

Learn by Looking:
See the Obvious, Ask Questions, Find Answers
(Paul Orfalea – the dyslexic millionaire -)
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On November 12, 2002, Paul Orfalea - the founder of Kinko's, was honored at the University of Illinois at Chicago (UIC) as the "Executive of the Year" by the Institute of Entrepreneurial Studies.. As a young child, Paul Orfalea had severe dyslexia, with marked difficulty reading. How did he overcome his disability? What were his abilities? What vision and motivation drove him to overcome obstacles, to succeed and to take advantage of opportunities?

His presentation was very thought provoking and prompted my further assessment of his philosophy and experiences. My concerns are the inability of many students to see the obvious, their need for confidence in making their own observations independently and the academic emphasis on memory and examinations over observation. Paul Orfalea emphasizes the importance of observation in the everyday world.

"The people who get the A's become professors. Those with the B's become middle managers, the C's turn into senior managers. And those with the D's and F's? They're the ones who donate the buildings." – a university official on fund raising.¹

Paul Orfalea - Who is he?

Paul Orfalea (OR-Fah-La) founded Kinko's in 1970 near the University of California at Santa Barbara. His initial idea was to provide college students with products and services they needed at competitive prices. Kinko's is now the world's leading provider of **business services** with over 1100 Kinko's centers worldwide and the emphasis may be changing from copying toward bandwidth. Orfalea is a retailer. He has a passion for **retailing**, running his own business, **caring for his 25,000 co-workers (not-employees) and customers and watching for opportunities.**²

He believes that businesses should be *family friendly*. He was one of the first to introduce day care for his coworkers and has great compassion for single mothers. "I cannot understand how they do it. Raising our children required such great effort from

¹ Special Gifts – Dr. Mark Albion
<http://www.fastcompany.com/career/albion/0200.html>

² a. Life and Times at Town Hall LA #201
"Work, Love, Play: Corporate Responsibility"
http://www.kcet.org/life_times/townhall/201.htm
b. Speakers' Bureau - Biography
<http://www.speaking.com/speakers/paulorfalea.html>
c. Kinko's News Release – March 2000
http://www.kinkos.com/pr/pr_mar0800.php
d. Orfalea, Paul, **"Your eyes believe what they see, Your ears believe others"**
April 24, 2001,.UC Davis http://www.gsm.ucdavis.edu/corporate_partners/orfalea.htm

my wife and myself.” He is very down to earth, compassionate and always curious about the world about him.

How Kinko’s Got Started³

Orfalea started in Santa Barbara with 100 square feet of space and a \$5000 loan. What prompted him to get into that business? The long lines outside of the Xerox copier shop. *They must have a good idea, that was obvious.* Orfalea does not really care how the machines worked, just that they did work at a profit for him. He saw that there was a big demand for printing on college campuses – that was obvious. So he expanded on other campuses where people were computer savvy and needed his products.

The Honored Guest Appeared Unimpressive

Paul Orfalea is a robust, white man in his mid-fifties. He has soft blue eyes and his hair is now brunette. He stands about 5’11” and weighs in at 185 pounds. He is well built but carries himself with neither the grace of an accomplished athlete nor the persona of a charismatic speaker. He was well dressed in a gray business suit with a blue polo shirt without a tie.

He was uncomfortable during the presentation ceremony. He seemed out-of-place in the UIC auditorium packed with professors and about 300 business students. His manner and dress are simple. To me, at first glance, he was unimpressive. But once he began to speak, he became much more animated and he had a great deal to say.

Family Background Makes a Difference

Paul Orfalea never held a job. None of his 200 Lebanese relatives ever did. They all owned their own businesses. He learned that his family did not respect a family member who was a hired hand – “the man who is an employee is only as good as his last check.” He learned much at mealtime discussing the news and events of the day with his family. He probably also learned in the stores, waiting on customers.” His most valuable asset was courage. He was not afraid to look obstacles in the face and he was not intimidated by situations, people or their stations. He could see the obvious and was not afraid to ask questions. He came to believe strongly in his own ability to discover for himself, to believe his own eyes. A second valuable asset was his determination to conceal his dyslexia by memorizing what he should have been able to read. The focus on retaining critical information in memory and bypassing the written word probably helped him tremendously in business. He had no difficulty with numbers.

A Very Verbal, Non-Reader

Paul Orfalea began his talk in a “stream of consciousness” style. He spoke of his horrible dyslexia resulting in an inability to read, a disability which persists to this day. Yet he is a **very verbal, non-reader**. He believes strongly in speaking plain English. **“If I don’t understand the person, I just dismiss them.”** He hated school and was often expelled. When he graduated from high school, he was 8th from the bottom of his class of 1200.

³ Seaburn, Paul, “Paul Orfalea - Duplicating Success.” (Story of his Startup)
http://ye.entreworld.org/5-2000/bio_orfalea.cfm

When he decided to go to college, he dressed up in a business suit and acted like a Republican. The purpose of college was to have fun and not to be upstaged by a girl with a college education. Best courses to take – the ones with the football players.

With a Smile, Without Anger

He also learned to smile and to confront issues and people without anger. His family stood firmly behind him. “If I didn’t have my parents on my side, I would have been easily defeated.” There was never a shred of anger in his voice or a frown upon his face. Paul is not angry with his lot in life, he is not ashamed of his dyslexia or his lack of mechanical ability but he is proud of what he has accomplished and wants to maximize the gifts that God has given to him. Not only does he want to let people do their work, he wants to help them. “Anybody else can do it better than me ... I’m so happy you’re here.”

A Visual Learner

Today, Orfalea is glad he is a **visual learner**. He believes that it is better to **learn by looking** than by listening to what others say or by reading what others think. Books usually give answers to someone else’s questions. *Paul Orfalea believes in asking his own questions and finding his own answers.*

He is also completely lacking in mechanical skills. He cannot drive a stick shift or figure out how a computer works; he never mentioned athletics or any kind of athletic prowess. At a previous talk, he felt that there might be a connection between upper body strength training and enhanced brain function and reading.

He is an avowed enemy of complexity as if it were deceit, damnation and the devil himself. He confronts complexity by reducing it to simplicity - simplistic terms and perspectives. Who cares how it works? Does it work? What can the machine do? Can I use it? Can I make money with it? When he gets wound up, he tends to be a bit absolutist but is always in command of the conclusions.

Face-to-Face Encounters

As a speaker, he avoids the lectern, the microphone, notes or any formal organization. **He prefers face-to-face encounters** as one might experience in a small Middle Eastern store. He will ask questions which he answers. But more often than not, *he asks for questions* to fill the hour long presentation. Sometimes, the answers appear flippant, but more often they were borne of some particular personal experience. But clearly, he loved being the center of attention, sometimes he responded to questions with rapid fire responses.

Hire Good People Who Smile

One of his secrets to success is to hire good people and then let them do their work. “The only asset we have at Kinko’s is the sparkle in our workers’ eyes.” “We tell by the eyes,” he says as he emphatically gestures, placing his oscillating index finger next to his right eye for several seconds. The Kinko’s stores with the lowest worker turnover and highest customer satisfaction had the most profits, bar none. The workers must be happy in their

personal lives. The Kinko worker humanizes the technology, pacifies the customers' fears and satisfies their needs.

Look at yourself as others see you

We do know that Paul's father was trapped inside his garment business working 60 to 70 hours per week. Paul's father never visited his competitors nor sought new products to sell beyond the traditional line. Paul made it his mission in life to know what everyone else was doing and to exploit the best ideas in his own stores no matter from where they came. Most of his questions were usually answered by *looking at the obvious*.

One obvious feature is that *every Kinko's store is upbeat*. The stores are brightly lighted. The decor is bright. Kinko's welcomes you. They provide a great deal of service – everything you need to complete a project. The equipment works. The employees have bright eyes, a ready smile and are eager to please. Is that by chance or by design?

The best indications of success are long lines of people trying to get in. *Do not compete on price, compete on service*. It is a mistake to get into any business where you cannot raise prices to meet increasing costs or by increasing service. Most businesses that compete on price, die. *Accounting is essential to measure productivity and profitability*.

Associate with People Smarter Than Yourself

Associate with the kind of people you admire and from whom you can learn. That requires both courage and humility. Even as a child, Paul Orfalea had both. As a businessman, he visited the most prestigious schools of business. He is not readily intimidated by anyone because he knows what he knows and what he does not know. He never received an MBA, yet he came to be recognized and honored by the schools of business at Harvard, USC and Cal Poly.

Much of Life and Business is a Game

Children fantasize all the time. They love to play games. Games are based on skill, luck, intuition and knowing the opposition. The academic world is often based on yesterday's questions, game playing on tomorrow's. Good game players are often astute businessmen, professionals, pilots (flight simulators) and generals (war games). Orfalea has learned a great deal from the games of *Risk* and *Poker*.

Conform to Reality, Stay Focused but Adapt

Paul Orfalea possessed a passionate belief in himself, his perspective, his vision of the future which established institutions did not have. It was his belief, his passion, and his courage which permitted him to pursue his goals and attain his accomplishments. He selected *a focus - retailing business services* - stayed with it and developed his product line around that focus.

Biggest Threat to Business Survival

The biggest threat to the survival of his business was not from competitors, but from **evolving technology**. People, organizations and specialties are built around technology. Evolving technology requires constant changing of the organization structure, marketing

strategy, compensation scales and the identities of the specialists. Some organizations never survive a technology change.

Evolving Technology Creates Social Change

To put it in perspective Orfalea entered the printing industry when it was in technological upheaval and disarray. In 1989, Daniel T Scott, published *TECHNOLOGY AND UNION SURVIVAL, a study of the printing industry*.⁴ In it Scott described the devastation that occurred in the industry from new technology. Skilled craftsmen were being replaced by unskilled labor. Geographic distributions of jobs radically changed. In many areas where Kinko's opened, many smaller operations died. Changing technology affects everyone. With every victory comes a defeat for someone.

Success and Failure

Paul claims that he likes money, that it is a worthy objective to be pursued in life, but Paul Orfalea is not in love with money. Paul's father always told him that *the biggest reason people fail is their own past success. When success goes to your head, you become your own worst enemy*. The biggest problem is ourselves. ***We always take our families for granted. We take ourselves too seriously. We carry our desire for personal satisfaction to the extremes.*** Asked what his greatest achievement was – he responded “his children” without hesitation. His greatest happiness comes from his family. So will yours.

Because of monetary success, he now is able to spend much of his time and resources in philanthropy, establishing chairs and schools of business, promoting help for the learning disabled and for single mothers. Paul dearly loves the limelight, but what he needs and desires is respect for the vision, the courage and the generosity which he shares with his wife and family.

Executives

Paul Orfalea avoids control freaks who are obsessed with things that do not matter and cannot see the obvious things that do. He also has little regard for executives who care only for themselves, not for their customers, employees or the business. The executive, on the other hand, cannot be soft hearted. He must deal consistently with product and personnel, finances and taxes. Chapter S in the IRS scheme of things loomed large in Orfalea's life. It is important for businesses to *grow on cash flow, not on borrowed money*. Paying interest on loans limits growth and freedom.

Getting out of the Business

After 30 years, it was time to get out of the business. Kinko's had expanded into a worldwide system of nearly 1,100 stores. As the system expanded, Orfalea's original style of management was replaced by systems analysis and systematic solutions. Operations required consistency in procurement of supplies, hiring of labor, and management of workers' salaries and benefits. Operations, laws and regulations became

⁴ Scott, Daniel T, *Technology and Union Survival: A Study of the Printing Industry*
Graphic Arts Employees of America. Arlington VA 1989

more and more complex. Managing a large company lacks the flexibility of a small enterprise.

There will be No Dynasty

Running a business is much easier than creating a dynasty. Selecting people, training them for leadership, managing rivalries, creating leadership opportunities within an organization means a complete change of focus and the surrendering of personal control. Sustaining the continuity and adaptability of organizations through generations requires a great deal of wisdom, judgment and patience. Passing the baton of leadership from one generation to the next is the most difficult aspect of any business or profession. Orfalea did not create a dynasty.

Critical of the Educational System

Because of his personal experiences, Paul Orfalea is critical of the educational system's great emphasis on reading and writing as if these were the only valid measures of intelligence and future success. Because of his dyslexia, Paul developed a critical sense of observation and a powerful memory which has served him well. Furthermore, he had a good understanding of numbers, profit and money.

Mr. Orfalea strongly emphasizes active learning by observing, questioning and discovering the answers for himself. The current academic climate assaults the student, demeans observations by individuals as "anecdotal" and exaggerates the importance of "statistically significance." Furthermore, the testing systems based on memory, an unquestioning mind and conditioned reflex are more characteristic of "training" than "educating."

Self-respect and Recognition

People need self-respect and need to be respected. They need peer recognition. People also need an individual and a group identity. Often this comes from their ability, the work they do, the responsibility they bear. Leaders always assume new roles and new identities as the responsibilities and challenges change because change is constant and the future is uncertain. Paul believes that he has the ability to see the world around him and to succeed in that world because he can find the answers to the questions that he raises.

Hope or Despair or Change?

Does Paul Orfalea's wealth and success inspire hope or despair? Bright young people struggle in fields where the prospect of financial wealth, security or even recognition are meager or nonexistent. The cost of college and professional education often creates great debt that can enslave and devastate personal lives. Will the cost of education be worth it in the long run? Will debt give way to despair? Is the price of a profession forsaking a family? Students and parents ask these questions. One thing is certain, the current financing of professional education and the cost of professional liability insurance must change. With concerted effort, it will change.

In Conclusion

Paul Orfalea is a hero on a stage who tells us his observations - “what he sees” in education and business. He demands the use of plain English so people can understand. To speak plainly is a sign of his respect for the listener. He believes in what his eyes see, not what he is told and not what he reads. He believes in asking his own questions and finding his own answers. He is a down-to-earth man. ***He is a bottom line man – the outcome matters.***

What makes Paul Orfalea so truly remarkable is that he is an honest man, that the wide range of his deeply held convictions are based on personal experiences and that these experiences touch almost every aspect of real events in the lives of real people. He seeks the truth, not the politically correct. Very few people ever had a similar breadth of experiences, except perhaps physicians in a bygone age. But their voices have long been silenced

Paul Orfalea speaks with candor and from the heart. He is a moral and a wise man who is impressed with results, not with theory, technology or statistics. He has a strong sense of responsibility toward his fellowman, his customers, and dyslexic children. Moreover, he is optimistic that things can change for the better and that ***individuals can make a difference.*** He brings to us both faith and hope for the future.

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