

**Ep #20: Developing Stakeholders from Employees
with Chuck Blakeman**



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Allison Watts, DDS

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Welcome to *Practicing with the Masters* for dentists with your host, Dr. Allison Watts. Allison believes that there are four pillars for a successful, fulfilling dental practice: clear leadership, sound business principles, well-developed communication skills, and clinical excellence. Allison enjoys helping dentists and teams excel in all of these areas. Each episode she brings you an inspiring conversation with another leading expert. If you desire to learn and grow and in the process take your practice to the next level, then this is the show for you. Now, here's your host, Dr. Allison Watts.

Allison: Welcome to *Practicing with the Masters* podcast. I'm your host, Allison Watts, and I'm dedicated to bringing you masters in the field of dentistry, leadership, and practice management to help you have a more fulfilling and successful practice and life.

All right, welcome everybody. We are here tonight with Chuck Blakeman. I first heard of Chuck at the Speaking Consulting Network and I heard him on Vanessa Emerson's teleclass and just instantly—well actually a lot of the people at the SCN meeting recommended that I read his book, which I did and loved immediately.

Then I had to call Chuck and talk to him about his wonderful book. Now I've got the opportunity to have him on this because Linda Miles said that not only can Chuck show you how to—he's not just a systems guy, he's a leadership guy. I'm thrilled to have you here, Chuck.

Chuck: It's my pleasure, thank you for having me.

Allison: Yes, and I know you're a business guy. You've had seven successful businesses in 25 years, both in the United States and internationally.

Chuck: Actually only five of them were successful.

[Laughter]

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Allison: Seven businesses, five of them successful. That's funny, I've been in practice 18 years and I don't know how many of those have been successful. I probably ought to figure that out sometime.

So he's been in business for a long time and been successful for many of those years. Now he uses his leadership experience to help business owners create success. His company, the Crankset Group, provides outcome-based mentoring and peer advisory for business owners worldwide in the United States, Europe, Africa, and Australia. Is that right, Australia?

Chuck: Australasia, yeah.

Allison: Australasia, that's what I thought it said.

Chuck: Fancy term for New Zealand and Australia. I guess it's easier to say, except when you have to explain it like this.

Allison: Australasia. I have never heard that. Yeah, so Chuck served in the army, the U.S. Army, followed by 13 years of service in a nonprofit leadership development. He sold one of his businesses to the largest consumer fulfillment company in America and led three other \$10 to \$100 million companies through repositioning in the marketing support services industry.

He presently leads the Crankset Group and a multimillion dollar for-profit business based in Africa focusing on solving poverty through development of local economics. I just think that's amazing. I wish we could talk about that too. Another day, another time. Wow. That's amazing.

Mr. Blakeman is a results leader, not a thought leader. I think that's an interesting comment, Chuck. He's a results leader. And has decades of sales, marketing, and operations

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experience leading companies in marketing, import/export fulfillment, call centers, website development, printing, and direct email processing. He now also exports agricultural products and minerals from Africa to the world.

Some of his customers have included Microsoft, Apple, Eli Lilly, TAP Pharmaceuticals, Sun Microsystems, Tyco Healthcare, Johns Manville, and many more. He's a regular convention speaker, magazine contributor, and nonprofit board member. His recent book, which is the one I've already read, was the *Making Money is Killing Your Business*. It was named the number one business book of the year by the National Federation of Independent Businesses, the largest business owner association in America.

That was a couple years ago, right?

Chuck: Yeah, 2010, actually.

Allison: Okay, yeah.

Chuck: They named it in 2011 for 2010.

Allison: Okay. And then you've recently spoken in Kenya, the Congo, Ireland, New Zealand, and across the U.S. 100-plus times a year. He's in the *Harvard Business Journal*, *Entrepreneur* magazine, CNNMoney.com, NewYorkTimes.com, and recently cited in Dr. Stephen Covey's book, *The 3rd Alternative*. I know you have your new book coming out, which I think that's what most of our conversation is going to be about tonight, right Chuck?

Chuck: Yes.

Allison: *Why Employees Are Always a Bad Idea*. This is, Linda Miles just joined us, and she just thought that what you had to say was really impressive and I agree. When we talked last night, I

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thought, “Oh, I think this is really something we need to hear.”
So you want to start us off by telling us a little bit about that title, and what you mean by that? [Laughs]

Chuck: It does take some explanation, why employees are a bad idea. They're always a bad idea. Not just some of the time, but all of the time.

Allison: It's the “always,” yeah.

Chuck: The reason for that simply is that the way that we think of employees today. The whole concept of the modern employee was invented really starting in 1901 with a paper by a guy named Frederick Taylor, called “Scientific Management.” He started this whole thing in 1901 with two assumptions. He's the first known consultant in the world, started about the late 1880s. He worked in the factory systems and he based his concept of the modern employee on two really goofy assumptions.

Before I tell you the assumptions, I want to tell you why it's important. We know this because most of you know who Peter Drucker is, he's one of the top management consultants ever, and a few other people like him feel the same way. Drucker says that Frederick Taylor is more important to the 20th century than Freud, Marx, and Darwin. That he had as much impact on our culture as those three guys and more than perhaps even some of them.

So this guy is really meaningful to us. Everything we talk about in the way of management today harkens back to this guy's fundamental assumptions about business. Everything we do today—unfortunately most of our business practices were really developed in the factory system for the factory system. We're still hauling them around as if we're making wheelbarrows.

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His two assumptions were this: Number one, employees are stupid. He actually says this, “The employee, the average employee is so stupid that he more resembles the ox than any other type.” So that’s assumption number one.

The second assumption is that employees are lazy. He called it “soldiering.” The average employee will do only so much work that they have to do in order to not get fired. Those are the fundamental assumptions on which the modern employee system was built. If you believe as he did that people are fundamentally stupid and lazy, that you have to solve that problem.

So, how do you solve that problem? Well, you find a few smart and motivated people to manage the stupid and lazy ones and make them productive. That’s the birth of our modern management system. We need a few smart and motivated people to make the stupid and lazy ones productive.

It’s fascinating to me that for thousands of years, people have managed to be smart and motivated on their farms and their shops. They managed to do this but as soon as they became employees in the factory system, they couldn’t figure out what time to get there, what time recess was, what time to go to lunch. Any of that stuff. They became four-year-olds again.

So that’s the foundation of this whole thing. We have to get away from that because it’s really a very short time period. It’s about 110 years that we’ve had this model around. We’ve proven over and over again that it’s a bad idea. We can go into that, why the system doesn’t work. But that’s where it comes from. Managers are smart and motivated, employees are stupid and lazy.

Allison: Chuck, a part of me—we talked a little bit about this when we had our preparation call—but part of me is like, “I don’t believe

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that.” But I do think there’s probably some really subtle behaviors and subconscious things that are probably running through the whole system that we’re not even aware of. Is that kind of what you’re saying?

Chuck: The system is actually designed to make people stupid and lazy, even though you know they’re not. Managers are the ones who make decisions. Managers are the ones who figure out the systems and the processes, and then they tell people what they should do. That by itself makes me stupid and lazy.

Because I don’t need to figure out what to do, I don’t need to figure out what my productivity should be, or how to be productive, or what the processes and systems—you’re going to lay that all out for me. All I have to do is come in and be an extension of a machine. Whether it’s a service machine or a physical machine, the whole thing is all set up, and I just get shoehorned into it. I’m now just an extension of the whole machine. My job is to be productive at that level, whatever you designed for me.

The problem with that is that people aren’t stupid and lazy. We know that, but we don’t give them the opportunity to perform at a level where they can actually decide that they’re not stupid and lazy. I just have countless stories of business owners we’ve helped who came from that background. Where they never believed their people were stupid and lazy, yet they made all the decisions.

I’ll give you just one real quick example. One business owner we were working with. The light went on for him, he said, “Boy, we’re going to create a stakeholder environment. I’m going back to my office and I’m going to spend three days figuring out what it would mean to be stakeholders. I’m going to lay this whole thing out and then we’re going to have a meeting and I’m

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going to tell my people how they're going to become stakeholders."

Allison: [Laughs] That's funny.

Chuck: So we hear the absurdity of that. But he didn't. I hear it now but I don't think I would have heard it through five or six businesses. I didn't have this figured out.

But I said, "How about this? How about if you go to them and say, 'I now believe you are adults. I used to think you were children and needed to be led. I now believe you're adults at work. Not just at home. So we're going to figure out together. I'd like you to tell me what it means to be a stakeholder. How about if you come up with the systems, the processes, the results. We're going to change this whole environment. I'm going to stop treating you like a child. That means you're going to have to now turn in from a time-based system to a result-based system. You guys figure this out and let's work together to do it.' And watch what happens."

Invariably, the employees all of sudden are not stupid and lazy, they're incredibly smart and incredibly motivated and they come up with better answers than we would have if we had designed even the stakeholder system for them.

One owner we worked with over the last year, she has eight people that work with her. A year ago, Brenda was mother hen. She lived in what we called a parent culture. "My door is always open to solve all your problems for you. Just bring them to me and I'll make everything go away." It was codependent, she couldn't spend ten minutes out of the office before the thing started falling apart.

She just got back, she was supposed to be away for four weeks. She stayed away for five, and when she got back, they

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had hired someone. This is a year later, about nine, ten months later. They'd hired someone, they'd taken over all of her processes, and she would come into the office and start to do things she used to do and people would run over to her and say, "What are you doing? That's my job. Go away." And she now, she's taking every Friday off now going forward. She's going to get the last week of every month off and next summer she's going to take another five weeks.

She said, what it's done for her is it's taken her to a level where she can now think about, "How do I grow this as a business?" She's thinking strategically, she's thinking about vision, she's leading, and that's the real effect for us as business owners is, we need to stop managing and start leading.

It's not that we can't manage stuff. But we manage stuff when we lead people. That's a whole different thing. In the industrial age, people were just an extension of stuff. So we managed both stuff and people. That's a whole other conversation but we can get into a little of that today. That's sort of the hope in this for us, is that everybody can do this. Everybody can change from a manager to a leader. But the light has to go on, we have to believe first that there are people in our business that are smart and motivated.

Allison: Okay. I definitely want to get into hiring these people and how do we lead these people. What are the—I don't know if you have any protocol or steps or suggestions for turning your business into a stakeholder environment. But my thought was, when you were talking about the mother hen lady, and you said she was out for five weeks. I told you this last night. I don't know if that would work for dentists, because how do we be out of our office for five weeks? Anyway, I just thought I would throw that out there for you.

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Chuck: Let's jump right in that one, because I get that question every time, and rightly so. But the irony is, it doesn't matter what industry I'm talking to, I get that question or that comment. "Well, I understand that that would work for fill-in-the-blank people, but our industry is unique. Or my business within that industry is unique. So that won't work for me."

That happens with just about everybody we've worked with. So here's some people we've worked with: dog walkers, law firms, contractors, service companies, call centers, printers, hardcore manufacturers of washing machines and meat slicers, insurance agencies, even bankers.

In all those cases, and by the way, I did not work with this person personally, I found him, he's been doing this, he's a dentist. He's been doing this for 35 years. He grew his own practice to the point where he could be away not only for weeks and months, but he got to where he didn't have to go in period, end of story. He grew a number of practices and didn't have to do it. He eventually sold them off.

The point of that is, that I can't think of a single industry or a single vocation where we couldn't do this. The problem isn't the industry; the problem is in our heads. I'm pretty sure if you saw the movies, what's the movies with Mini-Me, *Austin Powers*?

Allison: Yeah, Austin Powers. I love those movies. [Laughs]

Chuck: We all think we're Dr. Evil. [Laughs] And our employees are all Mini-Me.

Allison: Okay.

Chuck: Or they're Number One or they're Number Two. He just didn't treat those people like they were equals. They were Number One, Number Two, and those mean different things in that movie, and then there were Mini-Me. At best, we're looking for

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Mini-Me. We hope to find Mini-Me. Why in God's name would we look for Mini-Me? The guy could barely talk. He was pretty much useless. All he did was mimic the boss. And that's who we look for. I would suggest that we look for Maxi-Me. If we believe there are people out there who are better than us, we will find them. If we believe there are people out there—if there aren't people out there who are better than us, we'll find all the people who are Mini-Mes.

I say this all the time, you get what you intend, not what you hope for. We all hope for Maxi-Me, but we intend to find Mini-Me. We go looking for him. Well, I know this guy's not going to be good enough, but we'll do what we can and off we go. I call it the thousand and one principle, Allison.

If we could sit here, and it might be fun, actually, entertaining, for ten minutes. Let's see how many reasons we could come up with why this wouldn't work in the dental industry. In ten minutes, we could come up with at least 50 and if we had three or four hours we could come up with 1,000. The fact is, the better question is, how many reasons do you need, or how many ways do you need to make this work? You only need one.

So we could focus on 1,000 ways that this wouldn't work, and I would guarantee there's probably not more than ten or twenty that it could work for a dentist. And maybe not more than four to six. How many do you need? You only need one. So let's figure out what one way this will work. And we can go that direction. But if we sit around thinking about all the ways it won't, we will find them.

Again, I can't find an industry or a job where we haven't been able to find someone who could do this if they believe there were other people out there who are smart and motivated.

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Again, I found Lee Thomas, myself, he's now out consulting other people. He doesn't even consult dentists. He just goes all over. He built seven or eight other businesses after he sold his dental practices for a few million. Then went out and helped other people do this. And he's in his 70s. And he's just mucking around, having a blast. He just naturally fell into this.

Actually, not naturally. I think this is pertinent for us and especially for you as dentists. 45 or 50 years ago, got his acceptance to dental school, went out and mowed his lawn that day, reached under his mower and almost cut one of his index fingers in half. He saw his entire career flash before his eyes. They managed to sew the thing back on, he was fine. But he said, "From that day forward, I vowed to build a practice that would not be dependent on me."

Sometimes you get it before you even go to dental school. Sometimes you get it when you're 58. It doesn't matter when you finally figure out there's got to be a way to do this. Sure enough, because he intended to build practices that weren't dependent on him, what a surprise, he did.

Allison: Yeah. I think that's the thing, though, Chuck. I'm just now in that transition point in my life where I'm kind of getting that, right. But you said something yesterday about us being craftsmen. There's some attachment to—I don't know, I'm special, I want to be hands-on, I'm the only one who can do this. There's a whole letting go of that, and I don't know. There's a whole trust piece. There's a lot in here.

Chuck: Yeah, the craftsman is the violin maker, the heart surgeon, the lawyer. When you start your business with this sentence, "Wouldn't it be great if I could make money doing fill-in-the-blank? If I could just do what I love, wouldn't that be great?" That's a craftsman.

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The good news about that is, you're doing something that you love. The bad news about that is, you're doing something you love. So you're going to do it, sometimes you're going to give it away for free, but a lot of times you're going to be so married to it, that it begins to destroy your life. People say this all the time, you've heard it. "If you do something you love, you'll never work a day in your life." Actually, if you don't do it right, you'll be a slave to your business. If you do something you love, you'll be a slave to your business.

Think about some of these guys who are doing stuff that you know they don't love. They're just natural entrepreneurs looking for a hole in the market, and they say, "Hey, look, there's brake drums. Man, I can make brake drums." They don't have any affinity for brake drums, and they make a bazillion dollars and have a great life. Because they're not married to that thing.

So it's actually harder for us as craftsmen to get to the point where we sort of separate ourselves from it enough to be able to build a business around it. Now, the other objection I get all the time is, "Well, but I don't want to build a business. I want to be a dentist." I got this from the dog walker, actually. "I don't want to build a dog walking business. I want to be a dog walker."

So I went on the internet, and I found a business that had went from zero to \$10 million in two years walking dogs. She said, "I don't want that business because I want to walk dogs." I said, "Are you crazy? If you build a business that's worth \$10 million you can walk dogs any time you want."

Isn't that funny? But it's the difference between having to be a dentist and choosing to be a dentist. What are those things that you love to do? Those kinds of procedures and those kinds of patients, and whatever it is, wouldn't it be great if you could

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choose to just do that? So if you don't want to run the business, get somebody else to wear the tie. But put yourself in a position where you can choose.

Freedom is the ability to choose what to do with my time and my money. Most of us can choose what to do with our money, but we haven't found freedom with our time yet. Get some freedom and then if you want to choose to be a craftsman, that's wonderful. That's what I'm doing. I don't have to do this stuff. I choose to do it because I'm doing just the things I love to do. That's where the craftsman should get motivated to build a business.

If you build a business around your dental practice, you can actually do the fun stuff.

Allison: Okay. Now I want you to talk about how we do that. Then, we're supposed to be talking about stakeholders, how to do...
[Laughs] You tell me where we go from here, because now I'm like, "Oh, okay." So build a business, how do we tie that in with the stakeholder conversation? And I'll just remind you guys that if you have any questions for Chuck, *2.

Chuck: Don't hold them...

Allison: Yeah, don't hold them. He said he wants it to be interactive if you guys have questions, please ask. Especially if you have a direction you want to go. Because I'm here for you guys and so is he.

Oh, Lisa asked—oh, we've got a couple. Okay, Lisa I'm going to get you first and then Linda I'll come to you, okay? All right. Lisa, you're on.

Lisa: Great, thank you. Love the conversation, and I do want to hear more about the stakeholder and how to empower our team members to do that. I am in such agreement and I find myself

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really already in the belief of what you're talking about. Building the business is what gives us the freedom to be able to do what we love.

I guess when I haven't built the business yet, and I'm kind of sort of doing what I love-ish. Help me to figure out how to balance... I guess I feel like I have to put aside what I love to build the business, and then I can go back to what I love. Then I'm afraid I'll get trapped into the business. I guess I want to know how to move forward, doing what I love, build the business, kind of check that off the list and continue to do what I love.

Chuck: Right. The short answer is that, as you're doing all this, hire Allison and Linda and Vanessa and those kinds of people. Outside eyes will keep you from getting trapped in the process if you do that. You don't necessarily have to stop being a dentist in order to build a business. But you might have to do both. In my book I call it dual tracking.

Figure out how, you have to make money this month to pay the mortgage, and then you have to figure out how to build a business for six months or a year from now where the business will pay the mortgage. There's a bit of anxiety or angst or work involved in doing that. It doesn't just happen. But if you had to stop doing the thing you loved for a year, or six months, so that you could do it the rest of your life, would that be an okay tradeoff? I can answer that for you: Duh.

These two lawyers we just worked with, they have 50 employees, now they're stakeholders. These guys had never gotten more than one to two weeks a year off, and those one to two weeks were always "crackberry" vacations. Where they took their phones, their crackberries, with them and ran their businesses off their crackberries while their families had fun.

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Never more than one to two weeks in 18 years. One of the principals just got back from his first four-week break. First time he'd done this. He said the biggest realization he had, he said, "I'm 49, and I've never been away from business. In fact, I don't even remember taking a month off in college. I'm not sure I've ever taken a month off in my life."

He said, "It scared me to death, because I sat there on a beach in Newport Beach, California. We rented a house for 30 days and I thought, 'I could have been 80 years old and never done this.' Now I can do it the rest of my life."

He didn't have to, but if you had to take a year off actually doing the thing you loved in order to build the business, would it be a good tradeoff to be able to do that kind of thing the rest of your life? It's all about where we want to end up. Then you get people like the people I just mentioned to hold you to that and to keep you going.

Allison: Are you there, Lisa?

Lisa: Yes. Thank you. Great answer.

Chuck: We can give you the mechanics behind that. You have to have stakeholders. It's first of all, your mindset. So for you to say I'm already getting this, I can see it. The belief systems that we have about where we're supposed to go is everything. Read the book *Shift* about this 406-pound guy who became 150 pounds. He said, "It took two things. Number one, I decided to." Number two was the important one. He said, "From that point on, when I decided to, I saw myself from that point on as a 150-pound man. I made every decision in my life based on what would a 150-pound man do.

And he said—he was a big marketing guru—he said, "I even went out and fired some giant corporations because they were

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somehow the client of a 406-pound man. They didn't fit. If I was 150 pounds, I wouldn't have..." He went out and fired clients. You've got the right start is, what does this look like when I get there and do I believe I can get there? The rest of it is the mechanics of getting there. You can be easily guided along the way.

It took these two lawyers, these guys were industrial-age, these guys were nuts. They were classic control freaks. They would go around and they would pound on all 49 of the other people every day. "Get your work done, do this, yadda yadda." And now they don't go to anybody's office. They leave them alone. People are adults. But it was because their mindset changed. So that's number one, good for you.

Allison: Thanks, Lisa. Hi, Linda.

Linda: Hi there. I'm so enjoying this. I had the pleasure of having breakfast with Chuck at the Speaking Consulting Network. I knew immediately we were somehow related even though we've never met. There are so many ways that dentists can do this. My goal for every dentist client that I've ever worked with, when they reach the age of 50, they should be working 100 days a year. That is 10 days a month, 10 months out of the year.

By having an associate come in, somebody that's going to eventually buy the practice, they can work 100 days. So if you want to take 30 days and go to Europe, and it isn't your month to do so, you work your ten days the first half of the month, leave on the 15th, come back on the 15th and work your ten days.

So the owner gets to work any ten days a month and they get to have freedom, as Chuck is talking about. Work hard to play hard.

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Chuck: Well said, love the story, Linda. It's great to hear your voice.

Linda: Also, Chuck, there's something called *locum tenens*. And this is for my clients who fall ill and they have to have a part-time dentist come in. There are so many dentists in every state, licensed, who are, maybe they retired and sold their practice and they're bored. You can find someone to meet your standards to come in and fill in for either illness or a 30-day vacation. I just think you come back so refreshed if you get away from it.

Chuck: Yeah, that's what these guys—that's the other thing that people are saying, when they go away for even two weeks or three weeks. They're saying, "Now I'm thinking visionary, I'm thinking leader, I'm thinking how I can build the business." These two lawyers, by the way, have started two new businesses that they'd been thinking about for ten years. They started both of them, one of them is doing a half million dollars a year already in one of the businesses. They're just side businesses that they put off forever because they couldn't get out of the tactical part to think about how do I push my business forward?

So it's a catch-22. The less you do of it, the less you can, the more you do of it, the more strategic you'll get, the more you'll be able to get the freedom you need.

Linda: That's for sure.

Allison: Thank you, Linda. Do you have any more...?

Linda: I just, I'm enjoying it. Thank you so much.

Allison: Thanks so much for being on. Okay, Vanessa, I'm going to unmute you.

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Vanessa: Thank you, Allison, and just a quick question. Chuck, you mentioned the book *Shift*, do you happen to remember the author?

Chuck: Peter Arnell, I believe is the guy's name. Peter Arnell.

Vanessa: Thank you very much.

Allison: Yeah, I wrote that down too, Vanessa. I'm going to get that. You recommend the whole book, Chuck? You like it?

Chuck: I think the book wasn't long enough. I think his editor told him it needed to be longer, so he did a lot of stuff up front to tell you how great he is as a marketer. It just doesn't seem to fit in the book. When you finally get to the part about "how I lost weight," that's what the book's all about. How he shifted from being 406 to being 150 and he stayed there. That to me was the whole book. You can jump right to that if you want.

Allison: Okay, thank you. Thanks for that question, Vanessa.

Vanessa: Thank you.

Chuck: Allison, it might be good just to talk real quick about how to stop managing, start leading, and then how to find what is a stakeholder and how to find them. We could spend some time on those things.

Allison: That'd be great. Lisa, did you have another question real quick?

Lisa: Just a quick follow-up question. My question is, is it always necessary or is it just one of many options when you want to build a business, and go into something different, to replace yourself? For example, Allison is a dentist. Does she have to have an associate or someone come in and replace herself just so that she can be free from the patients?

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Chuck: It really depends on the person. Obviously if she wants to keep patients in chairs for eight hours a day, four days a week or whatever it is, and she's not going to be there the whole time, then she has to have an associate. Or she can figure out another way to do it.

But she could decide that, one of the methods we talk about is what we call the Picasso method. If you're so darn good and in such high demand in a certain type of specialty, you can charge through the nose and work half as much, or a quarter as much. Picasso went to a restaurant one time, they said "We want you to paint our wall." He said, "Okay, it'll be \$100,000." I could say \$500,000 or one million today. And he said, "Paint the wall white and leave me a small paintbrush with a small paint can of paint." He came back next week, ate lunch, took the black can of paint, wrote his name Picasso on the wall and left. And took \$100,000.

If you work like that, you don't have to work very often. Another way that you could do this. There's ten or fifteen ways that she could do it and it doesn't always mean that you have to hire another dentist. It could mean that you know some things or you've built some practice stuff that you can put out on the web. You can do some white papers. You could do speaking engagements, consultants, there's a lot of other things you could do to fill in for that at a higher pay level.

Lisa: Okay. I'm good. Okay, thank you.

Allison: Thank you, Lisa. [Laughs] I can hear your kids or something in the background. Okay, Chuck, I think that's a good idea to talk about how to create the stakeholders and go back into that. That would be great. Hiring and keeping them.

Chuck: First of all, I think only about 20 percent or less, probably 20 percent of people are incurably employees. Those are people

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who are synonymous with children. A child and an employee are pretty much interchangeable. They just want to be told what to do. “Tell me when to show up, when to leave, what to do while I’m here, and how to do it.” That’s what we want to do with children. Less than 20 percent are incurably that.

Then there’s another 20 percent who, no matter what we do, they’re going to be stakeholders. We can’t hold them down. They’re going to question what we’re doing. They’re going to be motivated. They’re going to try and take over things when they—they’re those annoying people who get in our way constantly asking, “Why?” Or they’re those people we think we’re really lucky to have, who seem to be the highly proactive.

Then there’s the middle, the 60 percent in the middle. Most of them are acting like employees right now. And the reason is because we built systems that treat them like that. “In order to keep my job, if you want me to be stupid and lazy, I’ll be stupid and lazy.” But the fact is, if we build a system where we free them to be smart and motivated, you’ll be surprised the majority of your people will step up to that and say, “Yeah, I got ideas. I can actually help out here. I can make this go.”

So 80 percent of people can be stakeholders or more, and they should be. The way we get them there, first of all, is to change the way we manage people. That’s a mindset. Do I believe that I’ve got Maxi-Me or Mini-Me? I’m going to find out. I’m going to set them both loose, turn them into adults, ask them to be self-managed and self-motivated. Very quickly you will find out who you have.

A stakeholder, number one, stakeholders need ownership. You have to figure out, how do I give my people ownership of first their task, then their processes, then their job, then the systems, then maybe the office. How do I give them ownership

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of decision-making and the power of being able to actually make decisions?

Here's a great principle for us: Decisions should be made at the level at which they have to be lived with. So if the office manager has to live with this decision 70 percent of the time, and you only have to live with it 30 percent of the time, if there's any possible way to give them 70 or 100 percent of the decision to make, let them do it. They will be better at making that decision than you are because they're going to have to live with it.

There's always the caveat that you don't let people make decisions that are going to irreparably damage the practice. That's what we call below-the-waterline decisions. Don't let them put a hole in the boat. But other than that, if they're going to do things that you know are stupid, let them do it because you did stupid things too and that's how we learn and we become better. And the next time you won't have to manage them. That's principle number one, figure out how to help them become owners and let decisions be made at the level at which they're going to have to be lived with. That's difficult for us to do, but we can get there.

Second thing we have to do is give them the ability to make meaning at work. To be contributors. Employees go to work to make money. Then they go home and go bowling. Stakeholders come to work and say, "I'd love to add value here. I want to go home today and say, 'This was fun, this was meaningful, I made an impact, I changed a little bit of somebody's life. Or I really had fun putting this process together. I'm important here.'" So we need to put people in a position where they want to do that. Stakeholders want to create significance. They want to make meaning, not just money.

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They want to build relationships. Money is pretty much at the bottom of the totem pole for a stakeholder. We brought somebody in who was making over \$100,000 a year at \$39,000 a year, because we were going to give her an environment where she could make money—or make meaning—and over the next couple years get back to \$100,000. That's how important it is for stakeholders to actually be in a position where they can do this.

Figure out how to do what I call distributive leadership. All the decisions are coming at you. Think of it like you're holding a mirror and somebody's shooting laser beams at you. Your job is to deflect those laser beams at other people. Make as few decisions as possible. The purpose of a leader, the best leaders figure out how to make very few decisions. We're so used to making them all because it's my practice, it's my money, etcetera, but you'd be surprised how much they'd want to take ownership. So those are a few practical examples of how to do this.

Then very quickly, a process for turning someone from an employee into a stakeholder. When you're having conversations with people, you have to be asking yourself, which conversation am I having? There's basically three conversations you can have with someone when it comes to problems.

Conversation number one is, I found out the problem and I'm having to create the solution. That's the lowest level of management. That's supervisory management. You do not want to be doing that. So if you're having a conversation with someone because you found out the problem and you found out the solution, you have to figure out how do I move this person to the next level. Teach them how to find out the problems. Just do that first.

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Then you get to the second level, where they're now bringing you the problems but you still have to come up with the solutions. Obviously, you're asking yourself, which conversation am I having? You figure out it's that conversation. Now you train them how to come up with the solutions. Then you get into the point where they're bringing you two or three solutions to pick from.

Gradually you figure out how to help them come up with the solutions. The ultimate place you want to be as a leader is, they found the problem, they found the solution, and they sent me a report. That's when you know you've got real, true, honest-to-goodness stakeholders because they've arrived at, "I know what problems are and I know how to solve them. I'm just going to tell Allison, here's what I did." That's a process. That can take a month to seven or eight or nine months of freeing someone from the background of "You don't make decisions." That is a very concrete thing that people could follow to help people turn into stakeholders.

Along the way you will find people who will simply not move to the next level. You have got to let them move on. You have to help them find another position where they can be employees somewhere else. Because the stakeholders in your office—nothing grinds the gear of a stakeholder more than having to pull the weight for somebody else who doesn't want to step up.

Go through that process and if people stall and they refuse to go any farther, then that'll be your cue to move them along. You will find that very few people stall out.

Allison: Wow. That was great. I was thinking, when you were saying something, and I was thinking, "Oh my gosh." So you just train them, when they come and they say, I guess, when you go to them with the problem and the solution. Then what do you say

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to them? The next time you see a problem, or that time, you say, okay, how do you do that? How do you move them?

Chuck: You say, “Let me help you figure out how to identify problems. So here’s a problem I identified. Here’s how I identified this was a problem. I saw this, I looked at that, or here’s our metrics.” Sometimes it’s simply—you don’t really have a good view of the metrics. Or you don’t understand the metrics, or you don’t understand the process. Or you don’t understand... So, “Let me help you understand better what it’s supposed to look like when it’s working.” That’s number one. “Do you understand that?” We call it process mapping, or freedom mapping.

Figure out how to write the process down so that they know what the process is supposed to look like and what the result, what a happy client looks like or whatever it is. That’s the first thing, is to make sure they’re trained enough to know what it’s supposed to look like. Usually what happens, if they don’t know what the problem is, that’s a cue that they probably don’t know what the right thing is, either. That’s how you know what the wrong thing is, you look at the right thing and say, “Well, this one’s right, that’s wrong.”

Train them on the right thing first and then sit with them. This is painful. Sit with them and identify the problem. You see it, you walk by it, you give them three minutes or an hour or two days, or however long you can take it before it becomes a below-the-waterline thing. Then you sit with them and say, “Okay, I saw something here. Let’s walk through this together. Do you see anything in this position or this process or in the way you treated that—what do you see here? Tell me what you see.

Then I’ll tell you what I see and here’s how I saw that and here’s how I...” You train them to find it. Then you say to them, “Okay, how many of these conversations do you think we need

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to have in order for you to be able to begin to identify these kinds of problems? Two? Three?" Let them pick. If they say 27, that's a problem. But pick something, and this becomes a metric. "Okay, so we're going to give this three more times." Or two more times I'm going to have to come to you and identify these problems. By then, you're going to get this.

And then, you move to the next level. "How many times am I going to have to train you how to find the solution on this? What do you think?" Let's go to three more times. "Okay, so over the next month or two months, you're going to get three more shots with me and I'm going to train you how to do this. Then if it gets to where it's the fourth or the fifth time I'm doing this, that's a problem."

So we become adults and they begin to see that they have to figure this stuff out. And there might be mitigating reasons why you have to go to the fourth or fifth time. But you begin to put metrics on it as adults. "I'm going to help you grow up." It's the same thing we do with any kid. "When you're 13, you get x, when you're 16 you get x," and so we're doing the same thing. "How many more times do you think we have to do this?"

We've done this with people where they got all the way to the end of it, and they just couldn't get it. We said, "Okay, you get two more shots. If I have to come to you and give you the solution two more times, the third time I come to you, there's not going to be a solution. The solution is going to be we need to help you find another place. We have failed you. We have you in the wrong position," and it's always that.

Allison, it's almost never that they failed us. We put them in the wrong position. I always take that tact. "We failed you. We put you in the wrong position. We need to help you find somewhere

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either in our company or more often than not, somewhere else where you can be successful.”

Allison: Great. Wow, that’s wonderful. When you do the metrics, it’s an agreement, you’ve created an agreement. So then you can hold each other accountable.

Chuck: People think this is fuzzy stuff. Well it’s not fuzzy stuff. We’re going to this three more times. We’re going to do this fuzzy stuff three more times. That’s what we agreed to.

Allison: Yeah. I love that. So when you’re hiring somebody, if you’re looking for somebody that wants to be that way to begin with. We just hired somebody, are there things we can do starting out? Yeah, that would be great.

Chuck: We have a workshop. We can’t decide which to call it because every time we call it either one we get lots of people. One is called “How to Hire People You’ll Never Have to Manage,” and that one, when we call it that we get a lot of people. Then we call it sometimes, “How to Get Employees to Quit Before You Hire Them.” That one gets a lot of traction. It’s the same workshop.

But we really do want to get employees to quit before you hire them. It’s the best time to do it. There’s no, it’s very clean. I quit before you hire me. What we’re doing here is we’re sifting for stakeholders. We’re creating a new interview process that’s just for stakeholders.

The way we interview people is broken because it basically once again was built in the factory system with the assumption that people are at least a little bit less smart than me and a little bit less motivated than me. So we put together this goofy system where we look at resumes and we talk to people across

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a desk. There are so few jobs where that actually makes sense, it's not funny. Almost none.

What you do first of all is you figure out what result, what is this person going to be doing in a high-level and maybe at a tactic level, what are the most important three or four or five things I want out of this person in this position. Then you design your interview process around that. We have a different interview process for an outside salesperson, a different interview process for an inside salesperson who would be on the phone all the time. That interview process, you don't meet this person until the day before you hire them. Because why would you? They're an inside salesperson, they're going to be on the phone. That's the job you want. So you design a process and have them on the phone with you the whole time.

We have one for an administrative assistant. So that one is entirely different. We have them doing all sorts of things and the process, it's a five or six or seven step process depending on which one we're hiring for. The first thing you do is you hire for culture. Never hire for skills. Never ever ever never hire for skills first. You can do it later on in the process.

That's one of the reasons resumes are bad. We never look at resumes until way down the process. Because a resume is only going to tell you two things: What are my skills, and what are my experience? It will not tell you what their culture is, it will not tell you what their belief systems are. How they will get along with you as human beings, or other people. And in fact, most resumes are more like obituaries. You never put the bad stuff in your obituary. And usually you embellish the good stuff.

You just don't want to look at them to begin with. So what we do is we design—if you don't get anything else from this call, this is the best thing we ever did. We designed a five to eight

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page ad for people. It's excruciatingly long and 2/3 to 3/4 of it is our culture. Here's what we believe. Here's our principles. Here's our values. Here's how we treat each other. Here's our website. Go look at that.

We tell them everything about our company. Buried in there we also say, here's what we expect from this position. Then buried in the middle of it, if we're looking for a detail person especially, we'll bury it in the middle, say, "Please do not send your resume. Just answer these seven questions."

And the seven questions are culture questions. It's things like: How do you respond to this ad? What does this ad do for you? How would you fit into an organization like this? Where would you see, what kind of help would you need... just things to get them started thinking in terms of value and culture. If they respond and send us their resume, we just delete it.

Allison: They didn't listen. They didn't read. They're obviously not interested enough to read the whole thing and to listen.

Chuck: For an outside salesperson, we'll put it right up front because we don't expect someone who's raging detail. We want them highly relational. We'll put it right up front in the ad in big bold letters, "Please do not send us your resume." If they don't see that, we'll drop them. Again, it's designed for that particular thing.

Important part of this is, we never take referrals directly. We put everything in an ad, we'll either put it on Monster. We usually put it just on Craigslist, which everybody told us when we started this process a few years ago, never put an ad out on Craigslist because you'll get inundated and you'll lose the pearls amongst the swine.

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But the fact is, when you put out a five to eight page ad, even on Craigslist, we put out an ad for what essentially is a high level administrative position, an office manager type. You normally would get two or three hundred responses in two hours. We got maybe a hundred responses in a month. And 30 or 40 of them sent us their resumes so we only had 60 people we had to sift through. We had to put the ad in two or three times to get enough responses.

Here's why: Employees are looking for a job. They are not looking for work. Reading a five to eight page ad is work. And they won't do it. They'll select themselves out right up front. "Man, this place looks nuts. I'm not even going to apply here."

Because all they're doing is they're slinging resumes. They're going out on Monster and all these others, they find a job posting, they find out who they're supposed to throw it at, they sling them a resume and they go on to the next one and they sling out 200 resumes in a day. That's what they're doing because they're looking for a job. They're looking for somebody to pay them money.

We want people who are looking for work. So we make them work right up front, do these seven culture questions. When they do that, we pare it down to 15 or 20 more. Then we give them tasks to do based on what we would ask them to do. If it's an admin, we'll give them a Word doc and an Excel doc and a PowerPoint that are all broken, they're all messed up, we tell them to fix it. 25 percent more will drop out at that level. Three or four steps in, half the people have selected themselves out and you've got five or eight or ten stakeholders left.

That's all you got, because they're the only ones that will put up with a process this crazy. They'll actually enjoy it because they

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want work. They don't want a job, they want to make meaning. They want work. They want to be significant.

We've never had an employee make it to the end of this process. They're all stakeholders. You get five or ten people at the end of this process and every one of them is employable, they just may not be employable by us. What we do, if people want to refer people to us, we tell them to go to the ad. Send their people, please don't even tell us who they are, send them right to the Craigslist, to the Monster ad, or whatever. Tell them to apply just like everybody else. If they're as good as you say they are, they'll come to the top.

We actually hired a salesperson blind through this first four processes that we got him from Pennsylvania and I found out halfway through the process, I changed this kid's diapers.

Allison: Oh, my goodness.

Chuck: When we lived in the northeast, our best friends in the northeast saw this ad on Facebook, gave it to their son. He went blind into the process. And everybody in our business loved whoever this guy was from Pennsylvania. He made it through the process because he's the right guy.

Now they could have come to us and said, "Hey, would you please interview our son?" And now you're stuck with courtesy interviews and all kinds of stuff for people that wouldn't make it through the process. So put your referrals into that process. Put out the five to eight page ad and that'll make 80 percent of the people quit before you even say hello.

Allison: I love that.

Chuck: Isn't that crazy?

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Allison: Yeah, but the whole thing that we're trying to figure out in our interview process is, do we have matching values? If you ask somebody straight up, "Do you believe in this...?" If you tell them what your values are, they'll say, "Of course that's what I value." It's very hard to figure that out. The way that you're doing it is, oh my gosh.

Chuck: You make them figure it out. And same thing with the skills. When you read their resume and it says, "Are you good at Word?" You look at them and say, "Are you good at Word?" Well of course they're going to say yes. If you give them a Word document that's all messed up and see how they do.

Allison: That is amazing. You're right.

[Allison and Chuck speaking at the same time]

Chuck: Why would you sit across a desk from a boiler tech and ask him if he's good at fixing boilers? Take him to the basement, intentionally break something and ask him to find it. There's your interview.

Allison: Yeah. Wow. Do you have this stuff all lined out in the book? Do you have examples?

Chuck: We've got the process lined out in the book but of course we didn't put all the ads and all that stuff in there. But we actually are putting together a toolkit that people can get from the book. The toolkit's going to be, I don't know, 195 bucks but if you bought the book, just email us at [52:06 Inaudible] @Crankset.com and we'll give you a code and you can buy the toolkit for \$20.00. We want it out there, it's not about necessarily making a bucket load of money out of that. We'll do just fine.

In the meantime, we can give you the rough drafts. If you guys on this call want to email Allison and say "Yeah, I'd like to get."

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Here's the ads, we've got ads, we actually have Excel scoring templates that we use for each wave through the process. For the admin, for the operations person, for the salesperson. We've only got three or four of these designed right now. But we're glad to give you the rough copies.

You'll get it, you'll be able to use them and go from there. We've got plenty of other people who are using what we've got to this point who are adapting it to their own environment.

Allison: I have to say that the ones, I got your toolkit from the *Making Money is Killing Your Business* and it was, it's fabulous. Those are great. All the things you need, all the forms, all the steps, everything in that little toolkit.

Chuck: Yeah, I have something similar to that for this new book.

Allison: Okay, all right. So, if you guys want to email me, I think everybody on here you have my email address because you got my email to get this phone number. So you can just...

Chuck: We'll just give that to you so you don't have to buy it. We'll just give it to you.

Allison: Oh, thanks Chuck. Appreciate it.

Chuck: You bet.

Allison: We are at the top of the half hour, at the end of the call. I cannot believe it. I feel like I just want to know so much more about—it got really exciting at the end. I love the whole thing, but the end, that was like, oh my goodness. That's the coolest thing. Thank you, Chuck. I've never heard anything like that.

Chuck: Well, we came up with it in a vacuum. We didn't look around and say, "What should we do?" We just kept searching for things until we hit on something. Sometimes that's the best way

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to come with something new is to not look at what everybody else is doing.

Allison: I think that's true and not look at what you've done in the past.

Chuck: We've had enough business owners do it over the last three years now that we know what works.

Allison: Hopefully we won't be hiring again for a very long time. But if we do, yeah. I'm sure Lisa's like, over there thinking the same thing, Lisa.

Thank you, Chuck.

Chuck: If you have questions later, feel free to email Allison or you can email me at Chuck@Cranksetgroup.com.

Thanks for listening to *Practicing with the Masters* for dentists, with your host, Dr. Allison Watts. For more about how Allison Watts and Transformational Practices can help you create a successful and fulfilling practice and life, visit transformationalpractices.com.