simple

conquering the crisis of complexity

alan siegel   irene etzkorn

CONTENTS

ABOUT THE BOOK

We live in an increasingly complex world.

That complexity is costing individuals and businesses huge sums of money.

This is a book about keeping things simple.

You can revolutionise a business with just three core principles of simplicity.

This book shows you how.

ABOUT THE AUTHORS

Over the past three decades, ALAN SIEGEL has become one of the best-known figures in the branding business. He has achieved the stature of both pillar of the establishment and provocative iconoclast, while building a leading brand consultancy, Siegel+Gale, devoted to positioning global companies for competitive success. Siegel has worked as a consultant, author, and commentator, creating guides for the *Wall Street Journal* on understanding financial markets, and serving on the boards of numerous business and cultural organizations.

IRENE ETZKORN is one of the world's foremost authorities on simplification, and has built Siegel+Gale's Simplification portfolio into the largest and most well-respected in the field. She has worked extensively in the financial services, government and healthcare sectors, for clients like Allstate Insurance, the Centers for Medicare and Medicaid Services, General Electric, the IRS, Genworth Financial, and the Securities and Exchange Commission (SEC) to simplify their customer experience.

Simple

Conquering the Crisis of Complexity

Alan Siegel and Irene Etzkorn

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BUSINESS
BOOKS

We dedicate this book to our clients who had the courage to fight for simplicity when the path of least resistance was to perpetuate complexity. A rare breed of visionaries, they inspire us to keep questioning, challenging, editing, and streamlining. Specifically, we admire:

Charles Luchs
(formerly of Chubb Insurance)

Anthony DeMeo
(formerly of Shearson Lehman)

Jodi Patterson and Denise Fayne at Internal Revenue Service

Joseph Clark
(formerly of Lincoln Life Insurance)

Carl Felsenfeld and Duncan McDonald
(formerly of Citibank)

INTRODUCTION

There are two simplicity warriors writing this book. Alan Siegel became one by accident in 1975. Irene Etzkorn became one deliberately in 1981. Here is a bit of context for why we are writing this book together and at this moment.

When I, Alan, started a corporate design firm, I was determined to go beyond graphics (logos and color palettes) by fusing strategy, content, and design to reflect the distinctive corporate voice of each client. Having started the firm with a loan from the Venture Capital Group of First National City Bank (the predecessor of Citibank), I had built a relationship with the marketing department of their retail bank. They asked me to redesign their customer forms—applications, signature cards, loan notes—to reinforce their desired image as a global banking leader.

The shock of seeing their installment loan note made it clear to me that design was not the issue or the solution. Riddled with dense legalese, the contract screamed, “Don’t read this!” But it also communicated a great business opportunity. The bank viewed it as a “necessary evil” and just a bit of “paperwork,” but I saw something more. I told them not to waste time and money on a cosmetic redesign but to let me question the content with their lawyers, rewrite it in plain English, and then design a document that could build the reputation of the bank and convey a message of wanting to expand relationships with customers, not turn them off.

Having attended law school just long enough to take a first-year course in contracts, I believed that a clearer, more useful contract was achievable. I secured a modest budget from the marketing folks despite their lack of enthusiasm (they were betting on their lawyers killing my work somewhere in the drafting stage). I called in Dr. Rudolf Flesch, an Austrian immigrant with a PhD from Columbia who was an expert on readability and the author of *The Art of Readable Writing.* He was thrilled at the prospect of applying his concepts to a heavy-duty legal contract for a world-class bank, and together we dissected the note and created a streamlined outline. He then rewrote it using shorter sentences, personal pronouns, a logical structure, and more familiar terminology. The well-organized, clearly written draft was then designed to be accessible and visually inviting. Judge it for yourself.

Here is the original default clause:

> In the event of default in the payment of this or any other Obligation or the performance or observance of any term or covenant contained herein or in any note or other contract or agreement evidencing or relating to any Obligation or any Collateral on the Borrower's part to be performed or observed; or the undersigned Borrower shall die; or any of the undersigned become insolvent or make an assignment for the benefit of creditors; or a petition shall be filed by or against any of the undersigned under any provision of the Bankruptcy Act; or any money, securities or property of the undersigned now or hereafter on deposit with or in possession or under the control of the bank shall be attached or become subject to distraint proceedings or any order or process of any court; or the Bank shall deem itself to be insecure then and in any such event the bank shall have the right (at its option), without demand or notice of any kind, to declare all or any part of the Obligations to be immediately due and payable, whereupon such obligations shall become and be immediately due and payable, and the Bank shall have the right to exercise all the rights and remedies available to a secured party upon default under the Uniform Commercial Code (the "Code") in effect in New York at the time, and such other rights and remedies as may otherwise be provided by law.

… and here is how we rewrote it:

I'll be in default:

1. If I don't pay an installment on time; or
2. If any other creditor tries by legal process to take any money of mine in your possession.

That was it. We learned the valuable lesson that the content must be questioned first, before rewriting. In this case, we revealed that the most important issue that triggered default was a failure to pay on time, and the rewrite emphasized that effectively.

Fast-forwarding to the happy ending, what the bank's marketing department received was a shorter, readable, inviting document that has stood the test of time, while I launched a new line of business: simplification.

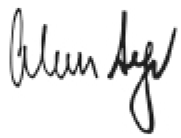
During the months of endless meetings and revisions, I had gained a new perspective. Everywhere I looked, I found complexity that had a dramatic, negative impact on people's lives. I realized that business and government would achieve enormous benefits from simplicity, while consumers and citizens would become better informed. Coupled with the media attention that our work on the simplified loan note drew, the plain English movement emerged. Rapidly, several states passed plain English laws, and the Practicing Law Institute scheduled a series of educational programs. On March 23, 1978, President Jimmy Carter signed Executive Order 12044, calling for federal regulations to be understandable to their intended audiences.

At the same time, we were part of a consortium that received a grant from the National Institute of Education. One part of the grant was given to Carnegie-Mellon University to develop academic degrees in related fields. Irene Etzkorn, who would turn out to share my passion for simplicity but not my short temper, was a graduate of the first class of the resulting Master of Arts in Professional Writing program. Where I had worked by trial and error and on instinct, Irene brought academic training. With courses in rhetorical theory, linguistics, cognitive psychology, professional and technical writing, and graphic design, Irene brought the interdisciplinary perspective that was vital to expanding the concept of simplification beyond business documents. Ultimately touching all media (print, online, voice) and every industry (medicine, finance, manufacturing, technology), Irene has created many of the methodologies and techniques that have become the definition of simplification.

The guiding force behind the expansion of simplicity from a corporate frill to a business necessity, Irene brought structure and rigor to a new area of communication. So from here on in this book, our shared voice will be expressed as "we," in keeping with our harmonized appreciation for simplicity and our joint vision for its potential to change our society for the better.

Much in the same way that the seminal loan note project and the resulting media attention created a perfect storm in the 1970s, we believe that 2013 is another pivotal moment. The ubiquity of social media, coupled with consumer distrust of big business and governmental pressure for greater transparency, makes this a watershed time for our society. Consumers are beginning to fight back almost instantaneously through Twitter, Facebook, and blogs when they sense that a company is hoodwinking them through a fog of fine print.

This book reflects our shared vision about the critical importance of simplicity today—in the business world, in government, in our daily lives. For both Irene and me, this is a passion and a cause to which we've committed ourselves fully. We hope that by the time you finish reading this book, you'll feel as strongly about the value of simplicity as we do and will refuse to accept the complexity that inhibits informed decision making, puts your health at risk, endangers your family's safety, and places you in a financial hole.



PART I

The Antidote to Complexity

CHAPTER 1

The Crisis of Complexity

How'd We Get into This Mess?

COMPLEXITY IS WREAKING HAVOC ON BUSINESS, GOVERNMENT, AND FINANCE.

In 1980, the typical credit card contract was about a page and a half long. *Today it is thirty-one pages.* The consequence is that people no longer read these agreements, then find their accounts canceled or subject to high interest rates.

- **Landline phone customers paid more than $2 billion a year for unauthorized charges**, according to 2011 FCC estimates, largely because the bills are so confusing that most customers "never realized they were being charged."[1] Of course they didn't realize it. What is the difference between "Basic," "Regional," "Non-Basic," and "All Other" charges? Not to mention that there are eleven separate taxes, fees, and "other charges" that amount to almost 50 percent of a typical wireless phone bill.
- Homeowners spend an average of $868 per year for homeowner's insurance without understanding what they've bought. A 2007 National Association of Insurance Commissioners (NAIC) survey revealed that **one-third to one-half of insurance**

policyholders were misinformed about what perils are covered and how much they might receive if they made a claim. The study included 673 respondents interviewed by phone with a margin of error of 3.8 percent at a 95 percent level of confidence.

- **Marquis Dunson died in 2002 after his parents gave the one-year-old Infants' Tylenol** for three days to treat his cold symptoms.[2] In the subsequent lawsuit, which resulted in a $5 million award, the plaintiffs argued that the warning labels and directions on the Infants' Tylenol label did not make clear that an overdose of acetaminophen, Tylenol's active ingredient, could lead to liver failure. The FDA estimates that an average of 458 deaths each year are due to acetaminophen overdoses.
- *Southern Medical Journal* published a study that estimated **a dermatologist signs his or her name 29,376 times a year.**[3] Can someone do anything thirty thousand times a year with focus and certainty?
- The United States was founded and governed for over two centuries on the basis of a document that is six pages long. **That is 0.1 percent of the length of the current income tax code, which currently runs a whopping fourteen thousand pages**.

What do these stories have in common? They're among many examples of how complexity is costing us money, undermining government and business, and putting our health and even our lives at risk. Our current crisis of complexity is just now beginning to be the subject of a percolating public debate. The first stirrings and rumblings are being voiced in the form of op-eds, tweets, and blogs challenging the notion that disclosing information is the same as informing people. Merely telling consumers that they are being taken advantage of does not solve the underlying injustice. It is at best a halfway measure. But for the most part, how are we as citizens, patients, businesspeople, consumers, investors, borrowers, and students responding? With complacency.

We have allowed complexity to get the better of us—permitted companies, organizations, governments, and institutions to overwhelm our good judgment and violate our basic rights. We have passively paid when faced with indecipherable fees and ignored dozens of mysterious features on gadgets we can't figure out how to use. We find ourselves lost in multilayered phone trees and jumping through hoops to make insurance claims.

> *"Anything simple always interests me."*
>
> —DAVID HOCKNEY

All of which raises the question: Why do we tolerate complexity in our lives? Most of us figure we don't have a choice. We may even occasionally blame ourselves for being overwhelmed and confused. ("This is over my head, I must be an idiot.") So we pay the occasional overdraft fee of $34 that strikes us as unfair and certainly annoying, but not devastating. We don't see the ice age of complexity approaching in the distance, because we only experience small blizzards of paperwork. So we trudge along, hoping that we're not *too* misinformed and that we're not getting cheated *too* badly.

It doesn't have to be that way.

There is a powerful antidote and a practical answer within our grasp. It can be summed up in a word: **simplicity**.

What is simplicity?

There's nothing simple about simplicity. It is a concept with many nuances and lines. A second pass suggests that clarity makes for simplicity—something with clear intent that quickly conveys its purpose or use. With even greater magnification, you find that it's about essence—cutting to what matters, delivering substantive content that seems to speak to an audience of one. Lastly, it's not about what is there but what you take—a feeling of confidence, of trust, of satisfaction. So for us, simplicity has no synonym—it's not just convenience, clarity, usability, timeliness, or beauty. It's the sum of all of those, and that's why it is so rare. When you reach a point where you have achieved **transparency** (laying bare the underlying truth whatever it reveals), **clarity** (expressing meaning clearly and simply), and **usability** (making something fit for its purpose), you have likely achieved simplicity.

Making things simple requires dedication to clarity, honesty, discipline, and intelligence. Some of the great minds in history have understood this.

> *"Simplicity is the ultimate sophistication."*
>
> —Leonardo da Vinci

In the twenty-first century, Steve Jobs emerged as one of the great champions of simplicity. While other companies complicated their gadgets with proliferating bells and whistles, Apple succeeded by anticipating users' needs through streamlining and paring down—one button replacing three, and easy-to-understand icons in place of techie jargon. John Sculley, the former president of Apple, observed that Jobs was a minimalist who was "constantly reducing things to the simplest level." But Sculley made a careful distinction: "Not simplistic—simplified."[4] The point is that there is a world of difference between simple and simplistic. The distinction lies in understanding what is essential and meaningful as opposed to what is not, then ruthlessly eliminating the latter, while putting emphasis and focus on the former.

Through the years, we have come to believe in simplicity as a philosophy, a guiding principle, and a way of life. And based on our experience, we believe that:

Simplicity works—in business, in government, in life.

Everyone needs it more now than ever. People can and should demand it.

- Over **425,000 apps** in the Apple iPhone App Store
- **241 selections** on the Cheesecake Factory menu, not including lunch or brunch specials
- **223 mascaras**, **454 lotions**, and **367 fragrances** at Sephora
- **14,568 diagnostic codes** maintained by the Centers for Medicare and Medicaid Services
- **111 pages** in the average credit card agreement

A crisis of complexity has escalated to a critical point where a decision must be made. We either relinquish the power to understand and control what affects us, or we fight for a better, simpler way to conduct our daily affairs and our commercial transactions. This book is meant to explain the wide-ranging applications of simplicity—how it works and why it benefits us. But we also hope it will serve as a call to action: the spark for a movement toward reduction of societal, governmental, and corporate complexity.

If you're fed up with the fine print that hinders you every day or you're a businessperson who wants to get closer to customers instead of alienating them with complicated products, policies, and communications, then you are a prime candidate for this movement.

On the other hand, if you're a bureaucrat who revels in red tape or a lawyer who loves dense legal jargon, consider yourself forewarned. This book aims to demystify what you do, expose the reasons why you do it, and make it a lot harder to keep doing it.

After the Citibank success that launched simplification as a business for us, people started coming to our company with projects from all kinds of businesses, even Uncle Sam himself. We were hired to simplify forms for the U.S. Census Bureau, as well as the Internal Revenue Service (with whom we developed the simplified 1040EZ single-page tax form). We began to develop a reputation as simplification specialists (so much so that Alan Siegel was dubbed "Mr. Plain English" by *People* magazine[5]).

> *"I would not give a fig for the simplicity this side of complexity, but I would give my life for the simplicity on the other side of complexity."*
>
> —Oliver Wendell Holmes

Alan worked with Carnegie-Mellon University to establish a Communications Design Center that combined communications theory, cognitive research, and corporate assignments to make students aware that there was a new occupation emerging. We developed and refined a Simplification Blueprint methodology and established a Simplicity Lab, where concepts and communications are tested to see if they're clear and understandable. The Blueprint is a strategic view of how and when to communicate, looking at the dimensions of speed, media, tone, format, and level of customization. The Simplicity Lab is an online tool that allows us to determine actual comprehension while evaluating people's perception of simplicity. For the past thirty years, we've been out there on the front lines, witnessing firsthand how companies, government agencies, and everyday people are coping with the crisis of complexity.

We've learned several invaluable lessons.

We refuted the erroneous belief that simplicity was "dumbing down" by continually stressing that it is an effective shorthand for clarity, accessibility, and usability, which benefits everyone, not just those with limited literacy or education.

We became skeptical of legislating simplicity. All too often, government bureaucrats want to establish readability formulas as the standard of comprehension or use all uppercase, bold type as a means of emphasis. In our risk-averse society, this had shifted the focus from true communication and consumer understanding to one of compliance with the law while failing to achieve its spirit.

We realized that going back to a blank slate is critical. The key to breakthrough simplicity is to question the content and make sure it reflects reality. Throw out unenforceable provisions, question outdated business practices, challenge inertia.

We discovered that the principles of simplicity apply to every interaction, whether printed, electronic, verbal, or visual. It doesn't matter whether it is a contract, an instruction, a touchscreen, or a phone tree. Whether it is a prompt on a bank ATM, the wording of a prescription label, or the graphics on a global positioning device, it is a form of communication. Products of all types—appliances, vehicles, medicines, foods—and services whether provided by a hotel, a hospital, or an online retailer can benefit from simplicity.

"Everything should be made as simple as possible but not simpler."

—Albert Einstein

We found that simplification provides significant business benefits in the form of cost savings, better client retention, enhanced employee efficiency, and competitive advantage for first movers.