

Business Credit News

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**APRIL 2015 Chairman: Terry Ludzenski
Holt Cat**

“WHAT I HAVE LEARNED”

By: David Balovich

Writing on a regular basis, as I do for this monthly newsletter, is not often as easy as it may appear. One only needs to have an idea, write a thousand words and voila! For 17 years I wrote a newsletter for Creditworthy Co. I began with a weekly article for the first two years and then bi-monthly and after five years the article evolved into a monthly newsletter. The difficulty is after a while one begins to run out of material and, not unlike our profession, then one needs to be creative. Along the way there are some great articles but more often than not they are pretty routine and a few are really bad. But hey, you can't always hit a four bagger.

Anyway, from time to time during this year when I'm at a loss for material, I'm going to offer up some opinions on what I have learned through the years. This is going to be one of those articles. There comes a point in a persons' life where life experiences should be shared with others because that's how we learn. Not through media but rather the successes and failures of others who are willing to share. So, this article today will focus on, what I believe to be, one of those failures. We'll title it the fallacy of “group thinking”.

Many organizations, and those they hire to consult with them, believe that to grow and be innovative they must come up with creative ideas. At the employee level, creativity is the result of a combination of expertise and reasoning skills. Moving up to the team level, it results from the synergy among its members, which allows the group to produce something greater than the sum of its parts. To this end the most widely used method to spark creativity among the team members is the “group think” or commonly referred to as brainstorming. This brain child was created over sixty years ago by industrial sociologists who were hired by corporations to help their employees, former military personnel, adapt to the civilian workplace. This period was at the conclusion of both the Second World War and the Korean Conflict and the majority of workers entering the civilian workforce had no work experience outside of military service where creative thinking was permitted only in the officer corps.

The components of brainstorming were made up of four simple rules:

1) generate as many ideas as possible; 2) prioritize original or unusual ideas; 3) refine, and when possible, combine those ideas; 4) avoid criticizing any ideas presented during the exercise. The process, informal and unstructured, was defined by two established psychological theories. One that group thinking would have motivating effects on individual creativity and second, quantity eventually leads to quality.

The sociologists claimed the workers collective thinking would enhance creative performance by 50% or more versus individuals working on their own. They not only delivered this prophecy to corporate management but also created programs to deliver the message to the masses beyond the walls of their corporate clients. Books and promotional materials were written and distributed throughout proclaiming the successes of “Group Think”. I have to disclose that during my tenure as a consultant that I briefly succumbed to the thinking of these proponents and included segments in my seminars and writings on the benefits of brainstorming sessions. However, after almost seven

decades, there is very little evidence today for the idea that brainstorming produces any more or better ideas than the same number of individuals would produce working independently. In fact, there is a great deal of practical evidence that would indicate brainstorming actually harms rather than promotes creative performance, resulting in a collective performance loss. It is my belief that individuals are more likely to generate a higher number of original ideas when they don't interact with others. Albert Einstein, Henry Ford, Howard Hughes, Andrew Carnegie, Steve Jobs, and let's not forget Mel Brooks are just a few examples of those successful creative minds who did not have the reputation for interacting with others.

Brainstorming composed of four simple rules also has four simple reasons, in my opinion, as to why it is a failure:

1) Less effort; there can be a tendency for participants to make less of an effort individually when they work in teams than alone. 2) Acceptance; participants can be apprehensive about how other team members' will view their contributions. This is especially true for the introverted and less confident members. 3) Regression performance; this is the process of downward adjustment whereby the most talented members end up matching the performance of the less talented. 4) Lack of production; individuals can only express a single idea at a time if they want others to hear and understand their contributions. Therefore, the number of ideas per person will decrease as team size increases. So why do we still support brainstorming if it is so flawed? Two reasons. First, due to increased job specialization expertise is distributed among many employees. If problem solving benefits from different sources of knowledge, bringing the right combination of people together should increase the amount of expertise and result in better solutions. Although this is good in theory, from a practical standpoint it requires a careful selection of the actual participants and coordination of their efforts. The second and most compelling reason brainstorming continues to be used is that it is the more democratic of any alternatives. It not only promotes acceptance by the majority but also the subsequent implementation of the outcome regardless of the quality produced.

There is no evidence that brainstorming has ever achieved the desired results during the last sixty years that the industrial sociologists proclaimed it would. However, go ahead and schedule that brainstorming session. Just don't expect it to accomplish any more than making the team feel good.

David Balovich is an accomplished author and public speaker. He is presently the North Region credit manager for Holt Cat.

***** **APRIL 2015** *****

Day	Date	Group	Location	Time
Tues	7	Austin Construction	Texas Land & Cattle, 6007 N IH 35 & Hwy 290, Austin TX	11:30
Tues	7	Coastal Bend Group	Holt Cat, 1325 South Padre Island Dr, Corpus Christi TX	11:30
Wed	8	Rio Grande Group	*****WILL MEET NEXT MONTH DUE TO SPRING BREAK*****	
Thurs	9	SW Food Credit Group	Las Palapas, 4802 Walzem Rd, San Antonio TX	11:00
Wed	15	Victoria Credit Group	Sky Restaurant, 236 Foster Field, Victoria TX	11:30
Thurs	16	Austin Ad Media	Phone Conference Meeting 1-800-791-2345	2:00
Fri	17	SW Electrical Group	Onion Creek Country Club, 2510 Onion Creek Pkwy, Austin TX	11:30
Tues	21	Austin Construction	Texas Land & Cattle, 6007 N IH 35 & Hwy 290, Austin, TX	11:30
Wed	22	Laredo Credit Group	Phone Conference Meeting 1-800-791-2345	2:00
Thurs	19	Fuel & Lube/Heavy Eq.	Phone Conference Meeting 1-800-791-2345	2:30
Thurs	19	HVAC Credit Group	Texas Air Products, 11122 Gordon Rd, San Antonio TX	11:30
Tues	24	SA Construction	Las Palapas, 4802 Walzem Rd, San Antonio TX	11:30
