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# Enterprise

## 140. An Organization Is “People Serving People.” (Period!)

A challenging trip to Siberia (tautology?) to give an all-day seminar got me thinking about the fundamentals of organizing and organizations. I more or less surprised myself when the definition that follows emerged from my keyboard, almost spontaneously:

Enterprise\* (\*at its best):

**An emotional, vital, innovative, joyful, creative, entrepreneurial endeavor that maximizes individuals’ growth and elicits its maximum concerted human potential in the wholehearted service of others.**

On the one hand, this definition is pretty high-stepping. Idealistic beyond the realm of common sense. But examine it . . . **one word at a time.** Conjure up each word’s opposite, and consider the possibilities:

*Do we want an emotionless organization—or an exciting one? (That’s a practical enough question, eh?)*

*Do we want a joyless organization—is joy “impractical” in the World of Work? (Since said world is where we spend the bulk of our conscious hours as adults, I’d hope the possibility of Joy is not completely pie in the sky.)*

And so on.

I have used this formulation 100 times now, literally in every corner of the globe. And to my delight, most of the people at my seminars—from Estonia to Korea to Austin—sign up for the “Siberia option.” (As opposed to, “Send him home on the next plane.”) Not “sign up” in the sense of taking a blood oath, but in the sense of agreeing that when you examine the words . . . ONE AT A TIME . . . and when you do conjure up the opposite of each word, you are likely to agree that although it is indeed a towering aspiration, it is not to be dismissed, either.

Organizations exist to *serve*.

The true bottom line: *People serving people*.

If membership in your club (organization) is not aimed at “mind-blowing” development for each staff member and “window-rattling” service for each customer and other extended family member, then . . .

## **just what the hell is the point?**

### **➤ WHAT HAPPENED TO THE LAST THREE YEARS?**

I cannot begin to tell you how important *and* practical I think this item is.

I cannot begin to tell you how much I would like to reach out from this page, and shake you, and shout . . .

#### **You can do this.**

To myself, I keep saying . . .

#### **IF NOT THIS, WHAT?**

You take over a department. Twenty-eight people. You aim to make it a “smoothly functioning unit.” As time goes by, and you deal with brush fire after brush fire after brush fire (we all do), your aspiration-in-reality becomes “making it through the day.”

And next thing you know, you've indeed "made it through the day"—about 700 times. And three years have passed. There have been no mutinies. And your annual evaluations have been consistently "pretty damn good."

But what do you really have to show for . . . **three whole years of your precious life?**

Actually, not much. "Competent survival" might be an accurate description. But nobody's beating down the door to get into your unit. And you really don't have one or two . . . **stupendous** . . . accomplishments to brag about or sleep on.

Well, I don't think that's good enough.

For you.

For the people in your unit.

I beg you . . . yes, beg . . . to review the definition-aspiration with which I launched this item.

I beg you . . . yes, beg . . . to talk with your peers and your folks and anyone you can buttonhole about . . . WHAT COULD BE.

I beg you . . . yes, beg . . . to "go public" with a doc called, more or less . . . **"Towering Aspirations of Growth and Excellence"** . . . and then use it as a litmus test against which you judge . . .

. . . every decision, small or large;

. . . every project, small or large;

. . . every people move, small or large.

I believe there is a decent chance that, if you get moving ASAP, three years from now you will be able to look back and say . . .

"Oh my God, we did that . . ."

"How cool . . ."

"How 'Wow' . . ."

And, yes, people from all over the organization will be hammering on your door, begging (yes, begging) to sign up and become part of your . . . **Greatest Show on Earth.**

# 141. The PSF Mandate: “Work Worth Paying For.”

To understand tomorrow’s value-added mandate and opportunity, let’s travel back three decades: Hank was perhaps the most independent, self-assured person I’d ever met—certainly the most independent-minded under 30. He worked for me for several months in 1978, during my McKinsey days, on a distribution project for Frito-Lay in Dallas. We both had pretty similar, not particularly scintillating origins; and we’d both ended up in engineering school, he mechanical, me civil. But our paths then diverged. The U.S. Navy paid my way through school, and I returned the favor with four years’ service. He had gone to work, at world’s end and virtually alone, as a young—and remarkably independent and accountable—field engineer at Schlumberger, the French-founded, Texas-based, lean-mean-R&D-driven oil-field services firm.

Because of my friendship with Hank, I continued to follow Schlumberger, through some ups and downs, mostly ups, for the next 25 years. At the beginning of 2008, a *BusinessWeek* cover story reported that a brassier-than-ever Schlumberger may well take over the world: “THE GIANT STALKING BIG OIL: How Schlumberger Is Rewriting the Rules of the Energy Game.” In short, Schlumberger knows how to create and run oil fields on a turnkey basis, anywhere, from searching and drilling to full-scale production to distribution. As China and Russia, among others, make their move in energy, state-run companies are locking out the major independents. Instead, they are turning to the new Kings of Large-Scale, Long-Term Project Management—and the new Kings wear the same Schlumberger overalls my friend Hank wore.

At the center of the center of the Schlumberger “empire” is a relatively new member of the family, remarkably reminiscent of IBM’s

enormous Global Services Unit (these days, Global Services = IBM) and UPS Logistics' teams, which run entire supply chains for enormous companies. The Schlumberger version is simply called IPM, for Integrated Project Management. It lives in a nondescript building near Gatwick Airport, and its chief says it will do "just about anything an oil-field owner would want, from drilling to production"—that is, as *BusinessWeek* put it, "[IPM] strays from [Schlumberger's] traditional role as a service provider\* and moves deeper into areas once dominated by the majors." (\*My pal Hank was solo on remote offshore platforms interpreting geophysical logs and the like.)

As I see it, Schlumberger is transforming itself pell-mell into what could become the biggest and most powerful "PSF" (Professional Service Firm) in history. Moreover, paths like this, from IBM and UPS and Schlumberger, are open to many, maybe even most, firms in any arena you can name. Think Best Buy's Geek Squads, the mobile service units that *are* Best Buy's competitive advantage in electronics retailing; or the "PSF" components of many giant GE "industrial" units, which produce well over 50 percent of the units' revenues; even the likes of MasterCard are getting into the act—MasterCard Advisers are running entire payment systems activities for some of their Clients, penetrating ever more deeply into the heart of the Clients' operations.

There are actually even larger ramifications of this line of thinking. In fact, one of my "Top 5" Tom Rants is urging *every* "department" in an organization to reconceive itself as a full-blown turnkey-services provider, a de facto or de jure profit-making "PSF." And, likewise, I urge companies of all flavors to consider aiming to grow through "PSF-ing." The Schlumberger-IBM-UPS-GE-MasterCard-Best Buy transformation—and it is just that—is a matter of attitude as much as "programs."

So, consider trying "the PSF idea" on for size:

- What makes for an effective "PSF"?

- Are we (department, say) at least in spirit a “PSF”?
- Do we (department) truly do WWPF—**Work Worth Paying For?** (This is essential: If the Purchasing Department sent out invoices to its internal customers, other departments and divisions, would those customers agree that Purchasing’s services were worth top dollar—e.g., had they saved enough money to clinch a deal on behalf of some division in the firm, had they finagled an early delivery that had delighted the end-user customer?)
- What would be the first steps toward transforming ourselves into a de facto or de jure PSF in the next 12–18 months?

In short, I believe the “Professional Service Firm Idea” is central to the potential of many firms, including or especially *small* ones, to differentiate themselves in today’s and tomorrow’s increasingly competitive environment. In particular, these “PSFs” can potentially offer dramatically differentiated services limited only by their imaginations.

(To spur discussion, and I rarely make such a self-serving suggestion, you might consider perusing my book *The Professional Service Firm50: Fifty Ways to Transform Your “Department” into a Professional Service Firm Whose Trademarks Are Passion and Innovation.*)

## 142. Don’t Let the “Enemy” Rule Your Life.

*“Obsessing about your competitors, trying to match or best their offerings, spending time each day wanting to know what they are doing, and/or measuring your company against them—these activities*

*have no great or winning outcome. Instead you are simply prohibiting your company from finding its own way to be truly meaningful to its Clients, staff and prospects. You block your company from finding its own identity and engaging with the people who pay the bills. . . . Your competitors have never paid your bills and they never will.”*

—Howard Mann, *Your Business Brickyard: Getting Back to the Basics to Make Your Business More Fun to Run*

Mr. Mann also quotes Mike McCue, former VP/Technology at Netscape:

*“At Netscape the competition with Microsoft was so severe, we’d wake up in the morning thinking about how we were going to deal with them instead of how we would build something great for our customers. What I realize now is that you can never, ever take your eye off the customer. Even in the face of massive competition, don’t think about the competition. Literally don’t think about them.”*

I say:

Amen!

Don’t let the “enemy” rule your life. Try your damndest to follow the exact advice of Mr. McCue: “*Literally* don’t think about them.” Far, far easier said than done, no doubt, but self-awareness is a start.

And, as is almost always an implementation necessity, a simple ritual: Purposely and systematically direct (with forethought, during-thought, and an afterthought “checkup”) your conversations (and thoughts, if possible) away from your equivalent of “What’s Microsoft doing?” (“What’s the accountancy across the road doing?” or “What’s the new Italian restaurant downtown doing?”); when it happens, and it will, bring the meeting to a halt. And say, as a matter of ritual, something like: “The new Honda dealership moving in is not the problem. The depth of the relationships we have with our *current* customers is the issue—and opportunity. Let’s generate 10 new ideas in the next

30 minutes as to how we can renew our acquaintance with people who bought cars from us over three years ago—but haven't been back to our dealership since.” (Or some such.) That is, redirect the conversation directly to performance.

I know I repeat myself.  
But I'll take the risk.

**We** . . . are the problem.  
They are . . . **not** . . . the problem.  
We have one source only of Excellence: **Us.**

## 143. Love Your Competitors.

Oddly enough, I've run into two situations in the last 24 hours (as I write) where someone wanted to restrict the activities of a competitor. In one instance, involving a seminar I was to give, the organizer did not want a close professional friend of mine, who is in the training business, hence an indirect competitor of the organizer, to attend. In another case involving a product I'm working on, I was asked not to mention a competitor favorably. I flatly refused to accede to either request—on both moral and commercial grounds.

At the top of my *business* priority list is a desire for my overall market to grow by leaps and bounds! Sure, as the number of people giving speeches and seminars and writing books and blogging and tweeting on similar topics has leapt, my “market share” has gone w-a-y down. (It was about 100 percent after *In Search of Excellence*, when I was more or less the only *public* “management guru.”) But my revenue has soared in the process—the “smaller share of a much bigger pie” axiom.

Moreover, I want (am desperate for!) my competitors to do terrific work! If they do, the “guru” industry’s stock as a whole, which is sometimes wobbly, will rise.

In short, I want my competitors to thrive. *And* I welcome their presence at my events. *And* I constantly recommend to participants at my seminars that they go to my competitors’ seminars. I go so far (in my blog’s “Cool Friends” interviews and via book endorsements, for example) as to *enhance* their careers!

Does all this suggest an altruistic streak? Perhaps. But mostly not. To begin with, I think that when one bad-mouths or attempts to diminish one’s competitors in any way, or tries to limit their activities, the “word gets around.” And one develops a reputation as prickly and egocentric—and, well, as a selfish jerk.

More important:

**I think (I know!) that my only effective long-term defense against the competition (think Apple versus its stalwart competitors) is to do better and unique work—and to earn and to retain the custom of those who are interested in the things I worry about.**

In the original glory days of IBM, one of the legendary Thomas Watson Sr.’s Golden Rules was “Thou shalt never bad-mouth a competitor.” In fact, *any* violation of this rule was a no-debate “firing offense.” As IBM struggled in the 1980s, the rule slipped into disuse, and the company’s sterling reputation was tarnished as a result. To return to my basic premise, IBM’s real problem was the loss of its prior level of product and, especially, service distinction—their only remaining defense was to demean others.

So, I come down hard on Mr. Watson’s side. It is my goal to be a highly regarded . . . **and supportive** . . . member of my

professional community. Speaking crudely, I think that is an incredibly strong and sustainable competitive advantage.

**“Win” with a remarkably better product.**

**“Win” with deeper relationships.**

**“Win” when your industry is prospering and has a good reputation.**

**Build up your competitors!!**

**Build up your entire industry!!**

**And** . . . if you hear a competitor is missing deadlines, losing revenue, or experiencing any kind of failure, instead of piling on the criticism, consider lending a quiet helping hand. Trust me, it will rebound to your long-term benefit.

Decency rules!

*(And, paradoxically, the more “dog eat dog” the competitive situation, the more the “decency advantage” matters.)*

As one of my blog’s commenters, Nathan Schock, put it concerning this topic:

*“This is especially important for those of us who work in professional services located outside major metropolitan areas. As our entire industry improves in our city, the large companies are less likely to look outside our city for those services. Our advertising agency believes that anything that makes the industry better in our city improves our position.”*

Thank you, Nathan!

Amen!