

**Excellence. NO EXCUSES!**

**Excerpt:**

**PUTTING  
PEOPLE  
(REALLY)  
FIRST!**

**Tom Peters**

**29 May 2014**

People **(REALLY)** First

**EXCELLENT**  
customer experience  
depends ... *entirely* ... on  
**EXCELLENT**  
employee experience!

If you want to **WOW** your  
customers, **FIRST**  
you must **WOW** those who  
**WOW** the customers!

***(PLEASE.  
PLEASE.  
PLEASE.  
RE-READ  
THE PRIOR  
PAGE. AND  
REFLECT.)***

David Spellman: *“Customers will only love a company that loves its employees.”*

BCMac: *“My corollary is, ‘How we treat one another is ultimately how we treat the clients.’”*

Mark Sanborn: *“Employees who don’t feel significant rarely make significant contributions.”*

Vala Afshar: *“I’ve always said ‘You can’t remain a great company on the outside if you aren’t one on the inside.’”*

*(PLEASE.*

*PLEASE.*

*PLEASE.*

*Tell me why  
this is so f-ing  
hard to  
understand?)*

*“Business has to give people enriching, rewarding lives ... or it’s simply not worth doing.”* —Richard Branson (FYI: my **#1** favorite quote)

*“You have to treat your employees like customers.”*  
—Herb Kelleher, upon being asked his “secret to success”

*“If you want staff to give great service, give great service to staff.”* —Ari Weinzweig, Zingerman’s

***“When I hire  
someone,  
that’s when I  
go to work for  
them.”***

—John DiJulius, *What’s the Secret to*

*Providing a World-class Customer Experience*

***“An organization can only become the-best-version-of-itself to the extent that the people who drive that organization are striving to become better-versions-of-themselves.”*** *“A company’s purpose is to become the-best-version-of-itself. The question is: What is an employee’s purpose? Most would say, ‘to help the company achieve its purpose’—but they would be wrong. That is certainly part of the employee’s role, but an employee’s primary purpose is to become the-best-version-of-himself or –herself. ...*

***“When a company forgets that it exists to serve customers, it quickly goes out of business. Our employees are our first customers, and our most important customers.”***

***—Matthew Kelly, *The Dream Manager****



*“The path to a hostmanship culture paradoxically does not go through the guest. In fact it wouldn’t be totally wrong to say that the guest has nothing to do with it. True hostmanship leaders focus on their employees. What drives exceptionalism is finding the right people and getting them to love their work and see it as a passion. ... The guest comes into the picture only when you are ready*

*to ask, ‘Would you prefer to stay at a hotel where the staff love their work or where management has made customers its highest*

*priority?’” “We went through the hotel and made a ... ‘consideration renovation.’ Instead of redoing bathrooms, dining rooms, and guest rooms, we gave employees new uniforms, bought flowers and fruit, and changed colors. Our focus was totally on the staff. They were the ones we wanted to make happy. We wanted them to wake up every morning excited about a new day at work.”—Jan Gunnarsson and Olle Blohm, *Hostmanship: The Art of Making People Feel Welcome*.*

**HALT. This is a  
PROFOUND  
question:**

*“Would you prefer to stay at a hotel  
... where the staff love their work or  
where management has made  
customers its highest priority?”*

**Please ponder this,  
examine it with  
colleagues, etc.  
PLEASE!**

***“We are a ‘Life Success’  
Company.”***

—Dave Liniger, founder, RE/MAX (*“The organization would ultimately win not because it gave agents more money, but because it gave them a chance for better lives.”*—Phil Harkins & Keith Hollihan, *Everybody Wins*, the story of RE/MAX)

***“Some of our people spend their entire working lives in our agency. We do our damndest to make it a happy experience. I put this first, believing that superior service to our clients, and profits for our stockholders, depend on it.”***

—David Ogilvy, on Ogilvy & Mather’s corporate culture

*“The greatest satisfaction for management has come not from the financial growth of Camellia itself, but rather from having participated in the vast improvement in the living and working conditions of its employees, resulting from the investment of many tens of millions of pounds into the tea gardens’ infrastructure of roads, factories, hospitals, employees’ housing and amenities. ... Within the Camellia Group there is a strong aesthetic dimension, an intention that it should comprise companies and assets of the highest quality, operating from inspiring offices and manufacturing in state of the art facilities. ...*

*Above all, there is a deep concern for the welfare of each employee. This arises not only from a sense of humanity, but also from the conviction that the loyalty of a secure and enthusiastic employee will in the long-term prove to be an invaluable company asset.”*

—*Camellia: A Very Different Company* (Camellia—the Latin word for tea—is based in London. While the firm includes manufacturing companies, distribution activities and a financial services arm among other assets, it sprung from the tea business—and is today the world’s second largest private tea producer. The company has revenues of approximately \$600M and after-tax earnings of approximately \$100M; that is, the tea business can be an extraordinarily good commercial venture. In the book titled above, Camellia’s leadership attributes that effectiveness directly to employee and community development.)

***“No matter what the situation, [the great manager’s] first response is always to think about the individual concerned and how things can be arranged to help that individual experience success.”***

**—Marcus Buckingham, *The One Thing You Need to Know***

***“The key difference between checkers and chess is that in checkers the pieces all move the same way, whereas in chess all the pieces move differently. ... Discover what is unique about each person and capitalize on it.”***—Marcus Buckingham

*“I can’t tell you how many times we passed up hotshots for guys we thought were better people and watched our guys do a lot better than the big names, not just in the classroom, but on the field—and, naturally, after they graduated, too. Again and again, the blue chips faded out, and our little up-and-comers clawed their way to all-conference and All-America teams.”*—Coach Bo Schembechler (& John Bacon), “Recruit for Character,” *Bo’s Lasting Lessons*

*“The one piece of advice which will contribute to making you a better leader, will provide you with greater happiness, and will advance your career more than any other advice ... and it doesn’t call for a special personality or any certain chemistry ... and anyone can do it, and it’s this: **You must care.**”*

—LTGEN Melvin Zais

*“We are ladies and gentlemen serving ladies and gentlemen.”*—Ritz-Carlton Credo (In the hotel business, members of front line staff have historically been treated more like cannon fodder than “ladies and gentlemen”:—e.g., turnover >> 100% per annum.)

*“The role of the Director is to create a space where the actors and actresses can become more than they’ve ever been before, more than they’ve dreamed of being.”*

—Robert Altman, Oscar acceptance speech

***“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 to allow its members to discover their greatness.”***

—Warren Bennis and Patricia Ward Biederman, *Organizing Genius*

***“I have always believed that the purpose of the corporation is to be a blessing to the employees.”***

—Boyd Clarke, former CEO, The Tom Peters Company

***“To be an effective leader, you have to first have a desire and a commitment to helping people.”***

—Harry Rhoads, Co-founder and CEO, Washington Speakers Bureau



***EMPLOYEES FIRST,  
CUSTOMERS SECOND:  
Turning Conventional  
Management Upside Down***

—by Vineet Nayar/CEO/HCL Technologies

***The Customer Comes  
Second: Put Your People  
First and Watch 'Em***

***Kick Butt***—by Hal Rosenbluth (former CEO,  
Rosenbluth International) and Diane McFerrin Peters

From the *New York Times*/01.05.14, courtesy Adam Davidson, *Planet Money*/NPR:

*“Contrary to conventional corporate thinking, treating retail workers much better may make everyone (including their employers) much richer.”\*\* \*\*\**

**\*Duh!**

\*\*Cited in particular, “The Good Jobs Strategy,” by M.I.T. professor Zeynep Ton.

\*\*\*e.g.: The following **RETAILERS** are among those on the 100 Best Companies to Work For in America (*Fortune*) list ...

**Wegmans** (was **#1**  
in USA)

**Container**

**Store** (was **#1** in USA)

**Whole Foods**

**Costco**

**Publix**

**Darden Restaurants**

**Build-A-Bear Workshops**

**Starbucks**

*“In a world where customers wake up every morning asking, ‘What’s new, what’s different, what’s amazing?’ ... **SUCCESS** depends on a company’s ability to unleash initiative, imagination and passion of employees at all levels—and this can only happen if all those folks are connected heart and soul to their work [their ‘calling’], their company and their mission.”*

—John Mackey and Raj Sisoda, *Liberating the Heroic Spirit of Business*  
(Mackey is the founder and CEO of **Whole Foods**)

## **Oath of Office: Managers/Servant Leaders**

**Our goal is to serve our customers brilliantly and profitably over the long haul.**

**Serving our customers brilliantly and profitably over the long haul is a product of brilliantly serving, over the long haul, the people who serve the customer.**

***Hence, our job as leaders—the alpha and the omega and everything in between—is abetting the sustained growth and success and engagement and enthusiasm and commitment to Excellence of those, one at a time, who directly or indirectly serve the ultimate customer.***

**We—leaders of every stripe—are in the “Human Growth and Development and Success and Aspiration to Excellence business.”**

**“We” (leaders) only grow when “they” (each and every one of our colleagues) are growing.**

**“We” (leaders) only succeed when “they” (each and every one of our colleagues) are succeeding.**

**“We” (leaders) only energetically march toward Excellence when “they” (each and every one of our colleagues) are energetically marching toward Excellence.**

**Period.**

**TJP/TIB\* #1:** *Your principal moral obligation as a leader is to develop the skillset, “soft” and “hard,” of every one of the people in your charge (temporary as well as semi-permanent) to the maximum extent of your abilities. The good news: This is also the #1 mid- to long-term ... profit maximization strategy!*

**\*This I Believe (The “TIB List” idea courtesy architect Bill Caudill.)**

Imagine looking back **5 years** from now on the prior

5 years: **What will you be  
able to say (*in  
exacting detail*) about  
your ... PEOPLE  
DEVELOPMENT  
SCORECARD?\***

\*It's the "people development stuff" you'll remember most—and assess yourself on most—when you look back, at age 70, on your career as a leader: "I gave Ellen Smith the boost that launched her magnificent career." (Etc.)

**FYI:**

**Your LEGACY  
= TWO Promotion  
Decisions/Year\* \*\***

**\*On average, a senior manager makes two important promotion decisions/year.**

**\*\*A top promotion decision, given its lasting impact, deserves as much care as an acquisition decision!**

**(They are, de facto, the same thing.)**



Excellent organizations: **CATHEDRALS IN WHICH THE FULL AND AWESOME POWER OF THE IMAGINATION AND SPIRIT AND NATIVE ENTREPRENEURIAL FLAIR OF DIVERSE INDIVIDUALS IS UNLEASHED IN PASSIONATE PURSUIT OF ... EXCELLENCE.**

*“I start with the premise that the function of leadership is to produce more leaders, not more followers.”*

—Ralph Nader

### **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.***

\*STARTS with/emerges from TALENT. Profit is important but ...

**DERIVATIVE!**

## 7 Steps to Sustaining Success\*

*You take care of the people.*

*The people take care of the service.*

*The service takes care of the customer.*

*The customer takes care of the profit.*

*The profit takes care of the  
re-investment.*

*The re-investment takes care of the  
re-invention.*

*The re-invention takes care of  
the future.*

*(And at every step the only measure is  
EXCELLENCE.)*

\*To underscore the obvious, it all starts with:

**“You ...**  
***take care of the people!***

*“In a world where customers wake up every morning asking, ‘What’s new, what’s different, what’s amazing?’ success depends on a company’s ability to unleash initiative, imagination, and passion of employees at all levels—and this can only happen if all those folks are connected heart and soul to their work [their ‘calling’], their company and their mission.”—John Mackey and Raj Sisoda, *Conscious Capitalism: Liberating the Heroic Spirit of Business**

*“Leadership is a gift. It’s given by those who follow. You have to be worthy of it.”—General Mark Welsh, Commander, U.S. Air Forces Europe*

**ORGANIZATIONS EXIST TO SERVE.  
PERIOD.  
LEADERS LIVE TO SERVE.  
PERIOD.**

**Addendum/People (REALLY) First:  
15 Point Human Capital Development Manifesto**

**“Reframing Capitalism”:  
A 15-Point Human  
Capital Development  
Manifesto/HCDM  
at the Enterprise &  
National Government Level**

**Tom Peters  
14 June 2012  
World Strategy Forum  
The New Rules: Reframing Capitalism  
Seoul, Korea**

## **“Reframing Capitalism”: A 15-Point Human Capital Development Manifesto/HCDM at the Enterprise and National Government Level**

*“In some sense you can argue that the science fiction scenario is already starting to happen. The computers are in control. We just live in their world.”—Danny Hillis*

*“Human creativity is the ultimate economic resource.”—Richard Florida*

*“Every child is born an artist. The trick is to remain an artist.”—Picasso*

*“Knowledge becomes obsolete incredibly fast. The continuing professional education of adults is the No. 1 industry in the next 30 years.”—Peter Drucker*

*“If you want staff to give great service, give great service to staff.”—Ari Weinzweig*

In mid-June 2012 I spoke at a major event in Seoul, Korea, World Strategy Forum/ The New Rules: Reframing Capitalism. Predictably the discussion focused on global financial infrastructure. To ignore that would have been insanity. On the other hand, I believe that employment/unemployment is even more affected by the changing nature of work—and the wildly accelerating effectiveness of technology, such as artificial intelligence, in encompassing activities that employ tens of millions of people, especially in the OECD nations. I believe this is, in the mid- to long-term, our #1 problem—and #1 opportunity. Confronting the nature and extent of future employment is required for reasons of economic survival and growth—and for reasons of social and political stability. Having created here in a single paragraph the oceanic basis for what follows, I must admit that it was a mundane question (Question #1) in an interview before my speech that triggered this “manifesto.” Namely: “Dr. Peters, how would you define the perhaps changing nature of corporate social responsibility in these uncertain times?” Herewith, in effect my response—which, quite honestly, came as a surprise to me:

### **1. “Corporate social responsibility” starts at home—i.e., inside the enterprise!**

**MAXIMIZING GDD/Gross Domestic Development of the workforce is the primary source of mid-term and beyond growth and profitability—and maximizes national productivity and wealth. (The profitability axiom: If you want to serve the customer with uniform Excellence, then you must FIRST effectively and faithfully serve those who serve the customer—i.e. our employees, via maximizing tools and professional development.)**

**2. Regardless of the transient external situation, development of “human capital” is *always* the #1 priority.** This is true in general, in particular in difficult times which demand resilience—and uniquely true in this age in which IMAGINATIVE brainwork is *de facto* the only plausible survival strategy for higher wage nations. (Generic “brainwork,” traditional and dominant “white-collar activities, is increasingly being performed by exponentially enhanced artificial intelligence. Please see Appendix ONE.)

**3. Three-star generals and admirals (and symphony conductors and sports coaches and police chiefs and fire chiefs) OBSESS about training.** Why is it an almost dead certainty that in a random 30-minute interview you are unlikely to hear a CEO touch upon this topic? (I would hazard a guess that most CEOs see IT investments as a “strategic necessity,” but see training expenses as “a necessary evil.”)

**4. Proposition/axiom: The CTO/Chief TRAINING Officer is arguably the #1 staff job in the enterprise, at least on a par with, say, the CFO or CIO or head of R&D.** (Again, external circumstances—see immediately above—are forcing our hand.)

**5. The training budget takes precedence over the capital budget. PERIOD.** It’s easier and more satisfying to get your picture taken next to a new machine. But how do you get a photo of a new and much improved attitude in a key distribution center? The catch: The odds are 25:1 that the new attitude will add more to the bottom line than will the glorious state-of-the-art machine.

\*\*\*\*\*

*In the 3rd quarter of 2011 manufacturing output went up 4.7 percent—one heck of an accomplishment. But there was a catch, and a big one. Gross hours worked in manufacturing went down 0.6 percent. Such ratios are becoming commonplace—and in services as much or more than in manufacturing. As we automate damn near everything and as that trend accelerates (been in an auto plant lately—where are the people?), output is dramatically outstripping labor usage. Great for productivity, borderline terrifying for workers. This “manifesto” is written with such numbers in mind—not only does that not mean that it’s neo-Luddite, but in fact the opposite. Timid strategies will not address the employment issue. Education and job content must be turned upside down—in short order.*

\*\*\*\*\*

**6. Human capital development should routinely sit atop any agenda or document associated with enterprise strategy.** Most any initiative you undertake should formally address implications for and contributions to human capital asset development.

**7. Every individual on the payroll should have a benchmarked professional growth strategy.** Every leader at every level should be evaluated in no small measure on the collective effectiveness of individual growth strategies—that is, each individual’s absolute growth is of direct relevance to every leader’s assessed performance.

**8. Given that we ceaselessly lament the “leadership deficit,” it is imperative, and just plain vanilla common sense, that we maximize the rate of development of women leaders at every level—little if anything has a higher priority.** (It is an outrage that this has not been the case until now—and is still not the case in far too many institutions.) (And, while there are no guarantees, women are more likely dispositionally to take a shine to the imperative of maximizing human asset development.)

**9. Maximum utilization of and continued development of “older workers” (to age 70—or even beyond?) is a source of immense organizational and national growth and wealth.** The rapidly aging population, with oldies far more healthy and vital than ever, ought to be an opportunity rather than a pain-in-the-butt to deal with.

\*\*\*\*\*

*I was intimidated by the conference title “Reframing capitalism”—and the fact that a passel of Nobel laureates in economics would be addressing the issue. Then it occurred to me that the mid- to long-term “reframing” was more about recasting the nature of work/jobs in, for example, the face of 2020’s artificial intelligence than about whether the Spanish bailout is \$100 billion or \$400 billion—as nontrivial as the latter is. I.e., what the hell will the world’s four billion or so workers be doing, say, 10 years from now? I’m not sure that sophisticated econometric analyses will be all that helpful in determining an answer.*

\*\*\*\*\*

**10. The practical key to all human asset development activities is the 1st-line manager.** (“Sergeants run the Army” is an accurate, commonplace observation—supported by immense development resources.) Hence development of the full cadre of 1st-line managers is an urgent—and invariably underplayed—strategic imperative. Arguably, the collective quality and development trajectory of 1st-line leaders is an organization’s #1 human asset development priority. (Consistent with all the above, the 1st-line leader’s skill at “people development” is her or his top priority—for which she or he must be rigorously and continually trained.)

**11. The national education infrastructure—from kindergarten through continuing adult education—may well be National Priority #1.** Moreover, the educational infrastructure must be altered radically to underpin support for the creative jobs that will be more or less the sole basis of future employment and national growth and wealth creation.

**12. Associated with the accelerated priority of the national education infrastructure is a dramatically enhanced and appreciated and compensated role for our teachers—this status enhancement must necessarily be accompanied by rigorous accountability.** There is no doubt that “teaching” (instilling) insatiable curiosity, say, which is the #1 attribute of a creative person, is no easy task; however, there is no way that it can be ducked if one looks at future definitions of employability.

**13. The majority of us work in small enterprises; hence national growth objectives based upon human capital development MUST necessarily extend “downward” to even 1-person enterprises.** Collective productivity improvement through human capital development among small businesses has an unimaginably large—and undervalued—payoff. While many small businesses appreciate the notion, they are unprepared to take the steps necessary to engage their, say, dozen employees in seeking quantum leaps in creative work content and productivity improvements.

**14. Needless to say, the activities imagined here will only be possible if abetted by a peerless National Information and Communication Infrastructure.** Indeed, the work referred to here is being done—and the need is appreciated and reasonably well funded. The effort must not falter; the new information-based tools and accompanying infrastructure are the coin of the realm.

**15. Associated with the above is a RADICAL reorientation of leadership education and development—throughout the enterprise/education/continuing education establishment.** (E.g., Among other things, the MBA and executive education will require open-heart surgery—aimed at shifting focus from finance and marketing to human resource development.) To deal with the most likely future employment scenarios, leaders will need to be masters of the liberal arts—said arts are, again, the determinant of responding to the emerging world.

*The agenda implied by the above “manifesto” is bold—and its moorings are a long way from where we are today. But this or something rather like it falls into a category labeled—not optional.*