The Death Knell for "Ordinary":

Pursuing Difference

Tom Peters

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"We are in a brawl with no rules." - Paul Allaire, former CEO, Xerox

MANIFESTO. The word suggests a pointed view. (Rodale's *Synonym Finder*: Manifesto ... Proclamation. Declaration. Pronunciamento. Broadcast. Airing. Broadside.) And "Pointed View" is precisely the idea of this series of "booklets" – in what we call **The BRAWL WITH NO RULES Series.** Each booklet is an expanded chapter of my cornerstone day-long seminars. But I have chosen these topics for two particular reasons. First, I think they (1) are important and (2) present enormous opportunities and (3) are grossly neglected by most organizations. Second, I have a Radical Point of View about each one; you will find no half-way suggestions here!

American Beauty, the movie

It was a dark and stormy night ...

Well, actually, it wasn't. But it *was* a seminal day. February 25, 2000, just 56 days into the New Millennium. Announcement: Ford & GM & DaimlerChrysler – arch enemies for nearly a century – create an Internet supplier marketplace/virtual marketspace. It will initially encompass a quarter-*TRILLION* dollars (\$\$\$\$!!!!!) of parts trading activity; add in suppliers' suppliers and the total soars to a cool three-quarters of a *trillion* dollars.

So what?

So ... the guys in my seminar room, from Dana Corp., an auto parts supplier, blanched. (Understatement.)

Why? Because such Internet-based markets, from old toasters on eBay to autoparts by the gazillions of bucks on Covisint (the name given to the Ford et al. venture), are "efficient," as the economists would put it. Efficient = All the bullshit & "transaction costs" (more econospeak) drained out. I.e.: profits wrung out of the system. IF ...

IF ...

IF ... the stuff you produce is not exceptional. CLEARLY Exceptional.

Moral: Internet-based marketspaces – for autoparts and, yes, open-heart surgery – will not be kind to "ordinary" producers.

EVERYTHING IS – OR SOON WILL BE – AVAILABLE FOR BID ON THE WEB. "IT" WILL GO TO THE LOW-COST PROVIDER ... UNLESS YOU CAN MAKE *ONE BLOODY DAMN GOOD CASE* AS TO WHY YOU (HR specialist, autoparts maker) ARE – INDEED – SPECIAL.

Is that clear???

I call it the **Death Knell for Ordinary**. Stand Out ... as individual or company ... or get run over. (At, literally, the speed of light.)

* * * *

The Wall Street Journal, 07.24.2000: "[Healthmarket.com is an exchange] designed to enable consumers to purchase a wide range of health-care services – from insurance plans to episodes of care for such procedures as heart surgery and hip replacement – on the Internet, much as they can now purchase groceries or airline tickets."

The Base Case

"All this" actually started quite a while ago, about 1980. We – Americans – got thumped by our great Japanese colleagues, because we had ignored QUALITY. *Stuff That Worked* – from Toyota & Toshiba – was cool. And embarrassed us.

But we Americans also have a nasty little habit. WE RESPOND TO PAIN. FAST. We vigorously embraced the "quality thing" ... from GM to GE. And more. We "did" Kaizen (continuous improvement), we "empowered" anything that walked and talked, *and* we dramatically shortened "time to market" for new products.

PROBLEM: EVERYBODY WAS LISTENENING TO THE SAME GURUS. AND APPLYING THE SAME TECHNIQUES.

Progress was incredible. But ... ironically ... the ability to STAND OUT got harder ... not easier.

Whoops!

Cases in Point:

- (1) Premier auto industry observers J.D. Power: "Quality as defined by few defects is becoming the price of entry for automotive marketers rather than a competitive advantage."
- (2) New York Times style-culture guru Paul Goldberger, on the "Sameness of Things" (his term) in retail ... at J. Crew, Crate & Barrel et al.: "While everything may be better, it is also increasingly the same."
- (3) Then a leading insurance industry "guru" chimes in ... same language (!!): "Customers will try 'low-cost providers' because the Majors have not given them any clear reason not to."
- (4) Former Burger King CEO Barry Gibbons put it this damning way: "WHEN WE DID IT 'RIGHT' IT WAS STILL PRETTY ORDINARY."
- (5) Or God Help Us take HP's CEO, Carly Fiorina: "We make over three new product announcements a day. Can you remember them? OUR CUSTOMERS CAN'T." *(Ouch!!!!!)*
- (6) My "favorite" ... i.e.: It's the most hair-raising, from Kjell Nordström & Jonas Ridderstråle, in *Funky Business* (the two are renowned strategy profs from Stockholm): "The surplus society has a surplus of *similar* companies, employing *similar* people, with *similar* educational backgrounds, working in *similar* jobs, coming up with *similar* ideas, producing *similar* things, with *similar* prices and *similar* quality."

I summarize "all this," even before the Internet Marketspaces take their daunting toll, as the ...

10X/10X Phenomenon.

That is ... 10 times better (Six Sigma, etc.), 10 times less different (all the cars start at -20°F in VT in February!).

As I said ... WHOOPS.

The Answers

What follows are my "answers" ... 9 strategies for standing out from the metoo herd in a world ready to smash "commodity" producers ... of anything. This is not a "logical" list, derived from some mighty conceptual scheme. It is a practical list, derived from watching what actually works for the best of the best.*

To wit:

- 1. Lead the Customer!
- 2. Use E-Commerce to Re-invent Everything!
- 3. Fight Back via Systems Integration!
- 4. Design Matters!
- 5. It's the Experience!
- 6. Women Rule!
- 7. Embrace an Age of Self-Determination!
- 8. Think Global!

The eight, in turn, add up to ... Strategy #9: Brand Power!

^{*}Missing from the list are internal organizational strategies; you'll find those in the companion booklet to this one, *The Work Matters*. And in our books *The Project50*, *The Professional Service Firm50* and *The Brand You50*.

S1: Lead the Customer!

I made my bones (*In Search of Excellence*) by yelling ... LISTEN TO THE CUSTOMER.

Now I say ... **LEAD THE CUSTOMER!** In short: Listening – in Y2001 – is not enough.

George Colony, chief of the IS research house Forrester Research: "The customer is a rearview mirror, not a guide to the future."

Joseph Morone, former dean of RPI's B. School and current president of Bentley College: "If you worship at the throne of the voice of the customer, you'll get only incremental advances."

Doug Atkin, partner in the marketing services firm Merkley Newman Harty: "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."

Kevin Kelly, New Rules for the New Economy: "Wealth in this new regime flows from innovation, not optimization. That is, wealth is not gained by perfecting the known, but by seizing the unknown."

In fact, I remain an advocate of listening to the customer. BUT NOT JUST ANY CUSTOMER. As Nortel CEO John Roth puts it, "Our strategies must be tied to leading-edge customers on the attack. If we focus on the defensive customers, we will also become defensive."

That is ...

LISTEN TO THE "LEAD" CUSTOMER! PARTNER WITH HIM ... LARGE *OR* SMALL.

Another essential take on this comes from Silicon Valley marketing guru Regis McKenna. He correctly claims we are in ... *The Age of the Never*

Satisfied Customer. Once Charles Schwab or Amazon.com has taught me I can "have it my way" ... RIGHT NOW ... I won't accept less from L.L.Bean or Ford or BankAmerica. Thence the wildest and wooliest and quickest and coolest of, say, the dotcom survivors end up raising the "minimum acceptable response" (customization, speed) for one ... and all!

To lead the customer is risky. (You'll get it wrong sometimes/frequently ... and irritate the stodgy.) Not to lead the customer, however, is death.

S2: Use E-Commerce to Re-invent Everything!

E-commerce is not a "strategy." Or a "program." IT IS AN ENCOMPASSING WAY OF LIFE.

See tomorrow today! See ... CISCO SYSTEMS. ORACLE. DELL. CHARLES SCHWAB. And ... Enron. And ... GE.

Cisco Systems. Revenue of around \$20B. At last tally, about **90%** came straight off the Web. (That's close to \$50M per ... DAY.) Savings from doing almost all business on the Web: at least \$500 million in customer service and tech support. Message I: less cost. Message II: customer satisfaction from all-Web customers is higher than from those who deal with Cisco via ... people. Message III: Cisco's secret is ... COMMUNITY. On-line engineer chat rooms and "collaborative design" on-line, etc., amount to, among other things, about \$1 billion in "free" consulting services as Cisco's customers support one another ... and, thence, Cisco.

Oracle. Decided a couple of years ago to take its own medicine. MOVE ALL (A-L-L) INTERNAL & EXTERNAL BUSINESS PROCESSES TO THE WEB. In 12 months, took out \$1 billion in costs. E.g.: a sophisticated service call, which used to cost \$300, now costs \$1.50. Savings from the service change: *approx.* \$500 million.

The Big Idea: **THE WORKS!** As Jakob Nielsen puts it in *Designing Web Usability*, "In the network economy, the website becomes the company's prime interface to the customer. The user interface becomes the marketing materials, store front, store interior, sales staff and post-sales support all rolled into one."

Customers ... consumer or business ... love "all this" ... *if* it's done brilliantly. As former Oracle president Ray Lane put it, "Changes in business processes will emphasize self service. *Your costs as a business go down – and perceived service goes up – because customers are conducting it themselves.*" As American Express exec Anne Busquet notes, it is not the Age of the Internet. It is instead ... *The Age of Customer Control.*

The Big Problem: HALF WAY IS NO WAY! As former GE CEO and Web True Believer Jack Welch said, "Where does the Internet rank in priority? It's No. 1, 2, 3, and

4. He adds, "One cannot be tentative about this. Excuses like 'channel conflict' or 'marketing and sales aren't ready' cannot be allowed to divert or paralyze the offensive. Delay and you risk being cut out of your own market, perhaps not by traditional competitors but by companies you never heard of 24 months ago."

My Summary: **WEBWORLD** = **EVERYTHING!**

- 1. Web as the way to run [all] your business's innards.
- 2. Web as connector for your entire supply & demand chain.
- 3. Web as "spider's web," which constantly re-conceives all industry relationships and economics.
- 4. Web/B2B as ultimate wake up call to "commodity [low value added] producers."
- 5. Web as scourge of slack, inefficiency, sloth, bureaucracy and poor customer data.
- 6. Web = Everything ... from product development to after-sales support.
- 7. Web as entrée, at any size, to World's Best Partners for Anything: WE ARE TRULY ALL NEXT DESK NEIGHBORS!

* * * * *

"There's no use trying," said Alice. "One can't believe impossible things." "I daresay you haven't had much practice," said the Queen. "When I was your age I always did it for half an hour a day. Why, sometimes I've believed as many as six impossible things before breakfast."

– Lewis Carroll

Practical Point (and it is practical!): **THE WEB IS A DREAMER'S MEDIUM!** The whole idea: Conjure up entirely new ways – stories, scenarios – of working with all your business partners – from your supplier's supplier's supplier to your customer's customer's customer. Imagine – routinely – the "impossible" … and implement posthaste. Hmmmmm … perhaps you should, as a matter of course, set aside a half hour before breakfast each day … to conjure up the "impossible."

S3: Fight Back via Systems Integration!

Former GE Power Systems boss Bob Nardelli (now Home Depot CEO) wasn't content to preside over an efficient and profitable tinbending operation. He set out to be front & center in the Internet Age as he, Enron and a [very] few others re-invent the formerly stodgy utility business. "We want to be the air traffic controllers of electrons," Nardelli declared. That is, he wants to be in the Internet Re-invention, Value-Added Driver's Seat!

Bob Reich, President Clinton's first term labor secretary, captured the spirit of "all this," commenting a few years back, on Sara Lee's decision to shed mfg. activities and become, in CEO John Bryan's words, "an asset-*less* company." "The most profitable businesses in the future," Reich wrote in *The Wall Street Journal*, "will act as knowledge brokers,

linking insights into what's available with insights into the customer's individual needs and preferences."

GE and Cisco Systems are playing the same game. David Schneider and Grady Means, in *MetaCapitalism*, describe Cisco as a "brand-owning company" that sells "customer satisfaction." They add, "At the basis of Cisco's success was its decision to adopt the decapitalized, brand-owning model and shed its traditional role of equipment manufacturer." *USA Today* uses even plainer language, calling Cisco "the 'go-to' [Internet] system provider." (Shades of "air traffic controllers of electrons," right?)

Value added through systems integration is the name of the fight-back-against-"efficient markets"-which-will-crush-commodity [stand-alone box]-producers game. But in a way, there's an even bigger attitude shift about the nature of customer satisfaction. "We're getting better at [Six Sigma] everyday," GE's Nardelli said, "But we really need to think about the customer's profitability. Are customers' bottom lines really benefiting from what we provide them?" Thence, Power Systems no longer measures itself solely in terms of on-time delivery of what was promised. The bigger question is how great a role did GE Power Systems play as a value-adding, full business partner to the customer's plant for which it was providing hardware and services? GE is not alone, though it's clearly a leader. For example, United Technologies' Otis and Carrier operations are redefining themselves from providers of very efficient boxes [elevators, air conditioners] to "integrated building-systems providers." UTC's Pratt & Whitney is likewise expanding the idea of the integrated package of services and sub-systems that surround the jet aircraft engine. In fighting back against the likes of the GM et al.'s Internet exchange, Covisint (see above), newly independent giant autoparts producer Delphi (formerly a part of GM) is rapidly shedding low value added "boxes" and aiming at bold, technologically sophisticated, high value add, integrated vehicle sub-systems.

Hey, even the sports agent's world is migrating up the value add-systems integration chain! I came across an article about a unique Olympic training camp that mixes competitors from all around the world. HSI/Hudson-Smith International works from this Mission Statement: "[HSI] serves as a vehicle for world-class athletes to receive expert training and guidance alongside special management and consultations. ... Mr. Hudson strives to maximize each client's profitability, exposure and success through a hands-on management environment." You can be appalled or amused, but you cannot deny that HSI is doing in its world exactly what GE Power Systems is doing in its!

THIS IS NO ONE-SHOT AFFAIR. You don't "get it right the first time" ... or, for that matter, ever. At an even higher level of abstraction, winners will engage in continuous industry restructuring activities, according to Delphi Group chief Thomas Koulopoulos. "The e-conomy," he writes, "is one of re-intermediation, where new technologies make it possible to radically increase complexity and efficiency with the introduction of new marketplaces. In these markets, value chains constantly reorganize as the demands of the consumer and business rapidly change."

MOTTO: ALL POWER TO THE SHAPE-SHIFTERS! ALL POWER TO THE FLEET-OF-FINGER PUPPETEERS! ALL POWER TO THE "AIR TRAFFIC CONTROLLERS OF ELECTRONS" AND BUILDING SYSTEMS PROVIDERS!

S4: Design Matters!

It's a great time to talk about design! **Design** ... bold, brassy ... spurred **Apple's** comeback via iMac. **Design** ... bold, brassy ... spurred **Volkswagen's** comeback via the New Beetle. **Kmart** has embraced **Martha. Target** has Michael Graves providing originals. And ... The Web ... is a ... **pure design medium!**

Design has long done it for an in-touch few. A half-century relationship with Henry Dreyfuss made a world of difference for ... yes! ... **John Deere.** (Farm World.) **IBM** has historically been design sensitive. **Gillette** has a similar history, to this day. Most recently, Sensor (for women), the Mach3, and the Cross Action Oral-B toothbrush are all grand slam – *design driven!* – home runs.

Former **Sony** chairman Norio Ohga makes the case loud and clear: "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." (Talk about strong language!) Ohga, trained as an opera singer, was a raving design fanatic. Just like Steve Jobs ...

Ohga and Apple's Jobs understand design ain't skin deep. "Calling in the designers" at the 23rd hour to "make it look good" couldn't be farther from the point. "We don't have a good language to talk about this kind of thing," Jobs laments. "In most people's vocabularies design means veneer. Nothing could be further from the meaning of design.

Design is the fundamental soul of a manmade creation."

And it's not just expensive, lumpy objects! True, per *Fortune*, design "is treated like a religion at **BMW.**" But it's also religion at **OXO** (the Good Grips people) and Gillette, as previously mentioned. And design is as much the provenance of service as manufacturing companies. *I.D.* magazine's first-ever listing of most design-driven companies in America featured as many service as mfg. firms. **Bloomberg, CNN, Amazon.com, FedEx,** the **Church of Jesus Christ of Latter-day Saints,** and the **New York Yankees** graced their well-researched list, along with **Apple** and **Caterpillar** and **New Balance** and **Gillette.**

The Problem: STEVE JOBS IS RIGHT! Design is ... about soul. An abiding passion for "great stuff" is a must. In every department. On every project. And in every manifestation of how the firm presents itself to its employees and clients alike. *GREAT DESIGN IS A WAY OF LIFE. GREAT DESIGN IS NOT FOR THE FAINT OF HEART.* (After all, it's only after the fact that iMac and New Beetle are "obvious" winners. Truth is, both were monumental, bet-the-company gambles. Gambles on ... Cutting-edge Design.)

S5: It's the *Experience!*

"Car designers need to create a *story*," claims auto designer Freeman Thomas (new VW Beetle, Audi TT). "Every car provides an opportunity to create an *adventure*. ... The (Plymouth) Prowler makes you *smile*. Why? Because it's *focused*. It has a *plot*, a *reason for being*, a *passion*." "A key – perhaps the key – to leadership," says leadership guru and Harvard prof Howard Gardner, "is the *effective communication of a story*."

I love this: **STORY. PLOT. PASSION. REASON FOR BEING. FOCUS. ADVENTURE.** (Or, "Create a Cause, not a business," per strategist Gary Hamel, with reference to Charles Schwab.) Add: **CAUSE.**

This booklet-manifesto is about standing out. And at the heart of the matter – Internet strategy as practiced by Cisco or Oracle, systems integration per GE Power Systems or Enron – is a cause, a story with plot and passion and focused reason for being.

Joe Pine and James Gilmore put meat on this set of bones in a marvelous book, *The Experience Economy: Work Is Theatre & Every Business a Stage.* (WHAT A GREAT TITLE!) "Experiences," the authors contend, "are as distinct from services as services are from goods." For what it's worth, I agree ... wholeheartedly.

The "stove" is but part of the point. The bigger deal is the cook-<u>ing</u> experience, per Pine and Gilmore. Not the car, but the driv-<u>ing</u> experience. Everything, they argue (persuasively) can be "<u>ing-ed.</u>" I.e., turned into a story!

HP chief Carly Fiorina nods assent, re cars. Speaking at Comdex she said, "It's the end of the pure product era. For instance, car makers are beginning to understand that *the car is a platform for delivering services that drive the customer experience*." God knows, Harley-Davidson gets it! "What we sell," said one Harley exec, "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."

Amen!

So: What's your PLOT ... CAUSE ... STORY ... PASSION ... REASON FOR BEING? (Hint: It's a high – and tough – standard.) (Hint II: Please take these e-x-a-c-t words v-e-r-y seriously.)

S6: Women Rule!

Speaking of "experience," what about over half the world ...

I have a slide in my Master Presentation that reads like this: **THIS JUST MIGHT BE THE BIGGEST "THING" IN THIS SEMINAR. PLEASE THINK ABOUT IT.**

Funny thing ... I MEAN IT!

I'm always on the lookout for huge opportunities that others are blatantly ignoring. This is, make no mistake, Case in Point No. 1. To wit: the Women's Market Opportunity.

The statistics are staggering. American women, as purchasing agents for themselves and their families, and as purchasing professionals for public and private enterprises, are, in effect, a \$4.8 TRILLION economy. Earth's biggest. (Japan – all of – is No. 2, and American men are No. 3.) Then consider American women business owners ... 9 million strong ... employing 27.5 million Americans (1 in 4 in the entire workforce) ... and bringing in more revenue, at about \$3.6 TRILLION, than the whole German economy.

No surprise – given the above – women decide on 2/3rds of healthcare expenditures, buy over half the new cars, are involved in 75% of family finance decisions (make about 1/3rd single-handedly), buy over 90% of houses, make over 90% of vacation decisions, etc., etc. "They" (American women) were a scant 1% of business travelers in 1970, but will make over 50% of business trips as of 2002. And ... women now constitute 50+% of Web users, and 60% of new users; WebWomen in America are the primary family healthcare, finance, and education decision makers in 83% of cases.

Problem: MOST PRODUCT AND SERVICE PROVIDERS DON'T HAVE A CLUE! Women – in Y2001 – are dismissed by all carmakers, most healthcare providers, most financial-services providers, and virtually all hospitality companies.

WHADDANOPPORTUNITY!

The key idea: *Women and men purchase in fundamentally different ways*, asserts trendspotting guru Faith Popcorn, on whose every word (no bull!) I literally hang. Especially in her latest and greatest book, *EVEolution: The Eight Truths of Marketing to Women*, co-written with her research director, Lys Marigold. (Buy it! Memorize it! Please! If the "return on investment" isn't 1,000,000:1 you didn't take the book seriously.) Women are more thoughtful, and are much more thorough in developing a relationship with a business or consumer goods vendor. This holds for banks and health services providers for the family, and it holds, as IBM found out, in purchases of computer systems by women business owners. (IBM has created a special unit to approach American women business owners ... remember, constituting an "economy" that is "bigger" than the German economy!)

In short: Guys wanna get the deal done. Now. Women want to do it <u>right</u>. (Which isn't helped by the thinly disguised contempt in which women purchasers are held by most vendors – from car salesmen to bankers to docs and surgeons – even in Y2001.) (*Contempt* ... not too strong a word. Believe me. I'VE GOT A HUNDRED HUNDRED SUPPORTING STORIES OF CONTEMPT TOWARD WOMEN-AS-CUSTOMERS ... FROM BANKS TO HOSPITALS TO PREMIER HOTELS TO LAND AUCTIONS.)

Quotes worth remembering (pondering):

Cherie Piebes, IBM: "It is critical that we all understand that IBM is not marketing to women because it is the thing to do, or even the right thing to do. We are marketing to women entrepreneurs because it is a huge opportunity."

Shelley Rae Norbeck, unsolicited email to Tom Peters (03.27.00): "I make 1/3rd more money than my husband does. I have as much financial 'pull' in the relationship as he does. I'd say this is true of most of my women friends. Someone should wake up, smell the coffee, and kiss our asses long enough to sell us something! We have money to spend and nobody wants it!"

Amen, Sister(s)!

<u>AND</u>: Under this heading ... of enormous *economic* import ... I usually pile on two other ideas/opportunities:

No. 1: The R.A.P. ... Rapidly Aging (and Under-

Served!) Population. There are almost 80 million Rapidly Aging Boomers. THEY ARE – understatement – WHERE THE MONEY IS. They are "newly (old) dudes" with 'tude. That is ... THEY INSIST THAT – for the first time, among the aging – THEY WILL (W-I-L-L) BE IN COMPLETE CHARGE OF THEIR LIVES.

Take them seriously ... and the Riches of the World will be at Your Beck and Call. NO BULL. (Like the "women's thing," this HUGE group feels under-served and – most important – UNRESPECTED.) (GET IT??!!)

No. 2 in my "add ons" to this section is ...

HEALTHCARE ... per se. AND: THE – basic – STORY IS THE SAME. The message is that ... PEOPLE EXPECT AND DEMAND THAT THEY WILL –

WILL!!!! – BE INFORMED AND IN CHARGE OF THEIR OWN LIVES (and the aging process associated therewith). I recently suggested to leadership of the AMA that

the best model for Y2001 and boomers is **Doctor-Patient Partnership in Pursuit of Wellness.** Not: Doc as All-knowing Expert, deigning to spend twelve minutes with me ... after I've waited in his office for an hour on a busy afternoon.

The point of all this – women, aging boomers, the elderly, healthcare – is, relative to this "business" essay ... NOT ... the "morality" ... but the enormous Economic Impact ... and OPPORTUNITY. Literally: TRILLIONS OF DOLLARS. (And 9.997 out of 10 "don't get it.") (Are we ... CLEAR ... on that?)

S7: Embracing an *Age of Self-Determination!*

It was a little story. SOMEWHERE. About the new world of, yes, utilities. Topic(s): micropower, microgrids, "virtual utilities." Bottom line: We – all – might soon have independence from utilities, courtesy miniature "power plants" in our individual back yards. (Welcome to the Age of Home Power Generation Stations/the Individual Fuel Cell.)

I was struck that this "it" was the subtext of most of what I've been talking about throughout, here and in my seminars. Namely ... self-determination. For example:

- (1) The traditional white collar world is tumbling-crumbling. Jobs for life are dead. "In": *I TAKE FULL RESPONSIBILITY FOR MY OWN SKILLSET & CAREER & NETWORK OF ASSOCIATES FROM WHOM NEW JOB-PROJECT REFERRALS WILL COME.* Winners: "Dudes" with "attitudes" ... independent-minded souls, not resigned "cubicle slaves." Welcome to the Age of Brand You and Me Inc. ... at least in spirit, even if one does choose to stay on some biggie's payroll a little longer.
- (2) "Commodities" are dead. Only ... PRODUCTS & SERVICES & EXPERIENCES WITH "ATTITUDE" AND PERSONALITY (clear & unmistakable & emotional value added) WILL PREVAIL.
- (3) Lead the customer! *Stick your neck out for what you care about!* "Lowest common denominator" focus-group thinking is doomed.
- (4) "AGE OF CUSTOMER CONTROL": *The Web is the UET ... Ultimate Empowerment Tool.* "I'M IN CHARGE HERE."
- (5) Women (American) have dropped out of Dilbert-world in droves ... and now own 9 million businesses. Talk about self-control! Not to mention Women's awesome purchasing power, from cars to healthcare to financial services. Women "WANT IT OUR WAY." And that's the way it'll be.

(6) Courtesy the Web, mostly, "we" – all – are ... *TAKING CHARGE* ... *OF OUR HEALTHCARE*, *WELLNESS*, *AND FINANCIAL SECURITY*. Charles Schwab, for example, sees itself as an enabler of individually controlled pursuit of financial freedom.

* * * * *

"I am an American, Chicago born, and go at things as I have taught myself, free-style, and will make the record in my own way."

- Saul Bellow, The Adventures of Augie March

The quintessential American tradition – from the Mayflower to Ben Franklin's *Poor Richard's Almanack* to Ralph Waldo Emerson's *Self-Reliance* to Stephen Covey's *Seven Habits* – is self-determination. But the habit of self-reliance got mostly lost in the last Age of the Giant Paternalistic Firm (1840-1980, more or less). That era is done-doomed-disappearing, and the Web in particular is providing Tools of Self-determination at a stunning pace. Those – individuals, corporations – who would thrive will redesign themselves to embrace "customer control" and self-determination.

S8: Think *Global!*

"Global – like "all this stuff" – is – in the end – a FRAME OF MIND. Hence my Eight "Rules" for "going global":

Rule #1: If your "it" is truly good, then it's good enough for THE WORLD. Stuff that's "great" should be peddled to the WORLD. Period.

Rule #2: There is no such thing as "too small to be global." Again: If it's GREAT, then ... show it to the world. **NOW.**

Rule #3: WHEN? *NOW!* Why wait? Go GLOBAL ... NOW. (If ... you have ... SOMETHING WORTH BRAGGING ABOUT.)

Rule #4: Hang out ... VIGOROUSLY. "Making it" "overseas" is largely a function of your willingness to HANG OUT ... "over there" ... and get smarter. Over time. (Duh!) Message: no shortcuts!

Rule #5: Seek TALENT. Send TALENT. Message: *IF* ... you take "this" (global thing) seriously, then you will send – unstintingly – now – your "best talent" "over there" to get on with the (profitable but painstaking) job! (PLEASE RE-READ THIS ... IF NECESSARY ... SEVERAL TIMES.)

Rule #6: Glom onto a (modest-sized) partner ... who "GETS US." Perhaps this should be "Rule #1." Basic idea: Find someone (e.g., distributor) who LOVES YOU ... as opposed to "biggest and 'best.' "Someone who "loves us" and "gets us" and

wants to "grow with us" will do a much better job for us than ... BIGGEST AND "BEST," for whom we are initially small beer. Trust me. Please.

Rule #7: TAILOR! Don't "give away the store," but ... do understand that England is not Malaysia is not Brazil.

Rule #8: YOU WILL NOT "GET IT RIGHT THE FIRST TIME." But you must "Get On With It." "Going Global" is a GAME ... albeit a very serious game. Message: If "it" (your service offering) is ... COOL ... Get On With it. EVERYWHERE. Enjoy your mistakes and the extended learning process. Do not be daunted by how foolish you feel – are – much of the time.

Any size. The world really can be your oyster ... if your oyster has a genuine pearl within.

S9: Brand Power!

Brand = Shorthand for Distinction. Hence, all the above equals a case for purposeful branding.

Once upon a time ... not so long ago ... "we" were told that brands & brand loyalty were dead.

WRONG!

"The increasing difficulty in differentiating between products and the speed with which competitors take up innovations," write New Zealand marketers Gillian Law and Nick Grant, "will lead to the rise and rise of the brand." "We are in the twilight of a society based on data," states Rolf Jensen of the Copenhagen Institute for Future Studies. "As information and intelligence become the domain of computers, society will place new value on the one human ability that can't be automated: emotion. Imagination, myth, ritual – the language of emotion – will affect everything from our purchasing decisions to how well 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."

To a significant degree, this manifesto – and the 9 strategies covered within – is about having a great – and special – story. Remember: <u>Story</u>. <u>Plot</u>. <u>Cause</u>. E.g.: *Intel Inside* became story, plot, cause … as much as anything Procter & Gamble ever did with soap or toilet paper.

Problem: Branding is not a "technique." Not for the faint of heart. "Success," says Tom Chappell of Tom's of Maine, "means never letting the competition define you. Instead you have to define yourself based on a point of view you care deeply about."

Nardelli of GE Power Systems believed deeply in the "air traffic controllers of electrons" idea. As deeply as, years ago, Bob Townsend believed in "We Try Harder" ... at Avis. As deeply as Charles Schwab co-CEO David Pottruck believes that what Schwab is doing – giving common folks the tools to control their own financial destiny – is like curing cancer.

Brands that work and change our collective lives are – in the end

- **about causes.** That is their power and the basis of their sustainability. And why the pursuit thereof cannot be faked!

Reprise: Not for Wimps!

The strategies enumerated above are not for wimps!

LEAD THE CUSTOMER! It takes nerve. Means living – perpetually – on the edge, in fact beyond the edge. Means annoying key customers by pushing – constantly – beyond the comfort zone.

USE E-COMMERCE TO RE-INVENT EVERYTHING! Every aspect of "how we do business" must – à la Oracle – be upended. Every Aspect = EVERY.

FIGHT BACK VIA SYSTEMS INTEGRATION! Old definitions of product are doomed. We must conjure up ways to completely reconfigure our offerings. Again: "boxes" called transformers to "air traffic controllers of electrons."

DESIGN MATTERS! Not for the faint of heart redux. Not patina. But, per Apple's Steve Jobs, the relentless *Search for Soul*.

IT'S THE EXPERIENCE! Again, encompassing. What's the <u>story</u> ... <u>plot</u> ... <u>cause</u>? Tough – and penetrating – questions. About Who We Are.

WOMEN RULE! Opportunity No. 1 per me. But "it" will only be a Dream Become True if the entire culture of the enterprise is shifted to make this not a program, but a way of life. Ditto the R.A.P. ... rapidly aging and badly served population. Ditto changes in patients' view of healthcare.

THINK GLOBAL! Yes, the world can be anyone's oyster ... if that oyster has that genuine pearl at its center. And if "global" becomes – ho hum – an obsession, rather than a "program." For the \$2 million, as well as the \$2 billion, outfit.

BRAND POWER! The ultimate penetrating issue. When brand comes to mean something – worth billions of \$\$\$\$ – as at Charles Schwab or Virgin Group or Intel, it's because the organization, from stem to stern, is crystal clear as to ... **WHAT IT'S ABOUT. WHO IT IS. WHY IT MATTERS.**

I realize I've been repetitive in this brief reprise. BUT THAT'S THE POINT! None of these ideas will flower as a "program" stitched onto the corporate culture. Each becomes ... I repeat ... a way of life ... if it is to bear full and rewarding (\$\$\$\$, satisfaction) fruit. It's that simple ... and that difficult.

Leadership: Passion Rules!

I close my full-blown seminars with a rant on leadership. I quote Boston Philharmonic conductor & management guru Benjamin Zander: I AM A DISPENSER OF ENTHUSIASM.

And I stir in the advice of former Texas Governor Ann Richards: **KNOW YOUR STORY. PUT YOURSELF AT RISK EVERY DAY.**

IT'S ALL ABOUT THE PASSION, claims British management guru Charles Handy. To which I can only add ... Amen!

"Ordinary" is death. That's the premise of this manifesto. Standing out in these madcap times is no walk in the park. ("If things seem under control, you're just not going fast enough." – Mario Andretti.) But the effort to stomp out ordinary is the ultimate adventure! How lucky we are, as I see it. To be alive in these extraordinary times. When leaders-with-grit, in all walks of life, at all ages, will re-invent the world ... in the next ten or so years.

I know what I want my epitaph to read: *HE WAS A PLAYER*. Not that I got it "right." Or made a ton of money. But that I did not sit on the sidelines!

Let's stomp out ...

"ORDINARY."

Tom Peters' MANIFESTOS2002: The BRAWL WITH NO RULES Series

WE ARE IN A BRAWL WITH NO RULES. We are RE-INVENTING THE WORLD ... from scratch! WHAT A THRILL! (And a thrill of the sort no one's had for centuries.) We are in a BRAWL WITH NO RULES. We get to make it up as we go along. I am so psyched to be around for "all this." Is it confusing? OF COURSE. Is it maddening? ABSOLUTELY. But how sweet that is!

THE WORK MATTERS! White Collar Work – 90+% of all work – will be totally reinvented in the next 10 or so years. GET WITH THE PROGRAM ... OR GET RUNOVER. Strategies: (1) Turn "Departments" into full-fledged, for-profit "PSFs" – Professional Service Firms. These "PSFs" become, in turn, the primary engines of company value added through the accumulation of intellectual capital. (2) Turn all "the work" into no-bull WOW! PROJECTS. Projects you'll be bragging about 10 years from now! (3) Encourage every "employee" to pursue a spicy Brand You strategy – creating a Unique & Valuable Identity that's worth a fortune to the employee & the company. (This booklet is the basis for our three book "Reinventing Work" series: The Professional ServiceFirm50 ... The Project50 ... The Brand You50.)

IN SEARCH OF EXCELLENCE: A THREE-GENERATION REPORT CARD. In Search of Excellence marks its 20th anniversary in 2002. I aim to "beat the press" in terms of commentary. My chosen vehicle: a three-generation look. That is, I look at 1982 (the book's pub date) ... and 20 years back (mgt. practice, circa 1962) ... and 20 years forward (mgt. 2002). It was fun to write – and I hope of some small use.

THE DEATH KNELL FOR "ORDINARY": PURSUING DIFFERENCE. "We" have gotten (lots) better at everything. But so has "everybody .else." "Excellent" products & services are quickly becoming "ordinary" and thence "commoditized." This MANIFESTO summarizes 9 powerful strategies for combatting Creeping & Ultimately Fatal Commoditization. (Several of these strategies are the subject of separate MANIFESTOS below.)

WOMEN ROAR: THE NEW ECONOMY'S HIDDEN IMPERATIVE. The evidence is clear! (1) WOMEN ARE BETTER LEADERS THAN MEN (under the conditions of the New Economy). (2) WOMEN ARE THE WORLD'S BIGGEST MARKETOPPORTUNITY (BY FAR) ... and are wildly underserved. The stakes amount to TRILLIONS of dollars. ("The" answer, incidentally, is not "target marketing"; it is the much deeper Target Innovation.) Our story: WOMEN ROAR. WOMEN RULE. Believe it! (And ... Damn Few "Get It" ... even in 2001. WHADDANOPPORTUNITY!)

<u>DESIGN MINDFULNESS</u>. "It" works (understatement) for SONY. And APPLE. And GILLETTE. And BMW. And WALT DISNEY. And BODY SHOP. And BLOOMBERG. "It" = An Abiding Passion for DESIGN. Design turns out to be the Principal Reason we LOVE or HATE something ... "product" or "service." Hence, design is the Hidden Engine powering the Brand Promise. So ... WHY DO SO FEW PAY (OBSESSIVE) ATTENTIONTO IT? Again, the potential payoff is humongous.

GETTING WEIRD & STAYING WEIRD: CREATING & MAINTAINING THE HIGHSTANDARD DEVIATION ENTERPRISE. Standard Deviation is a statistical measure of Weirdness. Companies that will thrive in Weird Times will systematically adopt Weird Practices. That is: Hang With Weird Customers & Suppliers. Recruit & Promote Weird Talent. Appoint Weird Boards. Etc. Etc. Innovation is "easy": Force yourself/organization into Constant & Intimate Contact with The Weird Ones! (It is that EASY!)

THE HEART OF BRANDING. BRANDING IS EASY. (And, of course, impossible.) Forget clever marketing programs. And compelling logos. And Big Bucks Advertising. They're all important, but the icing on the cake. The cake itself is an unswerving & crystal-clear answer to some "simple" questions: WHO ARE WE? HOW ARE WE (no bull) UNIQUE? WHY DOES IT MATTER? WHO CARES? IS IT COMPELLING ENOUGHTO VAULT 1000s OF EMPLOYEES OUT OF BED IN THE MORNING? Branding That Matters is difficult (KNOW THYSELF!) and simple (KNOW THYSELF!).

THE CASE FOR "BRAND INSIDE": IT'S THE "ORGANIZATION," STUPID! Brand Inside Rules! Few businesses fail for want of a Great Strategy. Or Soaring Vision. Most businesses that fail (99 percent?) do so because of lousy execution. Any idiot can write a strategic plan. Pulling it off is an entirely different matter. You need Execution. That is, the PEOPLE. The politics. The systems. The culture. The character.

<u>TALENT!</u> There's an All-out War for Talent. WINNING? Easy! Like Branding: Easy... and impossible. WINNING THE ALL-OUT WAR FOR TALENT DEMANDS ...FIRST AND FOREMOST ... AN ABIDING OBSESSION WITH TALENT! NFL Franchise-variety. Ballet Company-style. (TALENT-IS-ALL!) Provide Awesome OPPORTUNITIES. PAY Incredibly Well. Pursue DIVERSITY. Seek out THE STRANGE ONES. Honor YOUTH. Etc. Talent Am Us ... or We Ain't Serious. PERIOD. (P.S.: Talent= The Brand ... over the long haul. OBVIOUS. Right?)

BOSS-FREE IMPLEMENTATION OF STM/STUFF THAT MATTERS! Forget the "power-less-ness" CRAP! (Try that Sob Story somewhere else! Gandhi ... and King ... and de Gaulle ... were NO SHIT POWERLESS ... and Changed the World!) THE

Success Secret: Recruiting often "powerless" but always passionate allies ... who will play with you and try out your seriously-cool-but-untested ideas. And "Sign Up." I call it:F2F/K2K/1@T/R.F!A. That is: Freak to Freak. Kook to Kook. One at a Time. Ready.Fire!Aim. Enemy No.1: An epitaph that reads: HE WOULDA DONE SOMEREALLY COOL STUFF ... BUT HIS BOSS WOULDN'T LET HIM. Our Hero? Michelangelo: THE PROBLEM IS NOT THAT OUR AIM IS TOO HIGH AND WE MISS IT, BUT THAT IT IS TOO LOW AND WE HIT IT. (Whoops.)

WEB WORLD: THE 100% SOLUTION ... NOW! Key term: 100%. Others know more than I about The Web. But I have developed an Unshakeable & Radical Point of View: THE WHOLE NINE YARDS. OR NOTHING. Taking lessons from Schwab, GE, Oracle, Cisco ... I assiduously believe that you must convert ... ALL ACTIVITIES TO THE WEB(internal & external affairs) ... or risk losing the business. Message: THE WEB AIN'T AHALF-WAY SORTA THING! (P.S.: Potential = UNLIMITED. For the BOLD.) (DREAM BIG. DREAM BOLD. Or, skulk off ... stage left!)

PSF UNBOUND: THE (TOTAL) VICTORY OF THE PROFESSIONAL SERVICE

FIRM. I/we have written extensively about the "Professional Service Firm Model." I/we have seen it as a way to save one's soul (or at least one's job) in the face of the Coming White Collar Tsunami. Fine. But ... there's a Bigger Picture. Hewlett-Packard offered \$18 Billion for PricewaterhouseCoopers consultants. Making a "great box" was not enough. My contention is that the "internal" "professional services" will – quickly – become The Engine of Value Creation. In damn near any firm. To be sure, the Internal PSFs will have to join together to create value; but, still, it is their world. Period.

EDUCATION AND THIRD MILLENNIUM WORK: WE'VE GOT IT

<u>DANGEROUSLY WRONG</u>. Education for the Third Millennium ... undoes everything we've done in education for the last 100 or so years. Our "system" works. Or, rather, worked. It turns out docile – sit in your seat, Tommy – "products" (humans) perfectly fit to spend 40 years in a Ford Model T plant. And perfectly unfit to be part of the new Brain & Productivity-based Economy!