WHY simple WINS

LISA BODELL

Escape the Complexity Trap and Get to Work That Matters

“Bodeell shares that simplification will be the competitive advantage of tomorrow, giving us the space we need to thrive.”

- ARIANNA HUFFINGTON

AUTHOR OF ALL THE COMPANY
It’s 8 a.m., and as Mike McCall merges onto a traffic-choked highway heading into work, he thinks about how unsatisfying his job has become. It’s not the long hours—as a VP of product management at a global technology company, he expects to work hard. It’s how little headway he believes he’s making. Every morning, he shows up at work hoping to move the ball forward, yet despite ten hours or more of solid effort, he constantly leaves feeling as though he got nothing done.

As an example: for more than a week, Mike has come to work early with a single, critical “must-do” on his agenda: developing a long-term product strategy to meet the revised growth targets set for his business unit. Business hadn’t been going as well as expected, and plans had to change. His unit hadn’t contributed the sales it had expected, and management had to find new channels for growth immediately. Strategic insight is why Mike was hired and where he knows he can really add value—as the boss tells him, given how increasingly competitive their market is, he needs to “think big and think ahead.” But despite his best efforts, Mike continually gets swept up in a tornado of unnecessary or overly complicated tasks. How much strategizing did he get done this week? Zero.

The previous day, much of Mike’s time was swallowed up with—wait for it—unproductive meetings. Five minutes into a morning project meeting, it became apparent that he had no reason at all to be there. His colleague had invited a number of people to provide status updates on a project, but the updates easily could have been provided via e-mail, saving
Introduction

everyone’s time. Later, in a milestone meeting for a new technology his business unit was implementing, the manager leading the project spent most of the two-hour session bringing people up to speed (the meeting agenda was vague, so her colleagues had come ill prepared). When the meeting started running over time, several people had to leave, and the group wound up adjourning before there was a chance to recap next steps and timelines.

During ten-minute breaks between meetings, Mike tried to cope with the endless flood of e-mails in his inbox. With direct reports spread out across five countries, he’d been receiving e-mails at all hours of the day and night. In fact, this morning he had seventy e-mails in his inbox from the night before. An additional hundred or more e-mails came in during the course of the day: requests from customers and the product support team; updates and requests from sales, marketing, and finance; numerous announcements from human resources and the executive team; and a whole slew of “FYIs.”

After scrolling through the list to determine which messages were truly urgent (not just marked that way) and which could wait, he started to tackle the most important ones first. He knew he could get through several that afternoon while on conference calls; multitasking while on mute was the new normal. No wonder half the time people on these calls asked speakers to repeat things they’d said; they weren’t really listening because they were trying to keep up with other tasks.

Around lunchtime, Mike’s colleague Jim stopped by to tell him that, based on recent lower sales projections, senior management was asking for a reduction in development expenditures for several of the upcoming product releases. New numbers had to be submitted in three days. Mike pulled up the most recent product road map and began e-mailing his direct reports to get input on what to cut. He couldn’t compile the numbers himself; he needed to loop in several colleagues in multiple time zones. Those in Europe and the Middle East had already left for the day, so he had to call them at home. The Asian markets would be up soon and would see his e-mail.

Mike compiled what he could, which took nearly two hours. He then called Jonathan, the product development lead on his product, to loop him in. Mike knew Jonathan would resist cutting anything because the new release was already so far along. Mike felt exhausted from constantly
being so reactive; he wished he could think about costs more thoroughly—alternative strategies, pricing options—but there wasn’t time.

For most of the afternoon, Mike worked to get the new numbers. Toward the end of the day, he saw an e-mail from human resources informing everyone about an updated hiring policy. While Mike had already received approval to hire three new managers for his team, the new policy required him to submit a revised requisition form that included new compliance information before an offer could be made. Just the day before, Mike had finished interviewing a great candidate and planned to make an offer right away, knowing that this candidate had a competing offer. Now, if Mike didn’t quickly resubmit the required forms and get approval—again—by the end of the week, his candidate would likely take the other offer and Mike would have to start all over. Mike took an hour to fill out the form and e-mail it to the required people. By that time, it was after 6 p.m., so he said good-bye to his colleagues and headed for home.

But Mike’s work wasn’t over. Later that night, after his kids were in bed, he responded to several more e-mails, many of them coming from Asia. He stayed up late finalizing the numbers for senior management and handling an important but time-consuming personal task, a mistake on his health insurance bill that required a half-hour live chat with a customer service representative to sort out. Mike also reviewed his latest personal financial statement, which he always found long, confusing, and complicated. It had been a long day, but all too typical.

That was yesterday. Now, as Mike pulls onto the highway on-ramp once again to head into work, he’s feeling even more frustrated. He never gets time for strategic thinking, not even early in the morning or late at night. He took this job to work on high-profile projects and develop cutting-edge applications. He imagined himself not just framing strategy, but brainstorming with marketing teams and helping R&D create better, more innovative products. In reality, most of his efforts were encumbered by the highly inefficient ways that people in his organization work. Too much structure, too many outdated systems, too many complex forms for human resources, IT, and accounting. Why was it so hard to collaborate? Why did decisions take so long to make? Why couldn’t meetings and e-mails be shorter, simpler, and fewer?

Mike sighs—the traffic is now so bad that he feels lucky to ease his car forward at five miles per hour. Staring at the taillights of the car in front
of him, he realizes that this is exactly what his job feels like: he yearns to go faster. He yearns to “think big and think ahead,” but he is consistently forced to drive slowly and stay in his lane. Just as he thinks his work might accelerate, he has to put on the brake. He is constantly feeling held back.

By whom? By what?
By everything.

*Why Simple Wins* helps leaders and their teams move beyond the feelings of frustration and futility that come with so much unproductive work in today’s corporate world. Mike’s story will sound vaguely familiar to many, and strongly familiar to some. So many of us yearn to do meaningful work but find ourselves paralysed when we try to make it happen. We continually pledge to do things differently, to simplify our work, to get unnecessary tasks off our plate, to shorten our “to-do” lists, but still we don’t make headway.

In the chapters that follow, I’ll provide concepts, exercises, and tools that help you create corporate cultures in which valuable, essential, meaningful work is the norm. Complexity is killing companies’ ability to innovate and adapt, and simplicity is fast becoming the competitive advantage of our time. By learning how to cut out redundancies, communicate with clarity, and make simplification a habit, individuals and companies can begin to recognize which activities waste our time and which create lasting value. As low-value work disappears, individuals feel less overwhelmed, more empowered, and more able to spend each day doing things that matter.

Ultimately, I hope to convince you that simplicity isn’t just a series of actions to take; it’s a mindset. All too often, we embrace a mindset of complexity without even realizing it. With the best of intentions, we value addition, not subtraction, more, not less. We think that more—getting more for our products and services, offering more, building more, creating more—is better for ourselves, our colleagues, our customers, and other stakeholders. But often, it’s not. More can become overwhelming, paralyzing, dissatisfying. We add more in an attempt to solve problems; instead we create a monster. To improve our work, we have to move from a mindset of “more” to a mindset of meaning. Eliminating elements of our work can enable us to focus and achieve our goals more quickly and effectively.
You might counter that the complexity you and your colleagues grapple with is systemic, out of your control. But is that really true? Some complexity does occur because of external factors such as regulatory requirements or corporate policy. But a great deal of it—maybe even most of it—is created unintentionally by us. We can eliminate complexity and create space for more meaningful pursuits by starting with the parts of our work we can control and expanding from there. And we can perform this simplification on our own, in a relatively straightforward way, and at relatively low cost.

Most people fail to simplify their own work because they don’t know where to start. What should you simplify first? How exactly do you do it? It’s not surprising that people have trouble: when we first started researching complexity, we were stunned to find that there was precious little out there on simplification, and more importantly, on how to do it. Of course, we knew about many existing processes that have helped companies eliminate waste. There’s Lean Six Sigma, for instance, a methodology that many organizations—especially manufacturers—have used to improve collaboration and organizational performance by systematically removing waste. Another option is Agile, a methodology used frequently in software development that emphasizes rapid, incremental, iterative improvements contained in “sprints.” In Agile, short daily meetings known as “scrums” are used to improve engagement and help the team manage the change.

If you’re seeking to simplify vast, wide-ranging, overly complex processes, then approaches such as these are good options. But what about areas of work that aren’t so large? What if you don’t have big budgets to roll out established change methodologies and train teams on their implementation? What if you need an ongoing way to improve general work issues or habits?

As useful as they are, Lean Six Sigma and the like proceed from the notion that a formal process is always the most efficient way to get something done. Yet some very basic but important areas of simplification—meetings, e-mail, reports, conference calls—don’t need very formal, multistep processes to manage them. In fact, applying a stringent process when trying to simplify these areas can often make things more complicated, not less. To make headway, companies and individuals need simple tools to quickly eradicate the mundane, unnecessary, or redundant work that stymies us—tools that don’t require a twelve-step program or weeks...
to roll out, and that don’t involve a complicated training manual or certification course.

Looking around for these tools, we found that they didn’t exist. So we created them. These tools will do a number of things: they’ll help you become aware that you have a complexity problem, identify areas to simplify, prioritize the items to work on, execute on the simplification, and make simplicity a habit. Ultimately, they’ll help you escape the complexity trap and get to work that matters.

I’ll begin the book by reviewing the problem of complexity, explaining where it comes from and casting light on what is all too frequently lost: work that matters. In the book’s second half, I offer tools as well as advice for both senior leaders and more junior people in organizations who wish to simplify. I conclude the book with the inspiring and instructive story of an unlikely, regulated organization that embarked on a simplification journey and, after some twists and turns, wound up reaping significant benefits.

Simplification is one of the most underutilized skills out there, but it’s also a skill that any of us can cultivate and deploy. And we must cultivate it. In our age of complexity, simplicity is one of the most powerful ways to add value and stand above all the mediocrity and complacency. By simplifying, we can make our organizations more dynamic, innovative, and profitable, transforming them into places where people feel more fulfilled and productive. We can redefine work, departing from traditional norms and processes that at one time might have helped but today only hold us back. And we can make our workplaces more civil, respecting the time and effort people contribute by wasting less of them.

On so many levels, simplification is the right thing to do—for our customers, for our colleagues, for ourselves. Complexity, in other words, is a losing proposition—it’s simplicity that wins. This book will show you how to make simplicity win for you.
CHAPTER ONE

Creating the Monster

“It’s our most precious resource. More precious than anything else. I’m talking about time. When you’ve lost an hour, it’s gone forever.

Given how precious time is, you would think we would be more deliberate, both as individuals and as organizations, about how we use it. But we’re not.

Step back for a second, and set aside all the things you “need” to do today—all the meetings, all the e-mails, all the phone calls, all the bureaucratic forms and processes that require your attention. Imagine for a moment that you could spend the day investing your work time in anything you wanted. What would you do? You would probably choose to work on things that really matter. You would solve big problems, think strategically about how to get ahead of the competition, help brainstorm your company’s next innovation.

Imagine what that would feel like—how satisfying it would be to know, when your head hit the pillow, that you had maximized the opportunities you had to learn something new and make a real, discernible contribution at your job. Compare that satisfaction to what you actually
experience at the end of each day. The sense that, for too much of the day, you're just spinning your wheels. That you're deluged with work, but constantly struggling to get important things done. That you're juggling a hundred balls but still failing to make the meaningful impact you could make if the (busy? mundane? meaningless?) work that eats up so much of your day could magically vanish.

**Busy, Busy, Busy**

Not long ago, if you asked people how they were doing, they’d say, “Good!” A few years later the standard answer became, “Okay.” Today, a new answer is the norm: “BUSY.” We’ve made a sport of talking about how busy we are. We compete to be the busiest person in any conversation. “I’m so busy!” is always met with “Tell me about it. My day was crazy. All I did was sit in meetings and put out fires.” “That’s nothing! I had a conference call that started at 7 a.m. and then . . .”

We’re consumed with what we call “busywork,” all the tedious, thankless, but sometimes quite urgent things we have to get done before we can call it quits for the day. These tasks frustrate us, stress us out, exhaust us, and eat up our valuable time, getting in the way of work that matters. A 2013 Gallup global survey found that thousands of employees were so busy they found no time for meaningful activities such as creative thinking, had little chance to do work they actually enjoyed, and didn’t realize “a level of meaning and significance” in their work.2

Why do we do so much busywork? One cause looms larger than the others: complexity. Wherever you look, work has become more complicated. To get even the smallest thing done, we must navigate through a thicket of *stuff*. We can’t help but sit through endless meetings, respond to bottomless scheduling requests, attend to overflowing e-mail inboxes, rush to complete an endless checklist of regulatory mandates—all because rules, processes, and procedures are too complex. Our teams and organizations become bogged down, rendered less productive, less creative, less innovative, less competitive, less successful. Meanwhile, as individuals we feel guilty that we’re not giving each challenge the attention it deserves and resentful that our potential to make a bigger contribution is being squandered each and every day.
Technology: A Mixed Blessing

One source of complexity these days seems obvious: technology. Recent advances were supposed to make us more efficient, and in some ways they do, but there’s a price for this advancement. Without noticing, we’ve become e-mail machines. We feel obligated to respond immediately to the person who posted his reaction to the latest numbers coming in from China or Europe. As a result, we wind up writing more e-mails that generate more responses that necessitate still more messages from us. It’s not that electronic communications are inherently bad, but because we can cheaply and easily convey even the most trivial or unnecessary ideas via e-mail, we decide: why not?

As a result, we now find ourselves spending a good part of our time using e-mail for anything and everything—even if we shouldn’t. Its immediacy creates a vicious cycle of “off my plate and back on to yours.” And the fact that we can share more information on a group e-mail means we do share that information, even if most people on the receiving end find the information useless. The McKinsey Global Institute found that people typically devote over a quarter of their time—thirteen hours each week—to dealing with e-mails. In the case of John and Bert Jacobs, who cofounded the apparel company Life is Good, the time spent on e-mails may have been even higher. As they have explained, once their company grew to 250 employees, they were utterly inundated with e-mail. “The time we spent daily just shoveling out our e-mail inboxes was daunting. And we were going to bed at night feeling guilty and inadequate because we couldn’t get ahead. The more e-mails we sent out, the more flowed back in.”

It isn’t just e-mails. The fact that we can have a videoconference means that we do have a videoconference, even if it’s overkill. The fact that we can talk and text and walk and eat simultaneously means that we do talk on our headsets while texting our children while walking to a meeting while scarfing down our lunch (and maybe even checking Facebook along the way). Bob Moore, director of a software engineering subsidiary of Emerson Electric Company, once noted that when he visited regularly scheduled meetings, 80 percent of attendees had their heads buried in their phones for at least some portion of the two-hour gathering. Researchers at Bain & Company found that when you combine all the ways that
executives can receive communication—phone calls, e-mails, IMs, etc.—the number of incoming messages the average executive gets has grown from a thousand each year in the 1970s to more than thirty thousand per year today.\(^6\)

Multitasking lets us feel like we’re getting a lot done—or at least like we’re getting more done than we would have if we had performed those tasks in succession. But at the end of the day, you have to ask yourself whether your frantic efforts to fit everything in prevented you from diving deeper into what’s really important. Evidence now confirms that we’re less effective when multitasking than we would be if we simply focused on each task one after the other.\(^7\)

The complexities created by technology go further than lack of focus. Because of our mobile devices, we’re always on, everywhere we go. It used to be that when you turned the light out in your office and headed home for the evening—or even if you just went out for a quick bite at lunch—you could leave your office worries behind. With iPhones, tablets, and Bluetooth, work is always accessible to us, and we’re always accessible to work. The clear boundaries that once made even tedious jobs more palatable have been breached by the fact that the boss can send us a quick question—and expect a quick response—even when we’re having a nice meal on a Saturday night or watching a new show on Amazon after we’ve put the kids down.

Technology has invaded our downtime, and no place is safe. A recent survey by Accenture found that 87 percent of people who watched long-form television or movies did so while simultaneously looking at another device.\(^8\) The time that we once devoted to things that actually matter—at home, that means helping your kids with their homework or having dinner together; at work, it means thinking about how to take advantage of the next big strategic opportunity—is constantly being interrupted by minutiae, like whether we can pull a few more numbers for a report due tomorrow “just in case we need them” or whether you can change a morning staff meeting to the afternoon because Julian decided not to take the red-eye back from the West Coast and won’t get in until lunchtime. No barrier allows us to escape the constant churn. The benefits of technology fade away; instead of eliminating tedious tasks, technology winds up eliminating time to do important things. Everything in our lives seems to mush together into a stress-inducing stew of complexity.
Calendar Requests Galore

Technology’s effects are an instance of what we might call *unintentional* complexity. We don’t intend for technology to bog us down, but it does as a secondary effect. Unintentional complexity extends beyond technology. For instance, we spend *way* too much time in meetings that are the calendar equivalents of empty calories. We agree to these meetings over and over and even organize them ourselves, sacrificing time we might otherwise invest in more worthwhile activities. As Elizabeth Grace Saunders, author of *How to Invest Your Time Like Money*, has written: “Let’s schedule a meeting” has become the universal default response to most business issues. Not sure what to do on a project? Let’s schedule a meeting. Have a few ideas to share? Let’s schedule a meeting. Struggling with taking action? Let’s schedule a meeting.”

In 2013, organizational analytics company VoloMetrix studied how 7,600 of Seagate’s employees were spending their time. What the researchers found was frightening: some of Seagate’s employees were losing twenty hours of each workweek to meetings. And Seagate wasn’t unique. In a collaborative study of seventeen companies conducted by VoloMetrix and Bain, one stressed-out middle manager learned he was wasting roughly eight hours each week by attending unnecessary meetings and four hours each week to the hassle of reading and responding to e-mails that were, in the end, entirely superfluous to his role in the company. Given all the other time-consuming things he had to do, he could only devote eleven hours per week to working alone on his primary responsibilities.

Researchers at Bain found that of the forty-seven hours the average mid-level manager or frontline employee works each week, twenty-one hours are spent in meetings with four or more people, and eleven hours are spent on e-mails and other electronic communication. Do the math: that leaves less than fifteen hours to get everything else done! Now subtract the unproductive time in between meetings and other obligations and you come to a startling conclusion: “The average manager has less than 6½ hours per week of uninterrupted time to get work done.” That’s less than *one day* per week.

You might argue that we’ve always sacrificed valuable time to useless
meetings. Maybe, but evidence suggests that the problem is getting worse. A survey performed collaboratively by Clarizen and Harris discerned that average American workers lose as many as nine hours every week to “project update meetings,” whether it’s preparing for them or actually sitting in the room. That was up 14 percent from what the figure had been four years earlier. Researchers at Wharton and the University of Virginia found that “over the past two decades, the time spent by managers and employees in collaborative activities has ballooned by 50% or more.”

Big firms may have it worst of all. Bain & Company has been keeping track of the way managers spend their time since 2008, and their research reveals that the proportion of each manager’s day spent in meetings has grown every year—to a whopping 15 percent. The more senior you are, the more that meetings consume your time. The same survey found that leaders of many organizations spend 40 percent of their time in meetings with three or more of their colleagues.

To understand the impact of numbers like these, it’s helpful to take a closer look at what happens in specific organizations when meetings are scheduled. Bain studied one large company and computed the number of hours lost to the effects of a single, regularly scheduled executive committee status meeting of eleven unit heads. Because the unit heads who gathered in that one meeting prepared by gathering their own senior advisors, and because those senior advisors prepared for their meetings with their unit heads by gathering their subordinates, the weekly status report meeting of the executive committee actually spurred more than 130 meetings throughout the rest of the company. This cost the company’s workforce 300,000 hours annually, the equivalent of $15 million.

It’s not that companies shouldn’t have meetings, or that strategic planning meetings in particular don’t have merit. Employees need to share ideas, electronically and in person. And studies have shown that executives want to spend roughly a third of their time plotting out their corporate strategies, or roughly 80 of 240 working days per year. But if those meetings and e-mails and phone calls and conversations are spent trying to untangle knots of complication rather than focusing on the challenges ahead, they aren’t effective, and they won’t help steer a company in the right direction. Dr. Bill Starbuck, an organizational scientist who spent
parts of his career studying organizational planning, found that companies that engage in a lot of long-term planning do no better than those that do less. The difference isn’t how much planning you do—it’s how well you do it.18

Death by Accounting

Besides technology and meetings, another source of unintentional complexity is actually our well-founded desire to solve problems at work. We seek to avoid a danger, minimize a risk, or address a challenge, and so we add a process or a layer of bureaucracy that seems reasonable at first blush. But then another danger, risk, or problem crops up, and we introduce another process to solve it. And another. And another. Before we realize it, our impulse to improve something has left us with a monster of our own inadvertent creation.

One of my clients told me a story he called “The Laundry Decree.” Executives at a big financial services firm discovered that some of their consultants were bringing their families’ dirty laundry with them on business trips. This handful of consultants had discovered that they could have the hotels wash it for them, on the company’s dime.

Executives couldn’t tell how many consultants were abusing the company’s good will, but no one suspected it was more than 2 or 3 percent. Nevertheless, executives came down hard. They instituted a new cap on the number of shirts employees and consultants could have laundered, and they restricted the privilege to senior managers embarking on long trips. Makes sense, right?

This regulation reduced the fees charged to the company for hotel laundry services, but it produced some unanticipated problems. Consultants and employees traveling long distances—some were traveling to Asia for weeks at a time—now had to wear dirty shirts close to the end of each trip or pay for laundry service themselves. The 95 percent or more of consultants and employees who hadn’t done anything wrong had to pay closer attention when they packed, wasting time counting their shirts and worrying that they’d be caught with one starched collar too many. Their lives suddenly became more complex, all because of the sins of a few.
This story is typical in much of the corporate world. The wonder isn’t why the company’s executives had issued The Laundry Decree—they were responding to a legitimate concern. Rather, we should ask why they laid down the law when so few people were committing the offense. In this case and likely others, the unintended costs of a solution far outweighed its benefits. Very few employees were abusing the privilege, but taking the privilege away made everyone else’s lives more difficult. A well-intentioned but needless complication victimized the people who played by the rules.

Performance Evaluations That Don’t Perform

A classic example of the way organizations inadvertently make life complex in the process of trying to solve a legitimate problem is performance evaluations. Initially, performance evaluations served their purpose rather well—certainly well enough for companies in every industry to deploy them. But as human resource departments have become more data oriented, what once were fairly simple systems for evaluating an employee’s contribution have become incredibly complex, capturing a mix of hard and soft skills that are both qualitative and quantitative: sales and profits and kindness and team orientation and attitude and inclusiveness and on and on and on.

For managers, all of this represents more data points to plot, more questions to ask and answer, and more paperwork to complete and submit to HR for review. Meanwhile, the average employee finds it impossible to actually use her boss’s evaluation to improve her job performance moving forward. What should Maria do if she wants to improve the rating that emerged from the appointed algorithm? Be more of a team player? Assert herself more in meetings? Follow directions better? Take her own initiative? All these directives cut across one another, leaving the average employee confused, frustrated, and demoralized.

Research has shown that nine out of ten companies do employment evaluations, but fewer than half actually believe that they’re effective. As UCLA management professor Samuel Culbert has concluded, “[Performance reviews are] fraudulent, bogus and dishonest. And second, they’re indicative of and they support bad management.”19 Indeed, an analysis of
607 separate studies of the impact of performance reviews found that at least three in ten actually diminish employee performance.\textsuperscript{20} Even when performance evaluations don’t do harm, they usually waste our time. Aubrey Daniels, a legendary clinical psychologist and an expert in performance management, highlights a study by the Society for Human Resource Management that reveals just what a disaster the system has become. The headline? A full 90 percent of performance reviews are unsuccessful.\textsuperscript{21} Worse still, by rewarding workers who are, above all, good at following the rules, performance evaluations discourage employees from harnessing their passion for improving performance. John Hagel III, who cochairs a research arm of Deloitte, argues that passion is a rare and valuable commodity within any workforce, possessed by fewer than 12 percent of United States employees. But “passionate workers often don’t play by the rules.”\textsuperscript{22} Here again you can see how\textit{unintentional} complexity gets in the way of meaningful work.

**The Iron Curtain**

As the example of performance evaluations suggests, a great deal of complexity arises because it’s easier to build on top of the things that we’ve already established than to blow up what exists and replace it with something simple. In this way, we don’t choose complexity. We don’t ask ourselves if we\textit{want} complexity. Rather, we ask ourselves: What’s the easiest way to accomplish the task at hand? What’s the most expedient way to get what we need done right now? Our failure to take time\textit{in the moment} to get down to what really matters sets us on the path to complication. When we opt time and again to add more to what exists, we wind up with a web of complexity we can’t even begin to fathom.

Decades ago, when change wasn’t so constant, the costs of complexity weren’t so great. You weren’t always looking for a new market to conquer. You weren’t always afraid that a competitor would introduce a disruptive technology. So you weren’t constantly called upon to modify everything you do on account of change in the marketplace. Today, we\textit{are} subject to
perpetual disruption. And in a world with so much change, it’s become much more tempting and destructive to add more and more and more without sweeping away what’s no longer useful. Who has the time up front to think aggressively about how to simplify? We’re all just trying to keep pace.

Drowning in Red Tape

We’ve been talking about sources of complexity that we create ourselves, but complexity is also frequently imposed on us by outside forces. We’ve all been sitting in the waiting room at a doctor’s office, flipping through old magazines because the doctor is running way behind. Why? Well, maybe it’s because the doctor is taking a little extra time with the old man who had the appointment before ours. More likely it’s because she’s been stuck standing at a counter in the back hallway filling out some useless piece of paper mandated either by government regulations or the insurance industry’s red tape.

Regulation is at the root of so much complication—from health care to finance to manufacturing and beyond. A few years ago, Deloitte Australia found that one of every eleven workers in the country’s mining industry was working in a compliance role. Separately, a bank reported that compliance costs were skyrocketing— tripling over the course of three years— because regulators were demanding all sorts of new reports. Indeed, during the course of a single year, the bank was required to file more than three thousand reports running to eighty thousand pages.23

Regulation has hit banking especially hard over the last several years, but in truth red tape has mushroomed across all sectors of the business world. The National Association of Manufacturers (NAM) studied the costs of federal regulations in the U.S. and found staggering figures: each year, bureaucracy costs businesses more than $2 trillion, the equivalent of $20,000 for each worker and $233,000 for the average American company. Tax compliance alone costs nearly $160 billion.24 “This… is very alarming, because it shows that more than one-third of businesses’ income is tied up in compliance costs,” explained NAM president and CEO Jay Timmons upon release of the data.25 A Vanderbilt University study found
that colleges and universities spent roughly $27 billion combined per year on federal compliance, eating up as much as 11 percent of expenditures.  

You might think technology would help reduce the burdens created by new, more extensive regulations. Maybe algorithms or databases could automatically produce the information that managers required so that businesses would have the green light to carry on. But as evidenced by the amount of time and money businesses have spent on compliance, regulations are making life more complicated, not less, even with the technological tools we now possess. The burden of proving your compliance has become indisputably heavier.

If compliance staffers alone could handle this burden, that might be one thing. Companies would have to invest a bit more in the size of their compliance departments, and ordinary workers would remain untouched. But that’s not what has happened. Regulations reach down like tree roots into every department and process. Everyone needs to be made aware of the regulations, what to watch out for, what they can and can’t do, which records need to be preserved and for how long, how the regulations have shifted over the last year, how the bureaucrats want the reports written, when they need them to be submitted, who needs to sign off on them before they’re submitted, and how those being regulated will learn about required improvements.

Let’s face it: people don’t get excited about crossing t’s and dotting i’s. They don’t come to work because it’s somehow engaging to file paperwork or report a possible violation. They come to work because they want to contribute to the underlying mission or purpose. They focus because they want to add value. They want to know that the effort they expend and the time they invest are moving the ball in the right direction. To most people, the complexity created by regulations is at best a hindrance, at worst a reason to give up and go home.

Globalized Drift

If all these sources of complexity weren’t bad enough, the global nature of business adds to the problem in unavoidable ways. One client explained to me how the team he managed was spread throughout seven different time zones across the world. How could he possibly keep all those people
aligned, even in the best of circumstances? People in different countries were going to get on conference calls at odd hours. Memos and directives were going to have to be more comprehensive, since information couldn’t be individually tailored and shared in person.

As companies and product lines have become more global, the reporting structures that support them have become that much more convoluted. Today, marketing and sales and IT and customer service and finance and human resources all have overlapping responsibilities and mandates. It’s often unclear who should assume the lead on a given project and who should take credit for successes. It’s equally unclear who possesses authority to make final decisions. If a whole cross-section of folks has worked collaboratively on a new product, who signs off? Only one department head? Two? What if two department heads can’t agree?

All too often, the absence of a clear reporting structure leads not merely to confusion, but to something worse: a consensus-driven culture. No one can move unless everyone has signed off, which means few things get done quickly, and many things don’t get done at all. People grow fearful, unsure what will happen if everyone isn’t looped in and anxious that someone will strip them of whatever small fiefdom they still control. So they schedule more meetings and more calls. They e-mail more colleagues, cc’ing people who need not be included. They seek sign-offs before doing anything adventurous. They get wrapped up ever more deeply in the web of complication, and they ensnare others around them as well.

**Bad and Getting Worse**

Given all the forces contributing to complexity, we might wonder how bad the problem has really gotten. The answer has moved beyond pretty bad. It’s dire.

Each day, more than one hundred billion e-mails are sent and received, but fewer than a seventh of them are actually important.

Each day, more than one hundred billion e-mails are sent and received, but fewer than a seventh of them are actually important.27 Furthermore, a study found that four out of every five business interactions either require no follow-up action or will not result in any serious consequences if parties to
the interaction do nothing. That’s telling: if any real wisdom had bubbled up, you’d expect someone to have made a decision as a result. A McKinsey Global Institute study likewise found that managers at some companies were spending 40 percent of their time writing reports. Say what you will about the value of communicating and coordinating with others, but if you don’t have any time to act on new insights or develop good ideas, what’s the value of reports?

The Boston Consulting Group has established an initiative to track complexity, building an index based on their surveys of more than one hundred companies on both sides of the Atlantic. What they’ve found is both eye-opening and terrifying. Over the last decade and a half, “the amount of procedures, vertical layers, interface structures, coordination bodies, and decision approvals needed in each of those firms has increased by anywhere from 50% to 350%. According to the analysis over a longer time horizon, complicatedness increased by 6.7% a year, on average, over the past five decades.”

All this complexity is damaging companies’ performance. SAP’s Global Simplicity Index found in 2013 that complexity destroys a full tenth of company profits every year—or a combined $237 billion for the top two hundred firms around the world. Much of that loss amounts to opportunity costs. The time we waste individually is time that isn’t spent growing our businesses or improving our products. The hours we spend in quiet frustration are hours lost to our colleagues and our customers. Our frustrations prevent us from harnessing our creativity and beating the competition. They also cause us to leave our jobs more quickly, costing millions in added recruitment costs. Study after study has found that professionals today are frustrated and miserable. They’re also less engaged, and on this count, less productive and innovative. A 2013 Gallup poll found that only 13 percent of employees were actively engaged in their jobs, and 87 percent of professionals did not find sufficient satisfaction at work or weren’t focused on creating value for their employer. Gallup has also found that one in five people hate their jobs, and that lack of engagement costs companies $550 billion a year.

It’s easy to understand how complexity can cause good, talented people to head out the door. One of my clients related a sad pattern she had noticed in the organizations where she’d worked. At the start of nearly any job, people enter with high hopes. They’re inspired, excited, engaged,
and energized. For those first six months, they’re eager to participate and willing to buck the system in the name of progress. They’re motivated to fight for the cause. But then they see what they’re up against; they feel the inertia wrought by excessive complication. During the first and second years after they’ve been hired, they become increasingly frustrated and constrained. They get how the game is played, and they’re not impressed. They begin searching for work-arounds to get things done. The bloom is off the rose.

Two years in, these employees are resigned to the reality of excess complication. They say things to new hires like, “This is just how it’s done,” almost as if they’ve given up. They don’t have the time or energy to fight the system or to try something new. And in any case, why bother? They remember what happened the last time someone tried to change the way work gets done: absolutely nothing. So they carry on in a state of quiet desperation until they just can’t take any more. Finally, to save themselves, they leave.

The Simplicity Imperative

The costs of complexity are not news to many executives. More than 70 percent of organizations in a recent study ranked simplification as an important challenge, and more than a quarter cited it as “very important.” But too few companies are actually working to address the issue on the ground. A 2014 Future of Work study by SAP highlighted three statistics that, when taken together, convey the scope of the problem: more than half of business leaders believe business simplification is of significant strategic importance to their senior leaders; two-thirds believe that the issue would be even more important three years down the line; but barely more than a quarter believe their top management is “strongly aligned” to address the challenge. That’s a problem.

It’s not that every company is content with business as usual. Some companies have taken steps to counter the scourge of complexity,
simplifying processes or experimenting with measures to reduce the burden of technology. The Italian company Gabel, for instance, has experimented with banning e-mail for a week. The software firms Intuit and Atlassian have set aside a certain amount of “clutter-free time” for employees. Volkswagen and Boston Consulting Group have each reworked their internal policies so that employees can go “offline” during non-work hours, saving them from being tethered to their smartphones every minute of every day. Companies like Bloomberg and Google have created spaces where employees can escape to re-center themselves. While all of these examples represent some progress, the truth is that the vast majority of firms still have essentially dodged the problem, taking little or no action. As of 2015, only one in ten corporations had a major work simplification program on tap, and fewer than half were working on one.

What many companies have done is up their performance expectations. Regarding time as the employer’s most precious resource, they’ve tried to squeeze as much productivity out of employees as possible, and they’ve implemented metrics to help ensure that people do perform better. Such measures have only made things worse. Increasing expectations only pile more stress on the backs of already overtaxed workers, while the proliferation of metrics makes life at work even more complicated. Research has shown that companies now measure themselves against six times as many metrics as their counterparts did in the mid-1950s. Six times! We tend to regard data as the answer, yet left unchecked data can also prove our undoing. Just because we can delve more deeply into the data doesn’t mean we should. More isn’t always more. In a world where it’s become increasingly difficult to sort the signal from the noise, more is actually less.

But something else is true: in such a world, eliminating complexity is nothing less than a strategic imperative. We’ve hit a tipping point. Although no single shift has produced the complication that inundates us, complexity in the aggregate has emerged as the single greatest barrier to organizational success. In today’s hypercompetitive markets, only the agile survive, and complexity makes it difficult to keep up. You don’t have time to think—in fact, thinking becomes a daring act. Yet this in turn spells an opportunity for companies that can somehow wriggle free of complexity’s grasp and achieve more simplicity.

There’s no way to strip every complication out of each employee’s routine. In fact, the value of a given employee hinges largely on how well he
Why Simple Wins
can navigate a complex environment as a member of a productive team. Yet, as we’ll see later in this book, companies that manage to simplify at least some part of the way their work is done usually see a sustained competitive advantage. This is why, for example, GE and its competitor Siemens have been racing to combat the scourge of complexity within their organizations. GE’s CEO, Jeffrey Immelt, has championed a movement to embrace a corporate “culture of simplification” while Siemens has eliminated an entire level of middle management.40

Bain did a study of a manufacturer that instituted a simple rule, halving the default length of meetings to a half hour and mandating that no more than seven employees attend any company discussion. The results were powerful: employees who were left alone to attend to their own responsibilities were much more productive. In the end, Bain calculated that the productivity savings garnered from their new rules had the same impact on the company’s bottom line as cutting two hundred jobs from the payroll. For executives, that should be plenty of inducement to simplify!41

In fact, companies that simplify will see all kinds of benefits. They’ll bring new products and services to market more quickly. They’ll amp up customer satisfaction, and with it, employee engagement and satisfaction. They’ll achieve more efficiency in their operations. They’ll be more profitable. Overall, they’ll be better companies, more focused, more purposeful—places where work actually gets done.

That Was Easy

If you were selling office supplies to the legions of people around the world who work in small businesses, how would you approach them? Would you focus on keeping prices low? Stocking a broader inventory? Adding more retail locations? Offering better customer service?

Staples, the office-supply superstore, was founded as part of an attempt to solve this very problem. During July 4th weekend of 1985, Tom Stemberg discovered that the ribbon had snapped on his typewriter, making it impossible to work on a draft of a business proposal he was writing. No problem, he thought—he’d just go out and buy another. To his chagrin,
Creating the Monster

the local stores that kept stock were closed for the holiday weekend. Even if the stores had been open, they probably wouldn’t have had the specific brand of ribbon he needed for his particular typewriter. What a pain! So Stemberg, who had previously worked as an executive in a supermarket chain, decided to fill a market niche, creating an office supply store that was both accessible and affordable.42

More than a decade after the first Staples opened in Brighton, Massachusetts, the company’s marketers came up with a slogan that tapped right into Stemberg’s vision of what the store meant to the average customer. We’ve all seen and heard about the “That Was Easy” campaign—it has become almost synonymous with the Staples brand, and a marketing gold standard. Why? Because it took the essence of Staples’s value proposition and brought it to a new place. Looking beneath customers’ more obvious concerns for expense, choice, and proximity, “That Was Easy” addressed an even more basic desire: simplification.

Small-business owners were starting to see benefits to simplification. Recent research found that, for small businesses, “simplifying the decision-making process made consumers 86 percent more likely to purchase a brand and 115 percent more likely to recommend it to others.”43 Yet small-business owners themselves were drowning in complexity. With limited funds, resources, and time, they had a million better ways to spend their time than on low-value tasks like ordering office supplies. The time they wasted re-upping their stock of toner or buying more printer paper weighed heavily in their minds. Small-business owners were willing to pay a premium for their time. They wanted simplicity. In the end, Staples sold more than a million “That Was Easy” buttons, giving a portion of the proceeds to charity.44 In time, 96 percent of customers would associate the phrase with the Staples brand, contributing to the company’s dramatic growth.45

We’re clearly at an impasse with complexity. It is overwhelming individuals and bogging down organizations. This scourge needs to end—and it will take more than pressing an “easy” button. We must learn to spot complexity in our organizations and understand better what work that matters really is. We must then take a new approach toward work, embracing a framework for cutting out what we don’t need from our workplaces so that work becomes simpler. “That Was Easy” shouldn’t
just be what you think about when buying more pens—it should be what you think about throughout most of your day, your week, your year, your life. To the extent we can, let’s break free of the complexity that traps us. Let’s pare nonessentials from our workplaces. Let’s reclaim our time and the meaningfulness of what we do. Let’s make simplicity the new way to work.