Lead with a Story
A Guide to Crafting Business Narratives That Captivate, Convince, and Inspire
by Paul Smith

Your Success Story
Connect, motivate and change the world with stories.

QUICK OVERVIEW

Lead with a Story is a highly engaging book that offers proof that stories sell. In it, Paul Smith demonstrates his point that stories actively involve people in the communication process and are therefore most likely to create the result the speaker desires.

Smith explains not only how to use a story, but also how to craft or borrow one. Each point is made, appropriately, with a story, although plenty of facts and figures are sprinkled throughout the book to support the author’s suggestions.

Each chapter ends with an exercise to help readers identify, polish and communicate the stories in their lives and in the lives around them. Lead with a Story also has an index of 100 stories for the reader to borrow, covering a total of 21 topics, such as setting vision, goals, commitment, culture and values, and leading change.

APPLY AND ACHIEVE

Facts tell, stories sell. But stories also allow the hearer to experience and thus learn from the storyteller’s challenge or solution. While most presentations and meetings rely heavily on facts and figures, the average person retains more of what he experiences than what he sees or hears. That’s why engaging stories are effective.

Leaders can instill passion in their team members by helping them live the results of action—or inaction—beforehand, through sharing a story.

To craft a memorable story, consider a life lesson you learned when you succeeded, or when you widely missed your mark. Distill the lesson down to its crucial elements; exact names and places are usually irrelevant, while position, challenge, action and results usually weigh more heavily.

Don’t hesitate to share your less-than-exemplary moments. Most people have experienced mistakes, and are likely to react empathetically to yours, too. Remember, you only lose when you lose the lesson.
I had the opportunity to deliver a presentation to Procter & Gamble’s then-CEO A. G. Lafley four or five times in the decade he held that position. The first time was unforgettable. That day I learned a valuable lesson—the hard way—about how not to present to the CEO.

I’d been given 20 minutes on the agenda of the Executive Global Leadership Council meeting. This group included the CEO and a dozen or so of the top officials in the company. They met weekly in a special room on P&G’s executive floor designed just for this group. It’s a perfectly round room with modern features, centered on a perfectly round table. Even the doors are curved so as not to stray from the round motif.

My presentation was the first item on the agenda that day, so I arrived 30 minutes early to set up my computer and make sure all of the audiovisual equipment worked properly. I was, after all, making my first presentation to the CEO. I wanted to make sure everything went smoothly.

The executives began filing into the room at the appointed time and taking up seats around the table. After half of them had arrived, the CEO, Mr. Lafley, entered the room. He walked almost completely around the table, saying hello to each of his team members, and—to my horror—sat down in the seat immediately underneath the projection screen—with his back to it!

This was not good. “He’ll be constantly turning around in his seat to see the presentation,” I thought, “and probably hurt his neck. Then he’ll be in a bad mood, and might not agree to my recommendation.” But I wasn’t going to tell the boss where to sit, so I started my presentation.

About five minutes in, I realized Mr. Lafley hadn’t turned around even once to see the slides. I stopped being worried about his neck and started worrying that he wasn’t going to understand my presentation.” But I wasn’t going to tell the boss where to sit, so I started my presentation.

About five minutes in, I realized Mr. Lafley hadn’t turned around even once to see the slides. I stopped being worried about his neck and started worrying that he wasn’t going to understand my presentation. And if he didn’t understand it, he certainly wouldn’t agree to my recommendation. But again, I wasn’t going to tell the CEO what to do. So I just kept going.

At 10 minutes into the presentation—halfway through my allotted time—I noticed he still hadn’t turned around once to look at my slides. At that point, I stopped being worried and just got confused. He was looking right at me and was clearly engaged in the conversation. So why wasn’t he looking at my slides?

When 20 minutes had expired, I was done with my presentation, and the CEO hadn’t ever bothered to look at my slides. But he did agree to my recommendation. Despite that success, as I was walking back to my office, I couldn’t help but feel like I’d failed somehow. I debriefed the whole event in my head, wondering what I had done wrong. Was I boring? Did I not make my points very clear? Was he distracted with some billion-dollar decision far more important than whatever I was talking about?

But then it occurred to me. He wasn’t looking at my slides because he knew something that I didn’t know until that moment. He knew if I had anything important to say, I would say it. It would come out of my mouth, not from that screen. He knew those slides were there more for my benefit than for his.

As CEO, Mr. Lafley probably spent most of his day reading dry memos and financial reports with detailed charts and graphs. He was probably looking forward to that meeting as a break from that tedium, and as an opportunity to engage someone in dialogue—to have someone tell him what was happening on the front lines of the business, to share a brilliant idea, and to ask for his help. In short, for someone to tell him a story. Someone like me. That was my job during those 20 minutes. I just didn’t know it yet.

Looking back, I realize it was probably no accident Mr. Lafley chose the seat he did. There were certainly others he could have chosen. He sat there for a reason. That position kept him from being distracted by the words on the screen and allowed him to focus on the presenter and on the discussion.

**TEN REASONS TELLING STORIES WORKS**

Why is storytelling so effective? Here are 10 of the most compelling reasons I’ve encountered:

1. **Storytelling is simple.** Anyone can do it. You don’t need a degree in English, or even an MBA.
2. **Storytelling is timeless.** Unlike fads in other areas of management, storytelling has always worked for leadership, and it always will.
3. **Stories are demographic-proof.** Everybody—regardless of age, race, or gender—likes to listen to stories.

4. **Stories are contagious.** They can spread like wildfire without any additional effort on the part of the storyteller.

5. **Stories are easier to remember.** According to psychologist Jerome Bruner, facts are 20 times more likely to be remembered if they are part of a story.

6. **Stories inspire.** Slides don’t. Have you ever heard someone say, “Wow! You’ll never believe the PowerPoint presentation I just saw!”?

7. **Stories appeal to all types of learners.** In any group, roughly 40 percent will be predominantly visual learners who learn best from videos, diagrams, or illustrations. Another 40 percent will be auditory, learning best through lectures and discussions. The remaining 20 percent are kinesthetic learners, who learn best by doing, experiencing, or feeling. Storytelling has aspects that work for all three types.

8. **Stories fit better where most of the learning happens in the workplace.** According to communications expert Evelyn Clark, “Up to 70 percent of the new skills, information and competence in the workplace is acquired through informal learning” such as what happens in team settings, mentoring, and peer-to-peer communication. And the bedrock of informal learning is storytelling.

9. **Stories put the listener in a mental learning mode.** Listeners who are in a critical or evaluative mode are more likely to reject what’s being said. According to training coach and bestselling author Margaret Parkin, storytelling “re-creates in us that emotional state of curiosity which is ever present in children, but which as adults we tend to lose. Once in this childlike state, we tend to be more receptive and interested in the information we are given.”

10. **Telling stories shows respect for the audience.** Stories get your message across without arrogantly telling listeners what to think or do.

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**THE STRUCTURE OF A STORY**

If you ask a 10-year old, “What’s the structure of a good story?” the child might say something like, “Oh, that’s easy! There’s a beginning, a middle, and an end.” True, perhaps.

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**Stories with a Reality Check**

Getting his leaders to change by facing reality was one of the hallmarks of Jack Welch’s early years as GE CEO. He did that by telling and retelling the story of his first successful reality check, described in his book *Jack: Straight from the Gut*.

In his first year as CEO, leadership presented a rosy plan that assumed orders for three new reactors a year.

GE had been selling three or four reactors a year since the 1970s. But the year was now 1981, just two years after the Three Mile Island nuclear disaster in Pennsylvania. And GE hadn’t received a single new order in the two years since.

Jack listened politely for a while and then dropped a bombshell. “Guys, you’re not going to get three orders a year. In my opinion, you’ll never get another order for a nuclear reactor in the U.S.” He told them they should figure out how to make a business out of selling nuclear fuel and services to the 72 active reactors they already built.

They were shocked. They argued that if they took those orders out of the plan, it would kill morale, and they’d never be able to mobilize the business again when the orders came back. Jack didn’t buy it. GE re-staffed the business to focus on a service model and grew earnings from $14 million to $116 million in just two years.

The first obstacle to change is getting people to accept that change is needed. Delivering a sobering “reality check” like Jack Welch did is one way to do that.

But not very helpful. If you ask a Hollywood script writer the same question, she might tell you there are six parts: the setup, catalyst, first turning point, climax, final confrontation, and resolution. True again. And if you plan to write a screenplay or a murder mystery, that structure will serve you well. If you ask a cognitive psychologist, he will likely give you an even more complicated answer. For example: setting, main characters, conflict and resolution, initiating event, internal response, attempt, consequence, reaction, and conclusion.

If you keep asking different people, you’ll get different answers. What you need as a business leader is a simple...
structure that works. You don’t need to spellbind an audience for
two hours in a movie theater, and you don’t need to make sure
your internal response is consistent with your initiating event,
whatever that means. Every adult is a natural-born storyteller.
You’ve been studying the art of storytelling ever since your
parents read you bedtime stories. You already know what the
structure of a good story is. All you need is to be reminded.

The simplest way to remember is to start with these words,
“Once upon a time, there was…” When you start that way, a
natural story structure is almost forced out. If you start with
“Once upon a time, there was…” the next words can only do one
thing—introduce the main character. [Once upon a time, there
was a puppet named Pinocchio.]

After that, you’ll naturally want to tell what happened to the
main character. [Every time Pinocchio told a lie, his nose would
grow… And then one day, he met a cricket named Jiminy…. ]
After all the adventures are told, you’ll of course have to tell how
the story ends. [And they lived happily ever after.]

So, it turns out the 10-year-old might have been right after all.
A story does have three parts: a beginning, a middle, and an end.
But to be more useful, let’s give those parts more prescriptive
names and discuss what each needs to contain. Instead of
beginning, middle, end, let’s call those context, action, result—
CAR. You may remember this mnemonic from a high school
writing class. We’ll take that basic structure and tailor it for a
business narrative.

C is for Context. Context is the part of storytelling
business leaders most often under-develop, or skip entirely,
much to their detriment. As a result, their stories are
confusing and uninteresting.

Stories can spread like wildfire
without any additional effort on
the part of the storyteller.

The context provides all the necessary background for the story
to make sense. If done right, it also grabs the audience’s attention,
convinces the audience that your story is relevant, and generates
interest and excitement to listen to the rest of the story. How well
your context accomplishes all this is determined by how well it
addresses four questions. Where and when does the story take
place? Who is the main character? What does he or she want? And
who or what is getting in the way?

A is for Action. This is where you tell what happened to your
main character. Most importantly, it’s where the hero does battle
with the villain. Conflicts arise. Problems surface. The hero
mounts an attempt at a solution, but fails at first. There are always
temporary setbacks on the hero’s journey. These ups and downs
along the way provide the excitement in the story. But more
importantly for a leadership story, they’re also where the lessons
are learned.

R is for Result. The result is the final stage of the story where
you accomplish three main things. In addition to telling how the
story ends, this is where you explain the right lesson the audience
should have learned, and link back to why you told the story in
the first place. Result, of course, means how the story ends. It
explains the fate of the main characters. Does the hero live or
die? Did the villain get what he deserved? In the jury table story,
the result is the third-to-last paragraph, which explains how the
semester ended for the team and how they felt after hearing the
judge’s decision. It ends with, “They may have finished the year
with an A on their report card, but they felt completely defeated.”

APPEAL TO EMOTION

Emotion is so important to a story, some storytelling
experts consider it a defining element, without which you
don’t even have a story. In their book The Elements of Persuasion,
Richard Maxwell and Robert Dickman define a story as
“a fact, wrapped in an emotion that compels us to take an
action.” That’s it. Fact + Emotion + Action = Story. Novelist
E. M. Forster defines a story even more narrowly as only the
fact plus an emotion. A pithy example of his illustrates the
point: “To say, ‘The king died, and then the queen died’ is
not a story. To say, ‘The king died, and then the queen died
of grief’—now that is a story.” Those last two words, “of
grief,” carry the emotion and concoct in the listener’s head an
entirely plausible story to explain the fact given. The point is,
if you don’t generate an emotional reaction in your audience,
you haven’t told a story. It might be a good memo, or perhaps
a case study. But it’s not a story.

Some leaders think the modern workplace should be
an emotion-free zone, restricted to rational thought and
logical decisions. That might be true if your job is limited to
managing machines and processes. But leading people requires
something more. Humans make emotional decisions. Good leaders recognize that and aren’t afraid to lead with both sides of their brain.

Emotion can be the primary ingredient in a story, but more typically, it’s only part of the equation. Either way, it’s important that you pick the right emotional content that will both resonate with your audience and further your objective. A sad story about cute puppies might tug at the heartstrings of most people. But unless you’re trying to find a home for unwanted puppies, that emotion will be wasted on your audience and won’t further your purpose in telling the story.

Create Empathy

There are, of course, many emotions you could use in your stories: love, guilt, fear, pride, greed, and so on. But a powerful emotion that’s largely underutilized in the workplace, and that stories are ideally suited to deliver, is empathy—vicariously experiencing someone else’s thoughts, feelings, or attitudes. Empathy is so potent because almost every business decision affects other people and how they think and feel. Leadership stories are usually designed to affect those decisions. So the better you enable the decision maker to empathize with the people affected by the decision, the better you’ll be able to influence their decision. If you want the CEO to lower prices because some of your customers are struggling to afford your product, your best bet is to demonstrate how much you’re losing in sales because your prices are too high. Short of that, your best weapon is to generate empathy on the part of the CEO for the plight of your customer. If you want the plant manager to offer a concession to the labor union, generate empathy for the average laborer.

Let’s explore empathy a bit and contrast it with a related emotion it’s often confused with—sympathy. Both sympathy and empathy are acts of feeling. But with sympathy, you feel for the person. With empathy, you feel with the person. For example, you can sympathize by feeling sorry for people who are hurting, even if you don’t know why they hurt. Any stranger can sympathize with a patient in a hospital. To empathize, however, takes more work. You have to understand why someone feels the way she feels or thinks the way she thinks. To empathize with that stranger in the hospital, you’d need to visit him and find out he’s suffering from clinical depression resulting from the death of his only child in a tragic auto accident he feels responsible for causing. Now you can empathize, because you can imagine yourself in that same situation. You can imagine the kind of guilt and shame and regret that would cause.

So how do you help your audience feel empathy? You have to introduce them to the people you hope they will develop empathy with. Either you can arrange to do that literally, or you can do it through your story by giving a glimpse into their lives.
**ACTION STEPS**

Get more out of this SUCCESS Book Summary by applying what you’ve learned. Here are few things to consider that will help you tell better stories.

1. Make a list of the events in your life, and craft out the beginnings of each story. Even if you only do this mentally, you’ll be surprised at how many stories are lurking in your past.

2. Think of the people you admire most. What did you learn from them that made you admire them so much?

3. What are the moments in your career from which you learned the most important lessons?

4. What are the times in your life you felt the most inspired? When did you have the greatest sense of belonging and team spirit?

5. What’s the most difficult experience you’ve ever been through at work?

6. When were you given the toughest feedback that made the biggest difference in your performance?

7. What was the job you loved the most, and why?

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**About the Author**

Paul Smith’s two decades’ experience in leading multibillion-dollar businesses is highlighted by his work with two highly recognized companies: Procter & Gamble and Andersen Consulting. In those roles he has worked with highly recognized retail giants, including Wal-Mart, Sam’s Club and Costco.

Smith is also a keynote speaker and corporate trainer and holds an M.B.A. from Wharton.

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**Recommended Reading**

If you enjoyed this summary of *Lead with a Story*, you may also want to check out:

- *Life Is a Series of Presentations* by Tony Jeary
- *Little Book of YES! Attitude* by Jeffrey Gitomer
- *Becoming a Person of Influence* by John C. Maxwell

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