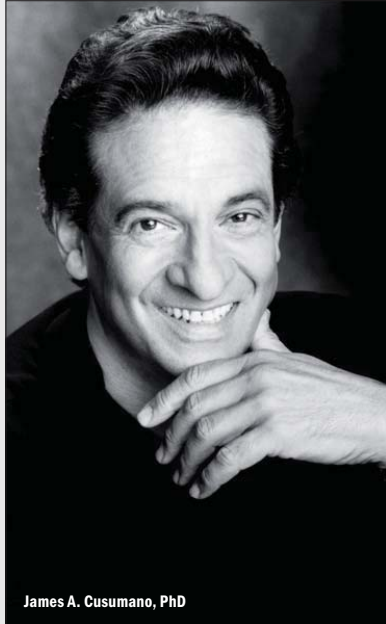


Business May Be Your Life – But – Life Is Your Business

Part I: The Power of Passion, The Fallacy of Fear^{1,2}



James A. Cusumano, PhD

"Santiago never realized that people are capable, at any time in their lives, of doing what they dream of."

Paulo Coelho – "The Alchemist"

KEY CONCEPTS:

- People under stress of rapid technological and social change ignore global challenges, especially if they are conveniently perceived to occur in the distant future, and if there is even a shred of opposing evidence.
- Major positive change only occurs through the galvanizing effects of passion.
- Passion can be instilled by a.) Working for the greater good b.) Seeing progress towards the ultimate goal c.) A genuine promise of appropriate reward for success.

THE CHALLENGE

Although many people are aware of the devastating consequences of critical global issues such as oil depletion, climate change, nuclear proliferation, and poverty, why is it that we appear to do almost nothing as the clock ticks forward? Many of us are either in disbelief or denial, as though there will be no ill effects in our lifetime, if ever. Why?

I believe there are three reasons. Consider oil depletion and its impact on energy security and climate change, as viewed on the North American continent and in Europe. First, there is the financial motive – politicians don't want to lose support from major corporate sponsors. For example, because of financial support from oil companies, some politicians are

reluctant to champion non-fossil fuel, carbon-free technologies regardless of their potential to mitigate the challenges of energy security and climate change. Until recently, and only subsequent to immense shareholder pressure did ExxonMobil change its negative posture on the science behind global warming and the realities of oil depletion.

Secondly, we don't easily give up our creature comforts, especially after having them for so long at low cost. Thus, Americans have received low-taxed, cheap oil for so long that they don't easily give up their gas-guzzling Sport Utility Vehicles (SUV). Although declining in numbers due to higher oil prices, in 2008 nearly 50 percent of the 250 million registered vehicles in the U.S. were SUVs. Fortunately, the consequences of increasing energy prices are forcing auto companies to admit to a more realistic picture. Once powerful, global, enterprises such as Chrysler and GM are on their way to becoming distant memories.

But there is a third and more fundamental reason, the most powerful effect of all. I call it the *Law of Human Survival*. This law asserts that *human beings under the stress of rapid technological and social change ignore immense global challenges, if they are conveniently perceived to occur in the distant future, and particularly if there is even a shred of opposing evidence*. This is our great escape clause. There is only so much stress-induced fear we can handle. Fear constricts the human psyche. It creates a vortex of emotional pain from which we must escape. Sure, fear has its place. In the battlefield, "Keep your head down, or it will be shot off," works quite well. But not when it comes to developing creative solutions to challenging problems. There are few great innovations in this world that have been created out of motivation by fear.

World renowned Harvard biologist, E. O. Wilson thinks that maybe human beings are hardwired not to worry about future generations. He points out that, "For hundreds of millennia, those who worked for the short-term gain within a small circle of relatives and friends lived longer and left more offspring – even when their collective striving caused their children and empires to crumble around them. The long view that might have saved their distant descendants required a vision and extended altruism instinctively difficult to marshal." There is only so much fear we can take, and currently there is more than enough to go around without having to overwhelm our spirit with a heavy dose of future fears. Yet in instances such as poverty, energy security, nuclear proliferation and global climate change, we must act now, if we are to have a positive outcome. How do we overcome our protracted paralysis?

THE SOLUTION

In my opinion, there is only one force that can erase this self-protecting, *laissez faire* attitude towards critical global challenges, or any critical change for that matter, and it is the *energy of unbridled passion*. This creative force is so powerful that it evaporates fear from the deepest level of the human spirit and can literally change the world. It has done so many times before. Most often a passionate vision starts within a single person. Recall Leonardo da Vinci, Isaac Newton, Marie Curie, Thomas Edison, Albert Einstein, Jonas Salk, and thousands of lesser known change-makers who left their indelible imprint on our planet.

Passion is arguably the most significant competitive advantage an individual or a company can have. It has been estimated that most people work at less than 30 percent of their full efficiency. In my opinion, this is due to the fear and anxiety that accompanies a lack of purpose. We say they are unmotivated. Although motivation is self generated, passion can be catalyzed by creating an environment that addresses a person's need for greater purpose. Every one of us is born with this need. This can result in human efficiencies beyond 90 percent. Did you ever do something so motivating that you lost track of time and your desire for food, water or sleep?

CHANGE THE WORLD

How do we instill such passion? I think there are three components that must be present. First, and foremost, *the challenge must appeal to a person's need to help the "greater good."* This is the key ingredient of unbridled passion. Both Gandhi and Edison, two disparate innovators, thought that their pursuits would change the world for the better. They never had any doubt. Unless people see that mega-issues such as global warming and energy security are going to significantly affect them immediately – in which case they are likely to act out of fear and make ineffective

¹ **EDITOR'S NOTE** – This is the first in a new series of articles based on the author's experience as an entrepreneur, having founded several successful businesses, including Catalytica Pharmaceuticals, Inc., a billion-dollar public company. His experience base currently spans "5 lives" – A multimillion record sales recording artist; R&D Director for Exxon; CEO & founder of 2 public companies; CEO, founder and Executive Producer for Chateau Wally films; Chairman & Owner of Chateau Mcely, an international award-winning luxury hotel & SPA. This article is extracted from his latest book, currently in preparation and entitled, "My Little Book of Business – Tales of Passion, Life & Enterprise."

² The author may be reached at Jim@ChateauMcely.Com.



Figure 1: Catalytica, 1993 - The growth begins



decisions – they are unlikely to do much. Their perceptions must be altered to a passion for action. Greek philosopher, Epictetus once said, "Not by facts, but by perceptions is society governed." This kind of change only occurs by stimulating and exciting the human spirit. *People must perceive and believe deep down that they are part of a team that will change the world for the better.* That is the magic. It has been done before quite successfully. U.S. President, John F. Kennedy galvanized Americans after the successful launch of the Soviet's Sputnik satellite. He raised their passion by his personal commitment to what some saw as a daunting goal, "We must and we will put a man on the moon in less than one decade." And we did. NASA was formed, which not only achieved this goal, but also spawned numerous new technologies and companies, ultimately creating millions of jobs, and stimulating the world economy with trillions of dollars of GDP.

DEMONSTRATE A VIABLE STRATEGY

Second, even though the big picture might entail a long-term plan of magnificent magnitude, there must be a perceived high-probability of a few near-term successes. To use an American baseball analogy, don't try for all homeruns. Hit a few singles, they come sooner. People need positive feedback. This does a number of valuable things. With companies, it motivates employees; it demonstrates the validity of the corporate strategy; and it always increases the value of the company in the eyes of current and potential shareholders.

Figure 2: Catalytica, 1997 - Acquires Glaxo's Largest U.S. Manufacturing Plant



Some years ago when I was Chairman of Catalytica, Inc., we had a strategy that for several years was targeted at hitting several "home runs." For example, we were developing with PetroCanada and Mitsubishi, a process that would in a single process step inexpensively convert natural gas to a liquid fuel that could be easily shipped anywhere in the world, doing away with the need for expensive liquefied natural gas (LNG) transport,

which requires special costly refrigerated tankers, and is considered a dangerous technology and security risk. We were also working on a way to combust fuels with no resulting pollution.

These were very challenging technologies – "home runs" – and we spent millions of dollars in their development. Our stock price languished along the way as investors wondered whether we would ever solve these problems and commercialize the technologies. Finally, we decided to hit a "few singles." We identified the pharmaceutical industry as one where our knowledge in catalytic science could have a quick impact by enabling us to manufacture drugs in a more ecologically friendly manner and at lower cost. We quickly demonstrated our capabilities, which led to a \$10 million investment by Pfizer and ultimately the growth of Catalytica Pharmaceuticals, in less than 5 years from just a few people to a \$500 million business with more than 2,000 people at three manufacturing facilities and a market value of more than \$1 billion (see Figures 1-4). Our stock price tripled. Ultimately, we hit a home run, but it was the singles along the way that helped us get there.

SHARE THE WEALTH

Third, there should be a perceived and actual benefit for all involved, whether it is financial, ego massage, or both. You must share the wealth in any successes, whatever that wealth may be. If it is the populace supporting a political agenda such as a strategy to address energy security or climate change, then any tangible successes should bring upfront perceived benefits to the populace, e.g. tax rebates and incentives. If it's a company, people should know from the very start that they will be appropriately rewarded verbally, financially, with promotions and possibly with stock options. The latter is particularly powerful as it provides employees with a sense of corporate ownership. When Catalytica was successful, even the janitors received a few shares of stock options.

OUR GLOBAL CHALLENGE

Whether you seek to motivate employees or citizens of the world, it is imperative that you create, articulate and support a clear vision that stimulates in them a passion to participate. Anything short of that

Figure 3: Catalytica's Dynamic Change



Figure 4: Catalytica 1998 - Silicon Valley's Fastest Growing Company



and you significantly diminish your chances of success. Show them how they can make a difference for the greater good. Present a long-term strategy with visible, achievable near-term successes. Let them play a role in developing the strategic plan. This creates ownership and commitment. And be sure there is something in success for everyone. The discovery of America, Marco Polo's voyage to China, and Thomas Edison's invention of the light bulb were based on passion, not fear. The latter rarely works to create something new and innovative. This is particularly true at this point in our history. As a species, we have not only evolved physically, but also in the amorphous nebulous realm of consciousness. Creative and innovative people no longer work well under autocratic command and control. That world is gone forever. What we so desperately need now is for history to repeat itself by a few courageous leaders stimulating people around the planet with the passion necessary to create a safer, more rewarding future for all.

James A. Cusumano, PhD

About the Author: James A. Cusumano is Chairman and owner of Chateau Mcely (www.ChateauMcely.Com), chosen in 2007 by the European Union as the only "Green" 5-star luxury hotel in Central and Eastern Europe and in 2008 by the World Travel Awards as the Leading Green Hotel in the World. He is a former Research Director for Exxon, and subsequently founded two public companies in Silicon Valley, one in clean power generation, the other in pharmaceuticals manufacture via environmentally-benign, low-cost, catalytic technologies. While he was Chairman and CEO, the latter – Catalytica Pharmaceuticals, Inc. – grew in less than 5 years, to a \$1 billion enterprise with 2,000 employees. He is co-author of "Freedom from Mid-East Oil," recently released by World Business Academy Press (www.WorldBusiness.Org) and can be reached at Jim@ChateauMcely.Com.

