

SQUIRREL INC.

**A FABLE OF LEADERSHIP
THROUGH STORYTELLING**

Stephen Denning

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FOREWORD

For all that narrative is one of our evident delights, it is serious business.

Jerome Bruner¹

This book deals with leadership. It's about how you can use the magic of narrative to lead from wherever you are and handle the principal challenges facing all leaders today:

- how do you persuade people to change?
- how do you get people working together?
- how do you share knowledge?
- how do you tame the grapevine?
- how do you communicate who you are?
- how do you transmit values?
- how do you lead people into the future?

Whether you are in an organization or a concerned citizen, these are among the most difficult – and significant– leadership challenges. To deal with them, there are few other usable tools.

Of the thousands of books published on the subject of leadership, only a few have hinted at the connection between leadership and storytelling. Even those writers who made a beginning dealt with storytelling as a peripheral issue. None grasped the centrality of narrative to leadership and communication or systematically spelt out its multifaceted dimensions and methods.²

Here – finally – are leadership tools that actually work.

In my interactions with executives in scores of large organizations, I have seen how easily and quickly people can enhance their natural storytelling capacity, once they grasp that storytelling is not some kind of a primitive toy that needs to be replaced by the sleek computer-guided instruments of modern analytical thinking. Storytelling is in fact at the core of the significant activities of every modern corporation, as well as at the center of everything we do in public and private life. The ability to tell the right story at the right time is emerging as an essential leadership skill to cope with, and get business results in,

the turbulent world of the 21st century. It's also a critical capacity for personal interaction and happiness with family and friends.

A recent Booz Allen review concludes that “perhaps the most powerful role of stories today is to ignite and drive changes in management policy and practices.”³ Stories that spark change – springboard stories – were introduced in my book, *The Springboard: How Storytelling Ignites Action in Knowledge-Era Organizations*,⁴ which told the remarkable story of transformational change in the World Bank. This refreshingly different message is now spreading throughout the world.

- Part One of this new book gives detailed advice on how to craft and perform a story that can spark transformational change in an organization.
- Part Two shows how to deploy six other kinds of storytelling that are of high-value in an organizational context. Each chapter demonstrates and explains how each different kind of story is crafted and told.
- Part Three illustrates the impact of storytelling on our work and personal lives.

Since writing *The Springboard*, I noticed that storytelling is important not only for leaders to spark a change, but for anyone who needs to tell the organization's story or work with a team toward a vision or share knowledge or harness the rumor mill. I saw how different narrative objectives have different narrative patterns associated with them. I observed how using the wrong form of story for a particular purpose generally led to an unsuccessful result. And so I set about creating the tale of Squirrel Inc. that would show how understanding the different narrative patterns could help people find and tell a story that would get them to their objective.

WHAT SORT OF STORYTELLING ARE WE TALKING ABOUT?

Needless to say, when this book talks of storytelling, it isn't talking about fairy tales or the traditional stories that are told to children. It's talking about the sort of stories that are told in organizations on a day-to-day basis throughout the world by busy executives to achieve real-world objectives.

Some of the stories that occur in organizations are close cousins of traditional stories, which of course have a long history. The principles of traditional storytelling were described several thousand years ago by the Greek philosopher, Aristotle, in his *Poetics*. These are stories that have a beginning, a middle, and an ending, and a plot with characters that combines a reversal and a recognition; the storyteller visualizes the action and feels with the characters so that listeners immerse themselves in the world of the story.⁵ Fictional examples can be found in the tales of Ovid, Scheherazade, Boccaccio or Mark Twain, the hero's journey described by Joseph Campbell, or in the popular cinema.⁶ This traditional type of story is still relevant to some purposes in a modern organization, such as communicating who you are (discussed here chapter 4), or getting people working together (chapter 5) or transmitting values (chapter 6).⁷

This book is also about other types of narratives identified by practitioners who have looked beyond the principles of traditional storytelling. Rather than examining how stories *ought* to be told, they have studied the narratives that are *actually* being told in organizations in terms of the purposes that they serve and the impact that they have. Although non-traditional stories don't always comply with Aristotle's principles of storytelling, they include some of the most valuable forms of storytelling in a modern organization. Among them are springboard stories that communicate complex ideas and spark action (discussed here in chapters 1-2), stories that tame the grapevine (chapter 7), stories that share knowledge (chapter 8) and stories that lead people into the future (chapter 9).⁸

The tale of Squirrel Inc. thus deals with both traditional and non-traditional storytelling in organizations. It sets out to clarify which kind of story makes sense in which context and why. It aims at both demonstrating and explaining those differences, so that readers will be more likely to find and tell stories that will accomplish their objectives.

WHY SQUIRRELS?

Squirrel Inc. is a fable about squirrels. Why squirrels?

When I came to write this book, I had to consider the question: how could I best communicate the similarities and differences between various kinds of stories and their uses in modern organizations? I quickly discovered that conveying an understanding of

seven types of stories across four or five different dimensions represented a level of complexity not well adapted to textbook-style presentation.

As a proponent of storytelling to communicate complex ideas, it was natural that my thoughts turned to narrative. Over the centuries, animal fables have successfully communicated complex messages to diverse audiences. Aesop and La Fontaine did it with a menagerie of animals, Franz Kafka with a cockroach, George Orwell with pigs, James Agee with cows, James Daniel Quinn with a gorilla and Spencer Johnson with mice.⁹ This book employs squirrels.

Squirrels sparked my imagination in several ways. Some years ago, I was reading that wonderful compendium of statistics known as Harper's Index and I noticed an oddball figure. It was the percentage of nuts that squirrels lost because they couldn't remember where they had buried them. I had forgotten the exact number, but it was remarkably high.¹⁰ The fact, if not the number, stuck in my mind as I watched families of squirrels run about my garden and I thought of the huge numbers of nuts that they were continually losing. This book tells the story of the transformation of an imaginary organization called Squirrel Inc. from a nut-burying to a nut-storing organization. We follow the transformation as it goes from an improbability (chapter 1), a possibility (chapter 2), a probability (chapter 3), a lost opportunity (chapter 9) through to the conclusion (chapters 11 and 12).

The density of squirrels in Washington D.C. is among the highest in the world. I have done much of my writing there from a room that looks out over several gardens. From my window, I could see a large old mulberry tree and it was remarkable how many squirrels played on its long wide horizontal branches. From time to time, I would look up from my writing and see countless pairs of squirrels gamboling and frolicking on this tree with such evident pleasure, my spirits would lift. It was obvious that the branches of the mulberry tree made a wonderful playground for them. Then one day, I looked out the window and saw – no mulberry tree! My neighbors had without warning cut down the tree! Since a mulberry tree is a messy thing in a city garden, I understood their action, but I was shocked on behalf of the squirrels. How would they feel when they found that their mulberry tree had been cut down? The mulberry tree story plays a major role in Part Two of the book.¹¹

Squirrel Inc. introduces a cast of furry characters who together learn the art of storytelling in their quest to overcome obstacles, generate enthusiasm and teamwork, share important knowledge and ultimately lead their company into a new era of success and significance. Together, the squirrels discover that the ability to tell the right story at the right time can have a pivotal impact on the success or failure of any major change effort.

Among the characters that you will meet in the book are:

- *A bartender*, who hosts a nectar bar in the vicinity of Squirrel Inc.
- *Diana*, an up-and-coming executive at Squirrel Inc. who discovers the power of stories to spark action.
- *Whyse*, an advocate of storytelling that communicates who you are;
- *Hester*, who uses storytelling to get people working together;
- *Mark*, who discusses storytelling to transmit values;
- *Mocha*, who shows how humor can be used to tame the grapevine;
- *Howe*, who deploys storytelling to share knowledge;
- *Sandra*, who pursues storytelling to lead into the future, and
- *Ted*, the Director of Public Relations at Squirrel Inc.

All of these characters, apart from the bartender, work for Squirrel Inc.

WHAT SORT OF AN ORGANIZATION IS SQUIRREL INC.?

Squirrel Inc. is an imaginary organization with all-too-familiar difficulties. Once it was among the corporate elite. It was doing well by any standard. Profits were on the up and up for a sustained period. Its stock was selling at a high multiple of earnings. Its management was widely admired as a model.

But times have changed. The marketplace has changed. Squirrel Inc.'s revenues are stagnating. Its market share is eroding. Its once-admired management practices no longer cut the mustard. Once Squirrel Inc. could do no wrong in investors' eyes: now it can do hardly anything right. Its executive team is working the same long hours but the firm is no longer getting the extraordinary results it once got.

Squirrel Inc. is not a bad company. It isn't involved in systematic illegality or downright fraud, like Enron. It's trying to do the right thing. Its managers are not intentionally cheating or stealing. They are not crooks. But Squirrel Inc. is not getting the results it needs to flourish.

Nor has Squirrel Inc. been blindsided by some unexpected event that could not have been foreseen. As in many actual company examples, the reasons for its decline have been staring its executives in the face for some time. The very habits and practices that made the firm successful in the past have become shackles that are inhibiting innovation and hampering the changes that need to be made.

Squirrel Inc.'s executives are in varying degrees aware of the reasons for the firm's decline. Yet there is no agreement as to what to do, even if, as in many real-life cases, it is obvious to anyone outside the organization what ought to be done. For Squirrel Inc., change is irresistible but the organization seems immovable.¹²

Thus like many organizations today, Squirrel Inc. desperately needs leadership. As it happens, this is a challenge that narrative techniques are well adapted to handle. The tale of Squirrel Inc. is about the use of storytelling as a set of tools to lift the firm out of its downward trajectory, to get individuals working together, to help to regenerate innovation, and to move the firm forward into the future.

So if you're interested in using storytelling as a tool for leading from wherever you are, or in understanding the unexpectedly large role of organizational storytelling in the modern world, or simply in following an entertaining story, go ahead: read, learn and enjoy! I hope you have as much fun reading it as I had writing it.

Steve Denning