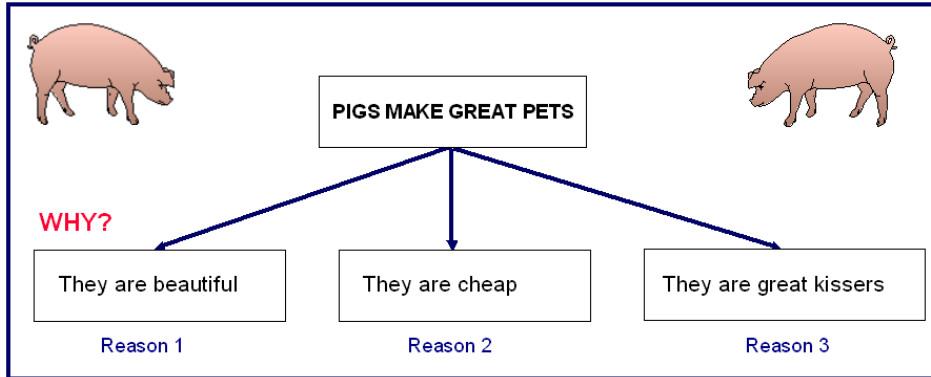
We find the overall Main Message by reminding ourselves of the question and then answering it in a single sentence. See Chapter 2

### Step 3

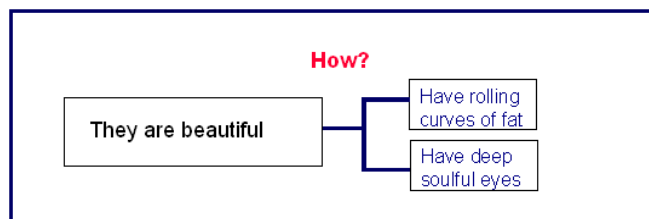
We build a logical storyline by using either chain logic or group logic as is most appropriate to the situation. See Chapter 3

## 8. Translating the Logic Structure into DOT-DASH Form

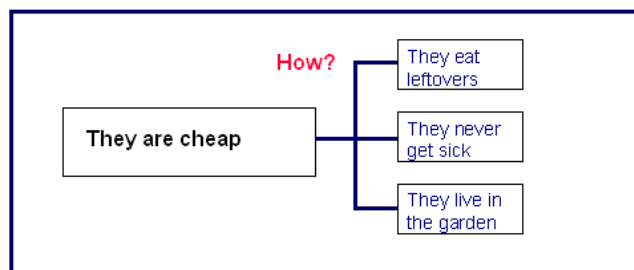
G.K .Chesterton wrote a short story called “Pigs Make Great Pets”. This startling assertion or Main Message was substantiated by three major supports:



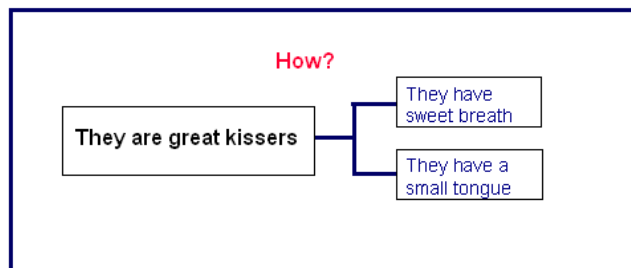
“HOW could pigs be beautiful?”



“HOW are pigs cheap?”

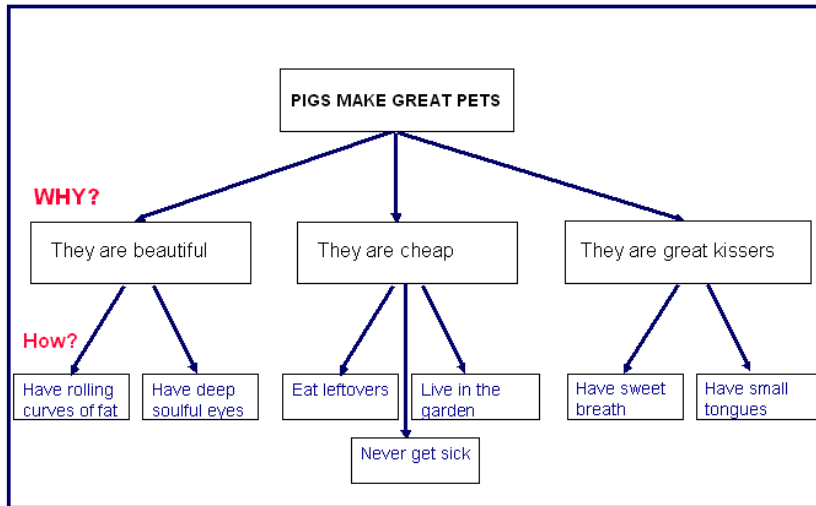


“HOW could pigs make great kissers?”





In sum you can see the whole logic structure:



The logic structure can be changed into a DOT-DASH or ONE PAGE memo as follows:

<b>To:</b>	Animal Lovers
<b>From:</b>	Friends of Pigs Society
<b>Subject:</b>	Pigs Make Great Pets
<ul style="list-style-type: none"> <li>◆ They're beautiful           <ul style="list-style-type: none"> <li>- They have rolling curves of fat</li> <li>- They have deep soulful eyes</li> </ul> </li> <li>◆ They're cheap           <ul style="list-style-type: none"> <li>- They eat leftovers</li> <li>- They never get fat</li> <li>- They live in the garden</li> </ul> </li> <li>◆ They're great kissers           <ul style="list-style-type: none"> <li>- They have sweet breath</li> <li>- They have a small tongue</li> </ul> </li> </ul>	

This format is effective when your audience knows the background and the challenge well and when only a minimal outline is needed to push the case forward.

## 9. Translating the Logic Structure into PowerPoint Form

When the logic structure is complete it can be converted into a PowerPoint format by a team using a “story board” technique. But first it is necessary to describe a format for a great slide.

### Making The Great Slide

Many have been trained with the notion that a PowerPoint slide should only have the barest information on it and that it should be in telegraphic style in a 64-font size. For making your case in a clear, memorable and compelling way nothing could be further from the truth.

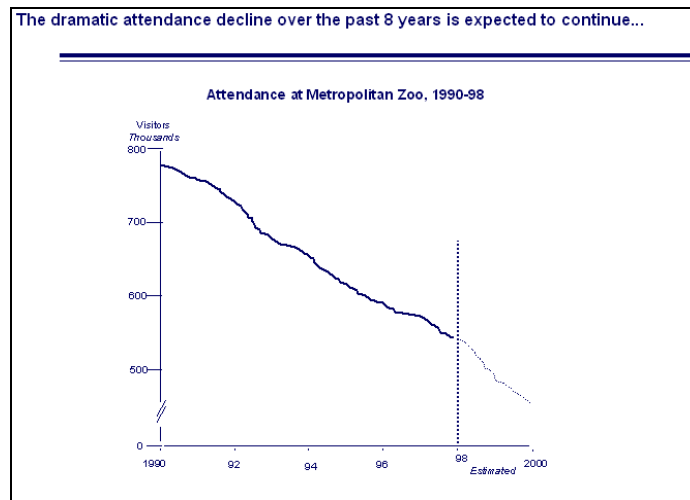
The purpose of the slide show is to make your case and each slide tells a distinct part of the story. If left behind each and every PowerPoint slide would stand alone with its action title and chart contents.

Suppose that we had the following logic structure for a story about the needed actions to bring back The Metropolitan Zoo from a close brush with insolvency.

<b>B:</b>	Dramatic decline in attendance of the past few years is projected to continue
<b>C:</b>	The city will no longer fund the Zoo and even aggressive cost-cutting will not compensate for the funding loss
<b>Q:</b>	How can the Zoo survive?
<b>A:</b>	To survive and thrive, the Metropolitan Zoo must become the “zoo of the future” by pursuing three major initiatives to become the recognized leader in visits, community support and management expertise <ol style="list-style-type: none"> <li>1. Make Met Zoo a “must visit” destination to attract throngs           <ul style="list-style-type: none"> <li>✓ Upgrade exhibits</li> <li>✓ Beautify grounds</li> <li>✓ Run promotions</li> </ul> </li> <li>2. Create “Friends of Met Zoo” Foundation to build broad community support           <ul style="list-style-type: none"> <li>✓ Launch membership drive</li> <li>✓ Campaign for donations</li> </ul> </li> <li>3. Develop management excellence to gain wide recognition as the leading high performing zoo           <ul style="list-style-type: none"> <li>✓ Hire leading edge zoo experts</li> <li>✓ Develop innovative long term strategy</li> <li>✓ Manage to aggressive performance targets and accountabilities</li> </ul> </li> </ol>

You can see that there are three Major Supports for the Main Message and that then three, two, and three Minor Supports. All are grouped logic.

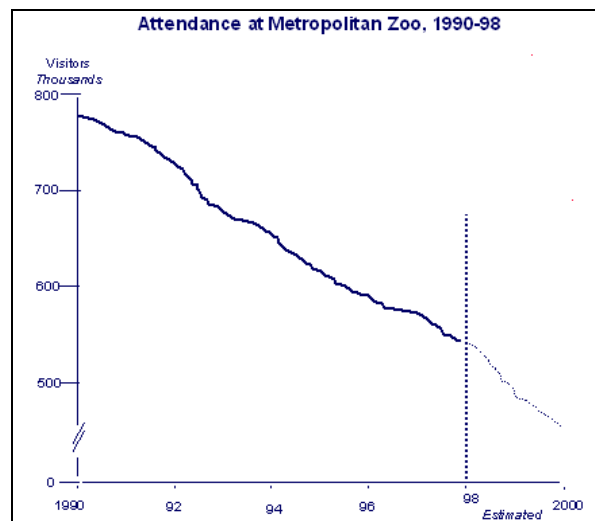
A great PowerPoint slide has the following characteristics:



This is a powerful slide because it joins the **rational** with the **visual**.

The **rational** sounds an alarm: “The dramatic attendance decline over the past 8 years is expected to continue.”

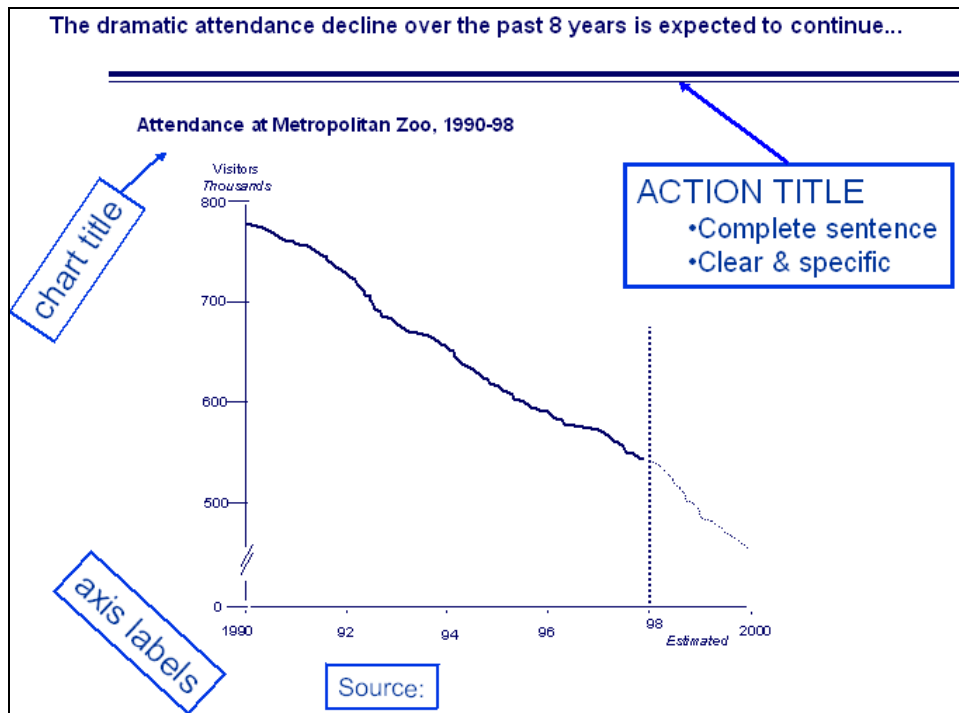
The **visual** also sounds an alarm but to a different part of the brain:



When we see something going down we usually associate that with doom ... unless it's costs or expense ratios.

When you combine the rational with the visual you are making excellent use of the potential of a PowerPoint presentation.

The fundamental components of a great PowerPoint slide that includes facts:



First, the ACTION TITLE from the logic structure must be a complete thought. And any message should be clear and specific.

Second, the chart itself, the facts that have been graphed on to a line chart in this case, must be titled. This immediately gives the audience the insight into what it is they are looking at. In this case it is the "Attendance at Metropolitan Zoo, 1990-98".

This is not only a help to the audience but to you as you have perhaps only 10 seconds to get the audience into your slide before attention wanes.

Any set of facts displayed in graphical form must be sourced from somewhere and the axes need to be labeled.

Together, these four points and some practice will yield you good to great PowerPoint charts.

There are also text charts and concept charts, which can be used to great effect. Here is an example of a text chart from the Metropolitan Zoo case:

We believe that, with immediate action, Metropolitan Zoo can ensure its long-term viability.

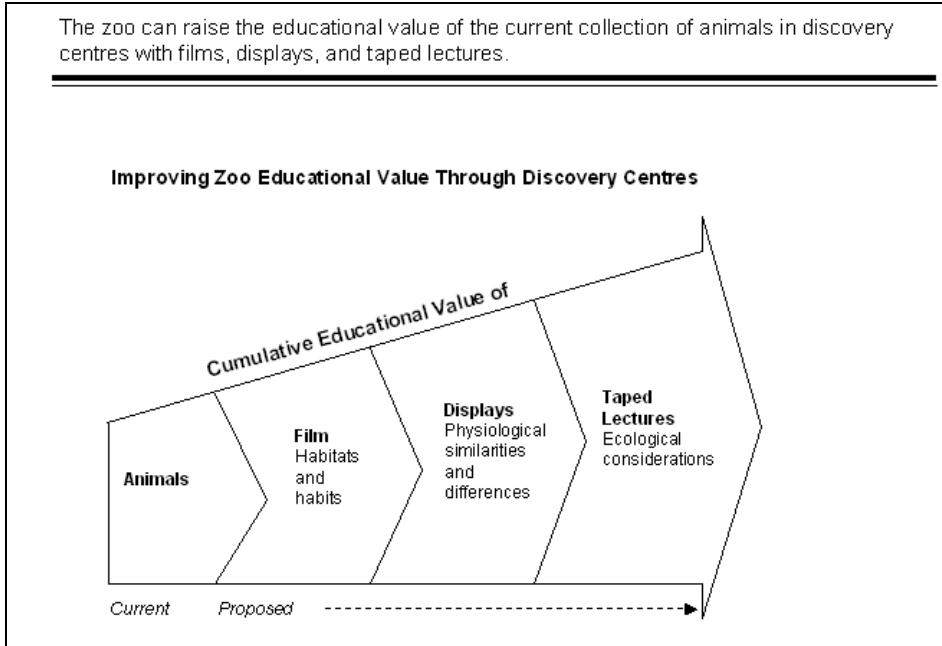
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### Revitalizing the Metropolitan Zoo

<b>Recommendation</b>	To survive and thrive, the Metropolitan Zoo must become the “zoo of the future” by pursuing three major initiatives to become the recognized leader in visits, community support and management expertise
<b>Actions Required</b>	<ol style="list-style-type: none"> <li>1. Make Met Zoo a “must visit” destination to attract throngs <ul style="list-style-type: none"> <li>✓ Upgrade exhibits</li> <li>✓ Beautify grounds</li> <li>✓ Run promotions</li> </ul> </li> <li>2. Create “Friends of Met Zoo” Foundation to build broad community support <ul style="list-style-type: none"> <li>✓ Launch membership drive</li> <li>✓ Campaign for donations</li> </ul> </li> <li>3. Develop management excellence to gain wide recognition as the leading high performing zoo <ul style="list-style-type: none"> <li>✓ Hire leading edge zoo experts</li> <li>✓ Develop innovative long term strategy</li> <li>✓ Manage to aggressive performance targets and accountabilities</li> </ul> </li> </ol>

In fact this is the slide that follows the B-C-Q sequence and opens up with the entire answer to bringing the zoo back to viability right up front.

Here is a concept chart from The Metropolitan Zoo example:



The concept chart

## APPENDIX 1 - EXERCISE ANSWERS

### Chapter 2: The Main Message

**Managers require 3 improvements in reporting to create useful customer information....**

- ◆ Improve data reliability
  - Ensure accuracy
  - Provide meaningful information
- ◆ Create better formats
  - Make them easier to read
  - Require less manual work
- ◆ Ensure faster information transfer to managers
  - Provide key measures sooner
  - Identify problems quicker

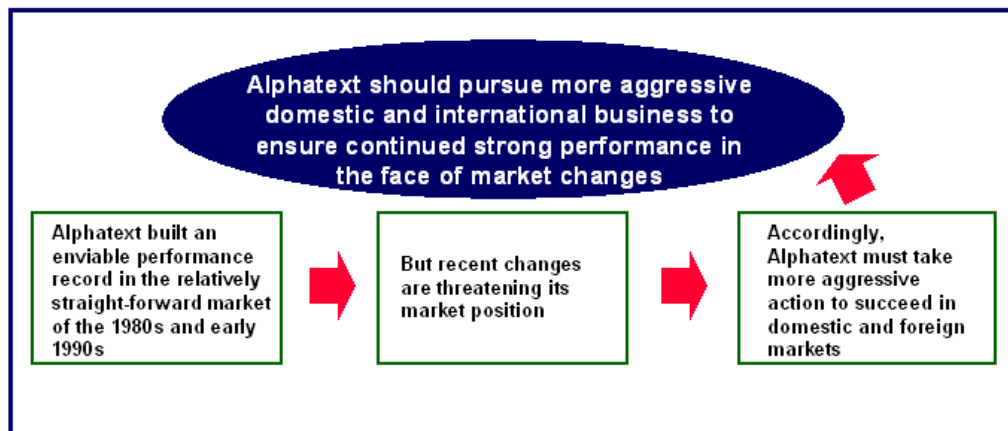
What was a 'bitch list' (i.e. all the things wrong in this world) has been transformed into an actionable set of recommendations.

Notice that the Main Message is of the 'summary' type.

### Chapter 4: The Supporting Logic

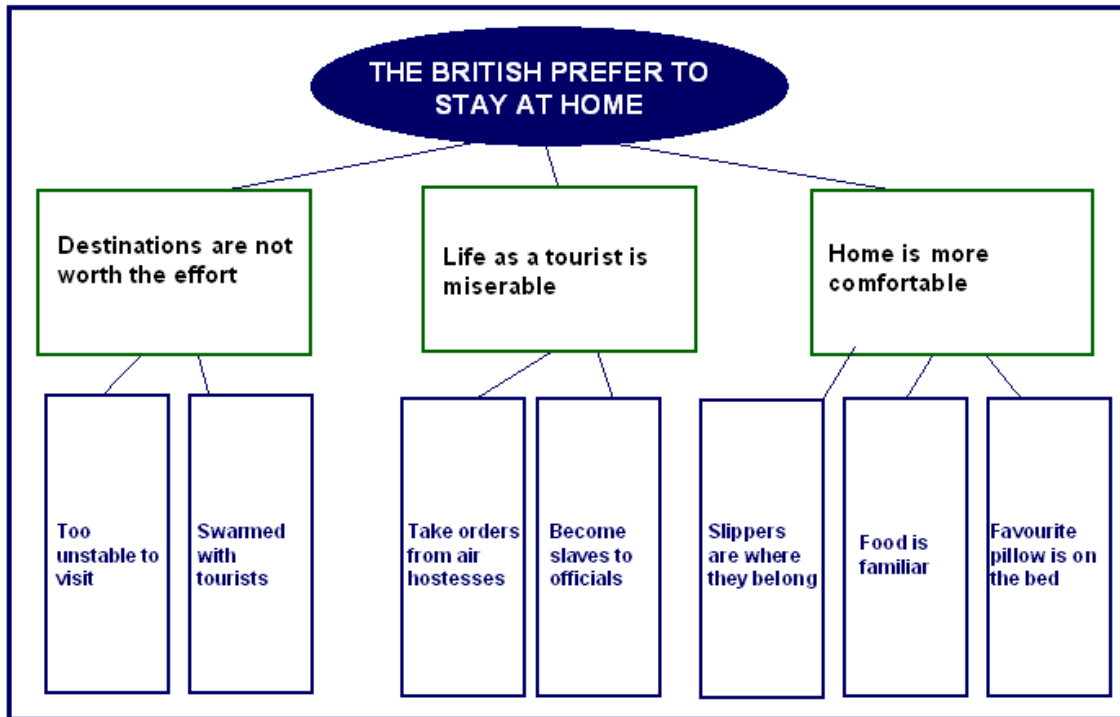
#### Exercise 1

This exercise was about the use of **chain logic**



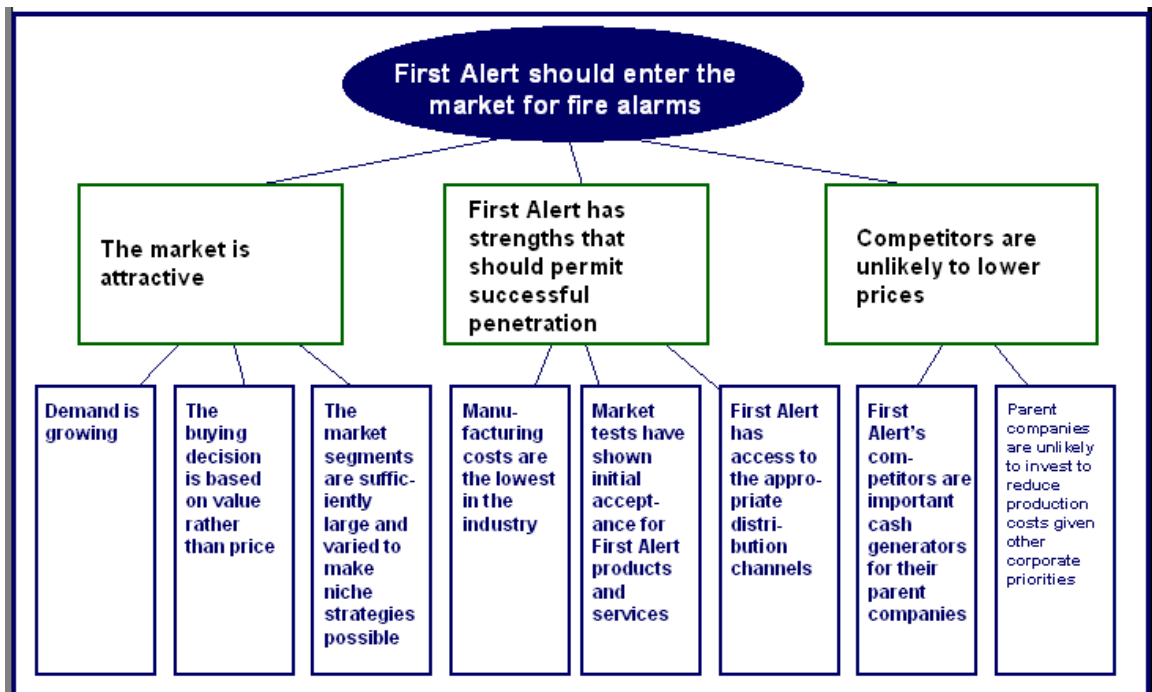
Exercise 2

This exercise was about the use of **group logic**



Exercise 3

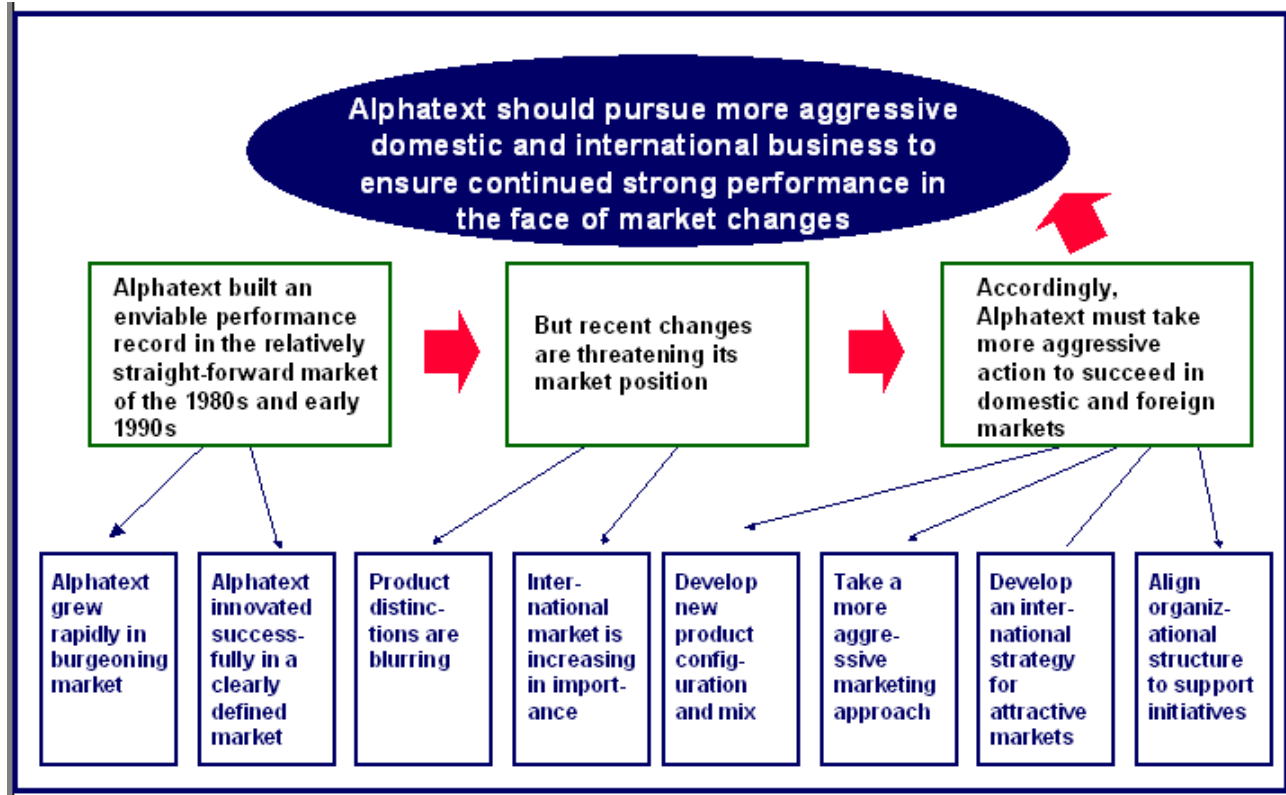
This exercise was also about the use of **group logic**





### Exercise 4

This exercise was also about the use of both **chain logic** and **group logic**



### Exercise 5

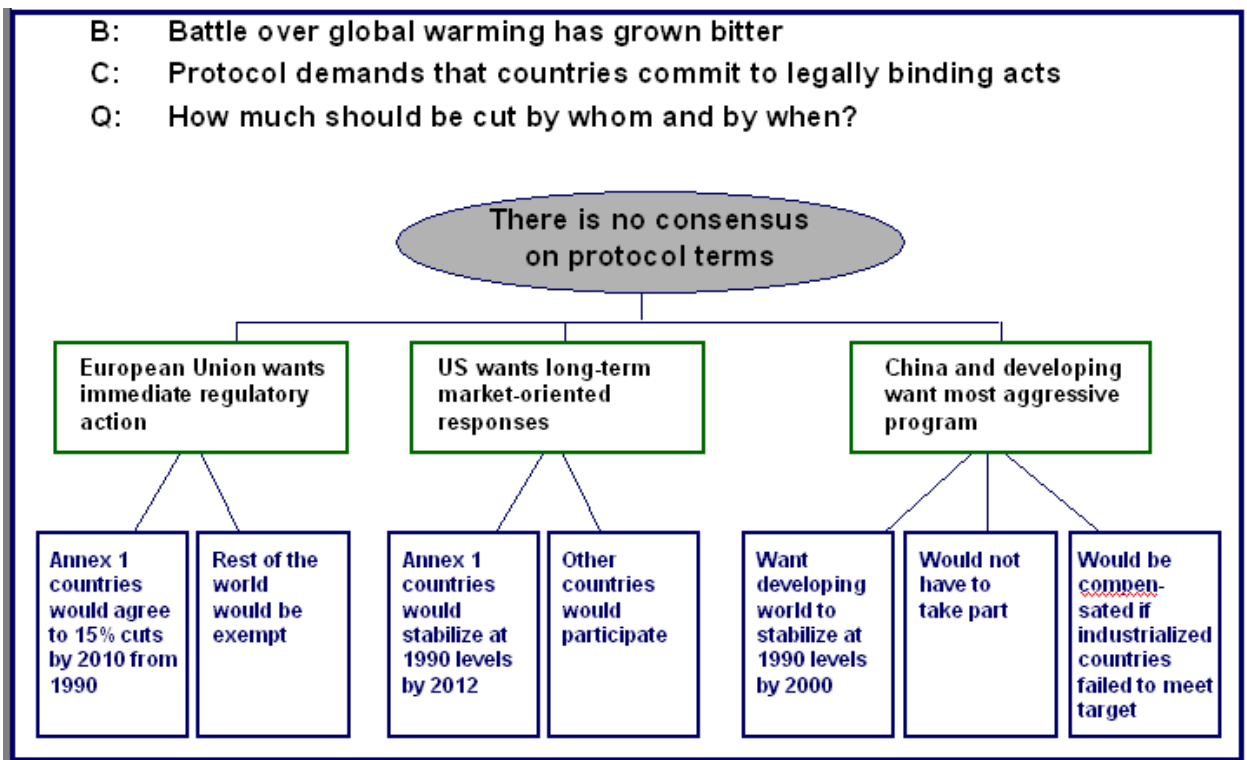
This exercise was about the help parallelism can be to your audience.



This exercise was about trouble shooting inadequate logic structures before you make your case. Here is a re-wrtie.



Here is the answer to the structure of the newspaper article “While The World Hots Up”



Here is the answer to the structure of the newspaper article “Mergers Needn’t Be Nasty”

- B: Mergers can be nasty**
- C: Yet companies may need to merge to survive**
- Q: How can mergers be done without nastiness?**

