

On Peters' Principles

Learning from Chaos --- creating "WOW"

by Craig Park, FSMPS

If you haven't been living in a cave for the last 15 years, you have probably read, heard of or seen Tom Peters. If you haven't, you should! Author (*In Search of Excellence, Crazy Times Call for Crazy Organizations, The Pursuit of WOW!*, etc.) and lecturer, among other skills, he heads an consulting practice in Palo Alto, California, dedicated to advancing the latest organization strategies and tactics for success.

I have had the opportunity to attend 3 of his seminars. Watching Peters work the room is as exciting as it is informative and challenging. Peters on stage shows more energy in one place than I have witnessed since my last rock concert.

Peters' focus is consistently on the rapid pace of change and the resulting impact on organizations. Noting that within the very near future (in fact already happening) more than 1 billion workers will be coming 'on-line' that will be both willing and able to do your job for a fraction of your wage (or that of your employees). College and technically trained men and women in China, Indonesia and India represent the largest growing population of skilled service workers. This sets a new standard for our businesses. We must provide greater 'added value' than competing firms in other parts of the world. World class quality has become the standard by which we will all be held.

Innovation is the Key

If think your business is just like any other systems contractor, 'just say no to commodity'. It is critical to develop high differentiation strategies. Innovation is 'the' issue. In Peters' view, incrementalism, popularized by the Japanese business concept of consistent small change for improving work processes, is innovation's worst enemy. He noted that we can add value only through quality service, speed, innovation and closeness to the customer. In the words of James Morse, "The only sustainable competitive advantage comes from out-innovating the competition."

Nine Steps in the Circle of Innovation

1. Beyond Change: Crazy times/Just say no to commodity
2. Beyond Decentralization: Destruction/defiance/forgetfulness/failure
3. Beyond Empowerment: Every person is a business person
4. Beyond Loyalty: The mindset of an independent contractor
5. Beyond Dis-integration: The self-designing/knowledge-creating organism
6. Beyond Learning: The curious corporation
7. Beyond TQM: Toward WOW!
8. Beyond Management: Leading with passion

9. Beyond Change (redux): Perpetual revolution

Advocating 'organized anarchy', Peters recalled Bob Woodward's quote, "all good work is done in the defiance of management." He noted that the most important employees are often the ones who disagree with you. He emphasized that the new code of conduct is an active strategy of disrupting the status quo.

"We run like mad and then we change direction."

--- MCI Executive

He finds that in the new model for successful companies there is an extraordinary concentration of very bright people engaged in creative chaos. The most significant issue in the new organization is not 'learning', it is 'forgetting.' Peters says he finds the worst innovators are successful small companies run by a dogmatic autocrat (even though he/she reads all the new-age business magazines). He also suggested we put 'failures' in our performance evaluations; not as a criticism but as a celebration. Disruption... defiance... forgetfulness... failure; all the really fun stuff is the result of the screw ups that cause change to our procedures.

On Peters' Principals

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"All significant change has come from people without formal authority."

--- T. Hifitz, Leadership Without Answers

Just so you don't run out and instigate radical reformation in your workplace (though maybe you should), Peters also paused to say "I don't particularly believe anything I say today." This was not to disavow his own ideas, but to point out that rapid change will continue and the beliefs about business practice he held 10 years ago, even one year ago, are different than those he espouses today.

In a model for the new corporation he advocates very limited 'management' at the top. Similarly he also supports the concept of very limited 'administrative support' at the bottom. The vast middle are the 'service providers.' Turning every job into a business, these employees must have a passion for serving the customer, whether that is within or without the organization. He noted that the top reasons customers give for switching to a competitor (by a margin of 70%) was related to 'lack of attention' or 'poor quality contact.'

To engender new attitudes, Peters emphasized the need for

sharing vision and reality. He noted, "If you want them to act, give them all the information." He quoted Jim O'Toole, author of Leading Change, "What creates trust is a leader's manifest respect for the followers." He challenged the employees by saying, "It's in your hands, so quit whining. If you can't say why you have made your company a better place, your out." Another suggestion was to redefine the annual appraisal process by having each employee simply submit a new resume (every 3-6 months) listing 2-3 completed projects, the benefits provided to each client, 3 new references, what was learned of value, and 3 new contacts. The benefit to the company is a clear focus on the customer's values and the benefit to the employee is the security they have a salable skill. He noted that "powerlessness is a state of mind. If you think you are, you are."

'Be an Organization, Not and Employee'

Peters noted that the essence of success is contingent on access to the best talent (as long as you need it). He suggests you be an organizer not an employer. He cited model companies like Verifone; a credit card transaction systems business with offices world-wide that pass projects around the globe following the sun'

to speed client delivery. These companies are in the 'blueberry pancake' model: very flat, very thin, no real center, and all the blueberries are created equal. With this type of organization the customer is empowered with information and access to decision making, choice, customization and the perception of control. It is direct, quick and close.

"Whatever made you successful in the past won't in the future."

--- David Packard, Hewlett-Packard

Crazy times do call for crazy organizations. If you haven't read Tom Peters, I suggest you get one of his latest books. For a real inspiration, go see him speak. You will come back changed, and hopefully change your company too.

Author's Note: The title of this article should not be confused with "The Peter Principle", the theory that an employee within an organization will advance to his or her level of incompetence and remain there, developed by Laurence Johnston Peter--- 1919-1990---though I suspect Tom Peters would support the concept.

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