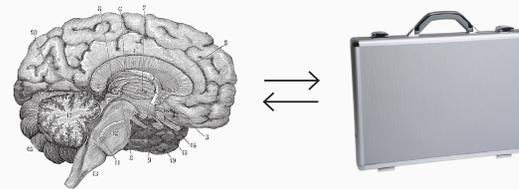




{ Figure 1 }



A Mind for Selling

*Brain Science Is Turning Management
On Its Head*

CHARLES JACOBS

MY FIRST JOB

My first job was working as a janitor in a women's shoe store for the princely wage of a dollar and a quarter an hour. My responsibilities included stocking the shelves, mopping the floors, and cleaning the toilets. I quickly mastered those tasks, and since I was an ambitious young man, I was eager to move up. The real glamour and money were in selling. After pestering my boss for weeks to put me out on the floor and see what I could do, he finally decided to give me a chance.

With shoehorn and order book in hand, I was determined to be the best I could be. I hustled to greet customers as soon as they came in the door, friendly and attentive. I took great care to make sure that each pair of shoes fit my customers perfectly. I even insisted that they walk around the store in them to make sure they were comfortable. But at the end of a day of very hard work, I had sold only three pairs, not even enough to cover a fraction of my draw.

As I sat dejectedly at the back of the store, while the other salesmen tallied up their stacks of receipts and calculated how much commission they had earned, one of the veterans walked up and sat down next to me. I admired his nicely tailored suit and his diamond pinkie ring, both badges of his great success. He looked me in the eyes and said, "Son, what do you think you're selling?"

A bit surprised, I answered, "Why shoes, of course."

With a knowing chuckle, he responded, "That may be what you're selling, but that's not what the customers are buying." I was confused. After all, this was a shoe store. So I asked him what the customers were buying.

"Beauty," he said, and with that, he stood up and walked away. It took me a couple of minutes to understand what he meant, but then I got it. I had made the classic rookie mistake. I had been so caught up in my own view that I didn't appreciate how my customers were thinking.

It wasn't the physical item itself they were buying; the shoes were just a means to the end of making them beautiful.

The lesson the old shoe dog taught me that day took to me to the heights of success in the shoe business. Even though my career was cut short by my parents' ill-considered insistence that I attend college, his lesson has continued to guide me in all of my endeavors. I recognize it now as a universal truth, and as the key to success in business and in life.

From Socrates to Machiavelli to Dale Carnegie, the message has been the same. If you wish to convince people to do what you want, you had better start by appreciating what they want, and that means understanding how they think. The latest research in brain science agrees, and teaches us just how to do it.

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THE BIG BRAIN

Humans have much larger brains in proportion to body size than any other species, three times the size of our closest relatives, the chimpanzees. Scientists have found that the size of the brain is proportionate to the size and complexity of the social groups we live in. This has led them to conclude that our brains evolved for the purpose of influencing others to do what we want them to do. We are wired to sell.

Of course, we know we have to sell when it comes to encouraging our customers to buy our products and services. But when it comes to our other relationships, we tend to lose sight of how important selling is. We expect our children to do what we ask because we're their parents. We expect the gate agent to get us a seat on the oversold flight because we've been confirmed. And we expect our employees to do their jobs because we're in charge and we pay their salaries.

As reasonable as these expectations may be, though, all too often we're disappointed. Brain science has found that human beings are anything but reasonable. The brain doesn't operate the way we think it does, nor do we think the way we believe we do. This becomes clear when we use a brain scan to track information flow from our senses to our conscious awareness.

Most of us believe that our senses record our experience of the physical world, and this information is then transmitted through neural pathways to the brain. When it arrives there, we become conscious of the world. But that's not what happens at all. The data from our senses is digitalized into a pattern of electrical impulses. This pattern travels to the sensory cortex where it is broken down, analyzed, reassembled, and compared to similar patterns stored in memory. At the same time, the areas of the brain responsible for our feelings, our beliefs, and even our desires are activated and providing input. All of this happens before we become consciously aware of our impressions of the world.

We don't have direct knowledge of the physical world; we only have knowledge of our ideas of it. The world we know is not an objective record of the one that exists outside of us, but the version of it we create according to whatever else is going on in our minds at the time. We don't live in the world of atoms; we live in the world of ideas.

In the world of ideas, it's not what something is, but what we think it is that determines our response. It's not the physical shoe or how it fits that will necessarily encourage customers to buy it. It's how the shoe furthers their vision of what they want, how it meets their desire to be beautiful.

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are anything but reasonable.

THE BRAIN ON MANAGEMENT

As managers, our misunderstanding about how the mind works causes most of what we do to not only be ineffective, but counterproductive. When it comes to motivation, our approach is based on the view of classical economic theory that people are rational beings trying to maximize their economic return. This leads us to use the promise of rewards to motivate the behavior we need.

But in direct defiance of the theory, people don't respond reasonably or objectively to the rewards, because of how they view them. While your boss may see a five percent salary increase as quite rich in these hard times, you see it as so small that it's insulting. Rather than motivate you to do what he would like, you become motivated to do anything but. The reward produces the opposite of what was intended.

Your assessment of the reward is also a function of your past experiences. Rewards lose their effectiveness as we grow accustomed to them. Five percent may have been a generous sum the first time you received it, but now your expectations have grown, and a larger reward is needed to produce the same effect.

Even if the five percent were adequate in light of past rewards, its value is also based on your sense of equity. If your peers are receiving more money for the same work, or the same amount of money for what you see as less work, the five percent will not be viewed positively.

Other studies have shown that we evaluate a reward based more on our perception of our boss's motivations for giving it than on the amount. If we perceive dishonesty or manipulation, the reward will be devalued. It's not the objective dollar value of the reward that determines how motivational it will be, but what we think its value is, and that's a function of everything else going on in our minds.

Even beyond how we might value a reward, people don't always rationally pursue economic self-interest. In the Ultimatum Game, a favorite of behavioral economists, two people are offered the chance to split of a sum of money. One of the players proposes the terms of the split, and if the other player doesn't agree, both walk away with nothing. While the rational decision is to accept whatever is offered, because any money is better than none, participants consistently reject offers they don't see as equitable. So much for classical economic theory.

When it comes to motivating employees, much of what we do is not only ineffective, it can create the opposite of what we intend.

In fact, brain science has proven that monetary rewards aren't motivational at all. When we experience something as rewarding, the neurotransmitter dopamine is released by an area of the brain known as the nucleus accumbens, and creates an effect not unlike that of cocaine. Our mental processing speeds up, our focus is sharpened, and we experience intense pleasure.

But brain scans have shown that it is not the reward that causes the release of dopamine, but engagement in the work leading to the reward. The reward isn't motivational; the work itself is. In fact, extrinsic rewards have been found to decrease our intrinsic motivation.

THE HEART HAS REASONS

Other data from brain science establish just how unreasonable we really are. There is a reciprocal connection between the seat of conscious reasoning in the prefrontal cortex and the amygdala, the area of the brain responsible for generating emotions. Brain scans show that when we believe we are reasoning logically, the amygdala is actively sending signals to the prefrontal cortex. Our supposedly objective reasoning is always infused with emotion.

This was demonstrated in an extreme case by a neurologist's hospital visit to a patient who had a lesion in the area of the brain responsible for location in space. The rest of her mental functions were intact. When he asked where she was, she replied that she was in her house in Freeport, Maine. When he then asked how she could explain the bank of elevators outside her door, she answered, "Doctor, you have no idea how much it cost me to have those installed."

The left hemisphere of our brain constructs the wayward logic to justify our view, no matter how many facts contradict it. When it comes to rewards, we simply ignore the evidence that they don't produce the results we expect, or we rationalize it away by seeing the employee as defective. Many of my customers were more than willing to buy ill-fitting shoes, if they thought they were attractive. My bet is that they thought they were comfortable enough as well.

The reward isn't motivational; the work itself is.

MINDING YOUR BUSINESS

There is a long and hallowed tradition of banishing the mind from management. The man who invented the modern concept of productivity, Frederick Taylor, once said, “I care not a whit for the thinking of the workingman.” Behavioral science, which has informed most of our management practices for the last century, also eliminated mind, and proclaimed that we only need to use reward and punishment to manage performance. As we’ve seen, though, people stubbornly refuse to do without their minds.

But the mind is hardly a logical mechanism where a given input will produce a predictable output. It is instead an organ that produces a view of the world based both on what we think and what we feel. This view then drives the decisions we make and the actions we take. While it would seem that this would make changing minds—the object of selling—much more difficult, it actually makes it considerably easier. It takes only an idea to change minds.

Rather than attempt to manage behavior with reasons or rewards, we’ll be more effective if we manage the ideas that drive behavior. As one experiment has shown, an idea can change not just how we think, but how we feel. Subjects were shown a picture of a woman crying and brain scans showed enhanced activity in the emotion-generating amygdala. But when the researchers changed the subjects’ view by telling them she was crying tears of joy because it was her wedding day, the activity decreased.

Another study has shown that students’ evaluation of a guest professor can become significantly more favorable by altering one adjective—from “cold” to “warm”—in a written biography distributed prior to her lecture. Teachers told that average children will raise their IQ scores by the end of the term actually changed their teaching so it did raise the scores. Similarly, the performance of average salespeople goes up dramatically when they’re told they’re high performers.

It's ideas that motivate us to change our behavior, and ideas are just neural networks with a lowered threshold for activation. These networks are arranged hierarchically in the brain, with those at the highest levels—the ones representing our deepest values and highest aspirations—keying the activation of networks at lower levels that are in sync with them. It's the big ideas that are most motivational.

It takes only an idea to change minds.

There's just one problem though: the ideas have got to get past our penchant for using our reason to justify our current view of the world. Fortunately, brain science offers us a solution. We just need to leverage the way the mind naturally works.

MIRROR, MIRROR

Most scientists now believe that our minds work through stories. Children think through stories before they learn logical reasoning. Ancient cultures also thought in stories. The Greeks used myths to explain the world before they invented logic in the fifth century BC. Because of this, stories are immediately accessible. When we encounter one, we identify with it, and take the ideas and values it conveys as if they were our own.

Because a story is not an argument, it doesn't summon up reason in defense. Stories ask only that we entertain them, and when we do, we rehearse the view of the world they embody. If we find it more attractive or a better fit with our experience, we adopt it. Because stories are experiences, they address both the intellect and emotions that drive our decision-making.

But how do we know what story we need to tell to influence others to support us? As I learned in the shoe business, selling starts with the mind of the customer, with their thoughts and feelings, and our minds are well-equipped to figure out what those are. A particular kind of nerve cell, called a mirror neuron, has been discovered in the brain. These neurons fire both when we perform an action and when we observe others performing an action. And they mirror not just the action, but the intent behind it.

These neurons are responsible for our ability to empathize and appreciate another's point of view. If we just shift our attention from ourselves to others, we become aware of what the mirror neurons tell us. When we step into the shoes of other people, we'll know just what they're thinking and feeling, because it will be the same thing that we're thinking and feeling. We can then tell a story that targets what's important to them.

Given the hierarchy of neural networks, the most powerful stories are going to be about our most deeply held values. All of us want to be doing important work that has meaning and purpose. We want to be a valued member of the social group we are part of, and we want our treatment to be equitable. When the story incorporates those values, people will then mirror it and do whatever it takes to make it become a reality.

Sociologists have found that the stories in our culture most effective at mobilizing people in support of a mission are about changing to overcome an obstacle and realizing a better future as a result. When it comes to business, the story we tell should be about people coming together to change their behavior to create the greatest company ever.

When others see a financial crisis or downturn in business as a tragedy, we should offer a story of opportunity. It can be about the challenge we face, which will make us grow and build our confidence to do anything else. It can be about the chance to do things over the way we've always wanted. In the mental world, things are only what we think they are.

Stories ask only that we entertain them,
and when we do, we rehearse the view of the
world they embody.

THE DISCIPLINE OF LEADERSHIP

We don't have to be a master storyteller, adept at fashioning exciting plots and building suspense, to use stories to our advantage, although it doesn't hurt. Our stories aren't just told with words, nor do they necessarily start with "Once about a time." Everything we do and say tells the story, so we need to be like the director of a movie, and manage all of the details to ensure a consistent message. Over-the-top executive perks don't fit into a story about people coming together to accomplish great things. They tell a story about venal managers that take people for granted.

In fact, it's who we are that tells the story. Mirror neurons work both ways. Not only do ours fire in empathy with others, but those of others fire in empathy with us. They mirror both our actions and the intent behind the actions. They mirror our story.

That's both the good news and the bad news. While people will quickly pick up on our story and take it as their own, they'll also pick up on any duplicity or distrust. We are bad liars, but good detectors of lying. We really need to believe the story we tell, so that all of our decisions and actions will be aligned. That's the only way it will be convincing and drive the behavior we need.

Since we're the story we tell, the most important story is the one we tell ourselves. We need to be in touch with our values and be clear about how our work contributes to our realization of them. We need to be optimistic even in the face of adversity. This is a tall order, but again brain science comes to our aid.

When we think a thought, we create a neural network by chemically lowering the threshold for activation. When we continue to think the same thought, structural changes in the connections between the neurons embed the thought. Even at the level of an individual neuron, practice makes perfect. We need to tell ourselves the story over and over, and when we find ourselves giving into negative emotions, we need to tell ourselves the story yet again. It's a discipline.

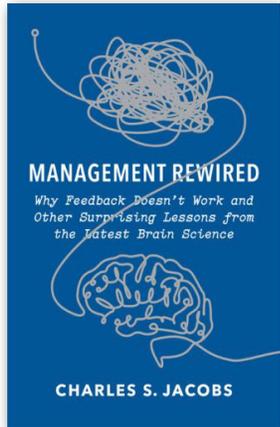
THINKING SUCCESS

The burning question for most managers is how do I get people to do what I need them to do. The real lesson of brain science is to forget about using reason, reward, or punishment to motivate people, and to focus on using ideas conveyed through a story to change the way they think. When we tell a story that's good for ourselves and in the best interests of others, people will be motivated to support us.

This isn't just true for management. Every human interaction is about selling, and ultimately it is our character that will get us the order. All of our new understanding of the brain comes down to this: if we really believe in what we're doing and it's worthwhile, we will communicate that belief with every ounce of our being and it will be infectious.

Since we're the story we tell, the most important story is the one we tell ourselves.

But perhaps the most powerful insight of brain science is that ideas change the way the mind works, so if we change our thinking, we change the world. We're no longer at the mercy of whatever life throws at us. We're in control. 📌



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ABOUT THE AUTHOR

Charles Jacobs is the managing partner of 180 Partners and an advisor to Fortune 500 companies. He was also the founder of the Amherst Consulting Group and has worked in Europe, Asia, and the United States. His clients include Exxon-Mobil, Verizon, Bristol-Myers Squibb, and more of the world's largest corporations. An active speaker and lecturer, he lives in Boston.

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