Tom Peters’
Re-Imagine!
Business Excellence in a Disruptive Age
REI.500/19August2005
Tom Peters’
Re-Imagine: Enterprise On Fire!
Conference = Time Out

Is not: about “picking up tips on database privacy issues”

Is: about re-imagining marketing and the idea of a truly/no-bull customer-centric enterprise

(Might be: about “Gasp-worthy” game-changing breakthroughs)
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China!
China!
China!
Slides at ...

tompeters.com
The Incredible, Wild, Whacky, Scary, SuperCool Future … and Why We’re Not Even Remotely Prepared, and What We Can Do About It, for the Sake of Our Careers, Work and Organizations: A Musing on Strategies, Tactics, Attitudes, Tips, and General Observations, Such as Why a CFO Should Never Be Promoted to CEO, Why All MBA Programs Should Be Closed and Shuttered, How the “2Bs” (Bentonville and Beijing) Became the Co-capitols of the Universe, Why Only Freaks Get Things Done (in Freaky Times), Why Outrageously Audacious Devotion to Game-changing Innovation Is the PSR/Primary Survival Requisite (Duh), Why Women Are So Much Better Leaders Than Men (Duh II) (and They Also Buy Everything, Though Just Try Telling That to the World’s Advertising “Geniuses”), Why I Call Hospitals “The Killing Fields,” and How UPS & GE & IBM Are Actually All About Love! (We Will Totally Cover All This and More in 6F … or 180 Minutes in “Old Language.”)
The “real” title slide follows …
Tom Peters’
Re-Imagine!
Business Excellence in a Disruptive Age
REI.500/15August2005
To Ray

*Re-imagineer-in-Chief
Re-imagine!
Not Your Father’s World I.
60,000*


Edward Gresser, Progressive Policy Institute/Wall Street Journal 09.27.04
941,000 vs. 18,200,000
“The Ultimate Luxury Item Is Now Made in China”

—Headline/p1/The New York Times/
07.13.2004/Topic: Luxury Yachts made in Zhongshan
“Vaunted German Engineers Face Competition From China” —Headline, p1/WSJ/07.15.2004
foreign R&D labs in China, 200 new per year
“China’s Next Export: Innovation”

—McKinsey Quarterly (Cover Story)
2003: 98% U.S.
2005: U.S. 150; Shanghai 500
168/
18,500/
51,000
Express highways: 168 miles in ’89 … 18,500 in ’03 … 51,000 in ’08 (v. U.S. Interstate: 46,500)

Implications: $200M Intel plant in Chengdu (pop. 9.9M); 1/3rd Shanghai wage rate
1 Houston
Month
Worst in 7Q:

Steel & Plastic
China’s share of global consumption/2005:

- Cement ... 47%
- Cotton ... 37%
- Coal ... 30%
- Steel ... 26%

Source: BusinessWeek/08.05
Savings, internal investment, external investment > 50% GDP
2.5M vs 7.1M
40/40
35/70
Level 5 (top) certification/Carnegie Mellon Software Engineering Institute: 35 of 70 companies in world are from India

Source: Wired/02.04
“Teenagers in India have big ambitions—and the confidence to match” —headline/Fortune/07.05
'03: 25,000
'04: 100,000
'05: 400,000
“‘MADE IN TAIWAN’: From Cheap Manufacturing to Chic Branding”

—Headline/Advertising Age/06.05
BEATING HURDLES, SCIENTISTS CLONE A DOG FOR A FIRST: Feat for South Koreans” —Headline/p1/NYT/08.04.05
“South Korea is the world’s most wired—and wireless—nation”

—headline, BW, 07.05
“The economic rise of Asia’s giants is the most important story of our age. It heralds the end, in the not too distant future, of as much as five centuries of domination by the Europeans and their colonial offshoots.” —Martin Wolf/FT/02.23.2005
“The world has arrived at a rare strategic inflection point where nearly half its population—living in China, India and Russia—have been integrated into the global market economy, many of them highly educated workers, who can do just about any job in the world. We’re talking about three billion people.”

—Craig Barrett/Intel/01.08.2004
THREE BILLION NEW CAPITALISTS
—Clyde Prestowitz
W = 2xI
$W_c > Ge, UK$
“On February 12, 2001, anyone with access to the Internet ... Could suddenly look at a new atlas ... one containing the whole human genome.”

Source: Juan Enriquez, As The Future Catches You
Re-imagine!
Not Your Father’s World II.
“There is no job that is America’s God-given right anymore.” —Carly Fiorina/HP/ 01.08.2004
“When I was growing up, my parents used to say to me: ‘Finish your dinner—people in China are starving.’ I, by contrast, find myself wanting to say to my daughters: ‘Finish your homework—people in China and India are starving for your job.’”

—Thomas Friedman/06.24.2004
“It used to be that if you tell me what country you’re from, I’d tell you if you were rich or poor. Now I say, ‘Tell me what your profession is.’” —CK Prahalad
India

350,000 engineering grads per year

>50% F500 outsource software work to India

GE: 48% of software developed in India

(Sign in GE India office: “Trespassers will be recruited”)

Source: Dan Pink, A Whole New Mind
“Product Design Outsourcing Set For Big Rise”

—Headline/FT/06.05
“In a global economy, the government cannot give anybody a guaranteed success story, but you can give people the tools to make the most of their own lives.”

—WJC, from Philip Bobbitt, The Shield of Achilles: War, Peace, and the Course of History
People skills & emotional intelligence (financial service sales, 78%/248K; RNs, 28%/512K; lawyers, 24%/182K)

Imagination & creativity (architects, 44%/60K; designers, 43%/230K; photographers, 38%/50K)

Analytic reasoning (legal assts, 66%/159K; electronic engs, 28%/147K)

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Muscle power (timber cutters, 32%/25K; farm workers, 20%/182K)

“Over the last decade the biggest employment gains came in occupations that rely on **people skills and emotional intelligence** and among **jobs that require imagination and creativity**. … Trying to preserve existing jobs will prove futile—trade and technology will transform the economy whether we like it or not. **Americans will be better off if they strive to move up the hierarchy of human talents. That’s where our future lies.**” —Michael Cox, Richard Alm and Nigel Holmes/“Where the Jobs Are”/NYT/05.13.2004
Re-imagine!

Not Your Father’s World III.
“A focus on cost-cutting and efficiency has helped many organizations weather the downturn, but this approach will ultimately render them obsolete. Only the constant pursuit of innovation can ensure long-term success.” —Daniel Muzyka, Dean, Sauder School of Business, Univ of British Columbia (FT/09.17.04)
“Wall Street is starting to penalize stocks for anything but organic growth.” —Advertising Age/07.05
GH:

“Get better”

vs

“Get different”
TP: “How many of you [600] really crave a new Chevy?”

NYC/IIR/061205
“A Different Beat: Toyota Raises Prices While Detroit Cuts Deeply” — Headline/ 
NYT/07.26.05
Re-imagine!

Not Your Father’s World IV.
SuccessStrategy.2005 ...
SuccessStrategy.2005

Rule #1: Never compete against China on cost or Wal*Mart on price.

Rule #2: See Rule #1
Guiding Tenets/Daily Fare

Innovate!
Re-imagine!
Adapt!
Prepare!
“It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change.” —Charles Darwin (courtesy HP)
Tom Peters’
Re-Imagine!
Business
Opportunities
in a Disruptive Age
“Analysts said we don’t care about revenue, just give us the bottom line. They preferred cost cutting, as long as they could see two or three years of EPS growth. I preached revenue and the analysts’ eyes would glaze over. Now revenue is ‘in’ because so many got caught, and earnings went to hell. They said, ‘Oh my gosh, you need revenues to grow earnings over time.’ Well, Duh!” —Dick Kovacevich, Wells Fargo (in ABA Banking Journal)
“We’re now entering a new phase of business where the group will be a *franchising and management company* where *brand management* is central.” —David Webster, Chairman, InterContinental Hotels Group

“InterContinental will now have far more to do with *brand ownership* than hotel ownership.” —James Dawson of Charles Stanley (brokerage)

Source: *International Herald Tribune*, 09.16, on the sacking of CEO Richard North, whose entire background is in finance
“Yahoo is doing so many different things that it may have neglected to figure out what it wants to be” —headline/Economist/08.05
“Miller Lite didn’t stand for anything; it was trying to be a me-too to Budweiser.” —Graham Mackay/CEO/SABMiller/08.05
Top Line, Anyone?

Point (Advertising Age), to Phil Kotler: “Who should the CMO [Chief Marketing Officer] report to?”

Kotler: “Maybe a Chief Revenue Officer—the cost side has been squeezed, now companies have to focus on top-line growth—or maybe a Chief Customer Officer.” (TP: Or maybe both!)
“How we feel about the evolving future tells us who we are as individuals and as a civilization: Do we search for stasis—a regulated, engineered world? Or do we embrace dynamism—a world of constant creation, discovery and competition? Do we value stability and control? Or evolution and learning? Do we think that progress requires a central blueprint? Or do we see it as a decentralized, evolutionary process? Do we see mistakes as permanent disasters? Or the correctable byproducts of experimentation? Do we crave predictability? Or relish surprise? These two poles, stasis and dynamism, increasingly define our political, intellectual and cultural landscape.” —Virginia Postrel, *The Future and Its Enemies*
Rule #1: When the world goes flat—and you are feeling flattened—reach for a shovel and dig inside yourself. Don’t try to build walls.

Rule #2: And the small shall act big. … One way small companies flourish in the flat world is by learning to act really big. And the key to being small and acting big is being quick to take advantage of all the new tools for collaboration to reach farther, faster, wider and deeper.

Rule #3: And the big shall act small. … One way that big companies learn to flourish in the flat world is by learning how to act really small by enabling their customers to act really big.

Rule #4: The best companies are the best collaborators. In the flat world, more and more business will be done through collaborations within and between companies, for a very simple reason: The next layers of value creation—whether in technology, marketing, biomedicine or manufacturing—are becoming so complex that no single firm or department is going to be able to master them alone.

Rule #5: In a flat world, the best companies stay healthy by getting regular chest X-rays and then selling the results to their clients.

Rule #6: The best companies outsource to win, not to shrink. They outsource to innovate faster and more cheaply in order to grow larger, gain market share and hire more and different specialists—not to save money by firing more people.

Rule #7: Outsourcing isn’t just for Benedict Arnolds. It’s also for idealists.

Source: Tom Friedman/The World Is Flat
Creativity Index:

The 3 T’s

Technology (HT Index/firms & $$$, Innovation Index/patent growth)

Talent (% with bachelors degrees+)

Tolerance (Melting Pot Index/foreigners, Bohemian Index/artists et al., Gay Index/rel. #s)

Source: Richard Florida, *The Rise of the Creative Class*
The Memphis Manifesto*: Building a Community of Ideas

1. Cultivate & reward creativity.
2. Invest in the creative ecosystem.
3. Embrace diversity.
4. Nurture the creatives.
5. Value risk-taking.
6. Be authentic (emphasize uniqueness)
7. Invest in and build on quality of place.
8. Remove barriers to creativity.
10. Ensure that every person, especially children, has the right to creativity. Become a “Steward of creativity.”

*2003/The Creative 100/Memphis
Source: Richard Florida, The Rise of the Creative Class
“The Creative Age is a wide-open game.” —Richard Florida, *The Rise of the Creative Class*
The General’s Story. (And the Admiral’s.)
“If you don’t like change, you’re going to like irrelevance even less.”

—General Eric Shinseki, Chief of Staff. U. S. Army
Nelson’s secret: “[Other] admirals more frightened of losing than anxious to win”
Characteristics of the “Also rans”*

“Minimize risk”
“Respect the chain of command”
“Support the boss”
“Make budget”

*Fortune, article on “Most Admired Global Corporations”
Crossing the Unknown Sea: Work as a Pilgrimage of Identity, by David Whyte

“You have set sail on another ocean
“without star or compass
“going where the argument leads
“shattering the certainties of centuries.”

Janet Kalven, “Respectable Outlaw”
My Story.
“Best” is not Good enough!*

*Suggests a linear measurement rod
Point of View!/Point of Difference!
TomResolution2005 (full year): Every project, small or large, this year will have to answer the question, “Does this change the world?” HP ran a banner ad, “HAVE YOU CHANGED CIVILIZATION TODAY?” I’ll make that the first & last question I ask myself each day!

TomResolution2005 (within the next 10 minutes): I will be “hall monitor” for my attitude concerning each & every human contact I have this year, starting ... IMMEDIATELY. Do I exude Passion & Optimism & Connection of the sort that invariably engages others? (Hint: This applies as much to the 30-second exchange I have with a checkout clerk at Shaw’s grocery in Manchester VT as it does in a speech to very senior execs in Zurich on January 11.)
Question #1 …

“How will this project enhance the customer experience in a way that will implement ‘dramatic differences’ from our competitors so that we can capture new customers, retain old customers & grow their business, build our brand into a loveemark … and kick-start the ‘top line’?”
“In Tom’s world, it’s always better to try a swan dive and deliver a colossal belly flop than to step timidly off the board while holding your nose.” —Fast Company /October 2003
Thomas J. Peters
1942 - 2___
HE WOULDA DONE SOME
REALLY COOL STUFF
BUT …
HIS BOSS WOULDN'T
LET HIM!
T. J. Peters
1942 - 2---
“C.I. Man of the Year”:
He Made
Some Processes
A Little Better
M. GHANDI
GRAND PRIZE,
CONTINUOUS
IMPROVEMENT,
SPINNING WHEEL
DIVISION!
W.S. CHURCHILL
HE BROUGHT WWII IN ON BUDGET!
T. J. Peters
1942 - 2 ---
HE WAS A PLAYER!
“The only reason to give a speech is to change the world.” —JFK
To do something well is so worthwhile that to die trying to do it better cannot be foolhardy. It would be a waste of life to do nothing with one’s ability, for I feel that life is measured in achievement not in years alone.

Bruce McLaren (Good As Gold: Being a New Zealander)
Enterprise on Fire!

On one small issue (SUBSTANCE) I had troubles in Saudi Arabia. My bedrock “value added” message works better in the U.S. & Ireland & Singapore & Dubai than in resource-rich Saudi. (And with the Chinese Breakout, expect energy demand & oil prices to remain stratospheric.) But “it” went well. Hence, In fact, I had a mini-epiphany. I’ve encapsulated it in an alternate Title for my presentations: ENTERPRISE ON FIRE. I figured out that what I’m really “selling” is not a “detailed strategy” (much as I see it that way), but a “State of Mind.” Said “state of mind” encompasses and glorifies: Energy & Technicolor & WOW & Spirit & Entrepreneurial Spunk & Risk-taking & Wild and Woolly Innovation & Outrageously Cool Talent & Freaks & Service & Gasp-worthy (my new favorite term) Experiences & Passion per se & Compassion & Grace & Independence and Individualism-at-Work & Inspired Failures & Great Leaps of Faith & Bet-the-Company (or Career) Projects. This Idea/agenda (ENTERPRISE ON FIRE) is as practical (necessary) in Saudi as in the U.S.A. (Hence, it apparently resonates in both.) (Hence, my continued employment!)
## Importance of Success Factors by Various “Gurus”/Estimates by Tom Peters

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<th>Strategy</th>
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Everybody's Story.
“One Singaporean worker costs as much as ... 

3 ... in Malaysia
8 ... in Thailand
13 ... in China
18 ... in India.”

Source: The Straits Times/08.18.03
“Thaksinomics” (after Thaksin Shinawatra, PM)/

“Bangkok Fashion City”:

“managed asset reflation”

(add to brand value of Thai textiles by demonstrating flair and design excellence)

Source: The Straits Times/03.04.2004
“Where Having Fun Is Now O.K.” —headline NYT/04.24.05/an article about Singapore

“It’s still illegal to chew gum in Singapore, but having fun in the formerly staid city-state is now officially sanctioned.”
“Faced with the growing competition from China’s rapidly expanding fashion industry and Italy’s economic challenges, city urban planners and young business leaders are moving forward with an estimated $1.3 billion megacomplex called La Citta della Moda that will serve as a [Milano] monument to fashion.” —Boston Globe (06.18.05); the complex will include shops, hotels, an exhibition center for fashion shows, a fashion museum and a graduate-level fashion university
Ditto!
Ireland
Singapore
Denmark
Sweden
Germany
Italy
Bedrock & Biases.
A Coherent Story: Context-Solution-Bedrock

Context1: Intense Pressures (China/Tech/Competition)

Context2: Painful/Pitiful Adjustment (Slow, Incremental, Mergers)

Solution1: Innovation (Purposeful disruption, Weird, Decentralization)

Solution2: New Organization (Technology, Web+ Revolution, Virtual-“BestSourcing,”“PSF” “nugget”)

Solution3: No Option: Aggressive Value-added Strategy (Services-Solutions-Experiences-DreamFulfillment “Ladder”)

Solution4: “Aesthetic” “VA” Capstone (Design-Brands-Lovemarks)

Solution5: New Markets (Women, ThirdAge)

Bedrock2: Talent (Best, Creative, Entrepreneurial, Women, New Schools)

Bedrock3: Leadership (Passion, Bravado, Energy, Speed)
My “Story”: Tom’s Ten.Five

1. Ideas Matter!
2. “Change” Not Sufficient!/Destruction Imperative!
3. Disruptive Technology Embraced!
4. Value-added Sprint I: “PSF”-Moment (Beyond the “Cost Center”)!/
   “Best” Not Enough/R.POVI (Remarkable Point Of View)!
5. Value-added Sprint II: Branding+ /“DreamMerchants” All!/
   Age of Aesthetics-Design!
6. Value-added Sprint III: Women-Boomer “Strategic”
   Market Opps!
7. Bold/Brash/Nervy Innovation! Weird Wins! FreakTime!
   DramaticDifference!
8. Top/Quirky Talent!/Women Rule!/Re-imagine Ed!
10. Leading: “Sign Up” for Breathtaking, Game-changing
    Crusades!
    (10.5. EXECUTE! BIAS FOR ACTION!)
In conclusion (Tom’s “Baker’s Dozen”)

1. Welcome to the Asian Century!
2. “Permanence” is a snare and a delusion.
3. Innovation must be a/the … PREOCCUPATION.
4. The “Top Line” differentiates Winners from Losers.
5. Weird rules!
6. See #5 above!
7. “Best Talent” (“Best Roster”) wins!
7A. Leaders “Do” talent. (Period.)
8. Race Up the Value-added “Ladder.” (Or else.)
9. “Dream Merchants” will reign supreme!
10. Out “O.O.D.A.” the bastids!
11. Make it Cool!
12. Appoint an EVP/SOUB. (Now.)
13. Size … KILLS!
Everything You Need to Know about “Strategy”

1. Do you have awesome Talent ... everywhere? Do you push that Talent to pursue Audacious Quests?
2. Is your Talent Pool loaded with wonderfully peculiar people who others would call “problems”? And what about your Extended Community of customers, vendors etc?
3. Is your Board of Directors as cool as your product offerings ... and does it have 50 percent (or at least one-third) Women Members?
4. Long-term, it’s a “Top-line World”: Is creating a “culture” that cherishes above all things Innovation and Entrepreneurship your primary aim? Remember: Innovation ... not Imitation!
5. Are the Ultimate Rewards heaped upon those who exhibit an unswerving “Bias for Action,” to quote the co-authors of In Search of Excellence?
6. Do you routinely use hot, aspirational words-terms like “Excellence” and B.H.A.G. (Big Hairy Audacious Goal, per Jim Collins) and “Let’s make a dent in the Universe” (the Word according to Steve Jobs)? Is “Reward excellent failures, punish mediocre successes” your de facto or de jure motto?
7. Do you subscribe to Jerry Garcia’s dictum: “We do not merely want to be the best of the best, we want to be the only ones who do what we do”?
8. Do you elaborate on and enhance Jerry G’s dictum by adding, “We subscribe to ‘Best Sourcing’—and only want to associate with the ‘best of the best’.”
9. Do you embrace the new technologies with child-like enthusiasm and a revolutionary's zeal?
10. Do you “serve” and “satisfy” customers ... or “go berserk” attempting to provide every customer with an “awesome experience” that does nothing less than transform the way she or he sees the world?
11. Do you understand ... to your very marrow ... that the two biggest under-served markets are Women and Boomers-Geezers? And that to “take advantage” of these two Monster “Trends” (FACTS OF LIFE) requires fundamental re-alignment of the enterprise?
12. Are your leaders accessible? Do they wear their passion on their sleeves? Does integrity ooze out of every pore of the enterprise? Is “We care” your implicit motto?
13. Do you understand business mantra #1 of the ’00s: DON’T TRY TO COMPETE WITH WAL*MART ON PRICE OR CHINA ON COST? (And if you get this last idea, then see the 12 above!)
TP’s “CEOs Are Idiots19”

1. UNDERestimate the Threat to their Existence; OVERestimate their Resilience.
2. Fail to spend Hyper-aggressively on IS/IT; fail to follow “Gamechanger” IS/IT Strategies; fail to put their CIO on the Board; fail to exploit fully [Revolution Now!] the Web.
4. Hire MBAs in large #s.
5. Recruit mostly from conventional sources, have a low tolerance for risktakers-freaks.
6. Are less than 24/7 “Talent Fanatics.”
7. Do too much Imitation/Benchmarking/ConstantImprovement, not enough “Breathtaking”/Disruptive Innovation; favor “marketshare” over MarketCreation.
8. Believe that “process” beats “passion,” “analysis” beats “action.”
9. Spend too much time in the Office, not enough time in the Field; fail to ColdCall at least One Customer per Week; are surrounded by sycophants; have low Tolerance for Contention.
10. ARE NOT LOVED BY FRONTLINE STAFF!
11. Do too much MicroSegmentation I: Grotesquely underestimate the Women’s Market—and if they do more or less “get it,” fail to understand the Strategic Transformation required to master it.
13. Have too few Women on the Executive Team, too few Women on the Board.
14. Board = OWMs.
15. Balk at Technicolor actions and language—e.g., WOW!, Lovemarks, DreamMarketing, InsanelyGreat.
16. Think Design is a frill, nicety—not the Fundamental Basis for Value Added.
17. Tolerate less than Excellence, do not insist upon “Experiences that make me ‘Gasp’.”
18. Deliver more on Short-term Earnings rather than Long-term Yearnings.
19. FAIL TO INSPIRE ME BY THE AUDACITY OF THEIR DREAMS. (Too often: “Dream” = “Buy MarketShare, Get BIGGER, Cut Costs.”)
“The winners in business have always played hardball.”
“Unleash massive and overwhelming force.” “Exploit anomalies.” “Threaten your competitor’s profit sanctuaries.”
“Entice your competitor into retreat.”

Approximately 640 Index entries: Customer/s (service, retention, loyalty), 4. People (employees, motivation, morale, worker/s), 0. Innovation (product development, research & development, new products), 0.
ExIn*: 1982-2002/Forbes.com

EI: $10,000 yields $140,050
DJIA: $10,000 yields $85,000

*Basket of 32 publicly traded stocks
I. NEW BUSINESS. NEW CONTEXT.
1. Re-imagine Everything: All Bets Are Off.
Jobs
New Technology
Globalization
Security
“Income Confers No Immunity as Jobs Migrate” —Headline/USA Today/02.04
“Reuters Plans To Triple Jobs at Site In India” —Headline/

*New York Times/World Business/08October2004*

10% of total workforce in Bangalore by 2006
In Store: *International Equality, Intranational Inequality*

“The new organization of society implied by the triumph of individual autonomy and the true equalization of opportunity based upon merit will lead to very great rewards for merit and great individual autonomy. This will leave individuals far more responsible for themselves than they have been accustomed to being during the industrial period. It will also reduce the unearned advantage in living standards that has been enjoyed by residents of advanced industrial societies throughout the 20th century.”

James Davidson & William Rees-Mogg, *The Sovereign Individual*
Gains

People skills & emotional intelligence (financial service sales, 78%/248K; RNs, 28%/512K; lawyers, 24%/182K)

Imagination & creativity (architects, 44%/60K; designers, 43%/230K; photographers, 38%/50K)

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“The last few decades have belonged to a certain kind of person with a certain kind of mind—computer programmers who could crank code, lawyers who could craft contracts, MBAs who could crunch numbers. But the keys to the kingdom are changing hands. The future belongs to a very different kind of person with a very different kind of mind—creators and empathizers, pattern recognizers and meaning makers. These people—artists, inventors, designers, storytellers, caregivers, consolers, big picture thinkers—will now reap society’s richest rewards and share its greatest joys.” —Dan Pink, A Whole New Mind
Agriculture Age (farmers)
Industrial Age (factory workers)
Information Age (knowledge workers)

Conceptual Age (creators and empathizers)

Source: Dan Pink, *A Whole New Mind*
“The Dawn of the Creative Age”

“There’s a whole new class of workers in the U.S. that’s 38-million strong: the creative class. At its core are the scientists, engineers, architects, designers, educators, artists, musicians and entertainers whose economic function is to create new ideas, new technology, or new content. Also included are the creative professions of business and finance, law, healthcare and related fields, in which knowledge workers engage in complex problem solving that involves a great deal of independent judgment. Today the creative sector of the U.S. economy, broadly defined, employs more than 30% of the workforce (more than all of manufacturing) and accounts for more than half of all wage and salary income (some $2 trillion)—almost as much as the manufacturing and service sectors together. Indeed, the United States has now entered what I call the Creative Age.” —“America’s Looming Creativity Crisis”/Richard Florida/ HBR/10.04
“The global talent pool and the high-end, high margin creative industries that used to be the sole province of the U.S., and a critical source of its prosperity, have begun to disperse around the globe. A host of countries—Ireland, Finland, Canada, Australia, New Zealand, among them—are investing in higher education, cultivating creative people, and churning out stellar products, from Nokia phones to the Lord of the Rings movies... Many of these countries have learned from past U.S. success and are shoring up efforts to attract foreign talent—including Americans. ... The United States may well be the Goliath of the twentieth century global economy, but it will take just half a dozen twenty-first-century Davids to begin to wear it down. **To stay innovative, America must continue to attract the world’s sharpest minds. And to do that, it needs to invest in the further development of its creative sector. Because wherever creativity goes—and, by extension, wherever talent goes—innovation and economic growth are sure to follow.**” —“America’s Looming Creativity Crisis”/Richard Florida/HBR/10.04
“AS A DEVELOPING COUNTRY …

YOU CAN LOWER INFLATION …
REDUCE CORRUPTION …
CUT YOUR BUDGET …
PRIVATIZE …

AND STILL NOT GET RICH.

BECAUSE YOU ARE NOT GENERATING KNOWLEDGE …
JUST PRODUCT.

(North America, Western Europe, and Japan generated 84 percent of all scientific papers published during 1995.)”

Source: Juan Enriquez/As the Future Catches You
Denmark, Holland: flexible employment with substantial social safety net
Must It Be Mfg?*

Africa: Tanzania/A ... $523
Niger/M ... $741
Kenya/S ... $1022

Central America: Nicaragua/M ... $2366
Salvador/S ... $4497

EEurope: Ukraine/A ... $3816
Macedonia/M ... $5086
Poland/S ... $9051

SEAsia: Indonesia/A ... $3043
Brunei/M ... $16779* (*lotsa oil, no people)
Malaysia/S ... $9068

Jobs
Technology
Globalization
Security
“Three quarters of the … FLAGS, BORDERS, ANTHEMS, and MONIES represented at the United Nations today … Did not exist 50 years ago.

States are falling apart at an unprecedented rate … Because governments and citizens do not understand … Why technology is relevant to their daily lives and … How it changes their future.”

Source: Juan Enriquez/As the Future Catches You
“THE FUTURE BELONGS TO ... SMALL POPULATIONS ... WHO BUILD EMPIRES OF THE MIND ... AND WHO IGNORE THE TEMPTATION OF—OR DO NOT HAVE THE OPTION OF—EXPLOITING NATURAL RESOURCES.”

Source: Juan Enriquez/As the Future Catches You
“THE HEART OF CELERA ... IS THE WORLD’S LARGEST PRIVATE SUPERCOMPUTER ... FED 24 HOURS A DAY ... BY SEQUENCING ROBOTS ... AND CREATED-PROGRAMMED-CONTROLLED ... BY A DOZEN GREAT MINDS.”

Source: Juan Enriquez/As the Future Catches You
“The extraordinary Tech Revolution …
Is fed by a very few ZIP codes …
Generating New Empires …
(and new Ghettoes).”

Source: Juan Enriquez/As the Future Catches You
<table>
<thead>
<tr>
<th>Country</th>
<th>1985</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venezuela</td>
<td>15</td>
<td>29</td>
</tr>
<tr>
<td>Argentina</td>
<td>12</td>
<td>46</td>
</tr>
<tr>
<td>Mexico</td>
<td>35</td>
<td>77</td>
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<tr>
<td>Brazil</td>
<td>30</td>
<td>88</td>
</tr>
<tr>
<td>South Korea</td>
<td>50</td>
<td>3,362</td>
</tr>
</tbody>
</table>

Source: Juan Enriquez/As *the Future Catches You*
“A bureaucrat is an expensive microchip.” —Dan Sullivan/consultant and executive coach
“UPS used to be a trucking company with technology. Now it’s a technology company with trucks.” —Forbes
Life Sciences
“WE ARE BEGINNING TO ACQUIRE … DIRECT AND DELIBERATE CONTROL … OVER THE EVOLUTION OF ALL LIFE FORMS … ON THE PLANET.”

Source: Juan Enriquez, As The Future Catches You
“On February 12, 2001, anyone with access to the Internet …
Could suddenly look at a new atlas …

One containing the whole human genome.”

Source: Juan Enriquez, As The Future Catches You
“In a couple of decades the world’s dominant language became ... strings of ones and zeroes. Your world ... and your language ... are about to change again. **THE DOMINANT LANGUAGE ... AND ECONOMIC DRIVER ... OF THIS CENTURY ... IS GOING TO BE ... GENETICS.**”

Source: Juan Enriquez, *As The Future Catches You*
Jobs
Technology
Globalization
Security
“Asia’s rise is the economic event of our age. Should it proceed as it has over the last few decades, it will bring the two centuries of global domination by Europe and, subsequently, its giant North American offshoot to an end.”

—*Financial Times* (09.22.2003)
“The world has arrived at a rare strategic inflection point where nearly half its population—living in China, India and Russia—have been integrated into the global market economy, many of them highly educated workers, who can do just about any job in the world. We’re talking about three billion people.”

—Craig Barrett/Intel/01.08.2004
“China’s size does not merely enable low-cost manufacturing; it forces it. *Increasingly, it is what Chinese businesses and consumers choose for themselves that determines how the American economy operates.*” —Ted Fishman/“The Chinese Century”/
*The New York Times Magazine* /07.04.04
Ho Hum: 11.28.04

“The man who may yet wield most influence over the dollar is not George Bush, nor even Alan Greenspan. His name is Zhou Xiaochuan, governor of the People’s Bank of China. His importance is a measure of the shifting balance of global economic power from West to East.”

—Headline, The Business (UK), 28/29 November

“Chinese and Indian giants go head to head in search for oil.” —Headline, The Business (UK), 28/29 November
“Dr Stephen Minger is a top stem cell researcher and heads a team of scientists at King’s College London’s new Wolfson Center. He is familiar with high-tech labs and machines with million-pound price tags, but what he saw in Beijing and Shanghai left him picking his jaw up off the floor. ‘I came back blown away by the whole thing,’ he says. ‘It was mind-boggling.’” —FTmagazine/11.27/“How Did That Happen?”
“ASIA IS STEM CELL CENTRAL: Singapore and Others Are Racing to Grab the Lead in a Promising Field”

—Headline/BW/01.10.2005
“Let China sleep, for when she awakes she will shake the world.”
“Let China sleep, for when she awakes she will shake the world.”

Napoleon
Enjoy It While It Lasts!

South Korea just became … in 2004 … earth’s #1 ship builder, edging out Japan. Wow! Congrats! But China (where else!) is on schedule to strip SK of its hard-earned prize by 2015, the *New York Times* reported in January (“Korean Shipbuilders See China’s Shadow”).
South Korea just became … in 2004 … earth’s #1 ship builder, edging out Japan. Wow! Congrats! But China (where else!) is on schedule to strip SK of its hard-earned prize by 2015, the New York Times reported in January (“Korean Shipbuilders See China’s Shadow”).

The leader of the SKorean pack is the peerless engineering firm Hyundai. And … ta da … guess what Hyundai’s new strategy is? You doubtless got it in one: Race up, up, up the value-added ladder. Hyundai is dropping oil tankers and ore carriers and pushing the likes of ultra-sophisticated LNG carriers and offshore oil platforms.
“You get an educated workforce, remarkable infrastructure, a lot of government support. These [Southeast Asian] governments have made life sciences a top priority—and they have a great venture capital community there.” —Glenn Rice, VP Pharmaceutical Discovery and Development, SRI International

(On the rapid migration of drug discovery from the U.S. at a 20% to 40% cost saving Rice adds that 40% to 60% of U.S. postdocs are from China and Taiwan) From: Stanford Business /August 2004
“Forget India, Let’s Go to Bulgaria” —Headline,
BW/03.04, re SAP, BMW, Siemens et al. “near-shoring”
Jobs
Technology
Globalization
Security
“This is a dangerous world and it is going to become more dangerous.”

“We may not be interested in chaos but chaos is interested in us.”

Source: Robert Cooper, The Breaking of Nations: Order and Chaos in the Twenty-first Century
“We are in a brawl with no rules.”

Paul Allaire
“Let’s compete—by training the best workers, investing in R & D, erecting the best infrastructure and building an education system that graduates students who rank with the world’s best. Our goal is to be competitive with the best so we both win and create jobs.” —Craig Barrett

(Time/03.01.04)
The Winning Edge: The Peters6

1. Research-Innovation
2. Entrepreneurial Attitude & Support (Especially from Capital Markets)
3. Creative ("Obstreperous") Education
4. Free Trade-Open Markets
5. Individual Self-reliance (& Supports Therefore)
6. Cutting-edge Infrastructure
2. Re-imagine Permanence:
The Emperor Has No Clothes!
Re-imagine Permanence: The Emperor Has No Clothes! (The Emperor Is an Idiot.)
Big Company Marketing
“Tip of the Week”:

Want to increase “sales” “overnight”?
Give away the product!

*Thank you, General Motors!
Franchise Lost

TP: “How many of you really crave a new Chevy?”
“The Green Machine That Could Be Detroit: What if an automaker embraced the environment?” —headline/NYT/07.05
“Toyota To Add 10 Hybrids To Lineup: Carmaker Projects 600,000* Sales Annually” —Headline/USA Today/08.05

*25% U.S. sales within this decade
“Jeffrey Immelt Turns Green. ... Has General Electric Gone Eco-mad?” —cover story/Forbes/08.05
Once upon a time, there was a perpetual, comforting night-time glow in the little boy’s bedroom window …
And then...
Forbes 100 from 1917 to 1987: 39 members of the Class of ’17 were alive in ’87; 18 in ’87 F100; 18 F100 ‘survivors’ underperformed the market by 20%; just 2 (2%), GE & Kodak, outperformed the market 1917 to 1987.

S&P 500 from 1957 to 1997: 74 members of the Class of ’57 were alive in ’97; 12 (2.4%) of 500 outperformed the market from 1957 to 1997.

Source: Dick Foster & Sarah Kaplan, *Creative Destruction: Why Companies That Are Built to Last Underperform the Market*
07.05/Huge Layoffs

HP
Kodak
GM
“I am often asked by would-be entrepreneurs seeking escape from life within huge corporate structures, ‘How do I build a small firm for myself?’ The answer seems obvious: **Buy a very large one and just wait.**”

Exit, Stage Right …

CEO “departure” rate, 1995-2004: \(+300\%\)

Source: Booz Alen Hamilton (per USA Today/06.13.05)
Headhunter “Excellence”?
(CEO Performance vs S&P 500)

Korn Ferry/Tom Neff: +1.1%

Heidrick & Struggles/
Gerry Roche: -5.2%
And now ... Mittal (World’s #1)
“The difficulties ... arise from the inherent conflict between the need to control existing operations and the need to create the kind of environment that will permit new ideas to flourish—and old ones to die a timely death. ... **We believe that most corporations will find it impossible to match or outperform the market without abandoning the assumption of continuity.**

... The current apocalypse—the transition from a state of continuity to state of discontinuity—has the same suddenness [as the trauma that beset civilization in 1000 A.D.]”

Richard Foster & Sarah Kaplan, “Creative Destruction” (*The McKinsey Quarterly*)
“The corporation as we know it, which is now 120 years old, is not likely to survive the next 25 years. Legally and financially, yes, but not structurally and economically.”

Peter Drucker, *Business 2.0*
“When it comes to investing, I am old school. Buy a good stock, stick it in the drawer and when you check back years later the stock should be worth more. There’s only one problem. When I checked the drawer recently it was full of clunkers, including Lucent, down 94 percent from its 1999 high. Maybe once upon a time buy and hold was a viable strategy. Today, it no longer makes sense.”—Charles Stein/ “Investment Strategies Must Shift with Realities”/Boston Globe/10.10.04

A sample of Stein’s “Blue Chip-turned-clunker” examples: Fannie Mae (featured in Collins’ Good to Great). Coke. (“Clunker,” make that “Stinker.”) Merck. (The mightiest fall—stock down 63 percent since 2000; tumble preceded Vioxx) Uh … Microsoft. (“Microsoft’s stock price is no higher today than it was in 1998.”)

“It is not clear there is such a thing as a ‘Blue Chip,’” Shawn Kravetz, president of Boston-based hedge fund Esplanade Capital, told Stein. “Kravetz’s point is a serious one,” Stein continues. “Greatness is not permanent. … This process of creative destruction isn’t new. But with the world moving ever faster, and with competition on steroids, the quaint notion of buying and holding is hopelessly out of step.”
3. Re-imagine: Innovate or Die!
A380!
“What drove Trippe? A fury that the future was always being hijacked by people with smaller ideas—by his first partners who did not want to expand airmail routes; by nations that protected flag carriers with subsidies; by the elitists who regarded flight, like luxury liners, as a privilege that could only be enjoyed by the few; by the cartel operators who rigged prices. The democratization he effected was as real as Henry Ford’s.” —Harold Evans on Juan Trippe, the PanAm boss who brought the B747 to life (WSJ/02.24.2005)
“A focus on cost-cutting and efficiency has helped many organizations weather the downturn, but this approach will ultimately render them obsolete. Only the constant pursuit of innovation can ensure long-term success.” —Daniel Muzyka, Dean, Sauder School of Business, Univ of British Columbia (FT/09.17.04)
“Value innovation is about making the competition irrelevant by creating uncontested market space. We argue that beating the competition within the confines of the existing industry is not the way to create profitable growth.” —Chan Kim & Renée Mauborgne (INSEAD), from Blue Ocean Strategy (The Times/London/01.20.2005)
“Welch was to a large degree a growth by acquisition man. ‘In the late ’90s,’ Immelt says, ‘we became business traders, not business growers. Today organic growth is absolutely the biggest task of everyone of our companies. If we don’t hit our organic growth targets, people are not going to get paid.’ … Immelt has staked GE’s future growth on the force that guided the company at it’s birth and for much of its history: breathtaking, mind-blowing, world-rattling technological innovation.” —“GE Sees the Light”/Business 2.0/July 2004
Immelt on “Innovation breakthroughs”: Pull out and fund ideas in each business that will generate >$100M in revenue; find best people to lead (80 throughout GE)

Source: Fast Company/07.05
Management today, per Jeff Immelt: from “how to” (“process flow charts”) to “when and where” (“growth markets, growth trends, customers, segmentation”)

Source: *Fast Company/07.05*
“Jeffrey Immelt Turns Green. ... Has General Electric Gone Eco-mad?” —cover story/Forbes/08.05
“Almost every personal friend I have in the world works on Wall Street. You can buy and sell the same company six times and everybody makes money, but I’m not sure we’re actually innovating. ... Our challenge is to take nanotechnology into the future, to do personalized medicine ...” —Jeff Immelt/Fast Company/07.05
“Under his former boss, Jack Welch, the skills GE prized above all others were cost-cutting, efficiency and deal-making. What mattered was the continual improvement of operations, and that mindset helped the $152 billion industrial and finance behemoth become a marvel of earnings consistency. Immelt hasn’t turned his back on the old ways. But in his GE, the new imperatives are risk-taking, sophisticated marketing and, above all, innovation.” —BW/032805
“Big Pharma’s Blinders: The Blockbuster Mentality Crimps Innovation” (Headline)

“Big Pharma appears remarkably risk averse compared to the armada of small biotech companies that increasingly produce the most novel drugs. Why? It’s all about the type of organization that the large drug-makers have become. Hugely profitable thanks to a few blockbusters, Big Pharma is far too focused on looking for the next bestseller. That means spending lots of development dollars on relatively safe bets, such as statins ... But Big Pharma’s focus on finding the next blockbuster means it is passing up an opportunity to deliver important breakthroughs.”

Source: BusinessWeek/11.29.2004
“Good management was the most powerful reason [leading firms] failed to stay atop their industries. Precisely because these firms listened to their customers, invested aggressively in technologies that would provide their customers more and better products of the sort they wanted, and because they carefully studied market trends and systematically allocated investment capital to innovations that promised the best returns, they lost their positions of leadership.”

Clayton Christensen, *The Innovator’s Dilemma*
Warren Buffet (quoted in the HP article): “When a management with a reputation for brilliance tackles a business with a reputation for bad economics, it is usually the reputation of the business that remains intact.”
“When asked to name just one big merger that had lived up to expectations, Leon Cooperman, former cochairman of Goldman Sachs’ Investment Policy Committee, answered: *I’m sure there are success stories out there, but at this moment I draw a blank.*”

Mark Sirower, *The Synergy Trap*
“Not a single company that qualified as having made a sustained transformation ignited its leap with a big acquisition or merger. Moreover, comparison companies—those that failed to make a leap or, if they did, failed to sustain it—often tried to make themselves great with a big acquisition or merger. They failed to grasp the simple truth that while you can buy your way to growth, you cannot buy your way to greatness.” —Jim Collins/ Time/11.29.04
“This was a big bet that didn’t pay off. … At bottom, they made a huge error in asserting that the merger of two losing computer operations, HP’s and Compaq’s, would produce a financially fit computer business.”

—Fortune on HP-Compaq/02.14.05
"Blockbuster mergers tend to be duds for stockholders of the acquiring company. In seven of the nine mergers valued at more than $50 billion, the acquirer’s share price is down an average of 46% from pre-merger levels, according to FactSet Mergerstat, a research firm from Santa Monica."

Source: *Time* (*Time* candidly points out, TW and AOL were the worst, wiping out 80% of shareholder value.)
Sanford Weill, Citigroup’s Former Leader, Frustrated As Empire Is Dismantled”

—Headline/NYT/07.21.05
07/05: More Breaking Up?

HP?
Citigroup?
Morgan Stanley?
Viacom (Done)
GM/Finance?
DaimlerChrysler?
Ford/Hertz?
Etc
Etc
Etc
“Shremp is one of the last dinosaurs of Germany Inc. He represents a strategy of acquiring assets and building empires that just didn’t work.” —Arndt Ellinghorst/analyst/Dresdner Kleinwort Wasserstein
“I don’t believe in economies of scale. You don’t get better by being bigger. You get worse.”

—Dick Kovacevich/

Wells Fargo/Forbes08.2004 (ROA: Wells, 1.7%; Citi, 1.5%; BofA, 1.3%; J.P. Morgan Chase, 0.9%)
“Mergers and acquisitions get the headlines, but studies show they often end up destroying shareholder value instead of creating it. That’s one reason why organic growth is so prized by corporations and investors. In fact, if you compare the stock performance of a new index of 23 companies that are masters of organic growth to the S&P500, the Organic Growth Index beat the S&P500 handily, 31% vs. 22% over the year ending January 2004. And looking further back at a five-year period ending in 2002, the OGI walloped the S&P500, 25% vs. 3%.” —Fortune.com/06.03.2004 (The OGI includes Wal*Mart, Sysco, Harley-Davidson, Bed, Bath & Beyond, NVR)
“Acquisitions are about buying market share. Our challenge is to create markets. There is a big difference.”

Peter Job, CEO, Reuters
Omnicom's acquisitions: “not for size per se”; “buying talent;” “deepen a relationship with a client.”” (Advertising Age/07.05)

“Omnicom very simply is about talent. It’s about the acquisition of talent, providing the atmosphere so talent is attracted to it.” (John Wren)
Market Share, Anyone?

240 industries: Market-share leader is ROA leader 29% of the time

Source: Donald V. Potter, *Wall Street Journal*
Spinoffs perform better than IPOs … track record, profits … “freed from the confines of the parent … more entrepreneurial, more nimble” —Jerry Knight/ Washington Post/08.05
Market Share, Anyone?

— 240 industries; market-share leader is ROA leader 29% of the time

— Profit / ROA leaders: “aggressively weed out customers who generate low returns”

Source: Donald V. Potter, *Wall Street Journal*
Duh!

“Combination of Dean Witter, Morgan Stanley Started Battle of Cultures” — Headline/USA Today/061405

(upon the “departure” of CEO Phil Purcell) (“A Strategist Who Struggled as a Manager” — Headline/ NYT/061405)
“The Symantec-Veritas deal is … like all the others in a broad sense: It illustrates why mergers are a dysfunctional cog in the capital allocation machine. Even though the deals rarely result in significantly more profitable companies, institutional investors vote for them because they are forced into a corner: a ‘no’ vote usually leads to a big drop in the stock price. …

Academic research suggests that after they are completed, large stock-for-stock mergers like the Symantec-Veritas deal rarely produce companies that are outstanding performers. For that matter, few mergers of any kind lead to more profitable companies.” —Gretchen Morgenson/NYT/06.19.05

“The dearth of synergies in the Symantec-Veritas proposal underscores one of the deal’s main problems: The two companies products are so different that they should not be combined at all.” —Gretchen Morgenson

“One might ask, why did the management team and board approve this? This is a classic case of a really well-run business with a great management team that was looking around for things to buy for the sake of being bigger.” —Greg Taxin/institutional investment advisor
Sins #1 & #2 & #3

Marriage of slugabeds
All things to all people
“Middling” offering
48 Hours

0614: Morgan Stanley (de-merge?)
0614: HP (de-centralize)
0615: Viacom (de-merge)

= Focus!
Costco

*$17/hour (42% above Sam’s); very good health plan; low t/o, low shrinkage

*Low margins (“When I started, Sears, Roebuck was th Costco of the country, but they allowed someone to come in under them”—Jim Sinegal)

Source: “How Costco Became the Anti-Wal*Mart/NYT/07.17.05
"The problem is never how to get new, innovative thoughts into your mind, but how to get the old ones out."

Dee Hock
No Wiggle Room!

“Incrementalism is innovation’s worst enemy.”

Nicholas Negroponte
“Perfection is static, even boring. Imitations are redundant. Your true unvarnished self is what is wanted.” —Anna Quindlen, *Being Perfect*
Just Say No …

“I don’t intend to be known as the ‘King of the Tinkerers.’”

CEO, large financial services company
“Beware of the tyranny of making Small Changes to Small Things. Rather, make Big Changes to Big Things.”

—Roger Enrico, former Chairman, PepsiCo
“Wealth in this new regime flows directly from innovation, not optimization. That is, wealth is not gained by perfecting the known, but by imperfectly seizing the unknown.”

—Kevin Kelly, New Rules for the New Economy
“What drove Trippe? A fury that the future was always being hijacked by people with smaller ideas—by his first partners who did not want to expand airmail routes; by nations that protected flag carriers with subsidies; by the elitists who regarded flight, like luxury liners, as a privilege that could only be enjoyed by the few; by the cartel operators who rigged prices. The democratization he effected was as real as Henry Ford’s.” —Harold Evans on Juan Trippe, the PanAm boss who brought the B747 to life (WSJ/02.24.2005)
“Reward excellent failures. Punish mediocre successes.”

Phil Daniels, Sydney exec
“They” say “Improve.”
I say “Re-imagine!”
“Strategic Thrust Overlay”*

Sysco
Microsoft (I’net, Search)
GE (6-Sigma, Workout, etc.)
GSK (7 CEDDs)
Apple (Mac)
Hyundai (et al.) (Electronics, etc.)

*Different from Skunkworks
Glaxo: 7 “CEDDDs” … Centers of Excellence for Drug Discovery*

*IBM’s “Swat teams”
Ready. Fire! Aim.

“The Milken model, in a nutshell, is to stimulate research by drastically cutting the waiting time for grant money, to flood the field with fast cash, to fund therapy-driven ideas rather than basic science, to hold researchers he funds accountable for results, and to demand collaboration across disciplines and among institutions, private industry, and academia.” —Fortune/\textit{The Business}, “The Man Who Changed Medicine” (11.28-29)
Winning the Merger Game *Is* Possible

--Lots of deals
--Little deals
--Friendly deals

--Stay close to core competence
--Strategy is easy to understand

Innovation Index: How many of your Top 5 Strategic Initiatives/Key Projects score 8 or higher (out of 10) on a “Weirdness”/“Profundity/“Game-changer” Scale?
Follow the "4F" strategy*

*Find a Fellow Freak Faraway
Bottom line: No promotion to senior levels of public or private enterprise should ever again be granted to anyone who does not present a CV saturated by a clear and compelling demonstration of sustained commitment to Radical Change. Do we wish for “good strategists”? Why not! But the heart of the matter goes far beyond any plan, no matter how brilliant. The heart of the matter is Heart & Will ... a record of upsetting apple carts, dislodging “establishments,” and fundamentally altering deep-rooted “cultures” to embrace change of the most primal sort. I titled my most recent book *Re-imagine! Business Excellence in a Disruptive Age*. “Excellence” in a “disruptive age” is not excellence amidst placid waters. The notion of excellence itself changes ... dramatically. We need our public and private Churchills, leaders who can re-imagine, who can call forth wellsprings of daring and guts and spirit and spunk, from one and all, to topple the way things may have been for many generations—and who inspire us to venture forth into today’s and tomorrow’s whitewaters with insouciance and bravado and determination.
Re-imagine: Four (Count ‘em) Guaranteed Answers!
Innovate!
Find Freaks!*
Focus!
Listen to Kevin!
Kevin Roberts’ Credo

2. If it ain’t broke ... Break it!
3. Hire crazies.
4. Ask dumb questions.
5. Pursue failure.
6. Lead, follow ... or get out of the way!
7. Spread confusion.
8. Ditch your office.
9. Read odd stuff.

10. **Avoid moderation!**
Step #1: Buy a Mirror!
“The First step in a ‘dramatic’ ‘organizational change program’ is obvious—dramatic personal change!” —LH/RG/??
“Every project we undertake starts with the same question: ‘How can we do what has never been done before?’”

—Stuart Hornery, Lend Lease
“This is the true joy of Life, the being used for a purpose recognized by yourself as a mighty one ... the being a force of Nature instead of a feverish, selfish little clod of ailments and grievances complaining that the world will not devote itself to making you happy.” —GB Shaw/Man and Superman
“To Be somebody or to Do something”

BOYD: The Fighter Pilot Who Changed the Art of War (Robert Coram)
“All of our artistic and religious traditions take equally great pains to inform us that **we must never mistake a good career for good work.** Life is a creative, intimate, unpredictable conversation if it is nothing else—and our life and our work are both the result of the way we hold that passionate conversation.” —David Whyte, *Crossing the Unknown Sea: Work as a Pilgrimage of Identity*
“Tell me, what is it you plan to do with your one wild and precious life?”

—Mary Oliver
3A. The SE22: Origins of Sustainable Entrepreneurship
SE22/Origins of Sustainable Entrepreneurship

1. Genetically disposed to innovations that upset apple carts
   (3M, Apple, FedEx, Virgin, BMW, Sony, Nike, Schwab, Starbucks, Oracle, Sun, Fox, Stanford University, MIT)

2. Perpetually determined to outdo oneself, even to the detriment of today’s $$$ winners (Apple, Cirque du Soleil, Microsoft, Nokia, FedEx)

3. Treat History as the Enemy (GE)

4. Love the Great Leap/Enjoy the Hunt (Apple, Oracle, Intel, Nokia, Sony)

5. Use “Strategic Thrust Overlays” to Attack Monster Problems (Sysco, GSK, GE, Microsoft)

6. Establish a “Be on the COOL Team” Ethos. (Most PSFs, Microsoft)

7. Encourage Vigorous Dissent/Genetically “Noisy” (Intel, Apple, Microsoft, CitiGroup, PepsiCo)

8. “Culturally” as well as organizationally Decentralized (GE, J&J, Omnicom)

“Culture Change”: Not Required!

“The great thing is that Apple’s DNA hasn’t changed. The place where Apple has been standing for the last two decades is exactly where computer technology and consumer electronics markets are converging. So it’s not like we’re having to cross the river to go somewhere else; the other side of the river is coming to us.” —Steve Jobs/Fortune/02.21.05
“Decentralization’ is not a piece of paper. It’s not me. It’s either in your heart, or not.” —Brian Joffe/BIDvest
10. Keep decentralizing—tireless in pursuit of wiping out Centralizing Tendencies (J&J, Virgin)
11. Scour the world for Ingenious Alliance Partners—especially exciting start-ups (Pfizer)
12. Acquire for Innovation, not Market Share (Cisco, GE)
14. Execution/Action Bias: Just do it … don’t obsess on how it “fits the business model.” (3M, J & J)
15. Find and Encourage and Promote Strong-willed/Hyper-smart/Independent people (GE, PepsiCo, Microsoft)
16. Support Internal Entrepreneurs/Intrapreneurs (3M, Microsoft)
17. Ferret out Talent … anywhere and everywhere/“No limits” approach to retaining top talent (Nike, Virgin, GE, PepsiCo)
DePuySpine/J&J*

70/3
50+

game-changers!

*Still decentralized after all these years!
18. **Unmistakable Results & Accountability** focus from the get-go to the grave (GE, New York Yankees, PepsiCo)

19. **Up or Out** (GE, McKinsey, big consultancies and law firms and ad agencies and movie studios in general)

20. **Competitive to a fault!** (GE, New York Yankees, News Corp/Fox, PepsiCo)

21. “Bi-polar” Top Team, with “Unglued” Innovator #1, powerful Control Freak #2 (Oracle, Virgin) (Watch out when #2 is missing: Enron)

22. **Masters of Loose-Tight/Hard-nosed about a very few Core Values, Open-minded about everything else** (Virgin)
*Niche-aimed.* (Never, ever “all things for all people,” a “mini-Wal*Mart.”)

*Never attack the monsters head on!* (Instead steal niche business and lukewarm customers.)

*“Dramatically different”* (La Difference ... within our community, our industry regionally, etc ... is as obvious as the end of one’s nose!) (THIS IS WHERE MOST MIDGETS COME UP SHORT.)

*Compete on value/experience/intimacy, not price.* (You ain’t gonna beat the behemoths on cost-price in 9.99 out of 10 cases.)

*Emotional bond with Clients, Vendors.* (BEAT THE BIGGIES ON EMOTION/CONNECTION!!)
The “Small Guys” Guide: Wallop Walmart

*Hands-on, emotional leadership. (“We are a great & cool & intimate & joyful & dramatically different team working to transform our Clients lives via Consistently Incredible Experiences!”)
*A community star! (“Sell” local-ness per se. Sell the hell out of it!)
*An incredible experience, from the first to last moment—and then in the follow-up! (“These guys are cool! They ‘get’ me! They love me!”)
*DESIGN! (“Design” is a premier weapon-in-pursuit-of-the sublime for small-ish enterprises, including the professional services.)
The “Small Guys” Guide: Wallop Walmart

*Employer of choice. (A very cool, well-paid place to work/learning and growth experience in at least the short term ... marked by notably progressive policies.) (THIS IS EMINENTLY DO-ABLE!!)

*Sophisticated use of information technology. (Small-“ish” is no excuse for “small aims”/execution in IS/IT!)

*Web-power! (The Web can make very small very big ... if the product-service is super-cool and one purposefully masters buzz/viral marketing.)

*Innovative! (Must keep renewing and expanding and revising and re-imagining “the promise” to employees, the customer, the community.)
*Brand-Lovemark* (*Kevin Roberts) **Maniacs**!
(“Branding” is not just for big folks with big budgets. And modest size is actually a Big Advantage in becoming a local-regional-niche “lovemark.”)

*Focus on women-as-clients.* (Most don’t. How stupid.)

*Excellence!* (A small player ... per me ... has no right or reason to exist unless they are in Relentless Pursuit of Excellence. One earns the right—one damn day and client experience at a time!—to beat the Big Guys in your chosen niche!)
Bruce Mau/Incomplete Manifesto
Bruce Mau/Incomplete Manifesto

1. Allow events to change you.
2. Forget about good. Good is a known quantity. Good is what we all agree on. Growth is not necessarily good. Growth is an exploration of unlit recesses that may or may not yield to our research. As long as you stick to good you'll never have real growth.
3. Process is more important than outcome. When the outcome drives the process we will only ever go to where we've already been.
4. Love your experiments (as you would an ugly child). Joy is the engine of growth. Exploit the liberty in casting your work as beautiful experiments, iterations, attempts, trials, and errors. Take the long view and allow yourself the fun of failure every day.
5. Go deep. The deeper you go the more likely you will discover something of value.
6. Capture accidents. The wrong answer is the right answer in search of a different question.
7. Study.
9. Begin anywhere. John Cage tells us that not knowing where to begin is a common form of paralysis.
10. Everyone is a leader. Growth happens. Whenever it does, allow it to emerge. Learn to follow when it makes sense. Let anyone lead.
11. Harvest ideas. Edit applications.
12. Keep moving. The market and its operations have a tendency to reinforce success. Resist it.
13. Slow down.
14. Don’t be cool. Cool is conservative fear dressed in black.
15. Ask stupid questions.
16. Collaborate. The space between people working together is filled with conflict, friction, strife, exhilaration, delight, and vast creative potential.
Bruce Mau/Incomplete Manifesto

17. __________________. Intentionally left blank. Allow space for the ideas you haven’t had yet, and for the ideas of others.
18. Stay up late. Strange things happen when you’ve gone too far, been up too long, worked too hard, and you're separated from the rest of the world.
19. Work the metaphor. Every object has the capacity to stand for something other than what is apparent.
20. Be careful to take risks.
21. Repeat yourself. If you like it, do it again. If you don’t like it, do it again.
22. Make your own tools. Hybridize your tools in order to build unique things.
23. Stand on someone’s shoulders.
24. Avoid software. The problem with software is that everyone has it.
25. Don’t clean your desk.
27. Read only left-hand pages. Marshall McLuhan did this. By decreasing the amount of information, we leave room for what he called our “noodle.”
28. Make new words. Expand the lexicon. The new conditions demand a new way of thinking. The thinking demands new forms of expression. The expression generates new conditions.
29. Think with your mind. Forget technology. Creativity is not device-dependent.
30. Organization = Liberty. Real innovation in design, or any other field, happens in context. That context is usually some form of cooperatively managed enterprise. Frank Gehry, for instance, is only able to realize Bilbao because his studio can deliver it on budget. The myth of a split between “creatives” and “suits” is what Leonard Cohen calls a 'charming artifact of the past.'
31. Don’t borrow money. Once again, Frank Gehry’s advice. By maintaining financial control, we maintain creative control. It’s not exactly rocket science, but it’s surprising how hard it is to maintain this discipline, and how many have failed.
32. Listen carefully.
33. Take field trips.
34. Make mistakes faster.
35. Imitate. Don’t be shy about it. We have only to look to Richard Hamilton and his version of Marcel Duchamp’s large glass to see how rich, discredited, and underused imitation is as a technique.
36. Scat. When you forget the words, do what Ella did: make up something else ... but not words.
37. Break it, stretch it, bend it, crush it, crack it, fold it.
38. Explore the other edge. Try using old-tech equipment made obsolete by an economic cycle but still rich with potential.
39. Coffee breaks, cab rides, green rooms. Real growth often happens outside of where we intend it to, in the interstitial spaces — what Dr. Seuss calls “the waiting place.”
40. Avoid fields. Jump fences. Disciplinary boundaries and regulatory regimes are attempts to control the wilding of creative life.
41. Laugh.
42. Remember. Growth is only possible as a product of history. Without memory, innovation is merely novelty. History gives growth a direction.
43. Power to the people. Play can only happen when people feel they have control over their lives. We can't be free agents if we’re not free.
4. Re-imagine the Roots of Innovation: THINK WEIRD ... the High Value Added Bedrock.
FLASH:
Innovation is easy!
Saviors-in-Waiting

Disgruntled Customers
Off-the-Scope Competitors
Rogue Employees
Fringe Suppliers

Wayne Burkan, *Wide Angle Vision: Beat the Competition by Focusing on Fringe Competitors, Lost Customers, and Rogue Employees*
“Deviants, Inc. “Deviance tells the story of every mass market ever created. What starts out weird and dangerous becomes America’s next big corporate payday. So are you looking for the next mass market idea? It’s out there … way out there.”

Source: Ryan Matthews & Watts Wacker, Fast Company (03.02)
On Great Innovation Leaps

“Tune into weak signals inside the firm ... A good place to look for new ideas is distant foreign subsidiaries, smaller business units and affiliated companies that the company does not even wholly own. For example, Diageo’s highly successful Smirnoff Ice originated in Australia as Stolichnaya before it was picked up by the corporate marketing department as having global potential.” —Julian Birkenshaw, Rick Delbridge & John Bessant, “A Leap into the Unknown,” FT/09.17.04
CUSTOMERS: “Future-defining customers may account for only 2% to 3% of your total, but they represent a crucial window on the future.”

Adrian Slywotzky, Mercer Consultants
“If you worship at the throne of the voice of the customer, you’ll get only incremental advances.”

Joseph Morone, President, Bentley College
“These days, you can’t succeed as a company if you’re consumer led – because in a world so full of so much constant change, consumers can’t anticipate the next big thing.

*Companies should be idea-led and consumer-informed.*

Doug Atkin, partner, Merkley Newman Harty
“Generally, disruptive technologies underperform established established products in mainstream markets. But they have other features that a few fringe (and generally new) customers value.”

Clayton Christensen, *The Innovator’s Dilemma*
“The” Answer …

1* Friendly, Pioneering, Mid-size Customer [F4**] = Sparkling Demo/s = Attractant

*Or 2 or 3 or 4 or 5

**Find a Fellow Freak Faraway
COMPETITORS: “The best swordsman in the world doesn’t need to fear the second best swordsman in the world; no, the person for him to be afraid of is some ignorant antagonist who has never had a sword in his hand before; he doesn’t do the thing he ought to do, and so the expert isn’t prepared for him; he does the thing he ought not to do and often it catches the expert out and ends him on the spot.”

Mark Twain
“To grow, companies need to break out of a vicious cycle of competitive benchmarking and imitation.” —W. Chan Kim & René Mauborgne, “Think for Yourself —Stop Copying a Rival,” Financial Times/08.11.03
“Benchmarking”? Try the Corner Deli or the Local Hairdresser!


The Fantastic Hairdresser/former London hairdresser Alan Austin-Smith.

Zingerman’s Guide to Giving Great Service/Zingerman’s co-founder Ari Weinzweig/Ann Arbor MI deli/Mission statement: “We share the Zingerman’s experience selling food that makes you happy, giving service that makes you smile—in passionate pursuit of our mission, showing love and caring in all our actions to enrich as many lives as we possibly can.” (Don’t you wish your bank or phone company or car dealer would live by—or even vaguely imagine living by—such a Credo?)
“Don’t benchmark, futuremark!”

Impetus: “The future is already here; it’s just not evenly distributed”—William Gibson
GH:

“Get better”

vs

“Get different”
“The short road to ruin is to emulate the methods of your adversary.” — Winston Churchill
“This is an essay about what it takes to create and sell something remarkable. It is a plea for originality, passion, guts and daring. You can’t be remarkable by following someone else who’s remarkable. One way to figure out a theory is to look at what’s working in the real world and determine what the successes have in common. But what could the Four Seasons and Motel 6 possibly have in common? Or Neiman-Marcus and Wal*Mart? Or Nokia (bringing out new hardware every 30 days or so) and Nintendo (marketing the same Game Boy 14 years in a row)? It’s like trying to drive looking in the rearview mirror. The thing that all these companies have in common is that they have nothing in common. They are outliers. They’re on the fringes. Superfast or superslow. Very exclusive or very cheap. Extremely big or extremely small. The reason it’s so hard to follow the leader is this: The leader is the leader precisely because he did something remarkable. And that remarkable thing is now taken—so it’s no longer remarkable when you decide to do it.” —Seth Godin, Fast Company/02.2003
“How do dominant companies lose their position? Two-thirds of the time, they pick the wrong competitor to worry about.” —Don Listwin, CEO, Openwave Systems/WSJ/06.01.2004 (commenting on Nokia)
Kodak .... Fuji
GM .... Ford
Ford .... GM
IBM .... Siemens, Fujitsu
Sears ... Kmart
Xerox .... Kodak, IBM
“Researchers asked subjects to count the number of times ballplayers with white shirts pitched a ball back and forth in a video. Most subjects were so thoroughly engaged in watching white shirts that they failed to notice a black gorilla that wandered across the scene and paused in the middle to beat his chest. They had their noses buried in their work that they didn’t even see the gorilla. What gorillas are moving through your field of vision while you are so hard at work that you fail to see them? Will some of these 800-pound gorillas ultimately disrupt your game?” —Jerry Wind and Colin Crook, *The Power of Impossible Thinking: If You Can Think Impossible Thoughts, You Can Do Impossible Things*
Innovation!

NOT

Imitation
Employees: “Are there enough weird people in the lab these days?”

V. Chmn., pharmaceutical house, to a lab director
Why Do I love Freaks?

(1) Because when Anything Interesting happens ... it was a *freak* who did it. (Period.)
(2) *Freaks* are fun. (Freaks are also a pain.) (Freaks are never boring.)
(3) We need *freaks*. Especially in freaky times. (Hint: These are freaky times, for you & me & the CIA & the Army & Avon.)
(4) A critical mass of *freaks-in-our-midst* automatically make us-who-are-not-so-freaky at least somewhat more freaky. (Which is a Good Thing in freaky times—see immediately above.)
(5) *Freaks* are the only (ONLY) ones who succeed—as in, make it into the history books.
(6) *Freaks* keep us from falling into ruts. (If we listen to them.) (We seldom listen to them.) (Which is why most of us—and our organizations—are in ruts. Make that chasms.)
“Somewhere in your organization, groups of people are already doing things differently and better. To create lasting change, find these areas of positive deviance and fan the flames.” —Richard Tanner Pascale & Jerry Sternin, “Your Company’s Secret Change Agents,” HBR
“Some people look for things that went wrong and try to fix them. I look for things that went right, and try to build off them.”

—Bob Stone (Mr ReGo)
The Ten Faces of Innovation/Tom Kelley

*The Anthropologist. Master of human behavior … “gets” the user.
*The Experimenter. Mr/Ms Fast Prototyper.
*The Hurdler. Master remover of B.S. roadblocks.
*The Collaborator. Brings intriguing combinations of people together.
*The Director. Brings out the creative best from an odd mix of talents.
*The Experience Architect. Turns “products” into “performances.”
*The Set Designer. Creates fabulous office environments that foster constant innovation.
*The Caregiver. Anticipates customer needs like a magician.
*The Storyteller. Creates narratives that capture the spirit of the group and its products/services/experiences.
“global innovation networks” vs “research in large monolithic companies”

Source: George Colony/Forrester Research
There is an ominous downside to strategic supplier relationships. An SSR supplier is not likely to function as any more than a mirror to your organization. Fringe suppliers that offer innovative business practices need not apply.”

Wayne Burkan, *Wide Angle Vision: Beat the Competition by Focusing on Fringe Competitors, Lost Customers, and Rogue Employees*
Axiom: Never use a vendor who is not in the top quartile (decile?) in their industry on R&D spending!*

*Inspired by Hummingbird
* It’s crazy out!
* It’s only gonna get crazier!
* “Best” is not good enough!
* Innovators win!
  (* 70/3 is Very Cool!)
* “Dramatic Difference” is a must!
* Copycats & bulk-up artists lose!
  (* I’d rather work for J&J than P&G!)
* Passion rules!
* “Lovemarks” beat brands!
* Goal #1: Start a Movement!
* He/She who has the Best Story wins!
  * Use the Web!

* Get up earlier than the next guy!
* “Two ears, one mouth” yadda yadda!
* Remember your Thank You notes!
Boards: “Extremely contentious boards that regard dissent as an obligation and that treat no subject as undiscussable” —Jeffrey Sonnenfeld, Yale School of Management
We become who we hang out with!
Measure “Strangeness”/Portfolio Quality

Staff
Consultants
Vendors
Out-sourcing Partners (#, Quality)
Innovation Alliance Partners
Customers
Competitors (who we “benchmark” against)
Strategic Initiatives
Product Portfolio (LineEx v. Leap)
IS/IT Projects
HQ Location
Lunch Mates
Language
Board
“The Bottleneck is at the Top of the Bottle”

“Where are you likely to find people with the least diversity of experience, the largest investment in the past, and the greatest reverence for industry dogma?

At the top!”

— Gary Hamel/“Strategy or Revolution”/Harvard Business Review
The Re-imagineer’s Credo … or, Pity the Poor Brown*

*WSC

Technicolor Times demand …
Technicolor Leaders and Boards who recruit …
Technicolor People who are sent on …
Technicolor Quests to execute …
Technicolor (WOW!) Projects in partnership with …
Technicolor Customers and …
Technicolor Suppliers all of whom are in pursuit of …
Technicolor Goals and Aspirations fit for …
Technicolor Times.
**Button-down Org**

- Acquire for market share
- *Suck up to biggest customers*
- Pursue “strategic vendors”
- *Bigger is better*
- Accept assignments as given
- *Hire 4.0s from “top schools”*
- Promote when they’ve “paid their dues”
- Appoint a “prestigious” board
- Hang out with my pals
- *R.A.F.*
- Be “professional” at all times/Honor thine elders

**H.S.D.E.**

- Acquire for innovation
- *Partner with cool customers*
- Seek out pioneering vendors
- *Break it up … to refresh*
- Reframe all tasks to innovate
- *Hire “intriguing,” wherever*
- Promote tomorrow if the work product is weird and WOW
- Appoint an interesting, *headstrong board*
- Take a freak to lunch today
- *F.F.F.*
- Stay loose, stay cool/The hell with thine elders
Renewal = The Weird 10 = The “High S.D.” Enterprise/Individual
Pioneer [Weird] Acquisitions

Pioneer [Weird] Customers & Alliance Partners
[Measure the Customer-Partner Portfolios’ S.D./Weirdness Index]

Divide & Conquer/“Sell-by” [Lessons from the Bees, Sir Richard, Gary H.]

Pioneer Assignments/Pioneer Projects/Pioneer Partners
[F2F: Freak-to-Freak/ 4F: Find a Fellow Freak Faraway]

Hire Weird [Diversity]/Train Weird/Promote Weird/Pay Gobs & Promote Fast & Cherish “Six Sigma” Talent/Appoint a Weird Board

Weed Un-weird [“One Sigma” “Talent,” etc.]

Hang out with Weird [Univ. of Weird]/Lunch with Weird/
Read & Surf Weird/Vacate Weird

R.A.F. to R.F.A. to F.F.F. [O.O.D.A. Loops/Prototyping Mania]

Sense of Humor [Rhapsodize Over Thine Cool Failures!]

Re-enforce a “Culture of Disrespect”/PassionatePiracy
II. NEW BUSINESS. NEW TECH.
5. Re-imagine Organizing I: IS/IT as Disruptive Tool!
Re-imagine Organizing I: IS/IT as Game Changer!
(Or: Why Bother?)
We all live in Dell-Wal*Mart-eBay-Google World!
“Terrorists Turn to Web as Base of Operations” —headline/washingtonpost.com/080805
“Attacking Iraq from a Nevada Computer: Unmanned Predators Are Piloted in US”

Headline/Boston Globe/04.03.05
“KRAFT, America’s largest food company, built its empire by devouring smaller firms, but it is now selling some of its properties because of the demands of the world’s biggest retailer. *Wal-Mart has become so powerful that it can tell its suppliers which brands to own and which to sell, based on which goods are selling in its thousands of shops across the U.S.*”—The Business (UK), 28/29 November, “Kraft sell-offs on the menu as Wal-Mart bites.”
Productivity!

McKesson 2002-2003:
Revenue ... +$7B
Employees ... +500

Source: USA Today/06.14.04
“UPS used to be a trucking company with technology. Now it’s a technology company with trucks.” —Forbes
“Invisible Supplier Has Penney’s Shirts All Buttoned Up: From Hong Kong, It Tracks Sales, Restocks Shelves, Ships Right to the Store.” —Headline, Wall Street Journal (09.11.03)
“Our entire facility is digital. No paper, no film, no medical records. Nothing. And it’s all integrated—from the lab to X-ray to records to physician order entry. Patients don’t have to wait for anything. The information from the physician’s office is in registration and vice versa. The referring physician is immediately sent an email telling him his patient has shown up. … It’s wireless in-house. We have 800 notebook computers that are wireless. Physicians can walk around with a computer that’s pre-programmed. If the physician wants, we’ll go out and wire their house so they can sit on the couch and connect to the network. They can review a chart from 100 miles away.” —David Veillette, CEO, Indiana Heart Hospital (HealthLeaders/12.2002)
“Ebusiness is about rebuilding the organization from the ground up. Most companies today are not built to exploit the Internet. Their business processes, their approvals, their hierarchies, the number of people they employ … all of that is wrong for running an ebusiness.”

Ray Lane, Kleiner Perkins
“The organizations we created have become tyrants. They have taken control, holding us fettered, creating barriers that hinder rather than help our businesses. The lines that we drew on our neat organizational diagrams have turned into walls that no one can scale or penetrate or even peer over.” —Frank Lekanne Deprez & René Tissen, Zero Space: Moving Beyond Organizational Limits.
5% of F500 have CIO on Board: “While some of the world’s most admired companies—Tesco, Wal*Mart—are transforming the business landscape by including technology experts on their boards, the vast majority are missing out on ways to boost productivity, competitiveness and shareholder value.”

Source: Burson-Marsteller
Sysco!
* Aggressive/$$$$
* Bold/GameChanger
* Bold/Creative Destruction
* “Cool” Supplier Portfolio
* Web Fanaticism
Power Tools for Power Solutions/Strategies! —TP
I really think I offered the Right Challenge to your (our!) customers .... that "these" are "radical tools" for "radical times." That they should not be wasted on non-radical projects. My Goal was to be Tough & Mean on that point. My "HP Sales Pitch" (for what little it's worth): Don't come to us for piss-ant project support; come to us if you aim to dramatically alter your industry's dynamics. (That's essentially what I said to the shipping guy I met one-to-one.)
Great email from ... JUDITH SINNARD (smarteplans.com): Judith has a “little” idea. She provides eServices to the Houston real estate community. She measures rooms at a MLS home, provides at a Click dimensions thereof ... as well as photos of each room. Little deal? Big deal? The average days-on-market for one of “her” homes was 33 last year, compared to the average of 82 days. “Little” idea. Big industry! Big difference!
6. Re-imagine Organizing II: What Organization?
“Organizations will still be critically important in the world, but as ‘organizers,’ not ‘employers’!” — Charles Handy
Ford: “Vehicle brand owner”
(“design, engineer, and market, but not actually make”)

Source: The Company, John Micklethwait & Adrian Wooldridge
Revenue: $10B

FTE: 1*

*Maybe
“Don’t own nothin’ if you can help it. If you can, rent your shoes.”

F.G.
No Limits?

“Short on Priests, U.S. Catholics Outsource Prayer to Indian Clergy”

—Headline, New York Times/06.13.04

(“Special intentions,” $.90 for Indians, $5.00 for Americans)
Not “out sourcing”
Not “off shoring”
Not “near shoring”
Not “in sourcing”

but ...

“Best Sourcing”

—Business 2.0/June 2005 (Mary Janes)
“global innovation networks” vs “research in large monolithic companies”

Source: George Colony/Forrester Research
Big Idea: “Corporation” as Mega-“PSF” (Professional Service Firm*)

“The corporation as we know it, which is now 120 years old, is not likely to survive the next 25 years. Legally and financially, yes, but not structurally and economically.”

Peter Drucker, Business 2.0
Limits to outsourcing: Bill & Search
“Managers are the dinosaurs of our modern organizational ecology. The Age of Management is finally coming to a close. The need for overseers, surrogate parents, scolds, monitors, functionaries, disciplinarians, bureaucrats, and lone implementers is over, while the need for visionaries, leaders, coordinators, coaches, mentors, facilitators, and conflict resolvers is steadily increasing, pressing itself upon us. ... Nearly unnoticed, a far-reaching organizational transformation has already begun, based on the idea that management as a system fails to open the heart or free the spirit. This revolution is attempting to turn inflexible, autocratic, static, coercive bureaucracies into agile, evolving, democratic, collaborative, self-managing webs of association.”

—The End of Management, Kenneth Cloke & Joan Goldsmith
7. Re-imagine Organizing III: The Power of “We”
Re-imagine Organizing II: The Power of “We” (The Whole World Is Rocked.)
e-piphany

epicurious.com

—Cover/BusinessWeek/06.20.05
Globalization 1.0: Countries globalizing (1492-1800)
Globalization 2.0: Companies globalizing (1800-2000)
Globalization 3.0 (2000+): Individuals collaborating & competing globally

Source: Tom Friedman/The World Is Flat
Skype: 41M users, 150K/day

“… a self-sustaining phone system that requires no central capital investment—just the willingness of its users to share” (BW/06.05)

“It’s almost like an organism” (Skype CEO Niklas Zennstrom)
“The nearly 1 billion people online worldwide—along with their shared knowledge, social contacts, online reputations, computing power, and more—are rapidly becoming a collective force of unprecedented power. For the first time in human history, mass cooperation across time and space is suddenly economical.” —BW/06.20.05
“There’s a fundamental shift in power happening. Everywhere, people are getting together and, using the Internet, disrupting whatever activities they’re involved in.”

—Pierre Omidyar, founder, eBay
“What sets the new technologies apart from those of the Internet’s first generation is their canny way of turning self-interest into social benefit—and real economic value.” —BW/06.05
“The architecture of participation” —Tim O’Reilly/Tech-book publisher
“Give a little, take a lot.” —open source motto (BW cover/0131/on Linux)
Wikipedia.org
“Blogging made my year!” — TP

Portal!
Conversations!
Collaboration!
New value!
8. Re-imagine the Customer Relationship in The Age of IS/IT: Going 1t1!
Re-imagine the Customer Relationships:

Go 1t1!

(Where the Loot Is!)
Mass

Narrowcast

1t1: DBM/CRM
1t1: Web
1t1: Direct Mail/Telemarketing
1t1: Door-to-door Reps-Parties/MLM
Growth Projections: 2003-2010

Narrowcast media ... 13.5%
Mass media ... 3.5%

Source: Sanford C. Bernstein & Co
“Money that used to go for 30-second network spots now pays for closed-circuit sports programming piped into Hispanic bars and for ads in *Upscale*, a custom-published magazine distributed to black barber shops. … ‘We are a big marketer—we are not a mass marketer,’ says Lawrence Light, McDonald’s chief marketing officer.” —BW/0704
<table>
<thead>
<tr>
<th>Category</th>
<th>Old</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumers</td>
<td>Couch potatoes, passively receive whatever the networks broadcast</td>
<td>Empowered media users control and shape the content, thanks to TiVo, iPod, and the Internet</td>
</tr>
<tr>
<td>Aspirations</td>
<td>To keep up with the crowd</td>
<td>To stand out from the crowd</td>
</tr>
<tr>
<td>TV Choice</td>
<td>Three networks plus a PBS station, maybe</td>
<td>Hundreds of channels, plus video on demand</td>
</tr>
<tr>
<td>Magazines</td>
<td>Age of the big glossies: <em>Time, Life, Look, and Newsweek</em></td>
<td>Age of the special interest: A magazine for every hobby and affinity group</td>
</tr>
<tr>
<td>Ads</td>
<td>Everyone hums the Alka-Seltzer jingle</td>
<td>Talking to a group of one: Ads go ever narrower</td>
</tr>
<tr>
<td>Brands</td>
<td>Rise of the big, ubiquitous brands, from Coca-Cola to Tide</td>
<td>Niche brands, product extensions, and mass customization mean lots of new variations</td>
</tr>
</tbody>
</table>

Source: *BusinessWeek*/07.12
Direct Selling’s Potent Promise

-- “This industry is global and is growing exponentially.” —Roger Barnett, investment banker specializing in direct selling

-- DSA: 175,000 Americans sign up per week (475,000 worldwide)

-- All industries (wellness, telecoms, financial services … Crayola’s Big Yellow Box)

-- Global: Avon, 70%; Tupperware, 75%; China & India huge

-- MLM’s share of direct selling: 56% in 1990 to 82% in 2003
Case: CRM
“CRM has, almost universally, failed to live up to expectations.”

Butler Group (UK)
No! No! No!  *FT*: “The aim [of CRM] is to make customers feel as they did in the pre-electronic age when service was more personal.”
150@$40K

eLearning

Study/R&D!
Face time

Blog

Web site
eLearn initiatives

reOrg TPC/focus on core

Build BRAND
Full service
Expand service
Experiment with tech, etc, etc

Experience/WOW/Unique
III. NEW BUSINESS. NEW VALUE PROPOSITION.
Re-imagine:

Up, Up, Up, Up, Up the Value-added Ladder.
“barn’s burnt down... now I can see the moon” —Mashahide/Zen poet
9. **Re-imagine Organizing IV:** The White-Collar Tsunami and the Professional Service Firm ("PSF") Imperative.
Jeff Immelt: 75% of "admin, back room, finance" "digitalized" in 3 years.

Source: BW (01.28.02)
“Product Design Outsourcing Set For Big Rise”

—Headline/FT/06.05
“Teenagers in India have big ambitions—and the confidence to match” —headline/Fortune/07.05
Must It Be Mfg?*

Africa: Tanzania/A ... $523  
Niger/M ... $741  
Kenya/S ... $1022

Central America: Nicaragua/M ... $2366  
Salvador/S ... $4497

EEurope: Ukraine/A ... $3816  
Macedonia/M ... $5086  
Poland/S ... $9051

SEAsia: Indonesia/A ... $3043  
Brunei/M ... $16779* (*lotsa oil, no people)  
Malaysia/S ... $9068

“When patients needed urgent CT scans, MRIs and ultrasounds late at night at St. Mary’s Hospital in Waterbury CT, emergency room workers used to rouse a bleary-eyed staff radiologist from his bed to read the images. Not anymore. The work now goes to Arjun Kalyanpur—8,000 miles away in Bangalore ...”
*70% start search on Web (vs 49% newspaper) (1.9 weeks with Realtor vs 7.1); 35% of leads from Web (25-35% of fee); commission, 6%-4.5% ($60B)
“I got my mortgage through Costco” —Consumer Goods Exec/06.05

*via Lending Tree

**$200 Costco Card (came as $300)

***Next up: Health Insurance (CA pilot)
“Software is a forklift for the left brain.” —Dan Pink
Sarah: “Mom, what do you do?”

Mom: “I’m ‘overhead.’”
Sarah: “Mom, what do you do?”

Mom: “I manage a ‘cost center.’”
Sarah: “Papa, what do you do?”

Papa: “I’m ‘overhead.’”
Sarah: “Daddy, what do you do?”

Papa: “I’m a ‘bureaucrat.’”
Sarah: “Papa, what do you do?”

Papa: “I manage a ‘cost center.’”
Job One: Getting *(WAY)* beyond the “Cost center,” “Overhead” mentality!
Answer: PSF!
[Professional Service Firm]

Department Head
to ...

Managing Partner,
HR [IS, etc.] Inc.
“Typically in a mortgage company or financial services company, ‘risk management’ is an overhead, not a revenue center. We’ve become more than that. We pay for ourselves, and we actually make money for the company.” —Frank Eichorn, Director of Credit Risk Data Management Group, Wells Fargo Home Mortgage (Source: sas.com)
Mantra: “Eichorn it!”
Big Idea: “Corporation” as Mega-“PSF” (Professional Service Firm*)

Big Idea/“Meta”-Idea/Premier “Engine of Value Added”


2. The (Virtual) Organization: Internal or External “PSF”/Professional Service Firm working with “Best Anywhere” = Engine of Value Added through the Application of Creative “Intellectual Capital”

3. The Work Product: “Game Changer” WOW Projects
DD $21M
9A. The “PSF35”: Thirty-Five Professional Service Firm Marks of Excellence
“‘Disintermediation’ is overrated. Those who fear disintermediation should in fact be afraid of irrelevance—disintermediation is just another way of saying that you’ve become irrelevant to your customers.” —John Battelle/Point/Advertising Age/07.05
“Think BIG ... Think DIFFERENT ... Think COOL” ... “Appropriate ‘benchmark’: earn a place in the history books ... be able to say to your grandson/daughter, ’I was project manager of the Big Dig’” —TP/Bentley magazine
The PSF35: The Work & The Legacy

1. **CRYSTAL CLEAR POINT OF VIEW** (Every Practice Group: “If you can’t explain your position in eight words or less, you don’t have a position”—Seth Godin)

2. **DRAMATIC DIFFERENCE** (“We are the only ones who do what we do”—Jerry Garcia)

3. Stretch Is Routine (“Never bite off less than you can chew”—anon.)

4. **Eye-Appetite for Game-changer Projects (Excellence at Assembling “Best Team”—Fast)**

5. “Playful” Clients (Adventurous folks who unfailingly Aim to Change the World)

6. Small “Uneconomic” Clients with Big Aims

7. Life Is Too Short to Work with Jerks (Fire lousy clients)

8. **OBSESSED WITH LEGACY** (Practice Group and Individual: “Dent the Universe”—Steve Jobs)


10. Consistent with #9 above … **DO NOT SHY AWAY FROM THE WORD (IDEA) “RADICAL”**
Best is not good enough!
Do good (excellent?!) work
Make a lot of money
Point of View!
*Remarkable Point Of View/8 Words or less/“If you can’t state your position in eight words or less you don’t have a position.”--SG
“If you can’t state your position in eight words or less, you don’t have a position.” —Seth Godin
“If you can’t write your movie idea on the back of a business card, you ain’t got a movie.”

—Samuel Goldwyn
“I make all the launch teams tell me what the magazine’s about in five words or less. You can’t run alongside millions of consumers and explain what you mean. It forces some discipline on you.” — Ann Moore, CEO, Time Inc., on new mags
“Gasp-worthy!”
P4300. Will you remember "it" 10/20 years from now? Will you show it off your kids/grandkids?
“Every project we undertake starts with the same question: ‘How can we do what has never been done before?’”

—Stuart Hornery, Lend Lease
Koolhaas is drawn to any concept that has never been tried before.” — The New Yorker/03.14.05
“Lockstep is easiest, but there’s a reason you cannot succumb to it. Because nothing great or even good ever came of it. Sometimes I meet young writers, and I like to share with them the overwhelming feeling I have about our work. Once you’ve read Anna Karenina [etc.], you understand that there is really no reason to ever write another novel. Except that each writer brings to the table, if she will let herself, something that no one else in the history of time ever has. That is her own personality, her own voice. *If she is doing Fitzgerald imitations, she can stay home.* *If she is giving readers what she thinks they want instead of what she is, she should stop trying.* But *if her books reflect her character, the authentic shape of her life and her mind, then she may well be giving readers a new and wonderful gift.* Giving it to herself, to.”

—Anna Quindlen, *Being Perfect*
“Gasp-worthy!”

As an alumnus, I received an email from McKinsey about its response to the SEAsian tragedy. I read it, nodded, and cast it aside. (But did not “delete” for some unknown reason.”) I returned to it a few hours later—and was moved to send McKinsey’s managing partner an email. I said that the response was “perfectly adequate,” but I added that business has a tawdry rep these days and that McKinsey is the premier Counselors to Top Management … so, I chided, I saw it as a missed opportunity … that McKinsey’s response failed to “make me gasp by its audacity.”
Question #1 ...

"HOW WILL THIS PROJECT ENHANCE THE CUSTOMER EXPERIENCE IN A WAY THAT WILL IMPLEMENT 'DRAMATIC DIFFERENCES' FROM OUR COMPETITORS SO THAT WE CAN CAPTURE NEW CUSTOMERS, RETAIN OLD CUSTOMERS & GROW THEIR BUSINESS, BUILD OUR BRAND INTO A LOVEMARK ... AND KICK-START THE 'TOP LINE'?"
Every Project

Surprises

Inkling of Revolution

“Ladle Droppers”

Discomfort/Fear

“Nobody’s Done That”
The PSF35: The Client Experience

11. Always team with client: “full partners in achieving memorable results” (Wanted: “Chimeras of Moonstruck Minds”!)

12. We will seek assistance Anywhere to assemble the Best-in-Planet Team for the Project

13. Client Team Members routinely declare that working with us was “the Peak Experience of my Career”

14. The job’s not done until implementation is “100.00% complete” (Those who don’t “get it” must go)

15. IMPLEMENTATION IS NOT COMPLETE UNTIL THE CLIENT HAS EXPERIENCED “CULTURE CHANGE”

16. IMPLEMENTATION IS NOT COMPLETE UNTIL SIGNIFICANT “TECHNOLOGY TRANSFER” HAS TAKEN PLACE-ROOT (“Teach a man to fish …”)

17. The Final Exam: DID WE MAKE A DRAMATIC, LASTING, GAME-CHANGING DIFFERENCE?
18. **TALENT FANATICS** (“Best-Coolest place to work”) (PERIOD)
19. **EYE FOR THE PECULIAR** (Hiring: Go beyond “same old, same old”)
20. Early Opportunities (vs. “Wait your turn”)
21. Up or Out (Based on “Legacy”/Mentoring as much as “Billings”/“Rainmaking”)
22. Slide the Old Aside/Make Room for Youth (Find oldsters new roles?)
23. **TALENT IS OBSESSED WITH RENEWAL FROM DAY #1 TO DAY #“R”** [R = Retirement]
24. Office/Practice Leaders Evaluated Primarily on Mentoring-Team Building Skills
25. **A “PROPRIETARY” TALENT DEVELOPMENT PROCESS (GE)**
26. Team Leadership Skills Valued Early
27. Partner with B.I.W. [Best In World] Outsiders as Needed and to Infuse Different Views
The PSF35: The Firm & The Brand

28. **EAT-SLEEP-BREATHE-OOZE INTEGRITY** (“My life is my message”—Gandhi)

29. Excellence+ in **EXECUTION** ... 100.00% of the Time
   (No such thing as a “small sins”/World Series Ring to the Batboy!)

30. “Drop everything”/“Swarm” to Support a Harried-On The Verge Team

31. **SPEND AS AGGRESSIVELY ON R&D AS A TECH FIRM OR CIRQUE DU SOLEIL**

32. **A PROPRIETARY METHODOLOGY** (FBR, McKinsey, Chiat Day, IDEO, old EDS)

33. Web (Technology) Obsession

34. **BRAND/“LOVEMARK” MANIACS** (Organize Around a Point of View Worth BROADCASTING: “You must be the change you wish to see in the world”—Gandhi)

35. **PASSION! ENTHUSIASM!** (Passion & Enthusiasm have as much a place at the Head Table in a “PSF” as in a widgets factory: “You can’t behave in a calm, rational manner. You’ve got to be out there on the lunatic fringe”—Jack Welch)
Static/Imitative

Integrity.
Quality.
Excellence.
Continuous Improvement.
Superior Service (Exceeds Expectations.)
Completely Satisfactory Transaction.
Smooth Evolution.
Market Share.

Dynamic/Different

Dramatic Difference!
Disruptive!
Insanely Great! (Quality++++)
Life-(Industry-)changing Experience!
Game-changing!
WOW!
Surprise!
Delight!
Breathtaking!
Punctuated Equilibrium!
Market Creation!
“This is the true joy of Life, the being used for a purpose recognized by yourself as a mighty one ... the being a Force of Nature instead of a feverish, selfish little clod of ailments and grievances complaining that the world will not devote itself to making you happy.” —GB Shaw/ Man and Superman (from Mike Ray, The Highest Goal)
“This is an important speech! Why? You are important people! And why the hell do I have to persuade you of that? Get the %$^&* chip off your shoulders! Stand tall! DARE TO BE ‘INSANELY GREAT.’ Act like the stalwart heroes you truly are! Damn it!” —TP to CIOs, HR directors/11.04
“Never doubt that a small group of committed people can change the world. Indeed it is the only thing that ever has.”

—Margaret Mead
“Nobody can prevent you from choosing to be exceptional.” —Mark Sanborn, *The Fred Factor*

“To live is the rarest thing in the world. Most people exist, That is all.” —Oscar Wilde

“Make your life itself a creative work of art.” —Mike Ray, *The Highest Goal*
Coolest “PSF”

Fully decked-out Big Rig!*

*PSF/WOW Project/Brand You/“Dramatic Difference”
Case: Real Estate 2004
HouseValues.com ... HomeGain.com ... House.com ... ServiceMagic.com ... LendingTree.com ... har.com ... ZipRealty.com ... homedepot.com ... forsalebyowner.com ... homestore.com ... HomeLoanCenter.com ... owners.com ... CompleteHome.com ... Reply.com*

*70% start search on Web (vs 49% newspaper) (1.9 weeks with Realtor vs 7.1); 35% of leads from Web (25-35% of fee); commission, 6%-4.5% ($60B)
Real Estate Joins “Club Crushing Competition”! Big Time!

Upon being questioned by a member of the audience concerning slipping commissions, I drew a rueful laugh when I snippily retorted, “Get over it.” I added, “Be thankful for how long your Monopoly lasted, and when you do hold your Weeping Party, don’t invite Stockbrokers—their fee structure means they can hardly afford Cab Fare to your whinging party, so the sympathy will doubtless be in short supply.”

Truth is, I had a ball during my 91st and Last seminar of 3004—to the Very Progressive … Houston Association of Realtors. Texans are fun to be around to begin with, and I as usual got a great kick out of dealing with yet another Profession coming … Under Direct Siege. After years of an almost guaranteed 6% commission … The Web Has Arrived. I spent hours patrolling the likes of LendingTree.com, ZipRealty.com, ServiceMagic.com, HomeLoanCenter.com, HouseValues.com, forsalebyowner.com and homedepot.com. The array of online services, advisory to turnkey, is staggering … and growing daily-exponentially. (And attracting aggressive players like Barry Diller and Cendant.)

Source: Blog entry at tompeters.com/12.17.04
Real Estate Joins “Club Crushing Competition”! Big Time!

Some 70% of prospective RE residential purchasers now start their search for home & agent on the Web; those who so utilize the Web spend on average 1.9 weeks with a live Realtor, vs 7.1 weeks for the non-Webbies. Realtors pay 25% or so—a Big Deal—of their fee for on-line generated leads from 3rd-party providers, and commissions in general are more like 4.5% than 6% these days and headed for the Rio Grande.

Talk about trauma-for-traditionalists! (The industry, including Houston, sports a, shall we say, sizeable share of Gray Hairs.)

The Houston Association of Realtors, typically considered best-in-breed nationally, has its own brilliant & aggressive & high-investment Web site, HAR.com. Unlike many of its sister associations, HAR is urging members to progressively live with and take advantage of the changes; other associations are following the futile “genie-back-in-the-bottle” approach, and frequently using their formidable local political clout to shut down public-listing sites in their locales. Talk about baying at the moon! Eventually, the courts will stop the silliness, but not before the Luddites lose another few years playing defense.
Real Estate Joins “Club Crushing Competition”! Big Time!

My Tom-message was fourfold: (1) The Web is here to stay/You ain’t seen nothin’ yet. (2) Make the Web and the New Services your allies & partners, make them work for you, not vice versa. (3) The old commission structure is DOA—get on with life. (4) Respond to competition by Leaping Up the Value-added Chain … and offering Irresistible Experiences of the Cirque du Soleil variety.

As some of you know, I just returned from England where I participated with Saatchi’s Kevin Roberts in a Microsoft Webinar on KR’s powerful-profound Lovemarks idea. I hawked it like crazy yesterday, as I did with Lawyers a few weeks ago. I demanded (Can a consultant “demand” anything?) that my Newfound Houston Realtor Pals begin 2005 by responding to my 2 questions:

(1) WHAT’S THE “DREAM” THAT YOU OFFER?
(2) How do you become a … LOVEMARK?
I insisted I was not “talking at” my Clients, but “with” them. Hey, I, too, am caught in exactly the same pincer movement: (1) On the high end, the “guru market” supply-side is outpacing the demand-side. (A recent *Variety* story claimed there are 150 speakers priced at or above $40,000 a pop—up from 1 when I effectively invented the “guru industry” 20 or so years ago.) (2) On the other/lower end of the my market-spectrum, eLearning is eclipsing classroom training at an extraordinary rate. All fine with me! I well know that I must work night & day—including this Blogging—on my Lovemark!
Real Estate Joins “Club Crushing Competition”! Big Time!

Welcome to 2005, Realtors. (And Lawyers.) (And “management gurus.”) (And just about everybody, including the hundreds of thousands in the “I’ve Been Outsourced2005 Ranks.”)

Come in, Houston!

Message:

Think/Obsess “Offense.”
Become a Lovemark!
100 WAYS TO SUCCEED #35: Lovemark or Bust!

(1) Enjoy your the Holiday Season!

(2) Between now and 1JAN2005, invent 10 actions, solo or with pals, to Launch Your “Lovemark Journey2005.”

(3) Focus directly—Architect or Lawyer or Realtor—on the following “KRWs”/Kevin Roberts Words: Mystery … Magic … Sensuality … Enchantment … Intimacy … Exploration.

(3A) The words in #3 above Do Apply to You!

(4) Develop a “No Bull” Action Schedule that includes 2 Hard First Steps by 10JAN05, 5 Hard First Steps by 01FEB05.

(5) Report back to this Website, tompeters.com.

Pronunciamento: I HEREBY DESIGNATE, IN ACCORDANCE WITH THE POWERS GRANTED TO ME (the Inalienable Right To Blog) THAT 2005 IS PROCLAIMED AS “THE YEAR OF THE PROFESSIONAL SERVICE LOVEMARK.”

Welcome aboard!

Source: TPBlog/12.17.2004
9B. The WOW! Project.
“... the delight of being totally within one’s own element—of identifying fully with one’s work and seeing it as an expression of one’s character ... this affection must be so strong that it persists during leisure hours and even makes its way into dreams ... the mind knows no deadlines or constraints and is open to its inner energies ...” —Robert Grudin/ The Grace of Great Things: Creativity and Innovation
If you are not prepared to be fired over your beliefs... you are working on the wrong project - TP
“Think BIG ... Think DIFFERENT ... Think COOL” ... “Appropriate ‘benchmark’: earn a place in the history books ... be able to say to your grandson/daughter, ’I was project manager of the Big Dig’” —TP/Bentley magazine
“[Other] admirals more frightened of losing than anxious to win”

SP: “But can you turn a ‘defensive player’ into an ‘offensive player’?”

TP: “Yes! Work with him/her to reframe their principal project to the point that the ego is engaged and it becomes a ‘life compulsion.’” *

* “If you and I had $150K in the bank and on the line and the day before the opening the fFre Inspector…”
Your Current Project?

1. Another day’s work/Pays the rent.
4. Of value.
7. Pretty Damn Cool/Definitely subversive.
10. **WE AIM TO CHANGE THE WORLD.** (Insane!/Insanely Great!/WOW!)
Measures

- Beauty!
- WOW!
- Raving Fans!
- Impact!
“Astonish me!” / S.D.

“Build something great!” / H.Y.

“Immortal!” / D.O.
“Insanely Great”
“Reward excellent failures. Punish mediocre successes.”

Phil Daniels, Sydney exec
WOW! Projects:
Nuts & Bolts (a few)
You = Your Project Portfolio
“Be-Do” choice*

*John Boyd
“Here is the Story/Saga of my latest project:

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

_________________________________________________________________
Playmate!
Playpen!
Prototype mania!*

*Ready. Fire! Aim./“Small Win” (GW @ Trenton)
Collect Testimonials!/
Build BUZZ!
Where to look for “Playmates”: Small Division, Mid-size Customer, Cool Vendor, Cool Department (if you are internal staff)
Where *not* to look for “Playmates”: BIG Division, BIG Customer, BIG Vendor, UP
“Make your own McKinsey”
Customer-driven Rocks!
The Project 50
<table>
<thead>
<tr>
<th></th>
<th>Create</th>
<th>Sell</th>
<th>Implement</th>
<th>Exit</th>
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<tbody>
<tr>
<td>Traditional</td>
<td>10%</td>
<td>0%</td>
<td>90%</td>
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<tr>
<td>Emphasis</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our View</td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
<td>10%</td>
</tr>
</tbody>
</table>
CREATE

1. REFRAME: NEVER ... EVER! ... ACCEPT A PROJECT/ASSIGNMENT AS GIVEN!
2. TRANSLATE YOUR DAILY EXPERIENCES INTO COOL STUFF TO DO.
3. Improve your vocabulary! Learn to love “WOW!” Use “the word.” WOW!
4. There are no “small” projects: IN EVERY “LITTLE” FORM OR PROCEDURE, IN EVERY “LITTLE” PROBLEM THERE USUALLY LURKS A B-I-G PROJECT!
   4A. CONVERT today's annoying “chore” into a WOW! Project. THE B-I-G IDEA: THERE'S NO SUCH THING AS A “GIVEN.”
5. Put on the brakes! DON’T BETRAY WOW!
6. LOVE MAKES THE WORLD GO ’ROUND!
7. Will it—the project, our baby—be beautiful? Yes ... BEAUTIFUL!
8. Design-Is-It. l.e.: One of the single most powerful forces in the whole bloody universe.
9. IS THE PROJECT REVOLUTIONARY? (ARE YOU SURE?)
10. **Is the Web factored into the project? In a b-i-g way?**
11. **Impact.** Henry James asked this, as his ultimate question, of an artist's work: “Was it worth doing?”
11A. Made Anybody(s) Angry Lately?
12. **RAVING FANS!**
12A. Women-as-Raving Fans. *Women take to products/services—and, thence, “project deliverables”—for (very) different reasons than men.*
13. Pirates-on-the-high-seas. “We” are on a Mission/Crusade. We plan to upset the applecart (convention wisdom) Big Time ... and Make a Damn Difference.
14. If you can (hint: you can!), create a “place.” *That Is ... Pirates Need Ships at Sea and Caves on Land.* (“Safe Houses” in Spy-speak.)
15. Put it in your resume. NOW! PICTURE YOURSELF CROSSING THE FINISH LINE.
16. **THINK RAINBOW!**
17. THINK ... OR RETHINK ... OR REFRAKE ... YOUR CONCEPT ... INTO A “BUSINESS PLAN.”

20. FIND—AND THEN NURTURE—A FEW (VERY FEW) CO-CONSPIRATORS.

20A. Find at least one user/co-conspirator. NOW. Think user from the start.

21. Consider carrying around a little card that reads:

   WOW!
   BEAUTIFUL!
   REVOLUTIONARY!
   IMPACT!
   RAVING FANS!

SELL


22A. METAPHOR TIME! The “pitch”—and every aspect of the project—works best if there is a compelling theme/image/hook that makes the whole thing cohere, resonate, and vibrate with life.

23. SALES MEANS SELLING ... EVERYONE!

24. Hey: WOW Project Life = Sales. Right? So ... WORK CONSCIOUSLY ON BUZZ. GET VISIBLE AND STAY VISIBLE.

25. Do your “Community Work.” Start to Expand the Network! ASAP.
26. Last is as good as first. If they support you ... they are your friends.
27. Preach to the choir! Never forget your friends!
28. Don't try to convert your enemies. Don’t waste time on them.
29. CREATE AN A-TEAM ADVISORY BOARD.
30. Become a Master Bootstrapper. You heard it here first: Too much initial money ... kills!
31. Think B-E-T-A! As in ... Beta Site(s). You need customer-partners ... as safe-haven testing grounds for rough prototypes.

IMPLEMENT

32. CHUNK! CHUNK! CHUNK! We’ve gotta break “it”—our project, now on the move—down into tidbit/do-it-today/do-it-in-the-next-four-hours pieces.
33. Live ... Eat ... Sleep ... Breathe: Prototype! I.e.: BECOME AN UNABASHED PROTOTYPING FANATIC.
33A. Teach prototyping. Prototyping is a “corporate culture” issue. I.e.: Work to create a Culture of Prototyping.
34. PLAY! FIND PLAYMATES!
35. Scrunch the Feedback Loops!
36. BLOW IT UP! PLAY ... AND DESTRUCTION ... ARE HANDMAIDENS.
The Project 50

37A. WANTED: COURT JESTER.
38. Make a B-I-G binder! This is the Project Bible. It's the Master Document ... the macro-map.
39. List mania. Ye shall make lists ... and the lists shall make ye omniscient. (No joke.)
40. Think (live/sleep/eat/breathe) Timeline/ Milestones.
40A. WANTED: MS. LAST TWO PERCENT!
41. Master the 15-Minute Meeting. You can change (or at least organize) the world in 15 minutes!
42. C-E-L-E-B-R-A-T-E!
42A. CELEBRATE FAILURES!
43. Station break! The keynote here is action. Exactly right! But: Don't allow the action fanaticism to steer you off course re WOW!/Beauty/Revolution/Impact!/Raving Fans.
44. A Project Has an Identity. It's Alive. PROJECT = LIFE ... SPIRIT ... PERSONALITY.
The Project 50

45. Cast the Net a Little/Lot Farther Afield.
46. *It’s the U-S-E-R, stupid! Never lose sight of the user community.*

**EXIT**

48. **SELL OUT!** It's been “us” against “them” ... and one heck of a ride. But now the time has come to dance with the suits ... if we really want full impact.
48A. Recruit a Mr. Follow-up ... Who Is as Passionate as You Are! (And L-O-V-E-S Administration.)
49. **SEED YOUR FREAKS INTO THE MAINSTREAM ... WHERE THEY CAN BECOME MUTANT VIRUSES FOR YOUR (QUIRKY) POINT OF VIEW!**
50. **Write up the project history. Throw a Grand Celebratory Bash!**
Steve!
Three Cheers for the Arts!

Jobs drops out, goes to Reed … and the world is changed by his calligraphy course!

“You have to trust that the dots will somehow connect in your future. This approach has never let me down.” —SJ

Source: commencement address/Stanford/06.2005
“It turned out that getting fired by Apple was the best thing that could ever have happened to me. The heaviness of being successful was replaced by the lightness of being a beginner, less sure about everything. It freed me to enter one of the most creative periods of my life.”

—Steve Jobs/commencement address/Stanford/06.2005
“Sometimes life hits you in the head with a brick. I’m convinced that the only thing that kept me going was that I loved what I did. Your work is going to fill a large part of your life, and the only way to be truly satisfied is to do what you believe is great work. And the only way to do great work is to love what you do. Don’t settle [for less]. As with all matters of the heart, you’ll know when you find it.” —Steve Jobs/commencement address/Stanford/06.2005
“Your time is limited, so don’t waste it living someone else’s life. Don’t be trapped by dogma—which is living with the results of other people’s thinking. Don’t let the noise of other’s opinions drown out your own inner voice. And most important, have the courage to follow your heart and intuition. They somehow already know what you truly want. Everything else is secondary.”

—Steve Jobs/commencement address/Stanford/06.2005
“On the back cover of the final issue [of The Whole Earth Catalog] was a photograph of an early morning country road, the kind you might find yourself hitchhiking on if you were so adventurous. Beneath it were the words: ‘Stay Hungry. Stay foolish.’ It was their farewell message as they signed off. Stay Hungry. Stay Foolish. And I have always wished that for myself. And now, as you graduate, I wish that for you.” —Steve Jobs/commencement address/Stanford/06.2005
Stay Hungry.
Stay Foolish.

Steve Jobs
9C. Start a WOW Projects Epidemic!
Emphasize ... Demos, Heroes, Stories!
Premise: “Ordering Systemic Change is a Waste of Time!”
Demos! Heroes! Stories!
Demo = Story

“A key – perhaps the key – to leadership is the effective communication of a story.”

Howard Gardner, Leading Minds: An Anatomy of Leadership
“Some people look for things that went wrong and try to fix them. I look for things that went right, and try to build off them.”

—Bob Stone (Mr ReGo)
“Somewhere in your organization, groups of people are already doing things differently and better. To create lasting change, find these areas of positive deviance and fan the flames.” —Richard Tanner Pascale & Jerry Sternin, “Your Company’s Secret Change Agents,” HBR
REAL Org Change: Demos & Models (“Model Installations,” “ReGo Labs”)/ Heroes (mostly extant: “burned to reinvent gov’t”)/ Stories & Storytellers (Props!)/ Chroniclers (Writers, Videographers, Pamphleteers, Etc.)/ Cheerleaders & Recognition (Pos>>Neg, Volume)/ New Language (Hot/Emotional/WOW)/ Seekers (networking mania)/ Protectors/ Support Groups/ End Runs—“Pull Strategy” (weird alliances, weird customers, weird suppliers, weird alumnae-JKC)/ Field “Real People” Focus (3 COs) (long way away)/ Speed (O.O.D.A. Loops—act before the “bad guys” can react)

C.f., Bob Stone, Lessons from an Uncivil Servant
1. Scour for renegades; wine & dine.
2. Go outside for funds.
Build a “School on top of a school” (The Parallel Universe Strategy)

Recruit “weird” (in places you can get away with it—eg, students, continuing ed faculty lesser admin jobs)!

Message: LOOK FOR/EXPLOIT THE “WEAK” (Unregulated) SPOTS!
Change? Ha! Try: End Run!
Build Your Own! Period!

“We’re never going to persuade the conservatives to accept [our view]. We need to build our own institutions.” —anon.
“My mission is that of a mole—my existence only to be known by upheavals.” —Jan Morris, Fisher’s Face, Or, Getting to Know the Admiral
“Never doubt that a small group of committed people can change the world. Indeed it is the only thing that ever has.” —Margaret Mead
Stories ... Paint me a picture ...
Story “infrastructure” ... Demos ...
Quick prototypes ... Experiments ...
Heroes ... Renegades ...
Skunkworks ... Demo Funds ...
V.C. ... G.M. ... Roster ... Portfolio ...
Stone’s Rules ... JKC’s Rules
Culture of Prototyping

“Effective prototyping may be the most valuable core competence an innovative organization can hope to have.”

Michael Schrage
Think about It!?

Innovation = Reaction to the Prototype

Michael Schrage
He who has the quickest O.O.D.A. Loops* wins!

Shell

“Game Changer”

10% of technical budget “set aside and used to fund promising but nontraditional ideas through a staged funding process similar to that used by venture capitalists”

Source: Financial Times/08.2003
9D. PSF = Everything: The “PSF Ladder to the Stars”
PSF = Everything: The “PSF Ladder to the Stars”!

Apex II: Dreamketing/DreamMerchants
Apex I: DisruptionDervishes

“Product” II: PSF w/R.POVO8*

(*Remarkable “Point Of View” in 8 Words or Less)

“Product” I: PSF = BY + WOW! Projects

Base II: DNA = WOW! Projects
Base I: Talent = Brand Yous on Quests

BEDROCK: LOVEMARK LEADERSHIP
Big Idea: “Corporation” as Mega-“PSF” (Professional Service Firm*)


Big Idea/“Meta”-Idea/Premier “Engine of Value Added”

(1) **The Talent**: “Best Roster” of Entrepreneurial-minded Brand Yous.

(2) **The (Virtual) Organization**: Internal or External “PSF”/Professional Service Firm working with “Best Anywhere” = Engine of Value Added through the Application of Creative “Intellectual Capital”

(3) **The Work Product**: “Game Changer” WOW Projects
1. **CORE**: Lovermark Leadership
2. **BASE 1**: Talent = Brand You on Quests
3. **BASE 2**: DNA = WOW! Projects
4. **“PRODUCT” 1**: PSF = BY + WOW! Projects
5. **“PRODUCT” 2**: PSF w/ R:POV8 (remarkable “Point of View” in eight words or fewer).
6. **APEX 1**: DisruptionDervishes
7. **APEX 2**: Dreamketing/DreamMerchants
8. **PSF = EVERYTHING**: The “PSF Pathway to the Stars”!
PSF = Everything Pathway to the Stars

Apex 2:
Dreamketing/Dream Merchants

Apex 1:
Disruption Dervishes

Product 2:
PSF + R.POVB

Product 1:
PSF = BY + WOW! Projects

Base 2:
DNA = WOW! Projects

Base 1:
Talent = Brand Yous on Quests

Bedrock:
Lovemark Leadership
PSF IS EVERYTHING
The PSF pathway to the stars!
10. **Re-imagine Business’s Fundamental Value Proposition:**

   PSFs Unbound ... Fighting “Inevitable Commoditization” via “The Solutions Imperative.”
Must It Be Mfg?*

Africa: Tanzania/A … $523
       Niger/M … $741
       Kenya/S … $1022

Central America: Nicaragua/M … $2366
       Salvador/S … $4497

EEurope: Ukraine/A … $3816
       Macedonia/M … $5086
       Poland/S … $9051

SEAsia: Indonesia/A … $3043
       Brunei/M … $16779* (*lotsa oil, no people)
       Malaysia/S … $9068

“While everything may be better, it is also increasingly the same.”

“When Flawless Isn’t Enough: America’s Big Three now make reliable cars, but they have a long way to go on the Wow factor” —Headline/BusinessWeek/12.08.03
“The ‘surplus society’ has a surplus of similar companies, employing similar people, with similar educational backgrounds, coming up with similar ideas, producing similar things, with similar prices and similar quality.”

Kjell Nordström and Jonas Ridderstråle, Funky Business
Self-storage ($17B) > Movies

Source: Dan Pink
“Companies have defined so much ‘best practice’ that they are now more or less identical.”

Jesper Kunde, *Unique Now ... or Never*
“There’s nothing worse than being ordinary” —Mena Suvari/

American Beauty
“To grow, companies need to break out of a vicious cycle of competitive benchmarking and imitation.”

—W. Chan Kim & René Mauborgne, “Think for Yourself —Stop Copying a Rival,” Financial Times/08.11.03
Variety (11.04) : 150 speakers @ $40K+
And the “M” Stands for … ?

Gerstner’s IBM: “Systems Integrator of choice.” (BW)

IBM Global Services: $55B
“[Closing/selling Boeings 8,000-person facility in Wichita] was an important decision in moving forward with Boeing’s long-term strategy of becoming a large-scale integrator.” —The Wichita Eagle/06.16.2005
“Never mind computers and tech services. IBM’s radical new focus is on revamping customers’ operations —and running them.”

—Headline/ *BW*/ 04.18.05
“Lenovo is buying the one thing from IBM that cannot be commoditized, that China can’t produce more cheaply and more efficiently: superior management.” —Wired/07.05
Planetary Rainmaker-in-Chief

“[Sam] Palmisano’s strategy is to expand tech’s borders by pushing users—and entire industries—toward radically different business models. The payoff for IBM would be access to an ocean of revenue—Palmisano estimates it at $500 billion a year—that technology companies have never been able to touch.”

—Fortune/06.14.04
“By making the Global Delivery Model both legitimate and mainstream, we have brought the battle to our territory. That is, after all, the purpose of strategy. We have become the leaders, and incumbents [IBM, Accenture] are followers, forever playing catch-up. ... However, creating a new business innovation is not enough for rules to be changed. The innovation must impact clients, competitors, investors, and society. We have seen all this in spades. Clients have embraced the model and are demanding it in even greater measure. The acuteness of their circumstance, coupled with the capability and value of our solution, has made the choice not a choice. Competitors have been dragged kicking and screaming to replicate what we do. They face trauma and disruption, but the game has changed forever. Investors have grasped that this is not a passing fancy, but a potential restructuring of the way the world operates and how value will be created in the future.”

+49% / profits
+52% / revenue

Source: WSJ/10.13.2004/“Infosys 2nd-Period Profit Rose Amid Demand for Outsourcing”
“Big Brown’s New Bag: UPS Aims to Be the Traffic Manager for Corporate America” —Headline/BW/07.19.2004
“SCS”/Supply Chain Solutions: 750 locations; $2.5B; fastest growing division; 19 acquisitions, including a bank.

Source: Fast Company/02.04
“Customer Satisfaction” to “Customer Success”

“We’re getting better at [Six Sigma] every day. But we really need to think about the customer’s profitability. Are customers’ bottom lines really benefiting from what we provide them?”

Bob Nardelli, GE Power Systems
Bear In Mind: Customer Satisfaction versus Customer Success
Beyond the “Transaction” Mentality

“Good hotel”/ “Happy guest”

vs.

“Great Vacation”/ “Great Conference”/ “Operation Personal Renewal”

“Good to Be Home”
Beyond the “Transaction” Mentality

Give a “Good Speech”

vs.

“Honor the Gift of an hour by Attempting to Change Lives”
Nardelli’s goal ($50B to $100B by 2005):
“... move Home Depot beyond selling ‘goods’ to selling ‘home services.’ ... He wants to capture home improvement dollars wherever and however they are spent.”

E.g.: “house calls” (At-Home Service: $10B by ’05?) ... “pros shops” (Pro Set) ... “home project management” (Project Management System ... “a deeper selling relationship”).

Source: USA Today/06.14.2002
“Health Insurance Now Available At Your Local Costco” —Headline, IBD/06.05
New York-Presbyterian: 7-year, $500M enterprise-systems consulting and equipment contract with GE Medical Systems

Source: NYT/07.18.2004
“Instant Infrastructure: GE Becomes a General Store for Developing Countries” —headline/
NYT/07.16.05
E.g. ...

**UTC/Otis + Carrier:** boxes to “integrated building systems”
Leased AC: Units of "Coolth"
John Deere Landscapes: “This is our future.”
Flextronics

-- $14B; 100K employees; 60% p.a. growth (’93-'00)

-- “contract mfg” to EMS/Electronics Manufacturing Services (design, mfg, logistics, repair); “total package of outsourcing solutions” (Pamela Gordon, Technology Forecastsers)

-- “The future of manufacturing isn’t just in making things but adding value” (3,500 design engineers)

Source: Asia Inc./02.2004
“Can this kitchen be saved? As big chains add in-house designers …” —Wall Street Journal/04.29.05/Headline
Comin’ On: Huawei

Ranked 8th among telecoms suppliers (up from 18 a year ago; Cisco #1)

Ranked 4th on service and support (Surveyor: “astounding”)

Recently beat Ericsson and Motorola for a 3G Thai job

Source: The Economist/03.05.05
“‘Architecture’ is becoming a commodity. Winners will be ‘Turnkey Facilities Management’ providers.”

SMPS Exec
“VISIONS OF A BRAND-NAME OFFICE EMPIRE.” Sam Zell is not a man plagued by self doubt. Mr. Zell controls public companies that own nearly 700 office buildings in the United States. … Now Mr. Zell says he will transform the real estate market by turning those REITs into national brands. … Mr. Zell believes [clients] will start to view those offices as something more than a commodity chosen chiefly by price and location.” – *New York Times* (12.16.2001)
“Thaksinomics” (after Thaksin Shinawatra, PM)/
“Bangkok Fashion City”:

“managed asset reflation”
(add to brand value of Thai textiles by demonstrating flair and design excellence)

Source: *The Straits Times* / 03.04.2004
“My advice is when you think strategy think about de-commoditizing. Try desperately to make products and services distinctive, and customers stick to you like glue. Think about innovation, technology, internal processes, service add-ons—whatever works to be unique. Doing that right means you can even make a few mistakes and still succeed.”

—Jack Welch/Fortune/04.05
“[Sony] faces turmoil as it makes the transition from hardware to software, from products to services.” —Tim Clark & Carl Kay, “It Will Take More Than a Foreign CEO to Save Sony,” NYT (03.09.05)
IV. NEW BUSINESS. NEW GAME.
11. **Re-imagine Enterprise as Theater I: A World of Scintillating "Experiences."**
Re-imagine Enterprise as Theater: The Cirque du Soleil Aspiration!
(Nothing Less!)
“Experiences are as distinct from services as services are from goods.”

Joseph Pine & James Gilmore, *The Experience Economy: Work Is Theatre & Every Business a Stage*
“Club Med is more than just a ‘resort’; it’s a means of rediscovering oneself, of inventing an entirely new ‘me.’”

Source: Jean-Marie Dru, Disruption
“The [Starbucks] Fix” is on …

“We have identified a ‘third place.’ And I really believe that sets us apart. The third place is that place that’s not work or home. **It’s the place our customers come for refuge.**”

Nancy Orsolini, District Manager
Experience: “Rebel Lifestyle!”

“What we sell is the ability for a 43-year-old accountant to dress in black leather, ride through small towns and have people be afraid of him.”

Harley exec, quoted in Results-Based Leadership
WHAT CAN BROWN DO FOR YOU?
The “Experience Ladder”

Experiences
Services
Goods
Raw Materials
Whole Foods Market
Apple Store
Commerce Bank
“Americans love to shop. And Americans love to shop. But we don’t like to shop for food. Whole Foods thinks shopping should be fun. With this [Austin concept] store we are pioneering a new lifestyle that synthesizes lifestyle and pleasure.” —John Mackey/USA

Today/03.09.05
“Pleasure is woven into every crevice of the new [80K sf] flagship store.”—USA Today (03.09.05). “They’re not selling food, they’re selling life.”—Phil Lempert, supermarket guru. “Whole Foods offers a psychological absolution of our excesses.”—Jerald Jellison, psych prof/USC. “I moved to Austin for Whole Foods.”—Lynn Larson, Pittsburgh refugee

E.g.: Massage; walk-in beer cooler with 800 brands; Lamar Street Greens: sit amidst the greens and be served a handmade salad of organic greens with a glass of Chardonnay
Sales per Square Foot/Grocery

Albertson's: $384
Wal*Mart: $415
Whole Foods: $798
Service (EXPERIENCE!) Excellence Found!

Three TP Awards: Susan & I shopped Saturday at Whole Foods Market/Boston. WOW! Food … AWESOME. Presentation … AWESOME. Staff Attitude & Knowledge … AWESOME. “Last Impression” (help with bags in an urban setting) … AWESOME. Talk about “Experience Marketing” … “Dream Merchants” … “Lovemark”! These guys top Starbucks by a mile in my book!

Next up: Apple Store CambridgeSide. What a show! The “product,” of course, is … AWESOME. The ambience is … AWESOME. The Staff Attentiveness & EXPERTISE & Teaching Skill is … AWESOME. And on the Experience Front, Apple runs a blizzard of Cool Activities. (Last Saturday, for instance: 9-10am, “Getting Started Workshop;” 1-130pm, “iLife ’04 Presentation;” 3-330pm, “iPod & iTunes Presentation;” 5-530pm, “GarageBand Presentation.” On weekday evenings there are often advanced presentations.)

Finally, another nod to Commerce Bank; my colleague Ilene Fisher hung out at a Commerce call center last week … it ain’t your father’s call center! Staffers are not measured on length of calls—they’re encouraged to spend all the time they need with Clients. There are no voice messages or menus—all Clients are directly handled by Human Beings all-the-time … and yet the response time is an average of 16 seconds, half that of the industry. All this lavish service, and they manage to grow almost 50% a year … organically! (Oh yes, and their use of “WOW!” makes me look like a little leaguer!)
Cirque du Soleil

*$500M-$600M revenue
*#22 Interbrand/brand impact (>Microsoft, Disney, VW, McDonald’s)
*“Every time we come to a comfort zone, we will find a way out” (Daniel Lamarre/President)
*No Cloning!
*“Reinvent the brand” with EACH new show (max 1/year)
*70% of profits into R&D!
*A typical day at the office for me begins by asking, ‘What is impossible that I am going to do today?’” (Daniel Lamarre)
*No deal until creative challenge (no matter $$ on the table)
*Diverse creative teams! (“Don’t come out until you’ve done something great.”)
*Recruit the near-great (not prima donnas) (crazy interviews)

Source: Fast Company/07.05
The “Experience Ladder”/TP

Experiences
Solutions/Success
Services
Goods
Raw Materials
Bob Lutz: “I see us as being in the art business. Art, entertainment and mobile sculpture, which, coincidentally, also happens to provide transportation.”

Source: NYT 10.19.01
Franchise Lost

TP: “How many of you really crave a new Chevy?”
“Lexus sells its cars as containers for our sound systems. It’s marvelous.” —Sidney Harman/
Harman International
Now You’ve Heard It All …

“We want our branches to be a place where people come as a destination.” —Amy Brady, on the BofA effort to learn from Starbucks and Gap (“The Fun Factor”/The Boston Globe/08.30.04)
Q: “Why did you buy Jordan’s Furniture?”

A: “Jordan’s is spectacular. It’s all showmanship.”

Source: Warren Buffet interview/Boston Sunday Globe/12.05.2004
Tchibo

“A New Experience Every Week”

Source: Tom Kelley, *The Ten Faces of Innovation*
“Hold the popcorn, pass the cocktails: With market slipping, cinemas try to create new experience”

—headline, *Boston Globe*, 07.05
LAN Installation Co. to Geek Squad (2% to 30%/Minn.)
It’s All About EXPERIENCES: “Trapper” to “Wildlife Damage-control Professional”

**Trapper:** <$20 per beaver pelt.  

**WDCP:** $150/“problem beaver”; $750-$1,000 for flood-control piping … so that beavers can stay.

Source: *WSJ*/05.21.2002
One company’s answer:

CXO*

*Chief eXperience Officer
Prep …

DRALION/
Cirque du Soleil
“Most executives have no idea how to add value to a market in the metaphysical world. But that is what the market will cry out for in the future. There is no lack of ‘physical’ products to choose between.”

Jesper Kunde, *Unique Now ... or Never* [on the excellence of *Nokia, Nike, Lego, Virgin* et al.]
Last Impressions Come First!

Nobel Laureate Daniel Kahneman (a psychologist who won the Economics Nobel) tells us, as reported in the February 2005 issue of *Psychology Today*, that our memories are very selective. In particular, no matter how extended an event (party, commercial transaction), we form our view and make our evaluation based—with dramatic skew—on the “most intense moments” & the “final moments.” This is yet another Compelling Argument for … EMOTIONAL EXPERIENCE MANAGEMENT! (For all of us! See immediately above.)

The “final moments” evidence is particularly startling; e.g., one goes to a brilliant, 4-hour dinner party … yet three months later we only remember that two guests exchanged heated remarks on the way out the door.
#50: Flower Power Rules!

Law firm, hotel, IS department … make Flower Power a … Main Event & Incredible Distinction … in your Pursuit of Lovemark status!
Extraction & Goods: Male dominance

Services & Experiences: Female dominance
KFC (et al.)
“When we did it ‘right’ it was still pretty ordinary.”

Barry Gibbons on “Nightmare No. 1”
This is not a “mature category.”
This is an “undistinguished category.”
17 “visits”*: KFC, 4; McD, 4; BK, 3; TB, 2; PH, 2; DD, 1; W, 1

*6 TP solo, 5 TP accompanied, 6 TP Staff (no airports)
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“I thought, ‘What a dreadful mission I have in life.’ I’d love to get six-thousand restaurants up to spec, but when I do it’s ‘Ho-hum.’ It’s bugged me ever since. It’s one of the great paradoxes of modern business. *We all know distinction is key, and yet in the last twenty years we have created a plethora of ho-hum products and services.* Just go fly in an airplane. It could be such an enlightening experience. Ho-hum. We swim in an ocean of ho-hum, and I’m going to fight it. I’m going to die fighting it.” — Barry Gibbons
“They need to devote less money to advertising and more to operations (pay their workers more) so as to insure a Quality Experience. All great advertising does is frustrate their consumers. They say ‘come experience this great place’... and customers experience something else and they get mad ... AND WON'T COME BACK.” (Anon.)
HotelX
Hotel Excellence\/Mechanics

Cleanliness!
Technology!\/“Office away from home”
Exercise equipment (#, quality, hours)
Room service (hours, light choices, speed)
Pressing/Laundry (Hours! Speed!)
Air!
Decor
Sparkle! (vs “Tired”)
Hotel Excellence/“Culture”/Attitude

Recognition
Politeness
“We care”

Sparkle!

Responsiveness/Speed/Adequate #s
24/7
Hotel Excellence/ Surprises

“Mollies”
Eco-friendly
????
Hotel Excellence/“Culture”/Attitude

Recognition
Politeness
“We care”

Sparkle!

Responsiveness/Speed/Adequate #s
24/7
Hotel Excellence/ Overall

“Give a S___”
Nice!
Wow!
Sparkle!

“It’s good to be home!”
Mollies
1. Brand Distinction ("dramatic difference" or bust) must be ... Crystal Clear.
2. **SPARE NO EXPENSE IN FINDING THE BEST (AWESOME) PROPERTY MANAGER.**
3. The individual "property's" "Point of View" must be Clear to One & All. (*Beyond* the generic "brand promise.")
4. Aim "Strategically" at **WOMEN** as Guests & Meeting Planners.
5. Aim directly at **BOOMERS & GEEZERS**.
6. #4 & #5 above call for "cultural re-alignment," not mere "strategic" "programs."
7. Never assume you're "Okay on the basics." (YOU PROBABLY AREN'T.)
8. "MBWA" (Managing By Wandering Around) is Alive & Well ... and applies to Owners!
9. *Fortune* says Wegmans (groceries!!!) is the # 1 Place to Work in America ... WHAT ABOUT/WHY NOT YOUR HOTEL/S?
10. **AMAZE ME!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!**
12. Re-imagine Enterprise as Theater II: Embracing the “Dream Business.”
DREAM: “A dream is a complete moment in the life of a client. Important experiences that tempt the client to commit substantial resources. The essence of the desires of the consumer. The opportunity to help clients become what they want to be.” —Gian Luigi Longinotti-Buitoni
The Marketing of Dreams (Dreamketing)

Dreamketing: Touching the clients’ dreams.
Dreamketing: The art of telling stories and entertaining.
Dreamketing: Promote the dream, not the product.
Dreamketing: Build the brand around the main dream.
Dreamketing: Build the “buzz,” the “hype,” the “cult.”

Source: Gian Luigi Longinotti-Buitoni
“Thaksinomics” (after Thaksin Shinawatra, PM)/

“Bangkok Fashion City”:

“managed asset reflation” *(add to brand value of Thai textiles by demonstrating flair and design excellence)*

Source: *The Straits Times/03.04.2004*
Furniture vs. Dreams

“We do not sell ‘furniture’ at Domain. We sell dreams. This is accomplished by addressing the half-formed needs in our customers’ heads. By uncovering these needs, we, in essence, fill in the blanks. We convert ‘needs’ into ‘dreams.’ Sales are the inevitable result.”

— Judy George, Domain Home Fashions
“No longer are we only an insurance provider. **Today, we also offer our customers the products and services that help them achieve their dreams—** whether it’s financial security, buying a car, paying for home repairs, or even taking a dream vacation.”—Martin Feinstein, CEO, Farmers Group
“The Ritz-Carlton experience enlivens the senses, instills well-being, and fulfills even the unexpressed wishes and needs of our guests.”

— from the Ritz-Carlton Credo
“First we make the world revolve around you. Then we gently slow it down.” —tag line, Ritz Carlton Spa
Six Market Profiles

1. Adventures for Sale
2. The Market for Togetherness, Friendship and Love
3. The Market for Care
4. The Who-Am-I Market
5. The Market for Peace of Mind
6. The Market for Convictions

Rolf Jensen / The Dream Society: How the Coming Shift from Information to Imagination Will Transform Your Business
Six Market Profiles

1. Adventures for Sale/IBM-UPS-GE
2. The Market for Togetherness, Friendship and Love/IBM-UPS-GE
3. The Market for Care/IBM-UPS-GE
5. The Market for Peace of Mind/IBM-UPS-GE
6. The Market for Convictions/IBM-UPS-GE

Rolf Jensen/The Dream Society: How the Coming Shift from Information to Imagination Will Transform Your Business
IBM, UPS, GE … Dream Merchants!
*PSFs (PSF33) ... Dream Merchants!*
“The sun is setting on the Information Society—even before we have fully adjusted to its demands as individuals and as companies. We have lived as hunters and as farmers, we have worked in factories and now we live in an information-based society whose icon is the computer. **We stand facing the fifth kind of society: the Dream Society.**

... Future products will have to appeal to our hearts, not to our heads. Now is the time to add emotional value to products and services.” —Rolf Jensen/*The Dream Society: How the Coming Shift from Information to Imagination Will Transform Your Business*
Rogaine.
Help Keep Your Hair.
Help Keep Your Confidence.

Source: Ad on the side of a bus/Dublin/10.04
Product: Rogaine.

Solution: Help Keep Your Hair.

Dream-come-true: Help Keep Your Confidence.

Source: Ad on the side of a bus/Dublin/10.04
'70s: Cost (BCG’s “cost curves”)
'80s: TQM-CI (Japan)
'90s: Service
'00s: Solutions/Experiences
'10s: Dream Fulfillment
Duet ... Whirlpool ... “washing machine” to “fabric care system” ... white goods: “a sea of undifferentiated boxes” ... $400 to $1,300 ... “the Ferrari of washing machines” ... consumer: “They are our little mechanical buddies. They have personality. When they are running efficiently, our lives are running efficiently. They are part of my family.” ... “machine as aesthetic showpiece” ... “laundry room” to “family studio” / “designer laundry room” (complements Sub-Zero refrigerator and home-theater center)

Source: New York Times Magazine/01.11.2004
1997-2001

>$600: 10% to 18%
$400-$600: 49% to 32%
<$400: 41% to 50%

Source: Trading Up, Michael Silverstein & Neil Fiske
“Clients want either the best or the least expensive; there is no in between.”—from John Di Julius, Secret Service
“The ‘mass market’ is dead. Consumers look for either price or quality. The middle is shrinking.” —Walter Robb/COO/Whole Foods/Investors Business Daily/06.20.05
13. Re-imagine the “Soul” of New Value: Design Rules!
“How many of you really crave a new Chevy?”
Finally?

“Lafley’s Love Affair With Design”
—Cover, FC, July 2005

“GM’s Design Push Picks Up Speed”
—Headline, BW, July 2005

“Selling the Sizzle: Can GM’s Design Guru Bring Americans Back?” —Headline, NYT, July 2005
Design’s place in the universe.
“At Sony we assume that all products of our competitors have basically the same technology, price, performance and features. Design is the only thing that differentiates one product from another in the marketplace.”

Norio Ohga
“Design is treated like a religion at BMW.”

Fortune
“We don’t have a good language to talk about this kind of thing. In most people’s vocabularies, design means veneer. ... But to me, nothing could be further from the meaning of design. **Design is the fundamental soul of a man-made creation.**”

*Steve Jobs*
Design coda.
“Having spent a century or more focused on other goals—solving manufacturing problems, lowering costs, making goods and services widely available, increasing convenience, saving energy—we are increasingly engaged in making our world special. More people in more aspects of life are drawing pleasure and meaning from the way their persons, places and things look and feel. Whenever we have the chance, we’re adding sensory, emotional appeal to ordinary function.” — Virginia Postrel, The Substance of Style: How the Rise of Aesthetic Value Is Remaking Commerce, Culture and Consciousness
“With its carefully conceived mix of colors and textures, aromas and music, Starbucks is more indicative of our era than the iMac. It is to the Age of Aesthetics what McDonald’s was to the Age of Convenience or Ford was to the Age of Mass Production—the touchstone success story, the exemplar of all that is good and bad about the aesthetic imperative. ... ‘Every Starbucks store is carefully designed to enhance the quality of everything the customers see, touch, hear, smell or taste,’ writes CEO Howard Schultz.” —Virginia Postrel, The Substance of Style: How the Rise of Aesthetic Value Is Remaking Commerce, Culture and Consciousness
Marketing “Magic”*

The “Missing 95%”: The Unconscious!

*E.g. ZMET/Zaltman Metaphor Evaluation Technique
We are all Designers!
Design Transforms even the [Biggest] Corporations!

TARGET ... “the champion of America’s new design democracy” (Time) “Marketer of the Year 2000” (Advertising Age)
Westin’s ... Heavenly Bed
“The lowliest household tool has become an object of color, texture, personality, whimsy, even elegance. Dozens, probably hundreds, of distinctively designed toilet-brush sets are available—functional, flamboyant, modern, mahogany. For about five bucks, you can buy Rubbermaid’s basic plastic bowl brush with caddy, which comes in seven different colors, to hide the bristles and keep the drips off the floor. For $8 you can take home a Michael Graves brush from Target, with a rounded blue handle and translucent white container. At $14 you can have an OXO brush, sleek and modern in a hard, shiny white plastic holder that opens as smoothly as the bay door on a science-fiction spaceship. For $32, you can order Philippe Starck’s Excalibur brush, whose hilt-like handle creates a lid when sheathed in its caddy. At $55 there’s Stefano Giovannoni’s Merdolino brush for Alessi … Cross the $100 barrier, and you can find all sorts …” —Virginia Postrel, *The Substance of Style: How the Rise of Aesthetic Value Is Remaking Commerce, Culture and Consciousness*
DESIGN IS INEVITABLE!
DESIGN IS THE DIFFERENCE!
DESIGN RULES!
“SAMSUNG DESIGN: THE KOREAN GIANT MAKES SOME OF THE COOLEST GADGETS ON EARTH. NOW IT’S REINVENTING ITSELF TO GET EVEN COOLER.”

—Cover/BusinessWeek/11.29.2004
* 5 IDEA in 2004 (Industrial Design Excellence Awards) / 1st Asian company to win more than top European or American company

* 1993/LA: Chmn … Why are our products lost, while Sony’s are out front?

* **Design staff/470 (120 in last 12 months); design budget 20% to 30% p.a.; Design Centers in London, LA, SF, Tokyo**

* Designers often dictate to engineers, not vice versa
Design.
“If you can’t win on ‘cost,’ then you’re left with ‘cool.’” —Anon.
Hypothesis: “Design” is the principle “metaphor” for the encompassing Value-added Imperative!
“‘Design’ at Apple/Starbucks/BMW is a ‘state of mind’, not a ‘program’.”

[“culture”—TP]

—Tom Kelley/IDEO
The authors persuasively argue that we are entering an economy which will value—insist upon!—a new way of looking at value creation. They call it moving from an emphasis on "economic flow" (input-output) to "artistic flow."

The altered nature of enterprise, the "four elements" of new business thinking: "See yourself as an artist." "See your work as a work of art." "See your customers as an audience." "See your competition as teachers."
“A Devine Space” — Worthwhile

Cover Story, July 2005, on the power of extraordinary workspaces
1. There are only 2 rules.
2. Rule #1: You can’t beat Wal*Mart on price or China on cost.
3. Rule #2: See Rule #1.
4. Econ Survival = Innovate and Sprint Up the Value-added Chain … OR DIE!
5. DESIGN (WRIT LARGE) (“DESIGN MINDFULNESS”) IS THE “SOUL”/ENGINE OF THE NEW VALUE-ADDED IMPERATIVE.
6. Design as Soul-Core Competence #1 is a “cultural imperative,” not a “programmatic” or “process” or “throw $$$ at it” issue!
7. CDEs (Culturally Design-driven Enterprises) use Design-Experiences-Dream Merchantry-Lovemarks as the Lead Dog(s) in the Olympian Innovation-“Strategy”-Value Proposition Struggle.
8. “Dream Merchant” makes as much sense for IBM or GE or UPS as for Starbucks!
9. At CDEs, Design is the Heart of the “Emotional Branding” Process.
10. CDEs wholeheartedly embrace ideas such as “mystery,” “surprise,” sensuality.
11. CDEs love “WOW!” and “B.H.A.G.” and “Insanely Great” and “Gasp-worthy” and “Passion” and “Love”! (Axiom: Extreme language breeds extreme products and services.)
12. Staff at CDEs laugh and cry a lot! (Axiom: “Calm” enterprise = Crappy enterprise.)
13. CDEs love “strange” and “weird.”
14. CDEs scour the earth for “strange” and “weird” people. (CDEs know: FREAKS RULE!)
15. CDEs are “extremists.” (KR: “Avoid moderation.”)
16. CDEs know that ... EXCELLENCE IS NOT GOOD ENOUGH! (We must use non-linear measures!)
17. **CDEs seek Discontinuities.** (JG: “We don’t want to be the best of the best, we want to be the only ones who do what we do.”)

18. **CDEs are “respectful” of their customers, but not slaves to their customers! CDEs ... LEAD THEIR CUSTOMERS!** (Axioms: “Listening to customers” is over-rated! Focus groups suck!)

19. But: “Lead” customers are an entirely different matter!

20. Yet: CDEs turn “customers” into “Raving Fans.” (Think: “Tattoo Brand”!)

21. **CDEs abide by Phil Daniels’ Credo: “REWARD EXCELLENT FAILURES. PUNISH MEDIocre SUCCESSES.”**

22. At CDEs the Design Director is at least an Exec Vice President, a Member of the Senior Executive Team, perhaps on the Board, and has an office within 10 meters of the CEO (unless she *is* the CEO).

23. Design Directors at large companies not worth $5,000,000 per year aren’t worth hiring! (DD$21M.)
24. Great Designers are “10,000X” better than “good designers.”
25. At CDEs CFOs are never former CFOs! The CEO always doubles as the Chief Innovation Officer.
26. CDEs are “Top-line Obsessed.”
27. CDE execs know there is a chasm between “excellent design” and “game-changer design.”
28. Gasp-worthy design is a moving target!
29. No Broadway shows last forever. So too, great designers! (Hire them! Pay them! Cherish them! Nurture them! Fire them!)
30. Great design wrestles incessantly with the issue of “cool” and/versus “usability.”!
31. Designers “get” the stunning principles of Wabi Sabi. (Great designers side with Chris Alexander against the A.I.A.)
32. CDEs “get” the “feminine side” of life.
33. CDEs Know I: WOMEN BUY EVERYTHING!
34. CDEs Know II: MEN ARE INCAPABLE OF DESIGNING PRODUCTS FOR WOMEN.
35. CDEs understand that “We’re getting’ older”—and vigorously embrace the Boomer-Geezer market.
36. CDEs understand: Boomers-Geezers have “ALL THE MONEY” … are by and large healthy … and have 20 or so years left!
37. CDEs wonder: Can 28-year-olds design “experiences” for 68-year-olds?
38. CDEs seek the sweetest “sweet spot”: Woman-Boomer-Greenie-Wellness.
39. “Design-mindfulness” is as apparent in the CDE’s facilities as in its products-services!
40. “Design mindfulness” is as apparent in HR and Engineering and Logistics and IS/IT as in NPD.
41. CDEs will settle for nothing less than “beautiful,” “gasp-worthy” Business Processes/Infrastructure!
42. CDEs obsess on K.I.S.S. (Beware creeping feature-itis!) (450/8.)
43. “Design-mindfulness”/“aesthetic sensibility” is a requisite for Every Hire—including waiters and waitresses in Fast Food outlets and Housekeepers in hotels.
44. Gasp-worthy Design is as essential to “service companies” as to “manufacturers.”
45. Gasp-worthy design can transform any “commodity,” including ag!
DESIGN MANIA IS A NATIONAL ECONOMIC ISSUE OF THE FIRST ORDER.

“Small” is no disadvantage in an Age of Creativity!

There is no such thing as a “National Design Advantage” unless the current school system is Destroyed & Re-imagined—to emphasize creativity and risk-taking and acceptance of failure. (Design Mindfulness ... the suppression thereof ... typically begins at Age 4.)

How sweet it is! (If your head is screwed on right.)
Q/Boston Globe (07.05): “Who is your favorite architect?”

A/Phillippe Stark: “I don’t like any architects. Oh, no; no; no. Lorenzo Piano. He’s the best. He’s the only one who makes architecture for real people.”
13A. Re-imagine the Infrastructure of Enterprise: Design = “Beautiful” Systems.
Cast in Stone

Construction Criteria Manual: 450/380/8
Great design = One-page business plan (Jim Horan)
The One-page Proposal: How to Get Your Business Pitch onto One Persuasive Page —Patrick Riley (“Why not one and a half? Why not two? Sorry, it’s one or nothing. Once the proposal extends past the first page, the battle is lost.”)
There Are Lawyers ... and Then There Are Lawyers: John De Laney/ICM

ANYTHING TRULY IMPORTANT CAN BE BOILED DOWN TO 1/3RD PAGE.
K.I.S.S.: #s
K.I.S.S.: Plain English (etc.)
Lose the ACRONYMS: If it sounds confusing, it is confusing!
(S.T.I.N.G.E.R.)
“Metrics”: K.I.S.S.
“Really Important Stuff”: Roger’s Rule of Three!
Bills Rule of... Visibility!
Duh!

Change the “culture,” change the reward metrics: new CEO of Freddie Mac, Dick Syron, shifts reward structure toward affordable housing

Source: Fortune/01.24.2005
Don Kennedy/
Stanford: from quantity (raw #) to quality (top 3)
What Gets Measured/Obsessed About Gets Done

Roger Milliken
Roger Enrico
Bill Creech
Richard Haass
Jack Welch
Donald Kennedy
Freddie Mac/Fannie Mae
Incentives that work: Clear/unequivocal. Huge consequences. Different from now. Stable (for a few years). Stand out (1 of 1). Giant aspirations (B.H.A.G.) Basis for “deep dip” promotion/s.
WHAT GETS MEASURED GETS DONE: % students (MBA); % students (Continuing Ed); % students (Ph.D.). % faculty; % tenured faculty. % Advisory Board. % senior administrators. % cases focusing on Women managers. Etc.
The Project/Accountability Rules!
(Beware “Matrix Madness”)
Percy’s Rule:
Two Strikes & You’re Fired
Control: K.I.S.S.
Lee’s Rule: Run It off a Blackberry!
Life: K.I.S.S.
It’s T-H-R-E-E, Stupid!

“I used to have a rule for myself that at any point in time I wanted to have in mind — as it so happens, also in writing, on a little card I carried around with me — the three big things I was trying to get done.


— Richard Haass, *The Power to Persuade*
Systems: Must have. Must hate. / Must design. Must un-design.
Mgt. Team includes ... EVP (S.O.U.B.)
Executive Vice President, Stomping Out Unnecessary Bullshit
Rem Koolhaas on his drive for clarity-simplicity: “Often my job is to undo things.”

Source: New Yorker/03.14.05
First Steps: “Beauty Contest”!

2. Rate the selected doc on a scale of 1 to 10 [1 = Bureaucratic Obscuranta/ Sucks; 10 = Work of Art] on four dimensions: **Beauty. Grace. Clarity. Simplicity.**
3. Re-invent!
4. Repeat, with a new selection, every 15 working days.
“Beautiful”
“Aesthetic Triumph”
“Breathtaking”
“Deposits may be made by a minor and withdrawals thereof may be made by a minor without the consent of a parent or guardian, neither of whom, in that capacity, shall have any right to attach or interfere in any manner with such deposits or withdrawals.”
Is

“Minors may make deposits and withdrawals from their accounts without the consent or interference of a parent or guardian.”
“This Grievance Procedure must be used if the nature of the complaint deals with the quality of services given to the Member, including complaints about waiting times, physician demeanor and behavior, or adequacy of facilities (as opposed to whether or not a particular service is a Covered service and what amount, if any, should be paid). Also, this Grievance Procedure will be applied under all circumstances to any Universal Healthcare supplemental products which the Member may have bought independently from this SeniorPlus plan. If the nature of the Member’s complaint deals with a Covered Service stated in this SeniorPlus or the level of payment associated with this plan, please refer to the Medicare Appeals procedure, stated in Section X.”

Source: Siegel & Gale
“If you have a complaint about quality of service received, waiting times, physician behavior, or the adequacy of medical facilities, please use our grievance process.

“If you have a complaint about coverage or payment, please use the Medicare Appeals procedure (see Section X).”

Source: Siegel & Gale
The Planning, Planning Systems, Intelligence & Measures

Tom Peters/0628.2005/for Cognos
K.I.S.S. (!!) (450/8.) (500/50—GB.) (Lee’s Blackberry.)
Complexity accretes one day/person/item at a time!
There must be a “Systems & Measures Undesigner.” (Rem Koolhaas: “Often my job is to undo things.”)
Focus!!!!
5 or fewer key indicators. (Enrico’s “Rule of Three.”)
Key indicators must be backed up by unmistakable impact on evals and compensation! (JW & 6-sigma)
Prune 50% of your measures … TODAY.
*“Measurement Architecture” = (Real) Corporate Strategy. (PERIOD.)
*CIOs & CFOs & C“R”Os will become Soulmates in effective organizations!

*Can a fourth grader understand it (Paul Sherlock, JW)?
*Overall “systems architecture” should be in the heads of no more than three people. (Fred Brooks jr./360.)

*Nothing is easier than lying with statistics. (Measurement is not Reality.)
*Hard is Soft. Soft is Hard. (TP-RWjr.) (c.f. Enron.)
*Fanatically measure Customer Satisfaction regarding systems/measures!
*If the Customer says it’s confusing … it’s confusing. PERIOD.
*Systems & Measures planning must be “Bottom Up”! (Buy-in Rules in “systems world.”)
*If, as a “systems’ guy/gal,” it “turns you on” … BEWARE! (Jefferson’s Rule. Lessons from Clio.)
*Systems & Measures should be/can be/ought to be Works of Art!
*Great systems are about aesthetics!
*Is it “beautiful”? 
*Is it “graceful”? 
*Is it Surprising? 
*Use a great Graphic Designer on all systems development teams ... and a damn good Psychologist. (Steve world.)
Systems design is not innocent: It is the Ultimate Power Game!
She/He who controls the primary measures … Rules the World!
*“Budgets” as we’ve known them are more than a “wretched waste”: They are Danger #1 in Turbulent Times!

*Budcets are exercises in Negotiated Timidity.  
*“Managing to budget” is a/the Mortal Sin.  
*Plan, then burn the plan! (Koppers.)  
*“Continuous” and “rolling” are superb ideas … but beware so much “plasticity” that one forgets the starting point! Hard. Comparative datas is a “very good thing.”
*“Intelligence” is always obvious after the fact.  
*B.I.: Remember HUMINT!!  
*Great BizIntelligence depends on Freaks & Whackos, from Langely to the Board Room. (I.e., Be Incredibly Eclectic in terms of sources of Intelligence.)  
*All intelligence gathering is a Political Activity. (C.f. CIA, FBI.)  
*B.I. is about “outliers.” (?? If you can measure it, it’s not on the leading edge??)
*If a system/measure gives you a stupid answer, it’s probably a stupid system/measure.
*Measures should routinely produce Surprises (if not, discard them).
*Intangibles rule!  
*Measure intangibles! (!!!!)  
*Be(very)ware the tangibles becoming Total Reality, thence crowding out Real Reality.  
*Constantly review what’s not being measured. (Ever tried to drive a car using only the dashboard?)  
*“Models” are incredibly Stupid (very rough approximations of reality): Make sure everyone understands that!  
*Business is Art!
*Perform systems & Measures post-mortems after major fiascos ("Why didn’t this stick out like a sore thumb?")

*The half-life of Measures is 3 years. (Effective “gaming” begins in year #2, reaches a crescendo by year #4.)
*Planning systems should support execution! (PERT/CPM.)

*Uniformity of measurement/presentation across units is fantastic up to a point.

*“Let a thousand flowers bloom, let a hundred schools contend”: Let a 100 flowers bloom, let a dozen schools contend.

*Selection of measurements is one of the Most Creative Acts in the Enterprise!

*Are there Freaks aplenty in the Systems & Measures & Intelligence activities?
7. **Re-imagine the Fundamental Selling Proposition:** “It” all adds up to …

(THE BRAND.)
(THE STORY.)
(THE DREAM.)

The Love.
“WHO ARE WE?”
“Brand”? It’s all about …

“Character”!
“Yahoo is doing so many different things that it may have neglected to figure out what it wants to be” —headline/Economist/08.05
“Miller Lite didn’t stand for anything; it was trying to be a me-too to Budweiser.” —Graham Mackay/CEO/SABMiller/08.05
“WHAT’S OUR STORY?”
“WHAT’S THE DREAM?”
Nothing is impossible to be revered as a hothouse for world-changing creative ideas that transform our clients’ brands, businesses, and reputations.

Source: Kevin Roberts/ Lovemarks /on Saatchi & Saatchi
“We are in the twilight of a society based on data. As information and intelligence become the domain of computers, society will place more value on the one human ability that cannot be automated: emotion. Imagination, myth, ritual - the language of emotion - will affect everything from our purchasing decisions to how we work with others.

**Companies will thrive on the basis of their stories and myths.** Companies will need to understand that their products are less important than their stories.”

Rolf Jensen, Copenhagen Institute for Future Studies
“WHO CARES?”
Do the housekeepers & clerks “buy it”?

[ARE YOU V-E-R-Y SURE?]
“EXACTLY HOW ARE WE DRAMATICALLY DIFFERENT?”
“You do not merely want to be the best of the best. You want to be considered the only ones who do what you do.”

Jerry Garcia
Brand = You Must Care!

“Success means never letting the competition define you. Instead you have to define yourself based on a point of view you care deeply about.” —Tom Chappell, Tom’s of Maine
GH:

“Get better” vs “Get different”
“EXACTLY HOW DO I PASSIONATELY CONVEY THAT DRAMATIC DIFFERENCE TO THE CLIENT?”
E.g. ...

Singapore
Dubai
Ireland
New Zealand
(Brand Kansas?)
(Brand NAVAIR?)
“Brands have run out of juice. They’re dead.” —Kevin Roberts/Saatchi & Saatchi
“Brands Are Out of Juice”

1. Brands are worn out from overuse.
2. Brands are no longer mysterious.
3. Brands can’t understand the new consumer.
4. Brands struggle with good old-fashioned competition.
5. Brands have been captured by formula.
6. Brands have been smothered by creeping conservatism.

Source: *Lovemarks: The Future Beyond Brands*, Kevin Roberts
“When I first suggested that *Love* was the way to transform business, grown CEOs blushed and slid down behind annual accounts. But I kept at them. I knew it was *Love* that was missing. I knew that *Love* was the only way to ante up the emotional temperature and create the new kinds of relationships brands needed. I knew that *Love* was the only way business could respond to the rapid shift in control to consumers.” —Kevin Roberts/Lovemarks
<table>
<thead>
<tr>
<th>Brand</th>
<th>Recognized by consumers</th>
<th>Generic</th>
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<tr>
<td>Lovemark</td>
<td>Loved by People</td>
<td>Personal</td>
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<td>Presents a narrative</td>
<td>Creates a Love story</td>
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<td>A touch of Sensuality</td>
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<td>Defined attributes</td>
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<td>Values</td>
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<td>Professional</td>
<td>Passionately Creative</td>
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</tr>
<tr>
<td>Advertising agency</td>
<td>Ideas company</td>
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</table>

Source: Kevin Roberts, *Lovemarks*
“When we were working through the essentials of a Lovemark, **Mystery** was always at the top of the list.” —Lovemarks: The Future Beyond Brands, Kevin Roberts
*Mystery

*Magic

*Sensuality

*Enchantment

*Intimacy

*Exploration

Source: Kevin Roberts (e.g. Apple/iMac/ “Yum.”)
“Most businesses are obsessed with downplaying Mystery. They are determined to frame the world so it fits their own systems and processes. No wonder they find it tough to communicate with anyone, including their own people. They pump out specifications, details, diagrams. Define this benefit. Delineate that target. Write plans and strategies backed up with statistics. It’s not going to work. It’s not going to work in the airline business, the food business, the cleaning business, or any other business. How can it? Every major industry player now has exactly the same data, the same research suppliers, the same techniques, the same processes, and, in many cases, the same people. As Pete Seeger wrote in his song, ‘There’s a green one and a pink one and a blue one and a yellow one, and they’re all made out of ticky-tacky and they all look just the same.’” —Lovemarks: The Future Beyond Brands, Kevin Roberts
“Lovemarks are owned by the people who love them.”

—Lovemarks: The Future Beyond Brands, Kevin Roberts
“Human beings are powered by emotion, not by reason.”—KR

“The essential difference between emotion and reason is that emotion leads to action, while reason leads to conclusions.”—Donald Calne, neurologist

Source: Lovemarks: The Future Beyond Brands, Kevin Roberts
Top 10 “Tattoo Brands”*

Harley .... 18.9%
Disney .... 14.8
Coke .... 7.7
Google .... 6.6
Pepsi .... 6.1
Rolex .... 5.6
Nike .... 4.6
Adidas .... 3.1
Absolut .... 2.6
Nintendo .... 1.5

*BRANDsense: Build Powerful Brands through Touch, Taste, Smell, Sight, and Sound, Martin Lindstrom
Explanation for prior slide: The % of users who would **tattoo** the brand name on their body!
Lovemark
Dreams Come True
Awesome Experiences
Solutions
Services
Goods
Raw Materials
“Shareholders very seldom love the brands they have invested in. And the last thing they want is an intimate relationship. They figure this could warp their judgment. They want measurability, increasing returns (always) and no surprises (ever). Imagine a relationship with someone like that!

“No wonder so many brands lost the emotional thread that had led them to their extraordinary success and turned them instead into metric-munchers of the lowest kind. Watch for the sign: HEADS, NOT HEARTS, AT WORK HERE.” —Lovemarks: The Future Beyond Brands, Kevin Roberts
The Power is the Story

Tom Peters/10.15.04/ for Better By Design
Story > Brand
Market Power = Story Power = Dream Power
Things To Do …

1. Ask everyone you work with for a story that reflects what makes your brand special to them. The more diverse the stories, the richer the brand.
2. How would you tell consumers how much you personally love your brand? If you think they wouldn’t care, re-think how you are talking with them.
3. Ask three friends—people not in the same business—for a story about your brand. If they haven’t got one, you’ve got work to do.
4. Make a list of stories about your competitors that you wish were about your brand. Get out there and capture them yourself.

Source: Lovemarks: The Future Beyond Brands, Kevin Roberts
Things To Do

1. Call three consumers every day. Chat about how they are doing, respond to their thoughts and ideas. Follow up. Then follow up some more.

2. Spread your email address around. Sure you’ll get some spam, but being open to the world is worth as much spam as you can eat.

3. Reinvent your vocabulary. Ask your colleagues for the words and phrases you use all the time. Do they suggest Mystery? Sensuality? Intimacy? Or are they “corporate”?

4. Have you ever been invited to a customer’s Birthday Party? If not, make that invitation your mission—or hold the party at your place.

Source: Lovemarks: The Future Beyond Brands, Kevin Roberts
“Apple opposes, IBM solves, Nike exhorts, Virgin enlightens, Sony dreams, Benetton protests. … Brands are not nouns but verbs.”

Source: Jean-Marie Dru ... Disruption
Message ...

Is Not >> Is
<table>
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<tr>
<td>Juvenile</td>
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<tr>
<td>Superficial</td>
<td>Powerful</td>
<td>Self-important</td>
</tr>
</tbody>
</table>
Rules of “Radical Marketing”

Love + Respect Your Customers!
Hire only Passionate Missionaries!
Create a Community of Customers!
Celebrate Craziness!
Be insanely True to the Brand!

Sam Hill & Glenn Rifkin, Radical Marketing
(e.g., Harley, Virgin, The Dead, HBS, NBA)
What Can [Can’t] Be Branded?

“Branding is not a problem if you have the right mentality. You go to your team and you pin up a $200 Swiss Army Watch. Competing in the ridiculously crowded sub-$200 watch market, they made it into an iconic brand name, named after the most irrelevant and useless thing in history, the Swiss Army. And you say, ‘Gang, if they can do it, we can do it.’” —Barry Gibbons
New “C-Levels”
Chief eXperience Officer
*Chief Festivals Officer
*Chief Conversations Officer
*Chief Seduction Officer
*Chief LoveMark Officer
*Chief Dream Merchant*
Chief Portal Impresario
*Chief WOW Officer
*Chief StoryTelling Officer
Not to mention ...
Top Line, Anyone?

Point (Advertising Age), to Phil Kotler: “Who should the CMO [Chief Marketing Officer] report to?”

Kotler: “Maybe a Chief Revenue Officer—the cost side has been squeezed, now companies have to focus on top-line growth—or maybe a Chief Customer Officer”
cRo*

*Chief Revenue Officer
V. NEW BUSINESS.  NEW MARKETS.
15. **Re-imagine the Customer I**: Trends Worth Trillion$$$

...Women Roar.
Re-imagine the Customer I: Trends Worth Trillion$$$

Women Roar.
(Stop Being Such Damn Fools I.)
Home Furnishings … 94%
Vacations … 92% *(Adventure Travel … 70%/ $55B travel equipment)*
Houses … 91%
*D.I.Y.* *(major “home projects”) … 80%
Consumer Electronics … 51% *(66% home computers)*
Cars … 68% *(90%)*
*All consumer purchases … 83%*
Bank Account … 89%
Household investment decisions … 67%
Small business loans/biz starts … 70%
Health Care … 80%
1970-1998

Men’s median income: +0.6%
Women’s median income: + 63%

Source: Martha Barletta, *Marketing to Women*
Business Purchasing Power

Purchasing mgrs. & agents: 51%
HR: >>50%
Admin officers: >50%

Source: Martha Barletta, *Marketing to Women*
“Kodak Sharpens Digital Focus On Its Best Customers: Women” — Page 1 Headline/WSJ/07/05 (women particularly attracted to simplicity and quality)
91% women: ADVERTISERS DON’T UNDERSTAND US. (58% “ANNOYED.”)

Source: Greenfield Online for Arnold’s Women’s Insight Team (Martha Barletta, Marketing to Women)
“Men and women don’t think the same way, don’t communicate the same way, don’t buy for the same reasons.”

“He simply wants the transaction to take place. She’s interested in creating a relationship. Every place women go, they make connections.”
“Resting” State: 30%, 90%: “A woman knows her children’s friends, hopes, dreams, romances, secret fears, what they are thinking, how they are feeling. **Men are vaguely aware of some short people also living in the house.**”

Barbara & Allan Pease, *Why Men Don’t Listen & Women Can’t Read Maps*
“As a hunter, a man needed vision that would allow him to zero in on targets in the distance ... whereas a woman needed eyes to allow a wide arc of vision so that she could monitor any predators sneaking up on the nest. This is why modern men can find their way effortlessly to a distant pub, but can never find things in fridges, cupboards or drawers.”

Barbara & Allan Pease, Why Men Don’t Listen & Women Can’t Read Maps
“Female hearing advantage contributes significantly to what is called ‘women’s intuition’ and is one of the reasons why a woman can read between the lines of what people say. **Men, however, shouldn’t despair. They are excellent at imitating animal sounds.**”

Barbara & Allan Pease, Why Men Don’t Listen & Women Can’t Read Maps
Senses

**Vision**: Men, focused; Women, peripheral.

**Hearing**: Women’s discomfort level 1/2 men’s.

**Smell**: Women >> Men.

**Touch**: Most sensitive man < Least sensitive women.

Source: Martha Barletta, *Marketing to Women*
“Women speak and hear a language of connection and intimacy, and men speak and hear a language of status and independence. Men communicate to obtain information, establish their status, and show independence. **Women communicate to create relationships, encourage interaction, and exchange feelings.**”

Judy Rosener, *America’s Competitive Secret*
Editorial/Men: Tables, rankings.*

Editorial/Women: Narratives that cohere.*

*Redwood (UK)
Initiate Purchase

Men: Study “facts & features.”

Women: Ask lots of people for input.

Source: Martha Barletta, *Marketing to Women*
Thanks, Marti Barletta!
A World of Difference

Build Sales and Share by Tapping into
the Buying Power of Women

Martha Barletta
Author, *Marketing to Women*
President & CEO, The TrendSight Group

Powered by Microsoft Office® Live Meeting
November 18, 2004
The Perfect Answer

Jill and Jack buy slacks in black...
Mission: Go to Gap, Buy a Pair of Pants

Male
Time: 6 min
Cost: $33

Female
Time: 3 Hrs 26 min
Cost: $876
Read This Book …

EVEolution: The Eight Truths of Marketing to Women

Faith Popcorn & Lys Marigold
EVEolution: Truth No. 1

Connecting Your Female Consumers to Each Other Connects Them to Your Brand
“The ‘Connection Proclivity’ in women starts early. When asked, ‘How was school today?’ a girl usually tells her mother every detail of what happened, while a boy might grunt, ‘Fine.’ ”

EVEolution
“One good thing about being a man is that men don’t have to talk to each other.”

—Peter Cocotas
Woman gets married: puts on weight, increases drinking, depressed

Man gets married: weight stabilizes, drinking reduced, happy

Source: Richard Scase
“Women don’t buy brands. They join them.”

EVEolution
2.6 vs. 21
Purchasing Patterns

Women: Harder to convince; more loyal once convinced.

Men: Snap decision; fickle.

Source: Martha Barletta, Marketing to Women
Enterprise Reinvention!

Recruiting
Hiring/Rewarding/Promoting
Structure
Processes
Measurement
Strategy
Culture
Vision
Leadership

THE BRAND/STORY ITSELF!
Psssst! Wanna see my “porn” collection?
Not a Morality Play

“It is critical that we all understand that IBM is not marketing to women entrepreneurs because it is the thing to do, or even the right thing to do. We’re marketing to women entrepreneurs because it is a huge opportunity.” — Cherie Piebes
U.S.A. Economic Story #1:

10.6M
1. Men and women are different.
2. Very different.
3. **VERY, VERY DIFFERENT.**
4. Women & Men have **a-b-s-o-l-u-t-e-l-y** nothing in common.
5. Women buy lotsa stuff.
6. **WOMEN BUY A-L-L THE STUFF.**
8. Men are (STILL) in charge.
9. **MEN ARE … TOTALLY, HOPELESSLY CLUELESS ABOUT WOMEN.**
Rules for Marketing to Women

* **Women are not a “minority”**

* Beware stereotypes (Home Depot thought “women influenced home-improvement projects but didn’t do home renovations”)

* Focusing on women … DOES NOT TURN OFF MEN

* Get direct feedback from women (it happens less than you think)

* Beware age differences (today’s young women like hot cars as much as young men … this wasn’t always the case)

* To target women, the brand does not need to be rebuilt, but repositioned

Source: *Investor’s Business Daily* / 06.13.05
Why?*
Albertsons “Gets It”*

Albertsons CEO Larry Johnston (a GE alum) on women in top slots: “Women have insights into our customers that no man—no matter how bright, no matter how hard working—can match. That’s important when 85 percent of all consumer buying decisions made in our stores are made by women.”

Retail analyst Burt Flickinger calls the absence of women in top slots, pre-Johnston, the company’s “tragic flaw.” He adds, “It was a bunch of old white guys making erroneous assumptions and erroneous conclusions about women and the multicultural consumers that make up the majority of Albertsons’ customers.”

*Only large global corporation with over 50% women (6 of 11) on its Board
“To be a leader in consumer products, it’s critical to have leaders who represent the population we serve.” —Steve Reinemund/PepsiCo
7-Eleven
Males: TAKE PLEDGE2005!

I PLEDGE … THAT I WILL NEVER ENGAGE IN ANY SORT OF DISCUSSION OF PRODUCTS-SERVICES-EXPERIENCES THAT INCLUDE WOMEN AS CUSTOMERS-CLIENTS, UNLESS ONE THIRD OR MORE OF THOSE PRESENT & IN POSITIONS OF AUTHORITY ARE WOMEN. IN SUCH SETTINGS, I PLEDGE … THAT I WILL WORK TIRELESSLY TO ENSURE THAT WOMEN’S VIEWS ARE HEARD FIRST & LAST AND ARE CLEARLY INCORPORATED IN A COMMANDING WAY IN ACTION PLANS. I PLEDGE … THAT I WILL NOT SIGN OFF ON AN INITIATIVE AIMED PRIMARILY AT WOMEN UNLESS WOMEN ARE ALMOST UNANIMOUSLY IN AGREEMENT. I FURTHER PLEDGE … THAT I WILL BECOME A “PIioneer” IN GETTING WOMEN-CENTRIC VIEWS CLEARLY INTO THE MAINSTREAM.
“Customer is King”: 4,440

“Customer is Queen”: 29

Source: Steve Farber/Google search/04.2002
KR: The religious use of “She”!
“And even if they manage to get the age thing right, [Marti] Barletta says companies still tend to screw up in fairly predictable ways when they add women to the equation. Too often, their first impulse is to paint the brand pink, lavishing their ads with flowers and bows, or, conversely, pandering with images of women warriors and other cheesy clichés. In other cases they use language intended to be empathetic that come across instead as borderline offensive. ‘One bank took out an ad saying, We recognize women’s special needs,’ says Barletta. ‘No offense, but doesn’t that sound like the Special Olympics?’ ” —Fast Company/03.04
“In Dove Ads, Normal Is the New Beautiful”

—Headline, Advertising Age/09.27.04
“Dove’s Campaign Ads Are Raging Success Because They Are Aspirationable, But Doable”* —Dr Joyce Brothers/Advertising Age article-headline/08.05

*Unilever: “For too long beauty has been defined by narrow, unattainable stereotypes. It’s time to change all that … because real beauty comes in many shapes, sizes, colors, and ages.” Dr Brothers: “everyday people” “The disconnect between the Barby-esque model and the average woman begins to fade.” “looks” vs “beauty”
“Unilever brand Dove’s use of six generously proportioned ‘real women’ to promote its skin-firming preparations must qualify as one of the most talked-about marketing decisions taken this summer. It was also one of the most successful: Since the campaign broke, sales of the firming lotion have gone up 700 percent in the UK, 300 percent in Germany and 220 percent in the Netherlands.” —Financial Times/09.29.04
“Five Clichés of Women (as Portrayed by Advertisers) ...

Perfect Mum
Alpha Female
Fashionista
Beauty Bunny
Great Granny”

Source: *The Independent* /09.29.04 (on forthcoming “First London ‘Think Pink’ Conference”)
“Secrets” of Marketing to Women

1. Show her “real” women and relatable scenarios.
2. Focus on connection and teamwork.
3. Capture her imagination by using stories.
4. Make it multisensory.
5. Add the little extras.
6. Tap the emotional power of music.
7. Create customer evangelists.
8. Form brand alliances.

Source: Lisa Johnson & Andrea Learned, Don’t Think Pink: What Really Makes Women Buy and How to Increase Your Share of This Crucial Market
16. Re-imagine the Customer II: Trends Worth Trillion$$$$ ... Boomer Bonanza/ Godzila Geezer.
Re-imagine the Customer II: Trends Worth Trillion$$ ... Boomer Bonanza/ Godzilla Geezer. (Stop Being Such Damn Fools II.)
Subject: Marketers & Stupidity

“It’s 18-44, stupid!”
Subject: Marketers & Stupidity

Or is it: “18-44 is stupid, stupid, stupid!”
2000-2010 Stats

18-44: -1%

55+: +21%

(55-64: +47%)
44-65: “New Customer Majority” *

*45% larger than 18-43; 60% larger by 2010
Source: Ageless Marketing, David Wolfe & Robert Snyder
“The New Customer Majority is the only adult market with realistic prospects for significant sales growth in dozens of product lines for thousands of companies.”

—David Wolfe & Robert Snyder, *Ageless Marketing*
Boomers: “We’re not going gently. We’re going the way our generation does everything else. Research it. Make sure you’re getting the best deal. Study the alternatives the way we studied alternative families and alternative diets and alternative religions. ‘Baby Boomers Want Less Pain And More Grace Before That Good night,’ reads one headline …”

—James Atlas/ My Life in the Middle Ages
**Boomers/78.6M:** 30% higher spending per person in family ($19,000), vs younger families; “center” (45-54) has highest household income ($68,000) and highest household spending ($50,000); boomers have lowest poverty rate (7.6%); boomers still buying “cool cars”; etc.

*Source: Advertising Age/07.05*
Top Franchises: *Boomer-driven!*

*Comfort Keepers.* Non-medical home care, such as running errands, doing the laundry, companionship. (472 franchises to date)

*Liberty Fitness.* Middle-aged (35-65) overweight women who want to avoid the generic fitness clubs. (65)

*Sarah Adult Day Services.* For seniors who don’t need constant care. (27)

*Outdoor Lighting Perspectives.* Aimed at boomers, especially in warmer climates, who are turning their homes into year-round vacation properties. (61)

*Camp BowWow.* Doggie day care, targeting affluent seniors who travel frequently. (52)

*Verlo.* Personalizes bed mattresses … aimed at affluent boomers. (68)

Source: CNNMoney/07/05
“Baby-boomer Women: The Sweetest of Sweet Spots for Marketers” —David Wolfe and Robert Snyder, Ageless Marketing
“Households headed by someone 40 or older enjoy 91% ($9.7T) of our population’s net worth. … The mature market is the dominant market in the U.S. economy, making the majority of expenditures in virtually every category.”

—Carol Morgan & Doran Levy, Marketing to the Mindset of Boomers and Their Elders
50+

$7T wealth (70%)/$2T annual income
50% all discretionary spending
79% own homes/40M credit card users
41% new cars/48% luxury cars
$610B healthcare spending/
74% prescription drugs

5% of advertising targets

Ken Dychtwald, Age Power: How the 21st Century Will Be Ruled by the New Old
Median Household Net Worth

<35: $7K
35-44: $44K
45-54: $83K

55-64: $112K
65-69: $114K
70-74: $120K

>74: $100K

Source: U.S. Census
“Focused on assessing the marketplace based on lifetime value (LTV), marketers may dismiss the mature market as headed to its grave. *The reality is that at 60 a person in the U.S. may enjoy 20 or 30 years of life.*” —Carol Morgan & Doran Levy, *Marketing to the Mindset of Boomers and Their Elders*
Dumb? Or Dumber?

“While Fox’s overall ratings are down about 6% from last year, the network has moved from fourth place into first among viewers from ages 18 to 49, which all the networks other than CBS define as the only competition that counts.” —New York Times/11.01.04
“Marketers attempts at reaching those over 50 have been miserably unsuccessful. No market’s motivations and needs are so poorly understood.” —Peter Francese, founding publisher, American Demographics
**Possession Experiences** /“Desires for things”/Young adulthood/to 38

**Catered Experiences**/ “Desires to be served by others”/Middle adulthood

**Being Experiences**/“Desires for transcending experiences”/Late adulthood

Source: David Wolfe and Robert Snyder/Ageless Marketing
“Thanks to a rising tide of aging baby boomers determined to unwind and look good as long as they can, the U.S. spa business is surging. In the past five years the number of spas has more than doubled to more than 12,000.” —The Wall Street Journal Europe/01.21.2005
“‘Age Power’ will rule the 21st century, and we are woefully unprepared.”

Ken Dychtwald, *Age Power: How the 21st Century Will Be Ruled by the New Old*
“Road Signs of the Times: Creating an easier-to-read typeface for aging drivers” — The New York Times/ 01.21.2005
“Sixty Is the New Thirty”
—Cover/AARP/11.03
No: “Target Marketing”

Yes: “Target Innovation” & “Target Delivery Systems”
Marketing to Women, Martha Barletta

EVEolution: The Eight Truths of Marketing to Women, Faith Popcorn & Lys Marigold

Ageless Marketing, David Wolfe & Robert Snyder

Marketing to the Mindset of Boomers and Their Elders, Carol Morgan & Doran Levy

Selling Dreams: How to Make Any Product Irresistible, Gian Luigi Longinotti-Buitoni

The Dream Society: How the Coming Shift from Information to Imagination Will Transform Your Business, Rolf Jensen

Trading Up: The New American Luxury, Michael Silverstein & Neil Fiske
Bonus.
The Hunch of a Lifetime: An Emergent (Market) Nexus

I have a sense/hunch there’s an interesting nexus among several of the ideas about New Market Realities that I promote … namely Women-Boomers-Wellness-Green-Intangibles. Each one drives the Fundamental (Traditional) Economic Value Proposition toward the “softer side”: From facts- & figures-obsessed males toward relationship-oriented Women. From goods-driven youth toward “experiences”-craving Boomers. From quick-fix & pill-popping “healthcare” toward a holistically inclined “Wellness Revolution.” From mindless exploitation of the Earth’s resources toward increased awareness of the fragility and preciousness of our Environment. From “goods” and “services” toward Design- & Creativity-rich Intangibles-Experiences-Dreams Fulfilled. This so-called “softer side”—as the disparate likes of IBM’s Sam Palmisano and Harley-Davidson’s Rich Teerlink teach us—is now & increasingly “where the loot is,” damn near all the loot. That is, the “softer side” has become the Prime Driver of tomorrow’s “hard” economic value. Furthermore, each of the Five Key Ideas (Women-Boomers-Wellness-Green-Intangibles) feeds off and complements the other four. Dare I use the word “synergy”? Perhaps. (Or: Of course!) I can imagine an enterprise defining its raison d’etre in terms of these Five Complementary Key Ideas. (HINT: DAMN FEW DO TODAY.)
An Emergent Nexus

Men ............................................................................................... Women
Youth .................................................................................. Boomers/Geezers
“Fix It” Healthcare.................................................... Wellness/Prevention
Exploit-the-Earth .......... Preserve/Cherish the Planet
Tangibles .................................................................................. Intangibles
“Jeffrey Immelt Turns Green. ... Has General Electric Gone Eco-mad?” — cover story/Forbes/08.05
“Toyota To Add 10 Hybrids To Lineup: Carmaker Projects 600,000* Sales Annually” —Headline/USA Today/08.05

*25% U.S. sales within this decade
“Companies Step Up Wellness Efforts: Rising health costs provide incentive to promote healthier employee lifestyles” —headline/USA Today/08.05
Fastest growing demographic: *Single-person Households* (>50% in the likes of London, Stockholm)

Source: Richard Scase
“Building the Beisbol Brand” — cover story/NYT Magazine/07.25 (on GM Omar Minaya and the Mets)
2004 Hispanic population: 41.3M
Hispanic population 2050: 24.4%

Source: Advertising Age
VI. NEW BUSINESS. NEW BEDROCK.
17. Re-imagine the Individual I: Welcome to a Brand You World … Distinct or Extinct
Globalization 1.0: *Countries* globalizing (1492-1800)
Globalization 2.0: *Companies* globalizing (1800-2000)
Globalization 3.0 (2000+): *Individuals* collaborating & competing globally

Source: Tom Friedman/*The World Is Flat*
1. Can someone overseas do it cheaper?
2. Can a computer do it faster?
3. Is what you’re selling in demand in an age of abundance?

Source: Dan Pink
“If there is nothing very special about your work, no matter how hard you apply yourself you won’t get noticed, and that increasingly means you won’t get paid much either.”

Michael Goldhaber, Wired
The electrician knows!
Steps: One busboy will become a Waiter. One waiter will become a Maitre D’. One Maitre D’ will become a Restaurateur. One restaurateur will become World Famous. Message: IT STARTS BY BECOMING THE BEST BUSBOY YOU CAN BE!
“You are the storyteller of your own life, and you can create your own legend or not.”

Isabel Allende
“One of the defining characteristics [of the change] is that it will be less driven by countries or corporations and more driven by real people. It will unleash unprecedented creativity, advancement of knowledge, and economic development. But at the same time, it will tend to undermine safety net systems and penalize the unskilled.”

—Clyde Prestowitz, Three Billion New Capitalists
“Advanced country workers with the same skills as Chinese or Indian workers will not be able to compete unless they are willing to accept Indian or Chinese wages. Moreover, in a peculiar way, the playing field will tilt toward the two new giants of the global economy. The potential size of their markets, their endless supply of low-cost labor, the unique combination of many highly skilled but low paid professionals, and the investment incentives offered their governments will constitute an irresistible package that will attract investment away not only from the first world but from other developing countries as well. China, for example, could be a real problem for Mexico …” —Clyde Prestowitz, Three Billion New Capitalists
The Rule of Positioning

“If you can’t describe your position in eight words or less, you don’t have a position.” — Jay Levinson and Seth Godin, *Get What You Deserve!*
Personal “Brand Equity” Evaluation

- I am known for [2 to 3 things]; next year at this time I’ll also be known for [1 more thing].
- My current Project is challenging me …
- New things I’ve learned in the last 90 days include …
- My public “recognition program” consists of …
- Additions to my Rolodex in the last 90 days include …
- My resume is **discernibly different** from last year’s at this time …
R.D.A.

Rate: 15%?, 25%?

Therefore: Formal “Investment Strategy”/R.I.P.*

*Renewal Investment Plan
“Knowledge becomes obsolete incredibly fast. The continuing professional education of adults is the No. 1 industry in the next 30 years … mostly on line.”

—Peter Drucker/Business 2.0
Have you invested as much this year* in your career as in your car?

*Absolute$$$, % of Asset Value
Source: Molly Sargent
26.3
New Work SurvivalKit2005

1. Mastery! (Best/Absurdly Good at Something!)
2. “Manage” to Legacy (All Work = “Memorable”/“Braggable” WOW Projects!)
3. A “USP”/Unique Selling Proposition (R.POVS8: Remarkable Point of View … captured in 8 or less words)
4. Rolodex Obsession (From vertical/hierarchy/“suck up” loyalty to horizontal/“colleague”/“mate” loyalty)
5. Entrepreneurial Instinct (A sleepless … Eye for Opportunity! E.g.: Small Opp for Independent Action beats faceless part of Monster Project)
6. CEO/Leader/Businessperson/Closer (CEO, Me Inc. Period! 24/7!)
7. Mistress of Improv (Play a dozen parts simultaneously, from Chief Strategist to Chief Toilet Scrubber)
8. Sense of Humor (A willingness to Screw Up & Move On)
9. Comfortable with Your Skin (Bring “interesting you” to work!)
10. Intense Appetite for Technology (E.g.: How Cool-Active is your Web site? Do you Blog?)
11. Embrace “Marketing” (Your own CSO/Chief Storytelling Officer)
12. Passion for Renewal (Your own CLO/Chief Learning Officer)
13. Execution Excellence! (Show up on time! Leave last!)
TP & UA Ops Manager: “National service? Who knows? But we believe that every would-be leader should have waited table for at least two years!” *

*Customer service, make-each-Customer the Absolute Center of Attention “at all times,” pursue repeat business, take the blame from one and all, provision of scintillating “experience,” serve many masters (Client, Maitre d’, chef, busboy, owner, etc), hustle but exude calm/grace, multi-task, sunny attitude no matter how much shit has hit the fan, etc.
Distinct ...

or ... Extinct
Make each day a Masterpiece!

-JW
“IN SILICON VALLEY …
IF YOU ARE NOT STOLEN AWAY BY SOME COMPANY
EVERY FEW YEARS (OR MONTHS) …
YOU ARE NOT CONSIDERED A ‘HOT PROPERTY.’

STABILITY IS A
MARK OF
SHAME.”

Source: Juan Enriquez/As the Future Catches You
“It became clear to me as I listened to people’s stories over the years that work is where lives are really played out. More than in church, this is where we put our blood, sweat and tears. You spend years getting educated and trained for work, then you go to work, then you recover from work, you raise kids hoping they get work—and then life is over. If we’re going to look hard at impacting culture and history with values that are worth passing on, work is the place.” —Matthew Fox, Episcopal priest and author of The Reinvention of Work (worthwhile)
“Do one thing every day that scares you.” —Eleanor Roosevelt
The WOW! Project.
Your Current Project?

1. Another day’s work/Pays the rent.

4. Of value.

7. Pretty Damn Cool/Definitely subversive.

10. \textcolor{red}{WE AIM TO CHANGE THE WORLD.} (Insane! / Insanely Great! / WOW!)
“This is the true joy of life, the being used for a purpose recognized by yourself as a mighty one... the being a force of Nature instead of a feverish, selfish little clod of ailments and grievances complaining that the world will not devote itself to making you happy.”

—GB Shaw/ Man and Superman (from Mike Ray, The Highest Goal)
Implementing “WOW” for Non-CEOs: The F4 Recipe.
THE IDEA: Model F4

Find a Fellow

Freak Faraway
“Nobody gives you power. You just take it.” —Roseanne
We Live In A “Brand You” World

Tom Peters/12.22.2004
“There is no job that is America’s God-given right anymore.” —Carly Fiorina/ HP/ 01.07.2004
“We live in a ‘Brand You’ world.” —Tom Peters
“Nobody can prevent you from choosing to be exceptional.” —Mark Sanborn, The Fred Factor

“To live is the rarest thing in the world. Most people exist, that is all.” —Oscar Wilde
“If I can reduce my work to just a job I have to do, then I keep myself safely away from the losses to be endured in putting my heart’s desires at stake.”

—David Whyte, *Crossing the Unknown Sea: Work as a Pilgrimage of Identity*
Make each day a Masterpiece!

-JW
“Make your life itself a creative work of art.” —Mike Ray, The Highest Goal
“This is the true joy of Life, the being used for a purpose recognized by yourself as a mighty one ... the being a force of Nature instead of a feverish, selfish little clod of ailments and grievances complaining that the world will not devote itself to making you happy.”

—GB Shaw/ Man and Superman (from Mike Ray, The Highest Goal)
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Toward “Firm Persuasion”

“Then I asked: Does a firm persuasion that a thing is so make it so? He replied: All poets believe that it does, and in ages of imagination this firm persuasion removed mountains; but many are not capable of a firm persuasion of anything.”

William Blake, “The Marriage of Heaven and Hell”
(from David Whyte, Crossing the Unknown Sea: Work as a Pilgrimage of Identity)
“To have a firm persuasion in our work—to feel that what we do is right for ourselves and good for the world at exactly the same time—is one of the great triumphs of human existence.” —David Whyte, *Crossing the Unknown Sea: Work as a Pilgrimage of Identity*
“The antidote to exhaustion is not rest, it is wholeheartedness.”

—David Whyte, *Crossing the Unknown Sea: Work as a Pilgrimage of Identity*
“All of our artistic and religious traditions take equally great pains to inform us that we must never mistake a good career for good work. Life is a creative, intimate, unpredictable conversation if it is nothing else—and our life and our work are both the result of the way we hold that passionate conversation.” —David Whyte, *Crossing the Unknown Sea: Work as a Pilgrimage of Identity*
“To Be somebody or to Do something”

BOYD: The Fighter Pilot Who Changed the Art of War (Robert Coram)
“Tell me, what is it you plan to do with your one wild and precious life?”

—Mary Oliver
Joe J. Jones
1942 - 2005
HE WOULDA DONE SOME REALLY COOL STUFF BUT ... HIS BOSS WOULDN'T LET HIM!
T. J. Peters
1942 - 2 ---
HE WAS A PLAYER!
My Kinda Folks!

Tom Peters/0720.2005
“Do” vs “Be”** (The task, not the title, is important)
(**Military strategist extraordinaire Col John Boyd: 2 kinds of people. “Do” … focus obsessively on “the work itself”—and damn the torpedoes. “Be” … obsess on the politics, the rank, the next promotion or assignment.)

*Intuitive > Purely logical. (Routinely make strange connections)
*Incredible passion for the work/Lingering idealism (though also cynical—paradox)
*Persistent/Relentless (to a fault)
*Like the long shots (Don Quixote-ish)
*Stay on the case long after being ordered to drop it
My Kinda Folks!

*Cases no one else wants* (hot potatoes, dead ends, political nightmares, “unimportant” victims)

*Constant thorns in the side of bureaucracy!!!!!!!!!!!!!!!

*Repeatedly exiled to professional “Siberia”* (so annoyingly good and so annoying per se that others try to do him terminal professional harm)

*Little in the way of career prospects*

*Have a “Godfather”* (need internal protection—though even protectors lose patience)

*Work mostly solo* (Secretive)

*“Work” “old pals network” to get info-leads beyond their charter*
My Kinda Folks!

* Master of the End Run!

* **Mentor** (often to an incredibly talented young woman fighting the sexist culture)

* Curmudgeonly

* Often their own worst enemies

* Drink too much

* Don’t work out enough

* Sneak fast food

* Excessive work has estranged from family

* More or less shabbily dressed

* Drive shabby cars

* Not money/security oriented (an’t help themselves, just gotta get involved)
My Kinda Folks!

*Not money/security oriented* (can’t help themselves, just gotta get involved)

*Carry a secret/hidden motivator in their kit* (e.g. someone close he feels he let down, leading to their death)

*GET THE DAMN JOB DONE!* (and don’t expect/get much appreciation)
Getting to WOW
Through Mastery of ... The Sales25.
The Sales25: Great Salespeople …

1. Know the product. (Find cool mentors, and use them.)
2. Know the company.
3. Know the customer. (Including the customer’s consultants.) (And especially the “corporate culture.”)
4. *Love internal politics at home and abroad.*
5. Religiously respect competitors. (No badmouthing, no matter how provoked.)
6. *Wire the customer’s org.* (Relationships at all levels & functions.)
7. *Wire the home team’s org. and vendors’ orgs.* (INVEST Big Time time in relationships at all levels & functions.) (Take junior people in all functions to client meetings.)
It’s politics, stupid!

(Play or sit on the sidelines.)
Great Salespeople …

8. *Never overpromise.* (Even if it costs you your job.)

9. **Sell only by solving problems-creating profitable opportunities.** (“Our product solves these problems, creates these unimagined INCREDIBLE opportunities, and will make you a ton of money—here’s exactly how.”) (IS THIS A “PRODUCT SALE” OR A WOW-ORIGINAL SOLUTION YOU’LL BE DINING OFF 5 YEARS FROM NOW? THAT WILL BE WRITTEN UP IN THE TRADE PRESS?)

10. Will involve anybody—including mortal enemies—if it enhances the scope of the problem we can solve and increases the scope of the opportunity we can encompass.

11. Know the Brand Story cold; live the Brand Story. (If not, leave.)
Great Salespeople …

12. Think “Turnkey.” *(It’s always your problem!)*
13. Act as “orchestra conductor”: You are responsible for making the whole-damn-network respond. *(PERIOD.)*
14. Help the customer get to know the vendor’s organization & build up their Rolodex.
15. **Walk away from bad business.** *(Even if it gets you fired.)*
16. Understand the idea of a “good loss.” *(A bold effort that’s sometimes better than a lousy win.)*
17. Think those who regularly say “It’s all a price issue” suffer from rampant immaturity & shrunken imagination.
18. Will not give away the store to get a foot in the door.
19. Are wary & respectful of upstarts—the real enemy.
20. Seek several “cool customers”—who’ll drag you into Tomorrowland.
“If you don’t listen, you don’t sell anything.”

—Carolyn Marland/MD/Guardian Group
21. Use the word “partnership” obsessively, even though it is way overused. (“Partnership” includes folks at all levels throughout the supply chain.)
22. Send thank you notes by the truckload. (NOT E-NOTES.) (Most are for “little things.”) (50% of those notes are sent to those in our company!) Remember birthdays. Use the word “we.”
23. When you look across the table at the customer, think religiously to yourself: “HOW CAN I MAKE THIS DUDE RICH & FAMOUS & GET HIM-HER PROMOTED?”
24. Great salespeople can affirmatively respond to the query in an HP banner ad: HAVE YOU CHANGED CIVILIZATION TODAY?
25. Keep your bloody PowerPoint slides simple!
“Success or Failure”? Try Instead “Optimism or Failure”!

From Martin Seligman’s *Learned Optimism*: “I believe the traditional wisdom is incomplete. A composer can have all the talent of a Mozart and a passionate desire to succeed, but if he believes he cannot compose music, he will come to nothing. He will not try hard enough. He will give up too soon when the elusive right melody takes too long to materialize. Success requires persistence, the ability to not give up in the face of failure. I believe that … **OPTIMISTIC EXPLANATORY STYLE** … is the key to persistence.

“The optimistic-explanatory-style theory of success says that in order to choose people for success in a challenging job, you need to select for three characteristics: (1) Aptitude. (2) Motivation. (3) Optimism. All three determine success.”

(Note: Seligman’s extensive work with Met Life salespeople, among others, proved out the above—in spades.)
**Pessimist:** Good things ... “I’m worthless, but got lucky on this one.”  
Bad things ... “I’m a bozo who deserved my sorry fate.”

**Optimist:** Good things ... “I deserved that; I’m the cat’s meow.”  
Bad things ... “I’m the cat’s meow, but the cat had an unlucky day; tomorrow will be better for sure.”
Three for the Ages

GETTING TO YES … Roger Fisher, William Ury, Bruce Patton

LEARNED OPTIMISM … Martin Seligman

CRUCIAL CONFRONTATIONS … Kerry Patterson, Joseph Grenny, Ron McMillan, Al Switzler
Getting Things Done: The Power & Implementation
*Send “Thank You” notes!  It’s (always) “all about relationships.” And at the Heart of Effective Relationships is … APPRECIATION. (Oh yeah: Never, ever forget a birthday of a co-worker.)

*Bring donuts!  “Small” gestures of appreciation (on a rainy day, after a long day’s work the day before) are VBDs … Very Big Deals.

*Make the call!  One short, hard-to-make call today can avert a relationship crisis that could bring you down six months from now.

*Remember: There are no “little gestures” of kindness.  As boss, stopping by someone’s cube … for 30 seconds … to inquire about their sick parent will be remembered for … 10 years. (Trust me.)

*Make eye contact!  No big deal? Wrong! “It” is all about … Connection! Paying attention! Being there … in the Moment … Present. So, work on your eye contact, your Intent to Connect.

*Smile!  Or, rather: SMILE. Rule: Smiles beget smiles. Frowns beget frowns. Rule: WORK ON THIS.

*Smile! (If it kills you.)  Energy & enthusiasm & passion engender energy-enthusiasm-passion in those we work with.
*It’s all … RELATIONSHIPS.* Remember: Business is a relationships business. (Period.) We’re all in sales! (Period.) Connecting! Making our case! Following up! Networking! “Relationships” are what we “do.”

*You = Your Calendar.* Your true priorities are “given away” by your calendar. YOUR CALENDAR NEVER LIES. What are you truly spending your time on? Are you distracted? Focused?

*What’s in a number? EVERYTHING!* While we all “do a hundred things,” we may not/should not/cannot have more than 2 (or 3) true “strategic” priorities at any point in time. BELIEVE IT.

*She (he) who is best prepared wins!* Out study, out-read, out-research the competition. Know more (lots more!) than “the person on the other side of the table.”

*“Excellence” is the Ultimate Cool Idea.* The very idea of “pursuing excellence” is a turn on—for you and me as well as those we work with. (And, I find to my dismay, it’s surprisingly rare.)

*Think WOW!* Language matters! “Hot” words generate a Hot Team. Watch your language!

*Take a break!* We need all the creativity we can muster these days. So close your office door and do 5 (FIVE) minutes of breathing or yoga; get a bag lunch today and eat it in the park.
*You are the boss!*  Old ideas of “lifetime employment” at one company (maybe where Dad/Mom worked) are gone. No matter what your current status, think of yourself as CEO of Brand Me, Inc. We are all Small Business Owners … of our own careers.

*Do something in … the next half hour!*  Don’t let yourself get stuck! There is … ALWAYS … something little you can start/do in the next thirty minutes to make a wee, concrete step forward with a problem-opportunity.

*Test it! NOW!*  We call this the “Quick Prototype Attitude.” One of life’s, especially business life’s, biggest problems is: “Too much ‘talk’, too little ‘do’.” If you’ve got a Cool Idea, don’t sit on it or research it to death. Grab a pal, an empty conference, and start laying out a little model. That is, begin the process of transforming the Idea to Action … ASAP. Incidentally, testing something quarter-baked in an approximation of the real world is the quickest way to learn.

*Expand your horizons.*  Routinely reach out beyond your comfort zone. TAKE A FREAK TO LUNCH TOMORROW! Call somebody interesting “you’ve been meaning to get in touch with;” invite them to lunch tomorrow. (Lunch with “the same ole gang means nothing new learned. And that’s a guarantee.) (Remember: Discomfort = Growth.)

*Build a Web site.*  The Web is ubiquitous. Play with it! Be a presence!  Start You.com … ASAP!
*Spread the credit!* Don’t build monuments to yourself, build them to others—those whose contributions we wholeheartedly acknowledge will literally follow us into machine gun fire!

*Follow Tom’s patented VFCJ strategy!* VFCJ = Volunteer For Crappy Jobs. That is, volunteer for the crummy little assignment nobody else wants, but will give you a chance to (1) be on your own, (2) express your creativity, and (3) make a noticeable mark when it turns out “Wow.”

*VOLUNTEER!* Life’s a maze, and you never know what’s connected to what. (Six degrees of separation, and all that.) So volunteer for that Community Center fund raising drive, even though you’re busy as all get out. You might end up working side-by-side with the president of a big company who’s looking for an enthusiast like you, or someone wealthy who might be interested in investing in the small business you dream of starting.

*Join Toastmasters!* You don’t need to try and match Ronald Reagan’s speaking skills, but you do need to be able to “speak your piece” with comfort, confidence and authority. Organizations like Toastmasters can help … enormously.

*Dress for success!* This one is old as the hills and I hate it!! But it’s true. FIRST IMPRESSIONS DO MATTER. *(A lot!!!)*
*Follow the Gospel of “Experience Marketing” in all you do.* The shrewdest marketers today tell us that selling a “product” or “service” is not enough in a crowded marketplace for everything. Every interaction must be reframed as a … Seriously Cool Experience. That includes the “little” 15-minute presentation you are giving to your 4 peers tomorrow.

*Think of your resume as an Annual Report on Brand Me Inc.* It’s not about keeping your resume “updated.” It is about having a Super-cool Annual Report. (Tom Peters Inc 2004.) What are your “stunning” accomplishments that you can add to that Report each 6 months, or at the most annually?

*Build a Great Team … even if you are not boss.* Best roster wins, right? So, work on your roster. Meet someone new at Church or your kid’s birthday party? Add them to your team (Team Tom); you never know when they might be able to assist you or give you ideas or support for something you are working on.

*She or he who has the Fattest & and Best-managed Rolodex wins.* Your Rolodex is your most cherished possession! Have you added 3 names to it in the last 2 weeks? Have you renewed acquaintance (email, lunch, gym date) with 3 people in your Rolodex in the last month? “MANAGE” YOUR ROLODEX!
Start your own business! Sure that’s radical. But people are doing it—especially women—by the millions. Let the idea percolate. Chat about it, perhaps, with pals. Start a file folder or three on things you Truly Care About … that just might be the basis for Cool Self-employment.

There’s nothing cooler than an Angry Customer! The most loyal customers are ones who had a problem with us … and then marveled when we went the Extra Ten Miles to fix it! Business opportunity No. 1 = Irate customers converted into fans. So … are you on the prowl for customer problems to fix?

All “marketing” is Relationship Marketing. In business, profit is a byproduct of “bringing ’em back.” Thus, systematic and intense and repeated Follow-up and After-sales Service and Scintillating New Hooks are of the utmost importance.
*BRANDING ain’t just for Big Dudes.* This may well be Business Mistake No. 1 … the idea that “branding” is only for the likes of Coke and Sony and Nike. Baloney! Branding applies as much for the one-person accountancy run out of a spare bedroom as it does for Procter & Gamble.

*Credibility!* In the end … Character Matters Most. Does he/she give their word, and then stick to it … come hell & high water? Can you rely on Her/Him in a pinch? Does she/he … CARE?

*Grace.* Is it “a pleasure to do business with you”? Is it a pleasure to “be a member of your team”?
Presentation Excellence: The PresX56
“The problem with communication ... is the ILLUSION that it has been accomplished”

—George Bernard Shaw
Presentation Excellence

1. Total commitment to the Problem/Project/Outcome
2. A compelling “Story line”/“Plot”
3. Enough data to sink a tanker (98% in reserve)
4. Know the data from memory; ability to manipulate the data in your head
5. Great Stories/Illustrations/Vignettes
6. Superb “political antennae” (you must “play the room” like a Virtuoso and be hyper-attentive to the likes of Body Language)
7. By hook or by crook … CONNECT
7A. CONNECT! CONNECT! CONNECT! CONNECT!
8. Punch line/Plot Outline/WOW/Surprise in first one to two minutes
Presentation Excellence

9. Once you’ve “won” … stop pushing (don’t “rub it in”)
10. Be “in command” but don’t “show off” (if you’re brilliant they’ll figure it out for themselves)
11. Pay attention to the Senior Person present, but not too much (don’t look like/act like/be a “suck up”)
12. Brief the hell out of your “champions” before the presentation; insist that they make changes/fine tune … they must “own” the outcome before the fact!
13. Don’t try to “score off” your detractors … be especially courteous to them (even if/especially if they’re jerks)
14. Adjust as you go: LET THE GROUP ARRIVE AT “YOUR” CONCLUSION! THEY MUST OWN IT (“I knew that”) IN THE END!
Presentation Excellence

15. No more than THREE key points! Come at them in several different ways.
16. No more than ONE point per slide!
17. Slides: NO CLUTTER!!!!!!!!!!!!!!!!!!!!!! (no wee print/charts/graphs)
18. Slides: Good quotes from the field. (Remember you’re “telling a story”)
19. Be aware of differing cognitive styles, especially M-F
20. There must be “surprise” … some key facts that are not commonly known/are counter-intuitive (no reason to do the presentation in the first place if there are no Surprises)
21. Summarize the argument/story from time to time
22. Include an Action Agenda that involves some small items that will be started/accomplished in the next 72 HOURS (this ices commitment/practicality)
Presentation Excellence

23. If you don’t know something … ADMIT IT! (this is actually a good thing—as opposed to appearing as a “know it all”)
24. ASK FOR THE SALE! (Remember to be a “closer”)
25. This is War (a war for Hearts & Mind), but never forget that you are the Supplicant!
26. Data are imperative, but also play to Emotion.
27. Consider bringing along a “customer” (internal or perhaps external) for support
28. Be precisely clear where/when you intend to prototype … and that the prototype guinea pig is lined up (better yet, do the first, at least partial, prototype before the presentation)
29. Compromise but don’t yield! (Lost battles are normal, no matter how agonizing)
30. Assume that you may be cut off at any moment, and be prepared to give on the spot a compelling 30-second to one-minute (no longer!) Brilliant Summary including Sales Pitch
Presentation Excellence

31. Follow the Law of Recency: Make sure that you have been in the field with the key “operating” players more recently than anyone in the room

32. Make it clear that you’ve done a Staggering Amount of Homework, even though you are exhibiting but a tiny fraction ... allude to the tons of research that are available if desired by participants; offer deeper one-on-one briefings if desired

33. SMILE! RELAX (to a point) (fake it if necessary) (“up tight” is disastrous) (remember you are doing them a favor by sharing this Compelling Opportunity!)

34. EYE CONTACT!!!!!!!

35. Be shrewd: Override some interruptions; be attentive to others (distraction is okay and normal ... within limits!)

36. Becoming an Excellent Presenter is as tough as becoming a great baseball pitcher. THIS IS IMPORTANT ... and Presentation Excellence is never accidental! (Work your buns off!)
Presentation Excellence

37. Practice ... but don’t leave your game in the locker room.
38. Seek tips on how various participants “play the [presentation] game”
39. A Presentation is an Act (FDR: “The President must be the nation’s number one actor”)
40. Remember, the presentation is about Change ... RESISTANCE IS NORMAL (in fact if there’s little resistance then your Project is hardly a “game changer”)
41. Dress well. Don’t over-dress.
42. Be early (obvious, but worth saying)
43. GET THE A/V RIGHT/PERFECT.
44. Don’t bring a supporting horde ... a couple of back-ups is okay/enough
45. No matter how good you are you’ll have crappy days ... WEEP AND THEN GET BACK ON THE HORSE
Presentation Excellence

46. Speak in “Plain English” … keep the jargon to a minimum
47. Make your Personal Commitment clear as a bell!
48. Emphasize “competitive advantage” and timeliness (act now), without stooping to ridiculous war-like language (“tear the heart out of the competition”) (in audiences with heavy female component, if you are male, avoid repetitive “football analogues”)
49. Underscore the USP/Unique Selling Proposition
50. Emphasize the Positive
51. Sell Novelty yet “fit” with “core values”
52. Remember JFK’s immortal words: “The only reason to give a speech is to change the world”
Presentation Excellence

53. Say what you have to say Clearly … and then Say It Again & Again from slightly different angles
54. Make it clear that you are a Man/Woman of Action … and Execution Excellence is your First, Middle, and Last Name!
55. Energy! Enthusiasm! (don’t know the answer to, “If you ain’t got it how do you get it?”)
56. Enjoy it! This is a Hoot! THE ULTIMATE TURN ON! Remember your Goal:

Change the world!
“In classical times when Cicero had finished speaking, the people said, ‘How well he spoke,’ but when Demosthenes had finished speaking, they said, ‘Let us march.’”

—Adlai Stevenson
Let us march.
The Interviewing Excellence: The IntX31
Interviewing Excellence

1. **INTERVIEWING IS AN “ART” WORTH MASTERING!** (Think Christine Amanpour, Mike Wallace)
2. Don’t overschedule—2 or 3 in depth interviews are a solid day’s work. (More than that is lunacy and will lead to shallow results.)
3. Save, if possible, the “Big Guy/Gal until last—that is, until you know what the hell you’re doing!
4. Find a comfy/“safe”/neutral setting. THIS IS ALL IMPORTANT! (Worst case: You on the other side of his/her desk.)
5. Start with a little bit (LITTLE) of local small talk. But get some tips on the interviewee ahead of time; he may be one of the “brusque ones” who considers any small talk a waste of his Imperial Time.
6. **DO YOUR DAMN HOME WORK!** (On the interviewee, the subject matter.)
7. Concoct a … LONG LIST … of questions. (You’ll only use 10% of it, but that’s okay.)
Interviewing Excellence

8. Prepare a ... SHORT LIST ... of questions you must get answered.
9. Begin by briefly reviewing your assignment—why you’re here.
10. ALWAYS ASK FOR EXAMPLES! (When she says “Customer Service is in good shape,” you ask for specifics—hard data, recent Customer Service successes (and failures). And: PRECISELY WHO YOU CAN FOLLOW UP WITH TO GET MORE DETAIL.
11. STORIES! STORIES! STORIES! (You are in the “Story Collection Business.)
12. Dress well. DON’T OVERDRESS. (Look like they look, more or less; perhaps a touch more formal—this is a Serious Affair you are engaging in.)
13. Assume you’ll never get another chance to talk to this person.
14. Be personable, but more or less match the interviewee’s style. (THIS IS HARD WORK!)
15. THINK ... SMALL! “Please walk me in great detail through the [complaint resolution] process. Here, let’s diagram it.”
Interviewing Excellence

16. For God’s sake, get to the Front Line! (The devil is in the details, and the details are to be found on the loading dock at 3a.m.) (YES … 3A.M.)

17. Don’t quit until you understand. THE INTERVIEWEE ALWAYS TALKS IN SHORTHAND—using the jargon of the Corporate Culture. You’ve got to crack the code. (THIS IS ABOUT THE HARDEST THING TO DO, ESPECIALLY IF YOU ARE YOUNG AND UNCERTAIN: Tell yourself you are here to ask “Dumb” Questions—this is not a job interview. Again, think Mike Wallace: “So did you in fact murder Mrs. Smith?”)

18. Ignore generalizations! YOU ARE HERE IN SEARCH OF SPECIFICS!!!

19. CONTEXT! “Get” the “corporate culture”—e.g. Shell is not ExxonMobil! Find out (from a set of interviewees) “Core Values” (in theory and in practice).
Interviewing Excellence

20. Engage the Interviewee! GET HER TO DO SOME OF THE WORK! E.g., write out her view of the Ten Key Operative Core Values—or some such.

20A. ENGAGE! ENGAGE! ENGAGE!

21. You must come across as “trustworthy.” YOU ARE A DUMBO HERE TO LEARN—NOT AN FBI AGENT IN DISGUISE.

22. “Take me through yesterday.” Get past the theoretical crap. Give me in excruciating detail an average day: YESTERDAY! (One hour/meeting at a time.)

23. “If you’re comfortable, let’s go over your Calendar for the last month, so I can understand the flow of things.” (Remember TP’s Rule #1: YOU = YOUR CALENDAR.)

24. DON’T LET YOUR NOTES AGE!! Immediately after the interview set aside some time to do a “stream of consciousness” recap. And to clean up the obscure scrawl on your notes.
25. Ask the interview if you can get back to her by phone tomorrow to fill in holes that your tin ear missed. NO MORE THAN TEN MINUTES.

26. LEARNING! Tag along with “great interviewers” in your organization. (I made three PBS films with a Director who had been Mike Wallace’s director at 60 Minutes—oh my God, how much I learned—or, rather, how little I learned: He could drag stuff out of people that you couldn’t believe. (Secret: “I’m just a dumb old fart trying to figure out what goes on here. HELP ME. PLEASE.”)

27. “Work on” your Level of Dis-satisfaction: BE MAD AS HELL WHEN YOU SPENT 1.5 HOURS ON AN INTERVIEW WITHOUT REVALATIONS!

28. No, you’re not FBI—BUT YOU ARE HERE TO FERRET OUT THE NON-OBVIOUS. So: Keep Digging! (Think Woodward & Bernstein.)
29. Repeat: INTERVIEWING IS A CRUCIALLY IMPORTANT “ART.” Study it! Work on it! It’s no different than golf or underwater basket-weaving. The more & harder you work, the better you get.

30. Yes, we need “facts” (e.g., stories), but remember alWays: INTERVIEWS ARE PURE & SIMPLE ABOUT EMOTIONAL INTERACTION!

31. Tom Wrap-up Note: FEW THINGS IN LIFE PISS ME OFF MORE THAN GOING THROUGH SOMEONE’S INTERVIEW NOTES AND FINDING A DEARTH OF “SOLID EVIDENCE”—examples., stories, detailed process maps, etc. (I BLOODY HATE Generalizations!) (Think doctor’s office: Come hell & high water they stert with weight, blood pressure, pulse.)
17A. **Re-imagine the Individual II**: New Healthcare/Wellcare for a Brand You World
TP’s: State of Health “care”
Acute “Care”/Quality: 5* Growls
Prevention/Wellness: ??????
Big Pharma: 4 Growls

*5 Growls = Worst possible
Rule #1. Attend the “Duh Factor”! Model The Way!

DO NOT ... SERVE BOUNTIFUL BASKETFULS OF FATTY-SUGARY CRAP & BUCKETSFUL OF HIGH-OCTANE COFFEE AT BREAKS DURING “HEALTH”“CARE” MEETINGS.

Think: Fruit! Think: Tea! Think: Duh!
Healthcare’s 1-2 Punch

1. Hospital “quality control,” at least in the U.S.A., is a bad, bad joke: Depending on whose stats you believe, hospitals kill 100,000 or so of us a year—and wound many times that number. Finally, “they” are “getting around to” dealing with the issue. Well, thanks. And what is it we’ve been buying for our Trillion or so bucks a year? The fix is eminently do-able ... which makes the condition even more intolerable. (“Disgrace” is far too kind a label for the “condition.” Who’s to blame? Just about everybody, starting with the docs who consider oversight from anyone other than fellow clan members to be unacceptable.)

2. The “system”—training, docs, insurance incentives, “culture,” “patients” themselves—is hopelessly-mindlessly-insanely (as I see it) skewed toward fixing things (e.g. Me) that are broken—not preventing the problem in the first place and providing the Maintenance Tools necessary for a healthy lifestyle. Sure, bio-medicine will soon allow us to understand and deal with individual genetic pre-dispositions. (And hooray!) But take it from this 61-year old, decades of physical and psychological self-abuse can literally be reversed in relatively short order by an encompassing approach to life that can only be described as a “Passion for Wellness (and Well-being).” Patients—like me—are catching on in record numbers; but “the system” is highly resistant. (Again, the doctors are among the biggest sinners—no surprise, following years of acculturation as the “man-with-the-white-coat-who-will-now-miraculously-dispense-fix-it-pills-for-you-the-unwashed.”) (Come to think of it, maybe I’ll start wearing a White Coat to my doctor’s office—after all, I am the Professional-in-Charge when it comes to my Body & Soul. Right?)
Tom’s Rant

Patient Safety
(Curb the Killing Fields!)

Planetree Alliance/Griffin Hospital
(Put the “Care” back in Health“care”!)

Canyon Ranch
(Re-imagine: Wellness-Prevention!)
Welcome to the Homer Simpson Hospital

a/k/a

The Killing Fields
1. **You are killers:** “Quality” remains a bad joke.

2. Pick off bunches of Low-hanging Fruit. (E.g., Tom’s 1st Executive order as Your Next President: Providing a Handwritten Prescription is punishable by not less than 60 days of Hard Time.)

3. The “science” in “medicine” is often fanciful: Most “scientific” “treatments” are unverified. (So quit the kneejerk denigration of alternative therapies—trust me, Breathing Meditation beats Univasc; Good Nutrition beats Lipitor; Regular Exercise beats bypass surgery.)


5. Your Mindful Lifelong (mine) Failure to focus on P-W-H-C will probably cost me a decade of longevity, Canyon Ranch/Lenox not withstanding. THAT PISSES ME OFF. (For one thing, I need those 10 years to spread the P-W-H-C Credo to “health‘care’” “professionals.”)

6. You are hereby ordered to stop using the term “healthcare”: You haven’t earned the right to utter the word “care”!

7. $$$$$ Are Not the Issue/Excuse I: Quality *is* free!!! (There are MANY who are … Getting This Right … without Buckets of $$$$$.)

8. $$$$$ Are Not the Issue/Excuse II: Planetree Alliance/Griffin Hospital “Models The Way” … on P-W-H-C … Every Day. IT CAN BE DONE!

9. ALL THESE PROBLEMS CAN BE FIXED! WE KNOW HOW! THERE ARE NO EXCUSES … EXCEPT LACK OF GUTS & WILL! “It’s Attitude, Baby!”

10. All “members of staff”—regardless of “professional discipline”—are Healing Arts Practitioners. OR TURN IN YOUR EMPLOYEE BADGE. NOW.

10.27.2004/La Jolla
TP to Healthcare CIOs: You are not ‘CIOs.’ You are … ‘Executive Members of an … Integrated Healing Services Team’ (‘Healing Arts Team’?) … with a specialism in IS/IT.”
Dear Mr. & Mrs. Smith,

XYZ hospital regrets to inform you ……

…………………………………………………
…………………………………………………
………………………………………………….

Sincerely,

A. S. Jackson, Administrator
T. D. Jones, M.D.
R.L. Smith, CIO
You want “implementation tips.”

I want … Ownership, Accountability & Attitude!
“Quality”: COULD IT TRULY BE THIS AWFUL?
HealthGrades/Denver: 195,000 hospital deaths per year in the U.S., 2000-2002 = 390 full jumbos/747s in the drink per year. Comments: “This should give you pause when you go to the hospital.” —Dr. Kenneth Kizer, National Quality Forum. “There is little evidence that patient safety has improved in the last five years.” —Dr. Samantha Collier

Source: Boston Globe/07.27.04
As many as 98,000 Americans die each year because of medical errors despite an unprecedented focus on patient safety over the last five years, according to a study released today [Journal of the American Medical Association]. … Nationwide the pace of change is painstakingly slow. …” —USA Today/

05.18.2005
“Hospital infections kill an estimated 103,000 people in the United States a year, as many as AIDS, breast cancer and auto accidents combined. … Today, experts estimate that more than 60 percent of staph infections are M.R.S.A. [up from 2 percent in 1974]. Hospitals in Denmark, Finland and the Netherlands once faced similar rates, but brought them down to below 1 percent. How? Through the rigorous enforcement of rules on hand washing, the meticulous cleaning of equipment and hospital rooms, the use of gowns and disposable aprons to prevent doctors and nurses from spreading germs on clothing and the testing of incoming patients to identify and isolate those carrying the germ. … Many hospital administrators say they can’t afford to take the necessary precautions.”

—Betsy McCaughey, founder of the Committee to Reduce Infection Deaths (New York Times/06.06.2005)
“This should give you pause when you go to the hospital.”

“There is little evidence that patient safety has improved in the last five years.”
2 m 38 s
Hospitals Pay Appropriate Attention To Medical Errors

Yes ......................................................... 1%
Aware And Trying Hard ........ 8%
Aware But Tepid Response … 22%
No ......................................................... 25%
An Inexcusable Tragedy ....... 44%

Source: 12.2004 Poll/tompeters.com
About Time!

100,000 Lives Campaign*

*Don Berwick/Institute for Healthcare Improvement
“Electronic Medical Records Get Closer” —USA Today/06.07.05

“Connecting for Health”—coalition pushing h’care connectivity
Here comes Steve (Case)!

Source: NYT/06.19.05
Big Pharma: 4 Growls

1. Discovery
2. Dist’n
3. Quality
4. Mergers
“Ontario To Split Health Ministry” —Headline/
Globe And Mail /06.05 (New ministry
will focus on Prevention/
Wellness/Eldercare)
“Companies Step Up Wellness Efforts: Rising health costs provide incentive to promote healthier employee lifestyles” —headline/USA Today/08.05
“Prevention Program At Dow Chemical Aims To Save Money” —IBD/08.05
“We must touch his weakness with a delicate hand. There are some faults so nearly allied to excellence that we can scarce weed out the fault without eradicating the virtue.” —Oliver Goldsmith
Agriculture Age (farmers)
Industrial Age (factory workers)
Information Age (knowledge workers)

Conceptual Age (creators and empathizers)

Source: Dan Pink, A Whole New Mind
“Human creativity is the ultimate economic resource.” —Richard Florida, The Rise of the Creative Class
Brand = Talent.
“The leaders of Great Groups love talent and know where to find it. They revel in the talent of others.”

Warren Bennis & Patricia Ward Biederman, Organizing Genius
“He revived the company not by rolling up his sleeves and building shoe molds in the design lab, nor by dreaming up new ads or slogans. Instead [Nike CEO Phil] Knight did what he does best: find and motivate talented people, then let them do their thing. He brought in outsiders, stars like Mindy Grossman from Ralph Lauren … —Fortune/04.05
“The Dawn of the Creative Age”

“There’s a whole new class of workers in the U.S. that’s 38-million strong: the creative class. At its core are the scientists, engineers, architects, designers, educators, artists, musicians and entertainers whose economic function is to create new ideas, new technology, or new content. Also included are the creative professions of business and finance, law, healthcare and related fields, in which knowledge workers engage in complex problem solving that involves a great deal of independent judgment. Today the creative sector of the U.S. economy, broadly defined, employs more than 30% of the workforce (more than all of manufacturing) and accounts for more than half of all wage and salary income (some $2 trillion)—almost as much as the manufacturing and service sectors together. Indeed, the United States has now entered what I call the Creative Age.” —Richard Florida/ HBR/10.04
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<td>South Korea</td>
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Source: Juan Enriquez/As the Future Catches You
“THE FUTURE BELONGS TO … SMALL POPULATIONS … WHO BUILD EMPIRES OF THE MIND … AND WHO IGNORE THE TEMPTATION OF—OR DO NOT HAVE THE OPTION OF—EXPLOITING NATURAL RESOURCES.”

Source: Juan Enriquez/As the Future Catches You
PARC’s Bob Taylor: “Connoisseur of Talent”
Headhunter “Excellence”?
(CEO Performance vs S&P 500)

Korn Ferry/Tom Neff: +1.1%

Heidrick & Struggles/
Gerry Roche: -5.2%
Selection

Best Person
Track Record
People Development
People will follow into hell
Fit
Attitude
Enthusiasm
Energy
Sense of Humor
“Do” vs “Be”
Action Bias
“Try It Now”
Commitment to Change
Proclivity for risk-taking
Contrarian
Political Skills
Salesmanship
Curiosity
Obstreperousness
Value Consistency
Impeccable Integrity
Hard Worker
The “Eye-sparkle Factor”: Some people’s eyes have an engaging, infectious “sparkle.” Some don’t. Hire [only?] those “have it”?

I was lecturing on “talent selection”—and the use of unconventional measures for so doing. At a break I made the following comment to a youthful Participant: “Suppose you & I were opening the restaurant of our dreams. We’d both put in $75,000 … effectively our life’s savings. We were “betting the farm.” We had a great idea, a very good location, a terrific chef. Now the time had come to hire waiters & waitresses. Numerous applicants had satisfactory+ “restaurant experience,” but several didn’t. One young woman [man] in particular was a rank amateur—but had the most compelling “sparkle” in her/his eye. How would that “sparkle” rank in your hire-no hire consideration? No great surprise, we both agreed, despite a 30-year experience differential, that the “sparkle” pretty much ruled. (Or some like measures—e.g., hustle, enthusiasm.) Fact is, the Participant in question ran a 40-person bit of an IS/IT department. And my real goal was to urge her to use the “eye-sparkle Factor” in IS/IT hiring almost to the same degree as in “our” choice of a waiter/waitress!
Q: “If it were your $50K [life’s savings] and my $50K, what sort of Waiters would we look for?”

A: “Enthusiasts!”
“In most companies, the Talent Review Process is a farce. At GE, Jack Welch and his two top HR people visit each division for a day. They review the top 20 to 50 people by name. They talk about Talent Pool strengthening issues. The Talent Review Process is a contact sport at GE; it has the intensity and the importance of the budget process at most companies.” —Ed Michaels
$21M
From “1, 2 or you’re out” [JW] to …

“Best Talent in each industry segment to build best proprietary intangibles” [EM]

Source: Ed Michaels, War for Talent
“We believe companies can increase their market cap 50 percent in 3 years. Steve Macadam at Georgia-Pacific changed 20 of his 40 box plant managers to put more talented, higher paid managers in charge. He increased profitability from $25 million to $80 million in 2 years.”

Ed Michaels, War for Talent
Did We Say “Talent Matters”?  

“The top software developers are more productive than average software developers not by a factor of 10X or 100X, or even 1,000X, but **10,000X.**”

—Nathan Myhrvold, former Chief Scientist, Microsoft
“THE HEART OF CELERA ... IS THE WORLD’S LARGEST PRIVATE SUPERCOMPUTER ... FED 24 HOURS A DAY ... BY SEQUENCING ROBOTS ... AND CREATED-PROGRAMMED-CONTROLLED ... BY A DOZEN GREAT MINDS.”

Source: Juan Enriquez/As the Future Catches You
Wegman’s: #1/100 Best Companies to Work for

84%: Grocery stores “are all alike”
46%: additional spend if customers have an “emotional connection” to a grocery store rather than “are satisfied” (Gallup)

“Going to Wegman’s is not just shopping, it’s an event.” —Christopher Hoyt, grocery consultant

“You cannot separate their strategy as a retailer from their strategy as an employer.” —Darrell Rigby, Bain & Co.
“Our business needs a massive transfusion of talent, and talent, I believe, is most likely to be found among non-conformists, dissenters and rebels.” —David Ogilvy
“In fact, the revelation here that they were often at each others' throats suggests that *intra-Python conflict* may have been the catalyst that produced their inimitable humor.” —The "Pythons" Autobiography by the "Pythons" /review by Barry Forshaw

“Social cohesion does not appear related to performance and so team members do not seem to have to like each other to perform well together. It seems that conflict and rivalry within a team can be a spur to success e.g. the West German rowing eight in the 1960's Olympic games won gold, but had *been on the point of splitting up because of internal disputes.*” —courtesy Trevor Gay
CM Prof Richard Florida on “Creative Capital”: “You cannot get a technologically innovative place ... unless it’s open to weirdness, eccentricity and difference.”

Source: New York Times/06.01.2002
“Top performing companies are two to four times more likely than the rest to **pay what it takes** to prevent losing top performers.”

Ed Michaels, War for Talent (05.17.00)
Costco

*$17/hour (42% above Sam’s); very good health plan; low t/o, low shrinkage

*Low margins (“When I started, Sears, Roebuck was th Costco of the country, but they allowed someone to come in under them”—Jim Sinegal)

Source: “How Costco Became the Anti-Wal*Mart*/NYT/07.17.05
“Firms will not ‘manage the careers’ of their employees. They will provide opportunities to enable the employee to develop identity and adaptability and thus be in charge of his or her own career.”

What’s your company’s … EVP?

*Employee Value Proposition*, per Ed Michaels et al., *The War for Talent*; IBP/Internal Brand Promise per TP.
EVP = Challenge, professional growth, respect, satisfaction, opportunity, reward

Source: Ed Michaels et al., The War for Talent
Our Mission

To develop and manage talent; to apply that talent, throughout the world, for the benefit of clients; to do so in partnership; to do so with profit.

WPP
Omnicom's acquisitions: “not for size per se”; “buying talent;” “deepen a relationship with a client.”” (Advertising Age/07.05)

“Omnicom very simply is about talent. It’s about the acquisition of talent, providing the atmosphere so talent is attracted to it.” (John Wren)
“I have always believed that the purpose of the corporation is to be a blessing to the employees.” —Boyd Clarke
Creativity Index:
The 3 T’s

Technology (HT Index/firms & $$$, Innovation Index/patent growth)

Talent (% with bachelors degrees+)

Tolerance (Melting Pot Index/foreigners, Bohemian Index/artists et al., Gay Index/rel. #s)

Source: Richard Florida, *The Rise of the Creative Class*
RE/MAX2004

100K associates/5K offices (52 countries)
20-22 transactions/agent vs 7-10
$360B-$400B transactions
32 consecutive years of growth

Source: Everybody Wins, Phil Harkins & Keith Hollihan
RE/MAX

Find “Princes” & “Princesses” who say “Yes” to the dream! (“Eagles don’t flock”)
Agent-centric! (Agent is the Customer!)
Culture of mutual support!

“Pace line” Project Leadership!
Clear/Simple “Top Line” measures!
Relentlessly focus on the Brand!

Source: Everybody Wins, Phil Harkins & Keith Hollihan
Talent!

1000/204/4*

* “Princes” & “Princesses” who said “Yes” to the Dream (top agents, confident to operate without a safety net)

Source: Everybody Wins, Phil Harkins & Keith Hollihan
Support Success!

100% commission
Personal promotion
PA (Skilled!)
“Pay you the day you close”

Source: Everybody Wins, Phil Harkins & Keith Hollihan
“The organization would ultimately win not because it gave agents more money, but because it gave them a chance for better lives.” —Everybody Wins, Phil Harkins & Keith Hollihan
RE/MAX: A “Life Success Company”

Source: *Everybody Wins*, Phil Harkins & Keith Hollihan
“Agent-centric”: “You’re not in the real estate business anymore; you’re in the real estate agent business!”

Source: Everybody Wins, Phil Harkins & Keith Hollihan
“Richard Pilarski, a RE/MAX broker in northern Toronto, acknowledges that he earns more aggregate money, with less aggravation, from 5 strong performers than from one super-performer, so why bother? It’s all about the culture of excellence that’s created as a result of having superperformers. As anyone who has been involved in sports can confirm, a competitive individual’s performance improves when the overall level of play gets raised. Eagles try harder when they are surrounded by other eagles.” — *Everybody Wins*, Phil Harkins & Keith Hollihan
19. **Re-imagine Excellence II**: Meet the New Boss … **Women Rule!**
“AS LEADERS, WOMEN RULE:” New Studies find that female managers outshine their male counterparts in almost every measure.”

Title, Special Report/BusinessWeek
Lawrence A. Pfaff & Assoc.

— 2 Years, 941 mgrs (672M, 269F); 360° feedback
— Women: 20 of 20; 15 of 20 with statistical significance (incl. decisiveness, planning, setting stds.)
— “Men are not rated significantly higher by any of the raters in any of the areas measured.” (LP)
“On average, women and men possess a number of different innate skills. And current trends suggest that many sectors of the twenty-first-century economic community are going to need the natural talents of women.”

Helen Fisher, *The First Sex: The Natural Talents of Women and How They Are Changing the World*
Women’s Strengths Match New Economy Imperatives: Link [rather than rank] workers; favor interactive-collaborative leadership style [empowerment beats top-down decision making]; sustain fruitful collaborations; comfortable with sharing information; see redistribution of power as victory, not surrender; favor multi-dimensional feedback; value technical & interpersonal skills, individual & group contributions equally; readily accept ambiguity; honor intuition as well as pure “rationality”; inherently flexible; appreciate cultural diversity.

Source: Judy B. Rosener, America’s Competitive Secret: Women Managers
“… 80 percent of [women] respondents said they were comfortable with power and liked what they could accomplish with it. … But women are redefining power, the survey showed; rather measuring it by traditional means of having more people report to them or competing successfully for plum assignments, they say power means harnessing the support of co-workers and subordinates, empowering teams, and building networks of allies to change their organizations.” —Simmons College/03.05
“TAKE THIS QUICK QUIZ: Who manages more things at once? Who puts more effort into their appearance? Who usually takes care of the details? Who finds it easier to meet new people? Who asks more questions in a conversation? Who is a better listener? Who has more interest in communication skills? Who is more inclined to get involved? Who encourages harmony and agreement? Who has better intuition? Who works with a longer ‘to do’ list? Who enjoys a recap to the day’s events? Who is better at keeping in touch with others?”

Source: Selling Is a Woman’s Game: 15 Powerful Reasons Why Women Can Outsell Men, Nicki Joy & Susan Kane-Benson
“Investors are looking more and more for a relationship with their financial advisers. They want someone they can trust, someone who listens. In my experience, in general, women may be better at these relationship-building skills than are men.”

Hardwick Simmons, CEO, Prudential Securities
## Opportunity!

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Source: Judy Rosener, *America’s Competitive Secret*
Tomoyo Nonaka, CEO, Sanyo — first woman CEO of a major electronics company in Japan (FT/07.06.05)
U.S.A. Economic Story #1:

10.6M
“To be a leader in consumer products, it’s critical to have leaders who represent the population we serve.” —Steve Reinemund/PepsiCo
“Society is based on male standards with women seen as anomalies deviating from the male norm.” — Bi Puvaneu, Institute for Future Studies (Stockholm)
“Women who seek to be equal with men lack ambition.” —Timothy Leary
“Now and in the future, the teams led by the most moms win. ... The new model still demands they have leadership DNA, but it also embraces a kindler, gentler, more confident version of the old model; a big heart and a strong character are now as important as being a strong person. Leaders who only have the hard skills simply aren’t suited for today’s business climate. Many of these types are still running companies, but the tide is turning and their days are numbered. As everyone is well aware, company populations are going to become more rather than less diverse, companies will be dealing with more rather than fewer changes, and the pace is going to quicken even further. As a result, leaders must become much more efficient at managing chaos and much more competent at dealing with the human side. Overall, they must possess the interpersonal skills and character to adapt to both new realities.”

“On MBAs Men Are from Mars and Women from Venus: Women MBA graduates make better managers as they gain intrinsic benefits such as confidence, credibility and assertiveness, job satisfaction and interpersonal skills. This makes them more productive. Men, however are more blinkered and see their MBA only as a way to gain status and pay.” —The Times (London), on research at Brunel University/01.20.2005
Childrearing Skills of Particular Value to Organizational Leadership:

*Selflessness
*Confidence
*Humility
*Groundedness
*Honesty

Parting Thoughts
TP’s Baker’s Dozen Commandments: Tech to Top

1. Enthusiasm, Optimism and Energy carry the day.
2. She who delivers the Best Projects wins. (Be-Do.)
(Your inherent advantages enhance the odds of delivering “ladle dropper” projects. USE THEM.)
3. There are sympathizers. FIND THEM. (“Make your own McKinsey.”)
4. Indirection rules; frontal attacks are for boneheads. (“My mission is that of a mole—my existence only to be known by upheavals.” —John Fisher)
5. Accept a Lateral Move to get X-functional experience. (!!!!!!!!!!!!!!!!!!!!!)
6. Take a crappy line job whenever it’s offered! (There’s no such thing as a “crappy line job”!)
7. Understand the “Soft” New Value-added Equation … and Master/Exploit it.

8. DO GREAT THINGS FOR CUSTOMERS! (It’s the best form of protection from idiots!)

9. Always Champion Change … and find a Protector!

10. Life (SUCCESS) = Mastery of Sales & Politics. (Believe it!)

11. Get involved in Recruiting and Development Activities! (“We’re all in HR.”) (Find Radical Young Women and become their Champion.)
TP’s Baker’s Dozen Commandments: Tech to Top

12. If it ain’t working, get the hell out. (What about starting your own business?)
13. You’ve got the Right Stuff: Use it. Exploit it. Don’t hide it under a bushel. GO WHERE YOU ARE APPRECIATED.
“Every time I pass a jailhouse or a school, I feel sorry for the people inside.” —Jimmy Breslin, on “summer school” in NYC [“If they haven’t learned in the winter, what are they going to remember from days when they should be swimming?”]
“The main crisis in school today is irrelevance.” —Daniel Pink,
Free Agent Nation
“Our schools are not teaching people how to think.” —Thomas Alva Edison

“It is nothing short of a miracle that modern methods of instruction have not yet entirely strangled the holy curiosity of inquiry.” —Albert Einstein
“The last few decades have belonged to a certain kind of person with a certain kind of mind—computer programmers who could crank code, lawyers who could craft contracts, MBAs who could crunch numbers. But the keys to the kingdom are changing hands. The future belongs to a very different kind of person with a very different kind of mind—creators and empathizers, pattern recognizers and meaning makers. These people—artists, inventors, designers, storytellers, caregivers, consolers, big picture thinkers—will now reap society’s richest rewards and share its greatest joys.” —Dan Pink, A Whole New Mind
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“Left-brain style thinking used to be the driver, and right-brain style thinking the passenger. Now R-Directed Thinking is suddenly grabbing the wheel, stepping on the gas, and determining where we’re going and how we’re going to get there. L-Directed aptitudes—the kind measured by the SAT and employed by CPAs—are still necessary. But they’re no longer sufficient.” —Dan Pink, A Whole New Mind
L-Directed Thinking: sequential, literal, functional, textual, analytic
to
R-Directed Thinking: simultaneous, metaphorical, aesthetic, contextual, synthetic

Source: Dan Pink/A Whole New Mind
wsj.com/04.05: “Future CEOs May Need to Have Broad Liberal-Arts Foundation”
“Hard is soft. Soft is hard.”
J. D. Rockefeller’s General Education Board (1915): “In our dreams people yield themselves with perfect docility to our molding hands. ... The task is simple. We will organize children and teach them in a perfect way the things their fathers and mothers are doing in an imperfect way.”

John Taylor Gatto, A Different Kind of Teacher
“My wife and I went to a [kindergarten] parent-teacher conference and were informed that our budding refrigerator artist, Christopher, would be receiving a grade of Unsatisfactory in art. We were shocked. How could any child—let alone our child—receive a poor grade in art at such a young age? His teacher informed us that he had refused to color within the lines, which was a state requirement for demonstrating ‘grade-level motor skills.’” —Jordan Ayan, AHA!
“How many artists are there in the room? Would you please raise your hands. 
FIRST GRADE: En mass the children leapt from their seats, arms waving. Every child was an artist. SECOND GRADE: About half the kids raised their hands, shoulder high, no higher. The hands were still. THIRD GRADE: At best, 10 kids out of 30 would raise a hand, tentatively, self-consciously. By the time I reached SIXTH GRADE, no more than one or two kids raised their hands, and then ever so slightly, betraying a fear of being identified by the group as a ‘closet artist.’ The point is:

Every school I visited was participating in the suppression of creative genius.”

Source: Gordon MacKenzie, *Orbiting the Giant Hairball: A Corporate Fool’s Guide to Surviving with Grace*
“Our education system is a second-rate, factory-style organization, pumping out obsolete information in obsolete ways. [Schools] are simply not connected to the future of the kids they’re responsible for.”

Alvin Toffler, Business 2.0 (09.00)
Teach To Test?

“Whatever be the qualifications of your tutors, your improvement must chiefly depend on yourselves. They cannot think or labor for you, they can only put you in the best way of thinking or laboring for yourselves. If therefore you get knowledge you must acquire it by your own industry. You must form all conclusions and all maxims for yourselves, from premises and data collected and considered by yourself. And it is the great object of [our educational institutions] to remove every bias the mind might be under, and to give the greatest scope for true freedom of thinking.” —The renowned scientist Joseph Priestly. Date: 1794. Occasion: speech at the dedication of New College, London.
TomResolution2005 (full year): Every project, small or large, this year will have to answer the question, “Does this change the world?” HP ran a banner ad, “HAVE YOU CHANGED CIVILIZATION TODAY?” I’ll make that the first & last question I ask myself each day!

TomResolution2005 (within the next 10 minutes): I will be “hall monitor” for my attitude concerning each & every human contact I have this year, starting … IMMEDIATELY. Do I exude Passion & Optimism & Connection of the sort that invariably engages others? (Hint: This applies as much to the 30-second exchange I have with a checkout clerk at Shaw’s grocery in Manchester VT as it does in a speech to very senior execs in Zurich on January 11.)
Ye gads: “Thomas Stanley has not only found no correlation between success in school and an ability to accumulate wealth, he’s actually found a negative correlation. ‘It seems that school-related evaluations are poor predictors of economic success,’ Stanley concluded. What did predict success was a willingness to take risks. Yet the success-failure standards of most schools penalized risk takers. Most educational systems reward those who play it safe. As a result, those who do well in school find it hard to take risks later on.”

Richard Farson & Ralph Keyes, *Whoever Makes the Most Mistakes Wins*
“My education was a prolonged and concerted attack on my individuality.”

—Neil Crofts, Authentic
Survey finds that only 20% of 1,500 companies “see individual drive as a desirable trait”

Source: Fortune/“Ask Annie”/11.29.2004
20A. **Re-imagine Excellence IV: New Business Education for “C*-World.”** (*C = Crazy*)
New Economy Biz Degree Programs

MBA (Master of Business Administration)

MMM1 (Master of Metaphysical Management)

MMM2 (Master of Metabolic Management)

MGLF (Master of Great Leaps Forward)

MTD (Master of Talent Development)

W/M w/ GTD w/o C (Guy/Gal Who Gets Things Done without Certificate)

DE (Doctor of Enthusiasm)
15 “Leading” Biz Schools

Design/Core: 0
Design/Elective: 1

Creativity/Core: 0
Creativity/Elective: 4

Innovation/Core: 0
Innovation/Elective: 6

Source: DMI/Summer 2002
Research by Thomas Lockwood
“The MFA is the new MBA.”

—Dan Pink, A Whole New Mind
“Human creativity is the ultimate economic resource.” —Richard Florida, *The Rise of the Creative Class*
“There is little evidence that mastery of the knowledge acquired in business schools enhances people’s careers, or that even attaining the MBA credential itself has much effect on graduates’ salaries or career attainment.” —Jeffrey Pfeffer (tenured professor, Stanford GSB/2004)
Fact: Last 4 Deans … Finance, Economics, Accounting, Finance.

Query: WILL THERE EVER BE ONE FROM THE “TOP LINE” SIDE: INNOVATION (Ha, Ha), ENTREPRENEURSHIP, MARKETING, SALES (Ha Ha)? OR THE “PEOPLE” SIDE: HR?
“The winners in business have always played hardball.”
“Unleash massive and overwhelming force.”
“Exploit anomalies.”
“Threaten your competitor’s profit sanctuaries.”
“Entice your competitor into retreat.”

Approximately 640 Index entries: Customer/s (service, retention, loyalty), 4. People (employees, motivation, morale, worker/s), 0. Innovation (product development, research & development, new products), 0.
New Economy Biz Degree Programs

**MBA** (Master of Business Administration)

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**MTD** (Master of Talent Development)

**W/M_{w}GTD_{w/oC}** (Guy/Gal Who Gets Things Done without Certificate)

**DE** (Doctor of Enthusiasm)
“Most executives have no idea how to add value to a market in the metaphysical world. But that is what the market will cry out for in the future. There is no lack of ‘physical’ products to choose between.”

Jesper Kunde, *Unique Now ... or Never* [on the excellence of Nokia, Nike, Lego, Virgin et al.]
New Economy Biz Degree Programs

MBA (Master of Business Administration)
MMM1 (Master of Metaphysical Management)
MMM2 (Master of Metabolic Management)
MGLF (Master of Great Leaps Forward)
MTD (Master of Talent Development)
W/MwGTDw/oC (Guy/Gal Who Gets Things Done without Certificate)
DE (Doctor of Enthusiasm)
“Strategy meetings held once or twice a year” to “Strategy meetings needed several times a week”

Source: New York Times on Meg Whitman/eBay
New Economy Biz Degree Programs

MBA (Master of Business Administration)

MMM1 (Master of Metaphysical Management)

MMM2 (Master of Metabolic Management)

MGLF (Master of Great Leaps Forward)

MTD (Master of Talent Development)

W/M,w GTD w/o C (Guy/Gal Who Gets Things Done without Certificate)

DE (Doctor of Enthusiasm)
Have you changed civilization today?

Source: HP banner ad
New Economy Biz Degree Programs

MBA (Master of Business Administration)

MMM1 (Master of Metaphysical Management)

MMM2 (Master of Metabolic Management)

MGLF (Master of Great Leaps Forward)

MTD (Master of Talent Development)

W/MwGTDw/oC (Guy/Gal Who Gets Things Done without Certificate)

DE (Doctor of Enthusiasm)
New Economy Biz Degree Programs

*MBA* (Master of Business Administration)

MMM1 (Master of *Metaphysical* Management)

MMM2 (Master of *Metabolic* Management)

MGLF (Master of Great *Leaps* Forward)

MTD (Master of *Talent* Development)

W/M_w/GTD_w/o_C (Guy/Gal Who Gets Things Done without Certificate)

DE (Doctor of *Enthusiasm*)
“When assessing candidates, the first thing I looked for was energy and enthusiasm for execution. *Does she talk about the thrill of getting things done, the obstacles overcome, the role her people played*—or does she keep wandering back to strategy or philosophy?” —Larry Bossidy, Honeywell/AlliedSignal, in *Execution*
New Economy Biz Degree Programs

MBA (Master of Business Administration)

MMM1 (Master of Metaphysical Management)

MMM2 (Master of Metabolic Management)

MGLF (Master of Great Leaps Forward)

MTD (Master of Talent Development)

W/M_wGTD_w/oC (Guy/Gal Who Gets Things Done without Certificate)

DE (Doctor of Enthusiasm)
# Importance of Success Factors by Various “Gurus”/Estimates by Tom Peters

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<td>Drucker</td>
<td>35%</td>
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<td>Bennis</td>
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<td>Peters</td>
<td>15%</td>
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<td>35</td>
<td>30</td>
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</table>
Exec Ed! (generic, alliances with corporations, alliances with other biz
schools, alliances with other colleges on campus, entrepreneurs/small biz,
unconventional financing)

Part-time!

Off-campus!

Web!!!!!!!! (courses, recruitment, lifelong networking, )

Women!!!!!!!!!

Diversity!

Unconventional sources!

Unconventional evaluations!
(1-ton cookie) (students & faculty)

Unconventional placement!

International (Garten’s mergers?)

Curriculum Flip
"This is not to denigrate emphasis on leadership, entrepreneurship, management and global business" —WFS

Source: “Brave New World, Bold New B-School”/Tim Westerbeck/BizEd/08.04
Change focus: Coping with (mastering) “corporate life” to mastering “Brand You” “management” (Corporation to Individual?)
Who wants to be a "master" of ADMINISTRATION?
Why do only the service academies teach leadership as a rigorous discipline worthy of study and experiential learning? (Is there much difference between a Company Commander and a Department Head?)*

*Best “MBA”: USNA<USMA<USAFA
TP’s CEC16

* You are in the catbird seat! (Don’t blow it.)
* There’s no time to waste!
* Continuing Ed (“Career Ed”) rules!
* Emphasize Certificates over Degrees.
* Train for a Brand You World, not a corporate world!
* Teach/imbue creativity, independence, risk taking, small business skills, life in a value-adding “PSF”/Professional Service Firm.
* Turn Project Management into a major educational focus.
  (Career Success = Portfolio of WOW Projects)
* Focus on Small biz/Women-owned businesses (10.6M!).
* Create new Co-partnering corporate models.
* Let 100 schools contend! (We need new models!)
* “D-school” (and other mixed models)
* It’s R&D, stupid! (Become Industry Change Agents—e.g. Healthcare.)
* The Web is it!
* Create “communities of learning”/Invent new modes of outreach/ team learning.
* Measure every student contact by the “Scintillating Experience” (Cirque du Soleil) Standard!
* Under-promise, Over-deliver!
Big Idea/“Meta”-Idea/Premier “Engine of Value Added”

(1) **The Talent**: “Best Roster” of Entrepreneurial-minded Brand Yous.

(2) **The (Virtual) Organization**: Internal or External “PSF”/Professional Service Firm working with “Best Anywhere” = Engine of Value Added through the Application of Creative “Intellectual Capital”

(3) **The Work Product**: “Game Changer” WOW Projects
VII. Re-imagine Managing: BRAND INSIDE.
A PEERLESS "BRAND INSIDE": THE NEW BASIS FOR AN IMPERATIVE VALUE-ADDED REVOLUTION
21. Re-imagine the “Brand Promise”: The Brand INSIDE Obsession.
"If I could have chosen not to tackle the IBM culture head-on, I probably wouldn’t have. My bias coming in was toward strategy, analysis and measurement. In comparison, changing the attitude and behaviors of hundreds of thousands of people is very, very hard. [Yet] I came to see in my time at IBM that culture isn’t just one aspect of the game—it is the game."

—Lou Gerstner, *Who Says Elephants Can’t Dance*
The New Enterprise Value-Added Equation/Mark2005

(1) 100% “WOW PROJECTS”
(New Org “DNA”/“The Work”)

+ 

(2) Incredible “TALENT” Transformed into
(3) Entrepreneurial “BRAND YOUs” and
(4) Launched on Awesome “QUESTS”

= 

(5) Internal “Rockin’ PSFs” (Staff Depts. Morphed into Wildly Innovative Professional Service Firms) …
(6) Which Coalesce to Transform the FEVP/Fundamental Enterprise Value Proposition from “Superior Products & Services” to “ENCOMPASSING SOLUTIONS” & “GAME-CHANGING CLIENT SUCCESS”
Big Idea/“Meta”-Idea/Premier “Engine of Value Added”

(1) **The Talent**: “Best Roster” of Entrepreneurial-minded **Brand Yous**.

(2) **The (Virtual) Organization**: Internal or External “PSF”/Professional Service Firm working with “Best Anywhere” = Engine of Value Added through the Application of Creative “Intellectual Capital”

(3) **The Work Product**: “Game Changer” **WOW Projects**
22. Re-imagine Tomorrow’s Organizations: Itinerant Potential Machines.
“It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change.”

—Charles Darwin (courtesy HP)
“I wanted GE to operate with the speed, informality, and open communication of a corner store. Corner stores often have strategy right. With their limited resources, they have to rely on laser-like focus on doing one thing very well.” —Jack Welch/Fortune/04.05
TALENT POOL TO DIE FOR. Youthful. Insanely energetic. Value creativity. Risk taking is routine. Failing is normal ... if you’re stretching. Want to “make their bones” in “the revolution.” Love the new technologies. Well rewarded. Don’t plan to be around 10 years from now.
TALENT POOL PLUS. Seek out and work with “world’s best” as needed (it’s often needed). “We aim to change the world, and we need gifted colleagues—who well may not be on our payroll.”
BRASSY-BUT-GROUNDED-LEADERSHIP. Say “I don’t know”—and then unleash the TALENT. Have a vision to be DRAMATICALLY DIFFERENT—but don’t expect the co. to be around forever. Will scrap pet projects, and change course 180 degrees—and take a big write-off in the process. NO REGRETS FROM SCREW-UPS WHOSE TIME HAS NOT-YET-COME. GREAT REGRETS AT TIME & $$ WASTED ON “ME TOO” PRODUCTS AND PROJECTS.
“Visionary” leaders matched by leaders with shrewd business sense: “HOW DO WE TURN A PROFIT ON THIS GORGEOUS IDEA?” Appreciate “market creation” as much as or more than “market share growth.” ARE INSANELY AWARE THAT MARKET LEADERS ARE ALWAYS IN PRECARIOUS POSITIONS, AND THAT MARKET SHARE WILL NOT PROTECT US, IN TODAY’S VOLATILE WORLD, FROM THE NEXT KILLER IDEA AND KILLER ENTREPRENEUR. (Gates. Ellison. Venter. McNealy. Walton. Case. Etc.)
ALLIANCE MANIACS. Don’t assume that “the best resides within.” WORK WITH A SHIFTING ARRAY OF STATE-OF-THE-ART PARTNERS FROM ONE END OF THE “SUPPLY CHAIN” TO THE OTHER. Including vendors and consultants and … especially … PIONEERING CUSTOMERS … who will “pull us into the future.”
TECHNOLOGY-NETWORK FANATICS. Run the whole-damn-company, and relations with all outsiders, on the Internet ... at Internet speed. Reluctant to work with those who don’t share this (radical) vision.
POTENTIAL MACHINES-ORGANISMS. Don’t know what’s coming next. But are ready to jump at opportunities, especially those that challenge-overturn our own “way of doing things.”
23. Re-imagine Excellence: X05
Walgreens
Good to Great: Fannie Mae ... Kroger ... Walgreens ... Philip Morris ... Pitney Bowes ... Abbott ... Kimberly-Clark ... Wells Fargo
Great Companies ... SET THE AGENDA.
(Period.)
AGENDA SETTERS: “Set the Table” / Pioneers/ Questors/ Adventurers

US Steel ... Ford ... Macy’s ... Sears ... Litton Industries ... ITT ... The Gap ... Limited ... Wal*Mart ... P&G ... 3M ... Intel ... IBM ... Apple ... Nokia ... Cisco ... Dell ... MCI ... Sun ... Oracle ... Microsoft ... Enron ... Schwab ... GE ... Southwest ... Laker ... People Express ... Ogilvy ... Chiat/Day ... Virgin ... eBay ... Amazon ... Sony ... BMW ... CNN ...
And the Winner is …

1. Audacity of Vision
2. Innovation/R&D/Design
3. Talent Acquisition & Development
4. Resultant “Experience”
5. Strategic Alliances
6. Operations
7. Financial Management
8. Overall/Sustaining Excellence
9. “Wow!”
10. Lovemark!
Cirque du Soleil!
Cirque du Soleil … Mollies … Infosys … FBR/Friedman Billings Ramsey … London Drugs … Build-A-Bear … Griffin Health Services/Planetree Alliance … The Met/Big Picture schools … Progressive … Commerce Bank … Whole Foods … Apple … Kevin Roberts … Richard Branson …

(HSM/WSB/CR/4S*)

*My partners: Washington Speakers Bureau, HSM, Canyon Ranch, Four Seasons
Cirque du Soleil!
Cirque du Soleil: Talent (12 full-time scouts, database of 20,000). R&D (40% of profits; 2X avg corp). Controls (shows are profit centers; partners like Disney offset costs; $100M on $500M). Scarcity builds buzz/brand (1 new show per year. “People tell me we’re leaving money on the table by not duplicating our shows. They’re right.”—Daniel Lamarre, president).

Source: “The Phantasmagoria Factory”/Business 2.0/1-2.2004
Cirque du Soleil

*$500M-$600M revenue
*#22 Interbrand/brand impact (>Microsoft, Disney, VW, McDonald’s)
*“Every time we come to a comfort zone, we will find a way out” (Daniel Lamarre/President)
*No Cloning!
*“Reinvent the brand” with EACH new show (max 1/year)
*70% of profits into R&D!
*“A typical day at the office for me begins by asking, ‘What is impossible that I am going to do today?’” (Daniel Lamarre)
*No deal until creative challenge (no matter $$ on the table)
*Diverse creative teams! (“Don’t come out until you’ve done something great.”)
*Recruit the near-great (not prima donnas) (crazy interviews)

Source: Fast Company/07.05
Infosys!
Infosys/Planet-warping Aspirations …

“By making the Global Delivery Model both legitimate and mainstream, we have brought the battle to our territory. That is, after all, the purpose of strategy. We have become the leaders, and incumbents [IBM, Accenture] are followers, forever playing catch-up. … However, creating a new business innovation is not enough for rules to be changed. The innovation must impact clients, competitors, investors, and society. We have seen all this in spades. Clients have embraced the model and are demanding it in even greater measure. The acuteness of their circumstance, coupled with the capability and value of our solution, has made the choice not a choice. Competitors have been dragged kicking and screaming to replicate what we do. They face trauma and disruption, but the game has changed forever. Investors have grasped that this is not a passing fancy, but a potential restructuring of the way the world operates and how value will be created in the future.”

+49% / profits
+52% / revenue

Source: WSJ/10.13.2004/“Infosys 2nd-Period Profit Rose Amid Demand for Outsourcing”
FBR!
I Borrowed Your Watch: Here’s What Time It Is

Make a Difference
Add Exceptional Value
Enduring Relationships with Companies that Have the Potential to Be Great
After-market Performance
Focus/Strong Sectoral Approach
Focus/Underserved Middle Market/Mid-cap Cos

Dramatic Difference
Research Roots
Research Investment
Unique Analytic Process
Highly Disciplined Fundamental Intrinsic Value Analysis

Partnership Culture
Mutual Support
Enthusiasm
Make a Difference
D.C. as D.C.
D.C. as not Wall Street
Visibility/Tell Story/Brand
FBR: Fundamental Intrinsic Value Analysis

Focus (You know what you’re doing)

Difference (You know how you’re doing it)

Culture (You understand the roots)
London Drugs!
"At London Drugs, everyone cares about everything."
—Wynne Powell
London Drugs

* Each major department a “category killer” (pharmacy, computers, photo-photo finishing, cosmetics)
* “Service added”/ Experience (e.g., consultation booths for pharmaceutical Clients)
* Brilliant, eye-popping design-merchandising
* Price point: peanuts to super-premium
* Massive training, very low staff t/o
* Big-bet experimentation-innovation
* Locales begging for LD
* Financials to die for
* IS/IT/SC pioneers (compared favorably to Wal*Mart’s supply-chain management; exquisite vendor-partner programs)
* Effectively deflected Wal*Mart incursion
* Philosophy: fun, enthusiasm, innovation, commitment, care, talent development
Build-A-Bear!
Build-A-Bear

* 1997 to 2004: $0 to $300M
* Maxine Clark/CEO (25 yrs May Dept Stores)
* Build-A-Bear Workshops
* Engagement! (“Where Best Friends Are Made”)
* Theater!
* http://www.buildabear.com/buildaparty
Best Web Site?

buildabear.com
Griffin Health Services Corporation/
Griffin Hospital/
Planetree Alliance!
“Planetree is about human beings caring for other human beings.” — *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel ("Ladies and gentlemen serving ladies and gentlemen"—4S credo)
“It was the goal of the *Planetree Unit* to help patients not only get well faster but also to stay well longer.” —*Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel
“Those of us working in healthcare have an obligation to be of service in this world, to be bringers of light and hope. Our work is spiritual by its nature, as the Planetree model has acknowledged for decades.”

“Our definition of spirituality is coming into a right relationship with all that is, establishing a loving, nurturing, caring relationship. Planetree’s has been to refocus our attention on the power of relationships, and, in particular, the mind-body-spirit relationship essential to healing. It has opened a door that will never be closed.” —Leland Kaiser, "Holistic Hospitals"

Source: *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel
The 9 Planetree Practices

1. The Importance of Human Interaction
2. Informing and Empowering Diverse Populations: Consumer Health Libraries and Patient Information
3. Healing Partnerships: The Importance of Including Friends and Family
4. Nutrition: The Nurturing Aspect of Food
5. Spirituality: Inner Resources for Healing
6. Human Touch: The Essentials of Communicating Caring Through Massage
7. Healing Arts: Nutrition for the Soul
8. Integrating Complementary and Alternative Practices into Conventional Care

Source: *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel
Big Picture

schools/

The Met!
“Engage the kids around their passions.”

—Dennis Littky/
The Met-Big Picture
The Real Goals of Education/Dennis Littky/The Big Picture

* Be lifelong learners
* Be passionate
* Be ready to take risks
* Be able to problem solve and think critically
* Be able to look at things differently
* Be able to work independently and with others
* Be creative
* Care and want to give back to their community
* Persevere
* Have integrity and self-respect
* Have moral courage
* Be able to use the world around them well
* Speak well, write well, read well, and work well with numbers
* AND TRULY ENJOY THEIR LIFE AND WORK
EBF* to EBI**

* Education By Fiat
** Education By Interest
Progressive!
Progressive Is …

* “[Peter] Lewis has created an organization filled with sharp, type-A personalities who are encouraged to take risks—even if that sometimes leads to mistakes.”

* “One thing that we’ve noticed is that they’ve always been very good at avoiding denial. They react quickly to changes in the marketplace.”—Keith Trauner/portfolio manager

* “When four successive hurricanes hit Florida and neighboring states in August and September, Progressive sent more than 1,000 claims adjusters to the Southeast. Result: 80% of 21,000 filed claims had been paid by mid-October, an impressive figure. This pleased policy holders and probably helped Progressive because delays in claims payments typically mean higher costs.”

Source: Barron’s/ “Polished Performer: The Car Insurance Game’s Best Managers Have Put Progressive in the Fast Lane”/11.01.04
“We don’t sell insurance anymore. We sell speed.” —Peter Lewis, Progressive
Commerce Bank!
Commerce Bank:
From “Service” to “Experience”

7X. 730A-800P. F12A.*

*’93-’03/10 yr annual return: CB: 29%; WM: 17%; HD: 16%. Mkt Cap: 48% p.a.
“They” hate it if you call them “bankers.” “They” love it, on the other hand, when you ask to see their #s—stupendous. “They” are ... Commerce Bank. These absurdly fast growing, insanely profitable “retailers,” rewriting the rules of East Coast retail banking, sent me a copy of their booklet, “Traditions.” It explicates their “Wow the Customer Philosophy.” At the end there’s “A Collection of Commerce Lingo.” I won’t define (use your imagination), but simply offer a small sample: “Fans, Not Customers.” “Say YES ... 1 to say YES, 2 to say NO.” (A staffer has to get a supervisor’s approval to say “no” to anything.) “Recover!!! To Err Is Human; To Recover Is Devine.” “Leave ’Em Speechless.” “Positive Behavior.” “Positive Language.” “Kill A Stupid Rule.” (Get cash rewards for exposing dumb internal rules “that impede our ability to WOW!”) Make the ‘WOW! Answer Guide’ Your Best Friend.” “Buzz Bee.” “CommerceWOW!Zone.” (A K-12 financial education program.) “Doctor WOW!” “Ten-Minute Principle.” (“Stores” open 10 minutes before posted hours, stay open 10 minutes after posted hours—and the hours, such as open 7 days a week, are already incredibly generous & tradition-shattering.) “Wall of WOW!” “WOW! Awards.” (The annual recognition ceremony—Radio City Music Hall, with the Rockettes, in ’05.) “WOW! Patrol.” “WOW! Spotlight.” “WOW Van.” “WOW Wiz.” (A service superstar.) Etc.
The Kevin & Richard Show!
Kevin Roberts’ Credo

2. If it ain’t broke... Break it!
3. Hire crazies.
4. Ask dumb questions.
5. Pursue failure.
6. Lead, follow... or get out of the way!
7. Spread confusion.
8. Ditch your office.
9. Read odd stuff.

10. Avoid moderation!
Sir Richard’s Rules:

Follow your passions.
Keep it simple.
Get the best people to help you.
Re-create yourself.
Play.

Source: Fortune on Branson/10.03
24. Re-imagine Managing for Excellence
Five Myths About Changing Behavior

*Crisis is a powerful impetus for change
*Change is motivated by fear
*The facts will set us free
*Small, gradual changes are always easier to make and sustain
*We can’t change because our brains become “hardwired” early in life

Source: Fast Company/05.2005
“Benchmarking”? Try the Corner Deli or the Local Hairdresser!


The Fantastic Hairdresser/former London hairdresser Alan Austin-Smith.

Zingerman’s Guide to Giving Great Service/Zingerman’s co-founder Ari Weinzweig/Ann Arbor MI deli/Mission statement: “We share the Zingerman’s experience selling food that makes you happy, giving service that makes you smile—in passionate pursuit of our mission, showing love and caring in all our actions to enrich as many lives as we possibly can.” (Don’t you wish your bank or phone company or car dealer would live by—or even vaguely imagine living by—such a Credo?)
Incentives that work: Clear/unequivocal. Huge consequences. Different from now. Stable (for a few years). Stand out (1 of 1). Giant aspirations (B.H.A.G.) Basis for “deep dip” promotion/s.
What Gets Measured/ Obsessed About Gets Done

Roger Milliken
Roger Enrico
Bill Creech
Richard Haass
Jack Welch
Donald Kennedy
Freddie Mac/Fannie Mae
“Monkeys can’t live in midair!” —Bob Townsend
Don Kennedy/
Stanford: from quantity (raw #) to quality (top 3)
Carlsberg: Takeaways

Encourage risk-taking: Hot language/WOW!

Jaywalk, foot-wiggle: Energy & Enthusiasm ("I know it when I see it")

Make your bones away from home: PepsiCo v Coke; Citi v Chase

Should be SURPRISED at every meeting

Be-Do (+ Leaps)

“I do people”

Absurdly smart people (Gates)

Eval = Time ($ X 25)

You = Calendar

Hire better than me

C.I. = Disaster
Charles Handy on the “alchemists”: “Passion was what drove these people, passion for their product or their cause. If you care enough, you will find out what you need to know. Or you will experiment and not worry if the experiment goes wrong. Passion as the secret to learning is an odd secret to propose, but I believe that it works at all levels and at all ages. Sadly, passion is not a word often heard in the elephant organizations, nor in schools, where it can seem disruptive.”
Five Myths About Changing Behavior

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*Change is motivated by fear
*The facts will set us free
*Small, gradual changes are always easier to make and sustain
*We can’t change because our brains become “hardwired” early in life

Source: Fast Company/05.2005
Takeaways

Encourage risk-taking: Hot language/WOW!

Jaywalk, foot-wiggle: Energy & Enthusiasm (“I know it when I see it”)

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Headhunter “Excellence”? (CEO Performance vs S&P 500)

Korn Ferry/Tom Neff: +1.1%

Heidrick & Struggles/ Gerry Roche: -5.2%
Lincoln/“The Master of the Game”/
Doris Kearns Goodwin

*Empathy
*Humor
*Magnanimity
*Generosity of Spirit
*Perspective
*Self-control
*Sense of Balance
*A social Conscience
Steps: One busboy will become a Waiter. One waiter will become a Maitre D’. One Maitre D’ will become a Restaurateur. One restaurateur will become World Famous. Message: *IT STARTS BY BECOMING THE BEST BUSBOY YOU CAN BE!*
“barn’s burnt down … now I can see the moon” —Mashahide/Zen poet
“Do one thing every day that scares you.” —Eleanor Roosevelt
The Ten Faces of Innovation/Tom Kelley

*The Anthropologist. Master of human behavior … “gets” the user.
*The Experimenter. Mr/Ms Fast Prototyper.
*The Hurdler. Master remover of B.S. roadblocks.
*The Collaborator. Brings intriguing combinations of people together.
*The Director. Brings out the creative best from an odd mix of talents.
*The Experience Architect. Turns “products” into “performances.”
*The Set Designer. Creates fabulous office environments that foster constant innovation.
*The Caregiver. Anticipates customer needs like a magician.
*The Storyteller. Creates narratives that capture the spirit of the group and its products/services/experiences.
WHAT GETS MEASURED GETS DONE: % students (MBA); % students (Continuing Ed); % students (Ph.D.). % faculty; % tenured faculty. % Advisory Board. % senior administrators. % cases focusing on Women managers. Etc.
TP’s Three Pieces of Advice for Entrepreneurs: Niche/niche customer/Dramatic Difference; work like hell on a “2nd act”; good CFO from the get go.
“If you don’t listen, you don’t sell anything.”

—Carolyn Marland/MD/Guardian Group
TP’s Three Pieces of Advice for Entrepreneurs:

- Niche/niche customer/Dramatic Difference; work like hell on a “2nd act”; good CFO from the get go.
GEN Powell’s Two Cardinal Success Tips for Managers: (1) Take care of your troops; (2) focus on the job at hand, not the next job/advancement.

Source: Pat Williams
TP’s Kan-ed Commandments

*NOT OPTIONAL!
*Circa 2005: Small is beautiful! (HC, the Web & NY State)
*Experiment! (“One best way” is a snare & a delusion!)
*Applaud winners
*BUILD OFF THE POSITIVE!
*Build off winners (“a coalition of the willing”),
don’t fret about the reluctant remnant ...surround ‘em.
*Appoint a CMO!
*Electronic sharing! (Every form imaginable)
*The Network is the organization!
*LISTEN UP! (Avoid hierarchy)
*Physical sharing! (Like this event)
TP’s Kan-ed Commandments

*Applaud “excellent failures”!
*Scrap duds ASAP!
*Do “O.O.D.A.”!
*“Let a thousand flowers bloom, let a hundred schools contend”!
*Become a designated playpen!
*Super-cool “talent”! (“The 10,000X Factor”)
*Are they “weird enough”?
*Super-cool vendors! (Usually small)
*Avoid premature tech lock-in! (Uniformity is the arch-enemy of innovation!)
*The children shall show us the way!
*YOU CAN’T OVERDO DISTANCE LEARNING!!!
*NOT OPTIONAL!
First “Strategic Objective” in a “Major Change/Transformation Program”: **CHANGE YOURSELF!** (in a measurable way)
What I Learned

HWBjr: Excellence, Accountability, Initiative, K.I.S.S., Leader Love


What I Learned

**Ben:** Decency, Soft Power, Fanatic Customer-centrism ("Do"">"Be")

**Walter:** Fanatic Mission-centrism, Soft Power, Relationship-management, Execution, Accountability, Early to Bed …

**Bob:** Pos>Neg/Recognition, K.I.S.S., The Way of the Demo (Execution), Hero-building, Mission-centrism, "Do"">"Be"

**Bill:** De-centralization, Recognition, Support-staff Centrism, Measurement (K.I.S.S.), Soft Power (Paint ’n Pride), Rapid Culture Change
“I wasn’t bowled over by [David Boies] intelligence... What impressed me was that when he asked a question, he waited for an answer. He not only listened, he made me feel like I was the only person in the room.” —Lawyer Kevin _____, on his first, inadvertent meeting with David Boies, from Marshall Goldsmith, “The One Skill That Separates,” Fast Company, 07.05
"... won't do us a lick of good."
Selection

Best Person
Track Record
People Development
People will follow into hell
Fit
Attitude
Enthusiasm
Energy
Sense of Humor
“Do” vs “Be”
Action Bias
“Try It Now”
Commitment to Change
Proclivity for risk-taking
Contrarian
Political Skills
Salesmanship
Curiosity
Obstreperousness
Value Consistency
Impeccable Integrity
Hard Worker
“[Other] admirals more frightened of losing than anxious to win”

SP: “But can you turn a ‘defensive player’ into an ‘offensive player’?”

TP: “Yes! Work with him/her to reframe their principal project to the point that the ego is engaged and it becomes a ‘life compulsion.’” *

* “If you and I had $150K in the bank and on the line and the day before the opening the FFre Inspector...”
TP & UA Ops Manager: “National service? Who knows? But we believe that every would-be leader should have waited table for at least two years!” *

*Customer service, make-each-Customer the Absolute Center of Attention “at all times,” pursue repeat business, take the blame from one and all, provision of scintillating “experience,” serve many masters (Client, Maitre d’, chef, busboy, owner, etc), hustle but exude calm/grace, multi-task, sunny attitude no matter how much shit has hit the fan, etc.
“I have always believed that the purpose of the corporation is to be a blessing to the employees.” —Boyd Clarke
GH:

“Get better” vs “Get different”
“A focus on cost-cutting and efficiency has helped many organizations weather the downturn, but this approach will ultimately render them obsolete. Only the constant pursuit of innovation can ensure long-term success.”

—Daniel Muzyka, Dean, Sauder School of Business, Univ of British Columbia (FT/09.17.04)
Guiding Tenets/Daily Fare

Innovate!
Re-imagine!
Adapt!
Prepare!
Build a “School on top of a school” (The Parallel Universe Strategy)
“Hard is soft. Soft is hard.”
This I Believe:
The 60 TIBs

Tom Peters/08.2005
1. Technicolor rules
2. Audacity matters!
3. Revolution now!
4. Question authority! (And hire disrespectful people)
5. Disorganization wins! (Love the mess!)
6. Think 3M: Markets Matter Most. (Only extreme competition staves off staleness.)
7. Three hearty cheers for weirdos
8. Message 2003: Technology change (info-science, bio-science) is in its infancy. (Greatest understatement: We ain’t seen nothin’ yet!)
9. Everything is up for grabs! Volatility is thy name! (Forever. And ever.) Re-imagine ... or perish.
10. Big Stinks. (Mostly.)
60TIBs

11. “Permanence” is a snare and a delusion. (Forget “built to last.” It’s yesterday’s idea, if that.)

12. Kaizen (Continuous Improvement) is ... Very Dangerous Stuff.

13. Destruction rules!

14. Forget it! (Message: Learning = Easy. Forgetting = Nigh-on-impossible.)

15. Innovation = Easy. (True.) (Message: Hang out with Freaks!)

16. Boring begets boring. (Cool begets cool.)

17. Think “Portfolio.” We are all VCs.* (*Venture Capitalists.)

18. Perception is all there is. (“Insiders” ... always ... overestimate the radicalism of what they’re up to.)

19. Action ... ALWAYS ... takes precedence.

20. He who makes the Quickest & Coolest Prototypes Reigns! (Think: Demos. Stories. Heroes.)
21. Haste makes waste. (So ... go waste!)
22. Screw-ups are ... The ... Mark of Excellence. (Corollary: “Do it right the first time” is an ... Obscenity.)
23. Play hard! Right now! Cherish play!
24. Talent Time! (He/She who has the ... Best Roster ... rules.)
25. Re-do education. Totally. (Foster creativity ... not uniformity.) (The noisiest classroom wins the gold.)
26. Diversity’s hour is now!
27. S-H-E is the best leader.
28. Marketing mantra: Pocket Trillion$. Embrace the Big Two: (1) She is the customer! (2) Boomers/Geezers have all the loot!
29. Re-boot health care.
30. Q: What are we selling? A: “Experiences” and “solutions,” far more than “top quality” and “satisfaction.” (Message: the traditional value-added equation is being set on its ear.)
60TIBs

31. Design = New “Seat of the Soul.”
32. Branding is for ... EVERYONE. Whoever has ... THE BEST STORY ... takes home the most marbles.
33. “Dramatic Difference” = Only Difference worthy of the name.
34. Words matter. (A lot!)
35. What matters is ... Stuff That Matters.
36. eALL. (IS/IT: Half-way = No-way.)
37. DREAM! Dream ... BIG! Dream ... ENORMOUS! Dream GARGANTUAN! (This is an XXXXL Time!)
38. Thanks Mike!
39. There is (Perhaps?!) only ... One Big Issue. Crappy X-Functional Communications.
40. Stop doing dumb stuff. (Systematize the process of un-dumbing.)
41. Beautiful systems ... are ... b-e-a-u-t-i-f-u-l!
42. The ... WHITE-COLLAR REVOLUTION ... will ... Devour ... Everything ... in Its Path.
43. Take charge of your destiny. (No option.) It is a Brand New, Brand You World. (Distinct or ... Extinct.)
44. Powerlessness is a State of Mind! (Think King. Think Gandhi. Think de Gaulle.)
45. Pursue ... Adventures ... in every task.
46. Excellence is a state of mind. (Excellence takes but a ... Minute. No baloney.)
47. Show up! (If you care, you are there.)
48. Your calendar knows all. (You = Your calendar.)
49. Life Is Sales. (The rest is details.)
50. Boss mantra No. 1: “I Don’t Know” (I.D.K. = Ultimate Permission to Explore.)

52. Avoid the epitaph from hell! Namely:

Joe J. Jones
1942-2005
He would have done
Some really cool stuff
But ...
His boss wouldn't let him.

53. Change takes however long you think it takes.
54. Respect!
55. “Thank you” trumps all!
56. Integrity matters! (Integrity = Credibility.)
57. Soft is Hard. Hard is Soft. (Numbers are “soft.”
    People are “hard.”)
58. Try sunny! Dispense enthusiasm!
59. Fun ... is not a ... Four-Letter Word (so, too, Joy).
60. Grace.
VIII. NEW BUSINESS.
NEW LEADERSHIP.
Create a Cause!
G.H.: “Create a ‘cause,’ not a ‘business.’”
“If you want to build a ship, don’t drum up people together to collect wood and don’t assign them tasks and work, but rather teach them to long for the sea.”

—Antoine de Saint-Exupery
“A leader is a dealer in hope.”

Napoleon

(+TP’s writing room pics)
What traits do successful activists share?

Studs Terkel, age 91: “They have hope, and they imbue others with hope.”
“the wildest chimera of a moonstruck mind” —The Federalist on TJ’s Louisiana Purchase
“In the end, management doesn’t change culture. Management invites the workforce itself to change the culture.”

—Lou Gerstner
Think
Legacy!
“Management has a lot to do with answers. Leadership is a function of questions. And the first question for a leader always is: ‘Who do we intend to be?’ Not ‘What are we going to do?’ but ‘Who do we intend to be?’”

—Max De Pree, Herman Miller
“In 1933, Thomas J. Watson Sr. gave a speech at the World’s Fair, ‘World Peace through World Trade.’ We stood for something, right?” —Sam Palmisano
“There was no question that whenever Larry Summers decided to step down as president of Harvard, he would leave the university bigger, richer, more powerful, and more influential. The only question was whether he would leave it better.” —Richard Bradley, *Harvard Rules*
CEO Assignment 2002 (Bermuda):

“Please leap forward to 2007, 2012, or 2022, and write a business history of Bermuda. What will have been said about your company during your tenure?”
“To win this race, Kerry needs to stop focusing on Election Day and start thinking about his would-be presidency’s last day. What does he want his legacy to be? When sixth-graders in the year 2108 read about the Kerry presidency, what does he want the one or two sentences that accompany his photo to say?” —Kenneth Baer/Washington Post/092604
Ah, kids: “What is your vision for the future?” “What have you accomplished since your first book?” “Close your eyes and imagine me immediately doing something about what you’ve just said. What would it be?” “Do you feel you have an obligation to ‘Make the world a better place’?”
Good Is Good Business

Bill George, *Authentic Leadership: Rediscover the Secrets to Creating Lasting Value*


Max De Pree, *Leadership Is an Art*

Ira Jackson and Jane Nelson, *Profits with Principles*
“I don’t know what the hell we’re going to do, or how we’re going to do it, but I’m damn clear that we’re going to move beyond ‘good projects’ and step up to the plate on ‘fundamental change’ on the last 18 months of my watch.”

—3 star admiral, U S Navy, April ‘05
Trumpet an Exhilarating Story!
“Leaders don’t just make products and make decisions. Leaders make meaning.”

– John Seely Brown
“A key - perhaps the key - to leadership is the effective communication of a story.”

—Howard Gardner/Leading Minds: An Anatomy of Leadership
Language Power!

“... the language we speak determines how we react to the world around us...” —Diane Ackerman/

An Alchemy of Mind
“Scratch the surface in a Boardroom, and you’ll find we’re all cavemen with briefcases—waiting for someone to tell us a good story.”

—Alan Kay,
as reported by Dan Pink
Leader Job 1

Paint Portraits of Excellence!
“An empire not of land, an empire of the mind”

Alexander the Great
“It is necessary for the President to be the nation’s No. 1 actor.”

FDR
“It had been a scene that those in the room would long remember. Washington had performed his role to perfection. It was not enough that a leader look the part; by Washington’s rules he must know how to act it with self-command and precision. John Adams would later describe Washington approvingly as one of the ‘great actors of the age’.”

—David McCullough, 1776
Make It a Grand Adventure!
“Ninety percent of what we call ‘management’ consists of making it difficult for people to get things done.” – Peter Drucker
“If you have ten thousand regulations you destroy all respect for law.” —WSC
“I don’t know.”
Quests!
“[Other] admirals more frightened of losing than anxious to win”

SP: “But can you turn a ‘defensive player’ into an ‘offensive player’?”

TP: “Yes! Work with him/her to reframe their principal project to the point that the ego is engaged and it becomes a ‘life compulsion.’” *

* “If you and I had $150K in the bank and on the line and the day before the opening the Fre Inspector ...”
“Groups become great only when everyone in them, leaders and members alike, is free to do his or her absolute best.”

“The best thing a leader can do for a Great Group is to allow its members to discover their greatness.”
Yes!!!!!!!!!!!!!!

“free to do his or her absolute best”...

“allow its members to discover their greatness.”
“The final test of a leader is that he leaves behind him in other men the conviction and the will to carry on.” —Walter Lippmann
“Until there is commitment there is hesitancy, the chance to draw back. Concerning all acts of initiative and creation, there is one elementary truth, the ignorance of which kills countless ideas and splendid plans: that the moment one definitely commits oneself, then providence moves too. All sorts of things occur to help one that would never otherwise have occurred. Whatever you can do or dream you can, begin it. Boldness has genius, power and magic in it. Begin it now!”

—Johann Wolfgang von Goethe
“Reward excellent failures. Punish mediocre successes.”

Phil Daniels, Sydney exec (and, de facto, Jack)
“Nobody can prevent you from choosing to be exceptional.” —Mark Sanborn, The Fred Factor

“To live is the rarest thing in the world. Most people exist, That is all.” —Oscar Wilde

“Make your life itself a creative work of art.” —Mike Ray, The Highest Goal
“Never doubt that a small group of committed people can change the world. Indeed it is the only thing that ever has.” —Margaret Mead
“Although I appreciate what Jim Collins was railing at—egomaniacal leaders such as Al ‘Chainsaw’ Dunlap, Dennis ‘Shower Curtain’ Kozlowski, and Jeffrey ‘Off Balance Sheet’ Skilling—the most effective leaders are not self-effacing and humble. In fact, a powerful ego, defined as the need to stake grand claims, is one of their most defining characteristics (although, obviously, not the only one).” —Marcus Buckingham, *The One Thing You Need to Know*
A: “insecure, insensitive, opinionated, verbose, compulsive, headstrong, belligerent, proud, and lacking in self-awareness and self-discipline.”
Q: “the father of American capitalism” …

Alexander Hamilton

Source: Review in *Strategy + Business/Winter 2004* of Ron Chernow’s *Alexander Hamilton*
“I’m looking for insane commitment.” —Twyla Tharp, *The Creative Habit*
Insist on Speed!
“Strategy meetings held once or twice a year” to “Strategy meetings needed several times a week”

Source: New York Times on Meg Whitman/eBay
Read It Closely: “We don’t sell insurance anymore. We sell speed.”

Peter Lewis, Progressive
He who has the quickest O.O.D.A. Loops* wins!

Boyd
At the heart of Boyd’s thinking is an idea labeled “OODA Loops.” OODA stands for the Observe-Orient-Decide-Act cycle. In short, **the player with the quickest OODA Loops disorients the enemy to an extreme degree.** In the world of aerial combat, for example, the confused adversary subjected to an opponent with short OODA cycles often flies into the ground rather than becoming the victim of machine gun fire or a missile. Boyd is careful to distinguish between raw speed and maneuverability. In aerial dogfighting in Korea (Boyd’s incubator), Soviet MiGs flown by Chinese pilots were faster and could climb higher, but our F-86 had “faster transients”—it could change direction more quickly; hence our technically inferior craft (by conventional design standards) achieved a 10:1 kill ratio.
OODA Loop/Boyd Cycle

“Unraveling the competition”/ Quick Transients/ Quick Tempo (NOT JUST SPEED!)/ Agility/ “So quick it is disconcerting” (adversary over-reacts or under-reacts)/ “Winners used tactics that caused the enemy to unravel before the fight” (NEVER HEAD TO HEAD)

BOYD: The Fighter Pilot Who Changed the Art of War (Robert Coram)
“Fast Transients”

“Buttonhook turn” (YF16: “could flick from one maneuver to another faster than any aircraft”)

BOYD: The Fighter Pilot Who Changed the Art of War (Robert Coram)
Lead the Action Faction!
The Kotler Doctrine:

1965-1980: R.A.F.  
(Ready.Aim.Fire.)

(Ready.Fire!Aim.)

1995-???????: F.F.F.  
(Fire!Fire!Fire!)
“We have a ‘strategic’ plan. It’s called doing things.”

— Herb Kelleher
“I used to think that the mark of a good businessman was to not make mistakes. But then I met a lot of successful businessmen and realized that the key to their success was they were willing to try a lot of things. That also means being willing to make mistakes.”

—Gordon Segal, CEO, Crate & Barrel
A man approached JP Morgan, held up an envelope, and said, “Sir, in my hand I hold a guaranteed formula for success, which I will gladly sell you for $25,000.”

“Sir,” JP Morgan replied, “I do not know what is in the envelope, however if you show me, and I like it, I give you my word as a gentleman that I will pay you what you ask.”

The man agreed to the terms, and handed over the envelope. JP Morgan opened it, and extracted a single sheet of paper. He gave it one look, a mere glance, then handed the piece of paper back to the gent.

And paid him the agreed-upon $25,000.
1. Every morning, write a list of the things that need to be done that day.

2. Do them.

Source: Hugh MacLeod/tompeters.com/NPR
“If Microsoft is good at anything, it’s avoiding the trap of worrying about criticism. Microsoft fails constantly. They’re eviscerated in public for lousy products. *Yet they persist, through version after version,* until they get something good enough. Then they leverage the power they’ve gained in other markets to enforce their standard.”

Seth Godin, *Zooming*
YOU HAVE TO DRILL!

“This is so simple it sounds stupid, but it is amazing how few oil people really understand that you only find oil if you drill wells. You may think you’re finding it when you’re drawing maps and studying logs, but you have to drill.”

“I don’t know what it is that makes an oil finder. But while I can’t define it, I can generally recognize it when I see it. Mostly, it’s attitude. Focus. Intensity. It seems to be associated with a fierce desire to know everything, to rub your nose in every piece of information. And yet there is a playfulness about the expert finders. A sense of fun. Beware of the too serious man.”

Source: The Hunters, by John Masters, Canadian O & G wildcatter
“Paranoia was nothing new in my life. You can’t let it get in the way of work. The trick, as I was told as a trainee by what I then regarded as wise old instructors, is to avoid getting into situations from which there is no escape. Always case the joint before you go in, always sit with your back to the wall, always make sure there’s a back door. **A majority of my classmates took this advice to heart and were not much good to themselves or to anyone else thereafter.** In practice, you have to walk right in and sit right down. Sometimes getting out the back door involves breaking somebody’s neck on a dark stairway.”  

—protagonist, from *Old Boys* by Charles McCarry (p192)
“To Be somebody or to Do something”

BOYD: The Fighter Pilot Who Changed the Art of War (Robert Coram)
Dispense Enthusiasm!
BZ: “I am a Dispenser of Enthusiasm!”
“Nothing is so contagious as enthusiasm.”
—Samuel Taylor Coleridge
“Most important, he upped the energy level at Motorola.” —*Fortune* on Ed Zander/08.05
“A man without a smiling face must not open a shop.” —Chinese Proverb

*Courtesy Tom Morris, The Art of Achievement*
James Woolsey, former CIA director: “If you’re enthusiastic about the things you’re working on, people will come ask you to do interesting things.”
“[Feldstein] is like a pied piper. Marty infects everyone with his zeal for applied economics.” —Laurence Kotlikof, Chairman, Economics Dept, Boston University
“[Economist Martin Feldstein] is a giant, not just because of his ideas, but because of his excitement about their ideas themselves” —Brian Hall/Harvard/Investor’s Business Daily/06.10.05
“You must be the change you wish to see in the world.”

Gandhi
“To change minds effectively, leaders make particular use of two tools: the stories that they tell and the lives that they lead.”

—Howard Gardner, Changing Minds
Charles Handy on the “alchemists”: “Passion was what drove these people, passion for their product or their cause. If you care enough, you will find out what you need to know. Or you will experiment and not worry if the experiment goes wrong. Passion as the secret to learning is an odd secret to propose, but I believe that it works at all levels and at all ages. Sadly, passion is not a word often heard in the elephant organizations, nor in schools, where it can seem disruptive.”
The Nelson Baker's Dozen

1. Simple-clear scheme (“Plan”) (Not wildly imaginative) (Patton: “A good plan executed with vigor right now tops a ‘perfect’ plan executed next week.”)
2. SOARING/BOLD/CLEAR/UNEQUIVOCAL/WORTHY/NOBLE/INSPIRING “GOAL”/“MISSION”/“PURPOSE”/“QUEST”
3. “Conversation”: Engagement of All Leaders
4. Leeway for Leaders: Select the Best/Dip Deep/Initiative demanded/Accountability swift/Micromanagement absent
5. LED BY “LOVE” (Lambert), NOT “AUTHORITY” (Identify with sailors!)
6. Instinct/Seize the Moment/“Impetuosity” (Boyd’s “OODA Loops”: React more quickly than opponent, destroy his “world view”)
7. VIGOR! (Zander: leader as “Dispenser of Enthusiasm”)
8. Peerless Basic Skills/Mastery of Craft (Seamanship)
9. Workaholic! (“Duty” first, second, and third)
10. LEAD BY CONFIDENT & DETERMINED & CONTINUOUS & VISIBLE EXAMPLE (In Harm’s Way) (Gandhi: “You must be the change you wish to see in the world”/Giuliani: Show up!)
11. Genius (“Transform the world to conform to their ideas,” “Triumph over rules”) (Gandhi, Lee-Singapore), not Greatness (“Make the most of their world”)
12. Luck! (Right time, right place; survivor) (“Lucky Eagle” vs “Bold Eagle”)
13. Others principal shortcoming: “ADMIRALS MORE FRIGHTENED OF LOSING THAN ANXIOUS TO WIN”

Source: Andrew Lambert, Nelson: Britannia's God of War
Nelson’s Way: A Baker’s Dozen

1. Simple scheme.
2. Noble purpose!
3. Engage others.
4. Find great talent, let it soar!
5. Lead by Love!
6. Trust your gut, not the focus group: Seize the Moment!
7. Vigor!
8. Master your craft.
9. Work harder than the next person.
10. Show the way, walk the talk, exude confidence! Start a Passion Epidemic!
11. Change the rules: Create your own game!
12. Shake of the pain, get back up off the ground, the timing may well be right tomorrow! (E.g., Get lucky!)
13. By hook or by crook, quash your fear of failure, savor your quirkiness and participate fully in the fray!

Source: Andrew Lambert, *Nelson: Britannia’s God of War*
Fisherisms

Do right and damn the odds. Stagnation is the curse of life. The best is the cheapest. Emotion can sway the world. Mad things come off. Haste in all things. Any fool can obey orders. History is a record of exploded ideas. Life is phrases.

Source: Jan Morris, Fisher’s Face, Or, Getting to Know the Admiral
“extraordinary arrogance, superciliousness, humor, kindness, effrontery” —Jan Morris on Lord Admiral Jack Fisher, *Fisher’s Face, Or, Getting to Know the Admiral*
“We must have no tinkering! No pandering to sentiment! No regard for susceptibilities! We must be ruthless, relentless, and remorseless.”

—Jan Morris, *Fisher’s Face, Or, Getting to Know the Admiral*
Free the Lunatic Within!
“You can’t behave in a calm, rational manner. You’ve got to be out there on the lunatic fringe.”

— Jack Welch
Kevin Roberts’ Credo

2. If it ain’t broke... Break it!
3. Hire crazies.
4. Ask dumb questions.
5. Pursue failure.
6. Lead, follow ... or get out of the way!
7. Spread confusion.
8. Ditch your office.
9. Read odd stuff.

10. Avoid moderation!
Stay Hungry.
Stay Foolish.

Steve Jobs
“If I had any epitaph that I would rather have more than any other, it would be to say that I had ... disturbed the sleep of my generation.”

—Adlai Stevenson
The greatest danger for most of us is not that our aim is too high and we miss it, but that it is too low and we reach it.

Michelangelo
“The future is disorder.
“A door like this has opened up five or six times since we got up on our hind legs.
“It is the best possible time to be alive, when almost everything you know is wrong.”

Valentine, the mathematician, in *Arcadia*, by Tom Stoppard (courtesy David Wolfe)
The Passion Imperative: The Leadership 50
The Basic Premise.
1. Leadership Is a ... Mutual Discovery Process.
“Ninety percent of what we call ‘management’ consists of making it difficult for people to get things done.” – Peter Drucker
“I don’t know.”
Quests!
“Groups become great only when everyone in them, leaders and members alike, is free to do his or her absolute best.”

“The best thing a leader can do for a Great Group is to allow its members to discover their greatness.”
Yes!!!!!!!!!!!!!!!

“free to do his or her absolute best” …

“allow its members to discover their greatness.”
“Nobody can prevent you from choosing to be exceptional.” —Mark Sanborn, The Fred Factor

“To live is the rarest thing in the world. Most people exist, That is all.” —Oscar Wilde

“Make your life itself a creative work of art.” —Mike Ray, The Highest Goal
The Leadership Types.
Great Leaders on Snorting Steeds Are Important – but Great Talent Developers (Type I Leadership) are the Bedrock of Organizations that Perform Over the Long Haul.
Whoops: Jack didn’t have a vision!
3. But Then Again, There Are Times When This "Cult of Personality" (Type II Leadership) Stuff Actually Works!
“A leader is a dealer in hope.”

Napoleon
4. Find the “Businesspeople”! (Type III Leadership)
I.P.M. (Inspired Profit Mechanic)
5. All Organizations Need the Golden Leadership Triangle.
6. Leadership Mantra

#1: IT ALL DEPENDS!
Renaissance Men are ... a snare, a myth, a delusion!
7. The Leader Is Rarely/Never the Best Performer.
The Leadership Dance.
8. Leaders ... SHOW UP!
“A body can pretend to care, but they can’t pretend to be there.” — Texas Bix Bender
9. Leaders ... LOVE the MESS!
“If things seem under control, you’re just not going fast enough.”

Mario Andretti
10. Leaders

DO!
“We have a ‘strategic’ plan. It’s called doing things.”

— Herb Kelleher
The Kotler Doctrine:

1965-1980: R.A.F.
(Ready.Aim.Fire.)

(Ready.Fire!Aim.)

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(Fire!Fire!Fire!)
He who has the quickest **O.O.D.A. Loops** wins!

A man approached JP Morgan, held up an envelope, and said, “Sir, in my hand I hold a guaranteed formula for success, which I will gladly sell you for $25,000.”

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And paid him the agreed-upon $25,000.
1. Every morning, write a list of the things that need to be done that day.

2. Do them.

Source: Hugh MacLeod/tompeters.com/NPR
11. Leaders Re-do.
“If Microsoft is good at anything, it’s avoiding the trap of worrying about criticism. Microsoft fails constantly. They’re eviscerated in public for lousy products. Yet they persist, through version after version, until they get something good enough. Then they leverage the power they’ve gained in other markets to enforce their standard.”

Seth Godin, Zooming
12. BUT ... Leaders Know When to Wait.
Tex Schramm: The "too hard" box!
13. Leaders Are Optimists.

Lou Cannon, George (08.2000)
Hackneyed but none the less true: **LEADERS SEE CUPS AS “HALF FULL.”**
14. Leaders ... DELIVER!
“It is no use saying ‘We are doing our best.’ You have got to succeed in doing what is necessary.” —WSC
15. **BUT** ... Leaders Are Realists/Leaders Win Through LOGISTICS!
16. Leaders FOCUS!
"To Don’t" List
17. Leaders ...
Set CLEAR DESIGN SPECS.
Danger: S.I.O. (Strategic Initiative Overload)
JackWorld/1@T: (1) Neutron Jack. (Banish bureaucracy.) (2) “1, 2 or out” Jack. (Lead or leave.) (3) “Workout” Jack. (Empowerment, GE style.) (4) 6-Sigma Jack. (5) Internet Jack. (Throughout)

TALENT JACK!
18. Leaders ...

Send **V-E-R-R-Y**

*Clear Signals* About Design Specs!
Ridin’ with Roger: “What have you done to dramatically improve quality in the last 90 days?”
If It Ain’t Broke … Break It.
19. Leaders ... \textcolor{green}{FORGET!}/ Leaders ... \textcolor{green}{DESTROY!}
“The problem is never how to get new, innovative thoughts into your mind, but how to get the old ones out.”

Dee Hock
BUT ... Leaders Have to Deliver, So They Worry About “Throwing the Baby Out with the Bathwater.”
“Damned If You Do, Damned If You Don’t, Just Plain Damned.”

21. Leaders ... HONOR THE USURPERS.
Saviors-in-Waiting

Disgruntled Customers
Upstart Competitors
Rogue Employees
Fringe Suppliers

Wayne Burkan, Wide Angle Vision
22. Leaders **Make Lotsa Mistakes** – and MAKE NO BONES ABOUT IT!
“Fail faster. Succeed sooner.”

David Kelley/IDEO
23. Leaders Make ... BIG MISTAKES!
“Reward excellent failures. Punish mediocre successes.”

Phil Daniels, Sydney exec (and, de facto, Jack)
Create.
Leaders Know that THERE’S MORE TO LIFE THAN “LINE EXTENSIONS.” Leaders Love to CREATE NEW MARKETS.
“Acquisitions are about buying market share. Our challenge is to create markets. There is a big difference.”

Peter Job, CEO, Reuters
25. Leaders ... Make Their Mark / Leaders ... Do Stuff That Matters
“I never, ever thought of myself as a businessman. I was interested in creating things I would be proud of.” —Richard Branson
Legacy!
“Management has a lot to do with answers. Leadership is a function of questions. And the first question for a leader always is: Who do we intend to be?‘ Not ‘What are we going to do?’ but ‘Who do we intend to be?’”

—Max De Pree, Herman Miller
Ah, kids: “What is your vision for the future?” “What have you accomplished since your first book?” “Close your eyes and imagine me immediately doing something about what you’ve just said. What would it be?” “Do you feel you have an obligation to ‘Make the world a better place’?”
26. Leaders Push Their Organizations Way Up the Value-added/Intellectual Capital Chain
27. Leaders LOVE the New Technology!
28. Needed? Type IV Leadership: Technology Dreamer–True Believer
The Golden Leadership Quadrangle: (1) Talent Fanatic-Mentor ... (2) Creator-Visionary ... (3) Inspired Profit Mechanic ... (4) Technology Dreamer-True Believer
Talent.
29. When It Comes to TALENT …
Leaders Always Go Berserk!
30. Leaders Don’t Create “Followers”: **THEY CREATE LEADERS!**
“I start with the premise that the function of leadership is to produce more leaders, not more followers.” —Ralph Nader
31. Leaders Develop Leadership Terms that “Look Like the Market”
Albertson’s “Gets It”*

Albertson’s CEO Larry Johnston (a GE alum) on women in top slots: “Women have insights into our customers that no man—no matter how bright, no matter how hard working—can match. That’s important when 85 percent of all consumer buying decisions made in our stores are made by women.”

Retail analyst Burt Flickinger calls the absence of women in top slots, pre-Johnston, the company’s “tragic flaw.” He adds, “It was a bunch of old white guys making erroneous assumptions and erroneous conclusions about women and the multicultural consumers that make up the majority of Albertson’s customers.”

*Only large global corporation with over 50% women (6 of 11) on its Board
Passion.
32. Leaders ...

“Sell” PASSION!
G.H.: “Create a ‘cause,’ not a ‘business.’”
“In the end, management doesn’t change culture. Management invites the workforce itself to change the culture.”

—Lou Gerstner
Resilience
Simplicity
Authenticity

Ed Sims/Air New Zealand ("Airline to Middle Earth")
33. Leaders Know: 

ENTHUSIASM BEGETS ENTHUSIASM!
BZ: “I am a Dispenser of Enthusiasm!”
“Nothing is so contagious as enthusiasm.”

—Samuel Taylor Coleridge
“A man without a smiling face must not open a shop.” —Chinese Proverb

*Courtesy Tom Morris, The Art of Achievement*
34. Leaders Are ... in a Hurry
Read It Closely: “We don’t sell insurance anymore. We sell speed.”

Peter Lewis, Progressive
35. Leaders Focus on the SOFT STUFF!
“Soft” Is “Hard”
- ISOE
Message: Leadership is all about **love**! 

[Passion, Enthusiasms, Appetite for Life, Engagement, Commitment, Great Causes & Determination to Make a Damn Difference, Shared Adventures, Bizarre Failures, Growth, Insatiable Appetite for Change.]

[Otherwise, why bother? Just read Dilbert. TP’s final words: CYNICISM SUCKS.]
The “Job” of Leading.
Leaders Know It’s ALL SALES ALL THE TIME.
TP: If you don’t LOVE SALES … find another life. (Don’t pretend you’re a “leader.”) (See TP’s The Project50.)
37. Leaders LOVE “POLITICS.”
TP: If you don’t LOVE POLITICS … find another life.  (Don’t pretend you’re a “leader.”)
38. But ... Leaders Also Break a Lot of China
39. Leaders
Give ... RESPECT!
Amen!

“What creates trust, in the end, is the leader’s manifest respect for the followers.” — Jim O’Toole, *Leading Change*
40. Leaders Say “Thank You.”
“The two most powerful things in existence: a kind word and a thoughtful gesture.”

Ken Langone, CEO, Invemed Associates [from Ronna Lichtenberg, It’s Not Business, It’s Personal]
41. Leaders Are ... *Curious.*
TP/08.2001: The Three Most Important Letters ... WHY?
42. Leadership is a ... Performance.
“It is necessary for the President to be the nation’s No. 1 actor.”

FDR
43. Leaders ... Are The Brand
“You must be the change you wish to see in the world.”

Gandhi
44. Leaders ... Have a GREAT STORY!
“Leaders don’t just make products and make decisions. Leaders make meaning.”

– John Seely Brown
“A key – perhaps the key – to leadership is the effective communication of a story.”

Howard Gardner
Leading Minds: An Anatomy of Leadership
Leader Job 1

Paint Portraits of Excellence!
Introspection.
45. Leaders ...

Enjoy Leading.
“Warren, I know you want to ‘be’ president. But do you want to ‘do’ president?”
46. Leaders ... KNOW THEMSELVES.
Individuals (would-be leaders) cannot engage in a liberating mutual discovery process unless they are comfortable with their own skin. (“Leaders” who are not comfortable with themselves become petty control freaks.)
47. But ... Leaders have MENTORS. But ... Leaders have MENTORS.
The Word According to TP: Upon having the Leadership Mantle placed upon one’s head, he/she shall never hear the unvarnished truth again!* (*Therefore, she/he needs one faithful compatriot to lay it on with no jelly.)
48. Leaders ... Take Breaks.
The End

Game.
49. Leaders ???:
“Leadership is the PROCESS of ENGAGING PEOPLE in CREATING a LEGACY of EXCELLENCE.”
“LEADERS NEED TO BE THE ROCK OF GIBRALTAR ON ROLLER BLADES”
50. Leaders Know When to Leave!
“In Italy for 30 years under the Borgias they had warfare, terror, murder, bloodshed—they produced Michelangelo, Leonardo da Vinci and the Renaissance. In Switzerland they had brotherly love, 500 years of democracy and peace, and what did they produce—the cuckoo clock.”

Orson Welles, script for The Third Man
“If I had any epitaph that I would rather have more than any other, it would be to say that I had disturbed the sleep of my generation.” —Adlai Stevenson
“In classical times when Cicero had finished speaking, the people said, ‘How well he spoke,’ but when Demosthenes had finished speaking, they said, ‘Let us march.’”

—Adlai Stevenson
Let us march!
Here lies the mighty gentleman who rose to such heights of valor that death itself did not triumph over his life with his death. He did not esteem the world; he was the frightening threat to the world, in this respect, for it was his great good fortune to live a madman, and die sane.”

Epitaph, Don Quixote