

# THE BBO QUARTERLY

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## Smile Time

#1: What is the difference between mechanical engineers and civil engineers?

Mechanical engineers build weapons. Civil engineers build targets.

#2: To the optimist, the glass is half-full.

To the pessimist, the glass is half-empty.

To the engineer, the glass is twice as big as it needs to be.

#3: Normal people believe that if it ain't broke, don't fix it.

Engineers believe that if it ain't broke, it doesn't have enough features yet.

## The Word Swamp Revisited

### Culture

The sum total of the norms and values of an organization.

### Norms

Norms are social rules, often unwritten.

## TERRORISM AND THE NATIONAL GRID THE RED SAGUARO

In January 2018, *The Biz Bucks Guy* will release his new novel about the national electric grid and terrorism.

You will be able to buy it on Amazon and other online book retailers or ask your 'bricks and mortar' stores for it.

Here is the Preface:

"Many are aware of two significant threats to our national electric grid. First, cyber-warfare could render significant portions of our electric grid inoperable. Second, electromagnetic pulses (EMPs), caused by high altitude nuclear explosions, could do the same. As citizens, we are left to trust our national leaders and military to keep us safe from these two potential disasters which could quickly lead to anarchy wherever an attack might hit.

"The Federal government is

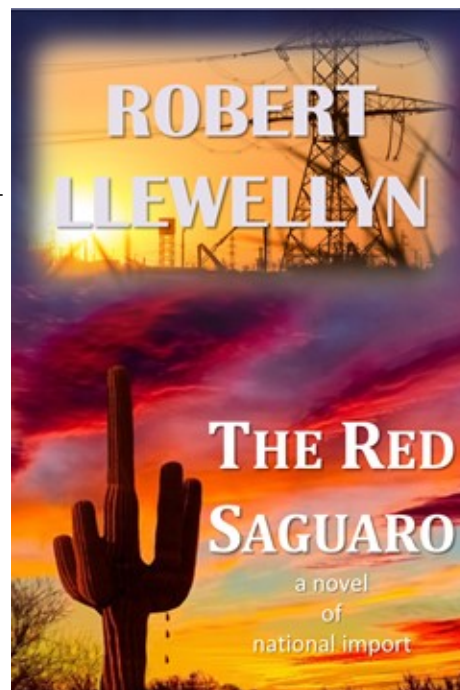
spending considerable funds to protect us from these two threats. Our leaders know we must maintain the integrity of the grid, arguably the most critical part of our national infrastructure.

"However, there is a third, much lesser known threat. It is just as real and just as ominous. Many electric industry professionals know it is our nation's soft underbelly. Terrorists do not need advanced skills in information technology or nuclear-ballistics to inflict massive human tragedy and economic damage on us through destroying the grid.

Amazingly, Federal funding to fight this threat is minimal compared to the other two. Yet, it is a weapon of mass destruction, right in our own neighborhoods!

"Fortunately, this third threat can almost be eliminated by local utilities, state politicians, and law enforcement working together with Federal authorities. Unfortunately, they are

(Continued on page 4)



## A BIZ BUCKS GUY OPINION

## GROWTH IS THE SOLUTION!

Growth Is The Solution - Tax Reform is the Mechanism!

This opinion is based on a WSJ op-ed of 10 September 2017 - "Finding America's Lost 3% Growth" By Phil Gramm and Michael Solon

Gramm and Solon have argued convincingly a sad commentary. Without a steady GDP growth of at least 3%, we will lose the American dream.

Why have we had such anemic growth for eight years? Did America change? Have we lost our economic mojo? Some are saying the days of 3% growth are irretrievably gone.

The policies of the Obama administration caused this anemia. It averaged 1.47% for Obama's eight years.

From the referenced article, "A tidal wave of new rules and regulations across health care, financial

services, energy and manufacturing forced companies to spend billions on new capital and labor that served government and not consumers. Banks hired compliance officers rather than loan officers. Energy companies spent billions on environmental compliance costs, and none of it produced energy more cheaply or abundantly. Health-insurance premiums skyrocketed but with no additional benefit to the vast majority of covered workers."

(Continued on page 2)

*“...The Biz Bucks Guy suggests a strategic change simulation be designed and run to allow employees at all levels to feel the new culture.”*

## LEADERSHIP READINESS SKILL #12

The Biz Bucks Guy has made a career of teaching key business principles to about 5000 people since 1997. Business acumen is the buzz word for his work. Acumen is defined as a key understanding of practical principles. That is what is needed among leadership in American business.

The final of the Twelve Skills of Leadership Readiness is the ability to effect change through one's leadership. Someone once said, that “not all change is progress, but all progress is change.”

If you are going to raise your organization to higher ground, you must apply all twelve of these skills in a way that is focused and strategic. Much of change literature is about changing culture. To change culture, there are five suggested steps to consider.

First, the top officers must have an awak-

ening. This is done by asking themselves four questions, as shown on page 323. The last of which is “So...top officers...what exactly is this new culture you want?”

Second, the officers form a “tiger” team, called a Z-team in the book. The Z-team makes three lists, the behaviors that we want to keep from our existing culture, the behaviors we want to jettison from our existing culture, and the new behaviors we want to add.

Third, the organization must start measuring culture change

every six months.

Fourth, additional action teams must identify and audit all management systems to see if they grow or impede the new culture.

After these four steps, the organization has increased the chances of a successful change to about 50-50. Fifth, to improve those odds, The Biz Bucks Guy suggests a strategic change simulation be designed and run to allow employees at all levels to feel the new culture.

Figure 3 - Twelve Skills of Leadership Readiness

Each Leader should strive to master processes, tools, and principles of:	Each leader should strive to master the behavioral skills of:
1. Strategic Planning and Implementation	7. Developing People
2. Customer Focus	8. Decision Making
3. Quantoidal Smarts of Finance, Accounting, and Statistics	9. Communications
4. Organizational Smarts	10. Delegating
5. Managing Work: Processes and Projects	11. Team Building
6. Managing Individual Performance	12. Leading Change

## MORE ON GROWTH CONTINUED FROM PAGE 1

In just a few months, merely by reducing unneeded regulations, our economy grew in the 2Q17 by 3% again. If Congress can find the ability to enact real tax reform, The Biz Bucks Guy predicts GDP will grow beyond the 3% standard that many are looking for.

Capital gains is an interesting historical topic. Bush 43 reduced the capital gains rate from 20% to 15%. This directly improved the Net Present Value of new projects. A portion of newly considered projects were now economically feasible (positive NPV). This, in turn, resulted in more projects being done; and furthermore, improved not only the GDP directly, but improved overall national productivity. Some jobs were lost, but more higher paying jobs were gained.

Obama did the opposite. Tucked neatly into the (un)Affordable Care Act was a horrible increase in the capital gains rate. Obama not only returned it to 20%, but added 2.3% for medical devices. This retarded growth in our economy.



With Obama's higher capital gains tax rates, investment in capital has slowed and is only equaling depreciation. This means the net capital per worker did not change.

Capital investment is a major part of the engine that drives growth.

To quote Gramm and Solon, “America without 3% growth is not America... With 3% growth, the American dream is achievable and virtually anybody willing to work hard can live it. Let 3% growth die and a lot of what we love most about our country will die with it.”

It all starts with Congress passing tax reform. Lower tax rates generate GDP growth and more revenue for the government.

And of course, we also need the continued assault on unneeded regulations.

Will Congress be able to act? By the time, this piece is read, we might know, ...at least for 2017.

*“To quote Gramm and Solon, ‘America without 3% growth is not America...With 3% growth, the American dream is achievable...’”*

## FROM LEADERSHIP FOR THE RECOVERING QUANTOID THE GIVENS

In *Leadership for the Recovering Quantoid*, The Biz Bucks Guy has two key lists. The first is the Eight Qualities of Leadership Rightness. This list allows the reader to self-assess their current emotional makeup and determine if leadership is right for them now. If their honest evaluation shows they are not yet right for leadership, this does not imply that someday they may change and be more right for leadership in the future.

The second list is the Twelve Skills of Leadership Readiness. You can be RIGHT for leadership but not READY! The remainder of the book largely expands on these twelve skills.

However, before discussing these two lists, The Biz Bucks Guy also lists nine GIVENS. The book does not elaborate on them beyond these “givens”, but assumes one who is assessing their worthiness for leadership has them. These givens largely apply to any member of an organization, not merely the leadership. Here’s how the text reads:

Not included in the qualities of rightness or the skills of readiness are certain givens. Anyone interested in leadership should have developed in her frontline career the following prerequisite attributes. These are not unique to leadership but needed by everyone throughout an organization.

1. Honesty – This is the fundamental virtue on most lists of virtues. Without it, a person is unable to be effective. This virtue is woven throughout this volume and is a particular focus of chapter 16.

2. Results Oriented – In your current frontline position, you must have demonstrated a yearning and the ability to get things done. This is partly a matter of personal ambition to succeed but mostly the drive to

make a difference.

3. Ability to Organize, Prioritize, and Manage Your Time – Time management skills are now automated. These tools are useless unless we systematically use them. The first boss position is not the place to learn these skills. They only become more crucial and more difficult in leadership.

4. Desire to Innovate – Innovation is the seed of improvement and competitive advantage. In your frontline career, you should have enjoyed a measure of creativity and gained the ability to use it to make changes.

5. Functional or Technical Skills – You have a measure of those skills necessary to succeed in your current frontline position. However, you need not be the department expert to become the boss.

6. Problem Analysis – Problem solving has two components: analysis and decision-making. Almost all quantoids have become adept at analyzing situations and determining the root cause of problems. Analysis is the precursor of decision-making. Depending on the environment, decision-making skill is not a given for a frontline employee; therefore, it is listed as an important skill of leadership readiness below.

7. Loyalty to the Organization – If you have been cynical about the purpose, mission, and vision of your business, division, or department, you may not be a good candidate for leadership. As boss, you need to be emotionally connected with the direction of the company and you willingly give a bit extra to make things work.

8. IQ Horsepower – In any organization, frontline employees match wits with

people. We all need a nominal level of intellectual ability to be effective in argumentation, to maintain coolness under fire, and to field complaints. Leaders also need such horsepower to coach, to balance priorities, or to confront bad performance.

9. Balanced Strength in Four Areas – Leaders should strive to become balanced in physical, mental, emotional, and spiritual facets of life. The culture of the twenty-first century does not place an emphasis on the last of these four personal strengths. In fact, many are uncomfortable with discussing spirituality and religion in general. Nonetheless, many top leaders and successful frontline employees are grounded in an appreciation of deity and faithful living. The reality of a supreme being will be discussed in appendix E and also supports the first of the following eight qualities of leadership—love of people.

*“Honesty – This is the fundamental virtue on most lists of virtues. Without it, a person is unable to be effective.”*

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The Biz Bucks Guy has now  
taught or facilitated busi-  
ness-acumen and related  
principles to 6034 partici-  
pants (thru September  
2017)!



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The BBO Quarterly is published quarterly (surprise) by Bob Llewellyn, the "Biz, Bucks Guy" 1) to support past participants in BizBasics Online.com or "Biz Bucks" live training, allowing them to review the principles taught; 2) to possibly entice other unsuspecting victims into the class room or the online learning experience...and 3) to give the Biz, Bucks Guy something to do between gigs.



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One popular "live" course is Biz, Bucks & Blastoff, a two-day course in financial decision making. This course is designed for engineers and other technical professionals who make or recommend financial decisions.

## THE RED SAGUARO

CONTINUED FROM PAGE 1

not!

"And, on an individual family basis, our part is financially insignificant."

Learn the details of what the terrorists already know and your role to help alleviate this threat. Travel with Dr. C. Ronald Cannon, Ph.D.; FBI Special Agent Laura Fatopoulos; and boy-genius Juan Miguel Quilantan from Phoenix, Arizona to Innsbruck, Austria and back in thirteen hours while reading *The Red Saguaro*."

The plot begins in Innsbruck, Austria, but the dangerous threat is about the metropolitan area of Phoenix, Arizona...in the hottest part of the summer.

The novel includes significant subtexts. First, the novel is supportive of capitalism. Today in America, too many of our young adults have been fooled by the notion that socialism is better than capitalism. As Willi Schlaff, a German intellectual once said as Hitler was coming to power, "The problem with socialism is socialism. The problem with capitalism is capitalists." Old Willi meant that socialism is a theory that does not work. Capitalism has raised more people out of poverty than any economic system yet devised. But Willi also meant, capitalism has one big problem dishonest capitalists or as Gandhi called it "commerce without morality."

The second subtext is religious freedom and respecting others. Fatopoulos quotes the late Krister Stendahl, the former head of the divinity school at Harvard. His three rules for assessing anyone's

religion is useful for us all. Stendahl says he first learns from those IN THE RELIGION first, not their detractors. Second, he suggests you don't compare a religion's worst aspects with the best aspects of your own. Third, he always leaves room for what he called "heavenly envy." That means it's OK to appreciate the best of someone else's religion as something to strive for by living your own.

The Red Saguaro will be released under the Wheatmark imprint, an independent book publisher in time for the RMEL conference on grid security.

[Note: The cover graphic is conceptual. The publisher will develop the final cover.]