

Project05







"PSFs" Are "Everything," CEOs Are Idiots,
MBAs Should Be Abolished, Lord Nelson Had
All the Answers, and More

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

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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"/cipherers/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” Is Everything!

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

Project05: Tom Peters Rants



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

GORGEIOUS 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 scribblings 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.

BMWs.

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 Tornadoes!

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.

CEOs Are Idiots19

Project05: Tom Peters Rants



While in another country ...
I called a whole bunch of CEOs ...
"IDIOTS."

Not a very nice thing to do.

CEOs Are Idiots19

I gave the speech in Portugal. Not the United States. Not home. My mother taught me, in general, to be polite. It's a lesson that I think I've learned rather well. Come hell and high water, I always say, "Thank you." Politeness is next to Godliness ... and probably a Little Bit Above. (That's what my Mom says.) (That's what I believe.)

And yet ...

And yet ... while in another country ... I called a whole bunch of CEOs ... **"IDIOTS."**

Not a very nice thing to do.

But, at least, it was from the heart. But I hate shouting at people ... including CEOs. I wanted Bill (Gates) to do it so I created a PowerPoint presentation on the "19 Reasons CEOs Are Idiots." Shorthand: "CEOs Are Idiots19." So, now, I can point to a slide that says "CEOs Are Idiots" ... and blame it on PowerPoint. **"I didn't 'say' it; it's PowerPoint."** Now I converted it to a Rant/White Paper. "I didn't say it; the White Paper did." At any rate, here's the way it goes. In summary, CEOs are idiots because they ...

1. UNDERestimate the Threat to their Existence; OVERestimate their Resilience.
2. Fail to spend Hyper-aggressively on IS/IT; fail to follow "GameChanger" IS/IT Strategies; fail to put their CIO on the Board; fail to exploit fully the Web (Revolution Now!).
3. Believe that (BIG) mergers are ... The Key ... Offense & Defense.

- 4.** Hire MBAs in large numbers.
- 5.** Recruit mostly from Conventional Sources; have a Low Tolerance for RiskTakers–Freaks.
- 6.** Are less than 24/7 “TalentFanatics.”
- 7.** Do too much Imitation/Benchmarking/ConstantImprovement. Not enough “Breathtaking”/ DisruptiveInnovation; favor “market share” over MarketCreation.
- 8.** Believe that “Process” beats “Passion,” “Analysis” beats “Action.”
- 9.** Spend too much time in the Office, not enough time in the Field; fail to ColdCall at least One Customer per Week; are surrounded by Sycophants; have low Tolerance for Contention.
- 10.** ARE NOT LOVED BY FRONT-LINE STAFF!
- 11.** Do too much MicroSegmentation I: Grotesquely Underestimate the Women’s Market—and if “they” do more or less “get it,” fail to understand the Strategic Transformation required to master “it.” (I.e., make mega-bucks.)
- 12.** Do too much MicroSegmentation II: Grotesquely Underestimate the Boomer-Geezer Market. (Me.)
- 13.** Have too few Women on the Executive Team, too few Women on the Board of Directors.
- 14.** Board = OWMs. (Old White Males.)
- 15.** Balk at Technicolor Actions & Language—e.g., WOW!, Lovemarks, DreamMarketing, InsanelyGreat.
- 16.** Think DESIGN is a frill, a nicety—not the Fundamental Basis for Value Added in the New Economy.
- 17.** Tolerate less than Excellence. Do not insist upon “Experiences that Make Me ‘Gasp.’” (New word: Gasp-worthy.)

18. Deliver more on Short Term Earnings rather than Long Term Yearnings.

19. FAIL TO INSPIRE ME BY THE AUDACITY (GASP-WORTHINESS) OF THEIR DREAMS. Too much:
“Dream = Buy MarketShare, Get BIGGER, Cut Costs.”

So it goes.

Or as I said, more politely in Portugal: “I’m **sorry** that CEOs are idiots.” Moreover, sorry 19 times!

The Main Event

Here we go, with a bit of elaboration:

1. UNDERestimate the Threat to their Existence; OVERestimate Their Resilience.

It’s a Nasty Old World out there! Surely CEOs get that. I have no doubt. I’m not that cynical. But do they get just HOW “nasty” it really is? For example, there is a new foreign-owned factory opening in China every ... 26 minutes. There is a foreign-owned R&D development lab opening in China every ... 43 hours. There are but 70 companies that have achieved the ultimate quality rating in software design; 35 of those companies come from ... India. (Thence, no more than 35 come from the U.S.A.) Then there’s Wal★Mart: at the moment, its data on consumers adds up to twice as much—in raw quantity—as the total amount of data that resides on the entire Internet. And consider 02.12.01: On the twelfth of February, 2001 ... the ENTIRE HUMAN GENOME became Publicly Available on the Web!

All of this—and a thousand other “factoids”—add up to a Brave New World. A world where “all bets are off.”

And even before these Monumental Upheavals ... BIG COMPANIES didn’t do very well. (Understatement.) For example: The first of the “lists” was, apparently, the Forbes 100, which appeared in 1917. Seventy years later, Forbes did a retrospective. And here’s the way it worked out: Sixty-one of the original 100 “top companies” were dead. Thirty-nine were alive. Eighteen were still among the “top 100.” The 18 that had still survived and hung in on the top 100 list had underperformed the stock market by 20 percent during those 70 years. Only two—GE & Kodak—had outperformed the market. It’s 18 years later. Say goodbye to ... Kodak. Only one ... GE ... outperformed the market.

Wow!

(And that one, GE, is mostly known for being the Ultimately Dis-Organized Company. Disciplined? Absolutely! But, yes, DISORGANIZED. They don’t talk about synergy. They talk about doing “hyper-cool stuff” in each of their ... VERY INDEPENDENT & ENTREPRENEURIAL ... Business Units.)

Why did all these companies drop off the list? Harvard’s strategy professor, Clayton Christensen, implies that the problem was “good management.” (Yikes!) “Good management,” Professor Christensen writes in *The Innovator’s Dilemma*, “was the most powerful reason leading firms failed to stay atop their industries. Precisely because these firms listened to their [enormous-conservative] customers, invested aggressively in new technologies that would provide their [enormous-conservative] customers more and better products of the sort they wanted [and mostly already had ... the “lure of line extensions”], and because they carefully studied market trends and sys-

tematically allocated investment capital to [conservative!] innovations that promised the best [immediate] returns, they lost their positions of leadership.”

Wow!

What else can I say: Wow!

And so our friends, CEOs, are ... indeed ... IDIOTS. They do underestimate the Magnitude of this Threat. (And arguably haven't understood it for the last 88 years.) But they (WILDLY) overestimate their resilience. Redux: Only one of 1917's top 100, GE, the most disorganized (i.e., truly decentralized) of the lot, outperformed the competition over the subsequent 88 years. (Wow!)

2. CEOs Fail to Spend Hyper-aggressively on IS/IT; Fail to Follow “GameChanger” IS/IT Strategies; Fail to Put Their CIO on the Board of Directors; Fail to Fully Exploit the Web (Revolution Now!).

We all live in a Dell-Wal★Mart-eBay-Google world! All, apparently, except for ... those “idiot” CEOs. IS/IT is changing the world! Dramatically! Fast! A handful get it. (Most don't.)

The distribution company McKesson grew by \$7 billion between 2002 and 2003. To do so, it added a scant 500 employees. (That's revenue added-per-employee of about \$14 million!) You don't get that kind of outcome unless you in effect take a ... Clean Sheet of Paper ... to your Organizational Form. That's what's required! I attended a seminar a while back that was addressed by the CIO of Sysco. When the recession came, others buried their heads in the sand and shrunk their IS/IT budgets. Sysco did just the opposite. It saw an opportunity to make a once-in-a-genera-

tion move, putting it beyond reach of its competitors. And Sysco grasped the nettle. It has changed, in effect, everything ... in an enormous company. In an enormous industry.

“e-Business,” says former Oracle president Ray Lane, “is about rebuilding the organization from the ground up. Most companies today are not built to exploit the Internet. Their business processes, their approvals, their hierarchies, the number of people they employ ... all of that is wrong for running an e-business.” McKesson and Sysco, both distribution companies, get it. Few others do. Or at least few others are willing to put their Big Wallets where their Big Mouths are. The requisite for survival, as I see it: **Aggressive spending! GameChanging strategies! “Creative destruction”! And working with Cool (beyond the obvious) suppliers.**

Some proof that one is serious: **WHY NOT PUT THE CIO ON THE BOARD?** The consultants Burson-Marsteller discovered that a tepid five percent of Fortune 500 companies have their CIO on the Board of Directors. “While some of the world’s most admired companies—TESCO, Wal★Mart—are transforming the business landscape by including technology experts on their boards,” writes the Burson-Marsteller team, “the vast majority are missing out on ways to boost productivity, competitiveness and shareholder value.”

3. The CEOs ... Believe in (BIG) Mergers as The Key To Offense & Defense.

Big mergers don’t work. IT’S ACTUALLY AS SIMPLE AS THAT. There are now a dozen-dozen, or more, many more, studies available. They all say the same thing: Statistically speaking, big mergers don’t work. Mark Sirower, an NYU professor and Boston Consulting Group partner wrote a marvelous book called *The Synergy Trap*.

It is loaded with data. But the “bottom line” is pronounced in very plain English: “When asked to name just one big merger that had lived up to expectations, Leon Cooperman, former co-chairman of Goldman Sachs’ Investment Policy Committee, answered, ‘I’m sure that there are success stories out there, but at this moment I draw a blank.’”

(Wow!)

Jim Collins, author of *Good to Great*, and I disagree about a lot of things. But not this topic. Consider this comment from Jim that recently appeared in *Time*: “Not a single company that qualified as having made a sustained transformation ignited its leap with a big acquisition or merger. Moreover, comparison companies—those that failed to make a leap or, if they did, failed to sustain it—often tried to make themselves great with a big merger or acquisition. ... They failed to grasp the simple truth that while you can buy your way to growth, you cannot buy your way to greatness.”

Yo, Brother Jim!

My view about all this is best expressed by the former Chief Executive Officer of Reuters, Peter Job: “Acquisitions are about buying market share. Our challenge is to create markets. There is a big difference.”

Three cheers to the ... Market Creators!

4. CEOs Are Idiots Who ... Hire MBAs in Large Numbers.

I want to do more than simply “vent” on this point. (Though I do enjoy the venting.) My problem with MBAs was “certified” when I read a study of 15 “leading”

By contrast, the success-failure standards of most schools penalized risk takers. ... Most educational systems reward those who play it safe.

business schools. Not a single one had a required core course in: Design! Creativity! Innovation!

Good God!

Education in general, up to and including the master's degree level, focuses on "the wrong stuff." Consider the work of Thomas Stanley, as reported by Richard Farson and Ralph Keyes in *Whoever Makes the Most Mistakes Wins*: "Thomas Stanley has not only found no correlation between success in school and an ability to accumulate wealth, he's actually found a negative correlation. 'It seems that school-related evaluations are poor predictors of economic success,' Stanley concluded. What did predict economic success was a willingness to take risks. By contrast, the success-failure standards of most schools penalized risk takers. ... Most educational systems reward those who play it safe. ... As a result, those who do well in school find it hard to take risks later on."

Again, WOW!

Fact is, I don't have a "thing" about MBAs. But I do believe that focusing on the degree, the certificate, is not the point. In fact, I suggested in a recent paper dumping the MBA. After all, who needs someone who is a "master" of "administration"? What I suggested was a new set of degrees. First, MMM-1. That is, a Master of Metaphysical Management. Someone who understands that "intangibles" are the principal new basis for value added. And then there's my MMM-2, the Master of Metabolic Management. The MMM-2 understands that to increase their Metabolic Rate, enterprises must simply do stuff faster. Much faster. (Don't believe me? Ask Don Rumsfeld.)

Next stop: my MGLF. That is, Master of Great Leaps Forward. People who understand the enormous importance of Wild Ass Innovation. Then, MTD, or Master of Talent Development. “It’s the talent, stupid”—what else is there? And try: W/MwGTDw/oC. Of course: Woman/Man who Gets Things Done without Certificate. The world’s Doers! Hooray for them! And, finally, at the Apex: DE, or Doctor of Enthusiasm.

What do you think?

5. CEOs Are Idiots Who ... Recruit Mostly from Conventional Sources; Have a Low Tolerance for RiskTakers–Freaks.

Nancy Hudson heads Pfizer’s biggest lab. On the way out of a board meeting, she was asked by the company’s vice chairman, a former head of R&D, “Are there enough weird people in the labs these days?” Big pharmaceutical companies are under attack. And not just from drugs that aren’t working as well as they should. Mostly from biotechs and others who are discovering drugs much faster (and cooler?) than they are. Partial answer: Freaks! David Ogilvy, the great advertising man, put it brilliantly: “Our business needs massive transfusions of talent. And talent, I believe, is most likely to be found among nonconformists, dissenters, and rebels.” And consider this similar comment, from Ryan Matthews and Watts Wacker, writing in *Fast Company* magazine: “Deviance tells the story of every mass market ever created. What starts out weird and dangerous becomes America’s next big corporate payday. So are you looking for the next mass-market idea? It’s out there ... way out there!”

Hooray for those who are ... WAY OUT!

Fact is: **I love freaks!**

Here are six reasons why:

1. Because when Anything Interesting happens ... it was a freak who did it. (Period.)
2. Freaks are fun. (Freaks are also a pain.) (Freaks are never boring.)
3. We *need* freaks! Especially in freaky times. (Hint: these are freaky times, for you & me & the CIA & the Army & Avon.)
4. The critical mass of freaks-in-our-midst automatically makes us-who-are-not-so-freaky at least somewhat more freaky. (Which is a Good Thing in Freaky Times—see immediately above.)
5. Freaks are the only (ONLY) ones who succeed—as in make it into the history books. (Right?!)
6. Freaks keep us from falling into ruts. (If we listen to them.) (We seldom listen to them.) (Which is why most of us—and our organizations—are in ruts. Make that chasms.)

Okay?

6. CEOs Are Idiots Who Are ... Less Than 24/7 “TalentFanatics.”

Talent!

Everything!

Obvious! (If you are the City Ballet.)

(If you are the New York Yankees.)

(And ... to me ... if you are the “HR Department.”)

In their book *Organizing Genius*, Warren Bennis and Patricia Ward Biederman said, “The leaders of Great Groups love talent and know where to find it. They revel in the talent of others.”

What I say, “in my book”: **Brand = Talent.** Everybody talks a good game, including CEOs. But few act on it. Ed Michaels headed McKinsey & Co.’s “War for Talent” project for a half-dozen years. Among others, he studied Jack Welch and GE. And what he discovered was that the best-of-the-best were “talent fanatics.” Others talked that good game, but they didn’t play the game 24/7! Michaels, among other things, put it this way: “We believe companies can increase their market capitalization 50 percent in three years. Steve Macadam at [the forest products company] Georgia-Pacific changed 20 of his 40 box plant managers, and put more talented, higher-paid managers in charge. He increased profitability from \$25 million to \$80 million in two years.”

Pursue the best!

Hire them!

Keep them!

Recall the mission statement of the mega-ad 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.

Wow! They aren't shy about profit, nor should any private enterprise be so. But they understand where profit comes from ... **Top Talent.**

7. CEOs Are Idiots Who ... Do too Much Imitation/Benchmarking/ ConstantImprovement. Not Enough "Breathtaking"/ Disruptive Innovation; Favor "Market Share" over MarketCreation.

Why should I even have to talk about this? I never understand. But I do. Consider these words from Daniel Muzyka, 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. But this approach will ultimately render them obsolete. Only the constant pursuit of innovation can ensure a long-term success."

As I said, "WHY DO I NEED TO SAY THIS?" What I want to say is:

IT'S INNOVATION, STUPID!

It's obvious.

To me.

Winston Churchill got there before I did: "The short road to ruin is to emulate the methods of your adversary." Chan Kim and Renée Mauborgne put it this way, in an article in the *Financial Times*: "To grow, companies need to break out of a vicious cycle of competitive benchmarking and imitation."

Yes!

My mantra: **innovation ... not imitation!**

And, fact is, I think there's an answer.

A CLEAR ANSWER. It's something I've believed for a long time, and then I found confirmation in a marvelous book by Wayne Burkan, called *Wide Angle Vision*. In short: **FREAKS WILL SAVE US!** Burkan says that the people who will lead us to the promised land are: *Disgruntled Customers. Off-the-Scope Competitors. Rogue Employees. Fringe Suppliers.*

Freaks!

Freaks!

(More Freaks!)

I have about 1500 slides in my master deck. One is my favorite. It comes from the Internet marketing guru, Seth Godin. My Seth-Wonder-Slide goes like this:

This is an essay about what it takes to create and sell something remarkable. It is a plea for ... **originality, passion, guts, and daring.** You can't be remarkable by following someone who's remarkable. One way to figure out a theory is to look at what's working in the real world and determine what the successes have in common.

But what could the Four Seasons and Motel 6 possibly have in common? Or Neiman-Marcus and Wal ★ Mart? Or Nokia (bringing out new hardware every 30 days or so) and Nintendo (marketing the same Game Boy 14 years in a row)? It's like trying to drive, looking in the rear-view mirror. *The things that all these companies have in common is that they have nothing in common.* They are outliers. They're on the fringes. Superfast. Or superslow. Very exclusive. Or very cheap. Extremely big. Or extremely small.

I think that “strangeness”
is ... EVERYTHING.
I want us to “measure” (!)
“strangeness.”

The reason it’s so hard to follow the leader is this: The leader is the leader precisely because he did something remarkable. And that remarkable thing is now taken—so it’s no longer remarkable when you decide to do it.

PURE GENIUS!

RE-READ!

(PLEASE!)

Don Listwin, CEO of the software company Openwave Systems, goes even farther. “How do dominant companies lose their position?” asks Mr. Listwin. “Two-thirds of the time, they pick the wrong competitor to worry about.” Kodak focuses on Fuji. GM focuses on Ford. Ford focuses on GM. IBM focuses on Siemens & Fujitsu. Sears focuses on Kmart. Xerox focuses on Kodak and IBM. Always looking at “yesterday’s competitor.”

I’ve fallen in love.

Freaks.

I think that “strangeness” is ... EVERYTHING. I want us to “measure” (!) “strangeness.” That is the *Quality of Our Portfolio*. Of:

Staff.

Consultants.

Vendors.

Outsourcing Partners.

Innovation alliance partners.

Customers.

Competitors (who we track/benchmark).
Strategic initiatives.
Product portfolio.
IS/IT Projects.
HQ Allocation.
LunchMates.
Language.
Board Members.

Strangeness Rules! (In Strange Times.)

My hero in all this is Saatchi & Saatchi CEO, Kevin Roberts. He gives us his Credo:

1. Ready. Fire! Aim.
2. If it ain't broke ... break it!
3. Hire crazies.
4. Ask dumb questions.
5. Pursue failure.
6. Lead, follow ... or get out of the way!
7. Spread confusion.
8. Ditch your office.
9. Read odd stuff!
- 10. AVOID MODERATION!**

Go, Kevin!

And: Go, Roger. Roger = Enrico, former CEO. PepsiCo. Roger E: *"Beware of the tyranny of making small changes to small things. Rather, make big changes to big things."*

As I said: GO, ROGER!

8. CEOs Are Idiots Who ... Believe That "Process" Beats "Passion," and "Analysis" Beats "Action."

Bob Waterman and I got a lot of things wrong in *In Search of Excellence*, but we surely got one thing very right. Our first "basic" (of eight). We called it: *"a bias for action."* It's still my No.1 critique of large enterprises: **TOO MUCH TALK, TOO LITTLE DO.**

When *Fast Company* became the first magazine to review my new book, *Re-imagine!*, in October 2003, they said this, which made my day: *"In Tom's world, it's always better to try a swan dive and deliver a colossal belly flop than to step timidly off the board while holding your nose."*

I'm a passion fanatic!

I'm an action fanatic!

I concocted a "Gurus Table." It ranked (according to me) myself, Michael Porter, Peter Drucker, and Warren Bennis. Our view of "strategy," "systems," "passion," and "execution." Here's the way the rankings worked out:

"Guru"	Strategy	Systems	Passion	Execution
Michael Porter	50%	20%	15%	15%
Peter Drucker	35%	30%	15%	20%
Warren Bennis	25%	20%	30%	25%
Tom Peters	15%	20%	35%	30%

That is, my great pal Warren and I "err" on the side of passion and execution. Messrs. Porter and Drucker "err" on (and it really is error, as I see it) on the side of strategy and systems.

Who knows who's right?

(Well I know.)

Warren is right. (Me, too.)

Ben Zander is the conductor of the Boston Philharmonic, and also a guru-to-gurus in the world of management. Here's my favorite Ben-ism: "I am a dispenser of enthusiasm!" He wasn't there first. Samuel Taylor Coleridge was, perhaps: "Nothing is so contagious as enthusiasm."

It's passion, baby!

I've written it before:
YOU = YOUR CALENDAR.

You can't cheat on your
calendar!

You Are (Precisely) How/
Why You Spend Your Time.

9. CEOs Are Idiots Who ... Spend Too Much Time in the Office, Not Enough Time in the Field; Fail to ColdCall at Least One Customer per Week; Are Surrounded by Sycophants; Have Low Tolerance for Contention.

That "great guru," Texas Bix Bender (whoever the hell he is, but he's written a book), gets it exactly right: **"A BODY CAN PRETEND TO CARE, BUT THEY CAN'T PRETEND TO BE THERE."** So does the president of Logical Machines Corporation: **"YOU CAN'T LEAD A CAVALRY CHARGE IF YOU THINK YOU LOOK FUNNY ON A HORSE."**

And of course, Gandhi. **"MY LIFE IS MY MESSAGE."**

I've written it before: **YOU = YOUR CALENDAR.**

You can't cheat on your calendar!

You Are (Precisely) How/Why You Spend Your Time.

PERIOD!

10. CEOs Are Idiots Who Are ... Not LOVED by Their Front Line Staff!

Yes ... **LOVED.** Some won't buy this.

Some will say that it's more important to be "feared" than "loved." Those who say that are ...

IDIOTS!

IDIOTS!

IDIOTS! (19 times over.)

I thought that I had read everything there was to read on Lord Horatio Nelson. But I found a new book: *Nelson: Britannia's God of War*. I extracted some 13 "lessons of leadership" from the book:

1. Simple-clear scheme ("Plan") (not wildly imaginative) (George Patton: "A good plan executed with vigor right now tops a 'perfect' plan executed next week.")
2. SOARING/BOLD/CLEAR/UNEQUIVOCAL/WORTHY/NOBLE/ INSPIRING
"GOAL"/"MISSION"/"PURPOSE"/"QUEST."
3. "Conversation": Engagement of all "Subordinate" leaders!
4. Leeway for Leaders: Select the BEST/Initiative
Demanded/Accountability—Swift/Micromanagement—Absent.
5. **LEAD BY "LOVE."** (Not authority.) (Identify with sailors!!) (!!!!!)
6. Great Instincts/Seize the Moment/"Impetuosity."
7. VIGOR! (Keynes' "Animal Spirits.")
8. Peerless Basic Skills/Mastery of Craft (Seamanship).
9. Workaholic! ("Do your duty" first, second, and third.)
10. LEAD BY CONFIDENT & DETERMINED & CONTINUOUS & VISIBLE EXAMPLE. (In harm's way!)
(Gandhi: "You must be the change you wish to see in the world.") (Giuliani: "Show up!")
11. *Genius*: "Transform the world to conform to his ideas." Versus "Triumph over the rules."

12. *Luck!* Right time! Right place!

13. Others' principal shortcoming: "ADMIRALS MORE FRIGHTENED OF LOSING THAN ANXIOUS TO WIN."

What a superb list!

See No.5: **LEAD BY LOVE!**

11. CEOs Are Idiots Who ... Do Too Much MicroSegmentation I: Grotesquely Underestimate the Women's Market—And If They Do, More or Less, "get it," fail to understand the Strategic Transformation Required to Master It.

IDEA: WOMEN BUY EVERYTHING.

IDEA: MEN DON'T GET IT.

POINT: IDIOTS!

(CEOS, THAT IS.)

The fact is, women do buy everything:

- 94 percent of home furnishings.
- 92 percent of vacations.
- 91 percent of houses.
- 80 percent of do-it-yourself projects.
- 51 percent of consumer electronics.

68 percent of new cars.

83 PERCENT OF ... ALL CONSUMER PURCHASES.

Household investment decisions ... 67 percent. Small business loans ... 70 percent.
Health care decisions ... 80 percent.

AND SO ON.

Yet 91 percent of women say that “advertisers don’t understand us”; 58 percent of women say that they’re outright “annoyed” by advertising.

How stupid!

Men and women are different. Faith Popcorn, trendspotting guru: “Men and women don’t think the same way, don’t communicate the same way, don’t buy for the same reasons. He simply wants the transaction to take place, she’s interested in creating a relationship. Every place that women go, they make connections.”

More Popcorn: “WOMEN DON’T BUY BRANDS. THEY JOIN THEM.”

I’ve been studying this topic for 10 years now. **I know the data. (COLD!)** I don’t “know” women. (NEVER WILL.) But here is what I’ve concluded:

1. Men and women are different.
2. Very different.
3. Very, very different.

4. Women & men have absolutely nothing in common.
5. Women buy lots of stuff.
6. Women buy all the stuff.
7. Women's market = opportunity no.1.
8. Men are still in charge.
9. Men are totally, hopelessly clueless about women.
10. Women's market = opportunity no.1.

It's that simple. And CEOs (492 out of 500 in the Fortune 500 are men!) are ...
IDIOTS!

TOTAL ... FRIGGING (wish I could use the "real" word) ... IDIOTS.

12. CEOs Are Idiots ... Because They Do Too Much MicroSegmentation, Part II: Grotesquely Underestimate the Boomer-Geezer Market.

We segment this. We microsegment that. And I'm all for "1-to-1" marketing, CRM systems, or whatever. But I'm also "more" "all for" getting the "Big Two" RIGHT. That is: **WOMEN**. That is: **BOOMERS/GEEZERS!**

The stats are clear. During the first decade of this new millennium, the "cherished" 18-44s will decline, in absolute numbers, by 1 percent. The 55-pluses, meanwhile, will go up by 27 percent! And the 55-64s (**THE ONES WITH ALL THE MONEY!**) will rise, ever so rapidly, by ... 47 percent. (!!)

Boomers!

Geezers!

All the money!

“Marketers’ attempts at reaching those over 50 have been miserably unsuccessful,” writes Peter Franchise, founding publisher of *American Demographics*. “No market’s motivations and needs are so poorly understood.” David Wolfe, in his marvelous book *Ageless Marketing*, calls the 44- to 65-year-old group the “New Customer Majority.” He goes on to say: “The New Customer Majority is the only adult market with realistic prospects for significant sales growth in dozens of product lines for thousands of companies.”

What the hell else is there to say?

There’s something else big to say: (ALMOST ALL) CEOs ARE ... IDIOTS!

13. CEOs Are Idiots Who ... Have Too few Women on the Executive Team, Too Few Women on the Board of Directors.

Truth: I’m a fan of Women in leadership positions!

Truth: Women’s “skill set” matches the new economy’s requirements!

Fact: Women buy everything, so they ought to lead “everything.”

(More or less.)

(Why not?)

Judy Rosener, author of, among other things: *America's Competitive Secret: Utilizing Women As a Management Strategy*, argues that women's strengths match the new economy's imperatives. For example: **Women** tend to link rather than rank workers. **Women** tend to favor interactive/collaborative leadership style, believing that empowerment beats top-down decision making. **Women** tend to sustain fruitful collaborations. **Women** are comfortable with sharing information. **Women** see re-distribution of power as victory, not surrender. **Women** favor multidimensional feedback. **Women** value technical & interpersonal skills, individual & group contributions equally. **Women** readily accept ambiguity. **Women** honor intuition as well as pure rationality. **Women** are inherently flexible. **Women** appreciate cultural diversity.

WOMEN RULE!

(Or ought to.)

Or, as *BusinessWeek* put it in a Special Report: "AS LEADERS, WOMEN RULE: New Studies find that Female Managers Outshine their Male Counterparts in Almost Every Measure."

What the hell else is there to say?

Answer: THERE'S A HELLUVA LOT MORE TO SAY!

That is: **WHY ARE ONLY EIGHT OF THE FORTUNE 500 CEOs WOMEN?**

As I said: CEOs ARE IDIOTS!

Big Idea. THE “BOARD”
AND THE “EXECUTIVE
COMMITTEE” OUGHT TO
LOOK (at least somewhat!)
LIKE THE ... MARKET BEING
SERVED.

14. CEOs Are Idiots Because Their Boards = OWMs.

I have a slide in my “master kit.” It says: *“WANNA SEE MY PORN COLLECTION?”*

I’m serious. My “porn collection” consists of photographs “torn from” the back of Annual Reports of Fortune 500 companies. Photographs of Executive Committees. Photographs of Boards of Directors.

I’m not on a mission.

I have no “social conscience.” (Of if I do it’s my own business.)

Or, rather ... I AM ON A MISSION.

Mission: **PROFITABILITY.**

Big Idea. THE “BOARD” AND THE “EXECUTIVE COMMITTEE” OUGHT TO LOOK (at least somewhat!) LIKE THE ... MARKET BEING SERVED.

Right?

Gary Hamel & I disagree about many things. But, if I were on the committee that granted the prize, I would give him a Nobel in Economics. I would give it to him for a single phrase that has but nine words: **“THE BOTTLENECK IS AT THE TOP OF THE BOTTLE.”**

Wow!

(Wow!)

Hamel: *"Where are you likely to find people with the least diversity of experience, the largest investment in the past, and the greatest reverence for industry dogma? AT THE TOP!"*

Go, Gary! The average board consists of ... OWMs. You know what I'm talking about: Old White Males. More or less. More "more" than "less."

I want that to change.

Now.

Right?

Why?

\$\$\$\$\$.

15. CEOs Are Idiots Who ... Balk at Technicolor Actions and Language—e.g., WOW! Lovemarks, DreamMarketing, Insanely Great.

I was fired from my dream job. Partner at McKinsey. Date: 1981. I picked up a new client. Guess who: Apple. Guess who: Steve Jobs. Steve Jobs has a standard. It's not "excellence." It is: *INSANELY GREAT*.

(Wow!)

I put it together right after I wrote my last book, *Re-imagine!* And I called it, "The Re-imagineer's Credo, or, Pity the Poor Brown." (It was not me, but Winston Churchill

who said, "Pity the poor brown." He said more famously: "We are all worms. But I believe that I am a glow-worm.")

So, my ... Re-imagineer's/Glow-worm Credo:

Technicolor times demand ...

Technicolor leaders and boards who recruit ...

Technicolor people who are bent on ...

Technicolor quests to execute ...

Technicolor (WOW!) Projects in partnership with ...

Technicolor Customers and ...

Technicolor Suppliers, all of whom are in pursuit of ...

Technicolor Goals & Aspirations fit for ...

Technicolor Times.

Okay?

I want Technicolor!

I demand Technicolor!

My friend Kevin Roberts, CEO of Saatchi & Saatchi, says, “Brands have run out of juice. They’re dead.” And what does he give us instead: **LOVEMARKS!** Lovemarks are all about ... LOVE! Here’s the way he puts it: “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 to create the new kinds of relationships brands needed. I knew that **love** was the only way businesses could respond to the rapid shift in control to consumers.”

Hooray ... Kevin! (Hint: And it holds for UPS as much as for Starbucks.)

16. CEOs Are Idiots Who ... Think Design is a Frill, Nicety— not the Fundamental Basis for Value Added.

It’s not me!

It’s Norio Ohga!

Mr. Ohga is the recently retired chairman of Sony. And here’s what he had to say: “At Sony we assume that all products of our competitors have basically the same technology, the same price, the same performance, and the same features. **Design is the only thing that differentiates one product from another in the marketplace.**” And here’s his pal (I assume) Steve Jobs, the Apple guru: “We don’t have a good language to talk about this kind of thing. In most people’s vocabularies, design means ‘veneer.’ But to me, nothing could be further from the meaning of design. Design is the fundamental soul of a man-made creation.”

Design!

DESIGN IS INEVITABLE!

DESIGN IS THE DIFFERENCE!

DESIGN RULES!

Fundamental soul!

Design = Primary Determinant of Value Added.

That's the way I see it. And Virginia Postrel, author, among other things, of *The Substance of Style: How the Rise of Aesthetic Value is Remaking Commerce, Culture & Consciousness*. Here's what Ms. P has to say: "Having spent a century or more focused primarily on other goals—solving manufacturing problems, lowering costs, making goods and services widely available, increasing convenience, saving energy—we are increasingly engaged in making our world special. More people in more aspects of life are drawing pleasure and meaning from the way their persons, places, and things look and feel. Whenever we have the chance, we're adding sensory, emotional appeal to ordinary function."

Translation: WELCOME TO THE AGE OF DESIGN!

Sony gets it!

Apple gets it!

Target gets it!

Westin gets it! (The Heavenly Bed!)

Pfizer gets it! (Listerine's PocketPaks.)

Here's the way I put it:

DESIGN IS INEVITABLE!

DESIGN IS THE DIFFERENCE!

DESIGN RULES!

And here's the way ... BELIEVE IT ... an economist pal puts it: **"If you can't win on 'Cost' then you're left with only one thing, 'Cool.'"**

Yes!

Who knows?

Starbucks knows!

Virginia Postrel (again): "With its carefully conceived mix of colors and textures, aromas and music, Starbucks is more indicative of our era than the iMac. It is to the Age of Aesthetics what McDonald's was to the Age of Convenience or Ford was to the Age of Mass Production—the touchstone success story. ... 'Every Starbucks store is carefully designed to enhance the quality of everything the customers see, touch, hear, smell, or taste,' writes CEO Howard Schultz."

Amen!

Amen, Brothers & Sisters!

17. CEOs Are Idiots Because They ... Tolerate Less than Excellence, Do Not Insist Upon "Experiences that Make Me 'Gasp.'"

In January 2005 my wife and I visited a Whole Foods Market in Boston. We were looking to buy a house at the time. The house we absolutely adored had a tiny

kitchen. We were worried about that. We both love to cook. But my wife said, *"Who cares? We live near a Whole Foods."*

She was right! Whole Foods ... **MAKES ME GASP.**

Gasp!

Gasp/Gasp-worthy = My New Standard of "Excellence."

There's a lot of talk these days in the management world, about ... "Cs." We talk about "C-Level" this, or "C-Level" that. As in: CFO (Chief Financial Officer). CPO (Chief Purchasing Officer.)

Well ... I'm There!

I'm into ... "C"!

So here are *my* "C-Levels."

CXO. Chief eXperience Officer.

CFO. Chief Festivals Officer.

CCO. Chief Conversations Officer.

CSO. Chief Seduction Officer.

CLO. Chief Lovemark Officer.

CPI. Chief Portal Impresario.

CWO. Chief WOW! Officer.

CDM. Chief Dream Merchant.

CSTO. Chief StoryTelling Officer.

Okay?

Let's keep going. Namely: I "did" "excellence" in 1982. It wore me out. (Trust me.)
But I'm into excellence ... AGAIN. Consider ... THE WINNER:

1. Audacity of vision.
2. Innovation/R&D/Design.
3. Talent Acquisition & Development.
4. Resultant(?) "WOW Experience."
5. Strategic Alliances.
6. Operations!
7. Financial management!
8. Overall/sustaining EXCELLENCE.
9. "WOW!"
10. Lovemark!

And the answer is: **Cirque du Soleil!**

I told you this.

Already.

I'm telling you this.

Again.

Excellence = Cirque du Soleil.

Right?

18. CEOs Are Idiots ... Because They Deliver More on Short-term Earnings Rather Than Long-term Yearnings.

It's all about those ... *Lovemarks!*

I gave that speech in Portugal. I was tough on my audience, mostly CEOs. "But it's almost impossible to be a 'Lovemark,'" one respondent said. "It's not about getting the 'right consultant,'" I replied. "It's about 'WHO YOU ARE.'"

Of course!

I love the idea.

LOVEMARK!

It is my ... ASPIRATION.

PERSONALLY.

PROFESSIONALLY.

What Else Can I Say?

**19. CEOs Are Idiots Because They ... FAIL TO INSPIRE ME BY
THE AUDACITY OF THEIR DREAMS!
(Too Much: Dream = "Buy MarketShare, GetBIGGER. CutCOST.")**

The presidential candidate Adlai Stevenson gave us this Fantastic Quote: "In classical times, when Cicero had finished speaking, the people said, 'How well he spoke.' But when Demosthenes had finished speaking, the people said, 'LET US MARCH.'"

Let us march!

(And ... Damn the Idiots.)

SE17:

Origins of Sustainable Entrepreneurship

Project05: Tom Peters Rants



SE17:

Origins of Sustainable Entrepreneurship

I was waiting in an interminably long line to take the astonishingly short Chappaquiddick Ferry ride, from Chappaquiddick to Edgartown, on Martha's Vineyard. To pass the time, I returned a *Fortune* reporter's call. He was writing an article on what I think he called "sustainable entrepreneurship." He asked me if I had any comments. I said I had but one: "How laughable!"

That is, truth be known, I don't really believe in "sustainable entrepreneurship." *Fortune's* rival, *Forbes*, produced its first "Biggest Companies" list (the Forbes 100) in 1917. Seventy years later, *Forbes* did a retrospective: Sixty-one were dead, 39 were living. Eighteen were still among the top 100. But those 18, a pretty paltry number to begin with, had wildly *underperformed* the stock market during the 70-year period of time. Only two, Kodak and GE, had outperformed the market. And now it's 18 years later ... and Kodak has left that "mighty two" list. So we're down to one. GE. As I said, "sustainable entrepreneurship" makes me laugh!

But I said something else. I said the ferry line was "interminable." And so we kept on jabbering. And lo and behold, before I made it onto the ferry (where cell phone usage is not allowed), I had come up with about a dozen ideas. I passed them on to the reporter as they occurred, and also scrawled them on scraps of paper at hand in the car. (E.g., pizza receipts.) I did my "Tom thing," transformed them into PowerPoint slides. And ended up with a list of 17. I call it the Sustainable Entrepreneurship 17, or the "SE17" for short.

Not magnificent. But the best I can do:

1. Genetically Disposed to Innovations that Upset Apple Carts.

In each of these 17 instances, I will offer you some examples. In this case: 3M, Apple, FedEx, Virgin, BMW, Sony, Nike, Schwab, Starbucks, Oracle, Sun, Fox, Stanford University, MIT. The point is pretty simple: These institutions “get off on” doing “very cool stuff.” It’s hard to imagine anything less than “very cool stuff” coming from ... Virgin. Or BMW. Or Apple. Or Starbucks. Or Charles Schwab. Or MIT.

I realize that these companies, good as they are (good as I think they are), are also far from perfect. But, more or less, Nike does step out, as it were, with exceptional regularity. Don’t you think? So, too, MIT. Eh?

Key phrase: “genetically disposed.” This is the way these institutions were “born & raised,” and it is the way they have more or less stayed. (Lucky for them.)

2. Perpetually Determined to Outdo Oneself, Even to the Detriment of Today’s \$\$\$ Winners.

Cases: Apple (again), Cirque du Soleil, Microsoft, Nokia, FedEx. I can hear many of you screaming (I’m screaming at myself!) at my putting Microsoft on the list. But remember how badly MS missed the Internet, and then how rapidly they caught up! I do give Mr. Gates a lot of credit for defining the front edge, even if some of the products he puts on the “front edge” are decidedly not up to Mr. Jobs’ standard. Bigger point: 9.97 out of 10 firms (that’s scientific!) don’t have the nerve to Kill the Kash Kow ... of today ... in hopes of a Brighter Tomorrow! (Think: any damned consumer goods company!)

3. Love the Great Leap/Enjoy the Hunt.

Apple again! Cirque du Soleil again! And: Oracle! Intel! Nokia! Sony! As I write this, Procter & Gamble has gobbled up Gillette. Or, “me to” gobbles “me too.” On the other hand, Intel & Nokia & Sony do, indeed, “enjoy the hunt.” That’s what they’re “up to”! That’s what they ... *live for*! To be sure, they tally some pretty damn good profitability numbers as well, but “the hunt” is what Andy Grove was all about at Intel. Believe it! (Yes?)

4. Encourage Vigorous Dissent/Genetically “Noisy.”

Yes, I was a Silicon Valley Boy for 2.5 decades. And spent my time at Intel. And at Apple. And Sun. And Oracle. These are places where there are, truly, no holds barred. Where people scream and shout at each other. Where rank is dismissed by the rankest junior—if he’s determined to make his point. Outside Silicon Valley, Microsoft fills the bill. And a couple of others that I also had the pleasure of hanging around with: Citigroup, PepsiCo. Ah, my time at Purchase, New York! (Pepsi.) Atlanta (Coke) is home to gentlemen; Purchase is home to ... THUGS. That is, people, at any age, who are willing to ... Stand Their Ground, and tell their “betters” (who aren’t!) just what the hell they think.

5. “Culturally” as Well as Organizationally Decentralized.

GE is decentralized! (Period.) Johnson & Johnson is decentralized! (Period.) Omnicom is decentralized! (Period.) These rare companies are very “decentralized” on a sheet of paper called the “org chart.” But that’s the least of it. They are (I know I’m overusing the word!) “genetically” (“culturally”) decentralized. Years ago I remember having a chat with Johnson & Johnson CEO Jim Burke, right after Bob Waterman & I had

done our thing in *In Search of Excellence*. Jim said to me, at one point, “Oddly, Tom, I get paid for saying, ‘No.’ Something will go wrong somewhere, and a staffer will offer a presentation. And it always has the same ‘bottom line’: ‘Centralize it,’ and avoid making the same mistake twice. I listen politely. I nod my head. Sometimes it goes on for hours. And then at the end, unfailingly, I simply say, ‘No.’” Would that more do the same “Jim Routine”!

6. Multi-entrepreneurship/Many Independent-minded Stars.

Jeff Immelt became CEO of GE, following in Jack Welch’s footsteps. Two other guys had run the final lap of the race: Bob Nardelli. Jim McNerney. Within about 72 hours, as I recall, one of them (Nardelli) was the Big Cheese at Home Depot. The other one, McNerney, was running 3M. GE, in the corporate world, defines “bench strength” in a way that would make even George Steinbrenner, owner of the New York Yankees, blush. A lot of companies have a “Big Cheese” ... and there really isn’t much room for much other “cheese.” Not true at GE! Not true at PepsiCo! Not true at Time Warner! Allowing “multiple entrepreneurs” under the tent ain’t easy ... “culturally.” But it can be done. Believe it.

7. Decentralizing—Tireless in Pursuit of Wiping Out Centralizing Tendencies in Any Guise.

Johnson & Johnson hates it. Virgin hates it.

Hates it!

Hates it!

Hates it!

That is: hates/despises/is appalled by any tendency to centralize and “over-organize.” These are not “decentralized companies,” these are ... **DECENTRALIZERS.** They never give up. And they never give in. They keep on truckin’ ... **KEEP ON DECENTRALIZIN.’**

8. Scour the World for Ingenious Alliance Partners—Especially Exciting Start-ups.

Big pharmaceutical companies are taking a beating these days. And it’s well deserved. On the other hand, some of them (Pfizer comes to mind) are amazingly good at swallowing their (scientific) pride and allying with “supercool” outsiders. In Pfizer’s case, that amounts to, I’ve heard, almost 1,000 alliances with the likes of biotech start-ups! “Not invented here” has been the bane of existence for many a company. (Perhaps the primary reason that only 1 out of 100—recall, GE—on that original *Forbes* list outperformed the stock market.)

Long before the WorldCom accounting fiasco, there was an upstart company called MCI ... that embarrassed-the-living-daylights out of AT&T. I hung out with them, in those good (and honest!) days. MCI figured they had a heck of an advantage over AT&T. They *didn’t* have Western Electric! Great as it was, including the mighty Bell Labs, WE clearly had “a way of doing things.” MCI was not constrained by *anybody’s* “way of doing things.” And so—“it” was MCI’s Core Competence!—they scoured the world in pursuit of the Very Best/Most/Interesting Partners. Wow!

9. Acquire for Innovation, not Market Share.

During the two decades Jack Welch ran GE, he acquired about 1,700 companies. The interesting thing, as I see it, neither you nor I have heard of any/many of them, or perhaps none other than RCA/NBC. The point ... is that GE's Bastions of Decentralized Excellence, like GE Capital, were acquiring (micro/modest) "super-stars" who filled intriguing holes in its portfolio. Likewise, Cisco vaulted past all of its competitors in Telecommunications-Internet Equipment by "buying innovation." Some didn't approve of that approach. I DID. The market went in the tank, when the dot-com bubble was pricked; but Cisco came out of the funk much more rapidly than others.

I am an avowed enemy of Big Mergers for Market Share. Always have been. Always will be. I have one thing on my side: THE FACTS. But being a fact-based enemy of "Big Mergers" is not tantamount to being an enemy of "acquisitions": I believe that purchasing "supercool" to keep you on your toes makes a helluva lot of sense. Albeit it is far easier said than done. And you could argue that Cisco's "core competence" is the ability to fold these entrepreneurial, innovative firms in—without losing all the key players or enterprise momentum and feistiness.

10. Don't Overdo "Pursuit of Synergy."

Time Warner probably has the best Media franchise. True enough, for a short while it was AOL Time Warner. And that deal was done for ... what else? ... SYNERGY. And it was ... BULLSHIT. (Though I am an AOL fan, I just never bought the "synergy" act.) By and large, Time Warner, my insider friends report to me, is known for its Internal Warfare. Painful. A lot of Friction. *And* lost Energy. But by and large, a group of Highly Energetic People ... Determined to Make Their Bones.

Johnson & Johnson is the same way. GE. PepsiCo. To be sure, there is “synergy,” at times, between GE Capital and GE’s aircraft engines folks in Cincinnati. On the other hand, the aircraft engine guys will drop GE Capital in a moment if somebody else gives them a ... Better Deal. Synergy. Good stuff. It just happens that it doesn’t “grow on trees.” Take it if you can get it. But don’t be cowed by the pursuit thereof! Don’t ask me, ask GE.

11. Find & Encourage & Promote Strong-Willed/Independent People.

I’m sure I don’t know the whole universe. But I do know PepsiCo. And I do know GE. And I do know that both companies are ever-so-rare in a world-filled-with-suckups. One of the coolest things about PepsiCo: It’s not that unusual to find a 28-year-old running a billion-dollar business unit! If you’re good, you’ll move fast! At the speed of light! (You’ll also be dumped at the speed of light, when the magic touch disappears.) (Oh, well.)

GE is ... One Big Battle Royal. Talent contests with Talent. Every day is like Summer Training Camp for an NFL team. Yesterday’s star is in deep trouble if he (or she!) loses as much as a half-step. Anybody watch the movie, *The Company*? You think GE is tough? Try ballet! We live in a world of “talent” ... and the Strong-willed will Survive. Yes, it is tough out there. There are something like two and a half billion Chinese & Indians who’d like your job! (For starters.)

12. Ferret out Key Talent ... Anywhere & Everywhere/ “No Limits” Approach to Retaining Top Talent.

Nike does it! Virgin does it! GE does it! PepsiCo does it! The New York Yankees do it! The Metropolitan Opera does it! Cirque du Soleil does it! Search the world! **FOR THE BEST!** Hire! Nurture! SHOWER THEM WITH LOVE & ATTENTION! This ought to be as obvious as the end of one’s nose. Come to think of it, all 17 of these ideas ought to be “as obvious as the end of one’s nose.” *But, alas, most of the companies I refer to are “exceptions to the rule.” Remember: One of the Forbes 100 in 1917 outperformed the stock market over the subsequent 88 years. GE. As crazy a place as exists! (Eh?)*

13. Unmistakable Results & Accountability Focus from the Get-Go to the Grave.

It’s fun to bring home championship rings (just ask the Yankees). It’s not so fun, upon occasion, to be held ... **ACCOUNTABLE** ... Each & Every Day. (Just ask members of the Yankees ... Hero today, Goat & Gone tomorrow.) What holds for the Yankees, holds at PepsiCo. And Citigroup. And GE. Accountability should be as obvious as the rise of the sun in the East. Apparently it’s not. That’s what my experience teaches me. Why not? BEATS THE HELL OUT OF ME!

14. Up or Out.

I went to work for McKinsey. That was 1974. I’d be a partner by 1980. **OR I’D BE OUT ON MY ASS!** That was understood! No issue! I got it. Same deal, GE. Same deal, most big law firms. If you read *People* magazine, we “groove” on the life of the Stars. But the fact is: THEY’RE AS GOOD AS THEIR LAST GIG! Talk about a tough

world! Twenty years to get your break, 20 minutes to lose it. Do I think this is “the way the whole world ought to be”? No. That wasn’t the question I was asked by the *Fortune* reporter. I was asked about the “Origins of Sustainable Entrepreneurship.” Or, as I recall, I wasn’t asked about “survival of the average.” (Right?)

15. Competitive to a Fault!

Yes, I’m repeating myself. No, I don’t care. As I said, welcome to NFL Training Camp! Or, do another viewing of *The Company*, life of big-league ballet. GE. The Yankees. News Corp/Fox. PepsiCo. Citicorp. They groove on competition! Some say, “too much.” Could be. But, it’s a nasty old world out there. What can I say? (I know what you want me to say.) (It’s just that I can’t bring myself to say it.) (I keep going back to that *Forbes* analysis. *One* of them made it. *Ninety-nine* didn’t. It doesn’t strike me as random.)

16. “Bi-polar” Top Team, with “Unglued” Innovator No.1, Powerful Control Freak No.2.

Tools & Rules for surviving in biz life: **NEVER PUT AN ACCOUNTANT IN CHARGE! ALWAYS HAVE A GOOD ACCOUNTANT!** It’s subsequently been swallowed by some damned dull conglomerate, but I worked closely for years with the astonishingly successful/exciting “materials” company, headquartered in Silicon Valley, called Raychem. Paul Cook was the founder. WOW! An inventor, on the level of Larry Ellison or Steve Jobs! And Bob Halperin was his “COO.” Cook was a maniac. So was Halperin: but on a different dimension! One of them was the “innovation nutter.” The other was the “control-freak nutter.” Works well. (Brilliantly.) Again: Oh, so rare. I yearn for the ... INNOVATION GENIUS ... in Spot No.1. I ... Equally Yearn ... for the Brilliant/Button Down COO-CFO in the No.2 Post.

17. Masters of Loose-Tight/Hard-Nosed About a Very Few Core Values, Open-Minded About Everything Else.

Probably nobody is better at this one than Richard Branson's Virgin Group. Well, maybe PepsiCo. Point being, work there & you're given a ... *helluva lot of latitude*. Except for the small number of things where you are given ... Utterly No Latitude at All. In *In Search of Excellence*, oh, so many years ago, Bob Waterman & I coined the idea of "loose-tight controls." Tight about a couple of ... BIG THINGS. Loose as hell about ... EVERYTHING ELSE. Unfortunately, over time, the "tights" tend to win out over the "looses." Which is why the idea of "Sustainable Entrepreneurship" is by & large ... laughable.

* * * *

When I review this list, it's been clear that it's pretty nasty. I've been watching businesses for well over three decades, and I think that this list ain't exactly bad. If it doesn't suit you, if it doesn't make you happy, there's not a heck of a lot that I can do about that.

Think about it.

Re-Imagine Tomorrow's Organizations:

Itinerant Potential Machines

Project05: Tom Peters Rants



You can love Mr. Rumsfeld. Or you can hate him. And he certainly has made his fair share of mistakes. But he does understand something important. The nature of the "enemy" is shifting. The "enterprise" (the U.S. Military) must be prepared—as must any private enterprise—to deal with the changing, shifting, elusive set of enemies-competitors.

I've been thinking about Organizations lately. THINKING ABOUT THEM A LOT. I don't think that the new winners will be marked by a "set strategy." I think that they will be marked ... ABOVE ALL ... by the ... Ability to Respond.

To *whatever*.

Whenever.

So I've developed a new name/concept, which I think applies as much to the CIA and the Department of Homeland Security and U.S. Army as it does to the Corporation. I call the new form of organization **"Itinerant Potential Machines."** What that means is that "they" have a "fabulous roster." (Like the New York City Ballet.) And "they" are ready to react to ... WHATEVER ... on the ... PROVERBIAL DIME.

"We" (they!) don't "know what's coming next." But they know that it will be ...

Big & Scary & Unpredictable.

So they are ... *Ready To Be Ready*.

What are the attributes of this "IPM"? (Itinerant Potential Machine.)

I think it goes something like this ... *the Seven Cardinal Attributes of Organizations/ Adaptive Organisms/Itinerant Potential Machines:*

1. TALENT POOL TO DIE FOR.

Youthful. Insanely energetic. Value creativity. Risk-taking routine. Failing is normal ... if you are Stretching. "They" want to "make their bones" in "the revolution" ... NOW. Love New Technologies! Well rewarded! Don't plan to be around 10 years from now.

2. TALENT POOL-PLUS.

Seek out and work with (ONLY!) the "World's Best" as needed. (It's routinely needed.) "We aim to change the world, and we need Gifted Colleagues—who well may not be on our payroll."

3. BRASSY-BUT-GROUNDED LEADERSHIP.

Leaders who say, "I don't know" and then ... **Unleash Their TALENT!** Have a vision to be ... DRAMATICALLY DIFFERENT ... but don't expect the company to necessarily be around forever. Will scrap 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!

4. BRASSY-BUT-GROUNDED LEADERSHIP II.

"Visionary" leaders matched by leaders with a ... Shrewd Business ("Results") Sense: "HOW DO WE TURN A PROFIT ON THIS GORGEOUS IDEA?" Appreciate "Market Creation" as much (MORE THAN!) "market share growth." ARE INSANELY AWARE THAT MARKET LEADERS ARE ALWAYS IN PRECARIOUS POSITIONS, AND THAT "MARKET SHARE" WILL NOT PROTECT US IN TODAY'S VOLATILE WORLD, FROM THE NEXT "KILLER IDEA" AND "KILLER ENTREPRENEUR."

5. ALLIANCE MANIACS.

Don't assume that "the best resides within." WORK WITH THE SHIFTING ARRAY OF STATE-OF-THE-ART PARTNERS FROM ONE-END-OF-THE-"SUPPLY CHAIN"-TO-THE-OTHER. Those "outsiders" (OUR LIFE BLOOD!) include vendors and consultants and ... especially ... PIONEERING CUSTOMERS ... who will "drag us into the future."

6. TECHNOLOGY-NETWORK FANATICS.

Run the Whole-Damn-Company, and relations with all outsiders, on the ... **Internet** ... at Internet Speed. Reluctant to work with those who don't share this (RADICAL) (TECHNOLOGY) vision.

7. POTENTIAL MACHINES-ORGANISMS.

Have no idea what's coming next! But are ... Ready, raring to Jump at Opportunities ... especially those that Challenge—or Overturn our "current way of doing things."

I'm sure I could have written more. (LOTS MORE.) But I also suppose—and hope—that you get the drift. It's as far as it can be from the "organization-that-lives-for-ever-to-produce-Model-T-Fords."

It's organizations that "don't have a clue"! And since we "don't have a clue," we know that our only Defense-Offense is ... **TALENT TO DIE FOR.** Whether those are the Special Operations folks in the Army, or the people you hire in your consultancy. People who "get off on" ... **THE CHALLENGE.** People who are ... Genetically Ready To Go. At the drop of a dime. (OR A PENNY.) This is, truly, a "potential machine" that we're putting together.

(As is so often the case, this is nothing new! THIS WAS McKINSEY! I have many criticisms of McKinsey. But it was, clearly, **"an incredible group of human beings ready to go wherever."** That is, in Private Sector Terms ... the Special Operations Operatives. In a world of Creativity & Intellectual Capital & The Unexpected ... WHAT ELSE IS THERE?

(I don't know.)

The Nelson Baker's Dozen

(and Admiral Fisher)

Project05: Tom Peters Rants



The Nelson Baker's Dozen (and Admiral Fisher)

I thought I had read most everything there was to read about Lord Horatio Nelson. And then in late 2004, I came across Andrew Lambert's *Nelson: Britannia's God of War*. The book races on for hundreds of thrilling (to me) pages. But pragmatist that I am, I decided to extract a handful of principles. I call it: The Nelson Baker's Dozen. That is, 13 ideas, extracted from Mr. Lambert's book.

Here we go:

1. SIMPLE-CLEAR SCHEME ("PLAN").

The plan—the Nelson Plan—is not “wildly imaginative.” It is something that his subordinate commanders could readily understand. Plans that Matter: Simple, clear schemes. People get it! It reminds me of the old Gen. George Patton line: “A good plan executed with vigor right now beats a ‘perfect’ plan executed next week.” That was Nelson!

2. SOARING/BOLD/CLEAR/UNEQUIVOCAL/WORTHY/NOBLE/INSPIRING/"GOAL"/"MISSION"/"PURPOSE"/"QUEST."

If you're a fan of Patrick O'Brian's books, you know that most of the “commanders” are “trying to muddle through.” Nelson, definitely, did not subscribe to the “muddle through” strategy. His goal was simple: Destroy. Humiliate. Eradicate. (The French fleet.) And this was a “something” that the average sailor or officer could sign up for. So it was a goal-worthy-of-giving-your-life-for.

3. “CONVERSATION”: ENGAGEMENT OF ALL LEADERS.

I’m not going to go so far as to say that Nelson was an “empowerment” freak. I’m sure he wasn’t, compared to our “participation” times. On the other hand, relative to his different times, he purposefully “engaged” all his leaders. He talked to them! Told them what he was about! Told them what he aimed to do! And so, in fact, by the standards of the times, he was ... indeed ... an ... Empowerment Freak. ENGAGEMENT = COMMITMENT = DUH. (Right?)

4. LEEWAY FOR LEADERS: SELECT THE BEST/DIP DEEP/INITIATIVE DEMANDED/ACCOUNTABILITY SWIFT/MICROMANAGEMENT ABSENT.

There’s a term in the military, “deep dip.” It’s honored in the breach, alas, but the idea is going way beyond the “seniority list” to find the “best of the best,” regardless of age/seniority. Long before the term “deep dip” became popular, Nelson was a “deep dipper.” He looked for the best commanders, didn’t care about their age or background. And then once he had selected those “best of the best” ... he demanded that they take initiative. He held them “accountable” for their actions. His response if they did not Behave Appropriately was ... SWIFT. He was not a “micromanager.” He was a “pick the good people,” “give them lots of room,” “nail them if they don’t come through” commander. (Think: GE!)

5. LEAD BY "LOVE."

Mr. Lambert makes it clear ... AND THIS IS HUGE ... that Nelson led not by "authority," but by "identifying" with his sailors. He was ... and I don't care whether you like my choice (Lambert's) or not ... *LOVED* ... by his sailors. He was tough! No doubt of it. But there is no contradiction between "tough" and "loved." No matter what people tell you. (Forget that crap: "better feared than loved.")

6. INSTINCT.

Seize the Moment. "Impetuosity" (Lambert). The late John Boyd, a U.S. Air Force Colonel, has sometimes been called the most significant military strategist since Sun Tzu, 1000 years ago. His "great invention" is what is called the OODA Loop. OODA = Observe. Orient. Decide. Act. The basic "Boyd Idea" is that if you react/respond more rapidly than the opponent, you disorient him. Disorient him and distract him to the point that he in effect destroys himself. Nelson was the unspoken Master of OODA. His "impetuosity" was his ability/instinct to act fast, and in Boydian terms, "destroy the worldview" of his opponents.

7. VIGOR!

Nelson was ... ALIVE! Management guru (and symphony conductor) Ben Zander says, "I am a dispenser of enthusiasm." So, too, was Nelson! His sheer energy (AND VIGOR) unnerved the opposition!

8. **PEERLESS BASIC SKILLS/MASTERY OF CRAFT (SEAMANSHIP). NELSON WAS A HELLUVA SAILOR!**

Being “good at what you do”/“Excellent at what you do”/“BETTER THAN ANYBODY ELSE AT WHAT YOU DO” is, after all, terribly important. Nelson was. A helluva sailor. Years before, when the Brits were trying to deal with the Yankees, the American John Paul Jones (a Scotsman by birth) was “vigorous” (to be sure) ... but above all ... One Helluva Sailor. Mastery Matters.

9. **WORKAHOLIC!**

Here was Nelson: “duty ... first, second, and third” (and there is no fourth). He was a workaholic! Outwork the bastards! (It ... matters.)

10. **LEAD BY CONFIDENT & DETERMINED & CONTINUOUS & VISIBLE EXAMPLE.**

Nelson was ... PERPETUALLY & VISIBLY ... IN HARM'S WAY. Rudy Giuliani was “our leader” on 9/11. What was his secret? HE SHOWED UP! Gandhi: “YOU MUST BE THE CHANGE YOU WISH TO SEE IN THE WORLD.” Nelson was there! Eventually, at Trafalgar, he was killed as the price of his “visibility.” But long before he was killed, he stuck his neck and his hat and every other part of his body out. That is, he was ... VISIBLE.

11. "GENIUS."

(Lambert's word, not mine.) I love this Lambertism: *Nelson "transformed the world to conform to his idea," he "triumphed over the rules."* That is ... THE RULES DIDN'T HOLD FOR NELSON! NELSON: MADE HIS OWN RULES! That's what Gandhi did! That's what Senior Minister Lee did in Singapore! Intriguingly, Lambert points out the difference between "genius" and "greatness." The "great ones," "make the best of their world." The "geniuses," ... "TRANSFORM THE WORLD TO CONFORM TO THEIR IDEAS."

LOVE THAT!

12. LUCK!

Nelson was a survivor. They shot at him. Many times. They wounded him. Many times. And he survived. An American general in Vietnam, Melvin Zais, took over a big command. The commander's letter, before his arrival, he reports, was titled "Bold Eagle." Zais changed it to "Lucky Eagle." "I figure," the general said, "that if I am 'bold,' my soldiers will know it. What a soldier wants is a General who is 'lucky.' So I changed that title, called it 'Lucky Eagle.'"

AMEN!

13. OTHERS' PRINCIPAL SHORTCOMINGS: "ADMIRALS MORE FRIGHTENED OF LOSING THAN ANXIOUS TO WIN."

Wow! This one set me on my heels. It's as true of the average corporation circa 2005 as it is of the "average" Navy. Nelson's time. Or ours. That is, "admirals" (the Big Guys) who are "more frightened of losing" than they are "anxious to win" will not prevail.

(Wow!)

So I swiped these ideas about Nelson from Mr. Lambert (which coincided with my own views of Nelson, based on my extensive reading) and translated them into even plainer English:

The Nelson Baker's Dozen (Reduced)

1. Simple Scheme!
2. Noble Purpose!!
3. Engage others!
4. Find great talent! Let it Soar!
5. LEAD BY LOVE!
6. Trust your gut! Seize the Moment! Act! Act! Act! (And confound by the "act of acting.")

7. Vigor!
8. Master your craft!
9. Work harder than the next person!
10. Show the way! Walk the talk! Exude confidence! Start a Passion Epidemic!
11. Change the rules! Create your own game!
12. Shake off the pain! Get back off the ground! The timing may well be right tomorrow! (E.g.: Get Lucky!)
13. By hook or by crook, quash your fear of failure, savor your Quirkiness, and participate Fully in the Fray! Seek Victory rather than the Avoidance of Defeat.

About a hundred years or so after Nelson, the British Navy was blessed by John Fisher, the First Lord of the Admiralty, at precisely the time the Royal Navy was in need of revolution (the end of the Age of Sail). Fisher (as reported by Jan Morris in *Fisher's Face: or, Getting to Know the Admiral*) provided us with another set of "Nelsonian" "rules" that I ... LOVE (in the Admiral's words):

Do right and damn the odds.
 Stagnation is the curse of life.
 The best is the cheapest.
 Emotion can sway the world.
 Mad things come off.
 Haste in all things.
 Any fool can obey orders.

History is a record of exploded ideas.
Life is phrases. (TP: Best story wins!)

Fisher (redux): **“We must have no tinkering! No pandering to sentiment! No regard but susceptibilities! We must be ruthless, relentless, and remorseless!”**

Hats off to these two Grand Men of Her/His Majesty's Navy!*

* Tom Peters, as a U.S. Navy “exchange” Midshipman, proudly served with Her Majesty's Navy in June-August 1965.

New Economy, New Biz Degrees

Project05: Tom Peters Rants



It is not your father's world. A new foreign-owned factory opens in China every 26 minutes. (!) A new foreign-owned Research & Development lab opens in China every 43 hours. (!) I have long been inured to the fact that I would never again wear a baseball hat that wasn't made in China. But now, I guess, the same thing is going to be true of the miracle drugs that are discovered to deal with the ailments that afflict/will afflict me as I age. In 2004, after decades of struggle, Korea passed Japan to become the world's largest shipbuilder. But: China will pass Korea within 15 years.

Wal★Mart now employs over 1.5 million people. And Procter & Gamble was effectively forced to merge with Gillette—a \$60 billion deal—to cope, as a producer, with the distributor-consumer power that Wal★Mart musters. In the summer of 2004, I wrote a summary paper on business strategy. It had 13 points. The thirteenth was the most important: *"Rules for the New Economic Society: Never compete with China on cost ... or Wal★Mart on price."*

And then there's India. Some 70 software design firms have achieved the highest quality rating, the Carnegie Mellon Institute's Level 5 (the Baldrige of software quality). Thirty-five of those firms are Indian. As the former Chief Executive officer of Intel, Craig Barrett, said, "We have 3 billion people entering the global economy ... an exceptional number of them with good education ... an enormous number with the highest motivation."

(No, it is not your father's world.)

Near the end of 2004, IBM sold its Personal Computer division to Lenovo, a Chinese company. In fact, IBM had been shipping out personal computer manufacturing for a long time. So has every other computer manufacturer, for that matter. Let's be clear: The "M" in IBM hasn't stood for "Machines" in a long time. IBM still makes

some high-end chips and memory, but no “computers.” What do they make? A little division noticed by then-new CEO Lou Gerstner, now called IBM Global Services, has become the \$50 billion-plus consulting arm of IBM. IBM, then, has raced-roared-scurried-hustled (in a half-panic?) up the value-added chain.

About 1300 miles south of Armonk, New York, IBM’s headquarters, the “brown truck” people of Atlanta are doing the same thing. UPS asks: **WHAT CAN BROWN DO FOR YOU?** And the answer, they hope, is a lot! They want to be the planet’s supply chain managers—just like IBM wants to be the world’s enterprise managers.

In the fall of 2004, I made a hasty tour—Singapore, Denmark, Sweden, Ireland, Italy, Germany. While I was lecturing to 2,000 German managers in Frankfurt, I used a slide with a simple quote, that I had swiped from the *New York Times*: “Vaunted German engineers face new competition from China.” IBM quits its “M.” UPS tries to get “beyond the brown trucks.” And Germany finds its peerless engineers challenged by the Chinese.

Hustling ... up the value-added chain. Toward the world of intangibles.

Query: How do we *train* for all this? I’m not sure I know the answer. Except in the negative. The prestigious, Boston-based Design Management Institute reported recently on a study of the 15 “leading” business school programs in the United States. (And the U.S., though challenged, remains the leader in business education.) The topic was, “Design and Business Education.” The article took a look at three design-related areas: *Creativity ... Design ... Innovation*. Here’s what he found: Creativity as an *elective*: 4 of 15 programs. Design as an *elective*: 1. Innovation as an *elective*: 6. And, oh yes: Creativity as a core course: **0 of 15**. Design as a core course: **0 of 15**. Innovation as a core course: **0 of 15**. Bottom line (per me): **ZERO. ZERO. ZERO.**

What is one to do? I know nothing about “one”; only about “me.” “One” (Me!) says: *OH, SHIT!* Or maybe: *“Let’s take ‘em out of their pain. Let’s close ‘em down. Close every damn one of ‘em down. Every damn business school. Dis-establish the MBA.”*

(During the run up to the Presidential election of 2004, I only half kiddingly said to several audiences: “Should you choose in November to write my name in as the next President of the United States, and should I as a result win, my first Executive Order will be to Command the Closure of every MBA Program in the United States.” I *was* only half-kidding.

The bigger idea: If we are competing against 2.5 billion Indians and Chinese ... if Wal★Mart is able to force the likes of Procter & Gamble into a desperate union with Gillette ... then the very Nature of Enterprise Value-Added (c.f., IBM, UPS) is changing. I’m not sure the business schools ever were ready. I’m damn sure they aren’t ready now! One business school dean who was queried in the DMI article at least came clean as to why he didn’t teach the stuff that mattered (creativity, design, innovation): “It’s hard.” Thank God for Integrity! I guess it’s “a lot less hard” to teach a youngster-aspirant MBA to cook the books at Enron or WorldCom. I guess I know it is: The dean (at Stanford!) who taught me advanced accounting made a personal settlement with the SEC, along with other members of the Board of Directors, for his participation in the Enron fiasco. My dean? Called one of the top accountants in the world! Formerly called: Chairman, Enron Audit Committee.

Do you see why I’m pissed off?

It’s obvious. IT SHOULD BE OBVIOUS.

If the changes that I've outlined here (and spent the entirety of my most recent book, *Re-imagine!*, on) have anything to do with the truth ... then we need to re-think business education.

That's what this short paper is all about.

I'm not going to give up! I suggest the following, with tongue not particularly near cheek. It is my intention to Invent what I am brashly calling ... New Economy Biz Degree Programs.

I'm going to scrap the MBA. In an age of creativity-design-innovation, who wants to be a "Master" of "Administration"? Master of "Paper Pushing"? Computers do that. (As my brilliant friend Dan Pink and I like to say, if the Chinese and Indians don't get you, the microprocessors will.)

But don't give up hope!

Here are my substitutes:

MFA (Master of Fine Arts). More on my pal Dan Pink later, but let me preview my favorite Pink-ism: "*The MFA is the new MBA.*" (Hooray, Dan! Wish I'd gotten there first with that one!)

MMM #1 (Master of Metaphysical Management). It's all about the transformation from "keep on truckin'" to ... WHAT CAN BROWN DO FOR YOU? About IBM dropping the "M."

Next up:

MMM #2/MM (Master of Metabolic Management/Master of Madness). The big idea here is that the “metabolism” of enterprise—raw, pure hustle!—must be increased dramatically. The shorter form, MM, stands for ... Master of Madness. Former Xerox CEO Paul Allaire famously said, “We are in a brawl with no rules.” (Amen! Obvious!) And I say, *if* we are in a “brawl with no rules,” then there is only one plausible strategy: **S.A.V.** Or: Screw Around Vigorously. What’s required: My soon-to-be-famous MMM #2. Remember: Master of Metabolic Management. And: Master of Madness.

But there’s more:

MnML/WR (Master of non-Masculine Leadership/Women Rule). We recognize that a new world is emerging, yet we continue to ignore half (slightly more than half, in truth) of our store of Great Talent. Namely: Women. I’ll make my case that women’s skills may be the perfect match for the New Economy’s Leadership Requirements.

Still, there’s more:

MGLF (Master of Great Leaps Forward). If you can’t beat the Chinese on cost, if you can’t beat Wal★Mart on price, then what’s the option: only one! **INNOVATION!** And ain’t it a shame that the MBA Deans don’t teach innovation ... anywhere ... as a ... Core Course. Well, I’m gonna! It’s that MGLF. We’re going to attempt to induce people to play the Great Leap Forward Game! (Or die trying! Or, more realistically, we’ll all be killed—PROFESSIONALLY—if we don’t.)

Not done yet! Next:

MTD (Master of Talent Development). Juan Enriquez, the Harvard Business School's Professor of Life Sciences (okay, they got one course right and one guy right! Give them something!), insists that the future belongs to "small empires of the mind." Excellence will be concentrated in a very small number of zip codes, he adds. In this world of creativity-design-innovation ... Talent Matters Most. Of course, we've always said, "Put people first," even as we've laid them off. But this time ... WE BLOODY WELL HAD BETTER BE SERIOUS! If "Talent" is important to the New York Yankees and the New York City Ballet ... then it's vitally important to every enterprise of every size, particularly in the high-wage nations that are competing with China. "Doing Talent" is the province of Yankees owner George Steinbrenner. And we had all better be looking at the "talent thing" pretty much the same way George does! He's not easy on Managers and General Managers who don't find the best! And he's not easy on the Best when they don't perform up to his Stratospheric Standard! Welcome to the new world order ... EVERYWHERE.

Two more "new" degrees are left. Bear with me on this next one:

W/MWGTDw/oC (Woman/Man Who Gets Things Done without Certificate).

Way back when—1982, to be precise—Bob Waterman and I coauthored a book called *In Search of Excellence*. The centerpiece was a list of "Eight Basics." At the top of the list: A BIAS FOR ACTION. We said it about a quarter of a century ago. And I say it again (and I suspect Bob would back me up on it): What comes first? *Action!* To put it even more in the vernacular: If you're looking for enterprise's biggest problem, here it is: TOO MUCH TALK. TOO LITTLE DO.

God bless the doers! Certificate? Who needs it!

And finally:

The stuff that used to be “special” has become routine. And the stuff that’s necessary (as I see it) ... The Big Three ... **creativity–design–innovation** ... have been blithely ignored by the business schools!

DE! (Doctor of Enthusiasm!). Yes, in my little scheme of things, we’re going to advance beyond the “Master’s” level. We’re going to grant a ... Doctorate! Enthusiasts are the viral spreaders of ... enthusiasm! Gets people up in the morning! Keeps them awake thinking about what comes next in the middle of the night! Three cheers for enthusiasm! I’ll take it over any other trait! So why not recognize it with a degree? Why not recognize it with the ultimate degree ... A Doctorate?

So that’s my story, in short! Now I’ll string it out a little longer.

The End of the MBA is Nigh!

I am fundamentally, at some level, offended by the notion of “Master of Administration.” I guess I shouldn’t be offended. It was probably a damn good idea 40 or 50 years ago. I remember reading the story of the “Whiz Kids,” who helped win World War II, and then turned around Ford. Robert S. McNamara, Ford President, then Defense Secretary, was the Whiz-iest of the kids. What he discovered was that the U.S. Army Air Force didn’t know how many planes they had. And so he counted the planes. And it helped. A lot. And then he went to Ford. And he pretty much found out that they didn’t have any idea how many cars they’d made. And so he counted up the cars. AND THINGS GOT BETTER. So there was a time when doing those “basics” ... countin’ the planes, countin’ the cars ... made ... no doubt ... ALL THE DIFFERENCE.

But after 60 or 70 years of the MBA ... we count the cars and the planes pretty damn well. And besides, the microprocessor is counting them a lot faster than the graduates of Harvard & Stanford & Wharton. The stuff that used to be “special” has become routine. And the stuff that’s necessary (as I see it) ... The Big Three ...

creativity–design–innovation ... have been blithely ignored by the business schools!

Clayton Christensen, a Harvard Business School professor (I guess they get two things right—Enriquez and Christensen), wrote a well-received book called *The Innovator's Dilemma*. He chided business for its conservatism. (He might as well have chided Harvard!) “Good management,” he began, “was the most powerful reason [leading firms] failed to stay atop their industries. Precisely because these firms listened to their [biggest & most conservative] customers, invested aggressively in technologies that would provide their customers more and better products of the sort they wanted, and because they carefully studied market trends and systematically allocated investment capital to innovations that promised the best returns, they lost their positions of leadership.”

That’s a helluva condemnation! And I buy it. I lived in Silicon Valley for three decades. The story there was: Sun. Apple. Oracle. Netscape. Genentech. And now: Google. Upstarts all! (Just as Wal★Mart was an upstart. Last I heard, no great business schools in Bentonville, Arkansas.) But the greatest “Marketing MBA” of all comes from Northwestern’s Kellogg School. Where is it? Chicago! Home to ... Sears. You remember them. Right! Biggest retailer we had. Until Wal★Mart surpassed them ... EMBARRASSED THEM. Talk about embarrassment! Sears has now been swallowed by an utterly incompetent company that was in bankruptcy recently ... Kmart.

Wow! How the mighty do fall!

The last thing I’m going to do is blame the failure of Sears on the business schools. (I’m actually quite an admirer of Kellogg, at least they teach Marketing as the

Primary Driver of Excellence. Most business schools are still stuck on Accounting! Remember my questionable Dean: Professor Enron!)

Business schools breed Consultancies ... THAT HIRE MBAs, BY THE SCORE, HUNDREDS ... that ... guess what? ... LOOK EXACTLY LIKE THE BUSINESS SCHOOLS THAT PRODUCE THE HUNDREDS THAT TURN INTO THE CONSULTANTS. I worked for one of them. McKinsey. Another with an equal claim to distinction is the Boston Consulting Group. Two of its principal players, George Stalk and Rob Lachenauer, recently published a book ... THAT I HATED. Title: *Hardball: Are You Playing to Play or Playing to Win?* It taught us testosterone-laden males the “real truths” of business: “The winners in business have always played hardball.” “Unleash massive and overwhelming force.” “Exploit anomalies.” “Threaten your competitor’s profit sanctuaries.” “Entice your competitor into retreat.”

What ... bullshit!

I picked up *Hardball* in an airport, because I had once endorsed a book (that I thought was fabulous!) by Mr. Stalk. It had to do with ... Speed. (Remember, our Master of Metabolic Management is coming up!) I thumbed through the pages. I thought the War Analogies were a little bit overdone ... not to mention tasteless, given the mess we’re in, in a real war in Iraq. Then I flipped to the index. There were approximately 640 entries. Musing on “business basics” rather than “warfare,” I searched for the word “customer.” I found 4 entries. I tried some associated terms: “service,” “retention,” “loyalty.” Nothing more. Next I looked for “people.” Number of entries: **0**. I tried a little harder: “employees,” “motivation,” “morale,” “workers.” We were still stuck: **ZERO**. And I went to the last of this Big 3, Innovation. Once again ... **ZERO**. So I tried “product development,” “research & development,” “new products.” And I was still stuck: **ZERO**.

As I said, in summary: WHAT BULLSHIT!

There is a lot of “hardball” in business. I have to play it myself. I make ... DEALS. I sometimes wish that my principal competitors in the consulting-and-speaking business would develop a bad case of hangnails. Or some such. I’m 62. I’m not naive. LIFE AIN’T EASY!

But I also know a thing or two (it was the whole damn point of *In Search of Excellence*, a quarter of a century ago): Enterprise is fundamentally about ... PEOPLE ... CUSTOMERS ... INNOVATION. And if that ain’t in your “Index” ... then you are ... FULL OF HOOEY. (Sorry, George.) But that’s the problem, as I see it. That’s the fatal flaw of the business school-consultancy mentality.

Oh yes, the B.Schools do a great job “on the numbers.” Their top professors go on to become, say, Chairman of the Audit Committee at Enron. And they run those numbers! Oh brother, do they run those numbers! They also are the champions of ... M&A (mergers & acquisitions). Only one problem with the “real business” world of M&A: IT DAMN NEAR NEVER WORKS! Mark Sirower is senior partner at ... yes ... Boston Consulting Group. *And* a business school professor ... at NYU. He wrote a terrific book a couple of years ago called *The Synergy Trap*. It’s loaded with charts and graphs and numbers and analyses. But the spirit of the book is brilliantly captured by this simple quote: “When asked to name just one big merger that has lived up to expectations, Leon Cooperman, former co-chairman of Goldman Sachs’ Investment Policy Committee, answered, ‘I’m sure that there are success stories out there, but at this moment I draw a blank.’”

Wow!

I don't mean to rub it in, but if one does want to rub it in, there's lots to rub in. Jeffrey Pfeffer is at times unloved among his tenured-professor colleagues in the World of MBAs. Jeff and I were classmates in the doctoral program at Stanford. Arguably, he's the smartest guy I've ever met. Jeff has been studying the impact of MBAs on the poor souls that devote years to attaining them. In the in-house organ (*Stanford GSB*) I found this summary of his most recent and utterly comprehensive research: "*There is little evidence that mastery of the knowledge acquired in business schools enhances people's careers. Or that even attaining the MBA credential itself has much effect on graduates' salaries or career attainment.*" So, not only is "the degree" misdirected (no customers, no people, no design, no creativity, no innovation; lots of numbers and M&A) ... but it doesn't help the people who sacrifice so much to attain it!

As I said: WOW!

* * * *

My pedigree in all this is lengthy. My first attack on the MBA and consultancies—that's precisely what *In Search of Excellence* was!—also decried the failure to focus on: customers, people, innovation, action, values. In fact, *Search* (research '79, publication '82) was beaten to the punch by two irascible Harvard B.School profs, Bill Abernathy and Bob Hayes, who in 1980 wrote (in the house organ, the *Harvard Business Review*), the now classic "Managing Our Way to Economic Decline." They argued that the B.Schools—and the managers they trained—had gone off the deep end on an abstraction trip (too much "hardball" analysis?), and virtually ignored the rules of operational excellence and product quality.

Ahh ...

(The more things change ...)

* * * *

My snailmail offerings recently included an opportunity to donate to the Stanford B.School. (Admission, though reluctant: I've done so in the past.) Part of the inducement was a photo of four recent Deans. To be sure, one bagged a Nobel in Economics; however, he's offset by another who was chief of Enron's board audit committee. But it was something else that struck me: the quartet represented: *finance, economics, accounting, finance*. What's missing in this picture?

Duh!

THE TOP LINE!

And so I was led to wonder:

Will my alma mater ever have a ... **MARKETER** ... as Dean?*

Will my alma mater ever have an ... **ENTREPRENEUR** ... as Dean?*

Will my alma mater ever have an ... **INNOVATION GURU** ... as Dean?*

Will my alma mater ever have a ... **SALES SPECIALIST** ... as Dean?*

Will my alma mater ever have a ... **PEOPLE/HR PERSON** ... as Dean?* **

(*Fat chance!)

(**HR/People Person is not, strictly, “top line” ... though it’s a helluva lot closer than accounting!)

Now this will surprise you, but I’d vote for bringing back a deposed prof, who was a student favorite: Jim Collins! Actually, I’m not so sure Jim is a “top line” guy ... but at least he’s not from the finance-accounting-economics school-of-passionless-management. Hey, a guy who invented B.H.A.G.s—Big, Hairy Audacious Goals—can’t be all bad!

* * * *

MFA (Master of Fine Arts)

If not the MBA, then what?

Dan Pink’s first book was the well-received *Free Agent Nation*. He talked about a world where Scott Adams’/*Dilbert*’s “Cubicle Slaves” (remember *Babbitt*!) were no longer the indicative employees of the economy; free-spirited “free-agents” were the new icon. He’s taken a huge step further with one of the best “business” (LIFE!) books I’ve read in a long while: *A Whole New Mind*. Here’s the fundamental argument: *“The last few decades have belonged to a certain kind of person with a certain kind of mind—computer programmers who could crank code, lawyers who could craft contracts, MBAs who could crunch numbers. But the keys to the kingdom are changing hands. The future belongs to a very different kind of person with a very different kind of mind—creators and empathizers, pattern recognizers and meaning makers. These people—artists, inventors, designers, storytellers, caregivers, consolers, big picture thinkers—will now reap society’s richest rewards and share its greatest joys.”*

The new value added ... at least if you're not Chinese or don't work for Wal★Mart ... will belong to those Conceptualizers.

Mr. Pink summarizes all this by taking us through the Several Stages of Man: first ... the Agriculture Age. (Farmers.)

Next ... the Industrial Age. (Factory workers.)

Then ... the Information Age. (The fabled "knowledge workers.")

And next up, emerging rapidly: the Conceptual Age. (Creators and Empathizers.)

It's a simple typology, but it's one that I also think is profound. (And right!) My "interpretation" of the (True) New Economy runs exactly parallel to Dan's. The new value added ... at least if you're not Chinese or don't work for Wal★Mart ... will belong to those Conceptualizers. The people who can add "special value." The people who are, in effect, totally ignored or dismissed by today's MBA Programs. Remember: **Zero Core Courses in ... CREATIVITY ... DESIGN ... INNOVATION.**

Virginia Postrel is one of the most brilliant observers of the New Economy. Her most recent book is titled *The Substance of Style: How the Rise of Aesthetic Value is Remaking Commerce, Culture & Consciousness*. The basic premise: "Having spent a century or more focused primarily on other goals—solving manufacturing problems, lowering costs, making goods and services widely available, increasing convenience, saving energy—we are increasingly engaged in making our world special. More people in more aspects of life are drawing pleasure and meaning from the way that persons, places and things look and feel. Whenever we have the chance, we're adding sensory, emotional appeal to ordinary function."

Many are coming to agree with her. (I AM ONE OF THEM, CHARTER MEMBER.) One is the just-retired chairman of Sony, Norio Ohga: "At Sony, we assume that all prod-

ucts of our competitors will have basically the same technology, the same price, the same performance and the same features. Design is the only thing that differentiates one product from another in the marketplace.” Mr. Ohga has a “pal,” too (who’s one-upped him, many times). That “pal” is Apple’s (Pixar’s!) Steve Jobs: “We don’t have good language to talk about this kind of thing. In most people’s vocabularies, design means veneer. But to me, nothing could be further from the meaning of design. Design is the *fundamental soul* of a man-made creation.”

So Dan Pink tells us (and he is certainly echoing Mr. Ohga and Mr. Jobs and Ms. Postrel): **“The MFA is the new MBA.”**

So I overstate! In my *perfectbusinessschool.2005* I would teach more than the Fine Arts. But I can damn well tell you that the ... Fine Arts ... would have a preeminent place! (That’s the real point of this discussion.)

MMM #1 (Master of Metaphysical Management)

My wife runs a successful—DESIGN-CENTRIC!—home furnishings company. A lot of her sourcing is done in India. In the fall of 2004 I was an “accompanying spouse.” While I lazed “at home” (at the Oberoi Delhi), I thumbed through the day’s issue of the *International Herald Tribune*. In the business section I came across a story about how the CEO of the InterContinental Hotels Group had just been fired. The guy had been a “finance guy” all his life. And they made him CEO. (One of Tom’s No-Nos: *Never, Ever Promote a CFO to CEO. Sorry, just had to get it off my chest.*) Doubtless, this fellow had done a fine job when needed. But his time had passed. The Big Boss of the whole deal, chairman David Webster, said, “We’re now entering a new phase of business where the group will be a *franchising* and *management* com-

pany, where *brand management* is central.” A stock-picker who follows the firm piled on: “InterContinental will now have far more to do with *brand ownership* than hotel ownership.”

In their short & marvelous book, *The Company*, *Economist* editors John Micklethwait and Adrian Wooldridge wrote/predicted the following of Ford: “The company will become a ‘Vehicle Brand Owner.’ It will ... design, engineer and market, but not actually make cars.”

To use the language of this section, someone who’s going to be Big Boss of a “Vehicle Brand Owner” or Big Boss of a “Franchising & Management” company where “brand management” is central, where “brand ownership” is more important than “hotel ownership,” had better be a ... as I see it ... Master of Metaphysics. (And, hence, have *my* degree, the MMM #1: Master of Metaphysical Management!)

Joe Pine and Jim Gilmore wrote the Bible on what is now commonly called “Experience Management.” (Their/My Bible: *The Experience Economy: Work is Theatre & Every Business a Stage.*)

Consider.

“Club Med is more than just a ‘resort’; it’s a means of rediscovering oneself, of inventing an entirely new ‘me.’” (Source: CEO of TBWA\Chiat\Day, Jean-Marie Dru, in the magnificent book *Disruption.*)

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

come for refuge.” (Source: Nancy Orsolini, Starbucks District Manager, in an interview for my most recent TV show.)

“I see us as being in the art business. Art, entertainment and mobile sculpture, which coincidentally, also happens to provide transportation.” (Source: Bob Lutz, current head of Product Development at GM, design-freak for decades at Chrysler, now attempting to revive the Sleeping Giant. At least somewhat successfully.)

“WHAT CAN BROWN DO FOR YOU?” (UPS!)

“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.” (Source: Harley executive on how his company sells the “Rebel lifestyle,” not “two-wheel machines.”)

I could go on. OKAY, I WILL GO ON. Narayana Murthy wants to change the world! He plans to change the world! HE IS TOTALLY CONVINCED THAT HE WILL CHANGE THE WORLD! He is the founder and chairman of IBM and Accenture’s direct competitor, the Indian information services company Infosys, a couple of billion bucks in size, growing at about 50 percent a year. I read his Chairman’s Letter to their 2003 Annual Report and ... GASPED. Such letters are usually pap, but Murthy says he ... *damn well plans to take over the world!* Consider this excerpt: “By making [our] Global Delivery Model both legitimate and mainstream, we have brought the battle to our territory. That, after all, is the purpose of strategy. We have become the leaders, and the 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 that in spades. Clients have embraced the model and are demanding it in even greater measure. The acuteness of their own circumstance, coupled with the capability and

value of our solution, has made the choice not a choice. Competitors have been dragged kicking and screaming to replicate what we do. They face trauma and disruption, but the game has changed forever. **Investors ... have grasped that this is not a passing fancy, but a potential restructuring of the way the world operates and how value will be created in future."**

I AM ... simply ... IN DESPERATE LOVE WITH THAT STATEMENT!

The boldness!

The audacity!

The certainty!

Will Mr. Murthy deliver?

Who the hell knows!?

BUT WHAT A WORTHY ASPIRATION!!

And however so different from 99.99 percent of his fellow-wimpy CEOs!

Jesper Kunde is the leading Danish marketing guru, author of a marvelous book, *Unique Now ... or Never*. He speaks of excellence at the likes of Nokia, Nike, LEGO, and Virgin. And he summarizes his point of view (WHICH IS MY POINT OF VIEW!): **"Most managers have no idea how to add value in the metaphysical world. But that is what the market will cry out for in the future. There is no lack of [physical] products to choose between."** The really interesting thing to me is that this ... Brilliant Statement ... is not the Exclusive Province of Consumer

Companies such as Nike or Lego. It is ... PRECISELY ... the ESSENCE ... of Mr. Murthy's Audacious Statement of Aims at ... INFOSYS! (Yes? No?)

There is not, in fact, a sector of the economy for which this concept/aspiration/reality does not hold. In Mexico City to give a speech, I followed to the podium Gian Luigi Longinotti-Buitoni. He has spent his life in luxury goods, and he was most recently the President of Ferrari North America. He was there to speak to us about ... DREAMS. Or, more specifically, ... *Dream Marketing*. Or to use his somewhat klutzy word: Dreamketing. It starts this way: "A dream is a complete moment in the life of a client. Important experiences that tempt the client to commit substantial resources. The essence of the desires of the consumer. The opportunity to help clients become what they want to be."

Mr. Longinotti-Buitoni has a Kindred Spirit in Rolf Jensen, head of the Copenhagen Institute for Future Studies, and author of the absolutely magnificent *The Dream Society: How the Coming Shift from Information to Imagination Will Transform Your Business*. Here's Mr. Jensen's fundamental hypothesis: "*The sun is setting on the Information Society—even before we have fully adjusted to its demand 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! ... The Dream Society is emerging this very instant—the shape of the future is visible today. Right now is the time for decisions—before the major portion of consumer purchases are made for emotional, nonmaterialistic reasons. Future products will have to appeal to our hearts, not to our heads. ... Now is the time to add emotional value to products and services.*"

METABOLISM!

That's the word I choose.
The extraordinary
pace of change
requires extraordinary
"responsiveness" on the
part of enterprise.

It's what Club Med does! It's what Starbucks does! It's what Harley does! But it is *also* what Mr. Murthy is doing at Infosys! Think about Sam Palmisano (he's the relatively new CEO of IBM.) The fabled Carly Fiorina, former boss of Hewlett-Packard, decided that her most important strategic move was to acquire Compaq. That is, HP was attempting to achieve "critical mass" in "personal computers" to deal with Dell. So they bought another "failing" (traditional) personal computer company. (No offense, Compaq.) Meanwhile Mr. Palmisano, following in the footsteps of Mr. Gerstner at IBM, kept building ... *IBM Global Services* ... and sold off the (hyper-low margin) personal computer business to ... THE CHINESE. (Lenovo.)

Think about it.

So my new chiefs need to be the ... Masters of Metaphysics.

Eh?

MMM #2/MM (Master of Metabolic Management/Master of Madness)

Peter Lewis's Progressive Insurance Company is one of the best firms in the world. In any industry! "*We don't sell insurance,*" says Mr. Lewis, "*we sell speed.*" The *New York Times* ran an amazing, detailed story of how Wal★Mart, the weekend after Thanksgiving 2004, adjusted to what at the time looked like the beginning of a lousy Christmas season. They changed ... Virtually Everything ... about their Pricing & Merchandising ... in a matter of ... *hours*. The CEO, Lee Scott, was on the road as usual, and ran the company via ... *Blackberry*. Meg Whitman, eBay CEO, said that in

the past, “best practice” meant that a company had a strategy meeting a couple of times a year, but we think we need one ... “twice a week.”

Metabolism! That’s the word I choose. The extraordinary pace of change requires extraordinary “responsiveness” on the part of enterprise. “The organizations we created have become tyrants,” wrote Frank Lekanne Deprez and René Tissen in *Zero Space*. “They have taken control, holding us fettered, creating barriers that hinder rather than help our businesses. The lines that we drew on our neat organizational diagrams have turned into walls that no one can scale or penetrate, or even peer over.” And those barriers ... MUST NOT STAND ... in the New World Economic Order!

Hence it is my contention that one of the CEO’s Top Jobs (Job No.1?) is the ... DIRECT MANAGEMENT OF THE CORPORATE METABOLIC RATE. I think it’s so damned important that I’m offering a ... Degree. My MMM #2: The Master of Metabolic Management. It’s two things: Using Leadership By Personal Example ... and the Very Best & Boldest in New Technology to Speed Everything Up. And it’s ... Destroying (All the) Old Stuff ... and ... INVENTING ENTIRELY NEW FORMS OF ORGANIZATION!

There’s more than a little bit of concern in Redmond, Washington, these days. And a lot of that “little bit more than a little” concern comes from ... LINUX. Linux ... doesn’t have a headquarters! LINUX ... doesn’t have a CEO! LINUX has an Ever-morphing Network of Contributors from All Around the Planet ... who are creating ... Spanking New Ways of Innovating & Doing Things in General! It’s Exciting as Hell! And, I might add, 1,000 miles beyond the “with it” “virtual organization” that was so scary-new only a few (five?) years ago.

I was in Japan in August of 2004. American management guru (me) was speaking to Top Japanese Clients (e.g., the chairman of Toshiba) ... sponsored by an Indian

software company! (Go figure! Welcome to 2004/5!) They called me a “radical.” I was surprised. Here’s what got me in hot (interesting!) water. I said I could readily imagine, 10 years from now, being the CEO of a \$10 billion, global pharmaceutical company. AND ... I WOULD BE THE ONLY EMPLOYEE! I would ship out the Drug Discovery to a passel of “planet’s best” biotech start-ups and small firms. I’d have the drug distribution done by one of Big Pharma. The IS/IT would, naturally, go to Infosys. (They paid my way to Japan!) Then I got a laugh when I told my Japanese colleagues that we crazy Americans even have “temp” employee agencies these days specifically devoted to renting ... CEOs. So maybe we don’t need me, either! As the British management guru, Charles Handy, summed it up a while ago, “Organizations will be critically important in the world, but as ‘organizers’, not ‘employers’!” And with the Linux Model, I’m not really sure I even know what an organization *is*!

The situation in Iraq has hardly gone smoothly. No one but a fool would deny that. On the other hand, the *taking* of Iraq was quite amazing. The world’s Clumsiest Bureaucracies ... the Military ... used Entirely New Organizational Forms & Strategies & Tactics & Equipment & Communications. The father of this, to some extent (beyond Donald Rumsfeld), was the late Colonel John Boyd. He invented a school of thought as appropriate to the Private Sector as to the Military: “Maneuverists!” He also “invented” something of astonishing importance (some have called him the most important military theorist since Sun Tzu, 1000 years ago) called the OODA Loop. “OODA” stands for “Observe. Orient. Decide. Act.”

Boyd’s research began with aerial dog fighting in the Korean war. A klutzy American plane beat the best-of-breed MIGs, made in Russia and flown by the Chinese. The Chinese pilots were superb, no issue there. But it turned out that the “klutzy” American plane could ... Shift Directions ... more rapidly. The other guys were “faster.” And they could “climb higher.” But our guys ... shifting and twisting and dodging with

astounding rapidity (it had something to do with freak hydraulic controls) ... were able to confound the enemy. "Screwing up the enemy's mind" was what it was all about! In fact, if I read the story right, more enemy planes ended up flying themselves into the ground than being shot down.

At any rate, the Big Idea here is ... Master of Metabolic Management. And, remember, Master of Madness. Robert Cooper, advisor to Tony Blair, said, "We may not be interested in chaos but chaos is interested in us." It's true in the ... Marketplace. It's true in the arena of ... Global Security. And we need people who can ... Deal With It. Who put it at the ... TOP OF THE AGENDA. Hooray ... for the new-found Metabolic Masters!

MnML/WR (Master of non-Masculine Leadership/Women Rule)

I'm going to lecture at Smith College's Executive Management Program this summer (2005). I CAN'T WAIT! You see, I'm one of those who believe that women are ... Generally & Genuinely ... better prepared to lead in the days and years ahead! Hierarchies are crumbling! "Multitasking" becomes the norm! (Master of Metabolic Management?!) Virtual organizations, the antithesis of command and control, will ... Rule Everything. So I'll go to Smith, and ... Let Women Teach Me! (And then I'll wander around the world telling everybody exactly what I learned at Smith ... and charging ... Exorbitant Fees ... for the Privilege of My Company! What a racket, eh?)

Judy Rosener, USC professor, wrote *America's Competitive Secret: Women Managers*. She notes that women's inherent strengths are a perfect match for the New Economy's Imperatives. For example(s): *Women tend to link rather than rank workers. They favor interactive-collaborative leadership styles, believing that empower-*

ment beats top-down decision making. They readily sustain fruitful collaborations. They are comfortable with sharing information and see Redistribution of Power as victory, not surrender. They favor multi-dimensional feedback. They value technical and interpersonal skills equally. Individual and group contributions equally. Women readily accept ambiguity. And honor intuition as well as pure "rationality." They are inherently flexible and appreciate cultural diversity.

That's Judy's list and all I would say: ONE HELLUVA LIST! Helen Fisher in *The First Sex: The Natural Talents of Women and How They Are Changing the World*, makes the generic point: "On average, women and men possess a number of different innate skills. And current trends suggest that many sectors of the twenty-first century economic community are going to need the natural talents of women." Put simply, I couldn't agree more wholeheartedly!

And how about the extreme version of this, Mom Power? Moe Grzelakowski, a successful high-tech executive at places like Dell, has just penned a magnificent book: *Mother Leads Best: 50 Women Who Are Changing the Way Organizations Define Leadership*. In her closing chapter, under the sub-heading "Maternal Trends in the Business World," she says this: "Now and in the future, the teams led by the most moms win. ... The New Model still mandates that they have 'leadership DNA', but it also embraces a kinder, gentler, more confident version of the old model; a Big Heart and a Strong Character are now as important as being a 'strong person.' ... Leaders who only have the 'hard skills' simply aren't suited for today's business climate. Many of these types are still running companies, but the tide is turning and their days are numbered. As everyone is well aware, company populations are going to become more rather than less diverse, companies will be dealing with more rather than fewer changes, and the pace is going to quicken even further. As a result, leaders must become much more efficient at Managing Chaos and much more competent at dealing

with the Human Side. Overall, they must possess the interpersonal skills and character to adapt to both new realities.” And those skills, Ms. G. says with confidence, are to a significant extent the skills learned by Mom-ing. For example, “Selflessness. Confidence. Humility. Groundedness. Honesty.”

(Yes.)

And you can translate this idea into the “hard” world of sales, too. Because the reality is that sales are seldom “hard,” they are all about ... RELATIONSHIPS. Who “does” relationships well? WOMEN. Who, typically, “do” relationships poorly? MEN. Nicki Joy and Susan Kane-Benson wrote a marvelous book called *Selling is a Woman’s Game: 15 Powerful Reasons Why Women Can Outsell Men*. On the back cover (you need read no more, though I suggest you do) she says: “TAKE THIS QUICK QUIZ: Who manages more things at once? Who puts more effort into their appearance? Who usually takes care of the details? Who finds it easier to meet new people? Who asks more questions in a conversation? Who is a better listener? Who has more interest in communication skills? Who is more inclined to get involved? Who encourages harmony and agreement? Who has better intuition? Who works with longer ‘to do’ lists? Who enjoys a recap to the day’s events? Who is better at keeping in touch with others?”

And the answer is ...

(Well, I won’t even go there.)

I could go on. Indeed, I did go on in my book *Re-imagine!*, where I devoted a Chapter to Women’s Matchless Leadership Skills ... and their ... PERFECT MATCH with the New Economy’s Requisites. (It’s that simple.) And thus the fact that only eight

of the Fortune 500 CEOs are women is ... SILLY. (Disgraceful, really.) (Or ... WHAT AN OPPORTUNITY!) And now we have a new "Business" "Degree" ... Courtesy Me! Remember: MnML/WR. (Master of non-Masculine Leadership/Women Rule.) (Ready?) (Hey: WOMEN DO RULE!)



MGLF (Master of Great Leaps Forward)

It was a helluva story! Period! A helluva “business story,” of course. But, mainly ... A HELLUVA STORY! It was one of the Biggest (business) Risks of All Time! Would anybody buy it? Odds were no better than 50-50 that anybody would. IT WAS THAT DIFFERENT. But it changed the commercial world! What am I talking about? Obvious as the end of your nose, right? **The Boeing 747.**

I can’t wait! I can’t wait to fly ... Airbus’s A380! Maybe “not as cool” as going to the Moon with Richard Branson, but a pretty damn good “second best.” Boeing chose not to play. It’s “betting” that no one will go for this monster. (How ironic!) (Fourteen airlines already have!) (Including Mr. Branson’s Virgin! And a 15-plane order from Emirates Air!) Boeing is going to build something smaller, that it thinks fits “today’s parameters.” And they’ll doubtless sell a bunch. And it’ll doubtless “make some money” for the troubled firm. But ... MY BOEING ... was ... Master of Great Leaps Forward. And it is to ... MY *OLD* BOEING ... AND MY N-E-W AIRBUS ... that I dedicate my new degree, the ... MGLF. The Master of Great Leaps Forward.

Think Sony!

Think iPod! (And Apple II & Macintosh & iMac & Pixar Movies ... all from Steve Jobs.)

Think Disneyland! (Way Back When.)

Think ... **“THE CHIMERA OF A MOONSTRUCK MIND”** ... which was what the leading paper of the day called Mr. Jefferson’s “absurd” decision to do the ... LOUISIANA PURCHASE. (Probably the most important decision that an American

president has made in the entire history of Our Republic!) “Beware,” said my old friend and former PepsiCo chairman Roger Enrico, “of the Tyranny of making small changes to small things. Rather, make Big Changes to Big Things.”

(Go Roger!)

You see, the way I see it, one (me!) shouldn’t have to ... talk about innovation. (Hey, remember the earlier discussion ... that ... NO LEADING BUSINESS SCHOOL ... has a “Core Course” on ... INNOVATION. Idiots!) No, you/I shouldn’t have to talk about ... Innovation. It ought to be as obvious as the end of your nose!

Okay, a few get it. From INSEAD comes a terrific new book from Chan Kim and Renée Mauborgne, *Blue Ocean Strategy*: “‘Value innovation’ is about making the competition irrelevant by creating uncontested market space. We argue that being the competition within the confines of the existing industry is not the way to create profitable growth.”

And how about (potentially, at least, and that’s a start) the “new” GE. *Business 2.0* gave us this report in July 2004: “[Jack Welch] was to a large degree a growth-by-acquisition man. ‘In the late ‘90s,’ [current CEO Jeff] Immelt says, ‘we became business traders, not business growers. Today organic growth is absolutely the biggest task of every one of our companies. If we don’t hit our organic revenue targets, people are not going to get paid.’ Immelt has staked GE’s future growth on the force that guided the copy at its birth and for much of its history: *breathhtaking, mind-blowing, world-rattling technological innovation.*”

Love those words!

Learning is easy.

Forgetting is nigh on impossible.

Breathtaking!

Mind-blowing!

World-rattling!

INNOVATION!

Way back in 1917, the first of the “lists” appeared, the Forbes 100. It enumerated & explicated the 100 WOW Corporations from the now-dominant (newly dominant) American Economy. The companies ... *built to last!* In 1987, *Forbes* went back to see how these “Built for the Ages” firms had done.

WHOOOPS!

Of the original 100: 61 had died. 39 were living. Of the 39 that were still gasping for air, some 18 were still in the Top 100 list. But the 18 who had survived near the top of the pack had *underperformed* the Stock Market by 20 percent; and just two (2 percent, obviously), GE and Kodak, had outperformed the market over that 70-year period. Subsequently, of course, Kodak has “gone South”. So we’re left with one: GE. All of which is a long-winded way of saying that it ... Ain’t Easy to Stay on Top of the Heap. And my view is that most firms ... slip ... because they become obsessed with “bulking up” (think P&G and Gillette!), rather than ... “breathtaking,” “mind-blowing,” “world-rattling” technological innovation. Incidentally (not-so-incidentally!) the Forbes numbers were reported in a book by my old McKinsey colleague, Dick Foster, and his colleague Sarah Kaplan in an appropriately named book, *Creative Destruction: Why Companies That Are Built to Last Underperform the Market*. In fact, this is what Foster and Kaplan conclude: “*The difficulties arise from the inher-*

ent conflict between the need to control existing operations and the need to create the kind of environment that will permit new ideas to flourish—and old ones to die a timely death. We believe that most corporations will find it impossible to match or outperform the market without abandoning the assumption of continuity. The current apocalypse—the transition from a state of continuity to a state of discontinuity—has the same kind of suddenness [as the trauma that beset civilization in 1000 A.D.].”

(WOW!)

Truth is, I considered giving this new “degree” another name. Namely: MOF. Or: Master Of Forgetfulness. “The problem,” wrote Visa founder and (now) management guru Dee Hock, “is never how to get new, innovative thoughts into your mind, but how to get the old ones out.”

Amen!

A few years ago I was asked to Keynote the premier “eLearning” conference. I knew the organizer, Eliot Masie, and decided (despite the fact that he was paying Big Bucks) to be a bit of a Tease. So I called my presentation: “The Art of eForgetting.” It was mostly in honor of the quote from Dee Hock, above.

That is:

LEARNING IS EASY.

FORGETTING IS NIGH ON IMPOSSIBLE.

Which is why ... Great Leaps Forward are “So Damn Difficult.” (Assuming you’re not Steve Jobs, who seems to do it as a duck takes to water.)

You want to know the truth?

I'm not sure what I would teach in my "degree course" called MGLF. (Or MOF.) I would not teach so much as "exhort." (For two years?!) I would insist that each Scholar put the following quote from my pal Seth Godin as her/his screen saver:

This is an essay about what it takes to create and sell something remarkable. It is a plea for originality, passion, guts, and daring. You can't be remarkable by following someone else who's remarkable. One way to figure out a great theory is to look at what's working in the real world and determine what the successes have in common. But what could the Four Seasons and Motel 6 possibly have in common? Or Neiman Marcus and Wal-Mart? Or Nokia (bringing out new hardware every 30 days or so) and Nintendo (marketing the same Game Boy for 14 years in a row)? It's like trying to drive, looking in the rearview mirror! The thing that all of those companies have in common is that they have nothing in common. They are outliers. They're on the fringes. Superfast or superslow. Very exclusive or very cheap. Extremely big or extremely small. The reason it's so hard to follow the leader is this: The leader is the leader precisely because he did something remarkable. And that remarkable thing is now taken—so it's no longer remarkable when you decide to do it."

(To coin a word: WOW!)

(Hey, Seth, want to be "Dean" of my "New School" that peddles the ... MGLF? The Master of Great Leaps Forward?)

(P-L-E-A-S-E?)

(And, oh yes. Don't forget my Aussie friend Phil Daniels: "*Reward excellent failures. Punish mediocre successes.*") (On second thought, maybe I'll name Phil Dean if Seth won't come along.)

(Here's how I ended my discussion of Fundamental Innovation in a recent paper I wrote on "Business Strategy": "No promotion to Senior Levels, public or private enterprise, should ever again be granted to anyone who does not present a CV saturated by a Clear & Compelling Demonstration of Sustained Commitment to Radical Change. Do we wish for 'good strategists'? Why not! But the heart of the matter goes far beyond any plan, no matter how brilliant. The heart of the matter is Heart & Will ... a record of Upsetting Apple Carts, dislodging 'establishments,' and fundamentally altering deep-rooted 'cultures' to embrace change of the most primal sort. The title of my most recent book: *Re-imagine! Business Excellence in a Disruptive Age*. 'Excellence' in a 'disruptive age' is not excellence amidst placid waters! The notion of 'excellence' itself changes ... dramatically. We need our Public & Private Churchills, leaders who can re-imagine, who can call forth Wellsprings of Daring & Guts & Spirits & Spunk, from one and all, to topple the way things may have been done for many generations—and who inspire us to venture forth into today's and tomorrow's white waters with insouciance & bravado & determination.") (I WOULDN'T CHANGE A WORD.)

MTD (Master of Talent Development)

It's the ... People, Stupid!

It's *always* been ... the People, Stupid!

But perhaps: **It's the People, Stupid ... Now More Than Ever!** In *A Whole New Mind*, Dan Pink contends that we have passed through the Agriculture Age, where farmers dominated, then the Industrial Age, marked by the factory worker as Central Actor; now the Information Age, where Knowledge

Workers play the Lead Role. But we are rapidly entering the ... Conceptual Age ... where Center Stage goes to “creators” and “empathizers.”

I am in Love. With a word. **TALENT!** For what it conjures up. Think ... TALENT ... and you think ... New York Yankees, a space shuttle crew, the cast of a Metropolitan Opera performance, the Creatives at TBWA\Chiat\Day, or Saatchi & Saatchi. And so on. Talent = a Special Breed.

If it's obvious for the Yankees (which it obviously is), then it ought to be equally obvious for every IS/IT Department. Every HR Department. Namely: **Brand = Talent.** In simple terms, the majority of our “knowledge work” jobs of today will either gravitate to India (or some such) or be usurped by a Microprocessor. Thus we are left with no choice: Figure something else out to do! Move up—once again!—that value chain.

As to the bosses in the midst of “all this,” **Talent Discovery & Development & Retention** takes central stage as in no other “era.”

Tomorrow's Bosses who would thrive will ... **“DO TALENT.”** “The leaders of Great Groups,” wrote Warren Bennis and Patricia Ward Biederman in *Organizing Genius*, “love talent and know where to find it. They revel in the talent of others.” Bennis and Biederman use, as one example among many, the fabled Xerox Palo Alto Research Center (PARC). Its founder, Bob Taylor, was described by one of the senior colleagues as a **“Connoisseur of Talent.”** Love that! How many of “the rest of us” could—with a straight face!—call ourselves a “Connoisseur of Talent”? Probably not many. Everyone says that she or he is a “people person.” But how many of us ... *Really Are?*

Hang out, as I have, with the General Manager of a National Football League team, and you find a guy who works 25 hours a day, 8 days a week, 53 weeks a year on,

effectively, **One & Only One Thing ... the Recruitment & Development & Retention of ... TALENT.** One more time: Why should an HR or Finance or IS/IT Department be any different? It can't be ... not when India and that Microprocessor are literally breathing down our necks!

Ed Michaels put it a slightly different way. The senior McKinsey partner spent five years on a research project, eventually titled "War for Talent." He said that during the eighties and the early nineties, the Jack Welch (GE) view of business held sway. Every business unit, said Mr. Welch, had to be first or second in its marketplace—or GE would sell it off or shut it down. The new, equivalent rule, per Michaels: "Develop the best talent in each industry segment to build the best proprietary intangibles"—or you're out. The payoff is stupendous. "We believe," Michaels and his colleagues wrote, "that companies can increase their market capitalization 50 percent in just three years. Steve Macadam at Georgia-Pacific changed 20 of his 40 box plant managers to put more talented, higher-paid managers in charge. He increased profitability from \$25 million to \$80 million in just two years."

Wow!

But why should we be surprised?

Top talent, per this view of the Coming Age of Business, is just that ... TOP! How "top"? Let's ask Nathan Myhrvold, long-time Chief Scientist at Microsoft: *"The top software developers are more productive than average software developers not by a factor of 10 or 100, or even 1,000, but 10,000."* Is a Barry Bonds (steroids notwithstanding) 10,000 times better than the average ballplayer? Surely 10,000X better than I am, and many times better than even the average Major Leaguer. The point is, there is an elaborate "scouting system" (pipeline) for "talent" in the "major leagues." What about

the “major leagues” of IS/IT? I’m not suggesting that we don’t pay attention to Talent. I *am* suggesting that our ... Intensity Level ... is far below that of the Yankees or Red Sox or Dodgers. That never made any sense. And it is disastrous today.

In my “business school,” the Dean will likely be an “HR Person,” in one fashion or another. Most Deans, I’ve discovered, typically come from an economics or finance background, occasionally marketing. But virtually never “HR.” Are there no Worthies in that arena? Or do we just not take the “people thing” as seriously as we might? I suspect that it is primarily a case of the latter.

In my MTD program, we will take a new view of “HR.” Maybe we’ll even begin by renaming it “HR”. How about the TDD ... Talent Development Department? Or HED ... Human Enablement Department? “Firms will not ‘manage the careers’ of their employees,” said careers guru Tim Hall. “They will provide opportunities to enable the employee to develop identity and adaptability and thus be in charge of his or her own career.” Management guru Karl Weick says that the three most important words in the leader’s lexicon are: “I don’t know.” Partially because, in today’s crazy world, the leader doesn’t know! (And perhaps never did, but at least we were able to keep up the pretense in the past.) The most important reason for “I don’t know” is this:

I need *you* to lead *me* (boss) to the Promised Land!

I spent months, maybe even years, “scouting” you, tracking you down!

Now I’ve brought you aboard!

What do I say to you?

“I don’t know, Mary ... **you figure it out.** This is why I went to such trouble to bring you aboard, that is what I’m paying you for.” There’s a word that I have fallen in love with almost as much as “Talent.” It is: *Quest!* As I see it, the Magical Leadership Role

is to Find the Best ... and Set Them Out On Grand Quests ... into the Unknown! (A new Age of Discovery.) Once again, let me refer to the work of Bennis and Biederman in *Organizing Genius*: "Groups become great only when everyone in them, leaders and members alike, is free to do his or her absolute best. ... The best thing a leader can do for a Great Group is allow its members to discover their own greatness."

I LOVE THAT!

WHAT A STANDARD TO HOLD ONESELF TO!

For example, as you read this, as a leader of six or 66 people, can you say, honestly, and without equivocation, that "they" are **"Free (AT THIS MOMENT) to do their Absolute Best"**? Can you say that Each & Every One is ... busily **"Discovering Their Own Greatness"**?

THAT IS ONE HELLUVA TEST!

It's all about Talent!

I dislike mission statements, because they are typically so much pap. But I am quite taken with this one from the giant ad 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.

No issue about “profit”! WPP is in favor of it! So am I! But what comes first? What ... leads off? Their answer (and mine): *“To develop and manage talent, to apply that talent throughout the world.”*

Yes!

That’s precisely what my MTD program is going to be all about!

W/MWGTDw/oC (Woman/Man Who Gets Things Done without Certificate)

I once sat in on a lecture by Wilf Corrigan, a computer chip pioneer. He talked about a fellow who worked for him. Let’s call him Ralph. (I don’t remember the name.) Ralph would be a reasonably senior staffer at headquarters. He’d make a presentation, for example, to the Board. Shirttail untucked. Not very articulate. Corrigan would shake his head in disbelief, and at least mentally drop him down a notch or two on the Key Man list. And then a problem would come up, Corrigan reported, like a fire in a plant in the Southwest. “Since he wasn’t doing that well at headquarters, I’d send Ralph. And sure enough, in very short order, things would be fixed and running smoothly.” So Ralph’s stock went up—in fact, he came back to headquarters. And then the story was repeated ... not particularly smashing performance in the Overhead Transparency Presentation World! Then another crisis would arise, perhaps in Singapore. Ralph to the rescue! And another brilliant job! **“Finally,” Corrigan said, “I figured out that Ralph was just a guy who, somehow or other, always ‘got things done.’ I didn’t know how, and I finally gave up caring. We didn’t worry about bringing Ralph back to headquarters, but we called him ‘Mr. Fix-it’ when big troubles arose.”** Ralph, apparently, had a very productive

career for Corrigan. This “degree program” is all about Ralph, in fact it’s a “non-degree degree program.” (Thence the last words: “without Certificate.”) It’s about the “Ralphs” who de facto specialize in “Getting Stuff Done.”

Larry Bossidy more or less wrote a whole book on this topic, called *Execution*. Here’s an example of his way of thinking: *“When assessing candidates, the first thing I looked for was energy and enthusiasm for execution. Does she talk about the thrill of getting things done, the obstacles overcome, the role her people played—or does she keep wandering back to strategy or philosophy?”* The people who are the “do it” “fanatics” are the winners in Bossidy’s world; the philosophers he can more or less do without. Bossidy has a kindred spirit in Southwest Airlines co-founder Herb Kelleher, who once said—and knowing Kelleher rather well, I don’t think it was flippantly: *“We have a ‘strategic’ plan at Southwest. It’s called doing things.”*

Go, Herb!

Oddly enough (well, I guess not, that’s the whole point of this exercise), “implementation” is hardly a mainstay of B.School thinking! Back in 1977, I wrote my Ph.D. dissertation on “implementation”—and my savvy advisor swore that it was the first such dissertation, to his knowledge (which was vast!), that had been written on the topic per se in the world of business schools; my advisor-pal, the late Gene Webb, went on to create at the Stanford Business School what may well have been the first-ever full course on ... **IMPLEMENTATION.**

Obviously, what I learned from Gene stuck with me. The heart of *In Search of Excellence* was what Bob Waterman and I called the “Eight Basics.” First up: **“A Bias for Action.”** We said then, and I believe now, that business’s biggest problem is “too much planning and thinking, too little doing.” Originally, in my first report on

Rapid Prototyping is arguably Core Competence No.1 for the Premier Innovators. This is a profoundly important point.

"excellence," I called it: *"Do It, Fix It, Try It."* Others have subsequently jumped on the bandwagon, none more than my colleague Michael Schrage. He gave us, among other things, a fabulous book, *Serious Play*, for which I wrote a glowing foreword. Schrage's entire book—the only one of its kind to this day!—is about *prototyping*. He argues that companies that are tops at prototyping per se, like Sony, are the best innovators. Rapid Prototyping is arguably Core Competence No.1 for the Premier Innovators. This is a profoundly important point.

Like Sony, Microsoft gets it. "If Microsoft is good at anything," wrote Seth Godin in *Zooming*, "it's avoiding the trap of worrying about criticism. Microsoft fails constantly. They are eviscerated in public for lousy products. Yet they persist, through version after version, until they get something that's good enough. And then they can leverage the power that they've gained in other markets to enforce their standard." Alas, the likes of Sony and Microsoft are rare examples of this "culture"/"genetic" penchant for doing things, then re-doing them rapidly without a raft of Monday-morning quarterbacking. "Getting it" for a sluggish, hide-bound bureaucratic company is nigh on impossible, I fear. In fact, it goes even deeper than "corporate culture," all the way to "national culture." The Americans' "entrepreneurial (JUST DO IT!) instinct" demonstrated by a dozen hard statistics, is a Clear & Dominant Point of Difference—always has been and, hopefully, always will be.

Our schools (including American ones!) sure as heck don't help. Consider this from Richard Farson and Ralph Keyes' *Whoever Makes the Most Mistakes Wins*: *"Thomas Stanley has not only found no correlation between success in school and an ability to accumulate wealth, he's actually found a negative correlation. 'It seems that school-related evaluations are poor predictors of economic success,' Stanley concluded. What did predict economic success was a willingness to take risks. By contrast, the success-failure standards of most schools penalized risk takers. Most educational*

systems reward those who play it safe. As a result, those who do well in school find it hard to take risks later on.” (I wish I could find the slightest reason to disagree with this assertion. I can’t.)

Admittedly, I’m not at all clear what the full-blown, 18-month curriculum for my W/MWGTDw/oC will be. But I know it’s important! And I know it’s worth the try! Stay tuned!

* * * *

Hugh MacLeod put a post at my tompeters.com blogsite, recounting a tale about J.P. Morgan. Maybe everybody else in the world had heard it. I hadn’t. Apocryphal or not, I love it ... and maybe I’ll use the Ghost of Old J.P. as Talisman for this “degree” (non-degree!) program:

A man approached J.P. Morgan, held up an envelope, and said, “Sir, in my hand I hold a guaranteed formula for success, which I will gladly sell you for \$25,000.”

“Sir,” J.P. Morgan replied, “I do not know what is in the envelope. However, if you show me and I like it, I give you my word as a gentleman that I will pay you what you ask.”

The man agreed to terms, and handed over the envelope. J.P. Morgan opened it, and extracted a single sheet of paper. He gave it one look, a mere glance, then handed the piece of paper back to the gent.

And paid him the agreed-upon \$25,000.

What was on the paper?

- 1. Every morning, write a list of the things that need to be done that day.**
- 2. Do them.**

That is the Spirit of my New Degree!

DE! (Doctor of Enthusiasm!)

Finally, the apex of my new portfolio of “degree” programs. And the only Doctorate! What could be more important than enthusiasm? The answer is obvious: Nothing.

Bob Waterman and I surely made mistakes in *In Search of Excellence*. But I’m most proud of one thing we got very right: “Hard is soft. Soft is hard.” Bob and I argued that the officially “hard stuff”—the financials and the plans—were really the mushy parts. The traditional “soft stuff”—such as People and Customers, Energy and Enthusiasm—were the real “Cultural Hard Stuff” which determined enterprise success or failure. Amazingly, what we said was repeated around the world—and treated as a profound insight. To me it should have been as obvious as the end of one’s nose!

Lou Cannon was the reporter closest to Ronald Reagan. Explaining Reagan’s extraordinary success in the Presidency, Cannon said, “*Ronald Reagan radiated an almost transcendent happiness.*” A California bystander at the Reagan funeral procession captured it almost as well as Cannon. “I’m not sure about his politics,” the fellow said, “but that’s not what made him great. He inspired people. He made us all feel better about ourselves.”

I suppose one could argue that Napoleon got there first when he said, “*A leader is a dealer in hope.*” The great American cultural reporter, Studs Terkel, age 91, replied to a question by *U.S. News & World Report* concerning the traits that “successful activists” share: “They have hope, and they imbue others with hope.” But it’s Ben Zander, the renowned symphony conductor and equally renowned management guru, who

gives this section (degree program!) its signature term. "I am," Ben said, "a dispenser of enthusiasm."

More:

"Nothing is so contagious as enthusiasm."

—Samuel Taylor Coleridge

"A leader must have infectious optimism. ... The final test of a leader is the feeling you have when you leave his presence after a conference. Have you a feeling of uplift and confidence?"

—Field Marshall Bernard Montgomery

"Make it fun to work in your agency. ... Encourage exuberance. Get rid of sad dogs who spread gloom."

—Legendary ad man David Ogilvy

And, profound Chinese proverb:

"A man without a smiling face must not open a shop."

Of all of my new "business" "schools," this one, featuring the DE!, will find me applying for the job of Dean.

In preparing for a presentation to the top human resources executives at American Express, I decided to lay my biases out up front. I created a table called "Importance of Various Success Factors According to Certain Management Gurus/Estimates by Tom Peters."

I considered four Areas of Emphasis: Strategy. Systems. Passion. Execution. And I looked at four leading “gurus.” Michael Porter, usually referred to as the “strategy guy.” Peter Drucker, usually referred to by genuflection. Warren Bennis, “Mr. Leadership.” And me, if anything “the Excellence Guy.” So here was my take:

“Guru”	Strategy	Systems	Passion	Execution
Michael Porter	50%	20%	15%	15%
Peter Drucker	35%	30%	15%	20%
Warren Bennis	25%	20%	30%	25%
Tom Peters	15%	20%	35%	30%

Fact is, I don’t think I’m far off. Warren Bennis got a chuckle out of this, and allowed as to how he didn’t think I was far off either. Of course, as my “rankings” suggest, he is very much a kindred spirit. *Fast Company* magazine would seem to more or less agree. It was the first to review my latest book, *Re-imagine!*, and here’s how the writer concluded: “*In Tom’s world, it’s always better to try a swan dive and deliver a colossal belly flop than to step timidly off the board while holding your nose.*” I can salute that! In the book, incidentally, I developed at one point what I called “The Re-imagineer’s Credo”:

Technicolor Times demand ...

Technicolor Leaders & Boards who recruit ...

Technicolor People who are sent on ...

Technicolor Quests to execute ...

Technicolor (WOW!) Projects in partnership with ...

Technicolor Customers and ...

Technicolor Suppliers, all of whom are in pursuit of ...

Technicolor Goals & Aspirations fit for ...

Technicolor Times!

* * * *

“We are all worms. But I believe that I am a glow-worm.”

—Winston Churchill

* * * *

If I am accepted as Dean of this “DE!/Doctor of Enthusiasm!” program, then my associate deans or co-chairmen of my Advisory Board will be Saatchi & Saatchi CEO Kevin Roberts. And the inimitable Richard Branson.

The Word/World According to Kevin Roberts:

1. Ready. Fire! Aim.
2. If it ain't broke ... break it!
3. Hire crazies.
4. Ask dumb questions.
5. Pursue failure.
6. Lead, follow ... or get out of the way!
7. Spread confusion.
8. Ditch your office.
9. Read odd stuff!
10. **AVOID MODERATION!**

And according to *Fortune*, "Sir Richard's Rules":

Follow your passions!
Keep it simple!
Get the best people to help you!
Re-create yourself!
Play!

I rest my case for the DE!

Summing Up

I tried to have some fun with this, though the generic topic is deadly serious. Remember where we started: Leading business school programs have ... **ZERO CORE COURSES ...** in Creativity, Design, or Innovation. So I effectively scuttled the traditional MBA, and invented eight new “degrees.” Though I tried to develop vaguely catchy names (Master of Metaphysical Management, for example), each of these eight New Degrees stands for something for which much more ordinary language can be assigned.

The current degree, the MBA, remember, has its roots in ... ADMINISTRATION.

The MFA (a real degree) is about ... DESIGN.

My MMM #1 (Master of Metaphysical Management) is about ... “NEW” MARKETING.

My MMM #2/MM (Master of Metabolic Management/Master of Madness) is about ... “NEW” ORGANIZATIONAL EFFECTIVENESS.

And the MnML/WR (Master of non-Male Leadership/Women Rule) underscores ... DIVERSITY/WOMEN/“NEW” LEADERSHIP.

The MGLF (Master of Great Leaps Forward) spotlights ... INNOVATION.

The MTD (Master of Talent Development) features ... PEOPLE.

The W/MWGDw/OC (Woman/Man Who Gets Things Done Without Certificate) highlights ... IMPLEMENTATION.

The Hunch of a Lifetime

An Emergent (Market) Nexus (Worth Trillion\$\$\$)

Project05: Tom Peters Rants



The Hunch of a Lifetime

An Emergent (Market) Nexus (Worth Trillion\$\$\$)

There are a jillion things to say about “markets.” But of late (in the last couple of years or so) I’ve chosen to say just ... Two Things. That’s because I wish not to be distracted. The two things are ... BIG THINGS.

Women! Boomers-Geezers!

Each market tallies in the Trillions of Dollars of potential, in the U.S. alone. (Women: \$6 trillion? BGers: \$4 trillion?)

Each market is underserved.

Wildly.

STUPID.

One more thought: WHAT IF WE PUT THE TWO TOGETHER?

And added a touch or two. Three “touches,” to be specific:

Wellness!

Environmental sensitivity!

Emphasis on the intangibles!

Hence we arrive at ... AN INCREDIBLE NEXUS:

Women–Boomers–Geezers–Wellness–Green–Intangibles.

Each of these “ideas” drives the Fundamental (Traditional) Enterprise Economic Value Proposition toward the “softer side”:

From facts & figures-obsessed males toward relationship-oriented Women.

From goods-driven youth toward “experiences”-craving Boomers & Geezers.

From quick-fix, patch-up & pill-popping health “care” towards a holistically inclined “Wellness & Prevention Revolution.”

From the mindless exploitation of the Earth’s resources toward increased awareness of the Fragility & Preciousness of Our Environment.

From hard-edged “goods” and “services” toward Design- & Creativity-Rich.

Intangibles-Experiences-Dreams Fulfilled-Lovemarks. This so-called “softer side” (there’s not a damn thing “soft” about the ... TRILLIONS OF DOLLARS ... involved!) is now and increasingly “where the loot is”—damn near all the loot. That is, the “softer side” is quickly becoming (has already become, if we’d wake up?) the Prime Driver of Tomorrow’s Hard Economic Value.

It gets better. (If that’s possible.) Each of the Five Key Ideas (Women–Boomers–Geezers–Wellness–Green–Intangibles) feeds off and complements the other four. Dare I used the word I normally shy away from so much? That is: “synergy”? Well, face it ... this time it applies!

Fact: I can readily picture an Imaginative Enterprise defining its Entire Reason for Being (its Lovemark!?) in terms of these Five Complementary & Invaluable Key Ideas.

Very few do today.

Want to be the first on your block?

(And if not, why not?)

(Please ... explain!)

AN EMERGENT (INVALUABLE) NEXUS \$\$\$	
Men	Women
Youth	Boomers/Geezers
"Fix It" Healthcare	Wellness/Prevention
Exploit-the-Earth	Preserve-Cherish-the-Planet
Tangibles	Intangibles

(Okay?)

“C-Level/s”: Revisited!

Project05: Tom Peters Rants



There's a company called IBM. One of those three letters is ... you guessed it ... M. M? M = machines. Problem is, welcome to the ... Brave New World. IBM doesn't really make "machines" anymore. Hasn't make a computer for many a year. It just sold of its PC division to the ... Chinese. (Lenovo, precisely.) Makes some chips, makes some memory. But mostly, "makes" "consulting." IBM Global Services "Division" has become the world's biggest Professional Service Firm ... with about \$50 billion in billings. And with an aim to ... Re-make the World!

I've discovered that people seem, these days, to be obsessed with "Cs." We talk about a meeting somewhere—its attendees, "they" say ... "C-Levels."

What's that mean?

CFO.

Chief Financial Officer.

CPO.

Chief Purchasing Officer.

And now:

CMO.

Chief Marketing Officer.

And: CLO.

Chief Learning Officer.

And so on.

And on.

So I thought I'd step in. It is, indeed, a "new economy." And the **Intangilistas** are Winning! Big-time! Harley-Davidson, says its former big boss, sells "the ability for a 43-year-old accountant to dress in black leather, ride through small towns and scare the hell out of people." And the shift that he crafted from "machinery maker" to "lifestyle company" added about **\$10 BILLION** to the firm's market capitalization. (Harley, third quarter, 2004, 2 percent of GM's sales; 50 percent of GM's profits. Ahh ... "lifestyle"!)

So as we enter this new age of intangibles—from the "aura" of the iPod to Cruise Lines for GEEZERS to Starbucks Nation—I've been thinking about ... "Cs."

And so I want to suggest some "New Cs":

cXo.

Joe Pine and Jim Gilmore gave us the marvelous book *The Experience Economy*. They launched us to a new level! We've obviously gone beyond (using their hierarchy) "raw materials" and "goods." But they also argue that we have gone/should go beyond "services." Go to ... EXPERIENCES.

Call it "Starbucks Magic"!

Call it "Whole Foods Magic"!

Call it "London Drugs Magic"!

Call it "Cirque du Soleil Magic"!

And "it" (THE EXPERIENCE THING!) needs a "boss." And I'm calling him/her (actually, somebody else got there first) the ... Chief EXPERIENCE Officer.

We all (who would succeed) provide "experiences." That's what I've come to believe. I know it's what I do. Of course, I hope that it has "incredible intellectual content." But ... at the end of the day the reason that I can charge a ... SILLY AMOUNT OF MONEY ... for what I do is the ... **"experience."**

Now here's what I like about the "C-Level Thing." What it is really all about is ... "CALLING ATTENTION TO." Design is important! Okay, you grant me that. So why not have a **cDo**? Chief Design Officer? The best reason to do so is that it Vaults the Notion to a Higher Level! Points out that it's of Paramount Importance. Certifies that it's ... IMPORTANT.

Welcome ... cXo.

(And, oh yes, that cDo.)

But there's more to come: How about a new **cFo**? You thought she/he was running Finance? I say: CHIEF **FESTIVALS** OFFICER.

I'm happy enough with the "Experience" idea. But I want to notch it up.

Festival!

What a cool word!

What does it call to mind?

"Memorable stuff." And that's the business we're in?

(That I'm in!)

Right?

Take an Apple store.

Take London Drugs.

Take Cirque du Soleil.

Take Whole Foods Market.

Take Starbucks.

Take Harley-Davidson.

It's all about ... FESTIVALS.

At the very least, I think it would be Super-cool to have a Chief FESTIVALS Officer. It would be a hoot to watch her/him trying to figure out what to do with their job in the "executive suite"! That alone is worth the Price of Admission.

Next: **cCo.**

What else?

Chief **Conversations** Officer.

About six months ago I became a "Blog-addict." IT'S CHANGED MY LIFE! I can now have ... GENUINE CONVERSATIONS ... with my Clients/Friends. It's almost becoming hackneyed even before it became hackneyed, but the Web allows you/us to have something you never had before. **Intimacy!** Intimacy on a large-scale business. My shorthand for intimacy: *CONVERSATIONS*. So if this "conversation" thing is so important ... give it a ... "C." As in: chief Conversations officer.

Next time: **cLo.**

Chief **LOVEMARKS** Officer.

(What else?)

Hooray for Kevin!

Kevin Roberts.

CEO, Saatchi & Saatchi.

Best book in years (& years): *LOVEMARKS*.

Beats the hell out of brands!

(That's what Kevin says.)

(That's what *I* say.)

And so if there is this thing ... Call It "Lovemarks" ... then what about putting "somebody in charge"? And that person?

cLo.

Chief **Lovemarks** Officer.

But let's keep on goin': **cSo.**

And what's *that*?

Chief **SEDUCTION** Officer.

(Yup.)

Mr. Roberts says this "lovemarks bit" is all about words like "mystery" and ... "seduction." And so if that's the case ... LET'S PUT SOMEBODY IN CHARGE!

Let's have that ... cSo. Yes: Chief SEDUCTION Officer.

We're still not finished!

cPI.

Chief **Portal Impresario.**

I love ... DESPERATELY LOVE ... this "Web Thing."

The Web is a ... PORTAL.

It's an "Opportunity" to "Seduce" people with Intriguing Ideas and Seductive Conversations. Once you Enchant Them ... induce them to visit your Portal ... then you have the ... **Opportunity To Make Magic!**

And if all that's right, we need ... (DESPERATELY) ... a CPI. That is: Chief **Portal Impresario.**

Right? (Nothing less will do!)

Consider my pal.

Dennis DiFlorio. Runs most of ... what may well be the World's Most Successful Bank. (That's what the numbers say!) Commerce Bank. They do these ... Wild Things: THEY'RE OPEN ALL THE TIME!

And they have a "word."

That they love.

And the word is: **WOW!**

They're unabashed about it! They're unashamed of it! They talk ... WOW!

More important: they **DO** ... WOW!

So I want to learn from Commerce Bank.

I want a: **cWo.**

Chief **WOW** Officer.

Why not!

C-Level.

"Calls Attention To." So, why not: cWo.

Chief WOW Officer.

And ...

Now we need: **cSTo.**

And who's this one?

Chief **StoryTelling** Officer.

A "Brand" (THAT ACTUALLY WORKS!) is ... a ... Good Story.

Right?

And so if Brand (that Works) = STORY ... then we may well need that: cSTo. Chief StoryTelling Officer.

Once again, somebody "in charge."

Who focuses on this issue.

The idea: VERY IMPORTANT.

And finally. (For now.)

cDM.

Chief **Dream Merchant.**

Infosys.

Sells dreams.

IBM.

Sells dreams.

GE.

Sells dreams.

UPS.

Sells dreams.

Starbucks.

Sells dreams.

Harley-Davidson.

Sells dreams.

Whole Foods Market.

Sells dreams.

London Drugs.

Sells dreams.

I'm going ... BERSERK.

I'm ... *in love!* I'm in love with ... **DREAMS.** I'm in love with the *idea* of ... DREAM MERCHANTS.

Think about ... Narayana Murthy.

Chairman & Founder.

Infosys.

Dream Merchant!

Think about: Sam Palmisano.

CEO.

IBM.

Dream Merchant!

(Or think about ... me.) (If you must.)

(What do I sell?)

(At my best, DREAMS.)

And that's what *this* "story" is ... ALL ABOUT.

So think about ... those "Cs."

"Calls Attention To" "Important Stuff."

Please review all the entries in this paper.

THEY ARE IMPORTANT.

It's a New Economy.

GET THIS RIGHT (OR SOME SUCH) ... OR GO OUT OF BUSINESS.

Think about the terms presented here:

CXO/Chief Experience Officer.

CFO/Chief Festivals Officer.

CCO/Chief Conversations Officer.

CLO/Chief Lovemarks Officer.

CSO/Chief Seduction Officer.

CPI/Chief Portal Impresario.

CWO/Chief WOW! Officer.

CSTO/Chief StoryTelling Officer.

CDM/Chief Dream Merchant.

Please.

Think about it/them.

Play with it/them.

Imagine it/them.

(Okay?)