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Foreword

This book is an account of a simple but powerful idea: that very often the best way for a leader to communicate with people you are trying to lead is through a story. The impulse here is practical and pedagogical. The book shows how to use storytelling to deal with the most difficult challenges faced by leadership today.

The different worlds of leadership and storytelling

Storytelling and leadership are both performance arts, and like all performance arts, they involve at least as much doing as thinking. In such matters, we will always know much more than we can tell. I have tried to convey here as much as I can of what works – and what doesn't – at the intersection of the two different worlds of leadership and storytelling.

For the first several decades of my working life, I remained firmly in the world of leadership and management. Specifically, I was a manager in a large international organization. The organization happened to be the World Bank, but if it had been any other large modern organization, the discourse would have been essentially the same – rates of return, cost-benefit analysis, risk assessments, performance targets, budgets, work programs, the bottom-line, you name it.

The organization happened to be located in the United States of America, but the discourse would not have been much different if it had been situated in any other country. The forces of globalization have rendered the discourse of management and organizations thoroughly international. It's a world almost totally focused on analysis and abstractions. The virtues of sharpness, rigor, clarity, explicitness and crispness are everywhere celebrated. It's a world that is heavy with practical import: the fate of nations and indeed the economic welfare of the entire human race are said to rest on the effectiveness of the discourse.

It was the force of circumstance, rather than temperament, that led me away from the world of the boardroom, the negotiation table and the computerized spreadsheet to a radically different world – the ancient performance art of storytelling. At the time, I was facing a leadership challenge with which the traditional tools of management seemed impotent to assist. In trying to communicate a new idea to a skeptical audience, I found that the virtues of sharpness, rigor and explicitness weren't working. As someone who had spent my life believing in the dream of reason, I was startled when I stumbled on the discovery that an appropriately told story had the power to do what rigorous analysis couldn't – to communicate a strange new idea easily and naturally and quickly get people into enthusiastically positive action.

Initially, the idea that storytelling might be a powerful tool for management and leadership was so counter-intuitive and contrary to my education and work-life that I had difficulty in believing the evidence of my own eyes. In fact, it took me several years to admit to myself that I was being successful through telling stories.

“Soft.” “Fuzzy.” “Squishy.” “Emotional.” “Fluffy”. “Anecdotal.” “Irrational.” “Fantasy.” “Fairy stories.” “Primitive.” “Childish.” These were just some of the terms that the advocates of conventional management hurled at storytelling, which they saw contaminating the world of pure reason with the poison of emotions and feeling, and dragging the world back into the Dark Ages. It took a certain amount of intellectual courage to brave this disdain and suggest that the world of rational management might have much to learn from the ancient tradition of narrative. [1: 175]

To build up intellectual stamina to face these challenges, I spent time in recent years in the radically different world of storytelling. Not that I was made to feel particularly welcome there. On the contrary, I was initially greeted as an interloper – someone who risked sullyng the noble tales of glorious heroes and beautiful heroines that made the imagination soar and the heart leap, with the shallow, mean and dirty world of business, commerce and making money. To some, I was borrowing the magic language of narrative to accomplish something for which a tersely worded "fit-in-or-you're fired" memo might be more suitable. The possibility that I might be trying to subvert the "fit-in-or-you're-fired" approach to solving human problems wasn't always plausible.

What made my reception worse was that I didn't enter the world of storytelling in a mood of respectful submission to drink from the ancient fonts of wisdom and accept without question what had been known for millennia about the elements of a well-told story. Instead I arrived with an iconoclastic attitude, suggesting that perhaps it was time to re-examine the eternal verities of storytelling that had been passed on ever since the time of Aristotle. I implied that it might be healthy to throw back the curtains and open the windows and get some fresh air and light on some of these dusty old traditions. To the world of storytelling, this was heresy of the gravest kind. The suggestion that the ancient world of storytelling might have something to learn from organizations was as absurd as it was horrifying.

The intersection of leadership and storytelling

The result was that for some years I found myself uneasily inhabiting these two different worlds – each profoundly suspicious of the other, each using discourse that was reassuring to the validity of its own assumptions and conduct, each seemingly unable or unwilling to grapple with what they might learn from the other. Storytellers could talk to storytellers and managers could talk to managers, but managers and storytellers couldn't make much sense of what the other group was saying. And what little they did understand of the other's discourse, they didn't much like. As I gradually learned to converse, more

or less successfully, in both worlds, I found myself in the role of go-between – someone who reported back from the other world, much as in the eleventh century Marco Polo reported to the astonished Venetians on his trip to China to the effect that there were strange and wonderful things in that distant world if you took the trouble to go there and check it out. Just as Marco Polo discovered, the very strangeness of my tale rendered my credibility questionable.

Occasionally when I would make a report to managers of what was going on in the world of storytelling, or to storytellers what was happening in the land of management, one of them would say, “How interesting!” And that is one of the points of this book: to point out matters of profound interest to both the world of storytelling and the world of leadership. So when in this book I take potshots of various kinds at both the world of management and the world of storytelling, please see that they are fragments of a lover's quarrel. If I didn't care deeply about both these worlds, it wouldn't be worth the hassle to undertake the role of dual ambassador. [2: 5]

One of the factors driving me was the awareness that the average manager was not having such extravagant success in meeting leadership challenges that there was no need to learn. Let me cite just a couple of statistics of the kind that managers love to hang their hats on.

- Study after study concludes that only 10 percent of all publicly traded companies have proved themselves able to sustain for more than a few years a growth trajectory that creates above-average shareholder returns. [3: 7]
- Repeated studies indicate that somewhat less than 10 percent of major innovations in large corporations, on which the future is said to depend, are successful. [4]
- The multi-billion dollar activity of mergers and acquisitions enjoys a success rate, in terms of adding value to the acquiring company, of around 15 percent. [5]

To grasp the significance of these figures, you need only ask yourself: if your airplane only arrived 10-15 percent of the time, would you be getting on that plane? If your surgical operation was only successful 10-15 percent of the time, would you be undergoing that operation? And it's not as though these rather staggeringly low rates of success have always been accomplished in an admirable manner, as names such as Enron, Arthur Andersen and WorldCom will remind us. There is thus little reason for managers to be complacent about their current mode of getting results. [6]

Nor was it obvious that the storytellers that I met had any reason to be happier with their overall situation. Many of them were entangled in one way or another with the world of organizations. Often storytelling was for them a part-time avocation, as it didn't generate sufficient revenue to make ends meet: they had day-jobs to fill the gap. And those few who were involved full-time in storytelling found themselves willy-nilly in the world of

organizations and commerce. But storytellers tended to keep the two worlds separate. They were just as unhappy as the rest of us with the command-and-control management practices that are widespread in organizations, but the storytellers had no idea how to change them. They tended to live bifurcated lives. Left-brained workers by day. Right-brained storytellers by night. It wasn't just that they couldn't see a way to bring their right-brained storytelling capacity into the workplace. It wasn't clear that they even wanted to. Just as the left-brained managers were reluctant to contaminate the rationalism of management with impassioned narratives, so storytellers were reluctant to risk dirtying the world of storytelling by introducing it into the world of commerce. Better to keep storytelling pure and noble than risk such a fate.

As I moved uneasily between these two different worlds, it was apparent to me that each of these worlds had something to offer to each other. When I saw how storytellers could hold an audience totally engrossed in what was being said, I could see that this capacity is what analytic managers often lack when they present brilliant plans that leave audiences confused and dazed. I also saw how slighted storytellers felt when the world of organizations didn't take them seriously. By clarifying the theory and practice of storytelling, I felt that I could show that storytelling had much to offer to organizations. By taking a clear-sighted view of what storytelling could and couldn't do, I believed that it could assume its rightful place as an equal partner with abstractions and analysis as a key leadership discipline. Storytellers would get back the respect that they want and deserve. Leaders would be able to connect with their audiences as human beings.

And of course, what both worlds of storytelling and organization have been overlooking is that storytelling *already* plays a huge role in the world of organizations and business and politics today. One has only to glance at the business section of the newspaper to see that organizations are chockablock with stories that have massive financial impact.^a Stories are the only way to make sense of a rapidly morphing global economy with multiple wrenching transitions under way simultaneously.

The choice for leaders in business and organizations is not whether to be involved in storytelling – they can hardly do otherwise – but rather whether to use storytelling unwittingly and clumsily or intelligently and skillfully. Management fads may come and go, but storytelling is a phenomenon that is fundamental to all nations, societies and cultures, and has been so since time immemorial.

And it's not just leaders in business and politics who can benefit from a greater capability to use story. It's anyone who has a new idea and wants to change the world. It is equally applicable to those outside organizations, such as school teachers, health workers, therapists, family members, professional colleagues – in short, anyone who wants to change the minds of those around them.

The role of storytelling

How large an idea is storytelling? In one sense, telling a story is simply giving an example. It is “glaringly obvious, and is something we all know instinctively. A good example may make something easier to understand, and easier to remember.” [7]

So what? We can, the thinking goes, recognize the power of giving an example and go on managing the way we've always been managing without significant change. No big deal.

And yet it turns out to be a very big deal indeed with storytelling being a sizable part of the modern economy.^b But it's not just the size of the phenomenon. There's something different going on here.

What's new in storytelling

In order to clear away some of the underbrush, let's start with some basics. In my experience, the following propositions do not seem particularly controversial to most people:

- Storytelling is an ancient art that hasn't changed much in several thousand years.
- The effective use of storytelling in organizations involves crafting and performing a “well-made story,” with a hero or heroine, a plot, a turning point and a resolution.
- A storyteller catches and holds the attention of an audience by evoking the sights and sounds and smells of the context in which the story took place.
- A compellingly-told well-made story is effective regardless of the purpose for which the story is being told.
- Storytelling is a rare skill in which relatively few human beings excel.

While all of these propositions are widely regarded as non-controversial, they are all wrong. They constitute some of the popular misconceptions about storytelling. One of the purposes of this book is to explode these myths and expose what's really involved in using story for leadership in organizations.^c

For one thing, we've discovered that there are different narrative patterns that are useful for the different purposes of leadership. Knowing which pattern is suitable for which task is a key to the effective use of storytelling. Ignorance of the different narrative patterns makes it likely that aspiring leaders will stumble on to the inappropriate narrative pattern for the task at hand and so fail to attain their chosen goal.

We've also discovered that some of the most valuable stories in organizations don't fit the pattern of a well-made story. For instance, a springboard story that communicates a complex idea and sparks action generally lacks a plot and a turning point. A story that shares knowledge is about problems, solutions and explanations, and often lacks a hero or

heroine. The stories that are most effective in a modern organization do not necessarily follow the rules laid down in Aristotle's *Poetics*. They often reflect an ancient but different tradition of storytelling in a minimalist fashion, which is reflected *inter alia* in the parables of the Bible and the European folk tales. [8]

Just as the human race began to make rapid progress in the physical sciences when we stopped believing what Aristotle had written and started observing with our own eyes whether two stones of different weights fall at the same or different speeds, so in the field of organizational storytelling, we begin to make progress when we stop looking at the world through the lens of traditional storytelling and start using the evidence of our own eyes to examine what stories are actually told in organizations and what effect they have.

Moreover the idea that storytelling is a kind of rare skill, possessed by relatively few human beings, is utter nonsense. Human beings master the basics of storytelling when they are young children and retain this capability throughout their lives. One has only to watch what goes in an informal social setting – a restaurant, a coffee break, a party – to see that all human beings know how to tell stories. Storytelling is an activity that is practiced incessantly by all of us. It is so pervasive that it has almost become invisible to us. We are like fish swimming in a sea of narratives. It is usually only when we are asked to stand up before an audience and talk in a formal setting that the indoctrination of our schooling takes over and a tangle of abstractions tumbles out of our mouths. Learning to tell stories is not so much a task of learning something as it is reminding ourselves of something we already know how to do. It's a matter of transposing the skills we utilize effortlessly in a social situation to formal settings.

That's what this book is about – providing leaders at whatever level in the organization with usable tools for communication – narratives that help tackle the most difficult challenges of leadership. The book has a strong focus on what works. But it also conveys enough theoretical background so that leaders have a good understanding of why some stories work for some purposes but not for others.

The emerging leadership discipline of narrative

Five years ago, when I published *The Springboard* [1], I was thinking of springboard stories as a tool, a remarkably useful tool, but no more than a single tool.

By 2003, when I was finishing of *Squirrel Inc* [9], I could see that storytelling was more than one tool: it was at least a whole array of tools – tools that could help achieve multiple purposes such as sparking people into action, communicating who you are or who your company is, transmitting values, sharing knowledge, taming the grapevine and leading into the future.

Now in 2005, with the writing of *The Leader's Guide To Storytelling*, I sense that narrative is even more than that. But what? A clue came recently when I was re-reading

Peter Senge's 1990 book, *The Fifth Discipline*. At the end of this book, Senge hinted at the possibility of a sixth discipline – “perhaps one or two developments emerging in seemingly unlikely places, will lead to a wholly new discipline that we cannot even grasp today.” The sixth discipline would be something invisible to conventional management thinking, because it would be at odds with its fundamental assumptions.

Thus it would be not a single gadget or technique or tool but rather a discipline, i.e. “a body of theory and technique that must be studied and mastered to be put into practice. A discipline is a developmental path for acquiring certain skills or competencies. As with any discipline, from playing the piano to electrical engineering, some people have an innate ‘gift’ but anyone can develop proficiency through practice.”

Given the limited progress being made on innovation even using the five disciplines Senge talked about in his book, this passage got me wondering whether storytelling might not be the missing sixth discipline. Certainly it has the characteristics that Senge envisaged for a discipline: i.e. something “where new and expansive patterns of thinking are nurtured, where collective aspiration is set free and where people are continually learning how to learn together.” And it has to do with “how we think, what we truly want, and how we interact and and learn with one another.” So could narrative be the missing sixth discipline?

Five years ago, we simply didn't know enough to call organizational storytelling a discipline: an emerging practice maybe, but not a discipline. Now we have the work of practitioners like Madelyn Blair, Evelyn Clark, Seth Kahan, Gary Klein, Doug Lipman, Carol Pearson, Annette Simmons, Dave Snowden, and Victoria Ward, among others. We also have wonderful work emerging from academia.^d As I become more and more aware that I'm just scratching the surface of a subject that is broad and deep, I'm inclined to think that what we have here is an emerging discipline.

The nature of leadership

The emerging discipline of narrative deals with leadership more than management. Management concerns *means* rather than ends. Managers usually take an agreed set of assumptions and goals and implement more efficient and effective ways of achieving those goals. They direct, control and decide what to do, on the basis of agreed hypotheses, generally proceeding *deductively*.

Leadership on the other hand deals with *ends* more than means. It concerns issues where there is no agreement on underlying assumptions and goals – or where there is a broad agreement, but the assumptions and goals are heading for failure. In fact, the principal task of leadership is to create a new consensus about the goals to be pursued and how to achieve them. Once there is such a consensus, then managers can get on with the job of implementing those goals.

Leadership is essentially a task of persuasion – of winning people's minds and hearts. Typically it proceeds *inductively* by argument from one or more examples towards a more general conclusion about the goals and assumptions we should adopt towards the matter in question. Storytelling is thus inherently suited to the task of leadership.

The marriage of narrative and analysis

This is not to say that abstract reason and analysis aren't also important. Storytelling doesn't replace analytical thinking. It supplements it by enabling us to imagine new perspectives and is ideally suited to communicating change and stimulating innovation. Abstract analysis is easier to understand when seen through the lens of a well-chosen story and can of course be used to make explicit the implications of a story. This book does not recommend abandoning analysis, nor does it suggest that we should give up the advances that have emerged through experimentation and science. Instead it proposes *marrying* the communicative and imaginative strengths of storytelling with abstract and scientific analysis.

The physical sciences have had an aversion to anything to do with storytelling in part because it deals with such murky things as intentions, emotions and matters of the heart. They have spurned narrative as intellectually disreputable. Yet in the last couple of decades, most of the human sciences have grasped the centrality of narrative to human affairs. Thus narrative has come to dominate vast regions of psychology, anthropology, philosophy, sociology, political theory, literary studies, religious studies and psychotherapy [10]. It is even beginning to play a role in the supposedly hard science of medicine. [11]

Management is among the last of the disciplines to recognize the central significance of narrative to the issues that it deals with.

The performance of the story

Many of the insights in this book will sound simple and easy to learn. But watch out: This is harder than it looks. Storytelling is a performance art. It's one thing to realize that you need to link the story with the change idea – it's another thing to do it, time after time without fail, like the swing of a professional golfer that always performs flawlessly. You will not become a master storyteller simply by reading this book. You will have to put the ideas into practice so that you get into a groove.

Finally, keep in mind that the stories in this book are for the most part intended to be *performed*. Some of the stories included here, when read in the cold white light of the printed page, may seem so brief and bland that it isn't easy to imagine how they could have impact. Remember that everything is transformed in performance. Small things make a big difference. The look of the eye, the intonation of the voice, the way the body was held, the import of a subtle pause, and the teller's response to the audience's

responses — all these aspects make a huge contribution to the meaning of a story for audiences. Chapter 2 of this book discusses how to perform a story for maximum effect.

A different kind of leader

Throughout the book, the case is made, step by step, that if you consistently use the narrative tools described here, you will acquire new capabilities. Because you communicate who you are, and what you stand for, others come to know you and respect you for that. Because you are attentive to the world as it is, your ideas are sound. Because you speak the truth, you are believed. Because you make your values explicit and your actions are consistent with those values, your values become contagious and others start to share them. Because you listen to the world, the world listens to you. Because you are open to innovation, happy accidents happen. Because you bring meaning into the world of work, you are able to get superior results. Chapter 12 explores the implications of this kind of leadership for organizations.

Let's go!

The challenges of leadership are difficult, volatile, sometimes threatening. This book doesn't shy away from those difficulties. And yet the book offers a note of hopefulness. Leadership is not an innate set of skills that a few gifted individuals receive at birth. There are in fact narrative patterns that can be learned by anyone who wants to lead from whatever position they are in – whether CEO, middle management or someone on the front lines of an organization who sees a better way to do things and wants the organization to change, or someone outside any organizations altogether. Organizations often seem immovable. They are not. With the right kind of story at the right time, they are stunningly vulnerable to a new idea. And this book provides you with a guide to finding and telling the right story at the right time.

Appendix: Definition of “story” and “narrative”

In this book, “narrative” and “story” are used as synonyms, in a broad sense of an account of a set of events that are causally related. One could fill a whole library with the with the academic discussion swirling around such a simple common-sense notion. There is only space here to allude to some of the issues.

NARROWER AND BROADER DEFINITIONS OF STORY AND NARRATIVE

Some practitioners have suggested different definitions. Some has suggested that “story” should be defined in the narrower sense of a *well-told* story, with a protagonist, a plot, and a turning point leading to a resolution, while narrative might be used in the broader sense described above. On this view, locutions that lack the traditional elements of a well-told story are not so much stories, but rather ideas for possible stories yet to be told or fragments of stories. [12: 22]

Others have suggested that “story” should be used in the broader sense I am suggesting above, while “narrative” should be used in the narrower sense of “a story as told by a narrator”. On this view, “narrative = story + theme”: the theme is a layer added to the story to instruct, to provide an emotional connection or to impart a deeper meaning. [13: 58]

In practice, the actual usage of both “story” and “narrative is very broad. Polkinghorne and others have suggested that we accept this broad meaning and treat “story” and “narrative” as synonyms. [14: 13-14] Within the broad field of “story,” we can then distinguish classically structured stories, well-made stories, minimalist stories, anti-stories, fragmentary stories, stories with no ending, stories with multiple endings, stories with multiple beginnings, stories with endings that circle back to the beginning, comedies, tragedies, detective stories, romances, folk tales, novels, theater, movies, television mini-series, and so on, without the need to get into theological discussions as to what is “truly” a story. ^e

In common usage, “story” is a large tent, with many variations within the tent. Some variations are more useful for some purposes than others. There are probably many variations that haven't yet been identified. If we start out with predetermined ideas of what a “real story” is, we may end up missing useful forms of narrative.

TYPES OF CAUSALITY

The definition of “story” and “narrative” adopted here includes the notion of causation – the events of which the account is given must be causally related. “Causation” is also being used in a broad sense. It includes the *scientific* meaning of causation, in the sense of what is a necessary and sufficient condition for the later event to take place. This works reasonably well when we are dealing with a straightforward physical event that does not involve human beings. Given the presence of certain conditions (like the

presence of oxygen and a high enough temperatures) and given the absence of interfering conditions, an object will burn. We can reliably deduce the effect from the cause. [15: 169-172]

Stories generally concern the actions of human beings. Since no one has ever produced a single example of a case where we can show the necessary and sufficient conditions for a specific human action, the scientific sense of causation is less practical here. Stories typically accept the notion of human agency and proceed from the assumption that human action are not fully explicable by physical stimuli. In this area, Aristotle's classification of causes may still be helpful. Thus we often look at the agent's decision (the efficient cause), the physical conditions that led to the event (material cause), the meaning or purpose of the action to the agent (the final cause) as well as the various meanings that society gives to the action (the formal cause.) For example, a young man who lacks certain skills (material cause) and for whom few or no opportunities exist in the job market (formal cause) may turn to a life of crime because he needs money to live (final cause) and because he enjoys the excitement of stealing (efficient cause). The final and efficient causes are sometimes identical. [15: 171-172]

THE INTERNAL VS THE EXTERNAL ASPECT OF A STORY

It is also important to keep in mind that story has an external and an internal aspect. Story in its external aspect is something to be observed, analyzed and dissected into its component parts. Story in its internal aspect is something that is experienced, lived, as a participant. This book explores both dimensions of story. The value of the external view of story is that it is stable and clear. Its drawback is that stands outside the experience of the story itself. The value of the internal view of story is that is fresh and immediate and participative. Its weakness is that it is elusive and kaleidoscopic and vulnerable to abuse.^f

THE POSITION ADOPTED IN THIS BOOK

1. This book follows common usage and treats "story" and "narrative" as synonyms to mean an account of events that are causally connected in some way.
2. This book sees story as independent of the media by which it is transmitted. A story can be transmitted by words, by pictures, or by video, or by mime. While recognizing the suitability of language to communicate narrative, it is possible to study narrative in its nonverbal manifestations without requiring verbal narration. [16: 15]
3. In examining the phenomenon of story and storytelling, both the external and internal aspects of story, and all types of causation, need to be taken into account.

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^a For a collection of stories in the news for the period November 2003 to June 2004 with significant financial impact, see <http://www.stevedenning.com/SIN-Archive.html>

^b Deidre McCloskey has calculated that persuasion constitutes more than a quarter of the US GNP: McCloskey, D. D. and A. Klamer (1995). "One Quarter of GDP is Persuasion (in Rhetoric and Economic Behavior)." *American Economic Review*, Vol. 85, No. 2, 195. If storytelling is – conservatively – at least half of persuasion, then storytelling amounts to 14 percent of GNP, or more than a trillion dollars. See an archive of examples of the financial impact of narrative at: <http://www.stevedenning.com/SIN-Archive.html> <November 4, 2004>.

^c Cf. Hackman, J. R. (2004). *Leading Teams: Setting the Stage for Great Performances*. Boston, Harvard Business School Press, page xi.

^d See e.g. Ryan, M.-L. (2004). *Narrative Across Media: The Languages of Storytelling*. Lincoln, University of Nebraska Press; Green, M. C., J. J. Strange, et al. (2002). *Narrative Impact: Social and Cognitive Foundations*, Lea.

^e Polkinghorne defines both “narrative” and “story” as “the fundamental scheme for linking individual human actions and events into interrelated aspects of an understandable composite.” Polkinghorne, D. E. (1988). Narrative Knowing and the Human Sciences. NY, SUNY: 13.

^f The distinction between the internal and external aspects of a story is related to, but different from, the traditional distinction between diegetic and mimetic narration, which goes back to Plato's *Republic* and is discussed in Aristotle's *Poetics*. A diegetic narration is the verbal storytelling act of a narrator. A mimetic narration is an act of showing, or a spectacle. Each of these modes can intrude into a narration dominated by the other. See Ryan, M.-L., *Narrative Across Media: The Languages of Storytelling*. 2004, Lincoln: University of Nebraska Press: page 13. While diegetic and mimetic narration are to a certain degree alternative modes of performing a story, the internal and external aspects of a story co-exist: they are two different ways of looking at the same story.