

Tom Peters' New Old Basics
9 June 2008
Lessons Learned 42/ 1966-2008

Lessons Learned 42/1966-2008

- **Decentralization
- **Accountability
- **Wild-ass imagination
- **Human development
- **XFX (Cross-functional Excellence)
- **Untapped Markets
- **Value-added fanaticism
- **Base Principles I
- **Base Principles II
- **Base Principles III
- **Leadership

Decentralization

USA: Constitution, 50 states, immigrant nation (>50% Silicon Valley), independent-minded (students "no respect teachers"), entrepreneurial, Energizer Bunny (Zakaria—1960/26%, 1980/22%, 2000/27%, 2007/26%), pragmatic (Rommel), relatively unregulated market economy
Research via wildly competitive universities
William Easterly, economic development ("trust the development experts —all seven billion of them")
J&J/DePuy (Decentralization as decentralization was meant to be)
More "statistically independent tries" (if "independent" holds)
Focus! (Focus pays.)
"Economies of scale" run out (much) earlier than we think
Focus: on the "lowest operating unit": retail store-district; union and 250-person distribution center, call center; parish
Spread ideas via "go see this-these demos" (infection through "best practices" rather than central edict); innovation by prototyping anywhere and everywhere (e.g., "the 1% rule"); innovation by "parallel universe" (mgt ed new via autonomous exec ed "division"—main body conservative-recalcitrant; Jill Ker Conway @ Smith—new money sources for new people and new programs)
"You own the damn place; no bullshit excuses" (i.e., Major Consequences —up & down)
"No such thing as 'Scalability'"
Limits to "synergy"

Power of “no” (Jim Burke Rule—e.g., no centralization following screw-up, in 9 of 10 cases, even after major boo-boo)
“‘Decentralization’ is not a piece of paper. It’s not me. It’s either in your heart, or not.”—Brian Joffe/BIDvest

Accountability

“30%-80% rule”—own your budget (Mark Hurd-HP)
Make a promise, keep a promise (GE, Milliken)
Optimism but honesty
No: “Kill the messenger”
Transparency
Starts at the top!!!!!!!!!! (Bob Gates and Walter Reed-USAF)
Fragile???
Clear expectations at the time of hiring
Self-responsibility
Decency-culture of respect

Wild-ass imagination

“Dubai rule”
Hang out with freaks as a matter of course (lead customers, small-but-hot vendors, odd backgrounds, etc, etc—more or less measured)
Wee “cool” acquisitions (hold on to founders at all costs—Disney and Pixar and Jobs on Board; Cisco)
Measure division-level bosses on “crazy-assed experiments” (plus Wexner Rule—no screw-ups is Black Mark); and Daniels Rule—“Reward excellent failures, punish mediocre successes” (!!!)
Failure tolerated-encouraged (“He who makes the most mistakes wins”)
5-year Blockbuster Initiatives with major consequences (Demo-driven)
Diversity for creativity (bottom to top)
Decentralization with teeth
Accountability (“Dreamers with deadlines”)
World-class research universities
Government support for R&D (computers, Internet, biotech)

Human development

“Cathedral model” (“This is what we do”)
WPP Mission
HR (GE model); Chief Human Development Officer (post-cop world)
“You will be measured on Human Development Effectiveness” (e.g., how many folks go on to be promoted at least two levels, or are headhunted)

Resilience—XP/eXtreme Preparation (Black Swan world)
“Character”
MBQ (Management By Quest)
Project structure—PM leadership early
Commitment to decency—premium on thoughtfulness
Squint test (diversity, top team “looks like” customer base)
Go for the “people people” (emphasize intangibles!!)
“Putting the customer second”
Goal: “greatest places to work” recognition
Servant leadership