

The “PSF” Is Everything!







(or: Making the Professional Service Firm a “Lovemark”
in an Age of “Managed Asset Reflation”)

Tom Peters Rants
Summer 2005



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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

Contents

About this document	2
Copyright Info	3
What you can do	3
It is not your father's world	7
"The" Answer	7
An Afternoon in 1990: IDEO Rocks!	9
Nut Case No.1	10
A Story in the <i>Straits Times</i>	11
"Them": Cirque du Soleil	15
My Favorite Term!	18
FBR	19
Infosys	20
Dennis Inc., or HD Talent Inc.: And He's Worth It!	22
The Case Writ Large	24
The White-collar Tsunami and the Professional Service Firm ("PSF") Imperative	26
Re-Imagine Tomorrow's Organizations: Itinerant Potential Machines	34
PSF Unbound: Everybody's Doin' It!	36

Upping the Ante: Moving the Ubiquitous “PSF” to “SX” World: Creating Scintillating eXperiences.	42
I Just Can’t Keep From Thinkin’ About This Stuff	44
Keep on Pushing: Becoming “DreamMerchants”	47
The “PSF33”: Thirty-three Professional Service Firm Marks of Excellence	52
The “PSF33”: The Work & The Legacy	53
The PSF33: The Client Experience	57
The PSF33: The People & The Leadership	60
The PSF33: The Firm & The Brand/Lovemark.....	63
PSF “Scorecard”: How You Stack Up.....	65
Point of View	68
A Hopeless Romantic! (Me.)	72
Summary	73
It All Adds Up to THE BRAND. (The Story!) (The Dream!) (The Love!)	75
Operationalizing It	80
Experience Ladder Revisited & Extended & Encompassing “PSF”	81
Case: Real Estate.2004	83
New “C-Levels”	87
By Design!	89

Bedrock: Brand Inside+92

Built on a ... BRAND YOU ... World95

The Talent Obsession99

The WOW! Project 100

Lovemark Leadership Lessons for PSF DreamMerchants
and Lovemark Champions: The Passion Imperative 102

Start a Crusade! 103

Think Legacy 107

Trumpet an Exhilarating Story! 108

Make It a Grand Adventure! 109

Dispense Enthusiasm! 111

Redux: The New Enterprise Value-Added Equation/2005 114

Intro/P05

More rants! Every now and again ... I've had it! And the byproduct is a rant. Every now and again ... I collect the written rants and foist them on you. This is one of those times.

I've been ranting about the "PSF" (Professional Service Firm) idea for over 10 years (see Liberation Management, 1992). Nobody listened/is listening. (More or less.) Arrogant as I know it is, I indeed believe—the title of the keynote and longest rant in this collection—that the "PSF Is Everything" ... the answer to all our professional/economic prayers!

2005. China. India. Outsourcing. Automation. White collar jobs—at all prices—flying out the door. More to come! White collar security ... D.O.A.

Answer (there is only one!) ... ADD VALUE BY RECRUITING STUPENDOUS TALENT AND THEN DEVELOPING AND APPLYING AND CONSTANTLY RE-IMAGINING CREATIVE INTELLECTUAL CAPITAL.

Duh! That's what the best "real" "PSFs" have done for eons—law firms, accountancies, financial advisors, real estate agents/agencies, PR and ad agencies, consultancies. Now this idea must become universal for survivors. Anonymous "Badge #129" in the Purchasing or Engineering or IS or HR "Department" in BigCo (or MediumCo, for that matter) won't last out the day. Scott Adams' (Dilbertian) "cubicle slaves"/ciphers/bedraggled & bitchy bureaucrats are ... DOOMED.

Add to the "PSF Idea"/Mix two other old friends ... Brand You, WOW Projects ... and you've got the Survival Trifecta: Wow People (Brand Yous), WOW Work (WOW Projects), Olympian Value Added (PSFs). Read about it. Implement it. On the one hand, nothing new. On the other hand, more urgent than ever. And on the third hand, still the exception to the rule. (And I do indeed contend that there are ... NO OTHER VALID ANSWERS.)

I went to Portugal early in 2005. Addressed retail CEOs. Impolitely (understatement) in somebody else's country, I called said CEOs ... "idiots." I repeated myself 19 times. Hence the "CEOs Are Idiots19." Nothing new. But very compact & in your face. Read it! Steal it! (See if you can piss off as many people as I did.)

And on it goes, ending with a plea for more bureaucracy, a rash of new "C-Level" jobs that underscore the New Competitive Imperatives ... such as the CCO/Chief Conversations Officer ("all markets are conversations"), the real CEO/Chief Experiences Officer, and, yes (thanks, Kevin Roberts of Saatchi & Saatchi), the saintly CLO/Chief Lovemarks Officer.

Read on ...

Tom Peters/West Tinmouth VT/07.25.2005

The PSF bedrock consists of one and only one thing: Superior, Animated, Creative TALENT ... dedicated to ... EXCELLENCE.

It is not your father's world ...

A billion (or so) Chinese knock at (pound on) our door. A foreign-owned factory is opened in China every ... **26 minutes!** A foreign-owned R&D laboratory is opened in China every ... **43 hours!** The Chinese are making baseball hats ... and **luxury yachts** ... and discovering the new drugs that will save our lives ... while also, certainly, making this the Opening Gong of the "Asian Century." Keep moving West. Some 70 companies have achieved the highest quality certification in software design, according to the gold-standard measure provided by the Carnegie Mellon Software Institute. Thirty-five of those companies come from ... India! Those of us who are not Indian or Chinese—and, to be sure, the Indians and Chinese themselves—are scrambling. Trying ... almost desperately ... to find New Bases for Adding Value, separating oneself from the herd-horde. And more's to come. Each day, it seems, brings headlines like this one from the *McKinsey Quarterly*: "Asia's Next Export: Innovation."* (*Go to your closest Borders or B&N ... betcha can't find a single book on how to run an R&D Lab. Does that seem as odd to you as it does to me?)

"The" Answer

Arrogant as it sounds, I think I have found "the" answer. (Or some part thereof.) And it's been idling nearby all along! It is, in short, the ... Professional Service Firm. "PSFs," as I call them, sell one and only one thing: Creative Intellectual Capital. **(Always have!) (Always will!)** PSFs depend on one and only one thing: Superb Client Relationships. **(Always have! Always will!)** The PSF bedrock consists of one and only one thing: Superior, Animated, Creative TALENT ... dedicated to ... EXCELLENCE. **(Always have!) (Always will!)**

THE PROFESSIONAL SERVICE FIRM.

The "damned accountants."

The "bloody consultants."

The "bloodthirsty headhunters."

The "flaky ad types."

But ... now ... the "PSF"/PSF Idea/**PSF ATTITUDE** has become ... *must become ...*
EVERYTHING.

The dramatically changing global economy admits but one answer: More & More & More "Value Added." Fast. Value-added based on the development and deployment of scintillating intellectual capital alone, as I see it, will make me/you/us "better than the next guy." (For a coupla days, anyway.) "The" answer: the PSF. That PSF is ... that's right ... EVERYTHING! Such is the ... Fundamental Proposition ... Guiding Hypothesis ... Irrevocable Axiom ... that Animates (& Justifies) this paper.

* * * *

You quickly say, "*Grotesque overstatement.*" I say, "Maybe." But here's my point: In the last 10 years, we've been quite keen on a "new" pair of "ideas," viewing them as "the answers" to the likes of the Chinese and Indian competitiveness challenges. They are: 1. Accumulation & Deployment of Intellectual Capital. 2. Virtual Organization.

Well, pardon me: What else *is* a "PSF"/Professional Service Firm if not ... on-the-fly Intellectual Capital, working in Hot Teams, Partnering with any Cool Talent they can scrounge up, usually on the Client's Premises*? (*One sign of PSF "excellence" ...

AN EMPTY OFFICE ... everybody’s Out Making/Doing “SuperCoolShit/SCS” at the ... Client’s House!)

To be sure, there are good, bad, and indifferent “PSFs.” And they come XS, S, M, L, XL, and recently XXL (think EDS, Accenture). Furthermore, I aim here to push this PSF Idea way beyond its current incarnation, way up a “ladder” of “value creation” ... toward Dynamic, Startling, Disruptive, Gasp-worthy Value-added. (Think India’s Infosys.) (America’s Friedman Billings Ramsey.) (Or, oddly ... UPS.)

But the Core Idea will remain ... the PSF. Historically unstudied. Historically unloved. And waiting, I think, to be “discovered” ... and hoisted upon a **PLINTH** that reaches to the heavens.

An Afternoon in 1990: IDEO Rocks! One sunny afternoon in 1990 ...

I journey a scant couple of blocks from my 555 Hamilton Avenue/Palo Alto office to learn a bit more about one of my neighbors, David Kelley, head of David Kelley Design. We spend a terrific afternoon together, and I am bowled over by the ... energy, enthusiasm, creativity, and playfulness I observe. At one point, though, David rounds on me, allowing as how he was annoyed that “you McKinsey guys [I trained at McKinsey, years before] take home big bucks for all your so-called ‘strategic pronouncements,’ while we working stiffs [industrial designers] get, effectively, the leavings.” That was about 15 years ago. What a change a decade-and-a-half makes! Today, David’s firm, now IDEO, still takes award after award for industrial product design—but its claim to fame increasingly is its “strategic consulting” role in helping giant companies of all flavors become more innovative & creative in general—become, more specifically, more IDEO-like. (I.e., more “PSF”-like!)

IDEO's story is a marvelous tale of reinvention (or **RE-IMAGINATION!** as I prefer to call it), of Racing-Soaring Up The Value-Added Chain ... to make more & more (& more) of its intellectual capital! IDEO.2005 is clearly at the Head Table—perhaps at the Head Seat thereof—in the burgeoning world of ... you guessed it ... Professional Service Firms.

* * * *

Intriguingly to this line of argument, one of IDEO's biggest "innovation-as-core-competence" Clients is Steelcase.

Steelcase.
Michigan.
(Midwest.)
(Industrial.)
Furniture maker.
(Manufacturer.)

You see, as I see it, IDEO itself a "PSF" (scrambling up the Value Added-Creativity Game-changer Ladder), is helping Steelcase (Midwest, Manufacturer) become in and of *itself* ... also a PSF!

NICE.

Nut Case No.1

You see, I am a "**professional service firm nut**"! It's what I do. And what I've done for over ... 30 years. Close to 40 years or more, if you count (as I **DO**) my days

This was the moment,
give but a second or two,
that the ... Americans
were beginning to worry
about ... "Our Problem" ...
OUTSOURCING.

as "engineering officer" for a Navy Seabee battalion in Vietnam (the Seabee stands for Construction Battalion, more formally). My contention, as clear as I can make it, is a simple one: The "Professional Services" are at the Epicenter of the Global Value-Added Revolution-Race for Survival. To understand the ... "Creation of Economic Value," circa 2005 ... YOU MUST ... **UNDERSTAND** ... the ins, outs, and ethos of the "professional services. "

Let me go even further: The ... Professional Services ... are ... EVERYTHING! We ... ALL (would-be survivors) ... LIVE IN ... **MUST EMBRACE** ... IDEO's WORLD! (Even "manufacturer" ... Steelcase.)

A Story in the *Straits Times*

To understand my bold assertions contained herein we first need to come to grips with an apparently innocent story in Singapore's leading newspaper, the *Straits Times*. Well, actually, two stories in the *Straits Times*.

On my way to Australia, August 2003. Pass through Singapore. Pick up a copy of the *Straits Times*, on August 18 to be precise. Front page, news section, story. Includes a table:

One Singaporean worker costs as much as ...

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

This was the moment, give but a second or two, that the ... *Americans* were *beginning* to worry about ... "Our Problem" ... **OUTSOURCING**. Well, it turns out we're far from alone! Singapore achieved preeminent status in Southeast Asia over a period of about a quarter of a century, becoming Southeast Asia's "place that worked." Efficiency! Operational excellence! That was their signature, which led to exceptional wealth accumulation for the small island and its energetic citizens. But now Singapore was entering the "real world." (*New real world.*) The giant "neighbor next door," the Chinese of course, were flexing their muscles. And Singapore, in short, needed ... **DESPERATELY** ... to ... **FIND A NEW ACT**. How, in a word (or three), was Singapore going to "add more value" in an environment where the Malaysians–Thais–Chinese–Indians were increasingly doing, for far less per hour, what the Singaporeans had gotten rich doing?

Skip ahead seven months. To 4 March 2004. I'm back in ... **Singapore**.

And again I pick up a copy of the *Straits Times*. Segue back to that first newspaper article, the one that said that "One Singaporean worker" costs as much as, among other things, eight ... in Thailand. Well, now in March 2004, I'm reading about ... Thailand. Because the Thais have a problem! Name thereof: **China!** Thailand makes silk. (You knew that.) China makes ... silk. (Perhaps you didn't know that.) Chinese silk ... and surely you could have guessed this ... is cheaper than Thai silk.

So what must Thailand try to do? There's only one answer, of course: RACE UP THE DAMNED VALUE-ADDED CHAIN! Hence the story that I read on 4 March 2004: Thailand's Prime Minister, a businessman, Thaksin Shinawatra, on the day before had just opened "**Bangkok Fashion City.**" It's a monster facility that aims to help make Thailand "cool" ... to create Thai ... LEADERSHIP IN FASHION! (**Fashion = Cool = Value Added.**) Economists have a way of sterilizing everything. And

they managed to sterilize this one, too. The PM's new economic approach (dubbed "Thaksinomics," after "Reaganomics") amounted to what the local economists dubbed ... **"MANAGED ASSET REFLATION."**

Oddly enough, and you'll find out for better or for worse in the following pages, I fell in love with that absurd term. Yes, I fell in love with ... MANAGED ASSET REFLATION. Because what it meant, in this instance, is that the Thais were hell-bent and determined to add "brand value" (or some such) to Thai textiles by demonstrating their "flair and design excellence," as that article in the *Straits Times* put it. Translation: **HOW IN THE HELL CAN WE CHARGE MORE MONEY FOR OUR SILK IN A WORLD WHERE CHINESE SILK IS PRODUCED AT A LOWER COST-PRICE? THE ONLY ANSWER IS ... MAKE IT "FASHIONABLE" ... ADD "DESIGN EXCELLENCE" ... "BRAND EXCELLENCE" ... "COOL."**

(SCS.) (Seriously Cool Shit.)

Hint: And whose provenance is ... Adding "Cool"? Who are the ... Masters of Adding "Cool"?

Answer: PSFs!

Answers: IDEO. Ad firms. Etc.

Right?

So "all this" is a "story," short and sweet, about "intellectual capital added" (brand value, design excellence, cool ... in this instance). There's a special irony to this particular story: Why was I back in Singapore in March 2004? Answer: to speak at Singapore's **(first ever!)** "global branding conference," sponsored by the Singaporean government and ad giant/PSF Ogilvy & Mather. The point of **that** conference is the point of this paper: Singapore, as I observed earlier, needed to ... Race Up The Value-Added Chain.

One And Only One Thing
 ... ADD ENORMOUS VALUE
 ... THROUGH INCREASED
 INTELLECTUAL/ CREATIVE
 CAPITAL.

And the answer, at least in part, is becoming ... **Brand Singapore**, "Cool Singapore," or some such. Hence the conference.

Senior Minister K.Y. Lee (former PM Lee), architect of Singapore's awesome transformation, addressed our group, and acknowledged that Singapore had achieved its exalted status by becoming Southeast Asia's hub of "operational excellence." Singapore does it right! (Or some such.) But he also acknowledged, the reason for his invitation and presence at the conference, that Singapore, now, had to be ... and he almost cringed as he said it ... **"COOL."** Thence "the" "Brand Singapore" conference.

NB 1: A "world conference" in Singapore 20 years before would have featured Dr. Edwards Deming (Mr. Quality) and a parade of experts on operational efficiency.

Who were the sorts of speakers at the conference I attended: **Dame Anita Roddick** (Body Shop), Narayana Murthy (Infosys), **Deepak Chopra**, Tom Kelley (brother of David, expert on creating "cultures of innovation.") (And ... me.)

NB 2: And the next time I passed through Singapore, I picked up the *Straits Times* yet again, and discovered that the Singaporeans were celebrating because they had just won hosting rights to the ... **2005 CyberGame Olympics**. And that, to them (and to me, too), substantiated the momentum behind their movement in the direction of ... you guessed it ... **COOL.**

My reason for dwelling on the Thai and Singaporean stories is to suggest that the ... **Issue** ... I'm addressing in this paper is ... UNIVERSAL. All of us are scrambling to do ... One And Only One Thing ... **ADD ENORMOUS VALUE ... THROUGH INCREASED INTELLECTUAL/ CREATIVE CAPITAL.** And I, of course, have my solution: the "Professional Service Attitude." (Remember: **PSF = EVERYTHING.**)

Think China.
Think Singapore.
Think Thailand.
Think India.
Think the United States.
(Think Singapore.)
(Think Thailand.)
Think outsourcing.
Think you.
Think me.
Think value added.
Think revolution.
(Think "PSF.")

"Them": Cirque du Soleil

What constitutes a ... "PSF winner"?

Here's my list:

1. *Audacity of vision.*
2. Innovation/Insane commitment to R&D/Insane commitment to Design.
3. Relentless "Talent Acquisition & Development."
4. INCREDIBLE "experience."
5. Masters of "Strategic Alliances."
6. Masters of ... "Mundane" Operations.
7. Financial Management!

8. Overall/Sustaining ... EXCELLENCE.
9. "WOW!"
10. Lovemark! (More later!)

EXCELLENCE. Sometimes, I almost think I invented the word, along with Bob Waterman, back in 1982, when we penned *In Search of Excellence*. It became soooooo much of a Hula Hoop that I shied away from the word "excellence" (understatement!) for almost 20 years. But now I'm realizing how pivotal it is ... particularly in a World where Exceptionalism ... must become our ... **SIGNATURE.** Or we lose out to the Chinese-Indians (among others). And so I'm ... ON THE PROWL ... for ... EXCELLENCE.

And the/my winner is? The "company"/"organization"/"PSF" which embodies all 10 of those ideas mentioned above?

Answer?

The Ultimate ... Professional Service Firm!

Montreal knows! I.e.: **CIRQUE DU SOLEIL!**

I am ... **MESMERIZED** ... by ... Cirque du Soleil. A ... CIRQUE DU SOLEIL PERFORMANCE ... is ... MAGNIFICENT ... LIFE CHANGING!

(That's my take.)

I summarized it when
I spoke to them with
just three words: FOCUS.
DIFFERENCE. CULTURE.

And then I think, ever so humbly (I hope), about me. "A guy who makes speeches," who gets paid, truth be known, an insane amount of money for "giving speeches." A one-person ... PROFESSIONAL SERVICE FIRM. Do I have any right, any right at all, to perform in a fashion that is **less** extraordinary than ... CIRQUE DU SOLEIL?

* * * *

Final prep. Speech to 500 or so "voice technology experts"/SpeechTEK2005. **I'm trying to get pumped.** Two hours before "game time." My final act of preparation before leaving my hotel room. Slip a DVD into my computer. What? One of my half dozen or so Cirque du Soleil DVDs. I watch for only 5 or 10 minutes, then say to myself (truly): **"You owe this audience no less!!"** Call me the "Cirque du Soleil of Biz Speakers" ... and you'll make my year!

Back to that turgid economist's term ... Managed Asset Reflation. (The savior of Thailand?) Isn't the whole point ... CIRQUE DU SOLEIL? Doesn't Thailand aim to make "Thai silk," among other things ... the CIRQUE DU SOLEIL of ... SILK? Isn't that the ... WHOLE IDEA? Isn't that the entire way that the entire Thai Economy is attempting to transform itself? So, too, Singapore? So, too, the United States?

Yes, I admit it, I love ... CIRQUE DU SOLEIL. I love their performances. But mostly I love them as ... **METAPHOR.** We must all "become" ... Cirque du Soleil. The ... Ultimate "PSF."

(Or die, professionally, trying.)

* * * *

Think "PSF," and most think "accountants." Think "PSF" and I think ... **THE ARTS!**

Opera!

Theater!

Ballet!

"They" provide "professional services."

Right?

Based solely on "Creative Capital."

Right?

Their Signature is ... Creativity.

Right?

Their aim is ... WOW/Brand.

Right?

Their bedrock is their ... "Roster" (Towering Talent).

Right?

They are MMARs/Masters of Managed Asset Reflation (think Ticket Prices).

Right?

You say "Purchasing Department."

My Rorschach Answer: Cirque du Soleil!

My Favorite Term!

In this section we are going to talk (MORE) about ... "PSFs." Specifically, about Professional Service Firms I have met. (And LOVED.)

FBR

I made a speech last November. (2004.) I fell in love. (Again.) YES ... **I FELL IN LOVE WITH AN INVESTMENT BANKING FIRM!** Namely: Friedman Billings Ramsey.

Who are they? A "regional" investment banking firm. (Washington, D.C., area.) And suddenly ... the operative word is ... SUDDENLY ... they find themselves among the "Top 10" investment bankers!

WHY? IN MY TERMS, THEY ARE A PSF WHO "DARED TO BE DRAMATICALLY DIFFERENT"!

The truth is, and I'm an old curmudgeon who isn't "turned on" easily, I was ... TURNED ON ... by these guys. Their secret: **THEY ARE DIFFERENT.** I summarized it when I spoke to them with just three words: FOCUS. DIFFERENCE. CULTURE.

FOCUS. They know precisely what they're up to! They have chosen to serve the underserved "middle market" ("mid-cap") companies. They have further chosen to limit their approach to a relatively small number of sectors where they have ... TRUE EXPERTISE. Their goal ... AND THIS IS IMPORTANT ... is "enduring relationships with companies that have the potential to be great." (You may call that "pap," but I call it ... AWESOME.*) (*I.e., they are investment bankers not aiming for the quick "take out," but instead, an enduring profitable relationship.) They aim to ... MAKE A DIFFERENCE. They aim to ... ADD EXCEPTIONAL VALUE. That's their ... FOCUS ... MANTRA ... REASON FOR BEING. (Not unlike, to me ... CIRQUE DU SOLEIL.)

As to this ... **"DIFFERENCE"**? They actually do have a "different" (proprietary) analytic approach. They call it Unique Analytic Process. Or, Highly Disciplined Fundamental Intrinsic Value Analysis.

I call it: THE REAL THING. I'm an analyst by training ... been there, done that ... and I know a phoney when I see it ... and the Real Thing when I see it. FBR ... looks at things ... Dramatically Differently.

You'll hear more from me: DRAMATIC DIFFERENCE. A "PSF" that means something Thrives On/Lives Off/Grooves On ... DRAMATIC DIFFERENCE!

And then there's the FBR ... **CULTURE**. These guys are ... ENTHUSIASTS! (I wasn't born yesterday; I was born 62 years ago. I know ... **ENTHUSIASM** ... when I see it. And I know, alas, even better, the absence thereof!) They don't live on Wall Street ... and they're proud of it; me too, for them. They live in a Different Place, they have a ... DIFFERENT STORY.

My overriding point: FBR is to "Investment Banking" as ... Cirque du Soleil is to "entertainment." Both are "professional service firms." Both are ... PHENOMENALLY-DRAMATICALLY DIFFERENT.

Infosys

Did I tell you about my trip to ... JAPAN ... in July 2004? "American management guru" is invited to Japan in the summer of 2004. He ... [me!] is to address a "client conference" of the leaders of Japanese Industry. (THE REALLY, REALLY BIG GUYS.) He (me!) is there, in the pay of ... WHAT ELSE ... an Indian information services company. If Cirque du Soleil is my favorite "Professional Service Firm" OVERALL, Infosys

may be my ... FAVORITE "STANDARD" PROFESSIONAL SERVICE FIRM. (Along with FBR.)

These guys are amazing! Their Quest for Talent is Limitless! Their quest for ... AWESOME VALUE ADDED ... is Limitless. A McKinsey mentor urged me to pay attention to Annual Reports. "It's one of the few things," he said, "that the CEO really puts his Heart & Soul into." So I've always taken him at his word, mostly to my benefit. Now I want to provide a short excerpt from the "Chairman's Letter" in the Infosys Annual Report 2003. The ... **extraordinary Narayana Murthy** ... talks about what Professional Service Firms can be. In short: GAME-CHANGERS!

So here's the quote from Chairman M: "By making the Global Delivery Model [Infosys' prime product/promise] 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 ever greater measure. The acuteness of their circumstances, coupled with the capability and the 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.**

Perhaps you're a skeptic, a cynic. (Ordinarily I am, too.) But I think these guys are the real deal. Will they achieve their ... Transforming Goal ... 100 percent of the time? Of course not! And, fact is, I really don't care. What I care about is the: **AWESOME**

NATURE OF THE CHALLENGE THAT THEY HAVE LAID DOWN! They aim ... TO CHANGE THE WORLD ...

("RESTRUCTURING OF THE WAY THE WORLD OPERATES.")

Who could ask for more?

(I'm not stupid. I'm not arguing that Infosys is perfection, Cirque du Soleil's peer. I am arguing that I ... LOVE THE AUDACITY OF THIS TRANSFORMATIVE VISION. I'm also arguing hard, cold facts. It seems to be working for them. For example, during the third quarter of 2004 Infosys, about a \$1 billion company, reported revenue growth of 52 percent, profit growth of 49 percent. NOT BAD, eh?)

Dennis Inc., or HD Talent Inc.: And He's Worth It!

"He" ... asked me to join him for breakfast at the Black Dog Café in Vineyard Haven, on Martha's Vineyard. I was intrigued ... and said "Yes."

About 24 months later, while flying to London, I read that he'd made **\$21 million** the prior year. That made him the second highest paid person at giant Home Depot (behind Chairman Bob Nardelli @ \$24M), and surely the highest paid "HR Guy" in history.

Funny thing, I think he deserved it. And probably more!

Dennis Donovan, son of a Gardner, Mass., ironmonger, was a teammate of Nardelli's at GE, where he learned and practiced and mastered the absurdly effective "GE Way" of developing people. When Nardelli went to Home Depot, he recruited DD to be his

My point: **SIMPLE.**
Once more: It's not your
father's world.

"EVP for HR." Home Depot had grown like Topsy. It was a "great" company, a vital behemoth behind only Wal-Mart; but to say it had less than great "infrastructure" is understatement. And in the people arena the **Big Hurt** was on.

Dennis's work is worthy of a book. But that's not the point here. The point ... **THE POINT** ... is that in most companies folks cringe when the "HR person" takes her or his place at the table. At Home Depot ... they Genuflect. In short, HR at HD is no "Cost Center." It arguably rivals or surpasses merchandising and systems as the ... **Premier Engine for Value Added.** In the language of this paper, Dennis Donovan, per me, has created ... "internally" ... at Home Depot ... One of the Top Ten Professional Service Firms on Earth. **IT IS THAT SIMPLE!**

HD Talent (Home Depot Talent, my term, not theirs) is "**the**" "PSF" that drives the **(BIG)** joint! It is feared & revered & damn good at what it does.

Dennis Donovan is the "HR guy who made \$21 million." He's worth it! To me, DD is "the guy who confirmed the value of an Internal 'PSF'" ... light years, entire galaxies, beyond an "effective department."

* * * *

This "short tour," the "warm-up act":

IDEO

Cirque du Soleil

FBR

Infosys

Dennis Donovan

Stand-alone, "Standard" PSFs ... with a twist. (IDEO.) The Mother of All PSFs. (Cirque du Soleil.) An investment banker exhibiting ... Dramatic Difference. (FBR.) A crazy bunch of Indian "game-changers." (Infosys.) A "department" that Leads with Cool. (Dennis Donovan.)

The Case Writ Large Consider ...

Posting at [Slashdot](#), February 2004, reported by Dan Pink: "About a year ago, I hired a developer in India to do my job. I pay him \$12,000 to do the job I get paid \$67,300 for. He is happy to have the work. I am happy that I only have to work about 90 minutes per day. (I still have to attend meetings myself, and I spend a few minutes every day talking code with my Indian counterpart.) The rest of my time, my employer thinks I'm telecommuting. They are happy to let me telecommute because my output is higher than most of my coworkers. Now I'm considering getting a second job and doing the same thing with it. That may be pushing my luck though. The extra money would be nice, but that could push my work day over five hours."

True?

Maybe.

Apocryphal?

Perhaps.

A symbol of the times?

No doubt.



Headline:

New York Times, 13 June 2004.

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

I'm not Catholic, so I don't entirely understand "Special Intentions." But I mostly understand that they are a prayer for someone in need. At any rate, with the priesthood facing dire shortages of new recruits, some of those "Special Intentions" have been ... **OUTSOURCED**. And the Indians are no fools! An Indian charges an Indian \$0.90 for a "special intention" prayer, but the price for Americans ... \$5.00.

My point: SIMPLE. Once more: It's not your father's world. IBM peddles its personal computer division to **CHINA'S** Lenovo. And then there's that new foreign factory opened in China every 26 minutes, the new foreign R&D lab opened in China every 43 hours. And the response [in Thailand]: MANAGED ASSET REFLATION.

There is only one answer. It was the answer when the farm morphed into the factory, the factory into the white-collar "tower": **MOVE UP THE DAMNED VALUE-ADDED CHAIN!**

Dan Muzyka is Dean of the Sauder School of Business at the University of British Columbia. "A focus on cost-cutting and efficiency has helped many organizations weather the downturn," Dean Muzyka writes, "but this approach will ultimately render them obsolete. Only the constant pursuit of innovation can ensure a long-term success." A few months ago, InterContinental Hotels Group fired its CEO. The guy was an accountant. He doubtless served his masters well in an era where cost-cutting and operational efficiency (remember Singapore) were paramount. But the game changed. David Webster, the chairman, explained the firing: "We're now entering a new phase of business where the group will be a ... **franchising and management**

... company, where brand management is central." James Dawson, an analyst who follows InterContinental, said about the same thing: "InterContinental will now have far more to do with brand ownership than hotel ownership."

My ... BIG ARGUMENT ... for the Preeminence/Ubiquity of the ... "PROFESSIONAL SERVICE FIRM IDEA" ... is foreseen here. Whether it's Singapore or Thailand, the investment banking world (FBR) or an information systems consultancy (Infosys) ... or the world of hotels (InterContinental), the story is: ADD VALUE ... **BIGTIME** ...

OR DIE. (Professionally.)

The White-collar Tsunami and the Professional Service Firm ("PSF") Imperative

They called me an ... **IDIOT!**

I said: "**Ninety percent of white-collar jobs as we know them today [which are 90 percent of all jobs in the developed countries] will 'disappear' and/or be 'reconfigured beyond recognition' within ... 10 to 15 years.**"

Yes, they called me an "idiot." And then Jack Welch left GE. And then Jeff Immelt took over. And he gave his first major press interview, with *BusinessWeek* in early 2002. He told us that ... SEVENTY-FIVE PERCENT of "admin, back-room, finance" jobs will be "digitized" in ... THREE YEARS. That is, I'm an "idiot" for saying that 90 percent of white-collar jobs (which are 90 percent of all jobs) will be transformed—beyond—measure—in—15—years, and Jeff (THE MAN) says about the same thing ... **BUT IN THREE YEARS.**

Nobody is immune! I'm not immune! "Online training" (WHO NEEDS PEOPLE?) is usurping live bodies (ME!). And the lawyers are in trouble, too. My friend Mr. Pink (author of *Free Agent Nation* and *A Whole New Mind*), trained as a lawyer, reminds us that it costs about 3,000 bucks to go to a lawyer to get a divorce done. Yet virtually no divorces are contended. (They are invariably "boiler-plate" divorces.) So now we have ... [CompleteCase.com](#). Get a divorce, pay \$249 ... rather than \$3,000. EASY CHOICE, EH? [USLegalForms.com](#). [TurboTax.com](#). And (medical world) [YourDiagnosis.com](#).

Let me be clear: NOBODY IS IMMUNE!

So who's going to "take your job"? Indians? Chinese? Microprocessors?

(Take your pick!)

Let's go back. AGAIN.

LET'S CONSIDER HOW MOST PEOPLE SPEND THEIR WORKING LIVES. THEY ARE ... "WHITE-COLLAR EMPLOYEES." RIGHT? (RIGHT!)

SO ...

Allen (age 42) has but one child, daughter Sarah. She is the ... LOVE OF HIS LIFE. She has a "Show & Tell" at school tomorrow. The topic: What does my Dad/Mom do? And so, Dad comes home, after another day's (grueling) work. And Sarah corners him: "Papa, what do you do?"

"Papa" hesitates. Then he responds: **"I'm overhead."**

Or perhaps he says: "I manage a `cost center.'"

Of course he doesn't say that! But ... IN EFFECT ... he does say that. He's a serious professional. He works hard. He cares about his family. He especially cares about ... Sarah. But, truth be known, he is ... "OVERHEAD." "A ... COST CENTER."

And all I'm suggesting—and it's a ... BIG ... "ALL"—is that ... "DEAR DADDY" (OF SARAH) is in ... **DEEP DOGGY DOO-DOO.**

It's just not gonna work!

There has to be more!

There has to be a better and more clearly defined "VALUE-ADDED EQUATION!"

"Daddy" ... MUST ... posthaste ... FIGURE OUT SOMETHING (BIG) DIFFERENT TO DO!

(And I've got an answer!!)

IT'S ("THE") ANSWER.

"Daddy dear"—OUR DADDY—used to be ... a "COST CENTER." ... a "BUREAUCRAT" ... "OVERHEAD."

But now ...

BUT NOW ...

But now ... DADDY! ... is ... YES: **"Managing Partner, HR [IS, etc.] Inc."**

That is ... Daddy ... heads his own ... ta-da ...

PROFESSIONAL SERVICE FIRM!

Let's segue to ... FRANK EICHORN. Frank is, well, the ... "ultimate bureaucrat." Consider: His job title is "Director of Credit Risk Data Management Group at Wells Fargo Home Mortgage." If that ain't a bureaucrat, I don't know what is!

About a year ago the extraordinary, sophisticated software company SAS invited me to speak to their "users." (That means, for those of us who speak English, CUSTOMERS.) I went to their Website, and found several case studies about the transformations that they had contrived. One was our very own ... FRANK. Frank Eichorn ... at Wells Fargo. And so this ... ULTIMATE BUREAUCRAT ... this "Director of Credit Risk Data Management Group" at Wells Fargo Home Mortgage said: "Typically in a mortgage company or financial services company, 'risk management' is an 'overhead,' not a 'REVENUE CENTER.' We have become more than that. WE PAY FOR OURSELVES, AND WE ACTUALLY MAKE MONEY FOR THE COMPANY."

I FELL IN LOVE!

Fell in love with ... Frank Eichorn. And now I've developed a series of "FRANK MANTRAS." That is, doing it "Frank's" way:

"EICHORN IT!" "WE'RE EICHORNING!"

Presumably, you "get" the idea. That one is not/need not be a "mere" "Director of Credit Risk Data Management Group at Wells Fargo," but one is/becomes a ... NO BULL, SCINTILLATING, SUPER-COOL, VALUE-ADDING PROFESSIONAL SERVICE FIRM MAVEN!

RIGHT?

(This is important to me.)

(This should be important to you.) (As in ... professional ... LIFE or DEATH.) (Eh?)

(This is what life ... ALL LIFE ... YOUR LIFE ... MY LIFE ... is about.) (Eh?)

EICHORN IT!

(Are you ... EICHORNING?)

More. I spoke in 2002 to a human resources association that aims to get HR ... ONLINE. I read an article in their journal by John Sullivan. He talks about: "eHR/PCC." What the bloody hell does that mean? It means that ... **ALL** ... HR goes on the Web. It means that "HR" "gives up" its "trivial pursuits" of bureaucratic stuff (the gang that "just says 'no'") and focuses on becoming a ... "Productivity Consulting Center."

REDUX: I LOVE THAT!

Reading John Sullivan's story led me to imagine my own ... "Model PSF." Namely:

1. Translate ALL Departmental Activities into discrete W.W.P.F. (Work Worth Paying For) ... products.
2. 100 percent of said products go on the Web.
3. Non-awesome "activities" are ... outsourced. (90 percent?)
4. Remaining stuff gets organized as ... "CENTERS OF EXCELLENCE" ... which are Retained and Leveraged ... TO THE HILT!

It's a simple idea.

NO BULL.

Moreover: What choice do we have?

Turn what you do into ... **VALUE-ADDED EXCELLENCE** ...

Or else?

(RIGHT?)

What "Organization"?

In order to deal effectively with "all this" (Tom's ... Magical PSF World ... remember) I think we must first come to terms with what the basic idea of "organization" will be all about. (THAT'S WHAT I THINK!) (I wish it weren't so tough. But it is.)

Consider Charles Handy. Charles is the "guru to gurus" in the UK. (And everywhere, if you have but a grain of good sense.) Charles says: "Organizations will still be critically important in the world, but as 'organizers,' not as 'employers!'" When I went to Nagano in the Summer of 2004 they called me a ... **RADICAL**. Here's what I said (you be the judge): I said that I imagined myself as the CEO of a \$10 billion, global pharmaceutical company. This "company" had one "FTE" [Full-Time Employee]. Namely ... ME. That is, I would organize this "global concern," but I would "ship out" the R&D to the best-of-the-best Biotech-startups. I would "ship out" the marketing to the members of the Club called BigPharma. Etc.

I decided a couple of years ago that organizations were ... NOT WHAT THEY HAD BEEN. They were not ... "enterprises to do stuff as we'd always known."

That is ... THE WHOLE POINT OF THIS EXERCISE. **I imagined myself as a one-person "PSF" ... who was "Organizing the Whole Damn Thing" while allowing the ... "BEST-OF-THE-BEST" to do the "rest of the work."** To add fuel to the fire, I noted that I am a Forrest Gump fan: "Don't own nothin' if you can help it. If you can, rent your shoes."

Admission. I was hired to do this "gig" by Infosys, an Indian company who'd hired an "American management guru." But nonetheless, I spoke the truth (as I see it) when I said: "Not 'outsourcing.' Not 'offshoring.' Not 'nearshoring.' Not 'insourcing.' But ... **'BEST-SOURCING.'**"

That is ... THIS IS WHAT I AIM TO SAY:

I INTEND ... NO BULL ... NEVER AGAIN TO WORK ... WITH ANYONE ... WHO IS NOT ... BEST-IN-WORLD ... AT WHAT THEY DO.

Okay?

* * * *

I WANT:

To be a ... **Great PSF.**

(One person is fine.)

To be an Infosys Chief (recall Narayana Murthy) ... **GAME-CHANGER.**

I am to ally with ... **KILLER TALENT.** ("Best-in-world.")

Add ... **Killer Value.**

I ... Tom Peters ... the Cirque du Soleil ... of ... Whatever.

One-man "PSF." World beater.

* * * *

"The future belongs to Small Populations who build ... **Empires of the Mind.**"

—Juan Enriquez

"The Heart of Celera[Genomics] is powered by a ... **Dozen Great Minds.**"

—Juan Enriquez

* * * *

The point: NOT THAT "I'M RIGHT."

The point: WE NEED (ALL OF US) TO THINK THIS WAY!

And if we do: THE "PSF" IS FRONT & CENTER!?

(PSF = EVERYTHING. Q.E.D.)

Re-Imagine Tomorrow's Organizations: Itinerant Potential Machines

I decided a couple of years ago that organizations were ... NOT WHAT THEY HAD BEEN. They were not ... "enterprises to do stuff as we'd always known." They were ... AND I'M KEEN ON THIS ... Itinerant Potential Machines. That is, enterprises that will ... RE-FORM THEMSELVES ... to do ... WHATEVER IS NECESSARY ... WHENEVER.

Here's what I wrote:

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." WELL REWARDED! Don't plan to hang around for 10 years! (Let alone 20.)

TALENT POOL PLUS. Seek out and work with WORLD'S BEST/NO LESS as needed. (It's usually needed!) "We aim to change the world, and we need gifted colleagues—who well may not be/probably will not be on our payroll."

BRASSY-BUT-GROUNDED LEADERSHIP I. Say **"I DON'T KNOW"** ... and then Unleash the TALENT! Have a vision to be ... DRAMATICALLY DIFFERENT! Don't expect the Company to be around forever! We'll 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!

BRASSY-BUT-GROUNDED LEADERSHIP II. "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, KILLER ENTREPRENEUR."

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"/PLANET TO THE OTHER. Including vendors and consultants, and especially ... PIONEERING CUSTOMERS ... who will "pull us into the future."

TECHNOLOGY-NETWORKS 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 any opportunity, especially those which turn "The Way We've Done Things Here" on its head.

The idea here is simple. AND (I think) PROFOUND:

1. "We"—ALL—"need to figure out something else to do."
2. We ... MUST ADD INCREDIBLE VALUE. **(PERIOD.)**
3. We must be ... PREPARED TO POUNCE.
4. We must be ... ITINERANT POTENTIAL MACHINES ... SUPER-PSFs.

That's it. (PSF = Everything.)

PSF Unbound: Everybody's Doin' It!

I just laid out my "Base Case." Enterprises that are ... "READY TO LEAP AT THE TURN OF A DIME." But I want ... once again ... to step back.

Why do we need ... SUCH RADICAL CONCOCTIONS?

CONSIDER ... IBM.

The "M" of course stands for ... Machines. No longer. In 1993, IBM, the most formidable-of-all-formidable corporations, was on the rocks. The Board effectively fired CEO John Akers and hired a new CEO. Lou Gerstner. Lou made his bones at McKinsey and Company. (My training ground.) Lou's Board more or less told him to sell the bits off—and salvage what he could in asset value. But he took an amateur's tour of the premises—and talked to customers. He discovered a little nook that today we call ... **IBM Global Services**. He decided that there was more to IBM than "M" (Machines). Moreover, his customers told him their problem were not "machine problems," but "pulling everything together" (A MUSHY TERM!) to take full advantage of this IS/IT "revolution" that really hadn't paid off. Responding, Lou turned his new company into ... THE ULTIMATE PROFESSIONAL SERVICE MACHINE! When Gerstner left in 2002, *BusinessWeek* called IBM the "systems integrator of choice." And the "little" Global Services bit by then scored about \$35 billion in revenue. Today, under CEO Sam Palmisano, "global services" is about a ... \$50 billion ... "company." That is ... THE BIGGEST PROFESSIONAL SERVICE FIRM EVER!

And Sam's aim? Higher still, and to become no less than
"planetary-rainmaker-in-chief":

"Palmisano's strategy," one observer said, "is to expand by pushing users—AND ENTIRE INDUSTRIES—toward radically different business models. The payoff for IBM would be access to an ocean of revenues—PALMISANO ESTIMATES IT TO BE **500 BILLION DOLLARS** A YEAR—that technology companies have never been able to touch."

Simple: THE GUY WANTS TO BE THE ... ALL-TIME PSF! **The Maestro of Industry Dynamics. Czar of Planetary Competitiveness.**

I.e., get **(WAY)** beyond that "M."

Become, in effect, MASTER OF "MANAGED ASSET REFLATION."

Addenda: SAM PALMISANO ... IS NOT ALONE!

Consider this headline:

"Big Brown's New Bag: UPS Aims to be the Traffic Manager for Corporate America." Or this one: "UPS Wants to Take Over the Sweet Spot in the Endless Loop of Goods, Information and Capital, and All the Packages it Moves Represent."

The first headline came from *BusinessWeek*, the second from ecompany.com (now Business 2.0). No matter. The formula is that ... UPS ... desperately ... wants to become ... a ... PREMIER CONSULTANCY. A PSF.

PLANETARY RAINMAKERS-IN-CHIEF.

UPS wants to get into the business of ... "managed asset reflation." That is, they want someone like Bob Nardelli, CEO of Home Depot, to sign a 10-year, \$100 billion (or some such) outsourcing contract for "**total integrated supply chain management.**" Then Bob can worry about his stores ... and UPS will worry about the logistics/supply chain. UPS wants to be your ... "SUPPLY CHAIN PSF OF CHOICE" ... not just "a buncha guys drivin' Brown Trucks" (albeit very profitably).

More Nardelli? When I met him he was CEO of the "power systems" "division" of GE. (Note: power **systems.**) When he got there, he was boss of about a \$5 billion "company," some small change coming from services; when he left, he oversaw a \$20 billion company with about **\$15 billion** in services! The point: He transformed a "products" company (generators & turbines, for heaven's sake) into a ... "PREMIER PROFESSIONAL SERVICE COMPANY" ... that also made some "stuff." Right? In fact, GE changed the names of virtually every part of its company to ... "Systems." The "generator" folks, Nardelli's folks, became "power systems." The "circuit breaker" folks became ... INDUSTRIAL SYSTEMS.

Or consider GE "medical devices." Device = Machine. Right? I came across this telling story recently. One of our biggest health care centers, New York-Presbyterian, signed a seven-year ... ONE-HALF BILLION DOLLAR ... **SYSTEMS CONSULTING** ... contract with ... GE Medical Systems. (Not just to provide service support for GE equipment, but to provide service support for everybody's equipment ... and act as overall IS/IT/systems czars-architects-operators.) That is, GE Medical Systems ... as a whole ... wants to become the ... "value-added consultancy of choice." A ... Mega-PSF.

Call it: **MANAGED ASSET REFLATION.**

When Nardelli ran GE Power Systems, he said, "We want to become the AIR TRAFFIC CONTROLLERS OF ELECTRONS."

IBM-style. (*Forget the "M."*)

UPS-style. (*Forget the "T"—trucks*)

GE-style. (*Forget the "D"—devices; focus on "Systems."*)

When Nardelli ran GE Power Systems, he said, **"We want to become the AIR TRAFFIC CONTROLLERS OF ELECTRONS."** (He wanted to do the "value-added bit," "systemic services bit" ... independent of the "lumpy objects" "bit"! But now he's gone to Home Depot. *USA Today* reports that Nardelli **now** wants to "move Home Depot beyond selling goods to selling home services." AND THAT'S PRECISELY WHAT HE'S BEEN UP TO! He's been trying to take Home Depot beyond nails and hammers and sheets of plywood to "the place you and I go to have all our home services needs and cases attended to."

Visited [homedepot.com](https://www.homedepot.com) lately? If not, you'll be startled by the expanding menu of "home stuff" Nardelli & Co. want to help you with! One HD exec imagines you or me signing a "problems, cares & worries" "outsourcing" contract with the ... **Great Orange Box.** We'll never again have a worry in the world about 1. lawn care, 2. pool care, 3. home electronics center management, 4. improvement projects, 5. repairs in general. (Shades of what UPS—the new-found "Mega-PSF"—wants to do for Home Depot itself in "logistics/supply chain management.")

This idea—I REPEAT—knows no bounds! **(THE "PSF-ING OF THE WORLD," I CALL IT.)** I went to Hartford a couple of years ago to speak to the Big Guys at ... UTC. I learned that Otis ... the "elevator people" ... wanted to morph into "integrated building systems people." That Carrier ... the "air conditioning" people ... wanted to become the "integrated building systems people." The point seems to be/is: There is

nobody apparently who doesn't want to become the ... INTEGRATED-VALUE ADDED/
PROFESSIONAL SERVICES-ADDED PEOPLE.

Everywhere!

* * * *

I prepared to speak to the Society for Marketing Professional Services. Their turf is the likes of architects and engineers. Their Big Cheese said to me, without prompting ... "Architecture' has become a commodity. Winners will become 'turnkey facilities management' providers." Which means (natch) ... MANAGED ASSET REFLATION! Most everybody is looking to sell ... as I see it ... MAXI-VALUE ADDED PROFESSIONAL SERVICE SOLUTIONS.

Survive!

Add value!

Via: Professional Services.

Professional services that are ... Boundless.

Is there another option?

I don't think there is!

* * * *

CASE. IBM sells its PC division to the ... Chinese. (Lenovo.) HP simultaneously fires its CEO because she bought a PC company (Compaq) ... and couldn't figure out how to compete with Dell.

Meanwhile IBM's "PSF" (Global Services) soared, partially as a result of having bought PricewaterhouseCoopers' consultants. HP had preceded IBM in making an offer for PwC ... and dropped out.

Go figure.

* * * *

CASE. "Contract Manufacturing" (guys who build boxes, cheap), soars. Best-of-breed: Flextronics. Now \$15B. 100K employees.

But ...

Remember: GE Medical "Devices" morphs to GE Medical "Systems"?

Well "Contract manufacturing" is now ... **"EMS"** ... Electronic Manufacturing Services ... which includes design, logistics, repair, etc. As Paula Gordon of Technology Forecasting put it, the "contract manufacturer" now offers a "total package of outsourcing solutions." Our "contract manufacturing" pals at Flextronics, for example, have added ... **3,500** design engineers.

Flex? A nouveau ... PSF. (Eh?)

* * * *

Upping the Ante: Moving the Ubiquitous “PSF” to “SX” World: Creating Scintillating eXperiences

The idea here, at once simple and complex, is that we are trying ... DESPERATELY ... to race/vault up the “value chain” as rapidly ... and as high as we can! Joe Pine and Jim Gilmore are our guides. Joe & Jim wrote the “Bible” on this topic, *The Experience Economy: Work Is Theatre & Every Business a Stage*. “Experiences,” they argue, “are as distinct from services as services are from goods.” My first inclination, upon reading such a thing, is to check my back left-hand pocket ... AND BE SURE MY WALLET IS STILL THERE. My second instinct—and my third, fourth, and fifth—is to say: **OH, WOW!**

“Club Med,” says my colleague Jean-Marie Dru (CEO of TBWA/Chiat Day) in his wonderful book, *Disruption*, “is more than just a resort, it’s a means of rediscovering oneself, of inventing an entirely new ‘me.’” Likewise, a couple of years ago I interviewed Nancy Orsolini, a district manager at Starbucks. “We have identified a ‘third place,’” Ms. Orsolini said. “And I really believe that place sets us apart. The Third Place is that place that’s not work or home; it’s the place our customers come for refuge.” And I think that is ... **THE SECRET** ... to the explanation as to why Starbucks may well surpass McDonald’s in number of outlets in the not-so-distant future.

And then, of course, there’s Harley-Davidson. (Who else?) You call it a “machinery manufacturer” (“guys who make motorcycles”). I call it ...

Well ...

A Harley-Davidson executive (not the editor of *Motorcycle Management*) says,
"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."

This makes my **(PSF!)** day!

* * * *

"It took me years and years," my pal and former Harley CEO Rich Teerlink explains over dinner, "to convince Wall Street that we're not a 'machinery manufacturer' but a 'lifestyle company.'" (Sounds like a PSF to me!) When Mr. T made that "sale" in lower Manhattan his market capitalization increased by ... **\$10B** or so.

* * * *

Harley sells ... EXPERIENCES! How else can you explain their third quarter of 2004 results: HD's revenues were a scant 2 percent of General Motors'; their profitability was ... 50 percent of GM's!

Harley-Davidson sells ... EXPERIENCES!

And the bigger point: SCINTILLATING EXPERIENCES ... are the ... **ULTIMATE "PROFESSIONAL SERVICE."** (PSF = Everything.)

Mr. Pine and Mr. Gilmore provide us as referent the ... "experience ladder." "Raw materials" are the bottom rung. Then "goods." Then "services." And then at the apex ... EXPERIENCES.

I like that. And I also wish to alter it.

I'll keep raw materials, goods, services. Then I want to add "SOLUTIONS" as the next step up the ladder. (The IBM, UPS, GE bit.) And then, indeed, we can move to Messrs. Pine and Gilmore's ... EXPERIENCES.

* * * *

Joe Pine and Jim Gilmore call it "experiences." I call it: **WHAT CAN BROWN DO FOR YOU?** That is, this "experience thing" can be worth Billions! The ... **TOTAL REPOSITIONING** ... of UPS as the Seriously Cool & Ultimately Reassuring "Supply Chain Experience Company."

The PSF *plus!!*

* * * *

I Just Can't Keep From Thinkin' About This Stuff ...

Last Saturday. (As I write.) My wife and I live in Vermont. We have an apartment in Boston. It's Saturday morning. WE GO TO "WHOLE FOODS MARKET." It's ... AN EXPERIENCE. The "goods" are ... GREAT! The "presentation" ... GREAT! The "staff attitude" ... GREAT! We are looking to buy a house in Boston. The first one, with which we fall madly in love, has a wee kitchen. We wonder if we can survive with a "wee kitchen." My wife says, "Who cares? We'll buy our food [meals], prepared, at Whole Foods!" SHE'S RIGHT. That's the "experience" "professional service" we undergo at Whole Foods. In short: LIFE ALTERING!

Why do I declaim to you about WHOLE FOODS? Because that's exactly (shades of Cirque du Soleil, recall!) what I believe "professional services" to be all about!!! (!!!)

I believe that a person (me) can make a bid on a house that costs \$2 million ... and overcome the (major) problem of a wee kitchen because one lives near a ... **WHOLE FOODS PSF EXPERIENCE.**

I believe that a person (me) can make a bid on a house that costs \$2 million ... and overcome the (major) problem of a wee kitchen because one lives near a ... **WHOLE FOODS PSF EXPERIENCE.**

That's exactly/precisely what "professional services" (AS I SEE THEM AT THEIR MOST BRILLIANT) are all about.

* * * *

There was a "funny little company" (albeit damn good at the limited "what they do") called LAN (Local Area Network) Installation Company. The boss lived next to Joe Pine. Joe and he got to talking over the backyard fence. Joe suggested that "they" become something else. And so they did. They called themselves ... THIS IS A PROFESSIONAL SERVICE TRANSFORMATION SAGA! ... the Geek Squad. The Seriously Cool "Geek Squad" transformed itself from a small, narrowband exotic professional service company, providing LAN installation services, to a company that captured a 30 percent share of Minnesota's LAN services! But that was only the beginning! Minnesota's BEST BUY decided that the (Newly Renovated & Seriously Cool PSF) Geek Squad was the Cat's Meow. Best Buy bought 'em ... for a Pretty Penny ... and turned them into "the" "Value-added Service/PSF Providers" for the ... ENORMOUS ... Best Buy corporation.

I LOVE THAT!

PSF (LAN Installation Services) becomes ... PSF (Geek Squad) ... becomes ... Ultimate Competitive Advantage Through Excellence in PSF-ing ... for Humongous Best Buy.

Hence: Best Buy itself (à la Home Depot and house services "packages") becomes a "Super PSF" featuring the Geek Squad.

Get the drift?

This whole point (of course) (what else?): MANAGED ASSET REFLATION!

(Right?)

* * * *

I ran across a story in the *Wall Street Journal* in August 2003. The topic was "moving companies." And here's the text I focused on: *"In Texas, they'll fill your empty fridge with brie and wine. An outfit in New York promises quick high-speed Internet hook-up. And when Allied Van Lines finishes unloading your couch, they'll have your Feng Shui expert figure out the right spot."*

I don't necessarily "buy" the "Feng Shui" act. What I do buy ... WHOLEHEARTEDLY ... is ... THE REAL ACT: The idea ... ONE MORE TIME ... that all of us are ... RACING UP THE VALUE-ADDED CHAIN. (Headed ... we hope ... to ... PSF HEAVEN!)

* * * *

I am apoplectic with joy that a media company I work with has just appointed someone, a scant half-step below the CEO ... to ... **CXO**. Yes ... Chief e**X**perience Officer.

What "we" (you, me, Nardelli, Best Buy, IBM Global Services, "Brown") provide ... FOR VALUE ... in Today's World ... I'm quite convinced ... is ... SCINTILLATING PROFESSIONAL SERVICE EXPERIENCES.

It's as simple as that.

(It's as difficult as that.)

Keep on Pushing: Becoming "DreamMerchants"

We started this discussion ... with the "revision" of "Professional Services" ... into "something more." Now we rise ... to the ... **ULTIMATE ... WOW ZONE.**

I was in Mexico City some time ago and had the opportunity to listen to a speech by Gian Luigi Longinotti-Buitoni. The topic was "Dream Marketing." That "dream," per Longinotti-Buitoni: "A dream is a complete moment in the life of a client. An important experience that tempts 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." Mr. Longinotti-Buitoni's last job was Big Boss of Ferrari North America. All his life he has been a "luxury brand" guy. Which I call ... THE ULTIMATE ... in ... provision of ... PROFESSIONAL SERVICES. (No?) Mr. Longinotti-Buitoni coined a rather nasty term ... DREAMKETING. It's shorthand, no surprise, for Dream Marketing. And here's how he defines it:

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."

The Ritz-Carlton "gets it"! From their credo: "The Ritz-Carlton experience enlivens the senses, instills well-being, and fulfills even the unexpressed wishes and needs of our guests."

(I know I repeat: *Isn't this precisely what Sam Palmisano wants to do with ... IBM? DAMN IT?!*)

Domain Home Fashion "gets it": "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." (Hurray, Judy George, Domain founder!)

HORCHOW.COM ... "gets it." Their slogan/logo: "Furniture. Accessories. Dreams."

Southwest Airlines ... "gets it." Cofounder, Herb Kelleher, on LUV (his stock ticker symbol): "We defined personality as a market niche. **We seek to amaze, surprise, entertain.**"

Farmers Group (insurance!) gets it. These words from CEO Marty Feinstein: "No longer are we only an 'insurance provider'! Today we also offer customers the products and services that help them achieve their '**dreams,**' whether buying a car, paying for home repairs, or even taking a dream vacation."

ADMISSION TIME! For me! **I AM A NON-RECOVERING "DREAM MERCHANT."** I am a "PSF." **I sell dreams!** I address an audience, of 60 ... or 6,000. I begin: "*I'm here to tell you a ... story. To describe an ... adventure. To talk about a ... quest.*" That is, I'm weaving Stories about ... Dreams that Might Come True! (As I see it:

Dreams that are ... utterly necessary ... given the chaos/change in the marketplace.)
I am ... I repeat ... A NON-RECOVERING DREAM MERCHANT!

* * * *

DREAM MERCHANT!
THE ... HIGHEST ACCOLADE!
PSF "NIRVANA."
For David Kelley. (IDEO.)
For Dennis Donovan. (Home Depot.)
For Narayana Murthy. (Infosys.)
For Sam Palmisano. (IBM.)
For Rich Teerlink. (Harley.)
For Tom Peters. (Himself.)

* * * *

Rolf Jensen, head of the Copenhagen Institute for Future Studies, has penned a dramatic and insightful book: *The Dream Society: How the Coming Shift from Information to Imagination Will Transform Your Business*. Here's his basic argument: "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 an appeal to our hearts, not our heads. Now is the time to add emotional value to our products and services."

(I THINK ... THAT HE IS DELIVERING THE ULTIMATE PAEN TO ... "PROFESSIONAL SERVICES = EVERYTHING." "PROFESSIONAL SERVICES = PROVISION OF DREAMS"!)

You either get it, by
this point, or you don't.
PROFESSIONAL SERVICE
FIRMS ARE ... DREAM
MERCHANTS.

Jensen is a "dreamer," but also a pragmatist. He delivers among other things in his book, *Six Market Profiles*. Those profiles:

1. Adventures for Sale
2. Markets 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 Conviction

Here's your ... MOMENT OF TRANSLATION: When I see those ... Six Profiles, I see ... IBM ... UPS ... GE!

Adventures for sale! What else is Sam Palmisano selling at IBM these days? (We know he ain't selling computers!) What else is UPS selling to the likes of Bob Nardelli in his Home Depot role? What else is GE selling to the hospitals with which it works? If not an ... ADVENTURE IN BIZARRELY AND INDUSTRY-TRANSFORMING ENHANCED COMPETITIVENESS? And that "market for togetherness, friendship, and love"? To my way of thinking ... IBM (AND ME!) ... are selling that as well. We can call it "supply chain integration" or the "Ultimate Virtual Organization" (my line, recall, in Nagano, Japan, for IBM competitor Infosys) ... but what it's about is a ... Very New Organizational Variety of "The Market for Togetherness, Friendship and Love." (Okay?)

Go down the list: Who-am-I market. Peace-of-mind market. Etc. These "dream profiles" are precisely (!) what any self-respecting ... PROFESSIONAL SERVICE FIRM ... is peddling. Cirque du Soleil? Absolutely! Friedman Billings Ramsey? Absolutely! Tom Peters, the speaker? Absolutely! (I hope.) And so on.

Thus ... IBM ... UPS ... GE ... Tom Peters ... have become (or are attempting to become!) ... DREAM MERCHANTS!

I, for one (your writer), do not see this ... in any way, shape, or form ... as a "stretch."

IT IS *WHAT* I DO!

IT IS *WHO* I AM!

IT IS WHAT I UNABASHEDLY *ASPIRE* TO!

IT IS WHAT ANY-DAMN-PROFESSIONAL-SERVICE-FIRM-WORTH-ITS-SALT-OR-ORIENTED-TOWARD-SURVIVAL-"ASPIRES"-TO.

(NO SHIT!)

Recall that Mr. Pine and Mr. Gilmore gave us the fabled (per me) ... Experience Ladder: Raw materials ... Goods ... Services ... Experiences. I want to revise said ladder. Here's my take: **Raw materials.** (Yup!) **Goods.** (Yup!) **Services.** (Yup!) **SOLUTIONS.** (This is that IBM-UPS-GE "nexus.") **AWESOME EXPERIENCES.** (Experiences plus, per me!) **DREAMS COME TRUE.** (Nirvana! For IBM! For Infosys! FOR Friedman Billings Ramsey! For ... Tom Peters!)

The “PSF33”: Thirty-three Professional Service Firm Marks of Excellence

Okay, I’ve given my all. You either get it, by this point, or you don’t. PROFESSIONAL SERVICE FIRMS ARE ... DREAM MERCHANTS. (Right?) (Or: wrong?) I, Tom Peters, am a ... PROFESSIONAL SERVICE FIRM INHABITANT. I, Tom Peters, am a ... DREAM MERCHANT.

(That’s all I can say.)

(That’s all I will say.)

So let’s get down to it. I hereby offer some 33 “notions” about what a professional service firm—AT ITS BEST—can be/ought to be/must be. The 33, in turn, are divided into four sections:

- **THE WORK & THE LEGACY.** What’s the difference? What’s the Point?
- **THE CLIENT EXPERIENCE.** How does “this” ... Dramatically ... Change the Life & Well-being of Others?
- **THE PEOPLE AND THE LEADERSHIP.** What kind of people, led how, does it take to Induce Transformational Change?
- **THE FIRM & THE BOARD.** What is the ... Magnificent New Entity ... that Leads our Economic Charge?

The “PSF33”: The Work & The Legacy

- 1. CRYSTAL-CLEAR POINT OF VIEW.** The Defining Attribute of a “PSF That Matters” is that it has a ... **POINT OF VIEW!** That “it” “stands for” something! “Something” more than “doing good work.” I will come back to this—NUMEROUS TIMES—but for now, let me simply say that there is nothing more important to say! Marketing guru Seth Godin says, *“If you can’t explain your position in eight words or less, then you don’t have a position.”* I am ... yes ... **APPALLED.** Appalled at the number of “fabulous people” in accounting departments & logistics departments & engineering departments & purchasing departments & finance departments & human resources departments ... who ... **CANNOT ... DEFINE THEIR POSITION IN EIGHT WORDS OR LESS.** You must ... **MUST, MUST, MUST** ... “stand for Something of Overwhelming Significance.” Get it? (Please!) (Please!)
- 2. DRAMATIC DIFFERENCE.** Marketing guru Doug Hall, with a ton of data to support him, claims that only Orgs (from soap sellers to law firms) who offer “dramatic difference” have even a chance of surviving in today’s absurdly competitive, fast-changing world. Grateful Dead guru Jerry Garcia said that the secret to the Dead’s success was, *“We don’t want to be the ‘best of the best.’ We want to be the only ones who do what we do.”* That’s one hell of a hurdle! But is there any other? That is: **ONLY ONES WHO DO WHAT WE DO.** We may not get there, but we must ... **ASPIRE.** More. Tom Chappell, Tom’s of Maine: *“Success means never letting the competition define you. Instead you have to define yourself based on a Point of View you care deeply about.”* You get the drift, eh?

3. **STRETCH IS ROUTINE.** I came across this quote a while back (source unknown): "Never bite off less than you can chew." The whole idea of this discussion is that we are ... **Fully Engaged** ... Engaged in a bloody, more-or-less "zero-sum" competitive battle. And "winning" (or even surviving!) in this "battle" (against offshoring, microprocessors, etc.) will be the result of, at the very least ... STRETCHING. So the idea behind the "Excellent Professional Service Firm" is that it ... ROUTINELY ... STRETCHES ... Pushes beyond the bounds! Attempts to make Clients, as one of my colleagues puts it ... "GASP." **Excellence Measure #1: "Gasp-worthy"!**
4. **APPETITE FOR "GAME-CHANGER" PROJECTS.** "We" (**ME! ME! ME!**) wish ... NEVER AGAIN ... to work with anyone other than "The Very Best." I want to work on "projects," sure, but a ... Certain Sort of Project. Namely: "GAME-CHANGERS." Projects that ... Make a Difference! Projects that ... most important ... Change the Rules. Why else get up in the morning? (I can't figure out any reason to.) (I wanna survive.)
5. **"PLAYFUL" CLIENTS.** In order to stand ... WAY OUT ... one must find **"Playmates Who Desire to Be Dramatically Different."** Work for anybody and everybody who comes along? **Don't be an ... IDIOT!** Take on only the people who want to ... PLAY! THE DREAMERS! THE PIONEERS! Those who are ... DETERMINED ... to make that ... DRAMATIC DIFFERENCE! Too many "PSFs" are worn down by growth which subsequently leads them to pursue ... Astonishingly Big & Boring ("No-Stretch") Clients. I have no problems with "big clients" ... they butter a lot of my bread, too! But they are not the ones who ... STRETCH ME. **Who ... MAKE ME.** I need the "Little Freaks" ... who will ... PUSH ME MERCILESSLY ... and without whom I will fail ... Miserably.

The Goal: DRAMATIC DIFFERENCE! And ... "Dramatic Difference" ... BY DEFINITION ... IN INTIMATE CONJUNCTION WITH ... our ... Client.

- 6. SMALL "UNECONOMIC" CLIENTS WITH BIG AIMS!** This is another way of getting at #5 above. Sometimes the "little guys" are ... "uneconomic." They don't bring in the ... Big Bucks. On the other hand, frequently, they are the ones who bring in the ... FAR MORE IMPORTANT ... **Big Aims.** I need them! (Among other things, for those "big bucks ... in the ... Long Haul.)
- 7. LIFE IS TOO SHORT TO WORK WITH JERKS!** Message: **Fire lousy clients!** There are "those who bring you down" in life. Acknowledge it! Deal with it! In the words of Nathaniel Hale, "I have but one life to give" Thence that life is ... FAR TOO SHORT ... to spend hanging out with people who will not ... Stretch Me and Push Me to Aggressively Learn! In short ... I DON'T HAVE THE TIME TO BE BORED. (And you?)
- 8. OBSESSED WITH LEGACY!** It's simple: **I WANT TO MAKE A DIFFERENCE!** (Don't you?) Why get out of bed in the morning? Apple's ... Utterly Amazing Inventor ... Steve Jobs says: "Let's make a Dent in the Universe." Perhaps it's not possible for all of us to ... Dent the Universe. But it is possible ... in the ... PROFESSIONAL SERVICES ... to ... ASPIRE ... to ... DENT OUR UNIVERSE. (Right?)

* * * *

I ... LOVE ... the word "**legacy.**" Maybe it's just a function of my age, though frankly I think it applies as much to 29-year-olds, or even 19-year-olds, as 62-year-olds like me. That is: DID YOU MATTER? DID YOU MAKE A DIFFERENCE? ARE PEOPLE/SITUATIONS BETTER OFF BECAUSE YOU WERE AROUND? Maybe it's just that "Calvinist Thing," just that I was raised as a Presbyterian. But ... DID IT MATTER/DID IT MAKE A DIFFERENCE ... it seems to me to be the ... WHOLE IDEA. (And, frankly, I

really don't have a whole lot of patience with people who "aren't there.") (Alas.) (Is this a "moral screed"? Well, maybe.)

* * * *

9. FIRE-ON-THE-SPOT ANYONE WHO SAYS, "LAW/ARCHITECTURE/CONSULTING/I-BANKING/ACCOUNTING/PR/ETC. HAS BECOME A SINGLE 'COMMODITY.'" Trust me on this: IF YOU THINK YOU ARE A "COMMODITY," THEN YOU ARE A "COMMODITY." And that's about all you have to know! I've wasted far too much time listening to lawyers bitch, I-bankers bitch, architects bitch ... "Our business is becoming 'commoditized.'" Well ... TRUE ENOUGH ... if you allow it to be so! So I reiterate: Fire ... THAT IS, FIRE, NOW ... anyone who says, "Law [etc.] has become an 'inevitable' commodity." There is ... NOTHING ... that is "inevitably" "commoditized." And if you don't get it ...

10. DO NOT SHY AWAY FROM THE WORD/IDEA "RADICAL." This first section of the "PSF33" is about, recall, "The Work & The Legacy." And to truly generate a "legacy" from our (GLORIOUS) "work" requires that one ... "think (WAY) outside the box," to repeat the world's most tepid & overused phrase. My favorite term: **RADICAL!** I am on the hunt ... AND I MAKE NO BONES ABOUT IT ... for ... RADICALS! People who Break a Lot of China! People who are Determined to Make a Dramatic Difference! (Perhaps they fail. So what? At least they ... ASPIRED.) If you work in a place that has trouble dealing with the term ... "RADICAL" ... Leave. **Quickly.** Race. To the door. Now. (No bull.)

* * * *

All this amounts to a fire-hose dose of ... INFLAMMATORY LANGUAGE/DEMANDS. I acknowledge that. But will you in turn acknowledge that these are "inflammatory times." Towering Distinction (Dramatic Difference, Dream Merchantry, whatever) is a simple price-of-admission ... Survival Strategy.

The PSF33: The Client Experience

The Goal: DRAMATIC DIFFERENCE! And ... "Dramatic Difference" ... BY DEFINITION ... IN INTIMATE CONJUNCTION WITH ... our ... Client.

- 11. ALWAYS TEAM WITH THE CLIENT: "FULL PARTNERS IN ACHIEVING MEMORABLE RESULTS."** The goal of "all this" is to "PLAY WITH" our clients. To join ... INTIMATELY TOGETHER ... with them to achieve Dreams That Neither Of Us Could Have Imagined! Thomas Jefferson's Louisiana Purchase (arguably the most significant decision ever made by an American president!) was called, by one of his critics, the "Chimera of a Moonstruck Mind." You know what I say? **ALL HAIL ... CHIMERAS OF MOONSTRUCK MINDS!** That is, we want to "work together" with our clients ... to go to ... INSANELY GREAT PLACES (to steal a term from Steve Jobs). This "PSF Thing," CIRCA 2005, is ... EXCLUSIVELY ABOUT JOURNEYS IN – PARTNERSHIP – TO THE ... UNKNOWN. (In ... Pursuit of Excellence+++.)
- 12. WE SEEK ... ASSISTANCE ... FROM ANYWHERE ... TO ASSEMBLE THE BEST-IN-PLANET-TEAM FOR THE PROJECT.** Mantra: INSOURCING SUCKS! I have made a pledge, to one and only one person ... MYSELF. I will never ...

AGAIN ... KNOWINGLY ... WORK WITH ANYONE OTHER THAN "THE BEST THERE IS." Our "team" ... TO THE BEST OF OUR LIMITED ABILITY ... will consist of Best-in-Planet ... regardless of the task or skills required. (Or, at least, we'll die trying.) I will ... Aid My Client ... on ... Her/His Quest for Greatness ... Assisted by the ... Best-I-Can-Possibly-Unearth!

13. CLIENT TEAM MEMBERS ROUTINELY DECLARE THAT WORKING WITH US WAS "THE PEAK EXPERIENCE OF MY CAREER." I ... **DEMAND** ... that "doing this thing" be ... The Best Damn Thing That The Client Team Member ... HAS EVER DONE! (**Ever! Ever! Ever!**) That, at least, is my aim. This thing, this ... "PSF THING" ... is all about "Teaming" to Get Amazing Stuff Done that ... makes all of us ... **GASP**. We are in the "pinch me" mode! We are shocked at ... Where We Got To. We ... **INSIST** ... that ... Our Clients ... be ... Shocked! They will look back at the 30 days—or 3 years—they spent with us and ... **SHAKE THEIR HEADS IN AMAZEMENT**. (The way I do when alone—relative to the seven turbulent years I spent at McKinsey.)

14. THE JOB IS NOT DONE UNTIL IMPLEMENTATION IS 100 PERCENT COMPLETE. FURTHERMORE ... THOSE WHO DON'T "GET IT" ... MUST GO. "This" is not just about "Cool Shit." **NO! NO!** It's about ... **IMPLEMENTED** ... "cool shit." The "professional services" suffer from a well-deserved sobriquet: **TALK BIG, DELIVER SMALL**. And that ... as I see it ... Must Stop! (**FOR SURVIVAL'S SAKE. IN THIS CRAZY, INTENSE NEW WORLD ORDER.**) We want dreamers! **YES!** But we also want ... **IMPLEMENTERS!** Those who ... **GET IT DONE!** In my Brave New World ... **WHERE PSFs-ARE-EVERYTHING** ... "do-ers" will ... **REIGN** ... on a Throne as High as that of the would-be ... **DENTERS-OF-UNIVERSES!**

- 15. IMPLEMENTATION IS NOT COMPLETE UNTIL THE CLIENT HAS EXPERIENCED “CULTURE CHANGE”!** The “professional service firm” does not “solve problems”: **It provides Clients the tools for solving problems now and in the future!** Recall that we began this analysis with a discussion of how the premier “product design” firm IDEO now makes its living expostulating the “IDEO Way of Innovating.” “In classical times,” said presidential candidate Adlai Stevenson, “when Cicero had finished speaking, the people said, ‘How well he spoke.’ But when Demosthenes had finished speaking, they said, ‘**Let us march.**’” The goal of the Excellent Professional Service Firm: “When the consultants depart, we [clients] will say, ‘LET US MARCH.’” “Their” “cultures” ... FROM NOW FORWARD ... will have been ... DRAMATICALLY ALTERED ... by our presence!
- 16. IMPLEMENTATION IS NOT COMPLETE UNTIL SIGNIFICANT “TECHNOLOGY TRANSFER” HAS TAKEN PLACE/ROOT!** This is simply a way of reinforcing No.15 above. We (PSFers) aim to ... **GIVE IT AWAY!** We want ... OUR CLIENTS ... to absorb ... Our Message/Ideas/Technology ... put “it” in their “culture”/“gene pool” ... and then KEEP ON CHARGING TOWARD THE STARS! Many/most don’t get this (they aim to “hoard” in order to be “needed”); but teaching “them” (CLIENTS) “to fish” is why I get out of bed in the morning. (LET US MARCH ... redux.) This is at the heart of Professional Service Firm Excellence.
- 17. THE FINAL EXAM:** *Did we make a dramatic, lasting, game-changing, culturally-rooted difference? Did it matter?* Is the Client ... ETERNALLY (more or less) ... affected by our having been around? And was that ... Tremendous Difference, yes ... DRAMATIC? THIS IS THE “FINAL EXAM,” AND A TOUGH ONE TO PASS. And, to be sure, it will not always be passed—but the ... ASPIRATION ... is of paramount importance!!

The PSF33: The People & The Leadership

- 18. TALENT FANATICS! (DAMN IT!) (PERIOD!) ("BEST-COOLEST PLACE TO WORK!") (DAMN IT!) (PERIOD!)** Needless to say—BUT ALWAYS WORTH REPEATING!—"Talent Is Everything" for the PSF ... let alone the Excellent PSF. Talent **is** the New York Yankees! OBVIOUSLY! And if "obviously" for the Yankees, why not for the 28-person HR Department (now PSF ... hopefully, the New York Yankees of "HR"? It is that simple. In fact, this idea of "talent fanaticism" is very near the heart of the matter ... in a world where Rote Work is gravitating to India-China-Microprocessors.
- 19. EYE FOR THE PECULIAR!** In short, in hiring for our Glorious ... PSF ... we must go Way Beyond (MILES BEYOND!) "same old, same old." IF ... we want an "interesting"/"awesome" PSF (and What Else?), then it follows that we must hire "interesting"/"awesome" (weird, peculiar, not-from-the-same-old-places) people, eh? It's that simple. And ... that ... IMPERATIVE.
- 20. EARLY OPPORTUNITIES.** If we are going to hire "the very best," then we must, simply, give them Significant Opportunities ... long before the day-after-the-day-after-tomorrow. While "learning the ropes" (the "corporate culture") is fine within limits, "Wait your turn" is as un-fine as it gets! IF WE WANT (and we do) **100 percent GAME CHANGERS.**
- 21. UP OR OUT!** That's pretty hard-nosed. But it's a "pretty hard-nosed" world "out there" ... AND THEN SOME. **Law firms** ... baseball ... football ... basketball

... ballet ... have long lived with and thrived on ... "UP OR OUT." In fact, can you imagine a Ballet Company that did not follow "up or out"? It's almost silly to ask the question. Well, if it's silly not to embrace "up or out" for a Ballet Company (or the New England Patriots) ... then it's Equally Silly for our "PSF" in HR, IS, Finance. Right?

22. SLIDE THE OLD ASIDE/MAKE ROOM FOR YOUTH. Helluva thing for a 62-year-old to say, eh? But it's a fact. A lot of the strength of McKinsey & Co. was requiring its aging partners to sell off their shares, and step aside from Leadership Roles. (If they wanted to consult, and still had the touch, they were welcome to stay around; but they weren't welcome to clog the pipeline for up-and-coming leaders.) Works for McKinsey. Works for me. **Energetic Times = Youth Movement.** (Sorry, fellow Geezers.)

23. TALENT IS OBSESSED WITH ... RENEWAL ... FROM DAY 1 TO DAY "R" ("R" = RETIREMENT). "Keeping up" is an "honorable aspiration" for anyone, anywhere. But it comes under the heading of ... Survival Necessity ... for any & all modern day PSFs. By definition. Duh: The whole idea is to be ... SPECIAL. Special is a ... MOVING TARGET. "Dramatic Difference" is all about ... Upsetting Applecarts. All the time! Renewal Is Our Name & Game. OR ELSE?! (As I said: Duh.)

- 24. OFFICE/PRACTICE LEADERS EVALUATED PRIMARILY ON MENTORING/ TEAM BUILDING SKILLS.** Doing this "Dramatic Difference Bit" is the name of Our Game for "The Firm" as a whole. But the (BIGGER) name of the game for those who ... LEAD ... Our Firm ... is ... **Constantly Upgrading-to-the-Skies-Our-Talent-Pipeline.** That is, in a PSF the Essence of Leadership is ... **MENTORSHIP.** The point is not that the leader is the best "implementer," or even "dream merchant," but that the leader is ... DEVOTED ... **UTTERLY** ... to ... DEVELOPING THE ... ALL-STAR TALENT ... that is Best-in-Planet at IDD/ Implemented Dramatic Difference.
- 25. TEAM LEADERSHIP SKILLS VALUED FROM DAY ONE.** There's plenty of room for Baryshnikov. Or Streep. Or Barry Bonds. On the other hand, the ability to quickly put together a ... Fabulous Team ... to ... Attack a Bit of a Cool Project ... is to be Honored & Cherished ... pretty much from Day 1. That is, "leadership skills" are not something that are meant to bloom "later on." They are meant to Surface ... and be Cherished ... Early On. **(IMMEDIATELY.)**
- 26. PARTNER WITH BIP (BEST-IN-PLANET). OUTSIDERS WELCOMED AS NEEDED (ALWAYS!) AND TO INFUSE DRAMATICALLY DIFFERENT VIEWS.** THIS/OUR (PSF) AIN'T A STAND-ALONE BUSINESS, IT'S A CONCOCTION OF PLANET'S BEST-BROUGHT-TOGETHER-ON-TIME-TO-DO-"THIS MOVIE" ... NOW. The notion that "all the best" would reside within is, in 2005, purely, utterly ... Insane. We need to learn how to find the best; we need to learn how to work with the best ... ASAP.

The PSF33: The Firm & The Brand/Lovemark

- 27. EAT/SLEEP/BREATHE/OOZE INTEGRITY.** The very notion of “professional services” hinges upon the ... **IDEA OF INTEGRITY.** While this “goes without saying,” given the shenanigans of the likes of Arthur Andersen it is clear that “without saying” ... Must Be Repeatedly Said. **“My life is my message,”** said Gandhi. And “my life is my message” is ... THE MESSAGE ... for the Dramatically Different Denizens of our ... Fantastic ... Excellent ... Game-Changing ... PSFs. And while “Supercool” is ... Cooler than Cool ... INTEGRITY ... Is The Coolest of All!
- 28. EXCELLENCE + EXECUTION ... 100 PERCENT OF THE TIME.** In this section on “bedrock” I am talking about some of the ... LESS SEXY STUFF ... i.e. ... **BEDROCK.** And ... EXECUTION ... ranks right up there with integrity. The “idea” of Professional Service Firms goes ... Way Beyond ... “seriously cool ideas” to ... Seriously Cool ... **IMPLEMENTED** ... Ideas that ... Become EMBEDDED in Clients’ Firms & Lives. We may have the late Johnny Cochrane working for us as Chief Lawyer ... but if the appropriate papers aren’t filed on the appropriate day, the case is lost! And what holds for the law firm, as I see it, holds equally for the HR Department.
- 29. “DROP EVERYTHING”/“SWARM” TO SUPPORT A HARRIED ON-THE-VERGE TEAM.** One of the premier traits of FBR (Friedman Billings Ramsey) is its **“swarming”** ability. When a deal is going down, egos are shoved aside ... and everyone becomes ... Chief Bottle Washer ... to help that Team ... Seal the Deal.

- 30. SPEND AS AGGRESSIVELY ON R&D AS A TECH FIRM, OR CIRQUE DU SOLEIL. HOW BIG THIS IS! HOW HONORED IN THE BREACH THIS IS!**
 (With 9.9 out of 10 "departments," 8 out of 10 so-called "real" "PSFs." Research & Development ... it is at least as important for "HR" as it is for the biosciences group at GlaxoSmithKline. BELIEVE IT. (And, better yet: ACT ON IT.) (DAMN IT.)
- 31. WEB (TECHNOLOGY) OBSESSION.** The Web is the Centerpiece of my professional existence. E.g.: My Blogging is the ... **Essence of My Energetic Conversation** ... with Colleagues around the Globe. The Web **is** how I get things done! The Web **is** an astonishingly useful Research Tool, the Web **is** an Operational Medium of Extraordinary Importance to the PSF. Being "on top of" (OUT FRONT OF!) The Web is a sine qua non for PSF Excellence, circa 2005. If your "CIO" is not a Very Senior Executive ... and a WEB MANIAC to boot ... then you've got an Enormous Problem. (In my book.) (And this is my book.)
- 32. BRAND/"LOVEMARK" MANIACS.** Our Super Cool Enterprise is Organized & Exists, culturally, around a ... Remarkable Point of View ... WORTH BROADCASTING. Gandhi said, "You must be the change you wish to see in the world." I happen to believe that this holds for every enterprise, but I believe it holds **X10** for the Professional Service Firm. Until recently (witness the explosion of billboards for accounting and consulting firms), branding and "PSFs" have hardly been handmaidens. But those times are over! The ... PSF Worthy of Comment ... must be a ... BRAND EXTRAORDINAIRE! Better yet ... a ... LOVEMARK. (More to come.) Are there ... "Lovemark" PSFs? McKinsey counts, as I see it. IDEO, for sure. Infosys, in my book, though I don't really think they are there yet in the eyes of the General Public. IBM? Perhaps, but the firm is still saddled with its "M" (machines) image. Microsoft? Google? eBay? **ABSOLUTELY.**

"You can't behave in a calm, rational manner," said legendary GE CEO Jack Welch. "You've got to be out there on the lunatic fringe."

The point here is simple, at least for starters: THE IDEA OF BRANDING MUST BE AS COMMONPLACE FOR PSFs AS IT IS FOR TOOTHPASTE AND COSMETIC COMPANIES! AND OUR RARIFIED IDEA OF ... LOVEMARKS ... JUST JOIN IN THE PARADE AS WELL. SOON!

33. PASSION! ENTHUSIASM! In short ... Passion & Enthusiasm have as much of a place at the Head Table in a "PSF" as in a widgets factory. (DAMN IT!) *"You can't behave in a calm, rational manner,"* said legendary GE CEO Jack Welch. *"You've got to be out there on the lunatic fringe."* I think that's true of GE's Medical "Devices" Group ... now Medical Systems, recall. I think it's true of ... Friedman Billings Ramsey. And, let me say it as clearly as I can ... Tom Peters.

So that's it! My 33 ... REQUISITES OF EXCELLENCE for a ... PROFESSIONAL SERVICE FIRM. Easy to live up to? Never! Hard as the devil to live up to? ABSOLUTELY! (But, then, that's the Whole Point ... eh?)

* * * *

PSF "Scorecard": How You Stack Up

	A	B	C	D
1. Crystal-Clear Point of View				
2. Dramatic Difference				
3. Stretch is Routine				
4. Appetite for "Game-Changer" WOW Projects				

	A	B	C	D
5. "Playful" Clients				
6. Small "Uneconomic" Clients With Big Aims				
7. Life is Too Short to ... Work with Jerks				
8. Obsessed with LEGACY				
9. Fire Anyone Who Says "Law" (etc.) is a Commodity.				
10. Don't Shy Away From "Radical".				
11. Clients as ... Full Partners.				
12. Work With ... THE BEST ... to Serve Our Clients.				
13. Client Members Claim: Working With Us ... Best Ever.				
14. It's ... IMPLEMENTATION, Stupid!				
15. Our Aim: Client "CULTURE CHANGE".				
16. "TECHNOLOGY TRANSFER" (to Clients) Is Our Mark.				
17. DID WE MAKE A DRAMATIC, GAME-CHANGING DIFFERENCE?				
18. Are We ... TALENT FANATICS?				
19. Hire PECULIAR.				
20. Provide ... EARLY OPPORTUNITIES.				

	A	B	C	D
21. UP or OUT.				
22. Make Way for ... YOUTH.				
23. "Talent" Committed to ... RENEWAL.				
24. Bosses/"Practice Leaders" Obsessed with ... MENTORING.				
25. "Team Leader" Skills No.1 from Day 1.				
26. Welcome Best-of-Breed Outsiders to our ... TALENT FAMILY.				
27. INTEGRITY!				
28. EXECUTION (Rules)!				
29. "Swarm" to Support Our Mates.				
30. Invest in R&D Like ... MANIACS.				
31. Web! Web! Web!				
32. Aim to be (No Less Than) a LOVEMARK.				
33. Passion (PSF PASSION) Rules.				

Point of View

I'm obsessed by it.

(Obsessed by it!)

"It"?

POINT OF VIEW.

The Ultimate Definition of ... **"PSF EXCELLENCE"** ... is a ... POINT OF VIEW THAT MATTERS.

(Again: Point of View That Matters!)

(And, by the way ... DENTS THE UNIVERSE.)

This "obsession" of mine actually emerged in discussions with the leadership of a ... GIANT LAW FIRM. There I was, confronting hundreds (yes, literally, hundreds) of Law Partners, no less. They were well off ... financially. (Understatement.) They clearly "did good work" in any number of their "practice areas." (Understatement.) They were "the best." (By many measures.)

And there I was, standing before them, Lecturing to these Law Partners. And how did I begin? *"BEST IS NOT GOOD ENOUGH!"*

"DOING GOOD (EXCELLENT!) WORK AND MAKING A LOT OF MONEY IS "NOT GOOD ENOUGH!"

R.P.O.V.8.

R. Remarkable. P. Point. O. Of
V. View. Eight. (Remember
Seth: "If you can't state your
position in eight words
or less, you don't have a
position.")

You could indeed have heard that proverbial pin drop! (I surely did.)

But I believe it, and, actually, they believe it too (I think), which is why they invited me in the first place. There are a lot of lawyers out there! And the point ... concerning the Lawyers as well as Management Gurus ... is ... STEPPING OUT AND STANDING UP ... CREATING "DRAMATIC DIFFERENCE." (Or else.)

No ... "BEST IS NOT GOOD ENOUGH!" Because "best," among other things, suggests a *linear* measure. "Best" suggests that one perches at the top of today's Yardstick. And that is not, certainly, circa 2005 ... "good enough."

And so it narrows down to ... POV. Point Of View. Or stealing from my friend Seth Godin, with adaptation: THE R.P.O.V.8.

YES! YES!

R.P.O.V.8.

Key words:

R. Remarkable.

P. Point.

V. View.

Eight. (Remember Seth: "If you can't state your position in eight words or less, you don't have a position.")

YES!

YES!

(AND YES!)

Or as the great movie mogul, Samuel Goldwyn, put it, "*IF YOU CAN'T WRITE YOUR MOVIE IDEA ON THE BACK OF A BUSINESS CARD, YOU AIN'T GOT A MOVIE.*"

Yes! THAT'S THE WHOLE IDEA OF THIS PAPER! The notion that the ... Competitive Pressures ... have become ... Gigantic ... **Humongous** ... Enormous. China! India! The microprocessor! An abundance of Lawyers & Doctors! Standing out? A NECESSITY! In focusing on that "standing out," the "Dramatic Difference dimension" ... how better to put it: R.P.O.V.8. That is: Remarkable Point Of View ... Expressed in 8 Big Words. (Or Less.) (On the back of that business card, per Mr. Goldwyn.)

And what goes into those Eight Big Words: Let's listen to my friend ... KEVIN ROBERTS ... CEO of the extraordinary ad agency Saatchi & Saatchi and creator of the idea of ... LOVEMARKS. (Think Harley.) (Think Apple.) (Think me.) (Think you.) He says that the magic words are:

MYSTERY.

SENSUALITY.

ENCHANTMENT.

INTIMACY.

EXPLORATION.

For those lawyers?

DAMN RIGHT!

For me? DAMN RIGHT!

Ah!

I love it!

MYSTERY.

MAGIC.

SENSUALITY.

ENCHANTMENT.

INTIMACY.

EXPLORATION.

Oh dear. Oh dear. Oh how much I want to make those ... MAGICAL WORDS ... the ... SIGNATURE ... of my work. For each of my audiences. For each participant (sometimes there are 10,000). I want to ... "Paint Portraits of Excellence." Creativity guru Michael Ray says: "Make your life a creative work of art." I WANT TO MAKE MY LIFE A "CREATIVE WORK OF ART." And—AND HERE'S THE RUB—I believe that "making my

life a creative work of art" is a ... MINIMUM SURVIVAL REQUIREMENT in the new ... Bold, Brave World ... of ... PSF = EVERYTHING. (I.e., that world of ... MANAGED ASSET REFLATION).

A Hopeless Romantic! (Me.)

George Bernard Shaw put it this way: *"This is the True Joy of Life, of being used for a Purpose recognized by yourself as a Mighty One ... of 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."*

Go GBS!

I think it's more than fair to get ... hopelessly emotional and weepy about this ... PSF = EVERYTHING ... Idea. Yes, I'm "emotional" about ... you GUESSED it ... PSFs. That is, I see these "vehicles" as a Path to (Professional) Salvation. (And for me, Personal Salvation.) And as a path to Inspiring Excellence & Dramatic Difference ... Personally & Professionally. Making Your/My life "a creative art" has Surpassing Appeal to me. As does the "True Joy of Life ... of being Used for a Purpose recognized by yourself as a Mighty One" ... the "Being a Force of Nature," per Mr. G.B. Shaw.

I tried (succeeded?) to make that point in a speech to HR execs in November of 2004. Here's how I began: *"THIS IS AN IMPORTANT SPEECH! WHY? YOU ARE IMPORTANT PEOPLE! AND WHY THE HELL DO I HAVE TO PERSUADE YOU OF THAT? GET THE F!!** CHIPS OFF YOUR SHOULDERS! **STAND TALL! DARE TO BE 'INSANELY GREAT.'** ACT LIKE THE ... STALWART HEROES ... YOU TRULY ARE! DAMN IT!"*

Yes, I was mad! Agitated! Angry! Hopeful! **DERANGED!** Mad, mostly, that I had to even be saying this. BECAUSE IT'S SO DAMNED OBVIOUS TO ME!

What are we talking about here? You guessed it: MANAGED ASSET REFLATION!

Summary

I have a story to tell. It's actually a ... **SIMPLE** ... story. The fact that I have this "story to tell" occurred to me while attending a two-day seminar, a parade of "management gurus," in Dubai. Everybody ... AND I DO MEAN EVERYBODY ... was talking about "the Knowledge Economy." And it occurred to me that what I'm talking about is beyond ... WAY BEYOND ... the "knowledge economy." That is, I ... TOM PETERS ... want to become a ... DREAM MERCHANT ... a ... LOVEMARK! (Nothing less.)

But what I want to do, ever so briefly, is to summarize ... MY WHOLE CASE. And here's the way it works:

The bedrock: LOVEMARK LEADERSHIP. Leadership that is Determined to Create a Lovemark. (In "HR." "Purchasing." "Whatever.")

Right above the "bedrock" ("Lovemark Leadership," remember) comes the Base. Or, more specifically, two bases.

BASE I: TALENT. And talent? TALENT = BRAND YOUs ON QUESTS. These are ... Extraordinary People ... Independent people. People Who Are ... Determined to Make Their Mark. (Those Quests!) I call them "Brand You." Collectively, those Brand Yous are our ... TALENT. Yours. Mine. The New York Yankees'.

BASE II: THE "DNA" IS WOW! PROJECTS. I ... LOVE ... the word, "**WOW!**" And doing ... WOW! Work (PROJECTS!) ... is, indeed, the ... Essence ... the ... DNA of our "PSF enterprise."

PRODUCT I. Next we move up to ... PRODUCT I. The "product" of the Cumulative "Projects" and "Brand Yous On Quests" is ... our ... Cherished PSF. That's the point! That's the argument! The simple argument: *The "PSF" is no more than/no less than the accumulation of Brand-Yous-On-Quests-Performing-Wow! Projects. (Period.) (PERIOD.)*

NEXT UP: PRODUCT II. The highest form of the "product" is what I call "PSF w/ R.P.O.V.8." That is, the Professional Service Firm which has a ... Remarkable Point Of View, expressed in ... Eight Words (or less).

Then we move to the top of our "triangle": THE APEX.

APEX I: DISRUPTION DERVISHES. Our "PSF w/ R.P.O.V.8" is on a mission to Disrupt! (Remember our earlier riff about Infosys and IBM ... bent on Industry Disruption, no less.) And ... Disruption-Is-Our-Name ... We Are Disruption Dervishes. (What else!?) (PERIOD.)

AND THEN AT THE TOP OF THIS PYRAMID, APEX II: DREAMKETING/ DREAMMERCHANTS/LOVEMARKS. WE AIM TO BE A ... LOVEMARK! We aim to ... Disrupt! We aim to be ... Dervishes! We aim to make ... Dreams Come True! THAT IS US! **(OR WHY GET OUT OF BED?)**

That's my simple story.

Branding is about a lot of things, but when branding matters ... for PSFs in particular ... it is indeed a "character issue."

It All Adds Up to ... THE BRAND. (The Story!) (The Dream!) (The Love!)

This is a "story" about "PSFs"! And it is ... (THEREFORE) ... a story about ... BRANDING. Branding matters. (Obvious.) Branding matters ... LESS OBVIOUS ... for PSFs! (E.g., former "Logistics Departments.")

So what is branding? At Coca-Cola, it's a jillion dollars spent on advertising. As far as I'm concerned (FOR ME!) (MR. PSF!) (FOR YOU!) "branding" is an answer to some ... Straightforward Questions. Straightforward ... albeit Tough:

QUESTION I: "WHO ARE WE?" The PSF (Coca-Cola) "brand," in the end, is all about **CHARACTER!** Branding is about a lot of things, but when branding matters ... for PSFs in particular ... it is indeed a "character issue."

QUESTION II: "WHAT'S OUR STORY?" The *Washington Post* in September 2004 asked this (in retrospect, poignant) question about John Kerry:

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?

I don't think Mr. Kerry ever made that connection with numerous voters. And I think, to a significant degree ... it's why he lost. He couldn't answer the question: "*WHAT'S OUR/MY STORY?*"

Futurist Rolph Jensen puts it more oceanically:

"We're 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."

Mr. Jensen, head of the Copenhagen Institute for Future Studies, has a point ... for me ... for Each & Every PSF. (PERIOD.)

QUESTION III: "WHAT'S THE DREAM?" Kevin Roberts took over as Big Boss at Saatchi & Saatchi. He had a dream:

Nothing is impossible.
To be revered as a hothouse
For world-changing creative
Ideas that transform
Our clients' brands,
Businesses, and
Reputations.

* * * *

Kevin's "bit" drives me crazy. It's **(OBVIOUSLY???)** the sort of "dream" every IS/IT, HR, Finance, Purchasing, Logistics, Engineering "Department" should have!

Right?

(Period!?)

The failure of Departments & Individuals to have such ... Clearly Articulated & Oceanic & GAME CHANGING ... **DREAMS** ... is the Key (THE KEY) to competitiveness (OR LACK THEREOF) in the emergent, wacko economy.

Yes ...

Yes ... I am ... HUNG UP ON DREAMS!

1. Their "economic value."
2. Their "survival value."
3. Their role in Attracting & Retaining World-Beating Talent.

PSF = Everything.

Best PSF = Best (MOST AUDACIOUS) Dreams.

QUESTION IV: "EXACTLY HOW ARE WE DRAMATICALLY DIFFERENT?" "You do not merely want to be the best of the best," said Greatful Dead majordomo Jerry Garcia, "you want to be considered the ... only ones that do what you do."

Go Jerry!

(What else?)

Well, Mr. Roberts (Kevin Roberts, the Saatchi guy) tells us that there is a "what else."
And it is ... A LOVEMARK!

Roberts says "it" (**LOVE!**) was a hard sell (and it would be even harder in PSF-land): "When I first suggested that love was the way to transform businesses, grown CEOs blushed and slid down behind their 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 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."

I have numerous goals in this paper. One of them (**ONE BIG ONE!**) is to espouse the Gospel of Lovemarks as the "PSF Signature." Fact is: I'M IN LOVE WITH "LOVEMARKS." Lovemarks are (per Roberts): Iconic. A story. Wrapped in mystery. About spirit. Passionately creative. Including a Touch of Sensuality. Creating a Love Story. Personal.

Yes!

I WANT TO BE A LOVEMARK!

(And I am a ... PSF.)

* * * *

L = L: "Lovemarks" is our Landmark in this Essay. It's where we've been going ... on the Long Road to ... **Managed Asset Reflation!**

"Lovemarks" "sound" "over the top." *Right?* And especially for "PSFs." *Right:?*

No.

No.

(Hell no.)

This is where our journey has been leading ... all along:

"Accounting Department"!

Why not a *Lovemark*?

Engineering "department."

Why not a *Lovemark*?

Logistics "department"!

Why not a *Lovemark*?

That is ... **WHY NOT** ... a plan that is so ... **SUPER-COOL** ... and literally ... **AWE-INSPIRING/GASP-WORTHY** ... in its **ACTIONS & ASPIRATIONS** ... that it is (iPod-like, Harley-like, Starbucks-like) worthy of ... **LOVE?**

To me (Your Author & Guide) this is ... OBVIOUS ... LOGICAL ... and ... NECESSARY IN THIS EMAF/Era of Managed Asset Reflation. Fact: I will not stand idly by if You ... BELOVED READER ... aspire to be less than a ... LOVEMARK!

(Why not?)

* * * *

And how do you/me/we know you're a ... LOVEMARK? Well, Martin Lindstrom gives us a partial answer that I'll hang with, in his superlative new book ... BRAND sense: Build Powerful Brands through Touch, Taste, Smell, Sight, and Sound. He tells us there's such a thing as a "tattoo brand"; that is, a brand that is so ... Intimate/Personal/Adored ... that "users" are willing to tattoo its name on their bodies! And the top 10 "tattoo brands": Harley-Davidson, where 18.9 percent of users would tattoo the brand on their body. Disney, 14.8 percent. Coke, 7.7 percent. Google,

There's such a thing as a "tattoo brand"; that is, a brand that is so ... Intimate/ Personal/Adored ... that "users" are willing to tattoo its name on their bodies!

6.6 percent. Pepsi, 6.1 percent. Rolex, 5.6 percent. Nike, 4.6 percent. Adidas, 3.1 percent. Absolut, 2.6 percent. And rounding out the top 10, Nintendo, 1.5 percent.

WOW!

Wish that were me!

Wish this were every "PSF."

(And why not?)

(How do you dare aspire to less?)

Operationalizing It

At my blog site at <http://tompeters.com>, I am busily putting together a list of "100 WAYS TO SUCCEED." At the end of 2004, I offered suggestion #35: Lovemark Or Bust!

It went this way:

1. Enjoy your Holiday Season!
2. Between now and 1 JAN 2005 (this was written 20 December 2004), invent 10/TEN! actions, solo or with pals, to Launch Your ... "Lovemark Journey 2005."

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

(b) The words in No.3 (a) above ... Do ... Apply to You!

4. Develop a "No Bull" Action Schedule that includes 2 Hard First Steps by 10 JAN 2005, 5 Hard First Steps by 1 FEB 2005.

5. Report back to this website, tompeters.com!

6. Pronunciamiento: 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!)

(So?)

Experience Ladder Revisited & Extended & Encompassing "PSF"

And ... so "all the above" led to my latest (and last, so far) "revision" of the well-treaded Experience Ladder, from bottom to top:

Lovemarks.

Dreams Come True.

***Awesome Experiences.
Solutions.
Services.
Goods.***

Raw materials. And—EACH AND EVERY ONE ... applies to ... you guessed it ... PSFs.

You!

Me!

* * * *

I am fixated ... FIXATED ... on the ... **Damn Ladder!**

Why?

I believe ... **WITH EVERY OUNCE OF MY BEING** ... that to merely ... SURVIVE ... (Professionally!) ... we ... (ME) ... must ... SCRAMBLE ... SCRAMBLE ... SCRAMBLE ... Up Those Rungs.

"They" say I "invented" the "Management guru `industry.'" True or Not or In-between ... MY "LADDER" IS CROWDED. I ... OBSESS ... DAILY ... ON ... ADDING VALUE ... Pursuing ... DRAMATIC DIFFERENCE ... becoming a ... LOVEMARK.

"Over the top," you say.

"Survival," I retort.

I have ... no CHOICE. And I conclude ...Thinking in Terms of the Experience/Dream (Aspiration!) Merchant/Lovemark World that my "concern" is ... ULTIMATELY PRODUCTIVE. (AND ... PRAGMATIC!)

That's my Case.

Take It, or leave It.

Please (for Survival's Sake), Take It.

Case: Real Estate.2004

I've been on this "Lovemark" "wicket" for a while now. But my concerns came home to roost ... in December 2004 ... when I had the Golden Opportunity to speak to the ... HOUSTON ASSOCIATION OF REALTORS.

I wrote up my experience & advice to the Houston Association of Realtors:

Upon being questioned by a member of the [HAR] audience concerning slipping commissions, I drew a rueful laugh when I snippily retorted, "Get over it." I added, "Be thankful for how long your de facto Monopoly lasted, and when you do hold your Ritual Weeping Party, don't invite Stockbrokers—their [post-Web] fee structure means they can hardly afford Cab Fare to your whinging party, hence the Sympathy will likely be in short supply."

Truth is, I had a ball during my ninetieth and Last Seminar of 2004—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 [perversion?] out of dealing with yet another "Profession" coming ... under ... Direct Siege. After years of an almost guaranteed 6 percent commission ... the Web Has Arrived. I spent hours patrolling the likes of LendingTree.com, ZipRealty.com,

ServiceMagic.com and even homedepot.com. The array of online services, advisory to turn-key, is staggering ... and growing daily ... and attracting aggressive players like Barry Diller and Cendant.

Some 70 percent 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, versus 7.1 weeks for the non-Webbies. Realtors pay 25 percent or so—a Big Deal!—of their fee for online-generated leads from third-party providers, and commissions in general are more like 4.5 percent than 6 percent 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 Website, 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-listings sites in their locales. Talk about baying at the moon! Eventually the courts will stop the Silliness ... but not before the Luddites squander another few years playing defense.

My Tom-message is fourfold: 1. The Web is here to stay/You ain’t seen nothin’ yet!
2. Make the Web and the New Services associated therewith 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 Live Meeting Web Seminar on KR’s powerful-profound “Lovemark” idea. I hawked this like crazy to the HAR gang, 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 two questions: 1. WHAT'S THE "DREAM" THAT YOU OFFER? 2. HOW DO YOU BECOME A ... "LOVEMARK"?

I insisted I was not "talking at" my Houston Clients, but "with" them. 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 claims there are 150 speakers priced at or above \$40,000 a pop—up from one when I, effectively, invented the "guru industry" 20 or so years ago. (On the other/lower end of the-my market spectrum, e-learning is eclipsing classroom training at an extraordinary rate.) All fine with me! I well know that I must work night & day on my ... Lovemark!

Welcome to 2005, Realtors. (And Lawyers!) (And "management gurus"!) (And just about everybody, including the Hundreds of Thousands in the "I've Been Outsourced 2005 'ranks.'") "Message: THINK/OBSESS 'OFFENSE.' THINK/ OBSESS 'LOVEMARK'!"

Yup, that's the way I put it to the Realtors of Beloved Houston.

Okay?

* * * *

I sat down with the officers of a big Professional Service Firm. An *Excellent* one at that. They were focusing on ... hooray ... *BRANDING!* They were concocting ... a Very Bright Group ... a "brand statement." It included ... Very Good stuff. For example: Integrity! Quality! Excellence! Superior Service!

And I ... well ... REVOLTED.

Why? BECAUSE I KNEW THESE FOLKS! Let me be clear. I have no problem with ... "Integrity." "Quality." "Excellence." "Continuous Improvement." "Superior Service." "Exceed Expectations." "Smooth Evolution." "Market Share." (Who could be against this stuff?)

It's just that ... EACH OF THESE (good) TERMS ... is about ... STASIS.

It doesn't ... GO FAR ENOUGH.

So I suggested examining a second set of words that smack of ... DYNAMISM and DIFFERENCE. E.g.: *Dramatic Difference! Disruptive! Insanely Great! (That one, from Steve Jobs.) Life/Industry-changing Experience! Game-changer! WOW! Surprise! Delight! Breathtaking! "Makes You GASP!" Market Creation!*

One set: GOOD STUFF. But: STATIC!

The other set: Dynamic! Different! Game-changing!

I reiterate that I don't wish to downplay "the first" set. I'm wholly in favor of ... Integrity. And Quality. (Etc.) But I'm also "equally in favor" (if that's the right term) of stuff that ... SHAKES THINGS UP. Dramatic difference! Disruptive! Insanely great! Life-changing! Game-changing! **WOW!**

(You get my point?)

(They did, I'm pleased to say.)

New "C-Levels"

We apparently have a "thing" about "Cs." I repeatedly get notes from clients that say, "Your seminar will be attended by 'C-levels.'" That is: CIOs. (Information.) CFOs. (Finance.) CMOs. (Marketing.) And so on.

Well ... you might be surprised (I'm not very much for titles) ... but ... I BUY THE ACT.

But hold on?!

I want ... MINE! That is ... My C-levels: "C"- "Levels" that define my "Ubiquitous New 'PSF' World." So, try these:

cXo. (Chief eXperience Officer.)

cFo. (Chief Festivals Officer.) (How cool ... eh? All of life in the ... Purchasing Department, etc., is ... FESTIVALS OF EXCELLENCE!)

cCo. (Chief Conversations Officer.) (All of life redux = CONVERSATIONS!)

cLo. (Chief Lovemark Officer.) (What else?)

cWo. (Chief WOW! Officer.) (From me ... of course?)

cDM. (Chief Dream Merchant.) (Yup!)

cSTo. (Chief StoryTelling Officer.) (Again: WOW!)

And finally: **cEXo.** Chief Excellence Officer.

I am four square in favor
of ... TRANSFORMATION.
We ... ACKNOWLEDGE
... that we ... AIM TO ...
Transform our Clients'
worlds. Our ... LEADERS
... will be ... (PERIOD) ...
TRANSFORMERS!

It's simple.

I am four square in favor of ... TRANSFORMATION. We ... ACKNOWLEDGE ... that we ... AIM TO ... Transform our Clients' worlds. Our ... LEADERS ... will be ... (PERIOD) ... TRANSFORMERS!

Hence the idea of, say, a Chief Dream Merchant. I want all of our "PSFs" to deliver ... no less than ... MAGIC! (As a matter of ... ROUTINE.)

* * * *

I happened upon these scribbblings in one of my notebooks:

"I do ... LOVEMARKS."

"Confessions of a 'PSF Addict.'"

"I am a 'DreamMerchant.'"

It's *why* I'm writing this "White Paper."

It's *what* I think is ... **NECESSARY** ... for Survival.

DreamMerchants!

Lovemarks!

Excellence!

WOW!

Great Stories!

Scintillating Conversations!

Amazing Experiences!

Breathtaking Festivals.

These aims ... to me ... should be **routine**. Like **breathing!** In "HR." In "Purchasing." In "Logistics." At the ... Law Firm. And for ... Tom Peters.

By Design!

This section clearly belongs in this "discussion" of "PSFs." "Design." Which equals: "COOL." As one executive put it: "If you can't 'win' on 'cost,' then you're only left with 'Cool.'" (That is: MANAGED ASSET REFLATION!) **(That is: DESIGN!) (That is: Point Of View!)** "Design' at Apple/Starbucks/BMW is a 'State Of Mind,'" says David Kelley. "It's not a 'program,' it's a ... WAY OF LIFE." That, to me, is the ... **DESIGN IDEA**. And the point here is ... that this ... "DESIGN THING" ... belongs front & center in a discussion of ... "PSFs." PSFs ... AS I SEE THEM ... "PSFs" are as much about ... DESIGN ... as BMW.

PSFs ... at their best ... are about ... **METAPHYSICS**. (The Metaphysics of Total Client Transformation. I.e., about soul-deep design.)

* * * *

I'm an avowed **lunatic** about design. Starting with myself. Every presentation is a ... PERFORMANCE. The data must be not just "accurate" ... but ... COMPELLING. The delivery must be not just "professional" (articulate, whatever) ... but ... STARTLING.

Gandhi said, "You must be the change you wish to see in the world." If that's not the No.1 ad for Design-in-PSFs, I don't know what would or could be. PSF-ing that becomes Lovemark-worthy is about a ... Transforming Aesthetic.

Why in the world should I have to defend ... **DESIGN?** Design stands for "all those 'soft' things" that don't normally "make it onto the business school curriculum." But which belong, say, in an accounting course ("in the beautiful presentation of data in a compelling, persuasive fashion").

* * * *

Oh dear.

Will I succeed.

Will I fail.

I am a "PSF Bigot."

I believe in ... PSFs!

And ...

And ...

And ... I believe that "PSFs" are "entities" of ... Aesthetic Virtue.

I believe that a ... PSF-at-its-Best ... is ... CIRQUE DU SOLEIL!

I believe ... **THE SKY IS THE LIMIT** ... for PSFs.

Nothing ... NOTHING ... is Impossible.

Challenge me?

Fine.

(BUT YOU'LL NEVER GET ME TO BUDGE.)

* * * *

Design.

Gorgeous "stuff."

iPods.

BMW's.

But also:

Gorgeous training materials. (Web-based or print.)

Signage!

Merchandising!

Web Sites!



More or less
(overwhelmingly "more"):
Design = Seat/Soul of
... **MANAGED ASSET
REFLATION.**

Forms!

Manuals!

Procedures!

Offices!

Calling Cards!

"Substance" without "brilliant presentation" is ... **ZERO.** (Or close to it.) For me (public speaker): The medium **is** the message—to steal from McLuhan. The "energy"/"passion" of my "performance" (and it is a performance) is as important as the charts and graphs and statistics. I "sell" an "emotional point of view" about ... Dream Merchants ... eXperience.

More or less (overwhelmingly "more"): Design = Seat/Soul of ... **MANAGED ASSET REFLATION.**

Design!

Design rules!

Okay ... another "C": cDo. Chief Design Officer. (For your 1- or 1,000-person PSF.)

Bedrock: Brand Inside+

Lou didn't want to have to deal with it! **But he had to!**

"If I could have chosen not to tackle the IBM culture head-on," Superstar CEO Lou Gerstner writes in his autobiography, "I probably wouldn't have. My bias coming in was toward strategy, analysis and measurement. In comparison, changing the attitudes 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's **the** game."

Lou did change the culture. And IBM in turn went from life support to ruffles & flourishes in a scant decade in a merciless industry. (One prays HP will be as lucky—and one doubts it.)

The idea of "corporate culture" rose to the fore in the late 70s, early 80s, as companies grappled with adopting new post-World War II identities in the face of novel competitive challenges.

I was an early proponent of the "corporate culture" "movement." Today, though, I think we need to up the ante ("PSF" = "Everything"). And I wish to replace "corporate culture" with: "Brand Inside."

Great Brands ooze and are built upon ... Great Character. Dreams delivered. To effectively "deliver dreams" (or Love!) to one—or a hundred million—"outsiders" (customers), we need that "great character" (scintillating character, disruptive character) "inside" our walls. We need our "inner brand" to be as strong, vital, creative as our "outer brand."

Let's call it the ... New Enterprise Value-Added Equation. 2005.

* * * *

There is an ... **engine** ... that drives this scintillating "PSF" World. It is ... obviously ... **PEOPLE**. More helpfully, I hope, what I've called for 10 years ... Brand You.

It goes like this:

1. 100 percent "WOW! Projects" (New Org "DNA"/"The Work") + 2. Incredible "TALENT" (consisting of 3. Entrepreneurial "BRAND YOUS" who are 4. Launched on Awesome "QUESTs") = 5. Internal "Rockin' PSFs" (Staff Depts Morphed Into Wildly Innovative Professional Service Firms!) which coalesce 6. to Transform the FEVP/Fundamental Enterprise Value Proposition from 7. "Superior Products & Services" to "ENCOMPASSING SOLUTIONS" & "GAME-CHANGING CLIENT SUCCESSES" + 8. Dreams-come-true/Lovemarks!

* * * *

Forgive me. I want to put all these "equations" before you in one plan. So ... HERE COMES THAT LADDER AGAIN:

- Lovemarks.***
- Dreams Come True.***
- Awesome Experiences.***
- Solutions.***
- Services.***
- Goods.***
- Raw materials.***

I also offer (my third "equation") the ... PSF Pyramid of Power:

BEDROCK: LOVEMARK LEADERSHIP.

Base I: Talent = Brand Yous on Steroids.

Base II: DNA = WOW! Projects.

"Product" I: PSF = Hyperactive Brand Yous + WOW! Projects.

"Product" II: PSF w/ R.P.O.V.8 (Remarkable POINT OF VIEW, in 8 Words Or Less).

Apex I: DisruptionDervishes!/Transformation Tornados!

Apex II: Dreamketing!/DreamMerchants!/Lovemarks!

These three "takes"/"equations" are different yet complementary. I trust they help.

Built on a ... BRAND YOU ... World

There is an ... **engine** ... that drives this scintillating "PSF" World. It is ... obviously ... **PEOPLE**. More helpfully, I hope, what I've called for 10 years ... Brand You.

"Brand You," as I imagine it, is light years from: "Worker" ... "Employee" ... "Human Resource" ... "Personnel" ... or even the more recently popular "Associate."

Brand You smacks of independence! Spirit! Committed to WOW (for survival's sake)! And, of course, this whole idea of "PSF as Dream Merchants"/"Managed Asset Reflation" is moving "light years" (as well) beyond the "department"/"cost center"/"overhead" and toward ... Vibrant Creative Energy.

Michael Goldhaber, writing in *Wired*, puts it brilliantly and perfectly, the Ultimate Adult ToughLove Statement: "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." Or in my words: DISTINCT ... or ... EXTINCT.

The essence of my/our "Brand You" can be captured in what I call the NewWorkSurvivalKit.2005:

1. **MASTERY.** Aim to be the best! Be absurdly good at ... *SOMETHING*. Given the host of challenges that face us, "standing out" is ... for better or worse ... a "minimum" requisite.
2. **"MANAGE" TO LEGACY.** All work must be ... or aim to be ... "Memorable." Or: "Braggable." Or (my favorite): WOW! Projects. "Stuff" you'll be talking about 10 ... or 30 ... years from now!
3. **A "USP"/UNIQUE SELLING PROPOSITION.** "USP" is old hat ... if you are Procter & Gamble. But my point is that USP must become ... "Everyone's Point." We each and every one ... NEED ... a USP/Unique Selling Proposition. A ... Trademark. (WOWmark? Lovemark? R.P.O.V.8?)
4. **ROLODEX OBSESSION.** "Suck up" is as important as ever! But in days gone by it was "vertical" suck up. "Sucking up" to the ... HIERARCHY. Now it's about having the best "Set Of Pals." That is, "Sucking Up" ... "HORIZONTALLY." Having the Fattest (and Best Tended) Rolodex of Contacts. (Supporters, Champions, Geniuses Useful on a Project.) Once more, the responsibility for the Brand You Network (Rolodex) shifts from Company to You ... Ms. Brand You.
5. **ENTREPRENEURIAL INSTINCT.** We still may end up on the same payroll for years and years. But we must understand, and act as if we are on our own "payroll" ... Me Inc. We must be/behave ... EVERY DAMN DAY ... as our Own Boss ... MAKING OUR OWN DETERMINED WAY IN THE WORLD.



6. **YOU ARE ... CEO!** You are CEO/Leader/Businessperson/Closer! Your metaphorical P&L must (?)_____(!) You've got to ... Close The Deal! That's what "it" (Brand You World) is all about ... like it or not.
7. **MISTRESS OF IMPROV.** There are a "dozen roles to play" if you are "running your own business." It's easier for women. ("Multitasking is thy name.") But male or female, you've got to get with the program. You've got to be everything from ... Chief Strategist to ... Chief Toilet Scrubber. (And everything in-between.)
8. **SENSE OF HUMOR.** Stuff goes wrong all the time for entrepreneurs. (I.e.: Brand Yous.) You've got to take the heat, get off the deck ... AND MOVE FORWARD. I call it "Sense of Humor." You call it whatever. "Getting on with it" ... NO MATTER WHAT ... it is the Name of the Brand You Game.
9. **COMFORTABLE WITH YOUR SKIN.** YOU ARE WHO YOU ARE. So: BRING GLORIOUS YOU TO WORK. The Essence of Excellence (AND I DEEPLY BELIEVE THIS) is ... Being You. That is, in a "Brand You" world, the only world as I see it, you ... ACCENTUATE the "DISTINCT" you ... to Avoid the ... "EXTINCT" bureaucrat.
10. **INTENSE APPETITE FOR TECHNOLOGY.** You don't have to be a "techie." But you've got to ... LOVE ... and USE ... the New Technologies ... with JOY and VERVE. Starter: Do you blog? YOU MUST. (Per me.)
11. **EMBRACE "MARKETING."** We don't all have to be ... Oprah. We all do need to have the "Oprah Attitude." We must understand that ... MARKETING ... is a ... BIG



PART ... of What We Do. (Security for "Competent Bureaucrats" = D.O.A.) Hence: Marketing Excellence = A Must. (Deal With It.)

12. PASSION FOR RENEWAL. You must become your own ... CLO. (Chief LEARNING Officer.) Picking up "New Stuff" is a necessity. How bold is your R.I.P.? Renewal Investment Plan? It'd best be as good as your "Retirement Plan." Bold! Game-changing! PERIOD.

13. EXECUTION EXCELLENCE. Or as Woody Allen & I put it: Show up! Be the ... First to Arrive! The Last to Leave. Just Do It! (DISTINCT ... or ... EXTINCT.)

Reprise

1. PSFs = Everything.
2. PSFs peddle ... Awesome Experiences–Dreams Come True ... Game-changing Solutions & Client Success.
3. PSFs ... REQUIRE ... The "Best People."
4. "Best People" = Entrepreneurial Creative Brand Yous.
5. It all adds up to: DISTINCT ... or ... EXTINCT.
6. Q.E.D.

The WOW! Project ... It's
the WORK! That is ... WORK
THAT MATTERS!

The Talent Obsession

BRAND = TALENT.

PERIOD.

"The leaders of Great Groups," write Warren Bennis and Patricia Ward Biederman in *Organizing Genius*, "love talent and know where to find it. They revel in the talent of others."

The talent obsession is about ... **TALENT.**

TALENT ... the Pursuit Thereof and Development Thereof ... in the ... NAME (first, middle, last) of our PSF GAME. (And, recall: PSF = Everything.)

PSF Leaders are ... FIXATED ... on TALENT.

PSF Leaders ... "DO TALENT."

PSF Leaders ... Do Talent "**24/7.**" (Analogous to a pro football or pro baseball General Manager—what I call "No shit 24/7.") ("GMs" ... as a ... MATTER OF COURSE ... never settle for ... LESS THAN THE BEST.) (Read Michael Lewis' *Money Ball*: Pro Sports GMs ... EAT ... SLEEP ... DREAM ... TALENT. Ballet, too: See the movie *The Company*.)

A lot of "leaders" claim they're "people people." Football & Ballet GMs/Directors ... TRULY ARE PEOPLE PEOPLE. And so must be ... EVERY ... "PSF" Chief!

It's that Simple!

It's that Hard!

"Talent"

What a ... Gorgeous Word.

Talent = Brand.

Period.

The WOW! Project

There are 3 "basics" which underlie "all this": 1. "Brand You." (The individual with Spunk & Spirit & Initiative!) 2. The Obsession for Talent. (Talent = Everything.) (Talent = Collection of Brand Yous.) And 3. the WOW! Project.

The WOW! Project ... It's the WORK! That is ... WORK THAT MATTERS! I don't know how to make it complex. God knows I've tried to flesh it out. (See *The Project50*.) The point is ... OBVIOUS: Does the "shit you do" add up to ... SOMETHING? Or ... NOT?

Work.

Or: WORK.

Circa 2005.

Whadda we ... Do?

PROJECTS.

So how (RIGHT NOW!) does your CURRENT PROJECT (**RIGHT NOW!**) stack up, on a scale of 1 to 10 (1 is "worst!"):

1. Another day's work.

—

—

4. Of value.

—

—

7. Pretty damn cool/definitely subversive.

—

—

10. WE AIM TO CHANGE THE WORLD!/INSANELY GREAT!/HOLY MOLY!/ JUMPIN' JEHOSEPHAT!/WOW!

I don't understand ...

I don't understand ... IN THE LEAST.

I don't understand IN THE LEAST ... ANYONE ... who doesn't ... AIM TO CHANGE THE WORLD.

I don't understand ... ANYONE ... who doesn't aim to be ... INSANELY GREAT.

We don't always "get there." (Of course!) "Stuff happens." But we can ... ALL ... AIM TO BE ... INSANELY GREAT?

Can't we?

(No, I'm not an idiot.)

(I know that it is not a "perfect world.")

(I also know that ... I can ... Aim High.)

(THAT'S THE POINT.)

(ISN'T IT?)

(WE'RE TALKING ... SURVIVAL.)

(We're talking ... MANAGED ASSET REFLATION.) (Or else.)

WOW now!

Lovemark Leadership Lessons for PSF DreamMerchants and Lovemark Champions: The Passion Imperative

Let's begin this discussion of ... LOVEMARK LEADERSHIP ... by reviewing our Ladder of PSF Excellence (which is, after all, the Point of the Exercise):

Bottom rung: *Raw Materials*.

Next step: *Goods*.

Next: *Services*.

Next: *Solutions*.

Next: *Awesome Experiences*.

Next: *Dreams Come True*.

Heaven-on-Earth: *Lovemarks*.

So the Closing Query automatically becomes: What is the "leadership array" associated with scaling our Ladder of PSF Excellence?

Start a Crusade!

"Create a 'cause,' not a business."

—Gary Hamel

It's all about *Crusades! Adventures! Exploration! Transformation Dramas!(?) Dreams!* That is, going after something ... That Is An Imperative. As I wrote earlier, Thomas Jefferson made what may have been the most important decision an American president has ever made, the Louisiana Purchase. His enemies? They called it "the wildest chimera of a moonstruck mind."

Bob Taylor founded Xerox's wildly inventive Palo Alto Research Center/PARC. A colleague spoke to Taylor's chief skill, called him a "Connoisseur of Talent."

I've fallen in love. Fallen in love with: "THE WILDEST CHIMERA OF A MOONSTRUCK MIND." And may we all be blessed with ... THE WILDEST CHIMERAS OF OUR MOONSTRUCK MINDS!

* * * *

I'll soon speak to franchisees of a major fast food chain. There's a fast food outlet (or five) on every street corner. It's a "Mature category"—even before the PC Obesity Police stepped in!

Well ... *bull!*

It is *not* a "mature category."

Proof? Go visit 10 fast food outlets. (I did as "research." 17, actually.) Not a one was "distinguished." Toilets dirty. (17 for 17.) Attitudes marginal. (14 of 17.) And so on.

Excellence?

Ha!

If you willed me 10—or 2 or 25—fast food sites tomorrow, I'd die trying to make each one a ... PSF Crusade of Cool. (Krewsade of Kool?) I'd start with the toilets, I'd weed out the sour attitudes—and I'd aim for a Cirque du Soleil "performance." 100 percent of the time.

Per this White Paper, I'd try to turn each of my 10 into a ... PSF-LOVEMARK.

"PSF"? you say.

"Damn right."

It is the "Provision of Food Services," it is a (hopefully) "scintillating professional experience" which makes "dreams come true."

(Right?)

Right! (Got to watch out when I answer my own questions.)

That's a Crusade/Krewsade, folks!

Think Yankees!

Ed Michaels ran McKinsey's "War for Talent" project for a half-dozen years. He says that Jack Welch's (GE) insisted that every business be "first or second in the marketplace or you're out" (all businesses must be 1st, 2nd, or closed-sold). Passé, per Michaels. Now it's "Best talent in each industry segment to build Best Proprietary Intangibles." (Or else.) I like it! Big-time! Bob Taylor founded Xerox's wildly inventive Palo Alto Research Center/PARC. A colleague spoke to Taylor's chief skill, called him a "Connoisseur of Talent." THAT RESONATES WITH ME: CONNOISSEUR OF TALENT.

Talent! brings to mind the Yankees! Or the New York City Ballet! (Or Cirque du Soleil, of course.) (Or Commerce Bank's ... call center!) (Yes.)

Talent! Better than the rest! (Lots!) "The top software developers," says Nathan Myhrvold, former chief Scientist at Microsoft, "are more productive than the average software developers not by a factor of 10X or 100X, or even 1,000X, but 10,000X."

That's it. Best: TEN ... THOUSAND TIMES BETTER THAN THE REST!

Leader Job 1. (And 2, 3 ... through 25.) TALENT!

Especially in a ... PSF!

10X in a PSF!

I ... HATE ... "Mission Statements." They're so much pap (crap)! But there is the Occasional One ... that Rings My Chimes. Consider this from the mega-marketing services agency, WPP:

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

Not bad! In fact: FABULOUS!

Profit matters! That is: "To do so with profit." But the profit ... FOLLOWS FROM ... "To develop and to manage ... TALENT."

Which comes first!

FIRST! Period.

PSF Leaders ...

Do ...

TALENT ...

10,000X.

PSF = Everything!

TALENT = Everything!

MANAGED ASSET REFLATION!

Think Legacy

Consider these marvelous words from the former chairman of Herman Miller, Max De Pree: "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?'"

Amen!

The word(s): WHO DO WE INTEND TO BE?

WHY ARE WE HERE?

WHAT'S THE POINT?

Who do we intend to be?

Will we ... MAKE A DIFFERENCE?

Will we be ... GAME-CHANGERS?

Will "it" be ... INSANELY GREAT?

These are the ... Questions of Inspired PSF Leadership.

Eh?

Trumpet an Exhilarating Story!

John Seely Brown, former head of Xerox's enormously inventive Palo Alto Research Center (PARC), said, "Leaders don't just make products and make decisions. LEADERS MAKE MEANING."

IT'S THE STORY, STUPID!

This paper is a ... STORY. It is a ... STORY ... about PSFs. My "PSF Story" is a "STORY" about doing stuff that's ... "ENORMOUSLY IMPORTANT."

That's the idea!

(Managed Asset Reflation.)

Right?

So: WHAT'S YOUR STORY!?

* * * *

I've got a ... STORY!

I think "PSFs" are ... SO KEWL!

I think THE "PSF = EVERYTHING" IDEA is a ... GAME-CHANGER.

I am ... DESPERATE!

I want you to ... BUY MY STORY.

(And ... ACT.)

Make It a Grand Adventure!

I've got a Clear Idea about PSF Leadership!

(Yup.)

A CLEAR Idea. Leadership is about ... Sending ... VERY COOL PEOPLE ... on ... VERY COOL QUESTS!

I love the word ... QUESTS!!

QUESTS!!!

QUESTS!



Chinese proverb: "A MAN
WITHOUT A SMILING FACE
MUST NOT OPEN SHOP."

PSF = EVERYTHING! = Quests!

"Groups become great," Warren Bennis and Patricia Ward Biederman wrote in *Organizing Genius*, "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 own greatness."

LOVE THAT!

Read again: "FREE TO DO HIS OR HER ABSOLUTE BEST."

Read again: "ALLOW ITS MEMBERS TO DISCOVER THEIR OWN GREATNESS."

We—you and me—sit at an office desk as we read this. We are (mostly) "bosses." So ... what about ... "THEM"? "THEY" ... are not here. And so what are "THEY" up to? Are they ... "free to ... DO THEIR ABSOLUTE BEST"? Do we ... "allow THEM TO DISCOVER their GREATNESS"?

FREE.

DO.

ABSOLUTE BEST.

DISCOVER.

GREATNESS.

WOW!

WHAT QUESTIONS!

Redux: "Free to do their absolute best."

"Allowed to discover their greatness."

Wow!

(Wow!)

(Incredible.)

(What challenges.)

So ... ARE THEY!?

Dispense Enthusiasm!

Benjamin Zander is the hottest body on the "guru" circuit. He's also the highly regarded conductor of the Boston Philharmonic. And he understands what he does for a living: "I AM A DISPENSER OF ENTHUSIASM!"

Chinese proverb: "A MAN WITHOUT A SMILING FACE MUST NOT OPEN SHOP."

Gandhi: "YOU MUST BE THE CHANGE YOU WISH TO SEE IN THE WORLD."

Howard Gardner, leadership guru: "To change minds effectively, leaders must particularly use two tools: the stories that they tell and the lives that they lead."

Leadership.

Enthusiasm.

A smiling face.

"Being the change one wishes to see in the world."

The stories we tell.

The lives we lead.

Call it: MANAGED ASSET REFLATION!

Fortune called Donald Trump "P.T. Barnum on Steroids." There's a lot about DT that appalls me. But he's faced every kind of adversity, bounced back, built Excellence and redefined "luxury brand" ... despite being in and out of bankruptcy on what feels like a weekly basis. Donald Trump is a ... Crusader for Excellence. He'd clearly grok Steve Jobs' "insanely great." Donald Trump, love him or hate him, runs a helluva PSF!

And like Mena Suvari in *American Beauty*, he'd doubtless subscribe to: "there's nothing worse than being normal."

This is a White Paper ... AGAINST NORMALCY.

China.

India.

The microprocessor.

Insecurity.

These are not "normal times."

We (individuals, organizations) seek to ... Stand OUT ... or get ... Stomped ON.

Call it ... MANAGED ASSET REFLATION.

In this ever-so-brief section on leadership I've compassed but one idea, expressed in 6 ways (another damned ladder?):

- Crusade!
- Talent!/10,000X!
- Legacy!/Who Am I?!
- Story!/Meaning!
- Adventure!/Quest!/Best That I Can Be!
- Enthusiasm!

I think this is the Essence of ... Lovemark Leadership ... for a fast-food service PSF, a real-estate agency PSF, IDEO, Cirque du Soleil, Infosys, or ... TOM PETERS.

Think about it.

Redux: The New Enterprise Value-Added Equation/2005

1. 100 percent "Wow!" Projects. (New Org "DNA"/"The Work Itself") +
2. Incredible "TALENT" transformed into
3. Entrepreneurial "BRAND YOUS" and
4. Launched on awesome "QUESTS" =
5. "Internal/Rockin' PSFs." (Staff Departments Morph into Wildly Innovative Professional Service Firms) ...
6. Which Coalesce to Transform the FEVP/Fundamental Enterprise Value Proposition from "Superior Products & Services" to
7. "ENCOMPASSING SOLUTIONS & GAME-CHANGING CLIENT SUCCESSES, which become
8. LOVEMARKS & DREAMS COME TRUE OF THE FIRST ORDER."

* * * *



Adlai Stevenson: "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.*"

Jack Welch: "You can't behave in a calm, rational manner. You've got to be out there on the *lunatic fringe.*"

Michelangelo:

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.

Adlai Stevenson (redux): "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.'"

PROFESSIONAL SERVICE FIRMS = EVERYTHING!

LET US MARCH.