The Case for "Brand Inside"

It's the "Organization," **Stupid!**

Tom Peters

"We are in a brawl with no rules."
                    – Paul Allaire, former CEO, Xerox

<u>**MANIFESTO.**</u>   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. <u>First</u>, I think they (1) are important <u>and</u> (2) present enormous opportunities <u>and</u> (3) are grossly neglected by most organizations. <u>Second</u>, I have a Radical Point of View about each one; you will find no half-way suggestions here!

"Brand Inside" Rules!

Enron's strategy was brilliant. Enron's execution was awful.

Brand Inside/Brand Outside

Few businesses fail for want of a Great Strategy. Or Soaring Vision. Most businesses that fail (99 percent ?) do so because of lousy execution.

Any idiot (CEO?) can shout: Acquisitions Rule! Synergy Rules! Value Added Rules! Top Talent Rules!

Pulling it off is an entirely different matter.

Strategy. The idea. The vision. The plan.

Execution. The people. The politics. The systems. The culture. The bureaucracy. The character.

"Strategies" typically and implicitly assume a friction-free world. (Good idea = Profits in perpetuity.) "Success" (in the real world) stems precisely from managing/taming friction – and delivering the goods via flawed human enterprises. (Ours and those of all members of our "value chain"/"stakeholder set.")

Friction.   Delaying investment in an exciting-but-long-shot product … so as to keep immediate earnings for shareholders a little more predictable in the next four quarters.

Friction.   Adopting a halfway pose toward the Internet … and attempting to patch together a hodgepodge of old business processes. Rather than, say, shooting for the moon … and installing a full-blown Oracle 11i system. (And dumping half the VPs and 80 percent of our middle managers in the process.)

Friction.   Accepting Talent that's "good enough" – instead of aiming for Hall of Fame players … well compensated … in every position.

Brand Outside Rules? Not So Fast.

Organizations, per our simple model, consist of:

Brand Inside.

Brand Outside.

Brand Outside is familiar. A great plan. (Strategy.) A great logo. A Soaring Vision. (And don't forget to capitalize that "S" and "V.") An exciting portfolio of "marketing initiative." A high-budget, edgy and original advertising campaign.

Nothing wrong with any of the above. (Everything, in fact, is right about it.) The problem stems from allowing such "brand outside" activities to be the tail that always wags the dog.

"They say" – including me! – that organizations should focus outward. E.g., create the "customer-driven"/"customer-centric" enterprise.

Fine. Again.

But not the entire story. Not by a long shot.

I am urging here something that's contrary to conventional wisdom, including my own at times in the past. I am urging … an Internal Focus.

Ignore the customer? Hardly. Rather … let's get our own house in order first.

Coca-Cola. A couple of years ago, Coca-Cola got hammered in the marketplace, long before a recession was even a glimmer in the eye. Did Coke lose its marketing touch? No!

Coke was led for over a decade by the charismatic Roberto Goizueta. He added billions upon billions to Shareholder Value. Hooray! But he was also an autocrat. The byproduct: more and more … and then more and more … decision-making became centralized in the Coca-Cola tower in Atlanta. Sclerosis occurred in the field … where the rubber meets the road. Risk-taking became a verboten word … it just might screw up those quarterly earnings increases.

Coke has problems. Big problems. Lingering problems.

Marketing/Brand Outside problems? No.

Brand Inside problems? Yes.

Xerox. The company was the King of the Hill in the 1960s and 1970s. (The Microsoft of its time. And I'm not exaggerating.) And then Xerox struggled … for the next quarter of a century.

When I met Xerox, in the mid 1970s, it featured the "smartest" portfolio of MBAs you could imagine. They had the most clever strategy. They had an awesome market share.

So?

So … the fish stunk from the head down. The bureaucracy was stultifying. The systems were overly complicated. The company would do damn near anything to hold on to its "big copier" market share. (Like IBM and mainframes, a little later.)

Energy? Just about zero. Bureaucracy? Just about infinite. Xerox's problem … Brand Inside. Once more: internal sclerosis.

Sears. Sears staggered. Kmart went out of business. Wal*Mart thrived. And thrived some more. I suppose Wal*Mart has a damn good strategy. I'd hardly deny it. But I'd hardly say that it's the most scintillating strategy I've ever seen.

I would say that Wal*Mart, along with GE and Microsoft, executes better (more vigorously and fearlessly) than any-damn-company-that-I've-seen-in-the-last-thirty-years. Period.

Want to understand Sears' problems? And Wal*Mart's success? Buy a camera and one roll of film. Save just the last two frames. Now take a snap of the Sears Tower. Save the last shot for the Wal*Mart "tower."

And you've got most of the story.

The Sears Tower … a hundred stories tall … and until recently Sears' headquarters. A picture of the corporate culture. Complexity. Bureaucracy. Sclerosis! That is: Sears Tower = Sears Organization. More or less: a hundred levels of bureaucrats, stacked one on top of another.

And Wal*Mart?

Running a quarter trillion dollar plus business … out of a nondescript "warehouse" in … Bentonville … Arkansas.

There's no bullshit at Wal*Mart. They're enormous. They're tough. And they're (still) quick and (still) non-bureaucratic. Wal*Mart has … the Best Damn Brand Inside of anybody I know. Sears about the worst.

IBM. IBM ruled the world … just check out Tom Peters' and Bob Waterman's *In Search of Excellence*. The customer was king! People were all-important!

And then the king was damn near decapitated.

Was the strategy wrong? To some extent, it was. But the strategy was "less wrong" than the "culture." IBM continued to "dance with the ones who brung 'em." That is, they played the hand that had made them famous. Did anything and everything to suck up to the "glass-house" centralized information systems people.

They missed turn after turn in the marketplace. They went from customer-sensitive … to thugs who demanded that the customer buy their stuff.

Yes, to some extent, I'll admit, the "strategy" was wrong. But I don't really think that was the primary issue. The bigger issue: the "awesomely successful" institution became calcified. It stuck with the hand that had been dealt … and … indeed … played that (old) hand too well. Risk-taking was out. Conservatism was in. Talk about elaborated systems! IBM had them … in spades! Sclerosis? IBM defined it. There was probably an "IBM Way" for unfurling the toilet paper in the executive washrooms, of which there were many.

Then Lou Gerstner arrived, almost a decade ago. He said he had no intention of creating a "vision." He was pooh-poohed by one and almost all. (Including yours truly.) But he did the same thing that Jack Welch had done at GE. He put the "vision thing" off … until he had gotten IBM's house in order. Cleaned up the internal crap. Listened with naïveté to what customers' were *really* saying … not just the words of the incumbent centralized IT, "glass-house" gang. Today IBM is thriving. It did develop a new vision (services, not hardware). But mostly … 99 percent? … it developed the ability to execute fast, try new stuff fast, take risks fast.

Idiots?   At Coca-Cola?   At Xerox?   At Sears?   At IBM?   I don't think so. In fact, I know it's not so. Lousy strategies? Perhaps. But they were mostly lousy to the extent that they overly honored the past … and failed to genuinely support (beyond lip service) initiatives that might reshape the enterprise. Every one of the companies mentioned above staggered … and in some cases continue to stagger … as a result of the … Brand Inside Malady.

And then … some … scintillate.

GE. Has the GE example been used too often? Undoubtedly. But here it/we/I go again.

GE. Vision? Hardly! "Bring good things to life." What the hell does that mean? Absolutely nothing.

What does GE do? GE executes.

Truth is, GE executed damn well long before Jack Welch. He made miracles, no doubt of it. But he inherited an institution that had always been run by tough-minded, risk-taking skeptics. Who had paid damn little attention to corporate headquarters. Who had adhered to HQ commands and created their overly elaborate strategic plans, during the 70s – but

essentially had gone their own way as soon as the staffers had gotten back into their limos. Had gone their own, determined way in Plainville, Connecticut, and Pittsfield, Massachusetts, and Schenectady, New York.

Welch built on it. He went bananas over talent. GE, truth be known, had always gone bananas over talent. (Hey, "the worst of GE" – 1970s and 80s style – had produced Welch, hadn't it?) Welch aimed to develop talent in the same way a professional sports franchise General Manager does. Select the best. Provide opportunities for autonomy early on. Train like the blazes. Demand performance w/o excuses. Or get out of town on the next bus.

Welch lived for performance. And he led by introducing one big & critical program at a time. (Mostly.) (Only "talent" and "action" were constants.) For Welch's first five years as CEO (a quarter of his reign), he was known as "Neutron Jack." When Welch visited a GE facility, the story went, at the end of his visit the building still stood … but the people were all gone. An exaggeration, to be sure, but Welch cleaned up bureaucracy … with a vengeance. And cleaning up it needed.

Neutron/no bullshit Jack morphed into "One, two … or you're out Jack." That is, every GE business had to be first or second in its market … or we'll close it down or sell it off. Again, the focus was clear and unmistakable. And it was *the* focus. This was what GE was about.

Empowerment had been in the air … and well executed by many … for a long time. But Welch wisely waited … until he cleaned up the bureaucracy – in order to take away the last of the excuses for inaction. Then he went after empowerment … with a vengeance. The GE flavor was called "workout." Whatever it was, it was crystal clear to every manager in the organization: Listen to the people who are closest to the marketplace/action. And to those people closest to the marketplace the message was clear, too: You have a *duty* … to speak your mind. And if you won't speak your mind … then *you're* out!

And …

Quality had been a big thing in America since the late 70s or early 80s, when we got beaten and battered and bruised so badly by the Japanese and Germans. Jack Welch "discovered" quality in the early 90s – with the zeal of a convert. It was typical Welch. He arrived at the scene late. But he put it at the top of the agenda. Turned his XXL Bully Pulpit … and most of GE's hearty incentive schemes … directly at Six Sigma. When he did it, then, he really did it. The focus wasn't on the "idea" … it was on … THE EXECUTION.

Three or four years later, Welch mounted his Last Campaign. Again, he was a bit late to the parade. But when he came to the parade … there was no question in which direction he and GE were marching. The last Jack: Internet Jack. The "old economy" company embraced the Web … with incredible vigor. No stone was left unturned. Bureaucracy was hacked again. "Digitalization" of everything became the watchword … make that … THE WATCHWORD.

I repeat: THIS IS A STORY OF … EXECUTION. Welch was seldom first to any parade. But when he figured out what parade he wanted to be marching in … then the entire brunt of his formidable personality … and all of GE's supporting systems … became focused on *that* parade … which became … THE PARADE … for three or four years.

GE: Masters of Execution. One initiative at a time. No bullshit. Get on with it. GE: Masters of Brand Inside.

The "Brand Inside" Elements

Brand Inside matters. Today it matters more than ever … and more than Brand Outside. That is, these are revolutionary times. Private sector. Public sector. In order to deal with a Dell or Wal*Mart or terrorists … we must first & foremost re-organize. Radically. Quickly. The Navy & Army & Air Force & CIA & FBI & IRS & INS & local police forces & emergency response forces must be able to work together/respond/anticipate with the same "friction-free" approach that's allowed Dell & Wal*Mart to make such monkeys out of formidable competitors like Sears & Compaq.

Hence, to execute some thoroughly modern, New Economy "vision" … we must first get our own houses in order. Attend … with Welch-like vigor … to Brand Inside. Consider the following 10 Brand Inside Elements as the tools & attitudes for New Brand You:

BI1. The Execution Imperative: An "Action Culture."

A strong Brand Inside thrives on action, not talk.

Bob Waterman and I called "A Bias for Action" our Principle No.1 … in *In Search of Excellence,* some twenty years ago. My mind has changed about a lot of things. Not this one.

Organizations are victims of their past. They're victims of over-thinking things. "The problem," said Visa founder Dee Hock, "is never how to get new, innovative thoughts into your mind, but how to get the old ones out." "Good management," wrote Harvard professor Clayton Christensen, in *The Innovator's Dilemma*, "was the most powerful reason [leading firms] failed to stay atop their industries. Precisely because these firms listened to their [most conventional] customers, invested aggressively in [conservative] technologies that would provide their [conventional] customers more and better products of the sort they wanted [and already had!], and because they carefully studied market trends and systematically allocated investment capital to innovations that promised the best returns [which are always the most conservative innovations!], they lost their positions of leadership."

JUST DO IT! It works for Nike. It works for the planet. "Active mutators in placid times tend to die off," wrote Carl Sagan and Ann Druyan in *Shadows of Forgotten Ancestors*. "They are selected against. Reluctant mutators in quickly changing times are also selected against." The business equivalent of that is stated brilliantly and succinctly by former Reuters CEO Peter Job: "Acquisitions are about buying market share. Our challenge is to create markets. There is a big difference."

An action bias – an execution bias! – is a bias for … DISRUPTION. "Chivalry is dead," wrote Dartmouth business strategy professor Rich D'Aveni in *Hypercompetition*. "The new code of conduct is an active strategy of disrupting the status quo to create a series of unsustainable advantages. This is not an age of defensive castles, moats and armor. It is rather an age of cunning, speed and surprise. It may be hard for some to hang up the chain mail of 'sustainable advantage' after so many battles. But hypercompetition, a state in which sustainable advantages are no longer possible, is now the only level of competition."

I sometimes call it the Cortez Strategy. Cortez arrived in the New World. He and his soldiers were faced with unspeakable perils. (Not to mention the perils – diseases – they inflicted upon the natives!) He knew the odds were extremely high that his soldiers would mutiny. Answer: BURN THE BOATS! Well, in enterprise, it's a "burn the boats" (Cortez!) Era. For instance, the CEOs of prominent firms such as Nokia, HP, 3M, PerkinElmer, Corning and others have … burned the boats. That is, sold off the businesses which were the heart and soul and spirit of the *original*, proud enterprise of which they were a (modern) part. In a screwed-up world … nostalgia doesn't cut it. Action does. Which I suppose is why GE's Jack Welch, a few years ago, embraced the Internet and described the new GE Way as … DYB.com. Namely: DYB/Destroy Your Business … before the competition does.

The message here is tough minded. I put it like this in my seminars: *If you're not pissing people off, you're not making a difference!* I'm not suggesting rudeness. I am suggesting that those who win will … Break The Most China.

Consider: I came across three totally different stories in the newspapers on 12 December 2001. That is, the topics were totally different. But the stories were eerily the same. The first one was about the War, and Defense Secretary Donald Rumsfeld was quoted: *"In the end the war is not about statistics, deadlines, short attention spans of twenty-four hour news cycles. It's about will, the projection of will, the clear, unambiguous determination of the President of the United States and the American people to see this through."*

Then in the business section I stumbled upon this from the great economist John Maynard Keynes. He said that all long-term investments are made on the basis of "animal spirits – a spontaneous urge to action rather than inaction, not as the outcome of a weighted average of quantitative benefits multiplied by quantitative probabilities." That is, when it comes to the things that will be home runs (or, indeed, strikeouts), we're dealing with the absence of knowledge. Faith and energy and action … The Execution Imperative … is what matters. The only thing that matters.

The third story came from Texas. Apparently a law was passed that automatically admits all high school kids in the "top 10 percent of their class" to the University of Texas system. Didn't matter whether the school was "great" or "crappy." The interesting thing: Those top 10 percenters … even if their formal preparation was supposedly inferior … ended up with university GPAs that were significantly higher than those from "genius schools" – who had SATs that were 200 to 300 points higher than theirs. Message: Making it into the top 10 percent … ANYWHERE … depends on that Execution Imperative. SATs are, at best, an indication of the genetic material that you were handed at birth.

I wrote an article in *Fast Company* magazine on leadership. I asked readers to respond with their own ideas. A couple that speak to this point: "Leaders don't 'want to' win. Leaders 'need to' win." "Leaders invariably see cups as 'half full,' rather than 'half empty.' " Napoleon got there first: "A leader is a dealer in hope." And management guru and Boston Philharmonic conductor Ben Zander got there too: "I am a dispenser of enthusiasm."

The execution bias, then, is about a determination to … DO SOMETHING … DO ANYTHING … NOW. Or, in the immortal words of Admiral David Farragut: "*DAMN THE TORPEDOES. FULL SAIL AHEAD.*"

Do something. There's a whole art – perhaps science – of "doing something." Its guru is Michael Schrage, author most recently of the brilliant *Serious Play*. "You can't be a serious innovator," Schrage writes at one point, "unless and until you are ready, willing and able to seriously play. 'Serious play' is not an oxymoron; it is the essence of innovation." Schrage's entire book is about … Quick Prototyping. Prototype. Test. Try. Now. Schrage makes the brilliant, and heretofore unstated, point: Innovation (per se) *is* the … reaction to the prototype. Until we see some "it" … we can't start to modify. Those who do innovation best do quick prototyping best. That's the word according to Schrage. (And, for what it's worth, me.)

Two brilliant examples. Sony Electronics. "Sony Electronics," said *Business Week*, "has a well-earned reputation for persistence. The company's first entry into a new field often isn't very good. But, as it has shown in laptops, Sony will keep trying until it gets it right." Microsoft. "If Microsoft is good at anything," wrote web guru Seth Godin in *Zooming*, "it's avoiding the trap of worrying about criticism. Microsoft fails constantly. They're eviscerated in public for lousy products. Yet they persist, through version after version, until they get something good enough. Then they leverage the power they've gained in other markets to enforce their standard." Of course you could call it thuggery … as Judge Jackson did in his fabled-but-overturned antitrust decision. But thugs … in the best sense of the word … typically have a … BIAS FOR ACTION.

Bravo.

A bias for action. Norman Schwarzkopf's first battlefield promotion in the Gulf War went to … Gus Pagonis. General Pagonis was the … Logistics Guru. A person who had dirt under his fingernails … and got the supplies there … to support a force of about three quarters of a million people. (You know … "for want of a nail, the shoe was lost …") We had a dot-com

moment. Then a dot-com implosion. Lousy websites? Rarely. Problem: The kids didn't get their Christmas presents by Christmas. A failure of down-and-dirty logistics.

I spoke to the leadership of the huge systems-engineering division at Lockheed. Thousands upon thousands of software engineers working on the most complex projects imaginable. The CEO made an interesting point. "My best project managers," he said, "are rarely the ones with the PhDs from the great schools. They're the ones who were the AV guys in high school. The guys who knew how to act … using a role of duct tape … in an emergency."

Historian Stephen Ambrose made much the same point, relative to a much larger tableau. "Andrew Higgins," Ambrose wrote in *Fast Company* magazine, "who built landing craft in World War II, refused to hire graduates of engineering schools. He believed that they only teach you what you can't do in engineering school. [Author comment: in business school, as well!] He started off with twenty employees, and by the middle of the war had 30,000 working for him. He turned out 20,000 landing craft. D.D. Eisenhower told me, 'Andrew Higgins won the war for us. He did it without engineers.' " Message: Dump the analysts. Embrace the Dudes with Duct Tape.

A bias for action. A bias for execution. The … Execution Imperative. Hire the ones who are antsy. Who jaywalk. Who go crazy in the face of inaction. Pay attention to IDEO product design CEO David Kelley: "Reward failure. Reward success. Punish inaction." And … don't just stand there … do something. The premier sports agent, Mark McCormack, offered the best advice I've ever gotten … many years ago. Phones were/are great. (And then came fax machines. And then email.) But there comes a time … in, say, the middle of a tense negotiation … when it makes sense to travel 5,000 miles … for a five-minute meeting. I've never forgotten that idea. It's worn the body quite a bit. And drained, in the short term, the wallet. But "showing up" … being a Slave to the Bias for Action … invariably works. And the word "invariably" is not chosen lightly.

A Bias for Action is also a … Bias for Focus. Time and again, new bosses screw up via what I call S.I.O. That is: Strategic Initiative Overload. To be sure, you've taken over the job … and things are all screwed up. You do your homework. There are at least 10 Big Things … if not twice that … that need doing. Now. Action … YES. Focus … YES+. It was Jack Welch's religion, as mentioned earlier, at GE. Of course he knew about Six Sigma quality. But he waited until the appropriate moment. And then put all of his incredible energy behind it. (Biographer Strat Sherman: "One thing you've got to understand about Jack Welch, he's got 2000 percent more energy than you and I do.") You're either on the train … with Jack's initiative … be it "One, two in the marketplace, or you're out." Or "Six Sigma." Or empowerment/"workout." Or digitization.

FOCUS! ACTION! The best quality program I ever came across was at the textile firm Milliken & Co. CEO Roger Milliken has been in charge for over half a century. He went after quality with a vengeance in the early '80s. And he made it clear … VERY CLEAR … TO ONE AND ALL … that quality was it. I call the phenomenon, "Ridin' With Roger." You're a young plant manager. Fly into the airport near Spartanburg, South Carolina. (Milliken headquarters.) You're amazed to be met in person by The Man Himself … Roger

Milliken. He shepherds you into his car. There's a thirty-minute drive ahead. He turns to you, "What have you done to … DRAMATICALLY IMPROVE … quality in the last sixty days?" And now it's your turn to speak. Non-stop. For thirty minutes. And you damn well better have one hell of a tale to tell! Roger's listening. (AND THAT'S NO SHIT.) Focus. Action. That's the story. We call it … THE HEART OF BRAND INSIDE …THE EXECUTION IMPERATIVE.

BI2. <u>Cherish … FAILURES</u>.

Think: FORTY-FOUR MILLION.

America's economy is the most powerful in the world. Bar none. By a long shot. Our secret: FAILURE & DESTRUCTION. Think: 44,000,000. It's a big number. And it's the number of jobs … *we destroyed* … between 1980 and 1998 in the United States. That's the … *tough side*. The good news … the winning hand: We offset the loss of 44 million jobs with the creation of 73 million new jobs. Mostly high-paying. Mostly in industries that didn't even exist 20 years ago.

The names are now legend: Microsoft. Genentech. Celera Genomics. Amgen. Dell. Wal*Mart. Home Depot. Charles Schwab. That is, the engine of America's awesome economic prowess is … job destruction … more than offset by job creation. (AND YA DON'T GET ONE WITHOUT THE OTHER.) Twenty-nine million, mostly terrific, *net* new jobs … in an 18-year period. During the same time slot, the European Union, 35 percent larger than we are in population terms, managed to add only four million *net* new jobs to their payrolls. And most of those, not so incidentally, were in the public sector. Their problem: conservatism. A failure to *destroy* jobs.

Recall the quote from Carl Sagan and Ann Druyan: *"Active mutators in placid times tend to die off. They are selected against. Reluctant mutators in quickly changing times are also selected against."* The American economy consists of active mutators … in quickly changing times. The European economy: reluctant mutators … in quickly changing times. Or as *Wired* guru Kevin Kelly put it: "The secret of fast progress is *inefficiency* … fast and furious and numerous failures." Kelly is joined by Silicon Valley economics guru Michael Malone, who claims that Silicon Valley's "number one secret of success" is its "unprecedented [business] failure rate."

My mantra … which I (almost desperately) encourage you to make your mantra: Failure breeds success. *Period*. Fast failure breeds fast success. *Period*. Big failure breeds big success. *Period*. My favorite expression of this idea comes from a very successful Australian business executive, Phil Daniels. He claims that his "secret" to business success is a simple and invariant philosophy: *"Reward excellent failures. Punish mediocre successes."* At GE, Jack Welch said pretty much the same thing. Nobody ever got in trouble, he claimed, for swinging for the fences … and missing. What got them in the doghouse was devoting a

couple of years to a "mediocre" project … that even if it worked … wouldn't make the world wobble on its axis.

Amen.

A few others (all too few) have said about the same thing. David Kelley. Founder and CEO of our premier product design firm … IDEO. The world according to David: *"Fail faster. Succeed sooner."* And then there was the Philadelphia-based high-tech exec who attended a seminar of mine a couple of years back. Claimed that *his* secret to success (and that of his company) is *"Fail. Forward. Fast."* Richard Farson, one of the most brilliant management thinkers of our time, has put the icing on this cake (and soothed this itch that I've been attempting to scratch for almost a quarter of a century). He has just written a book, with Ralph Keyes, that I dearly/desperately commend to your attention. The brilliant title (encompassing a brilliant book): *Whoever Makes the Most Mistakes Wins: The Paradox of Innovation*.

But I save the best of this riff for last. Years ago I was invited to the Sales & Marketing Executives Hall of Fame dinner at the Waldorf Astoria in New York. Several new members were being inducted, and one of them had, as I heard it told, virtually insisted that I give the introductory speech. Speaking of begging, I begged off at first … an abiding aversion to black tie events. But then the boss of the show informed me that the person who wanted me to introduce him was none other than Wal*Mart founder and CEO Sam Walton. It took me about a tenth of a second to scream "Yes" into the phone. My forte is all-day (seven-hour) seminars, and thence two-minute intros are not my strong suit. So I called Wal*Mart's CEO at the time, David Glass, and asked him what *he* would say if he had two minutes to summarize the life and times of Mr. Walton. "Simple," he responded. "There are many admirable things about Sam, but the one that stands out, head and shoulders above the rest … *he's totally unafraid to fail*. He'll make a mess of something, then come in the next day, roaring with laughter, almost shouting, 'I guess that was a dumb one. What do we do next?' " I call it Sam's Secret No.1. The … *joy of fast failure*. Or, per Farson: *WHOEVER MAKES THE MOST MISTAKES WINS!*

BI3. <u>Dent the Universe: WOW Projects/BHAGs.</u>

Steve Jobs, Apple Computer: *"Let's make a dent in the universe."* J. Allard, chief designer of the Xbox at Microsoft: "Intimate their [users'] imaginations." The great choreographer Diaghilev, to a prima ballerina: *"Astonish me."* Ad man David Ogilvy, instructing a copywriter on an ad for children's clothing: *"Make it immortal."* Hiroshi Yamauchi, Nintendo boss, to a top game designer: *"Make something great."*

Hot language. What's the point? *Everything*. You could say that companies with Great Brand Insides … wear their emotions on their sleeves. They're not afraid to say … "Make a dent in the universe"… "Astonish me"… "Make something great"… "Make it immortal."

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Maybe it is a sign that I'm getting old. Maybe. I JUST DON'T GET IT. I don't understand going to work … as a hotel housekeeper … or a UPS driver … or a United mechanic … or a software designer … or a management consultant … without trying to … *"MAKE A DENT IN THE UNIVERSE."*

I spoke a while back to thousands of scientists in one of our top pharmaceutical research labs. I said that it was a great time in the drug business. The science had never been so cool. So promising. And I said that I wondered … amidst all these thousands upon thousands upon thousands of IQ points … who would get the call … twenty years from now … the call that would announce the award of the 2022 Nobel Prize … in chemistry or medicine. It would not, I averred, be the one with the highest IQ score. It would be the one, smart to be sure, who was driven. Driven to risk it all. Fearless. Determined. The one who aimed most passionately … *to make a dent in the universe*.

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FEAR IN THE WORKPLACE. The eradication thereof has been the subject of a thousand training courses. All bull. Only one thing eradicates fear: PASSION. Winners care enough to take the heat that comes with purveying bold aims. Losers don't. PERIOD. Fearfulness = Passionless-ness. PERIOD.

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As I write, the second week of the Salt Lake Winter Olympics begins. Consider the participants. Often raw teenagers. Technical skills? Tops. (No doubt of it.) But the thing that's special … obviously … from the biggest country to the smallest … is the … INCREDIBLE DETERMINATION. So … if it's so bloody "obvious" at Salt Lake … then why is it not in enterprise? Dilbert depicts a passionless, cynical world where the individual & corporate "tag line" is, in effect: "WHO GIVES A SHIT."   Right? (A long way from Salt Lake.)

Success in tomorrow's "crazy" world … pharmaceuticals or retail … will require enormous leaps of faith … the willingness to destroy and destroy and destroy … and fail and fail and fail … and try again and try again and try yet again. To make that happen, says premier strategist Gary Hamel, requires that thriving enterprises "Create a cause, not a business." Amen.

Jim Collins, the coauthor of *Built to Last*, urges us to take on B.H.A.G.s. That is: Big Hairy Audacious Goals. New products guru Doug Hall, in his brilliant and meticulously researched book, *Jump Start Your Business Brain*, says that the only serious predictor of new product success is passion. That is, the prospective offering exhibits a … Dramatic Difference … relative to what's currently available. Stastically irrelevant: The consumer's passionless

assertion that he/she "intends to buy the product." TP message: BRAND INSIDE THAT SIZZLES = THE PASSIONATE PURSUIT OF SUPER COOL.

(Hall's research is discouraging. Except to Dilbert. In a hundred hundred consultations, Hall has yet to find a management that appropriately values Dramatic Difference. They more greatly value "consumer intends to purchase." WHEN DID THESE DIRKS LOSE THEIR PASSION? WHEN?????)

I'm not all that keen on quotes from famous people who've been dead for hundreds of years. But an exception is this from Michelangelo:

The greatest danger
for most of us
is not that our aim is
too high
and we miss it,
but that it's
too low
and we reach it.

In my seminars, I must admit that I raise a sweat and shout at my audience as I recite those words from Michelangelo. Then I add: *If you are not prepared to be fired over your beliefs … you're working on the wrong project.*

British management guru Charles Handy and his wife, the photographer Elizabeth Handy, wrote a magnificent book called *The New Alchemists*. Stories of people who have started from essentially nowhere, with little formal education and no financial backing, but made brilliant careers. In *The Elephant and the Flea*, Handy names their secret: "Passion was what drove these people, passion for their product or their cause. If you care enough, you will find out what you need to know. … Or you will experiment and not worry if the experiment goes wrong. … Passion as the secret of learning is an odd solution to propose, but I believe that it works at all levels and all ages. Sadly, passion is not a word often heard in the elephant organizations, nor in schools, where it can seem disruptive."

Ah, there's the … rub. Disruptive. Disruptive children. Put them on Ritalin. Disruptive adults … shunt them off to the side … or toss them out at the slightest pretext. And yet it's such people who … exclusively … change the world … MAKE DENTS IN THE UNIVERSE.

I guess if I were coaxed to sum it up in a single sentence, I'd say: *People in organizations with Great Brand Insides … don't shy away from … PASSION. (Or FAILURE. Or PAIN.)* So … *LET'S MAKE A DENT IN THE UNIVERSE.* (Why not?) (What else?) (Sorry, Dilbert.)

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BI4. "Tell Me a Story": Demo Mania.

David Armstrong runs a middle-sized Midwestern industrial firm. Attended a seminar of mine quite a while back. I was rambling on … and on … about MBWA … Hewlett-Packard's famous Managing By Wandering Around. Armstrong liked it. Liked it enough to change it. And what he came up with was a true original.

<div align="center">MBSA.</div>

MBSA: Managing By Storying Around. His complex enterprise has no policy manual. (And that's no exaggeration.) Instead it has a storybook. A book exclusively devoted to tales of "ordinary" people … doing extraordinary things. Stories about the unsupervised, 27-year-old woman on the loading dock … at 3 a.m. … going the extra mile to ensure that the shipment goes out. Stories about the 52-year-old accountant, unsung and in the bowels of the finance department, who sees something wrong on an invoice, goes to great lengths to check it out … and sorts something out before it becomes a problem for the customer or supplier.

The walls of David's enterprise are plastered with photographs of people, accompanied by their stories. "A key, perhaps the key, to leadership," wrote the great leadership guru Howard Gardner in *Leading Minds*, "is the effective communication of a story." In the movie *Amistad*, about a mutiny on a slave ship, John Quincy Adams (played by Anthony Hopkins) is speaking to abolitionist lawyer Theodore Joadson (played by Morgan Freeman), giving him advice for the upcoming trial: "Early in my career in the law I learned that … he who has the best story wins."

Companies with Great Brand Insides … I have learned … resonate with Great Stories. It's the secret to leadership. The secret is not "he who has the best plan wins"; .it's …

<div align="center">

Demos!
Heroes!
Stories!

</div>

That is … a bias for action & Wow … illustrated by those who take bold action (heroes) and give us … stories … demos that we can provide as real fuel to the fire with which we wish to ignite others.

I've been thinking about this a lot. And the word/idea that's gotten stuck in my mind is … PORTFOLIO. All leaders run … portfolios. Portfolios of … PEOPLE. (What else is a "roster" of a professional football team, say?) And portfolios of … Ideas/WOW Projects. To be sure, we need "old faithful." (Or, for that matter, "young faithful.") But we also need those long-shot bets … on the rough-around-the-edges athlete … who may well bomb (statistically, he probably will) … but who may well make it to Canton, Ohio, or Cooperstown, New York … as a Member of the Hall of Fame. Fame or shame … it ain't going to be in the middle.

So consider these (BIG) terms: GM. (General Manager of a professional sports franchise.) VC. (Venture capitalist.) W.P. (WOW Projects.) M.B.S.A. (Managing By Storying Around.) I'm the president of your company. You're a middle manager, a department head. I run into you in the hall. Remember "Ridin' With Roger"? Well here's my equivalent: *"So … tell me a story."* That is … tell me about a … Demo. Tell me about a … Hero. Tell me a … Scintillating Story … about someone(s) aiming to … Make A Dent In The Universe.

It's attitude, baby!

<center>* * * * *</center>

You'll doubtless notice that the four "lead items" in the Brand Inside "elements" list are … "soft." Not coincidental. There are, indeed, "hard," programmatic Brand Inside issues … but the heart of the matter is the "soft"/attitude stuff. Or, rather: SOFT IS HARD. (One more time.) (And see below.)

BI5. <u>Cut the Crap: WebWorld = ALL.</u>

Ten *feet* by ten *feet*.   Smaller, probably, than your smallest bedroom. One hundred square feet.

That's right: one hundred square feet.

So …………..?

One hundred square feet … is the … total spare parts storage area … in Dell Computer's newest factory … which spits out 80,000 individually customized computers … per day.

That's pretty amazing. (Drop the "pretty.") It's simply astounding. But what interests me is the conditions necessary to make this happen. ALL THE BULLSHIT … MUST GO. Maybe they read Dilbert at Dell's Optiplex facility, cited above. But I bet they don't laugh the way you and I do. Dilbert's incredible popularity stems from the fact that even in this "Age of Information Systems" … 95 percent of white collar work is … laughably unnecessary … counterproductive … BULLSHIT. And yet at Dell that doesn't happen. Can't happen, if your supply chain – all members, close and far – is so tightly wired that you can get away with one hundred square feet of spare parts storage … and build those 80 thousand high-quality, customized computers … each … and every … day.

Likewise, Cisco Systems does about $50 million worth of business on the web.   EACH DAY.   Not books, like Amazon. But complicated, integrated systems … that must be

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assembled … on the fly … from parts and subsystems produced by numerous suppliers, numerous factories … literally all over the world.

And Wal*Mart. An electronic/digital supply chain so tight … so influential, so friction-free … so BULLSHIT-FREE … that it has changed … single handedly … the tenor of global commerce.   (As has … like it or not … Enron.)

Welcome to Webworld.   In Webworld, "transaction costs" approach zero. All of the "friction" (again: bureaucratic bullshit) is run out of the system. Functional "stovepipes" no longer exist.

Years ago, MCI founder Bill McGowan described middle managers as "human message switches" – and predicted their demise. It's been slower than he imagined. But it's coming. As I write, we're in the midst of a recession. Some of it's due to the usual forces … overcapacity … in telecommunications, for instance. But some of it is brand new. Recent reports claim that despite a rapid unemployment surge of nearly 2 percent, *real wage growth* was the highest in forty years. Productivity is soaring. What's that mean? It means we're laying people off like crazy, but treating those who remain like the stars that they increasingly are. That is, we're wringing the unnecessary B.S. out of the system … and dumping the bureaucratic ciphers ("Human message switches") by the millions.

An English friend informs me that it took 540 man days (a crew of 108, five days) to unload a timber ship in the era preceding containerization; now it takes eight people one day. There is no doubt in my mind that … à la Dell world, Cisco world … such a magnitude of compression of manpower will occur in the next ten to fifteen years … in White Collar World. It will be Big Stories … like Dell. Cisco. Wal*Mart. GE. And small stories. Like … TowTruckNet.com … a straightforward B2B exchange and information board … that deals with … used tow trucks. Makes it possible for people to find them, buy them, discuss them. Again: takes the *friction* right out of the (sub)system.

Usually I'm a believer in incrementalism. But the last two years have taught me a lesson. Relative to this "Web thing" … you're either on the train … or off the train. You can't "sorta" reduce the "friction" (bureaucratic B.S.) throughout the system. You've either got to wipe it out … DYB.com … or don't undertake the effort to begin with. In Webworld, for instance, scraps of paper can't sit on middle managers' desks … for months … or days … or hours … or minutes … or even seconds. "Artificial intelligence" embedded within Dell's system, for instance, is making decisions that just a handful of years ago would have required a third-level, $80,000-a-year manager. Hence, my conclusion: Webworld = ALL. Put it this way:

> *Web* as a way to run your business's innards. (TOTALLY.)
> *Web* as a connector for your entire supply-demand chain.
> *Web* as "spider's web" which reconceives the industry itself.
> *Web/B2B* as the ultimate wake-up call to "commodity producers" … who will
>   observe friction-free electronic markets wipe out their margins.

Web as the scourge of slack, inefficiency, sloth, bureaucracy, poor customer data.
Web as an Encompassing Way of Life.
Web = Everything, from product development to after-sales service.
Web forces you to focus on what you do best … and dump the rest.
Web as entrée, at any size, to World's Best at Everything as next door neighbor
　　and potential business partner.

Or words to that effect. The listing above is simply my effort to "say everything" in about a hundred words or less. Again, the operative words … EVERYTHING. ALL. WEB = ALL.

On the other hand …

On the other hand … I'll be the first to admit that it's easier said than done. *Far … far … easier said than done.* Addressing an eCommerce conference a year or so ago, I began my remarks as follows: *E-commerce is <u>not</u> a technology play. It is a relationship, partnership, organizational and communications play … simply made possible by the next technologies.* And then I added: *There is no such thing as an effective B2B or Internet-supply-chain strategy in a low-trust, bottlenecked-communication, six-layer organization.* Simple fact: *Installing and fully utilizing the friction-reducing Web/eCommerce tools is about one thing above all others … the … massive … redistribution … of … power.* Again (and excuse the repetition): Those little scraps of paper can't sit on middle managers' desks.

Former Oracle president Ray Lane summarized brilliantly: "Ebusiness 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 ebusiness."　WRONG.　DEAD WRONG. And: You're either on the boat … or off the boat.

The first few sections of this Manifesto emphasized an … *Attitude/"Culture" of Execution*. In this section we tout the new, information-enabled tools which complement that attitude. But this idea is also, in the end, about attitude. For instance, *Red Herring* magazine described life within the New Economy, information-enabled, Web-centric world … as viewed through the eyes of an employee: "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." My only disagreement with *Red Herring* is their use of "real trick." They've got the real trick part of it wrong. The *real* "real trick" is that you've got to *trust* Joe Employee! (Think of the Army's new tag line: I AM AN ARMY OF ONE.) Many of the decisions within the enterprise – say 90 percent of them – are/will be made automatically by software. But the remaining employees will be/are doing the high-level, intellectual-capital-added "stuff" … and have unprecedented access to

the database of our enterprise … and that of all our supply chain partners. Talk about culture shock!

I recently stumbled across a familiar passage from Lewis Carroll: " '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.' " That passage got under my skin. It's as abstract as it comes … except that it's also the most practical quotation imaginable. What else would you call Michael Dell's purely insane notion of churning out 80,000 custom-engineered computers per day from a plant that encompasses only one hundred square feet of spare parts storage? I'd call that about as "impossible" a "dream" as one could have imagined … long, long, long ago … in, say, the mid 1990s. Making this "Web Thing" happen is about Massive Investments in technology … Brutal Power Politics (the wholesale redistribution of power throughout the entire enterprise … and the disappearance of 85 percent or so of the white collar workforce, starting with the Executive Vice Presidents). But it's all in service to "impossible dreams." Incredible "imaginings" … truly unbelievable … less than five years ago. (And, of course, it's only begun to begin.)

David Weinberger is a … dreamer of … *impossible dreams*. (And, from what I know of him, I'd guess far more than a half dozen before breakfast … on a typical day.) Actually, though, he's a practical entrepreneur as well. He reached the public's eye as coauthor, in 1999, of the *Cluetrain Manifesto* – one of the best things written about the Web. Now he's publishing *Small Pieces Loosely Joined*. Weinberger describes our brave, new world: "Suppose – just suppose – that the Web is a new world we're just beginning to inhabit. We're like the earlier European settlers in the United States, living on the edge of the forest. We don't know what's there and we don't know exactly what we need to do to find out: Do we pack mountain climbing gear, desert wear, canoes, or all three? Of course while the settlers may not have known what the geography of the New World was going to be, they at least knew there was a geography. The Web, on the other hand, has no geography, no landscape. It has no distance. It has nothing natural in it. It has few rules of behavior and fewer lines of authority. Common sense doesn't hold here, and uncommon sense hasn't yet emerged."

Nice! (Profound!)

I'll be the first to acknowledge … and did so at the opening of this Manifesto … that Enron seems to have taken "things" too far. But they did so, mostly, in pursuit of a Genuinely Brave New Vision. Now-disgraced CEO Jeff Skilling used to give inspiring speeches about the singular reduction in "transaction costs" brought about by the Web. And it is the Enron model that aims to reduce those transaction costs. Enron seems to have gotten it wrong. We haven't invented the rules yet. It'll take us years, perhaps decades, to do so. Yet the Enron *model* was right … perfectly … brilliantly … right.

This Manifesto is titled Brand Inside. The basic premise of this Manifesto is that a good – even great! – business "strategy" focused on the external world is not enough. We have to create … Totally New Internal Worlds. (Brand Insides, that is.) We're going to make some mistakes … some real doozers … along the way. Enron is not the last. It's merely the biggest

… at this point. The love-hate relationship with the Houston-based "new economy company," in fact, should remind anyone vaguely familiar with business history of the love-hate relationships, about a century ago, associated with the Rockefellers and Carnegies and Mellons and Morgans and Fords. People who changed the world. Mostly, we'd now say, for the better. But people who were vilified in the process. Threatened. Shot at. And people who shot back – e.g., Henry Ford! – at employees who didn't share their vision. What a world it *was*. What a world it *is*.

So … how many Impossible Dreams have you had before breakfast today? And have you dismissed them out of hand … as the mental imagery of a lunatic … or gotten to work on them … posthaste?

BI6. <u>"Beautiful" Systems.</u>

As I write, there's talk in the air about United Airlines filing for bankruptcy. A strike looms. The industry has laid off almost 100,000 people. And yet one of the leading business headlines tonight – 18 February 2002 – is that Southwest Airlines will hire 4,000 people in the immediate future.

IT'S ALL ABOUT A COCKTAIL NAPKIN. Framed in the Dallas headquarters is … *"the napkin."* A little sketch that Herb Kelleher made … a simple triangle … with San Antonio, Houston, and Dallas at the corners.

Southwest Airlines does well over a third of its business at the company website. That's about five times more (at least) than the other majors. The site is a beauty. Simple. Clear. Easy to use. And that's the story of Southwest. A "simple" system. A "beautiful" system. And an unabashed, unadorned love affair (LUV affair, I suppose … that's their stock ticker symbol) with 33,000 employees. SWA's safety record is best in the industry. Their productivity is best in the industry. Their costs are best in the industry. Their prices are best in the industry. And they haven't lost a single day to work stoppage in their thirty years of existence. (With the same percentage of unionization as the rest of the majors, I'd add.)

Right along with Herb K's napkin is the fabled "C" thesis … granted … at the Yale Graduate School of Management … to FedEx founder Fred Smith. He suggested that if you wanted to send a letter, quickly, from the 47th floor of the Wall Street Tower to the 42nd floor … well … obviously … IT OUGHT TO GO THROUGH MEMPHIS.

The Internet is powerful. ALL POWERFUL. That's what I just argued. Passionately. And I believe it. Passionately. But I'm also reminded of the brilliant quote, over a decade old, from re-engineering's father … Michael Hammer. He said that the first quarter century of the IS/IT Revolution was all about "paving the cow paths." That is … applying tomorrow's tools to yesterday's systems.

Amen.

Wal*Mart effectively started with a clean sheet of paper – at about the exact same time the "computer revolution" started. Sears didn't. (It was saddled with 100 years of tradition.) Southwest started with a clean sheet of paper. Federal Express started with a clean sheet of paper.

Systems. Can't live without 'em. Can't live with 'em. Truth is, every business with even a modicum of complexity … a 17-table restaurant in the Mission District of San Francisco … needs systems. The problem: Not enough thought is given to them in the first place. It's just assumed that there's something we "have to do." And, then, if we get lucky and grow … the systems get more and more elaborate. Which is partly necessary. Partly not.

I love the quote. From insurance's madman. Peter Lewis of … Progressive Insurance. Read it closely: "We don't sell insurance anymore. We sell speed." It's not uncommon for a Progressive agent to have arrived in the field within twenty minutes of an accident, made an assessment … USING EVERY WEB-BASED TOOL IMAGINABLE … and have already issued the reimbursement check. No bull. Months … and then some more months … ahead of the industry average. We don't sell insurance anymore: We sell speed.

It's a system. Per me: A BEAUTIFUL SYSTEM. It's not that I contradict myself … relative to anything I said in the prior section. It's just that "doing the Web thing" is not automatic. NOT BY A LONG SHOT. NOT BY A VERY, VERY LONG SHOT. The underlying idea … at Wal*Mart or Dell or Southwest or Fed Ex or Southwest Airlines … or Progressive or UPS or USAA … had best be … my (insistent) term … BEAUTIFUL.

Think system/s. YOU MUST. And then think … BEAUTIFUL SYSTEM/s. The book was one of many that came for an endorsement. Truth be known, I tossed it aside. Then my wife started a new business. And I picked it up. Namely: Jim Horan's *The One Page Business Plan*.

Beautiful!

That's right … get it all … from VISION to CRITICAL TACTICS … on one page. The way I see it, any idiot (with an MBA, anyway) can easily gin up a 100-page business plan. But making a one-page business plan … that's … well … PURE ART. (Move over, Picasso!)

Systems. CAN'T LIVE WITHOUT THEM. CAN'T LIVE WITH THEM. Gordon Bell is one of computing's pioneers, most renowned for having developed the VAX minicomputer operating system at Digital Equipment. In a conversation on the topic of complexity, Bell said, "I've never seen a project being worked on by a team of 500 engineers that couldn't be done better with 50." 500 = Guaranteed complexity. 50 = Clarity. (Beauty.) Charles Wang, the cranky and inspired Computer Associates founder and chief executive officer, took a page out of Bell's book. If a project team is behind schedule he says … *cut the least productive 25 percent of team members*. Want to make the project more complicated? Get it farther behind schedule? *Double the team members!*

More. The statistics are still lousy. A ridiculously high share of people don't complete their retail-purchase transactions on the Web. And Web usability guru Jakob Neilsen knows why. "Most companies," he writes, "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." As I mentioned before, nobody understands that better than Southwest. Easy to use? YOU BET! In fact, a number of customers apparently go to the Southwest site, complete their transaction with incredible ease … and because it's so easy are therefore fearful that they haven't gotten it right – so they call the airline to confirm. I laughed as I read that – but my own first visit confirmed the far-fetched story – it was so simple that, even with receipt still warm from my printer, I was among those tempted to call. Nice. (Rare.) (Beautiful system – redux.)

More. I previously described what I call S.I.O. Strategic Initiative Overload. And the Jack Welch approach … a half dozen Key Things … in a 20-year reign … done … ONE-AT-A-TIME. (Six Sigma, empowerment/Workout/etc.)

Systems. The life's blood of an enterprise. AND THE SUBJECT OF ART. Think systems … and we think of some green-eyeshaded type. I've got no problem with green eyeshades … but I suggest that the Systems Department be loaded … to the gunnels … with Artists … and Musicians … and Poets.

Systems. You must have them. They can be works of art. In fact … *beautiful.*

Systems. You must have them. And: *You must hate them.* You must attack them. You must not allow them to grow … and grow and grow and grow … and become elaborate … for the sake of being elaborate. And effectively snuffing innovation in the process.

Systems. You must design them. Seek beauty. Hire artists. And then … *at least as important … you must … proactively … UN-DESIGN them.*

A couple of years ago I worked with top managers of a fast-growing, technology-based enterprise. (Still in existence.) They were most proud of their spirit and spunk and vitality and innovative energy. And yet they were growing. And life was becoming more complicated. Much more complicated. They had to deal with that. IT WAS A FACT OF LIFE. And so we talked and talked … and they (not I) came up with a brilliant idea. The Executive Team would include a formally designated … EVP (S.O.U.B.). What's that, you say?

Obvious. EVP (S.O.U.B.) … Executive Vice President (Stomping Out Unnecessary Bullshit). I loved it. I love it. It's brilliant. And … not so incidentally … it seems to be working.

This would be a *full-time* executive. Her or his role would be to stem "elaboration creep"… Bullshit Creep, more accurately put. In fact, no less a giant than Wal*Mart has done an occasional version of this – a system-wide contest in which *every* employee is urged to nominate the "stupidest thing we do around here." The contest is judged … handsome

awards are made … and the Stupidest-of-the-Stupidest is … erased from the Earth. (Never to appear again. Until it appears again. Which it always does. Which is the point of this riff in the first place.)

SYSTEMS. CAN'T LIVE WITHOUT THEM. CAN'T LIVE WITH THEM. No surprise, Peter Drucker said it best: "Ninety percent of what we call 'management' consists of making it difficult for people to get things done."

Amen.   Beautiful systems.   Beautiful anti-systems.

BI7. <u>The Modified Basis for Value Added: The New "Brand Inside Warriors."</u>

The logistics department.   The purchasing department.   The human resources department.   The finance department.   Even the IS/IT and engineering departments.

What did/do we call them?   "Overhead."   "Cost centers."   "Bureaucratic drag."   "Bloody staffers."   "The reason we can't get anything done around here."   And a hundred other monikers.   All negative.

That's why 11 September 2000 (yes, exactly a year before the terrorist attack) was such a … BIG DAY.   Hewlett-Packard – clearly one of the world's premier manufacturers – offered $18,000,000,000 (Eighteen BILLION) for the services of 31,000 PricewaterhouseCoopers consultants.

"These days," explained Ann Livermore, head of HP's services division, "building the best server isn't enough. That's the price of entry." IBM used to "make computers." Now they make services – IBM's Global Services business alone brings in $35,000,000,000 (BILLION). GE, under Jack Welch, also went from services as a pipsqueak … to services as the engine – and majority of revenue. Bob Nardelli headed GE's Power Systems business – a $15 billion enterprise that's the most profitable in GE. He explained his secret. It wasn't (just) making better transformers or gas turbines. "We want to be the air traffic controllers of electrons," Nardelli told me. (Nardelli, having lost the race to succeed Jack Welch, is now CEO of Home Depot.) Nardelli's vision, interestingly, is just about the same as Enron's … albeit applied, apparently, with a lot more integrity. "UPS," wrote ecompany.com, "wants to take over the sweet spot in the endless loop of goods, information and capital that all the packages [it moves] represent." For example, UPS Logistics manages the logistics of 4.5 million Ford Motor Company vehicles, coming from 21 manufacturing sites and subsequently going to 6,000 North American dealers. They aren't coming in little brown trucks – it's a pure intellectual capital business.

I call all this … and much, much more … the shot heard round the world. Company after company – from Springs Industries in textiles and Otis elevator and Carrier air conditioning

and Equity Office Properties, as well as GE and UPS and IBM and HP, seek to get beyond undifferentiated commodity manufacturing to the Great Home of Immense Value Added.

Leading this revolutionary charge will be re-constituted "departments" – reconstituted as Engines of Value Added. The "department," per my model, comes to resemble a full-fledged, innovative Professional Services Firm. That's exactly the point of IBM's enormous Global Services outfit – and it's hardly coincidence that Big Boss Lou Gerstner spent all of his formative years at McKinsey & Co.

A couple of years ago I spoke to NAPM/the National Association of Purchasing Managers. I said I didn't see them as dreary order writers – but as the "Rock Stars of the B2B/eEnterprise Age." Funny thing, I meant it. Their role, I exhorted, is to do for their firms what Dell has done to its industry – turn things upside down through the imaginative blending of "purchasing" and "logistics" and "IS/IT."

And the point relative to this Manifesto? You don't add the kind of value that, say, a Global Services contributes to IBM … unless those "departments"/"overhead centers" become … PRIME MOVERS & SCINTILLATING CONTRIBUTORS TO THE INTEGRATED CORPORATE/SUPPLY CHAIN EFFORT TO ADD VALUE/SUCCESS TO THE CUSTOMER'S OPERATION. The departments (the centerpiece, by definition, of Brand Inside) are no longer supporting actors. They play the lead role! Hey … a premier "manufacturer" (HP) went out and offered (unsuccessfully, it turns out) almost 20 BILLION DOLLARS for "a bunch of consultants." I guess those "soft guys" must be worth something after all.

This is a big deal. The biggest commercial deal of all. Frankly, the primary rationale for being a "brand inside-led company."   Think about it.   Please.

BI8. <u>Talent Time</u>.

A football team is its … roster. A theater company is its … cast. To which you say: "Duh. Obvious." (!!!) Obvious, yes … in an acknowledged … TBE/Talent-Based Enterprise. The point of "all this": Every enterprise is quickly becoming a "talent-based enterprise." Talent becomes the be-all and the end-all for the IS Department or Finance Department … as much as it is for the New England Patriots football team or New York Yankees baseball team or Metropolitan Opera.

Talent. The essence of Brand Inside. I love the word talent. Precisely because it brings forth the image of Yo-Yo Ma and Pedro Martinez and Sissy Spacek.

Talent. Talent. 25/8/53. That's the point.

The point redux: 25/8/53. Suppose you're the general manager of the St. Louis Rams. What do you do for a living? The rules are clear: You can't pass. You can't punt. You can't block.

You can't tackle. You can't kick. You can't catch. Instead you "do" … TALENT. PERIOD. Based on my vaguely intimate experience, the GM of an NFL franchise (now approaching a billion dollars in market value) spends … 25 hours a day … eight days a week … 53 weeks a year on, essentially, one and only one thing: THE ACQUISITION AND DEVELOPMENT OF THE BEST 48-PERSON ACTIVE DUTY ROSTER IMAGINABLE.

"The leaders of Great Groups," wrote Warren Bennis and Patricia Ward Biederman in *Organizing Genius,* "love talent and know where to find it. They revel in the talent of others." Read it again: *"Love talent. Revel in the talent of others."* (The Great Groups studied in the book include everything from Disney's original animation lab to the Manhattan Project.) Ed Michaels, who headed McKinsey & Co.'s massive "War for Talent" project, says about the same thing. In the recent past, Michaels claims, the GE/Jack Welch dictum held: Every business must be first or second in its marketplace … or we'll sell it or shut it down. The new dictum, per Michaels: "Best talent in each industry segment to build the best proprietary intangibles."

Call it a semantic quibble. Call it the … power of an atom bomb. "Talent" is not the same as "employee"/"human resources"/"personnel"/"associate." Talent is … well … just that … TALENT. "We believe companies can increase their market capitalization 50 percent in three years," Michaels wrote. "Steve Macadam at [the forest-products company] Georgia-Pacific changed 20 of his 40 box plant managers to put more talented, higher-paid managers in charge. He increased profitability from $25 million to $80 million in two years." Pedro Martinez can throw a baseball better than I can. FAR BETTER. Yo-Yo Ma can play the cello better than I can. FAR BETTER. And Steve Macadam knew that some people can manage-the-hell-out-of-a-box-plant … the same way Yo-Yo Ma plays the cello or Pedro Martinez throws a leather-covered spheroid in the direction of opponents in such a fashion that they become embarrassed by his performance.

Talent. I've seen it in the hospitality industry. Some people can manage the hell out of a hotel. Some can't. In fact, upon observing an amazing pitching performance by Pedro Martinez on Labor Day in the year 2000 I scratched the following onto the back of my game booklet: "Some people are better than other people. Some people are a helluva lot better than other people."   Hardly profound.   Or is it?

Brand Inside. Talent. The relentless/compulsive, full-time pursuit of … the Yo-Yo Mas of restaurant or hotel or IS Department management. That's the ticket. And there's no compromising.

BI9. The "HSDE": Weird Begets Weird.

Basic premise of this paper: Companies rarely die from "uninspired marketing plans." Companies routinely die from an atrophied Brand Inside. Thus refreshment … DYB.com … is the ticket. My title for all this: Create the HSDE/High Standard Deviation Enterprise.

Standard deviation is, more or less, the average difference from the mean amongst a set of observations. I call it a "weirdness Index" – which is pretty much accurate.

I came to an absurd conclusion a while back. INNOVATION IS EASY. By that I mean the following: Hang out with freaks … and you'll become more strange. (Not bad, in a strange time.) Hang out with conservatives … and you'll become more conservative. In a marvelous book called *Wide Angle Vision*, consultant Wayne Burkan gets directly to the point. He says that those who will lead us to the Promised Land (of perpetual renewal) are: (1) Disgruntled customers. (2) Upstart competitors. (3) Rogue employees. (4) Fringe suppliers.

Many – "most," it often seems – companies seek renewal through acquisition. BIG ACQUISITIONS. Writing in *The New Yorker*, James Surowiecki concludes: "The corporate faith in big industrial mergers [2/3 of which fail, he contends] is a vestige of the spats-and-spittoons era." Mr. Surowiecki quotes Warren Buffett in Berkshire Hathaway's annual report: "Many managers were over-exposed in impressionable childhood years to the story in which the imprisoned handsome prince is released from a toad's body by a kiss from the beautiful princess."

Mating two dinosaurs is not the point – in an age when extinction is a pressing threat. (Just ask Kmart.) Finding ways to force ourselves into a new world is a much better answer. Again:

Customers. "Future defining customers," says Adrian Slywotzky of Mercer Consultants, "may account for only 2 percent to 3 percent of your total, but they represent a crucial window on the future." We will be fresh to the extent that we force ourselves to sell to … fresh & obstreperous customers. Sell to conservatives … your product line becomes more conservative. Sell to radicals … your product line becomes more radical.

Competitors. Learning is a great idea. Corporations have turned learning into high dudgeon under the heading of "benchmarking." But it can go too far. When we benchmark against the "industry leader," often as not it's benchmarking against the established order. MISTAKE. "The best swordsman in the world," Mark Twain wrote ever so long ago, "doesn't need to fear the second best swordsman in the world; no, the person for him to be afraid of is some ignorant antagonist who has never had a sword in his hand before; he doesn't do the thing he ought to do, and so the expert isn't prepared for him; he does the thing he ought not to do and often it catches the expert out and ends him on the spot." In one short paragraph Mr. Twain has explained everything from the 1980s problems in Detroit (What, worry about a bunch of Japanese carmakers?) to IBM's travails in the 80s (Who? Bill who?) to … think about it … the terrorist attacks on 11 September 2001. More often than not it turns out to be … not the big & expected competitor … but that upstart … who has never held a sword in his hand before … who doesn't do the things he ought to do … & the reigning "expert" isn't prepared for him … and is "ended on the spot."   Yikes!

Employees. The pharmaceutical world is being turned upside down by the biotech-infotech-genetics revolution. One of Big Pharma's lab directors recalled to me a discussion with the Vice Chairman of her company. "As I was leaving the board meeting," she reported, "he

asked 'Are there enough weird people in the labs these days?' " Love that: ARE THERE ENOUGH WEIRD PEOPLE IN THE [WHEREVER] THESE DAYS? It's those "disgruntled employees" that Burkan talks about. So … are there enough weird people in the HR … Finance … wherever department today … at your place?

Suppliers. Consolidating your supplier base has been one of the mantras of "with it" management over the last decade. It's a pretty damn good idea. But it has limits. Severe limits … WHEN IT COMES TO INNOVATION. "There is an ominous downside to strategic supplier relationships," Mr. Burkan writes in *Wide Angle Vision*. "An SSR supplier is not likely to function as any more than a mirror to your organization. Fringe suppliers that offer innovative business practices need not apply." Nicely said. (All too nicely.)

It's simple then … this HSDE of mine. *We've become who we hang with* – and the weirder the merrier … in these very weird times.

BI10. A Brand New/Brand You World.

All bets are off. No rules make sense. The word according to AOL Time Warner's Steve Case: "There is probably going to be more confusion in the business world in the next decade than there has been in any decade, maybe, in history. … and the pace [of change] is only going to accelerate."

We used to know the "rules." Put the structure in place. Put the processes in place. Hire the sort of people who would … do what the hell they were told.

And then it all came unglued.

Business came unglued. Politics came unglued. War-making came unglued. Society came unglued. And suddenly … *brand inside … leaps to the fore.* It's not the marketing program that matters so much – it's the energy and vitality and spirit and spunk and adaptivity of the people inside. The people inside … no longer ciphers. No longer cubicle slaves.

Already the world of work has changed dramatically. In his brilliant book *Free Agent Nation*, author Daniel Pink says that between 30 and 55 million of us (out of an American workforce of about 120 million) are now working in unconventional ways. Less than one in ten of us works for a Fortune 500 company. Manpower, Inc. has been the number one employer. The "Kelly girl receptionist" fill-in has now been supplemented by 3 million … temp lawyers … temp engineers … temp project managers … and, yes, temp CEOs.

In the midst of all this, the pressure on both the *employee* and *employer* are enormous. "If there is nothing very special about your work," writes Michael Goldhaber in *Wired* magazine, "no matter how hard you apply yourself, you won't get noticed, and that increasingly means you won't get paid much either." One will not survive by "keeping one's

nose clean," "keeping one's head down," "doing what you're told." One must make one's way. In short, we must reconnect with the Emersonian spirit of self-reliance.

If such change is tough on the employee, it's even tougher on the employer. "The boss rules" … is a dead issue. The new world order is a process of mutual exploration, mutual growth … that may or (most likely) may not last forever. In fact, I see "new leaders" of "new employees" like this. New Economy Leaders: (1) provide a context that is marked by (2) access to a luxuriant portfolio of meaningful opportunities (WOW! projects) that (3) allow people to fully (and safely mostly – caveat: "they" don't engage unless they're "mad about something") express their innate curiosity and (4) engage in a vigorous discovery voyage (alone and in small teams, assisted by an extensive self-constructed network) by which those people (5) go to and create places they (*and* their mentors/leaders) had never dreamed existed – and then the leaders (6) applaud like hell, stage photo ops, and ring the church bells one hundred times to commemorate the bravery of their followers' bold explorations! The guru to gurus in the management business, Karl Weick, says the three most important words in the leader's language are: *I DON'T KNOW.* By saying "I don't know," the leader truly empowers (way beyond lip service!) the employee … asks her or him to engage in a journey to a place that neither the leader nor the "follower" knows the dimensions of. That's the way it will be. That's the way it must be.

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Summary: 10 Brand Inside Elements

    BI1. **The Execution Imperative: An "Action Culture"**
    BI2. **Cherish Failures**
    BI3. **Dent the Universe: WOW Projects/BHAGS**
    BI4. **"Tell Me a Story": Demo Mania**
    BI5. **Cut the Crap: WebWorld = ALL**
    BI6. **"Beautiful" Systems**
    BI7. **The Modified Basis for Value Added: The New "Brand Inside Warriors"**
    BI8. **Talent Time**
    BI9. **The "HDSE": Weird Begets Weird**
    BI10. A Brand New/Brand You World

<u>"Soft" Is "Hard": "A Place Worth Working For"</u>

It's obvious on a football team. Obvious in a ballet company. And it damn well ought to be obvious in an IS/IT or HR or Finance Department. Namely: *TALENT = BRAND*. Brand is a powerful concept, to be sure. (Perhaps worth spending billions of advertising dollars on.) The

brand is a promise to deliver to customers. But above all … I repeat … the brand is the Talent Pool. The 48-person housekeeping department. The 217-person IS Department. Whatever.

In short: Is this a place that makes people want to get up … and race to work … early in the morning … to do Work That Matters? That is the point. The entire point. The essence of Brand Inside. And the essence of enterprise success in a world where we don't know what's going to happen … so we've simply got to be ready to leap, with great vigor and risk-taking and initiative, at any opportunity that comes along.

Twenty years ago, in *In Search of Excellence*, Bob Waterman and I said our own "secret" was the following discovery. *"Soft" is "hard."* That is … it's not the numbers that are "hard." (Following the Enron fiasco, that's not such a tough argument to make.) The numbers are "soft" … subjective … in the end. What's *truly* "hard" is what we typically have called the "soft stuff" … i.e., the "people stuff." My own message/mantra: Leadership is about … *love!* Love = Passion, enthusiams, appetite for life, engagement, commitment, great causes & determination to make a damn difference, shared adventures, bizarre failures, growth, insatiable appetite for change.

I must admit that I really dislike the Dilbert comic strip. I do laugh at it. It's funny. It's all too true. On the other hand, the subtext is pure … cynicism. The subtext is what I call the Big Bad Three: My job stinks. My company stinks. My boss stinks.   Isn't that it?

And then I reflect on the Olympics. Or the Nobel Prize ceremonies. Work worth getting up for. Work worth believing in. Work worth being fired for. Ed Michaels, the McKinsey "War for Talent" guru, offers us a final thought. We need an *Internal Brand Promise* as much as the traditional *External Brand Promise*. He calls it the … EVP. Or: Employee Value Proposition. The EVP, Michael says, must include some combination of challenge, professional growth, respect, satisfaction, opportunity, reward.

I was on my way back to the mainland from Martha's Vineyard a couple of months ago. Drove past a vaguely rundown A&P grocery store. On the outside was a sparkling new banner: "A&P Fun in the Sun Store." Nothing wrong with that sentiment. (I like it, in fact.) And the banner was well designed. Fine and dandy. Yet the thought crossed my mind: What if …

What if … I walked into that store … approached a randomly selected checkout clerk … and asked her/him, "What's it like to work in this 'fun in the sun store'?" What do you think would happen? I'm pretty clear. The employee would snicker. Throw up. Or hit me in the face.

The banner may proclaim ours as a "fun in the sun store." But this retail shop will only *be* a fun in the sun store if … every … checkout clerk … and bagger and accountant and stocking clerk … believes that this is "a truly cool place to be." An A&P store, *you snicker? Absolutely!* A grocery store can be a hoot … a cool place to work … a place in which to

grow … in which to create … in which to serve … in which to take risks … and make one's mark. As much, damn it, as some high-tech start-up in Silicon Valley. I believe that.

I've long insisted that my ideal job would be head of a 48-person housekeeping department, supporting, say, a 300-room hotel. I choose 48, because that happens to be the number of players on an active-duty NFL roster. I'd gather those 48 "players" together the day I took the job. People – because of their position – who haven't had any respect. (Probably since childhood.) And I'd tell them that as I looked at them, I saw the New England Patriots or St. Louis Rams of "housekeeping." Hey, the guest has more contact with the housekeepers than with any other group of people on the hotel's staff. Thence, the housekeeping department *should* be the most important. So, I'd beg … what if we went on an … *adventure*? What if we made this our equivalent of a *real* "Fun in the Sun Store"?

Is this a place worth working for? Is it a place in which we can grow? Is it a place in which we can take risks? Does our Brand Inside … scintillate? Take our collective breaths away? Are we … indeed … making a dent in the universe?

WE ARE IN A BRAWL WITH NO RULES. We are RE-INVENTING THE WORLD ... from scratch! WHAT A THRILL! (And a thrill of the sort no one's had for centuries.) We are in a BRAWL WITH NO RULES. We get to make it up as we go along. I am so psyched to be around for "all this." Is it confusing? OF COURSE. Is it maddening? ABSOLUTELY. But how sweet _that_ is!

THE WORK MATTERS! White Collar Work – 90+% of all work – will be totally reinvented in the next 10 or so years. GET WITH THE PROGRAM ... OR GET RUNOVER. Strategies: (1) Turn "Departments" into full-fledged, for-profit "PSFs" – Professional Service Firms. These "PSFs" become, in turn, the primary engines of company value added through the accumulation of intellectual capital. (2) Turn all "the work" into no-bull WOW! PROJECTS. Projects you'll be bragging about 10 years from now! (3) Encourage every "employee" to pursue a spicy Brand You strategy – creating a Unique & Valuable Identity that's worth a fortune to the employee & the company. (This booklet is the basis for our three book "Reinventing Work" series: _The Professional ServiceFirm50 ... The Project50 ... The Brand You50_.)

IN SEARCH OF EXCELLENCE: A THREE-GENERATION REPORT CARD. _In Search of Excellence_ marks its 20th anniversary in 2002. I aim to "beat the press" in terms of commentary. My chosen vehicle: a three-generation look. That is, I look at 1982 (the book's pub date) ... and 20 years back (mgt. practice, circa 1962) ... and 20 years forward (mgt. 2002). It was fun to write – and I hope of some small use.

THE DEATH KNELL FOR "ORDINARY": PURSUING DIFFERENCE. "We" have gotten (lots) better at everything. But so has "everybody .else." "Excellent" products &services are quickly becoming "ordinary" and thence "commoditized." This MANIFESTO summarizes 9 powerful strategies for combatting Creeping & Ultimately Fatal Commoditization. (Several of these strategies are the subject of separate MANIFESTOS below.)

WOMEN ROAR: THE NEW ECONOMY'S HIDDEN IMPERATIVE. The evidence is clear! (1) WOMEN ARE BETTER LEADERS THAN MEN (under the conditions of the New Economy). (2) WOMEN ARE THE WORLD'S BIGGEST MARKETOPPORTUNITY (BY FAR) ... and are wildly underserved. The stakes amount to TRILLIONS of dollars. ("The" answer, incidentally, is not "target marketing"; it is the much deeper Target Innovation.) Our story: WOMEN ROAR. WOMEN RULE. Believe it! (And ... Damn Few "Get It" ... even in 2001. WHADDANOPPORTUNITY!)

DESIGN MINDFULNESS. "It" works (understatement) for SONY. And APPLE. And GILLETTE. And BMW. And WALT DISNEY. And BODY SHOP. And BLOOMBERG."It" = An Abiding Passion for DESIGN. Design turns out to be the Principal Reason we LOVE or HATE something ... "product" or "service." Hence, design is the Hidden Engine powering the Brand Promise. So ... WHY DO SO FEW PAY (OBSESSIVE) ATTENTIONTO IT? Again, the potential payoff is humongous.

GETTING WEIRD & STAYING WEIRD: CREATING & MAINTAINING THE HIGHSTANDARD DEVIATION ENTERPRISE. Standard Deviation is a statistical measure of Weirdness. Companies that will thrive in Weird Times will systematically adopt Weird Practices. That is: Hang With Weird Customers & Suppliers. Recruit & Promote Weird Talent. Appoint Weird Boards. Etc. Etc. Innovation is "easy": Force yourself/organization into Constant & Intimate Contact with The Weird Ones! (It *is* that EASY!)

THE HEART OF BRANDING. BRANDING IS EASY. (And, of course, impossible.) Forget clever marketing programs. And compelling logos. And Big Bucks Advertising. They're all important, but the icing on the cake. The cake itself is an unswerving & crystal-clear answer to some "simple" questions: WHO ARE WE? HOW ARE WE (no bull) UNIQUE? WHY DOES IT MATTER? WHO CARES? IS IT COMPELLING ENOUGHTO VAULT 1000s OF EMPLOYEES OUT OF BED IN THE MORNING? Branding That Matters is difficult (KNOW THYSELF!) and simple (KNOW THYSELF!).

THE CASE FOR "BRAND INSIDE": IT'S THE "ORGANIZATION," STUPID! Brand Inside Rules! Few businesses fail for want of a Great Strategy. Or Soaring Vision. Most businesses that fail (99 percent ?) do so because of lousy execution. Any idiot can write a strategic plan. Pulling it off is an entirely different matter. You need Execution. That is, the PEOPLE. The politics. The systems. The culture. The character.

TALENT! There's an All-out War for Talent. WINNING? Easy! Like Branding: Easy... and impossible. WINNING THE ALL-OUT WAR FOR TALENT DEMANDS ...FIRST AND FOREMOST ... AN ABIDING OBSESSION WITH TALENT! NFL Franchise-variety. Ballet Company-style. (TALENT-IS-ALL!) Provide Awesome OPPORTUNITIES. PAY Incredibly Well. Pursue DIVERSITY. Seek out THE STRANGE ONES. Honor YOUTH. Etc. Talent Am Us ... or We Ain't Serious. PERIOD. (P.S.: Talent= The Brand ... over the long haul. OBVIOUS. Right?)

BOSS-FREE IMPLEMENTATION OF STM/STUFF THAT MATTERS! Forget the "power-less-ness" CRAP! (Try that Sob Story somewhere else! Gandhi ... and King ... and de Gaulle ... were NO SHIT POWERLESS ... and Changed the World!) THE Success Secret: Recruiting often "powerless" but always passionate allies ... who will play with you

and try out your seriously-cool-but-untested ideas. And "Sign Up." I call it:F2F/K2K/1@T/R.F!A.   That is: Freak to Freak.   Kook to Kook.   One at a Time. Ready.Fire!Aim.   Enemy No.1: An epitaph that reads: HE WOULDA DONE SOMEREALLY COOL STUFF ... BUT HIS BOSS WOULDN'T LET HIM. Our Hero? Michelangelo: THE PROBLEM IS NOT THAT OUR AIM IS TOO HIGH AND WE MISS IT, BUT THAT IT IS TOO LOW AND WE HIT IT.   (Whoops.)

WEB WORLD: THE 100% SOLUTION ... NOW!   Key term: 100%. Others know more than I about The Web. But I have developed an Unshakeable & Radical Point of View: THE WHOLE NINE YARDS. OR NOTHING. Taking lessons from Schwab, GE, Oracle, Cisco ... I assiduously believe that you must convert ... ALL ACTIVITIES TO THE WEB(internal & external affairs) ... or risk losing the business. Message: THE WEB AIN'T AHALF-WAY SORTA THING! (P.S.: Potential = UNLIMITED. For the BOLD.) (DREAM BIG. DREAM BOLD. Or, skulk off ... stage left!)

PSF UNBOUND: THE (TOTAL) VICTORY OF THE PROFESSIONAL SERVICE FIRM.   I/we have written extensively about the "Professional Service Firm Model." I/we have seen it as a way to save one's soul (or at least one's job) in the face of the Coming White Collar Tsunami. Fine. But ... there's a Bigger Picture. Hewlett-Packard offered $18 Billion for PricewaterhouseCoopers consultants. Making a "great box" was not enough. My contention is that the "internal" "professional services" will – quickly – become The Engine of Value Creation. In damn near any firm. To be sure, the Internal PSFs will have to join together to create value; but, still, it is their world. Period.

EDUCATION AND THIRD MILLENNIUM WORK: WE'VE GOT IT DANGEROUSLY WRONG.   Education for the Third Millennium ... undoes everything we've done in education for the last 100 or so years. Our "system" works. Or, rather, worked. It turns out docile – sit in your seat, Tommy – "products" (humans) perfectly fit to spend 40 years in a Ford Model T plant. And perfectly unfit to be part of the new Brain & Productivity-based Economy!