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The Power of Words

By: Harriet Rubin Tue Dec 18, 2007 at 11:59 PM

Fernando Flores was Chile's minister of finance -- and, later, a political prisoner. Now he teaches companies how to use assessments and commitments to transform the way they do business. The outcome: executives who speak and act with intention.

Fernando Flores is pissed off. He has had enough of the bullshit. The 55-year-old philosopher, former Chilean minister of finance, former political prisoner under Augusto Pinochet's rule, has flown halfway around the world, from California to Holland, to transform two executive teams -- 32 leaders in all -- of a global construction giant. These are people accustomed to building on a grand scale. But right now, building is their problem, not their business: Their world-class reputation for being brilliantly managed, it turns out, consists only of hollow words -- words that have little power and less value.

Flores knows about words and how they translate directly into deeds. He knows that talk is never cheap -- he often charges more than \$1 million for his services, a fee that is linked directly to specific promises of increased revenues and savings. He also knows that talk is the source of these executives' failure. Their words work against them -- which is why they can't get anything to work for them.

Talk all you want to, Flores says, but if you want to act powerfully, you need to master "speech acts": language rituals that build trust between colleagues and customers, word practices that open your eyes to new possibilities. Speech acts are powerful because most of the actions that people engage in -- in business, in marriage, in parenting -- are carried out through conversation. But most people speak without intention; they simply say whatever comes to mind. Speak with intention, and your actions take on new purpose. Speak with power, and you act with power.

The team that Flores is working with is hemorrhaging money and losing market share. In charge is Anton, a Palestinian engineer, who is determined to turn things around. Last year, his division lost tens of millions of dollars -- which was actually an improvement over the performance of his predecessor, who lost significantly more. Anton attributes this improvement to Flores's intervention over the past six months. "We are still several hundred million dollars off our target goal," Anton informs his team, "which we will have to make up by the end of the year, only four months away. There is a look of despair in some of you. In others, there is a look of, 'I've seen this before. I can live with it.' "

Anton's language is strong, but his words are nothing compared with Flores's. "The soft issues are the hard issues," Flores begins. "Your problems don't come because you don't know how to calculate entropies or to design plates. They come because you don't know about people. Our best comes out when we have honest discussions. Our worst comes out when we behave like robots or professionals. You all have the delusion that it's your business to sell hardware. But every company of the future is going to be in the business of exquisite care -- which means quick turnaround time and convenience. To deliver exquisite care, you need an organization that coordinates well and listens well. Right now, you are in an organization that has poor quality and slow delivery. You have one big mythology in your favor: Everyone believes that you Europeans are impeccable. But I know you are jerks."

The temperature in the room is rising. The air-conditioning is on arctic blast, but the men are beginning to sweat. "When you get into a situation like this, nothing seems to work," Flores says. "That's when you don't need solutions -- you need transformation. You've already tried everything to stop your losses."

One executive says to Flores, "You're our last hope."

"Hope is the raw material of losers," Flores shoots back.

The session has only started and already Flores has had enough. He lifts his 6-foot, 220-pound frame from his chair. Imagine a bear rising up on its hind legs: The men are simply not prepared for how big Flores is when he stands -- or how fierce. He turns on Tomas, a relative newcomer to Flores's sessions.

"Tomas," Flores begins, "tell me: Why is change taking so long here?" Tomas responds: The group is resisting Flores's approach. To Flores, Tomas's answer sounds like projection. It is Tomas who is resisting change. Flores invites Tomas's colleagues to "assess" Tomas. One executive leaps to the challenge. "Tomas, you are blind, egotistical, and inwardly focused," he says. "I can't challenge you without your getting defensive."

The words leave Tomas stunned. "Tomas," Flores says, "say, 'Thank you for that assessment.'" The words are part of a script written on an easel next to Flores. Tomas tries to repeat them, but he stutters when he gets to the word "sincerity," even though the rest of his English is nearly perfect. Flores prompts Tomas, "Follow the script, exactly as it is written":

Assessor: [Name], [negative assessment]; [positive assessment].

Person assessed: [Name], thank you for your assessment. I appreciate your sincerity. I would like to have further conversations with you about the topic.

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December 27, 2008 at 10:20am by [Dr. Clifton Chadwick](#)

I am a big fan of Fast Comapny but would be a bigger fan if you would refrain from hagiography and particularly in the case of Fernando Flores. This guy is highly over-rated and you contribute!! I have visited seminars sponsored by Flores, in Chile, and have know, rather well, several people who were "disciples" of Flores. Listening to him he struck me as rude, manipulative, AND SOCIOPATHIC. I worked with one

person who, presumably, was one of Flores main students, and the guy wa, like Flores, rude, insenitive, overbearing, and most importantly ineffective. He actually ruined a business in which I was involved. His partners dumped him. A serious mag lik FAST COMPANY, should not fall for crap. Even when one reads the article to which I am referring it should be clear that "transformation" is basically bullying. You should provide concrete evidence of p[osiutive impact of Flores work. I have only seen negative impact. Cheers Dr. Chadwick