The five pathways

Five ways to act when you and your arena pull apart. Most cases take more than one at a time.

1 Modify the arena
Change the conditions you control.

2 Develop capabilities
Build the capability you are missing.

3 Expand flexibility
Learn to work well in more than one arena.

4 Select strategically
Choose arenas that suit your strengths.

5 Build protections
Limit the effect of conditions you cannot change.

PATHWAY	USE IT WHEN	EXAMPLE	TIME TO TAKE EFFECT
1 **Modify the arena**	You have the authority to change the conditions. The arena is worth staying in.	Restructure the team. Change the pace of work or the incentives.	**Weeks to months**
2 **Develop capabilities**	The arena is right and the gap is yours. You have time to close it.	Practice making decisions deliberately. Build tolerance for stress.	**3 to 18 months**
3 **Expand flexibility**	You work across several arenas and switch often. Rigidity is your main problem.	Shorten the time it takes to switch modes. Practice switching between kinds of work.	**6 to 24 months**
4 **Select strategically**	The mismatch is built into the role and the arena will not change. You have better options.	Turn down a role that does not fit, and pursue one that does.	**Immediate**
5 **Build protections**	You have to stay, and the conditions are outside your control.	Choose who is on the team. Set limits on working time. Keep reserves of people and money.	**Weeks to months**

The times are the book's estimates. Nobody has measured them.

CASE

Anne Mulcahy at Xerox

Mulcahy led Xerox through its turnaround and was named CEO in 2001. The company had over $17 billion in debt.[1]

Right Leader, Wrong Arena describes that turnaround as all five pathways used together.

In 2002, Xerox returned to profit, with net income of $91 million.[3]

1 MODIFY THE ARENA
She told her people to commit or go: "Either roll up your sleeves and go to work or leave Xerox."[1]

2 DEVELOP CAPABILITIES
She had little formal training in finance, and she made up for it on the job.[1]

3 EXPAND FLEXIBILITY
Xerox cut capital spending by half and overhead by a third. It kept research and development spending whole.[1]

4 SELECT STRATEGICALLY
In June 2001, Xerox left the small office and home office market to focus on its core business.[2]

5 BUILD PROTECTIONS
In March 2001, Xerox sold half its stake in Fuji Xerox for $1.3 billion.[2] It cut its total debt in half.[1]

> A mismatch between you and your arena is a diagnosis: it shows where to act. Ask which pathways fit you in this arena, then start one.

P×E supports reflection and development. It is not a validated hiring, promotion, or performance-prediction tool.

From *Right Leader, Wrong Arena* by Damon Wells, 2026. amazon.com/dp/B0GFWSR6B8

1. Lisa Vollmer, "Anne Mulcahy: The Keys to Turnaround at Xerox," Stanford Graduate School of Business, 1 December 2004. gsb.stanford.edu
2. Xerox, 2001 Annual Report, filed with its Form 10-K. sec.gov
3. Xerox, 2002 Annual Report, filed with its Form 10-K. sec.gov

Working out which pathway fits one of your leaders? Bring the case to a 30-minute call. **Book a call** calendly.com/summaryleadership/30min