

**Excellence. NO EXCUSES!**

**Excerpt:**

**BIG  
W-A-A-A-Y  
OVER-  
RATED**

**Tom Peters**

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## **W-A-A-Y Overemphasizing Big Stuff** (And other issues concerning small businesses and growth businesses)

***Why is “the business literature” overwhelmingly about giant corporations or self-help for individuals? Where’s stuff on a 2-50 person company—where the large majority of us work?***

It’s partially because “gurus” like me historically get off on interviewing the Jack Welches of the world.

Frankly, I think the “gurus” or academics disdain or ignore these 2-50 person companies.

There is no time that is bad for a start-up ... if you are passionate about something and can beg, borrow, or steal a few bucks. (And it often *can* be just “a few” bucks.)

My focus here is *not* on entrepreneurs and start-ups. I’m thinking more about an existing 2-50 person company that someone’s aiming to make supercool.

***My real target is a 17-person company that someone wants to guide to product or service excellence, stellar productivity—and also make it a “best place to work.”***

Comment: “Isn’t focus on ‘scalability’ (growth & replication)?”

Response: If I never hear the term “scalable” my life will be immeasurably happier.

Comment: “Isn’t every company into growth? Using giants as benchmarks?”

Response: What about a local auto dealership or community bank—not aiming for \$10B in assets or \$250M in sales?

My favorite book on non-monsters: Bo Burlingham’s *Small Giants: Companies That Choose to Be Great Instead of Big*

My #2 fav on non-monsters: George Whalin’s *Retail Superstars: The Best 25 Independent Stores in America*

Comment re fighting perils of size: Richard Branson used to say automatically break a unit up when it gets to 50 employees. *Jack Welch used to say he wanted every piece of GE to be run like an excellent small biz.*

Robert Cook: “I worked in one of Jack Welch’s businesses; always pushing team to understand their customers but run your own business or else.”

In a way we tried to de facto focus on the “working size” bits in *In Search of Excellence*. Avoided CEOs. Aimed to extract lessons from the person running a \$50M division.

New aim: I want my bit “Tingleworthy.” Wow-ify that little sucker ’til it’s Tingleworthy! Okay?

Glen Taylor: *“Yes, like a great rock band’s growth comes when you make ravenous fans of what you do. If it’s not tingleworthy, who gives a sh\*t.”*

TP: Beautiful, brother! Beautifully beautiful!

Woody Zuill: *“I am fully in alignment on this. If Not Tingle Now, When?”*

Adam Jacoby: *“In my last biz we called it creating a ‘World of Wow.’”*

TP: Love it!

*Wow-ify that  
little sucker  
'til it's  
Tingleworthy!  
(What else?)*

Jerry Garcia: “We don’t want to be the ‘best of the best.’ We want to be the only ones who do what we do.”

Per my 1999 PSF Model: *A small business is also a 25-person logistics department in a \$250M business unit.* (PSF = Professional Service Firm.)

Small biz: *Training Inc., a 14-person unit in a 50-person HR dept. in a \$200M biz unit in a \$3B corp.*

Comment: “Training unit is different from small business.”

*NO. Excellence for that 14-person training dept. dittos the 14-person retailer in my book. Shoot for Tingleworthiness or bust.*

Carlo Navato: “And that’s what matters right? Authentic, original, visceral, bang!”

FYI: Start-ups are not particularly a young person’s affair: In fact, in the U.S. most start-ups are older folks, many many 50+/50++.

Comment: “Aversion to scalability cannot hold for tech/Web.”

Response: Rubbish. There is no “tech.” There are 23,000,000 different flavors thereof. Minimum.

*I venture to say that if you are focused on “scalability” from the start, you are doomed.*

To aspire to be Facebook is arrogance beyond measure. To use FB as a model is insane.

I admire boldness. But the fact that there exist a handful of bazillion-\$\$ companies is of no use whatsoever to a start-up.

Protagonist: “Scale this sucker and monetize it and sell it.”

TP: Let’s do seriously/embarrassingly cool shit! And ... ENJOY THE RIDE!

Small (entrepreneurial) biz: ***Training  
Inc., a 14-person  
unit\* in a 50-person  
HR department in a  
\$200M biz unit in  
a \$3B corporation—  
aiming for  
Excellence & WOW!***

**\*PSF** /Professional Service Firm

*(See my Professional Service Firm 50: Fifty Ways to Transform Your “Department”  
Into A Professional Service Firm Whose Trademarks Are Passion and Innovation.)*

**Comment: “FB focused their product to make it great by scaling slowly, college by college. That’s what a great biz does.”**

**TP: Agree. Most of the Web successes I know come from a superb niche idea; if it begins to gain traction, then worry about growth/replication/“scaling.”**

***Personally, I’d rather have \$2M in venture money than \$12M; in the latter case I’d be perpetually pushed to do “good enough” work and grow (“scale”) as fast as I can.*** (Parallel: To the

**amazement of one and almost all, I negotiated a *low* advance for my book #2 so I wouldn’t be forced to try to quickly copy #1/*In Search of Excellence* while it was “hot.” I never regretted that decision for as much as a nanosecond.)**

Protagonist: *“It’s ‘good enough’; so scale it, monetize it, and sell it.”*

Me: *“Let’s do seriously cool shit. Now!”*



## B-I-G: Over-rated? !

*“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.**”*

—Paul Ormerod, *Why Most Things Fail: Evolution, Extinction, and Economics*

“Mr. Foster and his McKinsey colleagues collected detailed performance data stretching back 40 years for 1,000 [large] U.S. companies. They found that

**NONE** of the long-term survivors managed to

outperform the market. Worse, the longer companies had been in the database, the worse they did.”—*Financial Times*

*“Data drawn from the real world attest to a fact that is beyond our control: Everything in existence tends to deteriorate.”*

—Norberto Odebrecht, *Education through Work*

*“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*

## ***Retail Superstars:***

### ***Inside the 25 Best Independent Stores in America***

by George Whalin

**Jungle Jim's International Market, Fairfield, Ohio:** “An adventure in ‘shoppertainment,’ as Jungle Jim’s calls it, begins

in the parking lot and goes on to **1,600** cheeses and, yes,

**1,400** varieties of hot sauce—not to mention

**12,000** wines priced from \$8 to \$8,000 a bottle; all this is brought to you by 4,000 vendors. Customers come from every corner of the globe.”

**Bronner's Christmas Wonderland, Frankenmuth, Michigan, pop 5,000:** 98,000-square-foot “shop” features

the likes of **6,000** Christmas ornaments,

**50,000** trims, and anything else you can name if it pertains to Christmas.

(I ***love*** these folks. I hand the book out to accountants and engineers and purchasing officers. These stores are 25 matchless examples of for-profit imagination-without-brakes.

We can ***all*** learn from them!)

**1,600** cheeses.

**1,400** varieties of hot sauce.

**12,000** wines priced from \$8 to \$8,000 a bottle.

**6,000** Christmas ornaments.

**50,000** trims.

**PASSION.**

## Lessons (for Everyone) from *Retail Superstars* !

1. Courses/Workshops/Demos/Engagement
2. Instructional Guides/Material/Books
3. Events & Events & Events ...
4. Create “Community” of Customers
5. Destination
6. **Women-as-lead-Customers**
7. **FANATICS: Staff Selection/  
Training/Retention**
8. Fanaticism/Execution
9. Design/Atmospherics/Ambience
10. Tableaus/Products-in-Use
11. Flow/Starts & Finishes (Disney-like)
12. 100% Orchestrated Experience/Focus:  
“Moments of Truth”
13. Constant Experimentation/Pursue Little BIG  
Things
14. Social Media/Ongoing Conversation with  
Customers
15. Community Star
16. Aim High
17. **PASSION**

## ***Small Giants:***

***Companies That Choose to Be Great Instead of Big***

**by Bo Burlingham**

***“They cultivated exceptionally intimate relationships with customers and suppliers, based on personal contact, one-on-one interaction, and mutual commitment to delivering on promises.***

**“Each company had an extraordinarily intimate relationship with the local city, town, or county in which it did business—a relationship that went well beyond the usual concept of giving back.**

**“The companies had what struck me as unusually intimate workplaces.**

***“I noticed the passion that the leaders brought to what the company did. They loved the subject matter, whether it be music, safety lighting, food, special effects, constant torque hinges, beer, records storage, construction, dining, or fashion.”***

*“... agile  
creatures  
darting  
between the  
legs of the  
multinational  
monsters ...”*

—*Bloomberg BusinessWeek* on the peerless, economy-driving

German **MITTELSTAND\***

(\*Until very recently, year after year the world's #1 exporter was neither the USA nor Japan nor China. It was ... Germany. (China is now #1, Germany, #2.) Why? In a word:

**MITTELSTAND**. That is, Germany's mid-sized superstars. The top tier is typically shockingly sophisticated high-end niche players or, more accurately ... **NICHE**

**DOMINATORS**. Fact is—I think—I was the first American to study them close up. My colleagues and I did a PBS show on the Mittelstand in 1991—and I wrote about them in *Liberation Management* in 1992. I fell head-over-heels in love with these firms. I believe the likes of them can be the bedrock of most any economy—as they are in Germany. Who needs to depend on the giants? Nurture your Mittelstanders—that's my insistent message.)



# ANYTHING! ANYWHERE! EVERYWHERE!

The (Mittelstand) Magicians of Motueka\*

(\*A wee town at the top of New Zealand's South Island)

## W.A. Coppins Ltd.

(Coppins Sea Anchors/PSA/para sea anchors)

Coppins started in textiles in 1898; progressed into sophisticated sea anchors in 1976.

Thrive on ...

# “wicked problems”\*

(\*Classic Mittelstand.)

For example (“wicked” as it gets), 2013 contract with a (VERY) tough customer, the U.S. Navy, for sea anchor for STLVASt/Small To Large Vehicle At Sea Transfer.

## U.S. Navy's STLVASt Sea Anchor: A Mittelstand Trifecta\*

Specialty nylon, Dyneema, from DSM/Netherlands.

Custom fabric from W. Wiggins Ltd./Wellington, NZ.

Final product from Coppins.

\*These sorts of “MITTELSTAND Superstars” can be born and raised anywhere, thrive, and be the bedrock of a thriving national economy, a big one at that—e.g., Germany. Literally: As goes the Mittelstand, so goes Germany. (See above.)