

A Consultant's View

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Why do Organizations exist?

Travelers around the world can find piles of dirt and ruins bearing fabled names. Troy, Ephesus, Babylon were once thriving cities. It raises the question; "Why do cities exist and why do they fail?" Watching Detroit imploding and looking at why these famous cities failed gives some answers. Cities exist to take advantage of new ideas and trade. The same is true for companies and other organizations.

In the ancient world, cities sprang up where trade routes came together. Troy controlled access into the Black Sea. Venice was just a pirate hideout until those pirates gained control over the trade routes in the eastern

Mediterranean. Ephesus was a vibrant trade center until its port silted up and could no longer support trade.

Trade exists because of new ideas and new technology. People in different places develop technologies, use those technologies to make unique goods, and by trading, gain new ideas for even more new stuff. The Bronze Age relied on wide spread trade in order to bring the raw materials for Bronze together. Bronze is made up of copper and tin. These metals were mined very far apart from each other. Tin was even mined in Britain and taken to the Mediterranean to make bronze. Without widespread trade, the Bronze Age would not have happened.

Detroit was created out of exploiting new ideas and is imploding because of a lack of new ideas. Yes, new ideas

were out there to be used, but Detroit failed to adopt new ideas. In today's world, in order to thrive, a people need to keep looking for and adopting new ideas.

Every city exists because of new ideas and trade. When they stop adopting new ideas and focus inward, cities fade away and are overrun by the next vibrant culture.

In the same way, businesses need new ideas in order to survive.

The world is changing too rapidly for any business to assume that what they offer, how they offer it, and to whom they offer it will still be valid next year. It is especially troubling to see a once great company turn its back on new ideas and

exist only to extract as much value as it can from its current ideas.

Every organization has a past, however. Look at churches that have lost 80% of their congregation. They often still try to have the same ministries and same activities. A choir with three aging members isn't the same as when there were thirty, but the church leadership has to spend the same amount of attention on that small choir.

Likewise, Microsoft has to keep its Windows investment as it moves forward. It is that requirement which has allowed Apple to come in with a platform with a smaller footprint and make a killing with the iPad.

Business and cities will thrive if they keep on looking to new ideas and new ways of doing things.

**New Ideas
And Trade
Are the Future**

Are you on a Roll?

At times, do you feel like you can't make a mistake? Or are there times when luck turns against you? It turns out that the way that we feel about our decision making affects the quality of our decisions and the way that we play poker shows a lot about how we make executive decisions.

Annie Duke is a professional poker player with an education in psychology. She has met many an aspiring poker player who never could make the switch to top performer. The reason most never made it to the top was that they never could separate the decision process from the outcome. In a Forbes.com article, Stephen J. Meyer talks about why that is.

We humans are wired to think that when things worked out, we made good decisions. Yet, that is not good executive decision making. As executives, we have to make decisions based on imperfect information. We bring our own viewpoints, our prior experiences, and our blind spots to any decision we make. Yet, when luck is on our side, we do not see the problems with our decision process. Likewise, when luck is against us, we constantly question how we make decisions.

In order to make it to the "big leagues" in either poker or business, our decision process needs to be grounded in a good process. The math has to work out as well as the people involved. In a good decision, we accept that a good decision process may wind up with a bad outcome because of factors outside of our control.

When luck is going our way in business, it is very easy to think that we have figured out the process. It is the rare company that actually is using a strong business decision making process.

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Risky World

Recently, the Selective Service sent notices to over 14,000 Pennsylvania men calling on them to register for the draft. Unfortunately, most were born in the 1800's and had already died – some after serving in WWI and living a long life. It caused consternation in their grandchildren. (From AP)

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