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# CONVERSATIONS

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## *Featuring*



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Founder, "Famous  
Amos Cookies"

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# *Chapter 12*

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## **RANDALL BELL**



### **THE INTERVIEW**

#### **David E, Wright (Wright)**

Today we're talking to Randall Bell. Randy is an economist with Bell Anderson and Sanders LLC, of Laguna Beach, California, which specializes in damage economics, strategic planning and crisis management. Prior to this, he founded and directed the real estate damages practice at PricewaterhouseCoopers.

His assignments and research include, Chernobyl, September 11<sup>th</sup>, the Laguna Niguel landslides, the Ton Benet Ramsey crime scene, the Durham Woods pipeline explosion, the Malibu floods and firestorms, the O.J. Simpson crime scene, the Northridge earthquake, the Heaven's Gate mass-suicide mansion, the Hollywood Boulevard sinkhole and many others. He was retained by the Nuclear Claims Tribunal to determine the damages caused by nuclear weapons testing on the Bikini Atoll and the Marshall

Islands. For years, Randy's career has been profiled in dozens of newspapers, magazines and by every major television network.

Randy is an award-winning author and has published numerous articles in various professional journals. He authored the textbook, *Real Estate Damages*, as well as *Out of Bounds: My experiences with high-profile disasters and what they tell us about failure and success*. Two other books, *Master of Disaster* and *Right Line-Left Line-Bottom Line* will be published next year.

He has developed 'The Bell Matrix<sup>®</sup>', a strategic planning tool that has been used in many high-profile consulting assignments. Essentially, his studies show that disasters are caused by either negligent or excessive management styles, while operating within the inbetween results in achievement. Mr. Bell, welcome to *Conversations on Success*.

### **Randall Bell (Bell)**

Thank you, David.

### **Wright**

What is your specialty, Randy?

### **Bell**

Well, essentially I work with disasters. I go into situations and measure the economic damages that were caused by a disaster. On top of that, I consult on ways to mitigate the damage and develop strategies to manage the crisis.

### **Wright**

Boy, those were some high profile cases, The Jon Benet Ramsey crime scene, O.J. Simpson, September 11<sup>th</sup>, the Bikini Atoll nuclear test sites, my goodness, The Hollywood Boulevard sinkhole, those are some pretty heavyweight cases.

### **Bell**

Well, many of them are. Most of the cases that we deal with involve millions or even billions of dollars. They are disastrous not only from a lives lost and economic standpoint, but also in terms of disruptions to business and people's lives, I've learned that every disaster has both emotional and practical issues.

**Wright**

Randy, I'm curious; will you describe your typical day at the office?

**Bell**

Okay. This morning, I received two Fed-Ex packages. One involved a flood and the other dealt with a major landslide. I still need to finish looking at documents that I got yesterday dealing with widespread contamination in Colorado. One client called this morning from Hawaii regarding a major pesticide spill. My partner just left my office to go to the airport. Before he left, we talked about one of our cases where a deranged woman went into an office building and started shooting people.

Two weeks ago I was in Pennsylvania with the owner of the land where September 11th's United Flight 93 crashed. My secretary just handed me an itinerary- to go to St. Louis next Tuesday to inspect a nuclear waste landfill. On the way out she made some comment about the nuclear fuel pellet on my bookshelf and said that it was making her nervous, and then she made some wisecrack about Homer Simpson.

**Wright**

So, you actually go on-site to these high-profile cases?

**Bell**

Sure. Yesterday I was at a site where contamination spread throughout an entire neighborhood in Northern California. Last week I was at a site where explosive materials were found at a residential subdivision. I'm at these types of sites all the time,

**Wright**

Goodness. How did you get involved in this field?

**Bell**

I started off in real estate-both with investments and consulting, I live in Southern California and, if you'll recall, back in the early '90's we had a rash of problems. We had the Malibu floods and firestorms, the Northridge Earthquake. O.J., the Laguna Beach firestorms, and the L.A. riots. We just had a whole rash of problems.

My clients would call me and say, "Would you please go and evaluate a shopping center in Los Angeles." I would go and see that. It had

burnt down in the riots. I got so much experience with so many disasters in the early `90's that I decided I would specialize in damage: economics from that point on, That led to a contract to write a textbook, which was the first book of its kind. From there I have never looked back,

### **Wright**

Now, I know that your career has been profiled everywhere from *People Magazine* and the *Wall Street Journal* to dozens of newspapers and every major television network out there. How did the media learn about you?

### **Bell**

Lou Brown, the father of Nicole Brown Simpson, asked me to do some work for him. To do my research, I called a colleague of mine who worked on the Menendez Brothers case, His wife happens to be a reporter for the *L.A. Times* and she called to ask me a couple of questions about the O.J. Simpson case,

She put one sentence in the *L.A. Times* that mentioned my name, and from there every single media outlet you can imagine called including: *Entertainment Tonight*, *The O'Reilley Factor*, *Time Magazine*, and the *New York Times*. It. just keeps coming. Just last Sunday there was an article about my career in the *Seattle Times*.

So, I've been doing this work for many years before the media came along, but from that one sentence in the *L.A. Times* a few years ago, they've been calling ever since,

### **Wright**

I hear that the mass media calls you the "Master of Disaster." Where on earth did that come from?

### **Bell**

A producer at CNN got the idea to call me "Dr. Disaster." and then ABC News came up with "Master of Disaster," At first. I'm not sure that I liked the nicknames, but. I decided to have fun and just go along with it, Now I even have a website called [MasterOfDisaster.com](http://MasterOfDisaster.com).

**Wright**

You've turned into a major media sound byte.

**Bell**

Well maybe, but I enjoy my career just as much today as I did before the media ever called.

**Wright**

So you are the "Master of Disaster." What is your business philosophy?

**Bell**

Well, I believe that disasters provide excellent. case studies for both failure anti success. In fact, I don't believe that you can have a real discussion about success without. also discussing failure.

For years I've been measuring these economic damages, but I think that it involves a lot more than just walking -around with a clipboard and a calculator. We have to understand the behaviors. management styles and mindsets that lead to the disaster, and then evaluate how effectively or ineffectively that disaster was handled.

When I was in graduate school at UCLA in the late '80's, I developed a tool, which I call *The Bell Matrix*<sup>®</sup>. It basically lays out the ten categories of a business or personal strategic plan, So for the last several years I've been working on finding links between this business management strategy and the disasters that I study.

Ultimately, my research has shown that all damages are caused by one of two factors: either negligent. or excessive behavior. I call negligent behavior "Left Line<sup>™</sup>" and I call excessive behavior "Right Line<sup>™</sup>." In between those two areas is an area that I call the "Bottom Line<sup>™</sup>". I call it this because when we are talking about genuine success, this is the "bottom line" of what we are really talking about.



**THE BELL MATRIX®**

MOTIVATIONAL BEHAVIOR™			
	Left Line™	Bottom Line™	Right Line™
Philosophical	Unprincipled	Flexible Principled Passionate	Fanatical
Intellectual	Ignorant	Teachable Knowledgeable Brilliant	Arrogant
Sociological	Illicit	Lenient Lawful Considerate	Annoying
Influential	Insensitive	Independent Reliable Supportive	Controlling
Physical	Apathetic	Relaxed Fit Competitive	Excessive
Environmental	Careless	Comfortable Orderly Extraordinary	Harsh
Financial	Insolvent	Generous Budgeted Wealthy	Greedy
Developmental	Regressive	Creative Proactive Determined	Irrational
Operational	Negligent	Easy-Going Organized Aggressive	Compulsive
Consequential	Denial	Forgiving Accountable Grateful	Obsessive

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David, we can see what management styles work and don't work from looking at how a crisis is handled. I'm probably the only person in the world who has consulted on so many disasters. I've consulted on the September 11<sup>th</sup> tragedies, the Heaven's Gate Mass Suicide situation, the

O.J. Simpson case, the Jon genet Ramsey case and nuclear test sites, I don't say that to impress you, but I say that to impress *upon* you that I've seen the most extremes of human behavior.

What is fascinating is that for every disaster and achievement I have studied, I have found a direct link between this business model and the actual mindset involved behind the scenes, as well as the economic impacts that they have.

So you might say I've established that the "Left Line™" or "Right Line™" is going to impact. your "Bottom Line™".

## **Wright**

So, let me see if I get you on the "Left Line™" and "Right Line™" thinking. As I look at a management model-which, you know, we've all studied a lot of management models-but as I look at. yours, the "Left Line™" would be someone managing almost through apathy and neglect and the other, the "Right Line™", would be someone that was autocratic and domineering. Is that what we're talking about?

## **Bell**

That is exactly right. "Left Line™" is an unprincipled mindset where people are ignorant and illicit. They're insensitive, apathetic and so forth. The "Right Line™" is a mindset that. goes overboard. People with this mindset are fanatical, arrogant, controlling. harsh, and greedy.

## **Wright**

Huh. And there is actually a correlation between that and disasters?

## **Bell**

Absolutely. With every disaster that I study, I have identified a direct link between the management style associated with it and the disaster that results. Not only that, but as an economist, I can put a dollar amount on it.

In fact, with every disaster and every achievement I am able to identify the "'Left Line™", "Right Line™" or the "Bottom Line™" concept behind it.

Some people say, "Well wait a minute. In some cases Mother Nature causes the disaster." My response is. "You're absolutely right. But I still see people building subdivisions at the base of active volcanoes. I see people who develop shopping centers in flood zones and expensive homes in avalanche zones, I see people who ignore warnings and evacuation



notices, We can't blame Mother Nature, or anything else, for our situation. We have to be accountable for our results.

Once we understand the behavior that inevitably results in a disaster or a crisis, we inherently- understand how to better avoid it and build success.

In fact, while I work with crisis after crisis, many of the lessons that I learn are really about success. I see people who are highly effective in dealing with a crisis and taking a bad situation and solving it.

When you think about it, we are all in the "business" of solving problems, so these lessons have an important lesson for all of us.

### **Wright**

It was in Anaheim a few years ago when there was a 7-point-something earthquake that scared this Tennessee boy half out of his wits, I mean, it lasted so long and I was so stunned and so surprised and so fearful that, you know, it would be hard to understand. Of course, here in Tennessee there is a fault at Memphis. So, what you're saying is building on a fault, you take your chances. So, for example, in California the building codes are supposed to be some of the finest because of the lessons learned from hazards like earthquakes.

### **Bell**

Exactly.

### **Wright**

And if builders don't follow those earthquake safety code in building, that. would be "Left Line<sup>TM</sup>" management or "Left Line<sup>TM</sup>" thinking?

### **Bell**

Yes it would. But every disaster isn't always bad news, Sometimes calamity comes along and you see some very effective management styles in dealing with it. We all see a crisis everyday, whether we're talking about Three Mile Island or a copier breaking down,

A crisis is a crisis, and the management style is the same whether you're talking about a big incident or a little incident. You can make the problem worse or successfully solve it, depending on your mindset.

### **Wright**

So, what lessons have you learned, personally. from studying disasters?

## **Bell**

Well, when I went to Chernobyl, I learned that the first thing to really consider is the philosophical mindset that the people have, The whole: Chernobyl accident, was caused by some guys who went to work one day and thought that the rules did not apply to them. That's classic "Left Line™" thinking.

I've learned philosophically that, "We are what we value." If we have an unprincipled mindset or a fanatical mindset, that can lead to disaster. Whereas if you have a principled mindset with some flexibility on one side and passion on the other, that's a good, effective mindset.

"Intellectually," the whole Love Canal environmental problem was caused by some Ph.D.s who ignored direct warnings and built an elementary school smack on top of a hazardous waste dump, That is "Right Line™" arrogance. We see that intelligence is not measure by I.Q.: intelligence is a way of thinking. Also, I learned that real "Intelligence is never above learning,"

From my research in Hiroshima, I learned that the Japanese started rebuilding their City just two days after an atom bomb had been dropped on it. From a "Bottom Line™" developmental standpoint, this teaches us that "Problem solvers progress."

I've learned other great lessons throughout, the whole spectrum of The Bell Matrix®, which also includes "sociologically", "influentially"; "physically", "environmentally", "financially", "operationally", and all the way down the road to "consequentially",

From the D.J. case; we saw examples of "Left Line™" negligence from the L.A.P.D. and Marcia Clark's prosecution. Clearly, O.J. himself was over the "Right Line™" with his obsessions over Nicole.

As far as the "Bottom Line" goes, we see how the Brown family focused their anger and grief into forming the Nicole Brown Simpson Foundation, which helps battered women all over the country. This has been a great "Bottom Line™" achievement.

I always tell both my kids and my clients. "Problems create lessons, lessons create value, and value creates achievement." So, even though we have setbacks, and inevitably we all will, those can be great lessons for going forward.

From all of this I've learned that, "There are great lessons in both triumphs and tragedies."

## **Wright**

Those are some great lessons. As I understand it, you tell people to forget "win-win" and think, "win-lose." Why would a nice guy like you be telling someone to do that?

## **Bell**

I am a nice guy, but I do tell people that there is a much more effective way than "win-win."

The reality of both life and business is that we all have competition and we've got to beat the competition, whatever it is.

I developed this concept further when I met Maureen Kanka, the mother of the little girl that "Megan's Law" is named after. She told me that the whole point of "Megan's Law" was to give parents a fighting chance when competing against society's predators.

I'm a parent myself. I have four little kids. If I went around with this sugarcoated concept of win-win, I would be trying to help child molesters and drug dealers and other people like that. Frankly, I have no interest in seeing that group of people "win." In fact, I want them to go to prison.

Now I know that's an extreme example, but you know that with any football team in any high school, the coach doesn't go tell them to think, "win-win." That's just nuts. They're trying to out-strategize and beat the competition.

Business is no different, If we're going to gain market share, that means that our competitor is going to lose market share. So, it's important to define just whom we want to win and whom we want to beat.

In other words, what I'm saying is I want "you to win." I want "me to win." I want "society to win." I want "my clients and my customers to win." But, I want to protect my family against predators, I want to will out on the basketball and tennis courts.

One of the great lessons I learned in business school at UCLA was to "create barriers to the competition," I want to gain market share. In all kinds of ways, I want to nut-smart my competition.

"Win-win thinking" is what I call "Happy-Valley Sunshine." When you promote the notion of "everybody winning," people risk losing their competitive mindset, Competition is a reality in both life and business. When people forget that, somebody else is going to beat them. I want my kids and my clients to be smarter than that.

## **Wright**

Could you give me an example or two of what you mean by creating barriers to the competition? I'm not sure that I get that.

## **Bell**

Sure. I have competitors in my own business, but I was the first one to write a book on the subject of damage economics. While they were playing at the beach. I was working hard and writing a big hardbound textbook. Today, that's a real barrier to my competition.

Now, I'm the one who gets to play a lot more. In fact, I bought an office building by the beach and I take a walk there every day that I'm at the office.

I'm not saying that we have to go around and be mean and tear people down or be unpleasant, in fact, I'm against that. But on the other hand, if we want to be outstanding we have to stand out. In order to stand out we have to be willing to do things that other people aren't whether that be improving our product, bettering our customer service, being more attentive, doing more for our clients and customers or just going the extra mile,

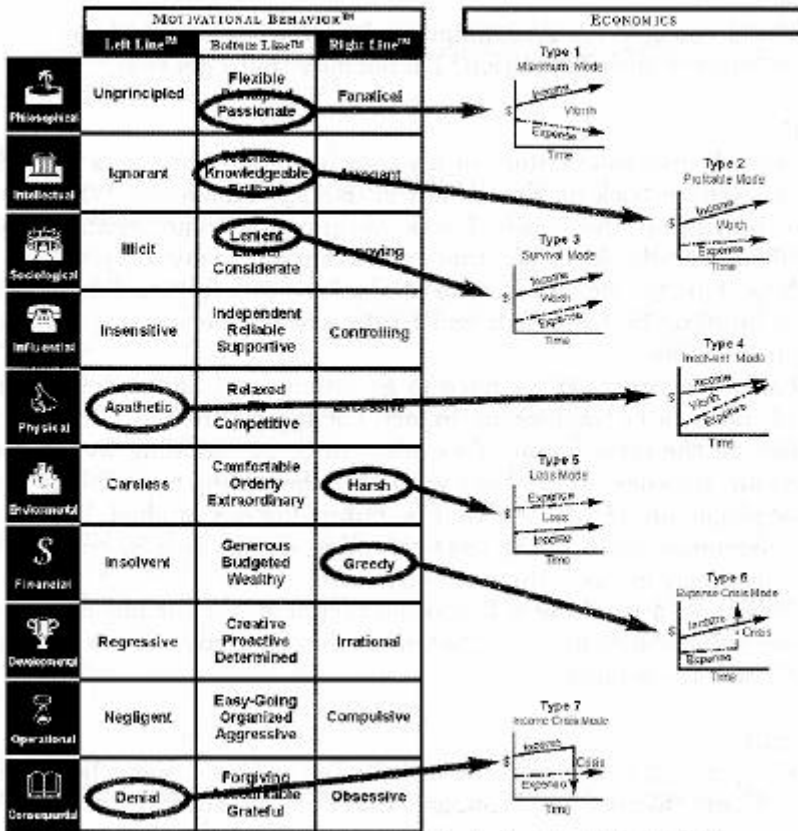
This type of thinking will gain market share in our businesses. If we are willing to do more and outsmart the other guy, we are creating barriers to the competition.

## **Wright**

Wow, now there is some new stuff. Tell us more about how "Left Line™" and "Right Line™" impacts the "Bottom Line™"?

## **Bell**

Sure, Speaking as an economist. let me put it in economic terms. I have determined that there are really only seven types of economic outcomes. Types I and II are good. Type III is okay and the rest are bad. With each type, you can see a direct link to the "Right Line™," "Left Line™" and "Bottom Line™" mindsets.



## Wright

That's fascinating. What has been the reaction from those who have studied it?

## Bell

I frequently get the comment that for the first time this model actually makes a direct link between the business model and actual economic performance.

What is unique about this position is that after I give a presentation or a speech, the CEO and CFO often invite me into their offices to discuss it

even further. They recognize that it is an effective way to create a better, more enjoyable, more accountable and more profitable organization.

When you're talking about the "Bottom Line™", they take that very, very seriously. It's more than just some high-profile cases and some fascinating stories; we're talking about the actual mindset that drives bottom-line profits.

## **Wright**

Most of the management models that I have seen are models of how to manage people and how to treat people. They're geared towards making employees happy with incentive motivation or whatever. Is that also included in your model?

## **Bell**

Absolutely. In fact, that's the key objective. When we understand and avoid the "Left Line™" and the "Right Line™", then we are automatically getting to the "Bottom Line™" of success. Believe me, that's a great place for any person or organization to be.



MOTIVATIONAL BEHAVIOR™				BUSINESS & LIFE QUALITY
	Left Line™	Bottom Line™	Right Line™	
Philosophical	Unprincipled	Flexible Principled Passionate	Fanatical	  
Intellectual	Ignorant	Reachable Knowledgeable Brilliant	Arrogant	
Biological	Illicit	Lenient Lawful Considerate	Annoying	
Influential	Insensitive	Independent Reliable Supportive	Controlling	
Physical	Apathetic	Relaxed Fit Competitive	Excessive	
Emotional	Careless	Comfortable Orderly Extraordinary	Harsh	
Financial	Insolvent	Generous Budgeted Wealthy	Greedy	
Developmental	Regressive	Creative Proactive Determined	Irrational	
Operational	Negligent	Easy Going Organized Aggressive	Compulsive	
Consequential	Lenient	Pforgiving Accountable Grateful	Obsessive	

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This mindset leads to being principled, creative, passionate, fit; competitive, accountable, determined ... and wealthy. The mistake that a lot of management models make is that they ignore or leapfrog over the "Left Line™" or "Right Line™" elements and just dive directly for success. This is not really a grounded approach, and the results are short-lived. When we talk about success, we must also have a sober talk about failure. Then we get the full picture.

Remember, the Menendez Brothers had goals, Their goal was to eliminate bad relationships and to build personal wealth. On the surface that sounds good, but they obviously crossed the "Right Line™" to get it.

When we have the complete picture, we know both what to do, as well as what to avoid. That is real success.

## **Wright**

Well, this model and all of its components sound kind of leading edge to me. I've been studying management principles now for 20-30 years and it sounds really good, How much time is spent in communicating the model to employees, or is any of that done in your consulting work?

## **Bell**

I am asked to speak to businesses and organizations all over the world.

It's really amazing because within 10 minutes; people get the concepts. After showing them the disaster case studies virtually everyone buys into the concepts because I can prove a link between the concepts and failure or success. It's also an easy concept to explain to others.

Almost immediately, people throughout the organization start talking the same "Right Line<sup>TM</sup>", "Left Line<sup>TM</sup>" language. We're taking common sense and good and bad mindsets and simply putting better labels on it.

Once everyone starts identifying these behaviors, and they see the effects that they have on a quality workplace and the bottom line, you really see incredible improvement in the organization. It's very exciting to see the change to an organization and to watch their "Bottom Line<sup>TM</sup>" grow.

## **Wright**

So, this is not a tool just for management and leadership. This is something that incorporates personal growth within the entire organization, no matter how large?

## **Bell**

Absolutely. We have taught it to all kinds of organizations, such as small start-ups, schools and church groups and some of the world's largest businesses. No matter where we are, we start with the philosophical mindset, and work right down through the consequential, bottom-line results.



**Wright**

Do you maintain that through the years, or do you turn the maintenance part of it over to in-house training directors and that sort of thing?

**Bell**

It really depends. One thing that I am proud of is that this business model is so effective that it can be taught quickly and implemented immediately. That's all that some organizations need.

Other organizations don't want to be just profitable. They are more aggressive and demand maximum performance. In those cases, we can add some horsepower through ongoing training and maintenance seminars.

**Wright**

That sounds really good. I've certainly learned a lot this afternoon and I really appreciate you being with us on Conversations on Success.

**Bell**

David. I've enjoyed our discussion.

**Wright**

I appreciate you taking all of this time. Today we have been talking to Randall Bell. Randy is the principle of Bell Anderson and Sanders LLC in California, which is a consulting firm that specializes in environmental damages, strategic planning, and crisis management. As we have found out this afternoon, Mr. Bell knows a lot about management styles and can influence your organization as well. Randy, thank you so much for being with us.

**Bell**

David, it. has been a pleasure, thank you.

## About The Author

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Randall Bell is the CEO of Bell Anderson & Sanders LLC. Prior to this, he founded and directed the property damages practice at PricewaterhouseCoopers. His firm specializes in strategic planning, crisis management and damage economic studies. An award-winning author. Randy wrote the textbook *Real Estate Damages* and sits of the Advisory Board of the Bureau of National Affairs in Washington DC. His assignments often involve complex matters, such as oil spills, floods, earthquakes, riots, fires and pipeline explosions. They include the September 11th United Flight 93 Crash Site, the OJ Simpson and Jon Benet Ramsey crime scenes, the Heaven's Gate Mansion and the nuclear weapons test sites on the Bikini Atoll. Randy's career has been profiled by all major television networks and the print media ranging from the *Wall Street Journal* to *People Magazine*, Randy has a MBA Degree from UCLA.

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