

Foreword *by Stephen R. Covey*

I had the opportunity to work with a Multiplier when I was in my early twenties. It profoundly shaped the rest of my life. I had decided to take a break in my education to provide extended volunteer service. The invitation came to go to England. Just four and a half months after my arrival, the president of the organization came to me and said, “I have a new assignment for you. I want you to travel around the country and train local leaders.” I was shocked. Who was I to train leaders in their fifties and sixties? Some of these individuals had been leading twice as long as I had been alive. Sensing my doubt, he simply looked me in the eye and said, “I have great confidence in you. You can do this. I will give you the materials to help you prepare to teach these leaders.” It is hard to overstate the impact this leader had on me. By the time I returned home, I had begun to detect the work I wanted to devote my life to.

His particular ability—to get more out of people than they knew they had to give—fascinated me. I have relected on this many times, wondering *what he did that got so much from me*. The answer to this question is contained in this book.

Liz Wiseman and her collaborator Greg McKeown have written a book that explores this idea more deeply than anything I have read elsewhere on this subject. And their timing couldn’t be better.

New Demands, Insufficient Resources

At a time when many organizations do not have the luxury of adding or transferring resources to tackle major challenges, they must find the capabilities within their current ranks. The ability to extract and multiply the intelligence that already exists in the organization is red-hot relevant. Across industries and organizations of all kinds, leaders now find themselves in what David Allen has summarized as “new demands, insufficient resources.”

For some forty years I have worked with organizations that were grappling with “new demands, insufficient resources.” I have become convinced that the biggest leadership challenge of our times is not insufficient resources per se, but rather our inability to access the most valuable resources at our disposal.

When I ask in my seminars, “How many of you would agree that the vast majority of the workforce possesses far more capability, creativity, talent, initiative, and resourcefulness than their present jobs allow or even require them to use?” the affirmative response is about 99 percent.

Then I ask a second question: “Who here feels the pressure to produce more from less?” Again, a sea of hands goes up.

When you put those two questions together, you can see the challenge. As stated in this book, indeed, people are often “overworked and underutilized.” Some corporations have made hiring the most intelligent individuals a core strategy on the basis that smarter people can solve problems more quickly than the competition. But that only works if the organizations can access that intelligence. Organizations that figure out how to better access this vastly underutilized resource won’t just be more enjoyable places to work; they will outperform their competitors. In this global environment this might well make the difference between companies that make it and those that don’t. And as with so many business challenges, leadership is clearly a critical force for leveraging the full capability of the organization.

The New Idea

Multipliers: How the Best Leaders Make Everyone Smarter represents nothing less than the leadership paradigm necessary for accessing the intelligence and potential of people in organizations everywhere. It unearths and explains why some leaders create genius all around them while other leaders drain intelligence and capability from an organization.

Peter Drucker spoke of what is at stake when he wrote:

The most important, and indeed the truly unique, contribution of management in the 20th century was the fifty-fold increase in the productivity of the manual worker in manufacturing.

The most important contribution management needs to make in the 21st century is similarly to increase the productivity of knowledge work and the knowledge worker.

The most valuable assets of the 20th-century company were its production equipment. The most valuable asset of a 21st-century institution, whether business or non-business, will be its knowledge workers and their productivity.¹

This book explains with great clarity the kinds of leaders who will answer the promise outlined by Drucker and those who will not.

As I read this book, a key insight was that Multipliers are hard-edged managers. There is nothing soft about these leaders. They expect great things from their people and drive them to achieve extraordinary results. Another insight that resonated with me was that people actually get smarter and more capable around Multipliers. That is, people don't just feel smarter; they actually become smarter. They can solve harder problems, adapt more quickly, and take more intelligent action.

People who understand these ideas will be well positioned to make the shift the authors describe from genius (where they may try to be the smartest person in the room) to genius maker (where they use their

intelligence to access and multiply the genius in others). The power of such a shift is difficult to overstate. It is a night-and-day difference.

What I Love About This Book

I admire the work and insight in this book for several reasons.

First, for the journalistic integrity and sheer tenacity required to analyze over 150 executives across the Americas, Europe, Asia, and Africa. The book is full of rich and vivid examples gathered from all over the world.

Second, for the way this book focuses on just those few things that really differentiate intelligence Multipliers and intelligence Diminishers. This isn't a general book on leadership with all good qualities on one side and all bad qualities on the other. It is more precise than that, identifying and illustrating only the five most differentiated disciplines.

Third, for the book's "range of motion." This book names a phenomenon the way Malcolm Gladwell seems to be able to, but also goes down several layers to provide practical insight into exactly how to lead like a Multiplier.

Fourth, for the way the book seamlessly combines cutting-edge insight with timeless principles. Many books do one or the other. Few do both. This book will relate to your life today and it will connect to your conscience, too.

An Idea Whose Time Has Come

Liz Wiseman and Greg McKeown have written a book that is relevant for the entire world. Corporate executives will immediately see its relevance, but so will leaders in education, hospitals, foundations, non-profit organizations, entrepreneurial start-ups, healthcare systems, middle-size businesses and government at the local, state, and national

level. I believe this book is relevant to everyone from first-time managers to world leaders.

This book comes to the world at a time when it is greatly needed, a time of “new demands, insufficient resources” when CFOs and HR directors are surprisingly in synch about the need for an approach that better leverages current resources. The principles in this book will always be true, but in this economic climate they will win in the marketplace of ideas. Their relevance will give them life and attention that is deserved. These are ideas that matter *now*, and as Victor Hugo once said, “There is nothing more powerful than an idea whose time has come.”

I have a vision of thousands of leaders discovering they have unintentionally diminished the people around them, and taking steps toward becoming a Multiplier. I have a vision of schools with diminishing cultures being reinvented around Multiplier principles, to the benefit of the whole community. I have a vision of world leaders learning how to better access the intelligence and capability of those they serve, to address some of the world’s toughest challenges.

And so I challenge you to recognize the opportunity that is in your hands. Don’t just read this book; pay the price to really become a Multiplier. Don’t let this become a buzzword in your organization. Use the principles to reinvent your organization toward a true Multiplying culture that gets more out of people than they knew they had to give. Choose to be a Multiplier to people around you, as the president was to me in England all those years ago. I have great confidence in the good that can come from such an approach to leadership in your team and in your entire organization. Just imagine what would happen to our world if every leader on the planet took one step from Diminisher to Multiplier.

It can be done.

Chapter 1

The Multiplier Effect

It has been said that after meeting with the great British Prime Minister William Ewart Gladstone, you left feeling he was the smartest person in the world, but after meeting with his rival Benjamin Disraeli, you left thinking you were the smartest person.¹

BoNo

During the summer of 1987 Gabriel Oz, like virtually all of his peers, entered the army as part of the national military obligation of Israeli citizens to serve in a combat unit. Gabriel, a smart, confident, eighteen-year-old with a boisterous laugh, was selected for tank commander instruction and sent to the Golan Heights for basic training.

After six months of training, Gabriel and six of his peers were selected out of basic training for special assignment. There was an urgent need for soldiers to patrol the six-mile-deep belt along the border between Lebanon and Israel. In lieu of completing the remaining three months of basic training, these young soldiers were deployed to Lebanon and would soon experience real combat conditions. Gabriel and his peers faced a complex and chaotic set of battle conditions as they woke the next day in the desert to the sound of gunfire and bombs. Under these intense circumstances, Gabriel worked well with his commanders and was considered a star for his intelligence and his ability to surmise situations quickly and accurately.

After three months of real-world experience, with ten times the amount of in-tank hours that their peers had received at basic training, Gabriel and his fellow soldiers returned to their class in the south of Israel just as the class completed basic training. As they entered the more advanced tank commander training, they experienced a change of command and were assigned to serve under a new commanding officer Yuval.²

Yuval was considered to be the cream of the crop—the top 0.1 percent of talent—and had been fast-tracked through basic training after having left the elite pilot training program due to a medical issue. He was an intelligent and highly skilled tank commander who had just received officer status. But it appeared he still had a reputation to build and something to prove—to Gabriel in particular.

Yuval had a superior knowledge of tank operations and flaunted it as if competing with Gabriel's battlefield savvy. During navigational exercises, Yuval publicly mocked Gabriel and his team's efforts when they failed to find all the designated waypoints. As the scrutiny of their performance continued, Gabriel and his team became less and less capable. Within a week, Gabriel was convinced he couldn't navigate.

In a typical tank maneuver, the tank commander must observe the terrain, find the enemy, command the gunner, aim, shoot, and hit the target—all in rapid succession and while being fired upon by the enemy. Hundreds of things are happening at once that need to be processed, prioritized, decided, and acted upon. Successful completion of these drills requires intense concentration and keen mental aptitude. These maneuvers are particularly intimidating because the commanding officer sits ten inches above the tank commander's head, in a special chair bolted on top of the tank. Commanding officers watch every decision and take constant notes on clipboards attached to their thighs. Gabriel now performed these maneuvers under the wary inspection of Yuval.

In the training field, Gabriel didn't just perform poorly in one maneuver; he nearly failed every maneuver. He was stellar in the

classroom, but every time he took command of the tank while Yuval was mounted in the chair, he failed. As Yuval barked orders, controlled every detail, and found every mistake, the tension mounted. Gabriel got tense, couldn't think properly, and struggled to perform.

The failure was so clear that Yuval recommended to the dismissal committee that Gabriel be ejected from the tank commander program. Protocol for dismissal required that Gabriel perform a maneuver under the supervision of the company commander, Lior, the highest-ranking officer in the program. Gabriel considered his fate if he failed officer training and returned to the battlefield with just the rank of a soldier. Gabriel's friends wished him luck in this, the most stressful of situations.

The company commander took Gabriel out for his dismissal test, which consisted of a single maneuver, the Ringo—the most complex maneuver in the test suite. In the Ringo, nothing is scripted and conditions change constantly and unpredictably. Prior to entering the tank, the company commander stopped Gabriel at a model of the battle-grounds. Lior pointed out various aspects of the terrain and said, "Gabriel, what are we going to do here?" And "If the enemy moves here, how will you respond?" Lior was calm and inquisitive. Gabriel no longer felt like he was being tested. He felt like he was learning and working together with Lior to solve a challenge. With Lior now in the chair above him, Gabriel performed the most complex maneuver beautifully—perfectly, even. As Gabriel completed the drill, Lior dismounted from the chair and said, "You are not dismissed."

Gabriel continued with his tank commander training, performing the maneuvers under a different sergeant, all with stellar results. Lior placed Gabriel in the top 10 percent of the class and nominated him to go directly to the officer academy, where he again faced difficult navigational exercises. Interestingly, he found all the waypoints and consistently returned in the top of his class. Curiously, he had become a great navigator once again.

Gabriel completed officer training and was asked to become a

ganan, Hebrew for a commanding officer who trains or cultivates other officers. He finished his time in the Israeli army as a major and then went on to a successful career in technology, both in Israel and the United States where, incidentally, he found his performance again rising and falling under leaders much like Yuval and Lior.

Gabriel's army experience illustrates that often a change in command can cause a change in capability. Gabriel was smart and capable under one leader, but stupefied with fear under another. What did Yuval say and do that so diminished Gabriel's intelligence and capability? And what did Lior do that restored and expanded Gabriel's ability to reason and navigate complexity?

Some leaders make us better and smarter. They bring out our intelligence. This book is about these leaders, who access and revitalize the intelligence in the people around them. We call them Multipliers. This book will show you why they create genius around them and make everyone smarter and more capable.

Questioning genius

There are bird watchers, and there are whale watchers. I'm a genius watcher. I am fascinated by the intelligence of others. I notice it, study it, and have learned to identify a variety of types of intelligence. Oracle Corporation, the \$22 billion software giant, was a great place for genius watching. In the seventeen years I worked in senior management at Oracle, I was fortunate to work alongside many intelligent executives, all systematically recruited from the best companies and out of elite universities as top performers. Because I worked as the vice president responsible for the company's global talent development strategy and ran the corporate university, I worked closely with these executives and had a front-row seat to study their leadership. From this vantage point, I began to observe how they used their intelligence in very different ways, and I became intrigued by the effect they had on the people in their organizations.

The Problem with Genius

Some leaders seemed to drain intelligence and capability out of the people around them. Their focus on their own intelligence and their resolve to be the smartest person in the room had a diminishing effect on everyone else. For them to look smart, other people had to end up looking dumb. We've all worked with these black holes. They create a vortex that sucks energy out of everyone and everything around them. When they walk into a room, the shared IQ drops and the length of the meeting doubles. In countless settings, these leaders were idea killers and energy destroyers. Other people's ideas suffocated and died in their presence and the flow of intelligence came to an abrupt halt around them. Around these leaders, intelligence flowed only one way: from them to others.

Other leaders used their intelligence in a fundamentally different way. They applied their intelligence to amplify the smarts and capability of people around them. People got smarter and better in their presence. Ideas grew; challenges were surmounted; hard problems were solved. When these leaders walked into a room, light bulbs started going off over people's heads. Ideas flew so fast that you had to replay the meeting in slow motion just to see what was going on. Meetings with them were idea mash-up sessions. These leaders seemed to make everyone around them better and more capable. These leaders weren't just intelligent themselves—they were intelligence Multipliers.

Perhaps these leaders understood that the person sitting at the apex of the intelligence hierarchy is the genius maker, not the genius.

Post-oracle Therapy

The idea for this book emerged from my post-Oracle therapy. Leaving Oracle was like stepping off a high-speed bullet train and suddenly finding everything moving in slow motion. This sudden calm gave way

to wonder about the lingering question: How do some leaders create intelligence around them, while others diminish it?

As I began teaching and coaching executives, I saw the same dynamic playing out in other companies. Some leaders seemed to boost the collective IQ while others sucked the mental life out of their employees. I found myself working with highly intelligent executives who were struggling with their own tendency to either overtly or subtly shut down the people around them. I also worked with many senior leaders struggling to make better use of their resources. Most of these leaders had developed their leadership skills during times of growth. However, in a more austere business climate, they found themselves unable to solve problems by simply throwing more resources at the problem. They needed to find ways to boost the productivity of the people they already had.

I recall one particularly pivotal conversation with a client named Dennis Moore, a senior executive with a genius-level IQ. As we discussed how leaders can have an infectious effect on the intelligence in their organization and spark viral intelligence, he responded, “These leaders are like amplifiers. They are intelligence amplifiers.”

Yes, certain leaders amplify intelligence. These leaders, whom we have come to call Multipliers, create collective, viral intelligence in organizations. Other leaders act as Diminishers and deplete the organization of crucial intelligence and capability. But what is it that these Multipliers do? What is it that Multipliers do differently than Diminishers?

Scouring business school journals and the Internet looking for answers to these questions, as well as for resources for clients, yielded only frustration. This void set the course for my research into this phenomenon. I was determined to find answers for leaders wanting to multiply the intelligence of their organizations.

The Research

The first major discovery was finding the perfect research partner, Greg McKeown, who was studying at Stanford University's Graduate School of Business. Greg, originally from London, England, had worked as both a management advisor and a leadership development analyst for global companies. Greg has a curious and tenacious mind and a passion for leadership that gave him my same measure of determination to find the answers. After I convinced Greg to divert from a PhD program, we formalized our research effort and went to work. Greg brought rigor to our analysis and our debates and asked the hard questions as we wrote up our findings. He has focused on teaching and testing these ideas inside organizations, which has allowed me to teach and write, giving voice to the ideas I have observed and studied for many years.

We began our formal research by defining the question that would consume us for the next two years: "What are the vital few differences between intelligence Diminishers and intelligence Multipliers, and what impact do they have on organizations?" Waking up for 730 days with the same question was like the movie *Groundhog Day*, in which Bill Murray wakes each day to the same time and song on his alarm clock, destined to repeat the events of the previous day. In the singular and prolonged pursuit of this question, Greg and I began to develop a deep understanding of this Multiplier effect.

We began our research by selecting a set of companies and industries in which individual and organizational intelligence provide a competitive advantage. Because these organizations rise or fall based on the strength of their intellectual assets, we assumed the Multiplier effect would be pronounced. We interviewed senior professionals inside these organizations, asking them to identify two leaders, one who fit the description of a Multiplier and one a Diminisher. We studied more than 150 of the resulting leaders through interviews and a quantitative assessment of their leadership practices. For

many leaders, we then followed an intensive 360 degree interview process with both former and current members of their management teams.

As our research expanded, we studied additional leaders from other companies and industries, looking for common elements that spanned the business and nonprofit sectors as well as geographies. Our research journey took us across four continents and introduced us to an incredibly rich and diverse set of leaders. We came to know some of these leaders quite well, studying them and their organizations in depth.

Two of the leaders we studied provide a sharp contrast between these two leadership styles. They both worked for the same company and in the same role. One had the Midas touch of a Multiplier and the other had the chilling effect of a Diminisher.

A tAle of two MAnAgers

Vikram³ worked as an engineering manager under two different division managers at Intel. Each leader could be considered a genius. Both had a profound impact on Vikram. The first leader was George Schnee, who was a division manager for one of Intel's businesses.

Manager #1: The Midas Touch

George had a reputation for running successful businesses at Intel. Every business he ran was profitable and grew under his leadership. But what most distinguished George was the impact he had on the people around him.

Vikram said, "I was a rock star around George. He *made* me. Because of him I transitioned from an individual contributor to big-time manager. Around him, I felt like a smart SOB—everyone felt like that. He got 100 percent from me—it was exhilarating." George's team

echoed the same sentiments: “We are not sure exactly what George did, but we knew we were smart and we were winning. Being on this team was the highlight of our careers.”

George grew people’s intelligence by engaging it. He wasn’t the center of attention and didn’t worry about how smart he looked. What George worried about was extracting the smarts and maximum effort from each member of his team. In a typical meeting, he spoke only about 10 percent of the time, mostly just to “crisp up” the problem statement. He would then back away and give his team space to figure out an answer. Often the ideas his team would generate were worth millions. George’s team drove the business to achieve outstanding revenue growth and to deliver the profit bridge that allowed Intel to enter the microprocessor business.

Manager #2: The Idea Killer

Several years later, Vikram moved out of George’s group and went to work for a second division manager who had been the architect of one of the early microprocessors. This second manager was a brilliant scientist who had now been promoted into management to run the plant that produced the chips. He was highly intelligent by every measure and left his mark on everyone and everything around him.

The problem was that this leader did all the thinking. Vikram said, “He was very, very smart. But people had a way of shutting down around him. He just killed our ideas. In a typical team meeting, he did about 30 percent of the talking and left little space for others. He gave a lot of feedback—most of it was about how bad our ideas were.”

This manager made all the decisions himself or with a single consultant. He would then announce those decisions to the organization. Vikram said, “You always knew he would have an answer for everything. He had really strong opinions and put his energy into selling his ideas to others and convincing them to execute on the details. No one else’s opinion mattered.”

This manager hired intelligent people, but they soon realized that they didn't have permission to think for themselves. Eventually, they would quit or threaten to quit. Ultimately Intel hired a second-in-command to work alongside this manager to counter the intelligence drain on the organization. But even then, Vikram said, "My job was more like cranking than creating. He really only got from me about 50 percent of what I had to offer. And I would *never* work for him again!"

Diminisher or Multiplier?

The second leader was so absorbed in his own intelligence that he stiled others and diluted the organization's crucial intelligence and capability. George brought out the intelligence in others and created collective, viral intelligence in his organization. One leader was a genius. The other was a genius maker.

It isn't how much you know that matters. What matters is how much access you have to what other people know. It isn't just how intelligent your team members are; it is how much of that intelligence you can draw out and put to use.

We've all experienced these two types of leaders. What type of leader are you right now? Are you a genius, or are you a genius maker?

the Multiplier effect

Multipliers are genius makers. Everyone around them gets smarter and more capable. People may not become geniuses in a traditional sense, but Multipliers invoke each person's unique intelligence and create an atmosphere of genius—innovation, productive effort, and collective intelligence.

In studying Multipliers and Diminishers, we learned that at the most fundamental level, they get dramatically different results from their people, they hold a different logic and set of assumptions about

people's intelligence, and they do a small number of things very differently. Let's first examine the impact of the Multipliers—why people get smarter and more capable around them and why they get twice as much from their resources as do the Diminishers. We call this the Multiplier effect.

Because Multipliers are leaders who look beyond their own genius and focus their energy on extracting and extending the genius of others, they get more from their people. They don't get a little more; they get vastly more.

2X Multiplier Effect

The impact of a Multiplier can be seen in two ways: first, from the point of view of the people they work with and second, from the point of view of the organizations they shape and create. Let's begin by examining how Multipliers influence the people who work around them.

extracting intelligence

Multipliers extract all of the capability from people. In our interviews, people told us that Multipliers got *a lot* more out of them than Diminishers. We asked each person to identify the percentage of their capability that a Diminisher received from them. The numbers typically ranged between 20 and 50 percent. When we asked them to identify the percentage of their capability that the Multiplier extracted, the numbers typically fell between 70 and 100 percent.⁴ When we compared the two sets of data, we were amazed to find that Multipliers got 1.97 times more. That represents an almost two-fold increase or a 2X effect. After concluding our formal research, we continued to pose this question in workshops and with management teams, asking people to reflect on their past Multiplier and Diminisher bosses. Across industries and in the public, private, and non-profit sectors, we continued to find that Multipliers get at least two times more from people.

What could you accomplish if you could get twice as much from your people?

The reason for the difference is that when people work with Multipliers, they hold nothing back. They offer the very best of their thinking, creativity, and ideas. They give more than their jobs require and volunteer their discretionary effort, energy, and resourcefulness. They actively search for more valuable ways to contribute. They hold themselves to the highest standards. They give 100 percent of their abilities to the work—and then some.

extending intelligence

Not only do Multipliers extract capability and intelligence from people, they do it in a way that extends and grows that intelligence. In our interviews people often said Multipliers accessed *more* than 100 percent of their capability. They would say, “Oh, they got 120 percent from me.” Initially, I pushed back, citing that getting more than 100 percent is mathematically impossible. But we continued to hear people claim Multipliers got more than 100 percent from them. Greg pushed this issue, suggesting this pattern was an important data point. We began to ask: Why would people insist that intelligence Multipliers got more out of them than they actually had?

Our research confirmed that Multipliers not only access people’s current capability, they stretch it. They get more from people than they knew they had to give. People reported actually getting smarter around Multipliers. The implication is that intelligence itself can grow.

This is an insight that is corroborated by other recent research into the extensible nature of intelligence. Consider a few recent studies:

- n Carol Dweck of Stanford University has conducted groundbreaking research that found that children given a series of progressively harder puzzles and praised for their intelligence stagnate for fear of reaching the limit of their intelligence. Children given the same series of puzzles but then

praised for their hard work actually increased their ability to reason and to solve problems. When these children were recognized for their efforts to think, they created a belief, and then a reality, that intelligence grows.⁵

- n Eric Turkheimer of the University of Virginia has found that bad environments suppress children's IQs. When poor children were adopted into upper-middle-class households, their IQs rose by 12 to 18 points.⁶
- n Richard Nisbett of the University of Michigan has reviewed studies that show: 1) students' IQ levels drop over summer vacation, and 2) IQ levels across society have steadily increased over time. The average IQ of people in 1917 would amount to a mere 73 on today's IQ test.⁷

After reading these studies, I took Greg's advice and recalculated the data from our research interviews at face value, using the literal percentage of capability that people claimed Multipliers received from them. When factoring this excess capability (the amount beyond 100 percent) into our calculations, we found that Multipliers actually get 2.1 times more than Diminishers. What if you not only got 2X more from your team—what if you could get everything they had to give plus a 5 to 10 percent growth bonus because they were getting smarter and more capable while working for you?

This 2X effect is a result of the deep leverage Multipliers get from their resources. When you extrapolate the 2X Multiplier effect to the organization, you begin to see the strategic relevance. Simply said, resource leverage creates competitive advantage.

Resource Leverage

When Tim Cook, COO of Apple Inc., opened a budget review in one sales division, he reminded the management team that the strategic

imperative was revenue growth. Everyone expected this but they were astounded when he asked for the growth *without* providing additional headcount. The sales executive at the meeting said he thought the revenue target was attainable but only *with* more headcount. He suggested they follow a proven linear model of incremental headcount growth, insisting that everyone knows that more revenue means you need more headcount. The two executives continued the conversation for months, never fully able to bridge their logic. The sales executive was speaking the language of addition (that is, higher growth by adding more resources). The COO was speaking the language of multiplication (that is, higher growth by better utilizing the resources that already exist).

the logic of Addition

This is the dominant logic that has existed in corporate planning: that resources will be added when new requests are made. Senior executives ask for more output and the next layer of operational leaders request more headcount. The negotiations go back and forth until everyone settles on a scenario such as: 20 percent more output with 5 percent more resources. Neither the senior executive nor the operational leaders are satisfied.

Operational leaders entrenched in the logic of resource allocation and addition argue:

1. Our people are overworked.
2. Our best people are the most maxed out.
3. Therefore, accomplishing a bigger task requires the addition of more resources.

This is the logic of addition. It seems persuasive but, importantly, it ignores the opportunity to more deeply leverage existing resources. The logic of addition creates a scenario in which people become both

overworked *and* underutilized. To argue for allocation without giving attention to resource leverage is an expensive corporate norm.

Business school professors and strategy gurus Gary Hamel and C.K. Prahalad have written, “The resource allocation task of top management has received too much attention when compared to the task of resource leverage. . . . If top management devotes more effort to assessing the strategic feasibility of projects in its allocation role than it does to the task of multiplying resource effectiveness, its value-added will be modest indeed.”⁸

Picture a child at a buffet line. They load up on food, but a lot of it is left on the plate uneaten. The food gets picked at and pushed around, but it is left to go to waste. Like these children, Diminishers are eager to load up on resources, and they might even get the job done, but many people are left unused; their capability wasted. Consider the costs of one high-lying product development executive at a technology firm.

the high-Cost Diminisher Jasper Wallis⁹ talked a good game. He was smart and could articulate a compelling vision for his products and their transformational benefits for customers. Jasper was also politically savvy and knew how to play politics. The problem was that Jasper’s organization could not execute and realize the promise of his vision because they were in a perpetual spin cycle, spinning around Jasper.

Jasper was a strategist and an idea man. However, his brain worked faster and produced more ideas than his organization could execute. Every week or so, he would launch a new focus or a new initiative. His director of operations recalled, “He’d tell us on Monday, we need to catch up with ‘competitor X,’ and we need to get it done this week.” The organization would scurry, throw a “Hail Mary” pass, and make progress for a few days, and then eventually lose traction when they were given a new goal to chase the following week.

This leader was so heavily involved in the details that he became a bottleneck in the organization. He worked extremely hard, but his

organization moved slowly. His need to micromanage limited what the rest of the organization could contribute. His need to put his personal stamp on everything wasted resources and meant his division of 1,000 was only operating at about 500 strong.

Jasper's modus operandi was to compete for resources with a larger division in the company that produced similar technology. Jasper's overriding goal was to outsize the other division. He hired people at a breakneck pace and built his own internal infrastructure and staff—all of which was redundant with infrastructure that existed in the other division. He even convinced the company to build a dedicated office tower for his division.

Things eventually caught up with Jasper. It became clear that his products were hype and the company was losing market share. When the real return on investment (ROI) calculation was made, he was removed from the company and his division was folded into the other product group. The duplicate infrastructure he built was eventually removed, but only after many millions of dollars had been wasted and opportunities lost in the market.

Diminishers come at a high cost.

the logic of Multiplication

We have examined the logic of addition and the resource inefficiencies that follow. Better leverage and utilization of resources at the organizational level require adopting a new corporate logic. This new logic is one of multiplication. Instead of achieving linear growth by adding new resources, you can more efficiently extract the capability of your people and watch growth skyrocket.

Leaders rooted in the logic of multiplication believe:

1. Most people in organizations are underutilized.
2. All capability can be leveraged with the right kind of leadership.

3. Therefore, intelligence and capability can be multiplied without requiring a bigger investment.

For example, when Apple Inc. needed to achieve rapid growth with lat resources in one division, they didn't expand their sales force. Instead, they gathered the key players across the various job functions, took a week to study the problem, and collaboratively developed a solution. They changed the sales model to utilize competency centers and better leverage their best salespeople and deep industry experts in the sales cycle. They achieved year-over-year growth in the double digits with virtually lat resources.

Salesforce.com, a \$1 billion software firm that has pioneered software as a service, has been making the shift from the logic of addition to the logic of multiplication. They enjoyed a decade of outstanding growth using the old idea of "throwing resources at a problem." They addressed new customers and new demands by hiring the best technical and business talent available and deploying them on the challenges. However, a strained market environment created a new imperative for the company's leadership: get more productivity from their currently available resources. They could no longer operate on outdated notions of resource utilization. They started developing leaders who could multiply the intelligence and capability of the people around them and increase the brainpower of the organization to meet their growth demands.

Resource leverage is a far richer concept than just "accomplish more with less." Multipliers don't necessarily get more with less. They get more by using more—more of people's intelligence and capability. As one CEO put it, "Eighty people can either operate with the productivity of ifty or they can operate as though they were 500." And because these Multipliers achieve better resource efficiency, they enjoy a strengthened competitive position against companies entrenched in the logic of addition.

This book strikes at the root of this outdated logic. To begin to see how, we will turn to the question of how Multipliers access intelligence and get so much from people. The answer, we found, is in the mindset and the five disciplines of the Multiplier.