

*Tom Peters' Manifestos 2002: The BRAWL WITH NO RULES Series*

# Web World 2001

The 100% Solution...Now!

Tom Peters

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**“We are in a brawl with no rules.”**

**– Paul Allaire, former CEO, Xerox**

**MANIFESTO.** The word suggests a pointed view. (Rodale’s *Synonym Finder*: Manifesto ... Proclamation. Declaration. Pronunciamento. Broadcast. Airing. Broadside.) And “Pointed View” is precisely the idea of this series of “booklets” – in what we call **The BRAWL WITH NO RULES Series**. Each booklet is an expanded chapter of my cornerstone day-long seminars. But I have chosen these topics for two particular reasons. First, I think they (1) are important and (2) present enormous opportunities and (3) are grossly neglected by most organizations. Second, I have a Radical Point of View about each one; you will find no half-way suggestions here!

# WebWorld: The 100% Solution ... Now!

The NASDAQ soars. Cisco Systems is the most valuable company on earth. The Web is ... EVERYTHING. The NASDAQ crashes. Cisco Systems lays off over 5,000 people. The Web is ... NOTHING.

Which is it?

That's easy: **EVERYTHING.**

(No bull.)

(Believe it.)

## 1. When? NOW.

Cisco. Yes, suffering some bumps in the road. But nobody understands the Web better ... as a user of Web services as well as a provider thereof ... than Cisco Systems. About \$20 billion in revenue. Ninety (!) percent of that revenue comes straight off the Web ... with no human intervention. Talk about "virtual": "Manufacturer" Cisco "has" 38 plants. Owns just two of them. Fifty percent of orders are routed directly to the supplier ... who in turn ships directly to the end user. One consequence of doing business with such intensity on the Web: annual savings in service and tech support ... \$500 million (at least).

It used to be a salt flat. About ten miles north of my office. Redwood Shores, California. The book has an odd title ... but fundamentally an accurate one. *The Difference Between God and Larry Ellison: God Doesn't Think He's Larry Ellison*. **Oracle's** main man lives in those towers at Redwood Shores, California. Yes, Larry Ellison. A year or so ago he went to Wall Street, told them he was going to start using his own software ... Big Time. *Literally transfer ... EVERY ... function ... internal and external ... to the Web*. And he boasted that he'd save a billion dollars in the process. *In one year*. He did. For instance, Vice President Ralph Seferian reports that a sophisticated call to the customer service center in 1999 cost about \$300. Now it costs \$1.50. That "little" shift alone saved ... YES ... \$550 million.

**IBM.** A computer maker (at least it used to be) ... now half its revenue comes from services. Still, IBM is clearly "OLD" Economy. That is, until it took to the Web ... Big Time. For instance: In the second quarter of Y2000, IBM performed some 42 MILLION transactions online, and saved close to a billion dollars as a result thereof. Sales online are running about \$20 billion. And in the short space of one year, fully one-third of employee training was shifted online, on Web, to the desktop ... with a resulting savings of about \$150 million. Or consider purchasing: "We've put the word out to all of our suppliers," says IBM's Chief Purchasing Officer John Paterson. "By the end of the year [2000] we'll only do purchasing over the Internet." At IBM, that amounts to about \$50 billion from 18,000 vendors.

Even insurance. “Insurance radical” is a damn-near Ultimate Oxymoron. That is, unless you’ve met Peter Lewis, boss of Cleveland’s **Progressive Insurance**. Listen to the words. They’re prophetic. And profound. Lewis: “We don’t sell insurance anymore. We sell speed.”

By God, how I love that!

You have a property damage accident. A Progressive dude is out there quickly. Within 20 or so minutes of arriving at the scene, using the Internet, wireless communication devices, and every other iota’s worth of the new technologies ... the agent has sized up the claim ... evaluated it ... and issued the settlement check ... yes, within 20 minutes.

(Zounds!)

Old economy company. New economy boss. (Age 65.) **GE**. Jack Welch. Just retired. He went after the Internet ... hammer & tong & hook & line & sinker ... four or five years ago. Did he ever! A few statistics: In Y2000, GE did \$6 billion in purchasing on the Web. In 2001 that number will run to \$15 billion ... or more. Y1999 sales from Web activities, across the entire firm: \$1 billion. Y2000: \$7 billion. Y2001 estimated: \$20 billion plus.

For example: At GE Power Systems, using a website called GEPartsEdge, a major generator problem that used to take *two weeks* to analyze is now analyzed in ... *one hour*. In the plastics business, Polymerland has moved three-quarters of its sales to the Web. In appliances, a call to the service rep costs about \$5. The Web version thereof costs *20 cents*. The importance? There are *20 million* such calls per year.

Several months ago there was a big brouhaha in the press. An announcement that GE was going to lay off 80,000 people. GE denied it vehemently. The rumor was probably wrong. But a large number of layoffs will come. The announcement, by the way, occurred before the “recessionary” softening of the market. There was no reported softening in demand at GE for aircraft engines, or for locomotives, light bulbs, medical devices, power systems. What happened? The Web. GE’s Bear Hug of the Web has led to such efficiencies that tens of thousands of jobs (maybe or maybe not 80,000) will disappear as system (after system) ... internal and external (à la Oracle) ... is shifted to the Web. “E-business,” Welch wrote in his 2000 Annual Report, “is the final nail in the coffin for bureaucracy at GE.”

Remember part of the subtitle of this section: NOW! The GE reduction-in-force numbers ... true or false in Y2001 ... are a harbinger of what clearly ... WILL ... HAPPEN ... SOON. I’ve written about it extensively elsewhere. I call it the Big Org-world Tsunami ... or the White Collar Revolution. Sure, there are still “manufacturing companies.” But virtually all the jobs in “manufacturing” companies are now service jobs: finance ... engineering ... HR ... IS ... purchasing ... logistics. You could argue that about 90 percent of “manufacturing” jobs are service jobs. And that doesn’t include, of course, the 77 percent of us who work in “service industries” to begin with.

For over a century, we’ve mercilessly attacked blue collar productivity. And: We haven’t laid a glove on white collar productivity. And now we are doing just that ... with the zeal of a religious convert. It’s the Enterprise Resource Planning systems (ERP) from the SAPs and Oracles and PeopleSofts. Etc. It’s the Application Service Providers (ASPs). The boundaries and borders between these ideas fuzz. The point: *We’re automating and decimating White Collar Work ...*

***ALL OF IT** ... at the speed of light. (Literally.) (And what we don't automate, we'll outsource to the likes of India or ... Ghana.) (We are. Already.)*

Maybe all this is why such an eminence as Peter Drucker can make such an incredible statement as he made in late 2000: "The corporation as we know it, which is now 120 years old, is unlikely to survive the next 25 years. Legally and financially yes, but not structurally and economically."

The economy is wobbly. A carload of B2C companies ... and for that matter, B2B companies ... have headed Deep South ... and Out of This World.

Forget it! The WebRevolution is just gathering steam. We're in the opening seconds of the opening period of a game that will take 20 or so years ... at least ... to play out. A game called ... Reinvent the World.

All hell is breaking loose.

## 2. BIG!

Why is Tom Peters writing about this? The old guy. Age 58. A guy whose last mastered programming language was Fortran. I don't pretend to be an expert. And I certainly acknowledge that, already, a hundred ... if not 1,000 ... books by smart people have been written on this topic. I just want to weigh in. **AND WEIGH IN NOW.** Some – A LOT OF – people are getting squeamish. Insta-productivity has not flowed from their (sometimes IMMENSE) tech investments. (Mostly ... more later ... because they weren't ... REALLY SERIOUS ... GE-style.) But we're not going to talk technology in this paper. What I am going to talk about is the Enormity of the Web-Inspired-REVOLUTION ... which is inevitable. INEVITABLE. **The message of this paper is very simple: (1) Do this. Go all the way. Now. OR GET CREAMED. (2) Cut back now ... when the spineless & unimaginative wimps are pulling in their horns ... and you are an IDIOT.**

It hasn't been a comfortable journey for me. I like to think that you can embrace progress by taking a step at a time. But you ... SIMPLY CAN'T ... when it comes to the ... WEB. Do it. All of it. Now. Or ... again ... GET CREAMED. That's what I've come to believe. And it's that simple ... BUT PROFOUND ... belief that I want to convey here. With as much passion as I can muster. That's the whole damn point of this Very Brief Essay.

**This is the Big Enchilada.** Everything is changing. The speed of change is accelerating. "Most of our predictions," says premier venture capitalist Vinod Khosla of Kleiner Perkins, "are based on very linear thinking. That's why they will likely be wrong." And then there's Ray Kurzweil. A futurist. Normally, futurist = flaky. Not in this case. The guy's got a ton of start-ups under his belt. And owns a host of patents, dating back decades, in voice recognition software. That is ... he's got Both Feet planted firmly on the ground! Lately he's been talking about "The Singularity."

Take a step back. With Kurzweil. Before 1000 A.D., a “paradigm shift” (remember: Stone Age, Bronze Age, etc.) took ... literally ... Thousands of Years. By Y1000, such enormous paradigm shifts were taking about 100 years. During the 1800s, there was more change than there had been during the prior 900 years. In the 1900s, there was more change in the first 20 years of the century than there had been during the entire 1800s. By Y2000, a paradigm shift ... the arrival of the Internet ... was taking about a decade.

And the 21st century? HOLD ON TO YOUR HAT. Using his scientific knowledge, his pragmatic background, and sophisticated modeling, Kurzweil confidently predicts that there will be ... ONE THOUSAND TIMES ... more technology change in this century than in the century before. And thence that “Singularity”: “a merger between humans and computers that is so rapid and profound it represents a rupture in the fabric of human history.” Kurzweil (CONFIDENTLY!) predicts that the pace of change will become ... INFINITE ... within the next thirty or forty years.

Zounds! Yikes! Egads! (Etc.)

“We are entering an era of no limits,” writes Jeffrey Young in *Cisco Unauthorized*, “with nothing to brake the cascade of human intelligence unleashed by the Information Age. The Web essentially allows all the brains on earth to communicate and share insights in real time, around the globe, all the time.” “The network,” writes U.C. Berkeley professor Manuel Castells, “becomes the social structure of everything.” Pretty big word for an academic.

## **EVERYTHING.**

The insane is becoming commonplace. For instance, an AP report in February 2000: “Researchers say they have found a way to mate human cells with circuitry in a ‘bionic chip.’ ... The tiny device – smaller and thinner than a strand of hair – combines a healthy human cell with an electronic circuitry chip.” The gurus call this “next BIG step” the Age of Bio-informatics.

It ain’t coming. IT’S HERE.

I sometimes call “all this” ... Insane Statements by Very Sane People. Greg Blonder. Now a venture capitalist. Was Chief Technical Advisor for Corporate Strategy at AT&T. (You don’t get much more sane than that!) Blonder: “In 25 years, you’ll probably be able to get the sum total of all human knowledge on a personal device.”

I said a few paragraphs ago and a few paragraphs before ... Zounds. This time I say: HOLY SHIT!

THIS IS ... BIG.

### 3. DUMB IS DUMB.

*“Oh, get off it,”* you almost scream in frustration. “You’ve signed up with the hype-meisters. AND YOU’RE TOO LATE. THE NASDAQ HAS CRASHED.”

“BULLSHIT!” I scream back. (SCREAM.)

How sweet it is [was]. The dot-com bubble. What did it *really* mean? A lot of available money. A lot of Seriously Weird Experiments being funded. And ... THE FASTEST LEARNING RATE WE’VE SEEN IN HUNDREDS OF YEARS. Sure, a lot of it was stupid ... TRULY STUPID. (“Revenue doesn’t matter.”) But it was all ... yes, ALL ... COOL. Interesting. FANTASTIC. An Insane Number of “Tries.” Most failed. SO WHAT? Wow ... what a Pace of Learning.

!!!!!!!!!!!!!!!!!!!!

And the Truly Stupid Crap got weeded out. FAST. “The Internet is not going away,” someone wrote at Fool.com, “but flawed business models are.” Michael Dell (the Dell Man) put it this way: “Let’s be clear on one thing: If you take a business that is a bad business and put it online, it’s still a bad business. It’s just become an online bad business.”

Yes. No doubt. A lot of the ideas were Truly Stupid. And a lot of Very Smart People ... including those with MBAs and Very High I.Q.s in Venture Capital companies ... fell for it. (So much for the term “rational analyst.”)

But again ... I say ... HOW COOL.

So we learned: Dumb is DUMB!

At least, even the Big Guys are Paying-the-Piper for Dumb at this Amazing Time of Phenomenal Change. CEOs appointed after 1985 are three TIMES more likely to be fired than CEOs appointed before 1985, reports leadership guru Warren Bennis in the *MIT Sloan Management Review*.

It’s a Wildly Changing and Gyrating World. And a funny flavor of new word has emerged: ACCOUNTABILITY.

*If you don’t “try it” ... YOU’RE DEAD. If you do “try it” ... AND SCREW IT UP ... you’re dead too. Ah, what a sweet word: ACCOUNTABILITY.*

Go figure.

## 4. BLOW IT UP!

What's this "Web Thing" all about? Well, let me tell you what it's *not* all about: "out of the box thinking." OH HOW I HATE THAT TERM. "Out of the box thinking," as I see it, means "stretching yourself" "a bit." Well, what Welch was doing at GE ain't about ... "a bit." What Ellison is doing at Oracle is not about "a bit." It's about ... **THE WHOLE BLOODY DAMN THING.**

It's about ... **FORGETTING THE ONE WHO BRUNG YOU.**

Dee Hock. Some call him the first person to have created a one *trillion* dollar enterprise. He's the founder of the Visa International financial services network. Retired now, he's taken up management guru-ing. And he said this: "*The problem is never how to get new, innovative thoughts into your mind, but how to get the old ones out.*"

Amen!

When Jack Welch, age 62, took to the Internet like a baby, he labeled the new GE Way ... DYB.com. DestroyYourBusiness.com.

That is ... **BlowTheWholeBloodyDamnThingUp** ... before the competition does. And if it makes sense for Monster GE ... then it damn well makes sense for you and me. For our Careers. For our Departments. For our Divisions. For our Companies. (Right?) (Please?!)

Remember our newfound buddy-radical from the insurance world, Peter Lewis of Progressive. "*We don't sell insurance. We sell speed.*" Venture capitalist Geoff Yang puts it this way: "*It used to be that the big ate the small. Now the fast eat the slow.*" Go Peter! Go Geoff!

And the corporation as "an Entity formed for Perpetuity" is ... DEAD. *Wired* ran a marvelous special issue called "Gigatrends." One of the ten was labeled ... "The Age of the Disposable CORPORATION." To wit: "As the pace of innovation increases, the useful life span of a given new product or service often decreases – and so does that of the company that makes it. Start-ups are still good business, but fewer and fewer will be built to last." (For example, 15 of 23 Cisco acquisitions in 2000 were less than three years old. They were born. They did some cool stuff. And Cisco decided to incorporate that "cool stuff" into its portfolio.)

Or: *Built to Last*. It was the title of a best-selling business book by my old friends Jim Collins and Jerry Porras. But the whole idea was questioned by *Fast Company* magazine, in what I think was their best issue. The cover of the issue: "Built to Last Versus Built to Flip." The basic idea: "The problem with Built to Last is that it's a romantic notion. Large companies are incapable of ongoing innovation, of ongoing flexibility. Increasingly, successful businesses will be ephemeral. ... They will be built to yield something of value, and once that value has been exhausted, they will vanish."

In a time of Total Madness ... They Who Have No History ... have an advantage. An enormous one. Jeffrey Young, in *Cisco Unauthorized*, asked Cisco Systems CEO John Chambers the

following: “Who do you fear the most, big companies or start-ups?” Chambers replied, without hesitation: “I have a list with a dozen little companies I’m tracking closely. Guys that can start with a fresh sheet of paper have an enormous advantage technologically. We have to carefully integrate new capabilities into our existing product line, they don’t.” My friend and Yahoo exec Tim Sanders reports a similar exchange from Level 3 CEO Jim Crowe. Crowe was asked whether he was terrified of the big mergers in telecommunications. No, he asserted. What he was afraid of, he said, was two girls in a sophomore dorm somewhere, who were busily at work on a Level 4.

Amen. (You go, girls!)

For what it’s worth (from me), the whole Built to Last Idea is ... well ... Bullshit. My old McKinsey & Co. mate, Dick Foster, implies as much in his marvelous new book, co-written with Sarah Kaplan: *Creative Destruction: Why Companies That Are Built to Last Underperform the Market*. The Forbes 100 listing was launched in 1917. In 1987, *Forbes* did an assessment of the first 70 years of the list. Sixty-one of the original 100 had died. (Thirty-nine were alive.) Eighteen of the original list from 1917 were still in the Forbes 100. More interesting: As a group, the 18 Forbes 100 “survivors” had ... *underperformed* ... the market by 20 percent during the 70-year period. And: Only two (two percent) ... GE and Kodak ... had outperformed the market during the period 1917 to 1987. (GE still hangs in. Kodak ... well, you know that tawdry tale.)

It worked out the same way with the S&P500. The list was started in 1957. An analysis done 40 years later, in 1997, concluded that 426 of the original list of 500 had died. (Seventy-four were still alive.) Twelve (2.4%) of that original list of 500 had outperformed the market from 1957 to 1997.

Holy smoke! (Translation: ***The Giants-in-Our-Midst are Emperors-without-Clothes.***)

It’s a time of ... Insane Change. (You’d have to be an idiot not to recognize that, right?) And yet all too many of us have had Extraordinary Difficulties trying to deal with the Shape of Radical Change in ... Traditional Companies. An Enron exec told *Fortune*, “*We haven’t been able to start new businesses within existing businesses.*” The Guru of Disruptive Change, Harvard Professor Clayton Christensen, says that big companies can only deal with Big Change “*if they set up completely independent organizations and let those organizations attack the parent.*” Philip Evans and Thomas Wurster, in *Blown to Bits*, add: “*Even if the executives of established businesses fully grasp the impact of new technologies, they still face a massive competitive disadvantage ... precisely because they are incumbents. ... They do complex financial calculations and get bogged down in internal political debates. Insurgents have no such inhibitions.*”

Wow!/HmMMM! And Right on!

I’ve arrived at a rather nutty view of “all this.” And you’ll find it more fully expressed in a separate booklet in this series, called *Getting WEIRD & Staying WEIRD: Creating & Maintaining the High Standard Deviation Enterprise*. (“Standard deviation” is the “average” difference from the norm among a set of observations – a measure of Weirdness.) I have – after much thought – concluded that innovation is ... EASY.

In sum: **HANG OUT WITH FREAKS ... AND THOU SHALT BECOME MORE FREAKY.** (And ... vice versa.) It's that simple. And that hard. Cisco Systems does a lot of acquisitions. It doesn't buy "market share." It buys "freaks." (Seriously Cool People in Seriously Cool Businesses ... with Seriously Cool Ideas that are usually within a year or so of roll-out.) Wayne Burkan anticipated me with a gem of a book, titled *Wide Angle Vision*. He says we have several flavors of Saviors-in-Waiting: *Disgruntled Customers ... Fringe Competitors ... Rogue Employees ... Edge Suppliers*. That is ... FREAKS. That is ... *Hang* with those FREAKS ... *absorb* their FREAKY MESSAGE ... and you will *become* a little bit more FREAKY.

E.g.: Hang with customers who are ... FREAKS ... and you will be Pushed to the Limits. It's a no-brainer. Anybody who has set foot on a golf course or tennis court knows it. Play against crappy-dull competitors ... and your game goes DOWNHILL ... FAST. Same thing is true with ... Employees ... Suppliers ... Board Members.

FREAKS. *I've come to love the word ... FREAKS.* Because I'm a ... FANATIC ... FAN ... OF ... **ENFORCED RENEWAL.** And renewal clearly comes courtesy ... FREAKS. Consider these potent words from senior *Wall Street Journal* reporter-editorialist G. Pascal Zachary, author of *The Global Me*: "Diversity," Zachary writes, "defines the health and wealth of nations in a new century. Mighty is the mongrel. The hybrid is hip. The impure, the mélange, the adulterated, the blemished, the rough, the black-and-blue, the mix-and-match – these people are inheriting the earth. Mixing is the new norm. Mixing trumps isolation. It spawns creativity, nourishes the human spirit, spurs economic growth and empowers nations." A variation on this theme is the unique (to this epoch) role of ... YOUTH. *The Economist* put it thus: "Why focus on these late teens and twenty-somethings? *Because they are the first young who are both in a position to change the world, and are actually doing so.* For the first time in history, children are more comfortable, knowledgeable and literate than their parents about an innovation central to society. The Internet has triggered the first industrial revolution in history to be led by the young."

Remember, though I'm going on for pages ... my point is SIMPLE. The INTERNET ... is changing ... EVERYTHING. As I see it ... which is the central thesis of this Essay: ***YOU'RE EITHER ON THE BUS ... OR YOU'RE OFF THE BUS.***

## **5. BIG REDUX!**

I say again: THIS (THE WEB) IS BIG. IT IS ENCOMPASSING. IT WILL CHANGE EVERYTHING. EVERYTHING NEEDS TO BE REDESIGNED. NOW.

That's the idea behind this little booklet-rant. Not to give the details. (I'm not capable.) But to Incite You to Start a Revolution, assuming that your company is not one of those that's done so already.

**NEEDED. DESPERATELY. REVOLUTIONARIES.**

Big. BIG. BIG! It's just one B2B. Name: Covisint. A coming together, announced in February 2000, of the supply-chain activities of the Big Three automakers. Now joined by Renault and Nissan ... and the Web-based architects ... Oracle and Commerce One.

Big.

Initially, Covisint aims to encompass about \$240 billion of auto parts trade. Add in the suppliers' suppliers ... and their suppliers ... and you can perhaps add another one-half trillion dollars to that. As I said ... ONE B2B ... and perhaps three-quarters of a trillion dollars. The goals are humongous: extract two to three thousand dollars in costs from the average \$20,000 automobile. And on top of that, abet a reduction in new-car development-cycle time from 42 months to 12 to 18 months.

The initial going is slow. Problems are enormous. Maybe Covisint won't pull it off. My take: So what? If Covisint doesn't do it ... SOMEBODY ELSE(S) WILL.

I voraciously dug into David Stauffer's new book: *D2D: Dinosaur to Dynamo*. He examines strategies followed by 20 *established* companies ... MOSTLY BIG & UNSUNG ... to Change the World ... via the Internet. The companies include some mentioned here. For example, GE. And other Web-masters such as **Charles Schwab**. And: **Rosenbluth International**, the travel-services giant. And: **Snap-on Incorporated** ... the Cool Tool Guys. And ... yes ... **Cemex, S.A.**

Cemex ... a contraction of Cementos Mexicanos ... is using the Web to revolutionize the [typically cretin] cement and construction materials markets. In Mexico ... throughout Latin America ... and around the world. Cemex came up with a most unlikely idea: *Just In Time Cement*. (!) And pulled it off. Leading to enormous-awesome differences in productivity ... and profitability. I love that. I love it so much I could giggle.

In fact, the "coolest" part of this Adolescent (or is it Nursery School?) Web-Internet saga is the Old Dudes who are ... belatedly, to be sure ... "Getting It."

This is ... BIG.

## 6. THE CUSTOMER RULES.

The Web's "dirty little secret" ... neither Dirty nor Little ... is that the customer runs this new show! Consider our friends at Cisco Systems, the folks with 90% of their \$20 billion in revenues coming straight off the Web ... with no human intermediation. Those who do business with Cisco exclusively through the Web ... for one thing ... report customer satisfaction scores that are above those of Cisco's customers who do business via people. (Yikes! Hey, I'm the guy – or one of two, along with Bob Waterman – who insisted in *In Search of Excellence* that "intimate, humanized customer service" was the be-all and end-all of sustainable competitive advantage.) *The Cisco, Dell, and Amazon secrets are roughly the same: ENGAGE THE CUSTOMER! PUT THE CUSTOMER IN CHARGE!*

For example, Cisco powered up some innocent “chat rooms” for customer engineers. The process has now evolved into full-scale, “virtual,” “collaborative design” activities. Among other (not so small) things, Cisco estimates it harvests over \$1 billion in “free” consulting from customer engineers. As of the last quarter of Y2000, some 45,000 customer problems ... PER WEEK ... were being solved on the Web via customer collaboration. No Cisco intervention ... other than construction and maintenance of the Website.

*(As I write, I've just finished a meeting with some execs ramping up a major strategic initiative. I am not a techie! But I marveled that I found myself – not for the first time – the Loudest Advocate for Making the Web THE Engine for Collaboration among those quarterbacking this massive program-expansion process. It's so bloody evident that the ability to informally-but-intensively-and-in-real-time share experiences is the Heart of a Newfound Opportunity to Accelerate a Big Ramp-up Effort. ISN'T THIS OBVIOUS TO EVERYONE? I was pissed, actually. I felt that I was being condescended to – smile & nod, smile & nod – as I went into Yet Another “Web-Is-It” Rant.)*

My shorthand for all this: WELCOME TO D.I.Y. NATION! Former Oracle president Ray Lane pegs it: “Changes in business processes will emphasize self-service. Your costs as a business go down and ... perceived service ... goes up because customers are conducting it themselves.”

Amen.

Perceived service! “Perception is reality” – Tom Peters, co-author, *A Passion for Excellence*, 1985. Psychologists, who agree on very little, do agree on one thing: **The strongest force on earth? ONE'S NEED TO BE IN PERCEIVED CONTROL OF ONE'S UNIVERSE!**

That's a lot about what “all this” is about. American Express executive Anne Busquet says that, in fact, this is not the Age of the Internet. It is: the Age of Customer Control.

Amen! (Again.)

And the Tsunami is rolling in ... fast. I get such incredible service from Amazon. And then I practice “transference” ... and wonder why I can't get it from my car dealer ... or mortgage banker. Regis McKenna, Silicon Valley's Marketing Guru No.1, calls it exactly right when he says we are now in “the Age of the Never Satisfied Customer.” “The moral is,” say Mercer Consulting execs Adrian Slywotzky and David Morrison, “that in an imperfect world of customer service, most customers prefer to cut to the chase and help themselves.”

“Most customers.” Not just for books. But for ... SOPHISTICATED INDUSTRIAL “SYSTEMS” PRODUCTS. From Cisco. Oracle. Snap-on. GE. You name it.

Ah, yes, the unleashing of the customer. Andrew Shapiro wrote a marvelous book, *The Control Revolution*. He defines the term: “The control revolution. The potentially monumental shift in control from institutions to individuals made possible by new technology such as the Internet.” Or consider this similar refrain, from Swedish business strategy gurus Kjell Nordström and Jonas Ridderstråle, in *Funky Business*: “[The Web] enables total transparency. People with access to relevant information are beginning to challenge any type of authority. The stupid, loyal and humble customer, employee, and citizen is dead.” On it goes. Dot-com crash notwithstanding, no

assertion is too extreme. (For me, at least.) Take this one from Internet guru Don Tapscott: *“Imagine a world where a citizen could search the globe to assemble ‘my government,’ the ultimate in customized, customer-centric services. Health care from the Netherlands, business incorporation in Malaysia ...”* (Fact: **NOTHING STRIKES ME AS THE SLIGHTEST BIT ODD ABOUT THAT.**)

The authors of the magnificent *Cluetrain Manifesto* are clear: **HYPER-LINKS SUBVERT HIERARCHY!**

I love it!

*And “it” may well have its most pronounced impact on the Giant World of health care, particularly as America’s 76 million baby-boomers age ... and continue their insistence that they are ... IN CHARGE.* “It may be the most far reaching evolution of them all,” writes Richard Firstman, in an article titled “Heal Thyself” in *On Magazine*. “[It’s] the metamorphosis of passive patient into consumer – and well-informed, assertive consumer at that. The defining axiom of traditional medicine – ‘doctor’s orders’ – is being turned on its head. These days it is the patients who are armed, the doctors who must get wired to keep nimble.” Firstman goes on to coin a lovely term/idea: “E-health is the new house-call.” (**Again ... sorry I keep saying this ... I LOVE IT. That is, THIS “STUFF” IS VERY COOL.**)

And if it’s not one (BIG) thing, it’s another (BIG THING). Peter Drucker – the guru’s guru of management – insists that the biggest growth industry in America, and perhaps the world, in the next ... **THREE DECADES ...** is going to be the “re-education of adults.” Cisco Systems CEO John Chambers apparently agrees: “The next killer application for the Internet is going to be education. Education over the Internet is going to be so big it is going to make email look like a rounding error.”

The consumer ... at Retail or Commercial ... is Taking Charge. Taking Charge of his or her financial well-being. His or her health care. His or her re-training. His or her Snap-on Tools. *And “taking” charge means taking “charge” ... AWAY FROM ... the powers-that-currently-be.* So the big question is: **IS YOUR STRATEGY LITERALLY CENTERED AROUND CUSTOMER-CLIENT EMPOWERMENT & SELF-DETERMINATION?** (Again ... hint: “This means letting go of traditional sources of power.”)

November 2001. Tom Peters. Consumer. Businessperson. I can:

- Shop for \$1 million houses or \$1.95 office supplies, at best price and with best advisers ... via the Internet.
- Manage all my financial dealings ... no matter how sophisticated ... via the Internet.
- Work with my doctor ... or the world’s best medical experts ... or humble support groups suffering from the diseases that I suffer from ... on any health issue ... via the Internet.
- Recruit talent ... from anywhere! ... to help me with Any Project ... via the Internet. Right now.
- Develop insanely sophisticated documents, collaboratively, with anyone(s) from anywhere(s) ... 24/7/365.
- Share my ideas with the world!

- Chat with anyone ... anywhere ... at any time.
- Research any-damn-thing. In incredible detail. (And it requires virtually no “technical savvy.”)
- Take a course on ... any topic ... from cooking to software design ... at any time ... and at a reasonable price.
- Stay in direct contact with my 92-year-old mom!
- Play a gajillion games to while away the time. (And frequently, I must admit, I do just that.)
- Etc.
- Etc.

And the point ... REPEATED CEASELESSLY EVEN IN THIS SHORT ESSAY ... is that ... WE AIN'T SEEN NOTHIN' YET. As broadband/infinite bandwidth reaches us ... HOLY MOLEY. As the 75 million members of Gen X and Gen Y make it into management ... those who have grown up with PlayStations and Game Boys ... and have Infinite Expectations about Information Availability about EVERYTHING ... HOLY MOLEY.

No, we ain't seen nothing. Yet. Mosaic & Netscape & Loudcloud creator ... and all-around Internet Guru Marc Andreessen puts it this way: “The concept of being always on, always connected, is a very powerful one. Companies are going to need to reach consumers across all the different transmission media and devices – across wireless, on cell phones, into cars, onto airplanes, into cabs, into the home and TV set. It's not just the message. Now you've got a connection, what do you do with that?”

Ah, yes ... **WHAT DO YOU DO WITH THAT?**

## **7. KEEP IT CLEAN, DUDE!**

A while back, I checked the market capitalization of SOUTHWEST AIRLINES. It was larger than that of ... United ... and American ... and Delta ... and USAIR ... COMBINED. There are lots of reasons. One of them: **35%** of Southwest's bookings and revenue come straight off the Web ... from Southwest's site per se.

Ah, yes, Southwest's site! I read a story some time ago that I didn't believe. It said the SWA site was so easy to use that many customers, upon finishing their transactions, called Southwest ... to confirm that they had done what they thought they had done on the site. “Silly,” I snorted to myself. And then it turned out that I was going to visit my Mom in Baltimore, leaving from Albany. Both are Southwest locations. So I decided to do my booking at the site. I was a first-time user ... and I was ... STUNNED. I must have been at the site for less than two minutes (I'm quite sure of that). It was simple. So simple. So clear. So easy to use. So idiot-proof.

Bless you, Southwest.

And why are you ... SOOOOOOOO RARE?

There are lots of reasons for the B2C failures, not least of which is the hyper “sexiness,” over-complication, and general user-unfriendliness of the sites. Nobody is on that case more than consultant and former Sun Microsystems Usability Guru-Fanatic **Jakob Nielsen**.

**“Most companies,”** Nielsen writes in (HIS UTTERLY BRILLIANT) *Designing Web Usability*, **“would do more business on the Internet if they fired their entire marketing department and replaced it with people who could produce interactive content that actually made it easier for users to buy.”** Bless you, Jakob!

The GOLDEN RULES ... according to Nielsen:

- All Web projects are customer-interface projects!
- Simplicity rules!
- Make it easy for customers to perform useful tasks!
- Less “cool,” more useful!
- Speed rules!

*(Read the book! It's for all of us.)*

I'm not a techie, as I mentioned before, but I've developed my own set of rules, not far from Nielsen's. They're the ones that I use to harangue my colleagues relative to the [painfully slow] development of tompeters.com. To wit:

**Rule #1:** The USER is a VERY weary businessperson, using a laptop with a small, non-advanced screen, sitting at 11:00 p.m. in a hotel room, hooked up at 28.8. If it doesn't work and download rapidly under those circumstances ... YOU'VE GOT IT ALL WRONG.

**Rule #2:** Use plenty of WHITE SPACE. Forget the sexy moving doo-dads. RAPID DOWNLOAD-ABILITY RULES!

**Rule #3:** Follow the Yahoo! dictum, and keep the opening screen fast, clear, and comprehensive. (That's a lot to ask for one screen ... but Yahoo's done it. So can you.)

**Rule #4:** Be more than willing to give users lots of outs. That is, hyper-link to everything! THAT'S THE BLOODY POINT OF THE WEB! (If your site is worth a damn, they'll come back.)

**Rule #5:** IT'S INTERACTIVITY, STUPID! The point of the Web is a two-way, N-way conversation. Engage the user. Give her or him opportunities to comment on everything, engage with other users. Again: IT'S INTERACTIVITY, STUPID! IT'S COMMUNITY, STUPID! (And oh how many – including myself, much of the time – forget this or honor it in the breach.)

**Rule #6:** Provide all sorts of links to sources of information. For many of us, the Web is the Great Research Tool. I love *Drudge Reports*. Matt is okay, but the plain black and white screen ... with links to every-damn-news-source-imaginable ... is ... UTTERLY ... FABULOUSLY ... INSANELY ... GREAT. (Thanks, Matt.)

**Rule #7:** Keep it ... FRESH! There's a lot of “base case” stuff that will remain roughly unchangeable. On the other hand, even AOL [my ISP ... sneer if you want] keeps, at times, the same material on too long. The Web is all about ... TIMELINESS.

**Rule #8:** If you want me to pay for stuff, make it simple. Follow the Southwest Airlines dictum. Tell me ... PRECISELY ... how to enter appropriate and needed information. Limit that information to what you actually need. And then get me out of there. (And send me a confirmation ... à la Amazon ... INSTANTLY.)

**Rule #9:** Make it fun. Fun is not necessarily the reason I'm visiting, but a little fun, a little spice here and there, is ... well ... Great. In *USA Today* [I read it religiously ... always have], I love the little charts and graphs in each section. Little nuggets, often quite interesting. It's those "little" touches ... that are ... SOOOOO BIG ... over the long haul ... in keeping me interested.

Call it one man's opinion. (IT IS.) Albeit the opinion of someone who does log onto the Web at least ... A DOZEN TIMES ... a day.

## 8. RADICAL ... OR ELSE!

What follows in this section is the reason I wrote this damned booklet! What I'm writing annoys me. I believe in "try a little of this, try a little of that, learn a little bit, try a little bit more." (Quickly, to be sure.) Or, I used to believe it. I don't believe it about the Web. **I ... now ... believe that you've either got to ... GO FOR IT ... or quite probably be consigned to the sidelines.** Jack Welch, the legendary, just-retired GE boss, apparently shares my view. He said the following in a July 2000 interview with *Forbes*: "*One cannot be tentative about this. Excuses like 'channel conflict' or 'marketing and sales aren't ready' cannot be allowed. Delay and you risk being cut out of your own market, perhaps not by traditional competitors, but by companies you never heard of 24 months ago.*" More Jack: "**WHERE DOES THE INTERNET RANK IN PRIORITY? IT'S NO. 1, 2, 3, AND 4.**"

Jack, I buy your act!

(Would that more did.)

I put together a slide a while back, trying to summarize what I thought. Just a few statements. But they capture what I have come to believe is ... ABSOLUTELY NECESSARY. (About this "Web stuff.")

Title of the slide: *WebWorld = Everything:*

- **Web** as a way to run your business's innards ... 100% thereof.
- **Web** as connector for your entire supply-demand chain.
- **Web** as "spider's web" which reconceives the fundamental definition of the industry in which you have historically participated.
- **Web-B2B** as ultimate wake-up call to "commodity producers." (Those with a Low Value-added Proposition are DOOMED.)
- **Web** as the scourge of slack inefficiency, sluggish bureaucracies, poor customer data.
- **Web** as an Encompassing Way of Life. (It's Attitude, stupid!)
- **Web = Everything** (product development to after-sales service). (E-V-E-R-Y-T-H-I-N-G.)

- **Web** forces you to focus on what you do best ... and dump the rest.
- **Web** as entrée for anybody, at any size, to World's Best-at-Everything as next door neighbor and prospective partner!

(Okay?)

While talking about my Slide Shows ... let me subject you to a little bit more. I called this one: **Jargon Bath.**

To wit:

*Bureaucracy free ...*  
*Systemically integrated ...*  
*Internet intense ...*  
*Knowledge based ...*  
*Time and location free ...*  
*"Instantly" responsive ...*  
*Customer-centric ...*  
*Mass customization enabled.*

What a jargony mouthful! So ... I provided a (slightly better) translation:

*Bureaucracy free = Flat organization. No Bullshit.*  
*Systemically integrated = Whole supply chain tightly wired/friction free.*  
*Internet intense = Do it all (ALL) via the Web (ALL).*  
*Knowledge based = Open access (NO LIMITS).*  
*Time and location free = Whenever, wherever. Period.*  
*"Instantly" responsive = Speed demons.*  
*Customer-centric = Customer calls the shots!*  
*Mass customization enabled = Every product and service is rapidly (instantly) tailored to the particular/peculiar client requirements.*

DAMN IT! (Okay?)

**All of these things are possible ... NOW. DAMN IT! It is a ... REVOLUTION. Swallow it ... WHOLE ... NOW. (That's my URGENT advice.) If you ain't doing so, somebody else is. (NOW.) (GET IT?)**

I wholeheartedly acknowledge the problems associated therewith. I recently keynoted an eCommerce conference. Several thousand techies. I wanted to shake them up. I said that I thought their projects were important. ALL IMPORTANT. But I said that I was quite certain that most of them would fail. Why? Here were the two slides I used:

*Message1: eCommerce is not a technology play! It is a relationship, partnership, organizational and communications play, made possible by new technologies.*

*Message2: There is no such thing as an effective B2B or Internet-supply chain strategy in a low-trust bottlenecked-communication, 6-layered organization.*

I had a good friend who spent a couple of years working on an SAP/R3 installation. He was assisted by a superb team of consultants. And yet their progress was slow ... PAINFULLY SLOW. We had m-a-n-y lengthy discussions about it.

The problem was not SAP. And the problem was not his consultants ... from PricewaterhouseCoopers. ***The problem was ... OLD-FASHIONED POLITICS.*** You see, if you do ERP (Enterprise Resource Planning) or any of its more Internet-intense variations ... you screw around ... MASSIVELY ... with the extant Power Structure. Little bits of paper, waiting to be initialed for approval, can't sit on Officious Middle Managers' desks ... or the Mahogany Desks of the Big Barons who run "country operations" (in the case of my colleague). Remember the earlier quote: "Hyper-links subvert hierarchy." ***Do they ever!*** Hence, to effectively "take on" this "Internet thing" ... means that one must become a Master Politician. The Politics of Implementation are what slowed down containerization at the docks ... the installation of robots in the automobile plant. In the former, blue collar cases, the center of resistance was the unions. Now it's the Upper Ranks of the Hierarchy ... watching their Baronies attacked by a bunch of Nerds wielding Bits and Bytes at the Speed of Light.

I've used Cisco Systems several times as an example. And I'll use them again here. As mentioned, a chief attribute of Cisco's success *using* the Web to its advantage is the customer-collaboration activities it's created. Well, there's a key word associated therewith: **TRUST!** There is ... obviously (in retrospect) ... no such thing as Collaborative Design ... unless I (your customer-partner) have access to all, or virtually all, of your Most Important Proprietary Data. Cisco has allowed such access. And it's paid off. Big Time. But ... such a policy is – absolutely, positively – ANATHEMA ... to a typical Fortune 500 company.

Ray Lane, former Oracle president and now a senior officer at the venture capital firm Kleiner Perkins, homes in with laser-like precision: ***[E-business] 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.***

And those who would take ... THE LEAP have got to be involved ... up to their eyebrows. Lane continues: ***Top management has to spend time on the details. [They aren't] used to being very detail-oriented. They have to get back to figuring out, 'How is it we will take an order on the Internet?' 'How will we communicate with our suppliers, force them to use the Internet?' 'What do these business processes look like?'***

Fabulous.

A New World Order. For: "Joe Doaks." I thought this was a superb description, appearing in *Red Herring* in late Y2000. Life for a NEW "real person" in an Internet-dominated world: ***When Joe Employee at Company X launches his browser, he's taken to Company X's personalized home page. He can interact with the entire scope of Company X's world – customers, other employees, distributors, suppliers, manufacturers, consultants. The browser – that is, the portal – resembles a My Yahoo for Company X and hooks into every network associated with Company X. The real trick is that Joe Employee, business partners, and customers don't have to be in the office. They can log on from their own cell phone, Palm Pilot, pager, or home office system.***

That's the ticket. And what a ... BIG TICKET ... it is. And ... HOW SCREWED YOU ARE ... if you aren't the first one in the neighborhood to get there!

(No bull.)

## 9. WANTED: DREAMERS!

The technology is sophisticated. (UNDERSTATEMENT.) The Politics are daunting. (UNDERSTATEMENT.) But that's not all.

There's something (BIG) else.

I think.

I came across a passage in an unlikely source. It got to me. Got to me. And made me think ... far more deeply than I had ... about this "Internet Thing."

The unusual source: *Alice in Wonderland*.

Here was the quote from Lewis Carroll that got under my skin ... and remains there: "*There's no use trying,*" said Alice. "*One can't believe impossible things.*" "*I daresay you haven't had much practice,*" said the Queen. "*When I was your age, I always did it for half an hour a day. Why, sometimes I've believed as many as six impossible things before breakfast.*"

What's the point of all this? A DAMNED BIG ONE.

Yes, the "Web Thing" is all about ... Technology ... and Politics. Etc. But it's about something else. SOMETHING BIGGER.

In short: THE INTERNET ... THOUGH A "MERE ENABLING DEVICE" ... **ALLOWS US TO DREAM DREAMS WE COULD NEVER HAVE DREAMED BEFORE!**

In retrospect: That's the Whole Damn, Bloody Point! Sophisticated technology. *Yes*. Daunting politics. *Yes*. But ... MOST IMPORTANT ... Dreams. The dreams of *Larry Ellison* ... that led Oracle to its decision to embrace the Web ... with incredible rapidity and encompassing vigor. The Dreams that led ... *Charles Schwab* to reinvent his company as an Internet-based company. The Dreams that led ... *Jack Welch* ... late in his tenure ... to Embrace the Internet ... with phenomenal vigor (and rapidity) ... that forced GE's top 600 managers to find Youthful Mentors ... to teach them about the potential of this Extraordinary and New Transformational Tool.

One of Welch's lieutenants, Bob Nardelli, now the CEO of Home Depot, ran the \$15 billion GE Power Systems operation. It was the most profitable of GE's operations – surprisingly. (Typically "ye olde economy" at first blush.) But Nardelli's secret was his Embrace of the

Internet and ... ALL IT STOOD FOR. He wanted to get GE Power Systems in the middle of things. EVERYTHING(S). Use the Web to become the Power Player in the Middle of Things. *"We want to be the air traffic controllers of electrons,"* Nardelli once said. Amen!

Welch's dreams. (GE.) Nardelli's dreams. Schwab's dreams. (Charles Schwab.) Ellison's Dreams. (Larry, Oracle.)

Hard work. DAMN RIGHT. But ... in the end ... NEW DREAMS. My belief ... in the end of ALL THIS ... is simple: Survivors will move *all* of their operations to the Web. NOW. Web = Encompassing ... or else.

## **DREAM BIG!**

Hey: And what a time ... DAMN IT ... to ... DREAM BIG. We're in a slump, if not a recession. Many are pulling in their horns. Hence the catastrophic plunges of stock at companies such as Nortel and Cisco Systems. But there's a lesson to be learned here. My take: ***ONLY IDIOTS PULL IN THEIR [investment] HORNS DURING A DOWNTURN.*** Now, when the wimps and wusses are retreating to the sidelines, is ... THE HOUR. Go for it. Now. BIG TIME.

# **10. Wanted: LEADERS!**

Wanted: **LEADERS!**

Wanted: **DREAMERS!**

Wanted: **TOUGH-MINDED SONS OF BITCHES WHO WILL OVERCOME THE POLITICAL HURDLES ... and ... GET IT DONE!**

These *are* madcap times. The technology *is* changing by the day. The White Water will be with us ... approximately ... FOREVER.

Those who will Seize This Moment ... will not be the ... FAINT OF HEART. They will be the Nervy ones. Those who are willing to fail ... FAIL BIG TIME ... IN PURSUIT OF THEIR ... INSANELY ENORMOUS ... DREAMS.

So? ARE YOU ONE OF THEM?





