

## **GRUNGE**

**135. The Enemy Within—Or: There Is No Cost Higher Than the Cost of Rigidity.** In his June 2, 2009, *New York Times* column, "The Quagmire Ahead," David Brooks begins his assessment of the GM fiasco by citing an internal memo written in ... 1988 ... by EVP Elmer Johnson: "*We have vastly underestimated how deeply ingrained are the organizational and cultural rigidities that hamper our ability to execute.*"

Business schools, the always helpful whipping boys in my rants, focus on the "cool" FMS troika. (Finance-Marketing-Strategy.) And yet it is the internal organizational "stuff," mostly MIA or very secondary in B.Schools (not sexy enough), that trip companies up. Not "bad strategy," but ... "rigidities" ... that impede the ability to ... "execute" or innovate in a timely fashion ... are the culprits behind shoddy performance in 9 out of 9.01 cases.

Toyota *didn't* do in GM.  
Honda *didn't* do in GM.  
Nissan *didn't* do in GM.

We have met the enemy.  
He is, indeed, us.

### **136. Become a Decentralization Dervish!**

Child rearing.  
Delegating.  
Organization structure.  
Governance in general.

In many ways, the primary issue in all these cases boils down to the classic Jeffersonian-Hamiltonian debate on centralization vs. decentralization. (I call the centralization-decentralization debate ... "the all-important first 100 percent." That is, it's pretty much the whole ballgame!)

True, you will never get "it"/the centralization-decentralization balance *right* (nation, child rearing, your 27-person unit). But ... I bet you (*I guarantee!*) that ... *you will s-l-o-w-l-y get it wrong.* That is, unless ... *fanatically* (right word) ... managed, there is an inexorable movement toward centralization. I call it ... ICD/ Inherent Centralist Drift. As an ordained Bishop in the High Church of Decentralization, I humbly suggest that creeping centralization, or ICD, is the cause of the lion's share of corporate collapses!

Hence I suggest maintaining constant (every day!) vigilance so as to limit and in fact reverse the proliferation of originally-sound-procedures-collectively-become-bureaucratic-cancer. Effective rigidity-fighting should be an explicit part of everyone's evaluation. Every system should be "zer-bsd" every couple of years. And, of course, you'll need to appoint Anti-ICD Police (*please use the term*) ... armed ... and dangerous ... and authorized/encouraged to Act.

Start ... today.

**137. Play the ... Great Grunge Removal Game!** Commerce Bank (now owned by Toronto Dominion) more or less revolutionized retail banking on the East Coast. For one thing, among ever so many, computer terminals in the branches have a ... *red button* ... on the keyboard. When you (teller) run into any self(bank)-created roadblock to serving the customer ... you push the red button. The impediment you discovered will be noted and formally addressed—and if action is taken, and it often is, you'll get a financial reward for having unearthed Grunge of any sort that gets between the customer and an excellent service experience.

My point-suggestion here is that you invent your flavor of highly visible Red Buttons for your 3-person department, your 9-person temporary project team, your 17-table restaurant, or your 235-person division. That is, mimic Commerce Bank by creating formal processes for Identifying Grunge and Removing Grunge and getting everyone in on the ... Great Grunge Removal Game. Think of it at an even higher level of abstraction as a "Strategic" "Grunge Removal Culture," a full-blown philosophy supported by a formal infrastructure to try to keep the "inevitable grunge growth" in check or even reversed—and headed, of course, by the CGRO/Chief Grunge Removal Officer.

Get on with this ... today!

Grunge Grows ... 60/60/24/7/365.

**138. The 1% Drill: Clearing Away a World of "Slop" in Just 45 Minutes.** I co-presented an all-day in-company seminar in the UK several years ago. At about 2 p.m. the principal presenter called an abrupt halt to proceedings, and said, *"I want to make sure I earn out my full fee today, and then some. We're going to stop and do a 45-minute exercise."* He explained that *any* operation can at *any* time cut 1% of its budget. (We all have flab, regardless of circumstances—not many 6 percent BMIs around.) The leader then broke the group up by function. He gave the sub-groups 30 minutes on the dot to identify their team's 1 percent. Then he had each group report in public for 2 or 3 minutes—this public recitation, he told me, raised the odds of execution; it also provided others with ideas. Indeed the groups readily identified their 1 percent and reported accordingly—there was actually no bitching.

1%? No small thing, regardless of business size.

**139. Goal: To Make "Common Sense" More Common.** A lot of the giant financial-economic mess we're in can be chalked up to a failure of common sense, often by the so-called best of the best and brightest of the bright, egging each other on with a series of implicit "I dare you." We are all, in fact, "insiders" in our own worlds—and we all too often lose touch with reality to a lesser or greater extent. There are a host of things one can do to deal with this, but in this instance I only want to suggest routinely running proposals or budgets, or whatever, by a "Common Sense Ombudsman." Said ombudsman could be a spouse or a neighbor who owns a restaurant or the down-to-earth woman running the distribution center in South Podunk who you chatted with at the management meeting in Orlando last year. (It absolutely cannot be someone in your own unit—even a "contrarian" someone; even the so-called contrarian abides by 90 percent of "the way we do things around here.")

Presumably you've got three or four projects running as we speak. Call your friend Jack, who runs finance at the local Ford dealership. Offer him box seat tickets to next week's Royals game if he'll spend a couple of hours reviewing your project-planning docs in the next few days. Repeat

this process—routinely! obsessively!—with different Jacks and Janes and Annes and Rogers. The price of the baseball or concert box seats will be trivial in comparison to value added and pratfalls avoided.

This document is #39 in a series of 48 highlights from Tom Peters' *The Little BIG Things: 163 Ways to Pursue Excellence* (HarperStudio, 2010). For more information, visit [tompeters.com](http://tompeters.com).

