BUDO2BUSINESS

The 2 paths to perfection in leadership & management

Alexander Plaschko
Norbert Haimberger
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INTRODUCTION

This is a short book with the title:

Budo2Business – The 2 Paths to Perfection in Management

It is published by Alexander Plaschko with Norbert Haimberger as a co-author.

The business world is getting faster and faster: tighter deadlines, increased workload, and more than 100 emails a day are a reality for many business people. Thus, there is often little time for yourself, and your family, let alone continued education in order to acquire new skills.

This short version wants to take this situation into account and presents the most important ideas in a short form.

It should give you the opportunity to familiarize yourself quickly with the essential principles of the Budo-method.

These principles can be applied in the following areas:

Happiness and success in your profession
Happiness and success in leadership of teams and management of companies

If you really desire to acquire the relevant skills in one of these areas you can acquire these in our educational programs. Check out our website: www.budo2business.com to find out more!

This book shows the application of the Budo principles in the most challenging discipline: management of companies.

When this book was written, we tried to meet the contradictory requirements of a short presentation and the depth of detail necessary to understand the Budo-method.

Thus, the task of writing this book reflected the main challenge and secret of Budo management: Harmonization of opposing principles. In the case of company management, it is first and foremost about the increase of profitability, and ethics and cooperation at the same time. But it is also about the harmonization of trust and control, rationality and irrationality, etc. The moment you are able to do that you will achieve perfection in management, because you will be able to reap the positive sides of each leadership principle without being subject to their disadvantages. Such a company is highly profitable and ethical; highly efficient in its operations, yet innovative; highly trusting of its employees but in enough control to avoid abuse; and highly competitive and cooperative with its rivals and employees.
A PERSONAL FOREWORD BY ALEXANDER PLASCHKO

The publication of this book means a lot to me! It answers a question that I could not answer for many years and personally affected me a lot.

As a student I lived in two different worlds that seemed to me incompatible. I was studying for a career in management. In the morning and in the evening, however, I followed my passion and trained in Judo. My mind told me that I should not waste any time with it, and instead concentrate on my professional career.

This inner conflict was psychologically very stressful and led to several injuries and broken dreams with regard to my sports career.

Back then nobody explained to me that Judo, just like any other Budo discipline (like Karate, Aikido or Jiu, etc.) is an ideal addition to a university education. In short: Budo develops ethics, character, and physique, which are rarely developed during a university curriculum.

Later in my professional career as an Interim CFO-CRO I discovered that the principles of Budo are also a very effective method in business. You can apply this Budo-method to be more successful and happy in your job and as a leader of a team or a company.

Many of these principles I have practiced as an active budoka. Some of them I have only recognized in the years after my competitive Budo career through the study of other disciplines (business, coaching/therapy, Yoga, and others). I required a long learning curve, which lasted almost thirty years, to develop this method. I hope you find this Budo-method helpful, challenging and fun to learn.

In Norbert Haimberger I found a co-author who also knows both worlds very well. In particular his Judo experience at the Olympics and World Championships was helpful in the development of this method. Through his intensive exchange of ideas, revisions of the book, critical discussions, and examples, he has contributed significantly to the quality and presentation of the Budo-method.

With this publication I would like to achieve three things very dear to me:

➢ After thirty years (and counting) of learning, twenty years of application, and seven years of writing, I know that the Budo-method leads to much better business results and more ethics and cooperation in the company. I would like to pass on this knowledge and anchor it in the corporate world.

➢ Secondly, I want to encourage people to walk this Budo path and to make their experiences with the search for perfection (commonly called the Do). This path taken by the today’s young generation should not to be hindered by the doubts we had during our active Budo years. We did not know which professional future we should expect after Budo. That is why we want to say it loud and clear: Budo is an excellent method for business people. The moment the budokas in business learn to perceive themselves as part of a group, we have the opportunity to improve competition and morality in business.

➢ Thirdly, these Budo principles can be applied to achieve success and happiness in your job and as a leader of a team or a company. We will teach business people and newcomers to Budo how to use the skills they have acquired in the dojo.
To achieve these goals, we have established a community of managers, businessmen and professionals who want to learn more about the Budo-method.

YOU CAN CONTACT US AS FOLLOWS:

Web: budo2business.com
Email: plaschko@budo2business.com
YouTube: Budo2Business
Facebook: Budo2Business

We look forward to hearing from you!
WHO ARE THE AUTHORS?

**Alexander Plaschko:**

He has an intensive business life behind him and as per today has accompanied more than 20 small and medium-sized companies as Interim CFO/CRO and CEO.

His education includes a Master's Degree in International Business Administration, a U.S. Certification in Public Accounting (CPA), and a certificate in International Financial Reporting Standards (IFRS).

**His personal interest lies in learning disciplines that claim to fully unfold the human potential.**

In several of these disciplines (Budo, Yoga, therapy) he has attained a master’s degree.

Alexander has been practicing Budo since the early 1980s, eight to ten years of that semi-professionally. In this competition phase of his “Budo way” he participated in countless training camps with different national teams. In two different Budo disciplines, Judo and Sumo, he medaled several times in international competitions.

The Do principle of Budo has become for him a lifelong pursuit of perfection. He has internalized this principle and aspires to direct his life accordingly. More precisely, he has immersed himself in his pursuit of three major goals over the past thirty years:

- Bringing opposing principles into harmony as principle of success
- Crossing limits to learn new things
- Learning to grow as a human being and manager

**Norbert Haimberger:**

He has been self-employed for many years and has managed several successful SMEs.

Toward the end of his sporting career as a judoka he started to build his first company and has continued ever since.

His professional activities are focused on screen media and other forms of digital communication.

**His personal interest is in the area of the major social changes triggered by the current “digital revolution.”**

Norbert has been practicing Judo since 1975. He was the Austrian champion many times and competed in the 1992 European Championships and competed in the 1992 Barcelona Olympics. In the course of his life, he has become familiar with many Budo disciplines. Early in his professional career, he tried to select and transfer to business the “performance-determining factors” that brought him success as a Judo and Sumo competitor. Together with the author Alexander Plaschko, he has analyzed the multi-layered principles of the Do (the lifelong quest for improvement) and internalized them for his life.
“The highest goal in Budo is not the victory in the fight, but the pursuit of the perfection of the character.”

– Gichin Funakoshi, Founder, Shotokan Karate –

Budo has been practiced for over a thousand years. Therefore, Budo has developed a very high degree of maturity as a method to achieve perfection. The price of this development was inhumanly high. The lessons of billions of training hours and hundreds of thousands of samurai fallen in battle have been integrated into the development of Budo. This has made Budo what it is today:

A highly effective method for achieving competitive advantage and maximizing human potential in challenging environmental conditions.

The similarities between the Budo and business worlds are great. Both worlds:

Have a competitive environment (outside world),

have participants that are biological systems (inner world), and

involve people as both the greatest risks and opportunities.

These similarities allow a successful transfer of the Budo-method onto the management of companies. Applying these Budo principles will result in an innovative form of running companies.

The essence of this method is the harmonization of opposing leadership principles like trust and control, competition and cooperation, etc.

Harmonization is understood as the alternating use of these opposing principles until a state is achieved where they are overcome.

Budo is part of a long list of human areas of knowledge and expertise that also build on this principle. We find it among others in philosophy, mathematics, physics, medicine, biology, political science, and many more.

In Budo, the success lies in harmonizing the opposing principles of attack and defense, strength and agility, technique and strength, pressure and counter pressure, training and recovery, physical and mental power, and many more.

This is largely known. On a deeper level, however, the following opposing principles are to be harmonized:

- competition and cooperation
- trust and control
- focus and forgetting
- rationality (thinking) and irrationality (emotion and intuition)
- subsystem and overall system
- past and future
A brief example:

The most important harmonization is that of the management **principles** of **competition and cooperation**.

The application of the competition principles (strategy, transparency, performance culture, feedback and learning, leaving one’s comfort zone, positive expectation, new training stimuli, constant improvement) will greatly increase the performance of your company or team.

**But beware!** Unless it is balanced with the cooperation principle, the application of the competitive principle alone will result in inefficient excesses. The whole company will suffer from burnout, excessive focus on individual performance (the group lags behind), and lack of ethical behavior.

It is precisely Budo ethics that will ensure that employees will learn to improve competitiveness. Only the recognition and appreciation of people independent of their performance (**cooperation principle**) and adherence to ethical principles will bring about the full potential of the competition principle. The main guiding principle of this method is therefore:

“The toughness of competition needs the warmth of Budo ethics.”

In the modern business world these principles are usually perceived as being irreconcilable opposing principles. On a deeper level, however, the two are connected and mutually dependent. The Budo-method cuts the Gordian knot of this alleged contrast and gives you a guide to its implementation in your company.

With a methodologically correct approach, you will gain a competitive advantage, where:

- more profit leads to more ethics and cooperation, and
- more ethics and cooperation lead to more profit.

**The most capable manager** according to this Budo-method has the competitiveness of a Roman gladiator and the empathy of **Mother Teresa**. Imbalances on both sides are inefficient and inhuman at the same time.

The question is not, **does this method work? It does ... 100%.**
The Budo-method comes from a centuries-long extreme testing.

The question is, rather, **are you ready to take this path?**

Contrary to the modern credo of immediate success, a **medium-term orientation is needed to realize the full potential of this method.**

The method’s successful application requires that you and your team are willing to openly and honestly question your existing management dogmas and your own abilities as a manager, team, and company. This provides the basis for a **challenging and rewarding development process** for you and your team. You do just as every budoka that has the aspiration to go on the path to mastery and perfection!

Welcome to Budo2Business: The Budo-method for the business world!
WHAT IS BUDO?

Before we start with the Budo-method, it is important to clarify a few terms. *Budo* is a collective term for Japanese traditional martial art disciplines. The word consists of two syllables: *Bu* means military or fighting and *Do* stands for the path to enlightenment (the root of the word comes from Sanskrit). It means “the way,” “the method,” or “the lifelong development.” Freely translated, Budo means “the path of the warrior to enlightenment.”

*Do* also stands for personal development at all levels. It is probably best to describe in English with the term “lifelong learning” or “lifelong striving for improvement.”

A well-known quote from Morihei Ueshiba, founder of one of the most important Budo disciplines, Aikido, is:

*In true Budo, there is no enemy. It is about becoming one with the universe. It's not about getting stronger and throwing an opponent. We train in the hope of contributing to people's peace, no matter how small.*

So it is not about fighting, beating, and winning, as you might think. Traditional Budo is a metaphysical discipline that uses the adversity of war or struggle to promote personal advancement.

*Do* is so important in Budo that it has become the name of many Budo disciplines:

- **Judo** The gentle way
- **Kendo** The path of the sword
- **Karate-do (the "do" is often omitted)** The way of the empty hand
- **Kyudo (archery)** The way of the arch
- **Aikido** The way to the harmony of the forces

Some Budo disciplines focus on competition: Judo, Karate, Jiu-Jitsu and Sumo. Others, such as Kyudo or Aikido, focus on the samurai philosophy, the life cycle of constant learning, and the struggle with oneself.

Budo has been strongly influenced by the teachings of Zen, which became the philosophy or religion of the samurai because it took from them the fear of death. Central to Zen is the understanding of the way (*Do*). Death is an illusion and dying is a transition to a higher order. With such a world view, it is easier to go into a sword fight!
HERE ARE SOME EXPLANATIONS:

**Budoka**: Someone who practices a Budo discipline

**Budo company**: A company run according to the principles of Budo

**Budo Superior**: A leader who applies the success principles of Budo

**Bushido**: An ethical code for the samurai

**Daoism**: One of the most important Chinese philosophies

**Dojo**: Training place or hall; literal meaning: "the place where the way (Do) takes place"

**Hagakure**: Traditional Japanese literature of the samurai. Literally translated, *Hagakure* means “the words spoken behind the leaves.” The author of the Hagakure was the Zen monk Tsunetomo Yamamoto.

**Ippon**: A full point in Judo or Karate, comparable to a knockout in Boxing. The fight is over.

**Miyamoto Musashi**: Author of “The Five Rings,” one of the most important study books for the samurai. It is still widely read in management circles today. Born in sixteenth-century Japan, Musashi won sixty duels. At the end of his career as a samurai he became a monk, artist, author and samurai teacher. He founded several temples and samurai schools.

**Ronin**: Samurai without a master in medieval Japan

**Samurai**: “The companion,” a member of the warrior caste in postindustrial Japan

**Sensei**: Master or teacher (here a Japanese martial-arts style)

**Sumo**: A very popular traditional martial sport in Japan

**Sumotori**: Sumo fighters
THE BUDO-METHOD

“The entire universe is based on a quiet and dynamic balance of yin and yang.”

– Lao Tzu, founder of Daoism –

“The path of the sword (Budo) is not about victory or defeat ... The goal is to reach the essence ... where there is no duality. Whoever achieves this achieves immediate perfection in his art.”

– Takuan Soho, Zen Master –

These quotations refer to the most important wisdom of Budo, which was strongly influenced by the teachings of Zen and Daoism.

All aspects of our world, it seems, work through an interplay of alleged opposites. In Daoism, yin and yang stand for these fundamental opposing principles. This is called duality. You can find them in many different manifestations: past and future, young and old, man and woman, plus and minus, day and night, particle and wave, capitalism and communism, trust and control, and so on ... Whoever overcomes this duality achieves perfection and reaches the essence. Daoism has made this observation one of its most important statements. This ancient wisdom is less known in martial arts than in the Do disciplines of Budo, especially in Aikido and the paths of the inner warrior.

The content of this book addresses the method of overcoming these opposing principles as an instrument for achieving perfection and applies it to the management of companies.

This overcoming of opposites is achieved through their harmonization. This means the alternating use of the opposing management principles such as trust and control, competition and cooperation, focus and forgetting, etc.

The more advanced the organizational you lead, and the more extensive your own development as a manager, the sooner you can make this change. Ultimately, you reach a state where the opposing principles are overcome.

At the highest level of development of the Budo-method, you achieve company management in perfection. Opposing leadership principles do not exist anymore. There is no duality of opposing leadership principles.

For your company or organization, this means the maximum competitive advantage with a resulting surge in profitability and maximum employee satisfaction.

This method consists of two long-term learning fields, the so-called paths:

➢ Learning path 1: Creating strength by harmonizing competition (profitability) and cooperation (ethics and staff satisfaction)
➢ Learning path 2: Avoiding weakness by harmonizing other leadership principles

By embarking on these two paths, you and your team will learn a lot and realize significant improvements.
LEARNING PATH 1: CREATING STRENGTH THROUGH THE HARMONIZATION OF COMPETITION AND COOPERATION

This path simultaneously makes your organization very competitive and very human/ethical. If these methods are applied correctly, these opposing principles actually promote each other in the medium-to-long run. The following explanations outline this interrelated nature of competitiveness and ethics plus a human approach to work:

THE PRINCIPLE OF COMPETITION: THE ROAD TO STRENGTH IN THE COMPANY AND TO THE EMPLOYEE

The competition principle is designed to make your company a high-performance organization. This requires an effort on two levels:

➢ In the company
➢ In the employee

The objective is to make substantial improvements in all areas of competitiveness (skills of the company and employees). These improvements are far beyond the usual level of training known in business administration. In your company or team, you can reach this strength like this:

STRENGTH IN THE COMPANY THROUGH STRATEGY

“Strategy without tactics is the slowest way to victory. Tactics without strategy is the state before the defeat.”

– Sun Tzu, Chinese general, philosopher, and author of The Art of War –

Every samurai and army knew that they could only survive with a competitive advantage.

The strategy covers all of those measures which lead to a sustainable competitive advantage. In the Budo combat disciplines like Karate, Judo, Jiu or Kendo, the strategy orientation during a tournament and in the training of a budoka itself is very strong. It takes years of daily full-time training to develop and secure this competitive advantage in one’s fighting style.

This is not the case in the business world. Many companies have no strategy at all. If it exists, it is often only discussed at the top management level. A bottom-up approach that involves the day-to-day business expertise of the workers and employees is even more rarely implemented. As a result, the company may lose its capacity to compete. Following a pattern of crisis in strategy to lack of profitability, these companies often go insolvent.

This book shows you how to develop a high-quality strategy and how to align your business with it.

The strategy process consists of the following steps:

Development,
Falsification (quality assurance) and
Anchoring of the strategy in the organization.
This last step ensures that all resources and abilities of the employees are aligned and further
developed in those areas, where your company has a competitive advantage.
The next step in the Budo-method is to substantially strengthen the staff in order to implement the
strategy. In short, these steps are necessary:

**STRENGTHENING THE WORKFORCE: THROUGH LEARNING**

“*Many people only believe their own opinion. They do not listen attentively when others are willing
to give them feedback. They will never reach a high stage of development.*”

– Budo wisdom –

By applying strategy-oriented learning, a cultural-performance orientation, and steady
improvement, you and your employees will create significant improvements in individual and
organizational performance. This learning takes place on all levels relevant to strategy performance
(like a budoka aiming for mastery):

Intellectual (more strategy-relevant knowledge)
Psychological (more strategy-relevant skills like listening, stillness, resilience, etc.)
Physical (more endurance and health)

In the Budo world these principles are part of any training that aspires to anchor the competitive
advantage in and with the practitioner. In fact, this is the core effort to achieve mastery in Budo.

Rarely companies are using such a comprehensive approach to staff and organizational learning.
Learning is rarely part of the mission, feedback discussions as a basis for learning usually take place
only once a year, and company cultures are often not performance-oriented.

The Budo management method teaches how these principles are used in Budo and how you can
implement them in your team or organization.

The implementation of the competition principle at the level of the company and employee will quickly lead to an increase in competitiveness. It will significantly increase the competitiveness of your company and employees. **But beware!**

The exclusive orientation and leadership of your company (or team) with the competition principle leads to exaggerations in the medium term, and thus to inefficiencies.

Since, according to the competition principle, only the performance is important, there will be negative developments:

- Employees are not being dealt with well and thus (strategic skills) learning is suffering.
- The best managers do not train their colleagues.
- Only the best managers are appreciated with the competition principle.
- The other managers do not receive this recognition. Therefore, they do not develop their full management potential.
- The relationships of the employees are suffering. Human relations, the cultivation of relationships, and ethical behavior are not part of culture. This again affects strategic learning negatively.
The management of the company in perfection therefore needs the cooperation principle as an opposite to balance the excesses of the competition and develop its full potential.

THE PRINCIPLE OF COOPERATION (ETHICS AND HUMANITY): THE BALANCE TO COMPETITION

Ethical values are not only an expression of a humanistic attitude of Budo, but also help to increase competitiveness (and thus profitability) in the medium term. They prevent an exaggeration of the competition principle, which in its purest form is inhuman and thus even performance-damaging.

Without cooperation the less-successful employees do not learn. The high achievers act in the short term to earn even more and don’t train their less-competitive colleagues. However, the typical employee needs human values to feel comfortable. He is not a machine. A machine needs only oil and occasional maintenance, but the human being needs a human environment in order to achieve performance.

Norbert Haimberger recalls a comparable situation from his Judo training group:

“*In the early 1990s, there were three high-performance athletes in the Austrian Judo team weighing up to 71 kg who coached each other daily and shared a room on training camps. However, only one judoka per weight class was allowed for the European Championships and World Championship per country. Thus, the three training partners were also fierce competitors. The result of this competitive cooperation was overwhelmingly positive. All three won an important tournament in 1992:*

- European Championships up to 71 kg,
- Junior World Championship up to 71 kg, and
- Junior European Championships up to 71 kg.

*We were three world-class athletes in one training group. Why did we have this great success?*

- Because we cooperated with each other: We showed each other our weaknesses and helped improve them, instead of holding back solutions or even providing false information; and
- because we were in competition with each other. Each of us improved, thus as a result the group improved, which again strengthened each competitor.

“I have never seen this intensive form of learning again in my 20 years of experience in the business world.”
The role of the Budo ethics is very important. It will prevent the high achievers from optimizing their short-term work at the expense of other people. It will also ensure that less-powerful employees still have an appreciation and thus work in an environment that fosters learning. From a systemic point of view, it optimizes the overall performance of the organization and reduces the top performance of individuals. Cooperation is the necessary counterpart to the unilateral-performance orientation of the competition.

It is only through the cooperation principle that the competition principle reaches its full potential in medium run. This is barely understood and almost never implemented in management.

In other words, the toughness of the highest competition needs the warmth of cooperation.

Only this harmonization of the allegedly conflicting principles of competition and cooperation will lead your company to unimaginable strength.

This strength will result in a simultaneous substantial optimization of profitability (result of the competition principle) and an ethical and caring approach in staff relationships (result of the cooperation principle).

The description of the exact approach is the content of the training that we offer. Have a look at www.budo2business.com to find out more.

On the second path, you learn to prevent possible weaknesses in your area of responsibility.

LEARNING PATH 2: AVOIDING WEAKNESS – HARMONIZING OF OTHER LEADERSHIP PRINCIPLES

Only a few talented managers are intuitively looking for the harmonization of opposing leadership principles. In the business world, dealing with opposing leadership principles is only very rarely part of the company's management. This harms the company, its investors and employees.

Here are some examples:

An important operational contrast is the “focus on and the forgetting of the goal.” In Budo training one learns an important rule: Despite all the striving for success, one must be able to forget the goal. If a budoka does not do this, he is literally pushing achievement away.

Every professional budoka knows this: If he trains more, he must also take more rest. Otherwise, he does not develop his skills optimally. The result is over-training! The corporate world often does not know this principle. Managers are inefficient because they have been working sixty hours per week for many years. Management in perfection is looking for the optimization of the activation and rest periods of the employees. In doing so, the employees learn how to work with the utmost dedication during the day and how to completely forget about the company after work.

Having employees who are relaxed and free of company concerns is profitable for companies. Rarely is this understood in the business world. Upon implementing this principle, your staff costs (burnout, personnel fluctuation) will decrease and employee satisfaction and the rate of innovation will increase. The positive social impact of this approach (health, family and crime) should also be mentioned here. But this is not within the scope of the book.
Other important leadership principles are trust and control. Trust is the basis for cooperation. If operations remain without control, some employees will take advantage of it. If the control is too strong, high performers will probably leave the company and the innovation rate will drop. These high performers lack the freedom to unfold.

Norbert Haimberger recalls a painful lesson from his career:

“My credo of fighting was: ‘God will give it to me—the right moment to victory will come.’ I trusted that. That was a very good maxim: I won almost all my fights with the ippon. My fighting style was calm. The referees often perceived this as being passive. Thus, when the moment of victory did not come, I unnecessarily lost by passivity. With many years of distance, I feel that I should have occasionally employed the opposite principle of control.

I have played against the Finn Jorma Korhonen a total of three times. We knew each other so well, that in all three battles only one score was achieved. This was my score and I won the fight. However, I lost the two other fights by referee judgment, because my fighting style was considered passive.

The right moment for the victory had not come despite the great confidence. Unfortunately, this happened to me at the 1991 World Championships and the 1992 Olympic Games in Barcelona. It would have been a question of a week of training preparation, to learn to control these situations. Displaying active attitude to the referees by tactical clever behavior would have been easy. But this was never part of my thoughts or effort. I depended exclusively on the trust and at least then never on the control.”

Company management in perfection works with controlled trust.

The opposing leadership principles rationality and irrationality (intuition and emotion) are also to be harmonized according to the Budo-method. Whoever leads his company exclusively with rationality will only develop further within the framework of the existing business paradigm. He risks being overtaken by creative entrepreneurs. Such people redefine customer benefits and destroy whole industries. Their approach is often characterized by irrationality. Relying on intuition and feeling they know what’s right, they swim against the stream. Steve Jobs impressively demonstrated this. His leadership principles, which he made in his famous Stanford commencement speech, were:

➢ Faith in the wisdom of the soul
➢ Doing what is fun and
➢ Death as a permanent advisor

This is not really rational. In reality, he was both rational and irrational. Company management in perfection allows for irrationality to develop groundbreaking new ideas. These are then implemented rationally. Feeling a situation allows you to grasp the essence much faster and with less cost than deductive and analytic analysis.
Norbert Haimberger applied this principle during his career as follows:

“You should be rational in many things in Judo:

- Put on the technology portfolio
- Develop your own family of techniques
- Plan the tactics for the battle
- Check the training condition, etc.

“Before a competition I had a routine. I asked myself whether I had prepared myself the best I possibly could. When the answer was a clear ‘YES,’ then a state of satisfaction and relaxation arose. I knew I was optimally prepared. You cannot Do more, so it's time to enjoy the competition. This also created space for intuition.”

Here again the interplay of a rational training approach leading to a space for intuition demonstrates that the harmonization of opposing principles is the most important guideline of the Budo-method.

Further harmonization of opposing leadership principles that are crucial for the application of the Budo-method are:

- Option and regulation
- Past, present and future orientation
- Strengths and weaknesses, etc.

When you integrate these principles into your area of management of responsibility, you will come across many innovative solutions and prevent inefficiencies.

However, the use of these principles is not a question of immediate, full success. Instead, a challenging learning process takes time.

Contrary to the credo of today, this method does not promise success immediately. But it guarantees great success in the future when you are ready to embark on that path.

The management of a company following this path will achieve significant cost savings, higher sales through product innovation, and higher employee satisfaction.

About one-third of these improvements can be achieved within six months, another third after two to three years, and the remaining improvements after about five to seven years.

**Three to five years after the introduction, you can achieve an increase of at least twenty to thirty percent of the profit.** The possibilities for improved profitability and the increase in employee satisfaction are unlimited.
ONE EXAMPLE OF APPLYING THE ENTIRE BUDO-METHOD WORKS LIKE THIS:

The following is a simplified application in the marketing department of a medium-sized company. This application example shows most of the Budo principles. A detailed description of the individual principles and how to apply will be taught in our educational programs. The objective is to give you an initial understanding of how to apply this Budo-method.

Introduction:

As the new manager of the sales and marketing department, you are responsible for four team leaders, twenty salespeople, and five marketing employees. **Your task is to increase the sales and efficiency of the sales organization.** The company has made profits during years of stagnating sales. The management has come to believe that the products are good. The sales team, however, is not strong enough, and the marketing process must be improved.

Up to now, the sales team was led by the company's founder, who has now retired. Many of the employees were personal friends of the former boss and have worked with him for decades.

Step 1: Management by the Cooperation Principle (and Ethics)

As a new manager, you want to get to know your employees and build a trusting relationship. You develop a feel for your staff and display empathy and politeness. The figures refer to the numbering of the principle in the Budo system.

Once you feel like you have won their trust, you start changing the focus of your approach.

Step 2: Management by the Competition Principle

“Superior Strategy”

You and your employees are launching a strategy process that defines the contribution of your department to the overall strategy. Your company moves (as so many) in a market, where competitive advantage is hard to achieve. The top management has opted for a strategy of cost leadership. Therefore, the result of the strategy process for this department is the Olympic idea “altius, citius, fortius.” This goal is to be achieved through efficiency improvements and qualitative improvements in processes and employee satisfaction.

You are planning to reduce the lead times for the most important sales processes and increase the sales ability of the sellers. You also want to review your marketing procedures. You communicate this to your employees, and at first there is quiet resistance: "Why? Why should we work more? We're making profits without all these new efforts too. Why change the workflow, why learn something new? We always did that way."
In order to roll out cost leadership strategy you are implementing the **introduction of another Budo principle:**

**“Transparency” and “KPIs”**

In order to better assess the current performance of your employees, you are performing a quantitative analysis (time, number of sales contacts, closing rates, average sales, cancellation rates). It turns out that some employees work well and some are quite inefficient. The times for achieving a first client contact and the conclusion of a contract (with the same average turnover) vary considerably. Your analysis reveals that the marketing team has considerable free capacity. Furthermore, it becomes evident that the marketing processes are by far not “best practice.” That is why you initiate a “benchmarking” process (Budo principle).

Based on this survey, a target-time budget (KPI, or key performance indicator) is developed for the most important marketing processes (catalog creation, advertising dispatch, response times to customer e-mails, etc.).

While you’re introducing all these new approaches and methods, it turns out that there are young and ambitious employees, who support you as new director. However, the first open doubts come from old colleagues. Several of them did not perform well in the marketing and sales processes analysis. You also learn that an employee meeting took place without you, where these changes were discussed. **It becomes clear to you that many employees have been frightened by your actions:** they fear that the perceived shortfall in performance could lead to negative consequences for them.

Reacting to that situation, you organize a meeting with the most important employees and explain to them why **transparency** is crucial: It is a **prerequisite for a learning process**.

Some take this positively, others do not believe you, and others are afraid that their underperformance will be revealed. Despite these tensions, you continue the implementation of the management by the competition principle. You introduce the Budo principles:

**“Feedback and learning” as well as “leaving one’s comfort zone”**

The development of target times for the key processes in your department is now reviewed by external experts. This is a continuation of the **benchmarking approach**. You require your employees to achieve your newly set lead times that have been again reduced.

On the basis of the individually achieved times in the most important work processes, you define the necessary increase in relevant abilities of the employees. You now also include qualitative factors (presentation and sympathy skills to the customer, qualifications, etc.).

Here, you include **all three relevant levels:** professional knowledge, mental/physical conditions, and ability to relate.

As a next step, you will define individual improvement goals for the relevant skills. Some of your employees include:

people who are slow on the computer, a long-serving colleague who uses an out-of-date program, causing compatibility problems during the data transfer, another employee who spends six weeks in
the hospital each year because he is emotionally and physically unstable, several colleagues who do not use the possibilities of the new ERP system and continue to work with their old Excel spreadsheets, only a few salespeople who have a genuine sales manual, one salesperson who is a little dry in his approach to customers …

… and so on.

You encourage a feedback culture in your department. This allows your employees to know the status of their work abilities. You regularly give them feedback about improvements. This makes learning easier.

After all these changes and increases in work requirements, the dissatisfaction of some employees at the introduction of the new learning objectives can be overheard.

Several employees feel overwhelmed. Many others, however, react to this development by accepting the challenge of this learning process. You are encouraging your employees by saying that ultimately all these efforts will lead to an increase of their skill levels, their job security, and their self-respect.

Most employees are focused on the learning path and are working on improving their relevant skills. They live up to this, and you show them publicly that you also push the limits of your own comfort zone. You openly communicate your efforts and pain outside the comfort zone and show how you work on it.

A few months later, several employees improve their skills significantly and several others a little. However, one long-term employee who was considered a top performer before the introduction of transparency and KPIs suffers from burnout syndrome. His performance is falling, he often complains, and you realize that something is wrong with him. The humiliation of his suddenly revealed lack of performance and the increased demands in his work performance were just too much for him. In response to this development in your department, you gradually switch the emphasis from the Budo competition principle (constant learning, KPIs, transparency, etc.) to the Budo cooperation principle.

Step 3: Focus on Management by Cooperation

Tensions in your department are mounting. There is talk that you are responsible for the burnout of your employee. This is especially true for senior employees. Your boss supports you, but he mentions that your department’s situation has already been discussed at a management meeting.

The social relations in your department have become colder; there are hardly any cozy meetings in the coffee kitchen anymore. You notice that the employees are longing for the “good old days.” Although you managed to break the old cozy structures by applying the Budo competition principle and achieved an increase in competitiveness, now some of your employees’ decreasing trust has weakened you.

Being fully aware of that situation, you seek a conversation with those affected and show empathy and understanding of their worries and fears. You communicate to them that competitiveness is only one aspect of the company's management. Some employees start to realize that you are a fair and loyal boss who does not kick out his employees right after a few problems arise. You start encouraging mutual assistance and the cooperation of the employees among themselves. You are expressing appreciation for the work independent of the performance of your employees.
With these efforts on your behalf and a training program specially tailored to the low-performing employees, the social relations in your department are improving again. Your politeness and empathy for employees is more and more appreciated. In short, you are displaying your relationship skills.

Step by step, you are regaining the trust of the less skillful employees, who start working on their weaknesses. For some it takes weeks, with others months. You are applying the Budo principle “learning takes time, and success comes non-linearly.”

In short, you give your employees the time that they need to improve the relevant skills.

To further emphasize your honest intentions, you are including another Budo principle: “Focus on and forget the objective.” You initiate a new training program that teaches employees to completely switch off after work. At the kickoff meeting, you publicly declare that only an employee who forgets his job after work can be an efficient employee. Performance needs breaks. You actively demand breaks during work and insist your employees take holidays and vacations. When you announce that “emails and calls after 8 p.m. and on the weekends are to be ignored,’’ all the sympathies are with you again.

This initiative brings you great sympathy throughout the whole company. Your employees understand step by step that you are not only a very demanding manager (a “pusher”), but also have strong relationship skills.

The alternating application of these two Budo principles (competition and cooperation) can cause magical results! After a while of intense learning, people will start to love and respect you. They will start to flourish, because they are developing their potential. As a result, the competitiveness of the company surges significantly.

The social relations in the department are improving again. This may take several weeks or months. During this time the improvement rate for the learning objectives has slowed down. With some employees, it almost came to a standstill. This situation causes you to start the next round of shifting again to the Budo principle of competition.

**Step 4: Increased Use of the Budo Competition Principle**

Again, you increase the requirements for improvement of relevant sales and marketing procedures. Employees whose learning process has fallen asleep are given the crystal-clear feedback that their performance does not match the agreement. For employees who have achieved their learning objectives, you continue to raise the bar in application of the Budo principle of continuous improvement.

Again, your employees begin to complain about increased work requirements. But this time something has changed. Your department staff know that they can find empathy and understanding together with all the harshness of the requirements for improvement. They know that they are supported in their efforts and that you care about their situation and reality.

All the Budo principles that you have already applied at the beginning of the improvement process—“learning”, “feedback”, and “leaving one’s comfort zone”—are continued. Again, you are leading by example and display the applications of these principles in your own actions. Not only that, you are initiating the application of another Budo principle: "Harmonization of interests of system and subsystem.”
Together with your most important employees and your own boss, you start defining the interests of the subsystems (people, department) of your company and the ones of the overall system (company). This makes you realize that, among other things, the company has an interest in the transfer of knowledge from the high- to low-performing staff.

As a result, you start convincing your best salespeople to share their knowledge and skills with their not-so-strong peers. Your best arguments are the improvement of team spirit, the salesperson’s new role as a coach, and rising team performance (which also supports the leading salespeople).

To get this going you organize an education in coaching for your top salespeople. As soon as they have acquired this ability, they start training their colleagues. Consequently, bit-by-bit, the sales staff is starting to learn from the top salespeople. Suddenly the whole department starts operating at a higher level. It feels like a rowboat where the rowers suddenly begin to synchronize their movements. The boat is starting to glide.

The less skillful employees are beginning to learn, and your department’s resistance to your demanding changes is decreasing. The employees pride themselves on their own achievements. Your staff has the realization that **effort and change are worthwhile**. The employees in your department have built up a mutually trusting relationship and respect for one another. This, according to Budo, is the basis for every challenging learning process (efficiency improvement).

Just when the mood is at its peak, you take the Budo competition principle another step further and introduce the principle of **“new training stimulus.”** You ask yourself about each of your employees:

“What are the main restrictive behavioral patterns for sales performance and quality of the marketing work at the professional, mental, and physical levels?”

**Some examples:**

- A good salesperson cannot speak English. He has no stable family background and therefore had problems in school. Since then, he has had a negative perception of training; he simply refuses to learn. More and more customers, however, have an international background. His refusal to learn English becomes an ever more serious problem. This is restricting his professional development and the overall performance of the department.

- Another good salesman is suffering from diabetes. He loves junk food, and his body mass index is far beyond the healthy KPI. He does not consider exercising. In a personal conversation you realize that the frequent customer visits and the long car trips are more and more difficult for him.

- A team leader works very professionally. There’s only one thing she is bad at: listening. She wants to be constantly at the center of attention and thus achieves little of a relationship with her employees. There is already an increased turnover of staff under her management. Thus, staff turnover costs and loss of knowledge are spiking. Your analysis is: At some point, she learned that thinking is more important than feeling. Her ability to sense herself, the situation, and other people have suffered ever since then. She is unaware of this, and when others express a need for more of a relationship, she proclaims them to be overemotional and not resilient or professional.
You have started to jointly draft a development program for all your employees designed to reduce these main weaknesses. In Budo these are considered learning opportunities. The most advanced budokas have also sought training with people to show them their weaknesses so that they can learn.

In Judo this principle is called *ji-ta-kyo-ei*. My translation of that would be: “Showing each other weaknesses and ways for improving in order to achieve progress and development.”

Introducing that principle into management is one golden key to company success and staff satisfaction. Budo is able to reconcile profitability and staff happiness.

**Now you are pushing the limits! You deliberately go beyond the limits of your employees.**

Unfortunately, few people are capable of doing this by themselves. But a good manager can and should be the initiator.

Some employees understand why and start learning. Others are more insecure. They say this is going too far. In pursuit of your objectives you reorient your main focus to the cooperation principle again.

**Step 5: Emphasis on the Budo Cooperation Principle**

You display empathy for the worries and fears of your employees. You invite your employees to create a list of your own most important learning objectives. You choose three to five of them and make the promise to display your efforts and progress publicly. Just like your employees, you are showing your efforts and talk about the time needed for the improvement.

You are creating an environment in your team that facilitates learning. You sweat, suffer, and make (the right) mistakes together. You show each other your weaknesses and respective ways to improve them. After some time, the first substantial improvements are visible. Now the young and already successful employees are beginning to pull the insecure ones along. The number of deniers decreases. The rowboat begins to glide again, but this time at a much faster pace. The rowboat becomes a motorboat.

**Further Steps: Management by the Budo Principle: Cooperative Competition**

You are continuing this process of increasing the competitiveness and staff happiness in the company by an ever-faster oscillation between the two Budo principles of competition and cooperation.

In application of the Budo principles to the management of companies this is an essential part of the “Company-Do.”

It has become clear that the two principles are basically two sides of one state: **management in perfection.**
Schematically, the process can be illustrated as following:

- Cooperation is the basis for competition
- This is the basis for more intensive cooperation
- This is the basis for more intensive competition
- The is the basis for the most intensive cooperation
- This is the basis for the most intense competition
- **This is cooperative competition (merging and overcoming the two Budo principles)**

What is the outcome of this process?

- Your company is very competitive.
- The trust between the employees and the management is high.
- The employees are enormously skillful and proud of themselves.
- The management changes from a leadership of slaves to a moderation and coaching of gentlemen.
- The polarity between competition and cooperation has disappeared and merged into cooperative competition.

This is management in perfection.

What is the price of this embarking going on this path?

- The requirements for leadership have changed fundamentally.
- New professional, psychological, physical and human competencies are required.
- The manager is primarily the change manager of the limitations/challenges of his employees and leads by example.

What are the implementation challenges ahead of you?

The first success is seen after six months. The full process of mastery takes time, just as in Karate, Judo, Aikido, Jiu, or other Budo disciplines. For completion (“the path is the goal”) the necessary development time is three to five years (maximum seven years). The bottleneck is the mental and physical abilities of managers and employees, rarely their professional skills. If so, then it is knowledge of change management.

You need appropriately trained executives in your company, or you work with an external manager who starts the change process and then transfers the leadership to an internal manager (who is further coached). If you want to know how that can be done, shoot me an email at plaschko@cfo4u.de.

Most managers are very capable in leading by either competition or by cooperation. The challenge lies in developing the opposing leadership principle.

**The ideal manager has the competitiveness of a trainer for Roman gladiators and the ethics and empathy of Mother Teresa.**

This person can be very demanding. He will insist on achieving improvements to the fullest extent, because he is also appreciative and trustworthy in his approach to people.
The summary of the effects of the Budo-method are:

- Competitiveness and staff happiness in the company have increased significantly.
- There is a merging of the leadership principles: competition and cooperation.
- The whole company is focused on the strategy from the employee up!
- The requirements for the manager change substantially. He will primarily be a change manager.
- The company becomes a learning organization that defeats the competition.
- At the employee level, strategy and efficiency-related training make the employee an efficient learner who is appreciated independent of performance. Overall performance level rises sharply.
- The employee becomes higher-performing, receives better pay, gains self-respect and becomes more independent.
CLOSING WORDS

In our experience, Budo is much more than fighting with yourself (inner path) or with an opponent. It is a philosophy and a way to see the world. In Budo there exists a wisdom that has been developed and passed on over the centuries by the best practitioners of this discipline.

We hope that we have shown you that these principles can also be successfully used for the management of organizations and teams.

**Budo is a way that teaches you:**

- to focus on what you can do better than competition,
- to learn and improve constantly,
- to seek the harmony of opposing principles, and
- to recognize that compassion, ethics, empathy, and competitiveness are the most important success factors.

Every person, manager, or organization that follows this path will acquire knowledge and skills of great value. **We budokas have learned something that is important and highly applicable in business today.** We are happy to share our knowledge and help people, managers, and companies who are interested in this path, even without prior experience in Budo.

We hope you see the development possibilities for you, your team, or your company from a new perspective.

If you want to take advantage of my experience in reaping the benefits of that method, simply contact me.

There is no lack of profitable opportunities for this!

Do you want to tell us your opinion, share with us your Budo stories, or get to know other Budo managers?

**YOU CAN CONTACT US AS FOLLOWS:**

Web: [budo2business.com](http://budo2business.com)
Email: [plaschko@budo2business.com](mailto:plaschko@budo2business.com)
YouTube: [Budo2Business](https://www.youtube.com/Budo2Business)
Facebook: [Budo2Business](https://www.facebook.com/Budo2Business)

We look forward to hearing from you!
APPENDIX 1: 
BUDO2BUSINESS – THE 2 PATHS TO PERFECTION IN MANAGEMENT

AN OVERVIEW OF THE BUDO-METHOD:

Learning Path 1: Create strength through the harmonization of competition and cooperation

The basics

| How to create a high-performance organization? | Harmonization of the Budo principle competition and cooperation |

The competition principle in the company: Strength through strategy

| How does a company achieve competitive advantages? | Develop a falsified strategy, vision & mission |
| What is the level of competitive advantage? | Development of transparency in your operations |

And others...

Competitive principle for employees: Performance increase through learning

| Which company culture is helpful? | Development of a positive performance culture |
| How to correct for missed objectives? | Learning, feedback, steady improvement |
| What is important to learn? | Leaving the comfort zone |

And others...

The cooperative principle: The opposing Budo principle to competition: Ethics, empathy and human values

| How much truth can the company withstand? | A lot! |
| Are management status symbols profitable? | No, modesty is preferable |
| Is courage useful in management? | Yes |

And others...
Learning Path 2: Avoiding weaknesses: Harmonizing more opposing Budo leadership principles

How to optimize the achievement of objectives?  Focus on and forget them

What balance of interests is decisive?  Whole and subsystem

How much freedom is efficient?  Regulation and freedom of choice

And others...
DISCLAIMER

This book was written to provide the reader ideas on how to transfer Budo principles onto companies only. Of course, it is theoretically possible to apply these principles to yourself as a manager as well. These ideas are presented with the knowledge that the publisher and author do not offer any legal or other professional advice of any kind. This book does not contain all possible information necessary to implement these ideas. It has not been written (in fact this is not possible) to be specific to any person’s or company’s situation or needs. Every company or executive that applies these principles does so at his, her, or its own risk. Every effort on behalf of the author and the publisher has been made to make this book as accurate and precise as possible. However, there may be typographical and or content errors. Therefore, this work should serve only as a general guideline only. This book contains information that might be outdated. Its main purpose is to make you consider new ideas and entertain. The author and publisher shall have no legal, financial or other liability or responsibility to any person (natural or legal) or organization concerning any loss or damage incurred, or alleged to have incurred, directly or indirectly, through the information contained within this book. Legal disputes over this book and or its contents, methods and ideas must be carried out at the legal domicile of the commercial publishing house: Budo2Business Publishing House (Trademark of THOT ENTERPRISES LTD). The authors do not assume any legal responsibility whatsoever. If you feel that the content of this book is harmful, insensitive or damaging in any way for you as a natural person or an official representative of a legal person, please contact: plaschko@budo2business.com. You agree to give us a time of eight weeks from first received notice onward to remove any relevant contested passage in the book, without engaging in legal action against us. The notification must be sent by certified copy and receipt must be signed by Mr. Plaschko to be valid. Without Mr. Plaschko’s receipt signature the notification is considered not sent. Thereby you also agree that we will only be able to change future editions of the book. Older versions without the corrections (with the relevant passages included) may still be circulating. The involved parties may furthermore agree that the publisher will issue a public statement (online on its website) that corrects the respective statements. The contesting party agrees to be satisfied with these measures. If you received this book free of charge or at a promotional rate (you choose the price), then we do not assume any liability whatsoever. You hereby agree to be bound by this disclaimer or you may return this book within the guaranteed time period of two weeks after purchase for a full refund. If any passage of this Disclaimer is not upheld in a court proceeding, it will be replaced with the passage (the closest meaning: the publishing house has a right to propose it) that does and it does not affect the legal validity of the other provisions.

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