

# *Introduction*

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*Abhh ... People ask me questions, lost in confusion.  
Well, I tell them there's no problem, only solutions.  
Well, they shake their heads and they look at me as if  
I've lost my mind.*

*Watching the Wheels by John Lennon*

On June 14, 2002, an asteroid the size of a soccer field traveled within 75,000 miles of Earth (a distance much nearer than the moon), traveling at 23,000 miles per hour. Surprisingly, this close encounter with Asteroid 2002MN wasn't detected until three days later. As Steve Maran of the American Astronomical Society said, "It's a good thing it missed the Earth because we never saw it coming." And then he went on to say, "At some level, it behooves us to look out for these things."

In 2008, an asteroid of a different type, yet equally large and dangerous approached the financial district of Manhattan. This asteroid, however, was a direct hit, sending reverberations around the globe. It impaled the likes of Bear Stearns, AIG, Lehman Brothers, Fannie Mae, and Freddie Mac, along with numerous other financial

institutions. The fallout was monumental as many institutions crumbled under their own weight. Some filed for bankruptcy. Others were hastily sold to other financial institutions. And still others sought protection from the U.S. Treasury.

Situations similar to Asteroid 2002MN take place at every level and in every dimension of an organization. Some might fall under the umbrella of a natural disaster. However, most are simply problems. In fact, I've often wondered why we so often miss problems like asteroids hurling toward us. Where do they come from, and how do I avoid them?

Are these occurrences simply a problem waiting to happen?

No, these are problems that have already happened or are happening. We just don't see them. A problem waiting to happen rarely exists. For instance, the 2008 sub-prime financial fallout was simply a problem that was being ignored and avoided on numerous fronts. New York University economist Nouriel Roubini had sounded warnings several years earlier, only to be dismissed and his findings disregarded by other economists. In 2006, the Office of Federal Housing Enterprise Oversight (OFHEO), responsible for monitoring the financial health of Freddie Mac and Fannie Mae, released a report revealing a culture of hubris and cover up between 1998 and 2004. Once again, OFHEO and the report were disregarded, this time by numerous governmental agencies. And even Warren Buffet came to the party describing financial derivatives as "toxic waste." Yet even with these warning signs, no corrective action was taken by

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the federal agencies entrusted with this responsibility. A September 17, 2008 Knowledge@Wharton article titled, “Eyes on the Wrong Prize: Leadership Lapses That Fueled Wall Street’s Fall,” states:

*Alarm bells should have gone off... But in many major industries, problems grow slowly and come to be accepted by members of the industry, only to explode later.*

To refer to incidences similar to these as problems “waiting to happen” simply isn’t true. These are problems that many people were conscious of, yet no one addressed. In effect, these were silent problems.

Marshall McLuhan, a famous Canadian philosopher and author, once said,

*We look at the present through a rearview mirror;  
we walk backwards into the future.*

Today, silent problems are one of the greatest “rear-view mirror” challenges facing every organization, every business, and every public institution. These are the problems that suddenly surface with the corresponding moniker, “I should have seen that one coming” or “I knew a problem existed, yet I didn’t realize it had become so big, and tenacious.” But more often than not, we ignore, avoid, and shun the signals coming to us through our forward-looking windshield. Instead, we deal with the myriad of issues and problems that are on our desk today.

For over three years, I’ve had the opportunity to explore and live the silent problem phenomenon. At times, I worked with the problems directly in my work with

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CEOs and their organizations. At other times, I studied them from a historical context, trying to identify their nuances and subtle idiosyncrasies. I've examined why they exist and, more importantly, why leaders are inclined to neglect them, even if they're aware of them. I've studied how silent problems can be successfully brought out of the closet and into the light of day for everyone to see. And most important, I've identified sound solutions and created solid processes that you can use to solve silent problems under the most demanding of conditions.

This book is your road map for taking control of the silent problems that reside inside your organization. It's a resource to help leaders and their organizations identify and solve silent problems. For in today's competitive landscape, little trip-ups or even slight miscalculations can have a disproportionate effect on results. I'm convinced that dealing with silent problems is relevant to personal success and critical to the viability and future success of every business, institution, and public entity.

This book will investigate the toxic and virulent nature of silent problems and expose them before they explode. And most important, this book will help you understand the strategy, tactics, and execution to solving the silent problems in your organization.

# I



*The problem  
with problems*



CHAPTER  
ONE

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**The Archetypes**

*Our lives begin to end the day we become silent  
upon things that matter.*

Martin Luther King Jr.

Childhood books are sacred objects in my library, especially fairy tales from some of the great authors and collectors like Charles Perrault (Cinderella), Jacob and Wilhelm Grimm (Hansel and Gretel), and Hans Christian Anderson (The Emperor's New Clothes). I value these books not because they bring back toasty childhood memories, but because they're filled with fascinating ways to navigate reality and provide guidance to adults.

Despite the distinct and stylistic differences of the various authors, and their contrasting story elements, I'm awestruck by how fairy tales and real life tend to mirror each other. Maria Tatar, author and leading authority on children's literature, states this succinctly, "Fairy tales

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are up close and personal, telling us about the quest for romance and riches, for power and privilege, and, most important, for a way out of the woods and back to the safety and security of home.”

TODAY, BEING BRIGHT AND TALENTED ISN'T ENOUGH.  
ONE MUST ALSO KNOW HOW TO NAVIGATE AND SURVIVE  
IN A WORLD GOVERNED BY CONSTANT AND,  
AT TIMES, BARBARIC CHANGE.

In my personal journey to find a way out of the woods, I've come to appreciate an equally provocative and less obvious theme. This theme tells the story of leaders and their followers, and that of power versus force—the core underpinnings for most silent problems. Cinderella, Jack and the Beanstalk, and Little Red Riding Hood are but a few of the notable stories that address these competing themes. The main characters experience unexpected and unjust hardships. Yet despite their challenges, they eventually reach a victorious and triumphant ending. Along that journey, the storyteller exposes how followers can become leaders and how power does trump force.

Yes, fairy tales tend to be up close and personal. At times, we too are asked to tackle some of the most difficult and thorny issues of the day. Not run-of-the-mill problems, but rather problems that could represent grave danger. At other times, similar problems might expose one's career, create moral and ethical dilemmas, or place a business in harm's way. Today, being bright and talented isn't enough. One must also know how to navigate and

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survive in a world governed by constant and, at times, barbaric change. After all, there are hundreds of stories about individuals positioned for greatness who lost their way and sacrificed their self, their career, and, occasionally, their independence. Some of these individuals bear a striking resemblance to fairy tale characters such as a wicked stepmother, a money-thirsty king, or a jealous sibling. Names like Bernie Ebbers (Worldcom), Andy Fastow (Enron), Al Dunlap (Sunbeam Corporation), Bernard Madoff (Madoff Investment Securities), and Dick Fuld (Lehman Brothers) come to mind. And every once in a while, a stranger-than-fiction story emerges, like the tale of a man recognized around the world for being a slayer of great dragons and monsters, but in the end, the sword he used to slay dragons eventually turned inward and impaled him. This would be former New York State Attorney General and Governor of New York, Elliot Spitzer.

There is little doubt that participating in and winning in a world that is connected, mobile, and increasingly transparent can be challenging, creating a multitude of problems for political and business leaders alike, and their organizations. The problems one is expected to solve arrive with risks attached. The potential for failure is real. At times, the opportunity for a happily ever after ending appears remote at best. Yet this is the sandbox where most political and business leaders play, and at times are asked to leave. It's also this same sandbox where many followers find themselves, contemplating whether to follow their leaders in the games they play or to pursue a different path, one they believe can truly make a difference.

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In the following pages, I'll show how courageous individuals found themselves ensnared by the silent problems their personal sandbox contained. Problems they weren't prepared to take on, much less solve. Yet despite extreme odds, they won. For every leader that may have become lost, there are equally captivating scenarios and stories that illustrate how individuals and groups exposed silent problems for the world to see and implemented sound solutions. Along their journeys, nuggets of knowledge surfaced, revealing

- how they embedded vitality into their cause and made it come to life
- how they exploited their power, authority, and influence to overturn the existing order
- how they created and embedded change
- how they minimized risk and enhanced their probability for success
- how they found the seed to plant that lifted them up into the clouds, enabling them to defeat a giant and return home triumphant.

This is a book about really tough problems and how to create a winning strategy that will make a difference.