



Sales Training • Team Building • Coaching
The Stockdale Paradox

I have been re-reading the book *From Good to Great by Jim Collins* and came upon an analogy Mr. Collins refers to that he termed “The Stockdale Paradox”. I instantly remembered the story from my previous readings and meaning behind it. At the same time, my little light bulb flickered on and how this story is so very appropriate for our current new home market.

For those of you that have not read the book, this is a business classic and I highly recommend it. I was fortunate to find this story on JimCollins.com so I will be able to share it with you.

To set the stage, Mr. Collins and his research team had been struggling to explain why some companies rise up and outshine their competitors, even when things look their bleakest. By accident, he stumbled upon “The Stockdale Paradox” at one research session with his team. After telling the story, many of his research team told Mr. Collins that this is exactly the missing piece they were looking for when attempting to convey why some companies make the leap to greatness and some don’t.

I hope you enjoy the story.

The Stockdale Paradox

Chapter 4, pages 83–85

The name refers to Admiral Jim Stockdale, who was the highest ranking United States military officer in the “Hanoi Hilton” prisoner-of-war camp during the height of the Vietnam War. Tortured over 20 times during his eight-year imprisonment from 1965 to 1973, Stockdale lived out the war without any prisoner’s rights, no set release date, and no certainty as to whether he would even survive to see his family again.

He shouldered the burden of command, doing everything he could to create conditions that would increase the number of prisoners who would survive unbroken, while fighting an



Sales Training • Team Building • Coaching

internal war against his captors and their attempts to use the prisoners for propaganda. At one point, he beat himself with a stool and cut himself with a razor, deliberately disfiguring himself, so that he could not be put on videotape as an example of a "well-treated prisoner."

He exchanged secret intelligence information with his wife through their letters, knowing that discovery would mean more torture and perhaps death. He instituted rules that would help people to deal with torture (no one can resist torture indefinitely, so he created a step-wise system—after x minutes, you can say certain things—that gave the men milestones to survive toward).

He instituted an elaborate internal communications system to reduce the sense of isolation that their captors tried to create, which used a five-by-five matrix of tap codes for alpha characters. (Tap-tap equals the letter a, tap-pause-tap-tap equals the letter b, tap-tap-pause-tap equals the letter f, and so forth, for 25 letters, c doubling for k.) At one point, during an imposed silence, the prisoners mopped and swept the central yard using the code, swish-swashing out "We love you" to Stockdale, on the third anniversary of his being shot down.

After his release, Stockdale became the first three-star officer in the history of the navy to wear both aviator wings and the Congressional Medal of Honor.⁵⁹

You can understand, then, my anticipation at the prospect of spending part of an afternoon with Stockdale. One of my students had written his paper on Stockdale, who happened to be a senior research fellow studying the Stoic philosophers at the Hoover Institution right across the street



Sales Training • Team Building • Coaching

*from my office, and Stockdale invited the two of us for lunch. In preparation, I read *In Love and War*, the book Stockdale and his wife had written in alternating chapters, chronicling their experiences during those eight years.*

As I moved through the book, I found myself getting depressed. It just seemed so bleak—the uncertainty of his fate, the brutality of his captors, and so forth. And then, it dawned on me: “Here I am sitting in my warm and comfortable office, looking out over the beautiful Stanford campus on a beautiful Saturday afternoon. I’m getting depressed reading this, and I know the end of the story! I know that he gets out, reunites with his family, becomes a national hero, and gets to spend the later years of his life studying philosophy on this same beautiful campus. If it feels depressing for me, how on earth did he deal with it when he was actually there and did not know the end of the story?”

“I never lost faith in the end of the story,” he said, when I asked him. “I never doubted not only that I would get out, but also that I would prevail in the end and turn the experience into the defining event of my life, which, in retrospect, I would not trade.”

* * *

I didn’t say anything for many minutes, and we continued the slow walk toward the faculty club, Stockdale limping and arc-swinging his stiff leg that had never fully recovered from repeated torture. Finally, after about a hundred meters of silence, I asked, “Who didn’t make it out?”

“Oh, that’s easy,” he said. “The optimists.”



Sales Training • Team Building • Coaching

"The optimists? I don't understand," I said, now completely confused, given what he'd said a hundred meters earlier.

"The optimists. Oh, they were the ones who said, 'We're going to be out by Christmas.' And Christmas would come, and Christmas would go. Then they'd say, 'We're going to be out by Easter.' And Easter would come, and Easter would go. And then Thanksgiving, and then it would be Christmas again. And they died of a broken heart."

*Another long pause, and more walking. Then he turned to me and said, "**This is a very important lesson. You must never confuse faith that you will prevail in the end—which you can never afford to lose—with the discipline to confront the most brutal facts of your current reality, whatever they might be.**"*

To this day, I carry a mental image of Stockdale admonishing the optimists: "We're not getting out by Christmas; deal with it!"

Copyright ©2002 Jim Collins. All rights reserved.

Some questions for you to consider:

1. Are you *hoping* the spring market and the BATC Spring Previewsm will solve all your current sales problems?
2. Do you feel that 2006 was an unusual year and we are back on track in 2007?
3. Are you optimistic that your business is ready to excel in 2007?

I hate to burst anyone's bubble but the cold hard reality of the 2007 spring market will be a whole lot more of the same we faced in 2006. In fact, projections show we will build and sell fewer homes this year than last. The "most brutal facts of our current reality" must be faced by home builder and salesperson alike.

Things don't get better; we get better. Things don't change; we change. There are a select few builders and salespeople that have stepped up to the plate in 2006 and made some difficult changes. They are now reaping the rewards of those changes in 2007.

612-221-2424 • 8420 153rd Place, Savage MN 55378 • Fax 952-440-5121
coach@nhsalescoach.com • www.nhsalescoach.com



Sales Training • Team Building • Coaching

If I can offer everyone one piece of advice for 2007 it would be this. The worst thing you can do is turn a blind eye to the brutal facts and do nothing. Don't be an optimist and hope this market will be over soon. It may be years before we see another seller's market like the one we just came out of, if ever again. This is the only market we have. The sooner you embrace it, accept the cold harsh reality and have faith you will prevail in the end, the sooner your business will once again flourish.