

Tom Peters'

EXCELLENCE!

“THE WORKS”

A Half-Century's Reflections/1966-2016

Chapter ELEVEN:

**NINE VALUE-ADDED
STRATEGIES**

01 January 2016

(10+ years of presentation slides at tompeters.com)

Contents/"The Works"/1966-2016/EXCELLENCE!

- Chapter ONE: Execution/The "All-Important Last 95%"**
- Chapter TWO: EXCELLENCE (Or Why Bother at All?)**
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- Chapter FIVE: 34 BFOs/Blinding Flashes of the Obvious**
- Chapter SIX: Putting People (REALLY!) First**
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- Chapter EIGHT: People First/A Moral Imperative Circa 2016**
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- Chapter FIFTEEN: Women Are Market #1 For Everything/
Women Are the Most Effective Leaders**
- Chapter SIXTEEN: Leadership/46 Scattershot Tactics**
- Chapter SEVENTEEN: Avoid Moderation!/Pursue
"Insanely Great"/Just Say "NO!" to Normal**
- Appendix: Library of Best Quotes**

STATEMENT OF PURPOSE

This—circa January 2016—is my best shot. It took 50 years to write! (From 1966, Vietnam, U.S. Navy ensign, combat engineer/Navy Seabees—my 1st “management” job—to today, 2016.) It is ... **“THE WORKS.”** THE WORKS is presented in PowerPoint format—but it includes 50,000++ words of annotation, the equivalent of a 250-page book.

The times are nutty—and getting nuttier at an exponential pace. I have taken into account as best I can (there really are no “experts”) the current context. But I have given equal attention to more or less eternal (i.e., human) verities that will continue to drive organizational performance and a quest for EXCELLENCE for the next several years—and perhaps beyond. (Maybe this bifurcation results from my odd adult life circumstances: 30 years in Silicon Valley, 20 years in Vermont.)

Enjoy.

Steal.

P-L-E-A-S-E try something, better yet several somethings.* ** *** *****

*Make no mistake ... **THIS IS A 17-CHAPTER BOOK** ... which happens to be in PowerPoint format; I invite you to join me in this unfinished—half century to date—journey.

**My “Life Mantra #1”: WTTMSW/Whoever Tries The Most Stuff Wins.

***I am quite taken by N.N. Taleb’s term “antifragile” (it’s the title of his most recent book). The point is not “resilience” in the face of change; that’s reactive. Instead the idea is proactive—literally “getting off” on the madness per se; perhaps I somewhat anticipated this with my 1987 book, *Thriving on Chaos*.

****Re “new stuff,” this presentation has benefited immensely from Social Media—e.g., I have learned a great deal from my 125K+ twitter followers; that is, some fraction of this material is “crowdsourced.”

***** ***I am not interested in providing a “good presentation.” I am interested in spurring practical action. Otherwise, why waste your time—or mine?***

Note: There is considerable **DUPLICATION** in what follows. I do not imagine you will read this book straight through. Hence, to some extent, each chapter is a stand-alone story.

Epigraphs

“Business has to give people enriching, rewarding lives ... or it’s simply not worth doing.” —Richard Branson

“Your customers will never be any happier than your employees.” —John DiJulius

“We have a strategic plan. It’s called ‘doing things.’” —Herb Kelleher

“You miss 100% of the shots you never take.” —Wayne Gretzky

“Ready. Fire. Aim.” —Ross Perot

“Execution is strategy.” —Fred Malek

“Avoid moderation.” —Kevin Roberts

“I’m not comfortable unless I’m uncomfortable.” —Jay Chiat

“It takes 20 years to build a reputation and five minutes to ruin it.”
—John DiJulius on social media

“Courtesies of a small and trivial character are the ones which strike deepest in the grateful and appreciating heart.” —Henry Clay

“You know a design is cool when you want to lick it.” —Steve Jobs

“This will be the women’s century.” —Dilma Rouseff

“Be the best. It’s the only market that’s not crowded.” —George Whalin

First Principles. Guiding Stars. Minimums.

*** EXECUTION! The “Last 99%.”**

GET IT (Whatever) DONE.

*** EXCELLENCE. Always. PERIOD.**

*** People REALLY First! Moral Obligation #1.**

*** EXPONENTIAL Tech Tsunami.**

GET OFF ON CONTINUOUS UPHEAVALS!

*** Innovate or DIE!**

WTTMSW/Whoever Tries The Most Stuff Wins!

*** Women Buy (EVERYTHING)!**

Women Are the Best Leaders! Women RULE!

*** Oldies Have (All of) the Market Power!**

*** DESIGN Matters! EVERYWHERE!**

*** Maximize TGRs!/Things Gone RIGHT!**

*** SMEs, Age of/“Be the Best,**

It’s the Only Market That’s Not Crowded”

*** Moderation KILLS!**

NEW WORLD ORDER ?!

0810/2011:

Apple > Exxon*

0724/2015:

Amazon > Walmart**

***Market capitalization; Apple became #1 in the world.**

****Market capitalization; Walmart is a “Fortune 1” company—the biggest in the world by sales.**

Phew.

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Appendix: Library of Best Quotes

Chapter ELEVEN

NINE

VALUE-ADDED STRATEGIES

9 Value Added Strategies

- #1: TGRs/Things Gone Right**
- #2: Listening (Per Se)**
- #3: Social Business**
- #4: Big Data**
- #5: Design**
- #6: Women As Predominant Customer**
- #7: The (Enormous) Aging Market**
- #8: Services (Of Every Conceivable Flavor) Added**
- #9: Our People As #1 Value Driver**

**#1: TGRs/
“Things Gone
Right”**

11.1.1 **TGRs & the**

“8/80” Fiasco:

Towards

“EXPERIENCES”

That Rock!

(& Are Remembered)

Customers describing their service

experience as “superior”:

8%

Companies describing
the service experience they provide as

“superior”:

80%

—Source: **Bain & Company survey of 362 companies**, reported in
John DiJulius, *What's the Secret to Providing a World-class Customer Experience?*

STUNNING.

(The mother of all disconnects.)

Conveyance: Kingfisher Air

Location: Approach to New Delhi

***“May I clean
your glasses,
sir?”***

After a seminar in Mumbai, I flew to New Delhi to meet my wife—my 1st trip on Kingfisher Air. As we began our descent, the flight attendant walked down the business-class aisle (about ½ the aircraft), asking each of us with glasses (most of us) if we wanted those glasses cleaned.

A “little thing”? Of course it was important that the plane landed safely and on time ...

but I will remember the glasses wiping bit until, more or less literally, my last breath!

“Little BIG Thing”?

Nope!

Try ...

“Little BIG BIGGER BIGGEST Thing”!

(That is, the essence of ... VERY FOND/LASTING/WORD-OF-MOUTH-GENERATING [like now] MEMORIES.)

Conveyance: Southwest Airlines
Location: Boarding flight to BWI,
Albany NY

***“May I help
you down the
jetway.”***

I've chalked up about 10,000 flight legs. Not much new under the sun for me. But then came the day in 2013 ...

Plane (Southwest Airlines) about to board at Albany NY. Three or four wheelchairs lined up at the gate as is typically the case. Crew arrives. Pilot turns to the older woman in the 1st wheelchair in the line and says, "*May I help you down the jetway?*" She says yes. He does.

10K flight legs.

First time.

Remember?

Only for the rest of my life.

(Literally, or almost so.)

AND: Tell you—and tell thousands of others.

The act?

A BIG BILLBOARD FLASHING ... "WE CARE."

(And another billboard flashing: \$\$\$\$\$ for SWA!)

***“We look for ...
listening, caring,
smiling, saying
‘Thank you,’ being
warm.”***

— Colleen Barrett, former President, Southwest Airlines

Remember this? The heart of the Southwest hiring process—from baggage handler to pilot. It obviously enhances beyond measure the odds of a “Let me help you down the jetway” act.

***“Courtesies of a small
and trivial character
are the ones which
strike deepest in the
grateful and
appreciating heart.”***

—Henry Clay

I used this quote as the epigraph for my book, *The Little Big Things*. It summarizes a view that I've held for over 40 years—instilled by academic studies and reinforced by years of business research and running my own business.

The acts that move mountains are more likely to be pushing the wheelchair down the jetway or polishing the glasses of the business class passengers—as opposed to spending months on crafting a “values statement” sneered at by most of our employees because it diverges so noticeably from the leadership’s moment-to-moment actions.

I consider Henry Clay’s words here to be almost holy writ—and the heart of a strategy that retains customers and builds word of mouth—the ultimate “TGR.”

LBTs* > BBTs

“Courtesies of a small and trivial character are the ones which strike deepest in the grateful and appreciating heart.” —Henry Clay

“Let's not forget that small emotions are the great captains of our lives.” —van Gogh

LBT >

PBBT*

***Little BIG Thing > (more memorable) than Pretty Big/Big Thing**

Strange as it may sound, it's a (solidly research-backed) fact that the “little stuff” that catches us by surprise gets more deeply imbedded in our minds than the big stuff. Small gestures, per Mr. Clay, and small emotions, per Mr. Van Gogh, are the ones that do hang around the longest and are the most indelible—and are the basis for the little “stories” we tell others.

<TGW

and ...

>TGR

(Things Gone **WRONG**-Things Gone **RIGHT**)

Quality—minimizing “TGWs”/Things Gone Wrong*—is of the utmost importance. (*“TGWs”/Things Gone Wrong was a popular auto-defect measure for decades.) But fact is, in 2016, most things work pretty well—the former is not as sophisticated as the latter, but my Subaru is actually about as reliable as so-and-so’s Mercedes. (Squawk all you want, but I’ll stand by this statement; I just raced past the 150,000-mile mark on my Subbie’s odometer.)

With TGWs more or less equal, the emphasis associated with differentiation switches to the other

side of the equation: **TGRs/THINGS**

****GONE RIGHT.****

The trick propounded here is to focus—

SYSTEMATICALLY—on adding to your product or service’s TGR population.

7X.

7:30A-8:00P. Fri/12A.

7:30AM = 7:15AM.

8:00PM = 8:15PM.

(+2,000,000 dog biscuits)

Source: Vernon Hill, *Fans, Not Customers* (the story of Commerce Bank, the folks who revolutionized East Coast retail banking)

TGRs: Commerce Bank made (BIG) waves in East Coast retail banking. One reason—among literally hundreds of “TGRs”—was opening hours. Seven days a week, 730AM-8PM. And open to midnight on Fridays—yes, a lot of people still get paid by check on Fridays and would like to deposit their earnings ASAP. To top it off, the 730AM official opening hour means that the bank will have its doors open no later than 715AM; likewise, the 8PM close translates into doors open 'til 815PM.

(As to the “2,000,000,” it’s one of Commerce’s favorite stats: A few years ago they gave away 2,000,000 dog biscuits—it’s all part of an uncharacteristic effort in modern high-tech retail banking to get the customer away from the ATM and into the branch where more services can be sold. Chief Vernon Hill believes that revenue maximization beats cost minimization as the path to long-term growth and profitability—results say he had a [big] point.)

(Relative newbie Commerce was sold in 2007 to TD Bank for \$8.5 billion; CEO Vernon Hill is now replicating his magic at Metro Bank in the UK.)

(This is basically a TGR-Megastory; see Hill’s book, Fans Not Customers. FYI: Hill also calls Metro the “Wow Bank.”)

The Commerce Bank Model

**“EVERY COMPUTER AT COMMERCE BANK HAS
A SPECIAL RED KEY
ON IT THAT SAYS, ‘FOUND SOMETHING
STUPID THAT WE ARE DOING THAT INTERFERES
WITH OUR ABILITY TO SERVICE THE CUSTOMER?
TELL US ABOUT IT, AND IF WE AGREE,
WE WILL GIVE YOU \$50.’”**

Source: *Fans! Not customers. How Commerce Bank Created a Super-growth Business in a No-growth Industry*, Vernon Hill & Bob Andelman

Spurring more TGRs & enhancing employee engagement—*more* Commerce Bank.

FIVE

PIANOS

Griffin Hospital (Derby CT) is the homeport of the growing (and long overdue) “patient-centric care” movement. While a hundred stories could be told I’ll stick with one.

On each of the five floors of the hospital there is a central court area with, instead of the usual clutter of machines, gurneys, etc., a ... PIANO.

And these pianos are usually manned by community volunteers who play them for the benefit of patients and their families—and staff, too. The ambience is startling for a hospital. (Nordstrom, in a *slightly* different business, is the only other place I’ve heard of featuring such a delightful amenity.)

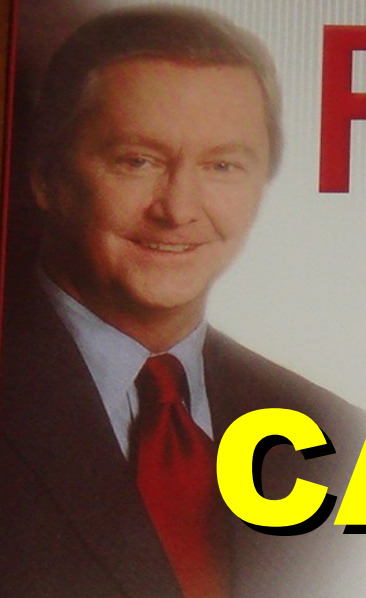
Nice touch/Little **BIG BIGGER BIGGEST Thing/TGR.**

(See the **APPENDIX** for a full-blown case study of Griffin and the “Planetree Alliance” program from which it sprung—“Experience Design” at its best!)

**CARL'S
STREET-
SWEEPER**

THE BESTSELLING CLASSIC, REVISED AND UPDATED, FEATURING 5 NEW CHAPTERS

CUSTOMERS FOR LIFE



HOW TO TURN THAT
ONE-TIME BUYER
INTO A

CARL'S

STREETSWEEPER*

from this book...it could invigorate any enterprise." —Tom Peters

CARL SEWELL

***Flowers** on the showroom floor/
courtesy Stanley Marcus

Little BIG Things redux redux.

(Sorry, can't help myself; love these stories—skip ahead if you've had enough. Though volume of TGRs per se is near the heart of the matter.)

Carl Sewell/Sewell Village Cadillac.

**1st thing a customer sees is the ... *street* ... in front of dealership.
Right?**

So ... *Carl buys his own streetsweeper.*

Message: Take ... **ZERO ... chances on 1st and last impressions!**

(FYI: *It matters as much in 2-person professional accounting office as at the car dealer's!*)

(And, uh, in times past Carl had no cars on the showroom floor. Instead you'd find the likes of gorgeous floral displays whose design was overseen by Stanley Marcus, as in Neiman-Marcus. Why flowers? Carl wanted to sell you on the experience of being part of the "Sewell Village Family" rather than focus on the acquisition of 4-wheel rolling object.)

It BEGINS

(and ENDS)

in the ...

PARKING

LOT*

*Disney

EXCELLENCE in 1st impressions.
EXCELLENCE in last impressions.
EXCELLENCE in TGRs.
Disney.

(Management of **BEGINNINGS** and
ENDINGS such as “the parking lot
experience” is an abiding strategic issue!)

(Note: The hard-nosed research on the power of beginnings and endings to overwhelm the 20X longer “middle” to determine the overall perception of an experience in any setting is deep and clear—and, uh, “Perception is all there is.”)

Don't like it?

Don't pay!

Source: Graniterock Co. (Baldrige winner)

More: Graniterock of Watsonville CA is in the mundane cement, asphalt, road rock business. (These “mere” “asphalt guys” won a Baldrige national quality award.)

When a customer receives his monthly invoice for, say, 10 orders of asphalt, said invoice will say,

“If you had any problems with our performance on a given order, just scratch it out and don’t pay.”

Ye gads.

A BIG Big Thing?

(One helluva TGR!)

TGRs.

MANAGE 'EM.

MEASURE 'EM.*

***I use “manage-measure” a lot. Translation: These are not “soft” ideas; they are exceedingly important things that can be managed—**AND** measured.**

The “TGR Process” ought to be ...

EXPLICIT & FORMAL.

*That is, we should **talk** about them,*

***test** them by the bushel,*

***keep track** of them, and **reward**
their arrival on the scene.*

(This is also another advertisement for
WTTMSW/Whoever Tries The Most Stuff
Wins and its corollary, the idea of
“organization-as-all-hands-learning-lab.”)

NOT “Consultant-ese”

**“Experiences
are as distinct
from services
as services are
from goods.”**

—Joe Pine & Jim Gilmore, *The Experience Economy:
Work Is Theatre & Every Business a Stage*

At first I thought it was. That is, “consultant-speak” for “customer service.” But I came to realize that “it”—EXPERIENCE—is of an entirely different character. A “memorable experience”

goes **far far far beyond “satisfied customer.”**

It is about the totality of the aesthetics &

functionality & caring &

“Wow-ness” of customers’ dealings with your organization.

(BUT: It is “another one of those things” that requires a cultural shift—a focus on all hands aiming to create a great start-to-finish context of fun & excellence & Wow! for the customer; which in turn requires an “insane” level of employee engagement.)

***“What employees experience,
Customers will. The best marketing is
happy, engaged employees. Your
customers will
never be any
happier than your
employees.”***

**—John DiJulius,
*The Customer Service Revolution: Overthrow Conventional
Business, Inspire Employees, and Change the World***

Remember this one?

Essential to creating ...

**PEERLESS CUSTOMER EXPERIENCES/
A PASSEL OF TGRs/THINGS GONE
RIGHT!**

“At our core, we’re a coffee company, but the opportunity we have to extend the brand is beyond coffee; it’s entertainment.”

—Howard Schultz (“The Starbucks Aesthetic,” *NYT*)

“When Pete Rozelle ran the [National Football League], it was a football business and a good one. Now it’s truly an entertainment business.”

—Paul Much,

Investment Advisor

JUNGLE JIM'S INTERNATIONAL MARKET, FAIRFIELD, OH: “An adventure in

‘shoppertainment,’ begins in the parking

lot and goes on to **1,600** cheeses and **1,400** varieties of

hot sauce—not to mention 12,000 wines priced from **\$8-\$8,000**

a bottle; all this is brought to you by **4,000** vendors. Customers
from every corner of the globe.”

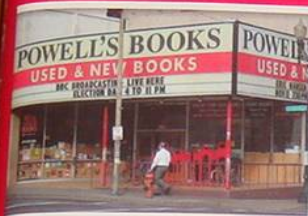
BRONNER'S CHRISTMAS WONDERLAND, FRANKENMUTH, MI, POP 5,000:

98,000-square-foot “shop” features **6,000** Christmas

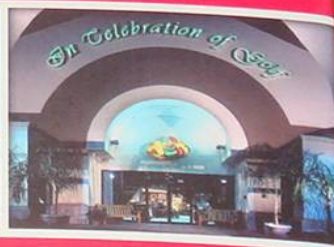
ornaments, **50,000** trims, and anything else you can name pertaining
to Christmas. ...”

Source: George Whalin, Retail Superstars: Inside the 25 Best Independent Stores in America

Retail SUPERSTARS



Inside the 25 Best Independent
Stores in America



GEORGE WHALIN

And if not “entertainment,” what about ...
“SHOPPERTAINMENT”?

I love George Whalin’s book. Independents who have (successfully!!) taken on the giants—and in some cases have become “destinations” for shoppers from all over the world.

I have given away dozens of copies—to retailers, sure, but also to accountants and lawyers and consultants. It is a tale of unbridled imagination at work. Application? Yup. 100% of us!

“At our core, we’re a coffee company, but the opportunity we have to extend the brand is beyond coffee. IT’S ENTERTAINMENT.”

—Howard Schultz

“When Pete Rozelle ran the NFL, it was a football business and a good one. NOW IT’S TRULY AN ENTERTAINMENT BUSINESS.”

—Paul Much, Investment Advisor

From George Whalin’s *Retail Superstars*: Jungle Jim’s International Market, Fairfield, OH, AN ADVENTURE IN “SHOPPERTAINMENT.”

Boston Globe: “Why did you [Berkshire Hathaway] buy Jordan’s Furniture?”

Warren Buffett: “Jordan’s is spectacular.

IT’S ALL SHOWMANSHIP.”

“Entertainment” (“shoppertainment”) is an even bigger word than “experience.” It surely applies to “retail”—the examples here—but, truth is, it applies to most everything.

Certainly what I do as a speaker on business leadership—I believe my material is 1st-rate and I know it’s research-based. But to “get my message across in a memorable fashion” to, say, 1,000 people, I must provide, yes, de facto “entertainment.” (And even be a “comedian;” One sage said, “If you want people to change, first you must make them laugh.”)

Beyond the “Transaction”/ “Satisfaction” Mentality

**“Good hotel”/“Happy guest”/
“Exceeded Expectations”**

vs.

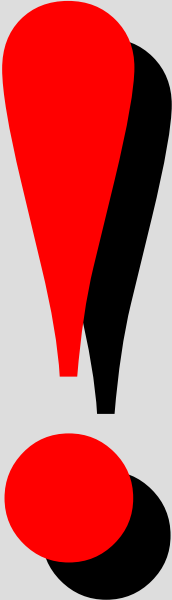
**“Great Vacation”/
“Transformational
Conference”/
“Operation Personal
Renewal”**

Acknowledgement of the centrality of the effort to create an “experience,” far exceeding “satisfaction” or “good game.”

Experience: “Rebel Lifestyle!”

“What we sell is the ability for a 43-year-old accountant to dress in black leather, ride through small towns and have people be afraid of him.”

Source: **Harley** exec, quoted in *Results-Based Leadership*



CXO*

***Chief eXperience Officer**

Some have added a ... ***“Chief Experience Officer.”***

I think it’s a superb idea!

And C-level or not, I further believe it applies to IBM Global Service consultants as well as Starbucks. (And to the 2-person accountancy on Main Street, Smalltown.)

When I look back at my 8 years with the premier consultancy, McKinsey & Co., there is not the slightest doubt that what The Firm sold (for a pretty penny) was the ... *Total McKinsey Experience*** ... not, by a long shot, just the clever analytics.**

First Step (?!): Hire a
theater
***director*, as a**
consultant or
FTE?!

In fact all business (all *anything*) is theater. Maybe we should acknowledge that in a straightforward fashion—and bring a theater director aboard, as a full-time employee or, at least,

consultant/advisor 

**“Most executives have
no idea how to add
value to a market in
the metaphysical
world. But that is what the
market will cry out for in the
future. There is no lack of
‘physical’ products to choose
between.”**

—Jesper Kunde, *Unique Now ... or Never*
(on the excellence of **Nike, Lego, Virgin**, et al.)

If true, we do indeed need that theater director!

(And oh does it ever ring true!)

**“Experience”:
The Law of Ubiquity**

The experience notion applies to the internal function (e.g., HR, purchasing) dealing with its internal customers as much as it does with interactions with outsiders.

Last Word/s:

**Remember,
“TGR-ing”**

is a

SYSTEMATIC

process.



11.1.2

TGRs

LBTs*

*Little **BIG** Things

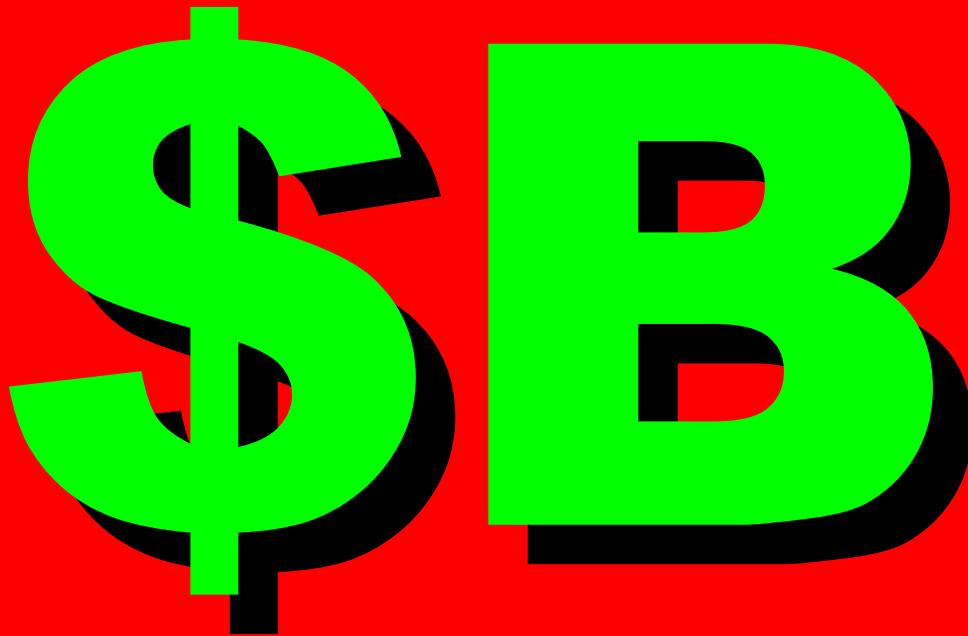
1.5X

TGRs

(on steroids):

L(V)BTs
ery

Bag sizes = New markets:



Source: PepsiCo

Years ago, Frito Lay went through a new-product dry spell.

Sexy new this.

Sexy new that.

Nothing clicked.

Frustrated, they gave up on “clever” and introduced—*ho hum*—new bag sizes. The traditional chip bag was augmented by the snack pack and the family size bag.

Not only were normal-size bag sales not cannibalized, but sales of the new bags (effectively new markets) took off to the tune, eventually, of a billion \$\$\$ or so.

Little (“*mere*” bag size change) = **BIG (\$\$\$\$).**

Little **BIG** Things:

Small move.

Quick move.

Small cost.

Invisible.

Enormous payoff.

There for the taking.

(**IF** ... a “culture of ‘serious play’” [see Chapter TEN] is in place—a big “if.”)

(B-I-G Message: ***Not every pursuit of major innovation needs to begin with the issuance of a \$250,000 check!***)

Big carts =

1.5X

Source: Walmart

To possibly spur bigger item (e.g., appliance) sales, it occurs to Walmart to increase shopping cart size. (**YAWN.)**

Enlarged cart: Big item—microwave ovens,

etc.—sales soar ... **50%.**

(50% @ Walmart = **\$\$\$\$\$)**

Las Vegas Casino/2X:

“When Friedman slightly

curved the right angle of an entrance corridor to one property, he was ‘amazed at the magnitude of change in pedestrian behavior’—the percentage who entered increased from one-third to nearly two-thirds.”

—Natasha Dow Schull, *Addiction By Design: Machine Gambling in Las Vegas*

**Ye gads!
Vegas!**

(Again, **>\$1B** impact.)

(From ... *curving a driveway* **???????**)

Little = **B-I-G!**)

- (1) AMENABLE TO RAPID EXPERIMENTATION/FAILURE “FREE” (NO BAD “PR,” NO \$\$)**
- (2) QUICK TO IMPLEMENT/QUICK TO ROLL OUT**
- (3) INEXPENSIVE TO IMPLEMENT/ROLL OUT**
- (4) HUGE (POTENTIAL) MULTIPLIER**
- (5) AN “ATTITUDE” (WTTMSW/“SERIOUS PLAY”)**
- (6) DOES NOT BY AND LARGE REQUIRE A “POWER POSITION” FROM WHICH TO LAUNCH EXPERIMENTS.**

I could go on.

I'd love to go on.

The cases are fun.

The payoff is (potentially) enormous.

To repeat, this section is, stripped down, about a *“habit of serious play.”* About realizing the possible **BIG BANG PAYOFF from constant (small-scale) experimentation.**

And per this slide, it's quick, invisible, inexpensive.

And perhaps, yes, with a payoff in the **\$B range.**

(WARNING**: This, to repeat+++, is a ... *cultural* ... issue.)**

- (1) HALF-DAY/GENERATE
25 IDEAS**
- (2) ONE WEEK/
5 EXPERIMENTS**
- (3) ONE MONTH/
SELECT BEST 2**
- (4) 60-90 DAYS/ROLL OUT**

So start ...

NOW.

Try, for example, the exercise on the prior slide.

Liberation through ...

Little = BIG.

THE LITTLE

BIG

THINGS

163 WAYS TO PURSUE
EXCELLENCE

TOM PETERS

COAUTHOR OF IN SEARCH OF EXCELLENCE

Little = **BIG.**

LBTs Rule!

L(**V**ery)BTs Rule!

I'm a believer.

11.1.3

TGRs:

3 Minutes

**THE PROBLEM IS
RARELY/NEVER THE
PROBLEM. THE
RESPONSE TO THE
PROBLEM INVARIABLY
ENDS UP BEING THE
REAL PROBLEM.
(OPPORTUNITY).**

“IRON LAW.”

Act accordingly!

**Master “OVERKILL” in
response to problems—
especially the “little”
problems.**

**Relationships (of all varieties): THERE ONCE
WAS A TIME WHEN A
THREE-MINUTE
PHONE CALL WOULD
HAVE AVOIDED SETTING OFF THE
DOWNWARD SPIRAL THAT
RESULTED IN A COMPLETE
RUPTURE.***

***Divorce, loss of a BILLION \$\$\$ aircraft sale, etc., etc.**

I call this, too, an ...

“IRON LAW.”

Apology as “Value added strategy”?

YOU BET!

STRATEGIC!

(So make the [damn] call/s.)

(Be ... **SYSTEMATIC**. Set scheduled time aside—daily, weekly—to make painful calls.)

With a new and forthcoming policy on apologies ... Toro, the lawn mower folks, reduced the average cost of settling a claim

from \$115,000 in 1991 to

\$35,000 in 2008 ... and the

company hasn't

been to trial in the

last 15 years!

Repeat: Apology as “Value added strategy”?

YOU BET!

(E.g., \$115,000 vs. \$35,000.)

“I regard apologizing as the most magical, healing, restorative gesture human beings can make. It is the centerpiece of my work with executives who want to get better.”

—Marshall Goldsmith, *What Got You Here Won't Get You There: How Successful People Become Even More Successful.*

***A larger context/a “culture”
of apology—which starts at
the top!***

**(“Centerpiece” is a mouthful. And
Goldsmith has few if any peers as an
executive coach. Hence: Take heed.)**

11.1.4

TGRs:

K = R = P

K = R = P

Kindness =
Repeat Business =
Profit.

This is not “soft.”

This is the antithesis of soft.

This is as “hard” as it gets.

This is, yes ... **STRATEGIC.**

(You may say I overuse the word “strategic,” but my point is that it’s “this stuff”—responsiveness, apology, kindness—that really is the “strategic backbone” of execution of any strategy and peerless sustainable customer relationships.)

K = R = P/Kindness = Repeat business = Profit

Kindness:

Kind.

Thoughtful.

Decent.

Caring.

Attentive.

Engaged.

Listens well/obsessively.

Appreciative.

Open.

Visible.

Honest.

Responsive.

On time all the time.

Apologizes with dispatch for screw-ups.

“Over”-reacts to screw-ups of any magnitude.

“Professional” in all dealings.

Optimistic.

Understands that kindness to staff breeds kindness to others/outside.

Applies throughout the “supply chain.”

Applies to 100% of customer’s staff.

Explicit part of values statement.

Basis for evaluation of 100% of our staff.

Kindness ... WORKS!

Kindness ... PAYS!

***"Let's not forget
that small
emotions are the
great captains of
our lives."*** —van Gogh

First-order TGRs.

(Recall the similar quote on “courtesies of a small and trivial character” from Henry Clay.)

In Search of
EXCELLENCE
Lessons from America's
Best-Run Companies

Hard is Soft.
Soft is Hard.

Thomas J. Peters and
Robert H. Waterman Jr.

#2: Listening **(Per Se)**

Yes!

L-I-S-T-E-N-I-N-G per se as a
separate “Value-Added **STRATEGY!**”

11.2

18/#1

**“The doctor
interrupts
after ...”***

Source: Jerome Groopman, *How Doctors Think

Harvard Med School doc Jerome Groopman tells us that the patient is the doctor's best source of evidence about the patient's problem.

Period.

Then, citing hard-nosed research, Groopman asks,

“On average, how long does the patient speak before the doc interrupts ...

18

...

18 ...

seconds!

The topic here is TGRs & adding value, not M.D.s. But I will bet you a fat sum that the majority of, say, our sales folk fall within the docs' 18-second timeframe.

Best Listeners Win ...

***“IF YOU DON’T
LISTEN, YOU
DON’T SELL
ANYTHING.”***

—Carolyn Marland, CEO, Guardian Group

***8 of 10 sales presentations fail**

***50% failed sales**

presentations ... talking

“at” before

listening!

**—Susan Scott, “Let Silence Do the Heavy Lifting,” chapter title,
*Fierce Conversations: Achieving Success at Work and in Life,
One Conversation at a Time***

10 Essential Selling Principles Most Salespeople Get Wrong

- 1. Assuming the problem that the prospect communicates is the real problem.**
- 2. Thinking that your sales “presentation” will seal the deal.**

3. Talking too much.

- 4. Believing that you can sell anybody anything.**
- 5. Overeducating the prospect when you should be selling.**
- 6. Failing to remember that salespeople are decision-makers, too.**
- 7. Reading minds.**
- 8. Working as an “unpaid consultant” to seal the deal.**
- 9. Being your own worst enemy.**
- 10. Keeping your fingers crossed that a prospect doesn’t notice a problem.**

**No surprise.
Right?**

**Seriously: LISTENING AS
S-T-R-A-T-E-G-I-C (VALUE-ADDING)**

ADVANTAGE #1.

Suggested **Core Value**

#1: *“We are Effective Listeners—we treat Listening EXCELLENCE as the Centerpiece of our Commitment to Respect and Engagement and Profitability and Growth.”*

Core Value #1.

(Please be so kind as to consider.)

There are only 9 “Value-Added Strategies” that I have chosen to feature. “Listening” per se may at first blush come across as a subsidiary idea.

NO!

It clearly—in my book, and this is my book—deserves a “room of its own.”

So there it is:

(FULL-BLOWN) VALUE-ADDED STRATEGY #3.

#3: Social Business

**11.3.1 Social Business/
Customer Engagement/
Customer Control/
“Brand Ambassadors”/
“Brand Assassins”/
Social Epidemiologists/
Etc./Etc. ...**

20Y/5M

“Customer engagement is moving from relatively isolated market transactions to deeply connected and sustained social relationships. This basic change in how we do business will make an impact on just about everything we do.”

***Social Business By Design: Transformative Social Media Strategies
For the Connected Company —Dion Hinchcliffe & Peter Kim***

**The language here is relatively innocent
when stacked up against the ...**

ENORMITY &

**UBIQUITY ... of the shift
that is still just gathering way.**

“What used to be “word of mouth” is now “word of mouse.” You are either creating brand ambassadors or brand terrorists doing brand assassination.”

—John DiJulius, *The Customer Service Revolution: Overthrow Conventional Business, Inspire Employees, and Change the World*

Ambassador?

Assassin?

Not overstated.

P-l-e-a-s-e.

C-o-n-s-i-d-e-r.

Repeat:

NOT OVERSTATED.

Welcome to the Age of Social Media: **“It**

takes 20 years to
build a reputation
and 5 minutes to

ruin it. Also, the Internet and technology have made customers more demanding., and they expect information, answers, products, responses, and resolutions sooner than ASAP.”

20Y/5M.

Not overstated.

P-l-e-a-s-e.

C-o-n-s-i-d-e-r.

Repeat:

NOT OVERSTATED.

Welcome to the Age of Social Media: **“The**
customer is in
complete control of
communication.”

—John DiJulius, *The Customer Service Revolution: Overthrow
Conventional Business, Inspire Employees, and Change the World*

Not overstated.

P-l-e-a-s-e.

C-o-n-s-i-d-e-r.

Repeat:

NOT OVERSTATED.

“The customer is in complete control of communication.”

“It takes 20 years to build a reputation and 5 Minutes to ruin it.”

“What used to be ‘word of mouth’ is now ‘word of mouse.’ You are either creating brand ambassadors or brand terrorists doing brand assassination.”

Source: John DiJulius, *The Customer Service Revolution: Overthrow Conventional Business, Inspire Employees, and Change the World*

To repeat ...

(Read.)

(Re-read.)

(Read aloud.)

Welcome to the Age of Social Media: “... The *Guardian* learned that adding a photo of the Parliament member whose receipts were being correlated helped drive up the engagement and efficiency of the readers reviewing the receipts. [Head developer Simon Willison] later said, ‘You’ve got this big smiling face looking at you while you’re digging through their expenses.’ ... ***Games like the Guardian data-sift engage masses of people by testing their curiosity, while addressing real-world challenges.***”

Source: Erica Dhawan & Saj-Nicole Joni, ***Get Big things Done: The Power of Connectional intelligence, on the British Parliamentary expense scandal, in a chapter titled, “Problem Solving and the Power of Play”*** (p107-111)

Case in point: The *Guardian* newspaper used the entire arsenal of social-media tools to turn assessing inappropriate government/Parliamentary expenses into a national “game.” The implications were staggering.

(This vignette also illustrates the generic power of “gamification”—see next slide and, later, the next section.)

“Idea Street”/UK Department of Work and Pensions (28% UK budget): “staff provide innovative ideas and vote for the best ones”
“first nine months: \$16 million in savings” “meaning was within the game itself, not the external reward”

**Source: *The Gamification Revolution: How Leaders Leverage Game Mechanics to Crush the Competition*
—Gabe Zichermann & Joselin Linder**

Social media-based “gamification”—of anything—is a powerful (beyond measure!) tool.

**“I would rather engage in a
Twitter conversation with a
single customer than see our
company attempt to attract the
attention of millions in a coveted
Super Bowl commercial.**

Why? Because having people discuss your brand directly with you, actually connecting one-to-one, is far more valuable—not to mention far cheaper! ...

“Consumers want to discuss what they like, the companies they support, and the organizations and leaders they resent. They want a community. They want to be heard.

“[I]f we engage employees, customers, and prospective customers in meaningful dialogue about their lives, challenges, interests, and concerns, we can build a community of trust, loyalty, and—possibly over time—help them become advocates and champions for the brand.”

—Peter Aceto, CEO, **Tangerine** (from the Foreword to *A World Gone Social: How Companies Must Adapt to Survive*, by Ted Coine & Mark Babbit)

This extraordinary comment comes from a CEO in ... *financial services*. (Tangerine is a large, wildly successful Canadian bank.)

(While perhaps this is an exaggeration—the underlying point is exactly on the money. Hmmmm ... perhaps it is

NOT an exaggeration. Think on it.)

To re-repeat ...

(Read.)

(Re-read.)

(Read aloud.)

Going “Social”: Location/Size Independent

“Today, despite the fact that we’re just a little swimming pool company in Virginia, we have the

***most trafficked swimming pool website in the world.** Five years ago, if you’d asked me and my business partners what we do, the answer would have been simple, ‘We build in-ground fiberglass swimming pools.’ Now we say, **‘We are the best teachers ... in the world ...** on the subject of fiberglass swimming pools, and we also happen to build them.’”*

A small swimming pool firm takes to social media with a vengeance and becomes a major

(world!) force in its market space.

Cool.

VERY cool.

“Amy Howell [social marketer extraordinaire,
founder of Howell Marketing] **ignites**
epidemics. In a good way,
of course. Epidemics of
excitement. Epidemics of
business connections.
Epidemics of influence.”

—Mark Schaeffer, *ROI/Return on Influence: The Revolutionary Power of Klout, Social Scoring, and Influence Marketing*

There is an entire industry of those who know how to play this (VERY**) high stakes social media game. The bank of experiences—good and bad—is growing exponentially.**

You must play.
On payroll or off, you
must engage your own
Amy Howell/s!

“Social scoring is creating new classes of haves and have nots, social media elites and losers, frenzied attempts to crash the upper class, and deepening resentments. Social scoring is also the centerpiece of an extraordinary marketing movement. For the first time, companies can— with growing confidence—identify, quantify, and nurture valuable word-of-mouth influencers who can uniquely drive demand for their products.”

—Mark Schaeffer, ROI/Return on Influence: The Revolutionary Power of Klout, Social Scoring, and Influence Marketing

“When [Sam Fiorella] spoke at conferences, he made sure every slide had a ‘tweetable quote’ aimed at the Klout algorithm and asked attendees to tweet his name throughout the presentation. He engineered his online engagement to attract the attention of high Klout influencers who could bend his score upward and filtered his followers by their level of influence so that he knew which contacts to nurture to affect his score ...

Within a few moments, Sam had driven his score up to an elite level of

70. ...”

—Mark Schaeffer, ROI/Return on Influence: The Revolutionary Power of Klout, Social Scoring, and Influence Marketing

“When Virgin America opened its Toronto route, it asked Klout to find a small group of influencers to receive a free flight in hopes that they’d effectively spread the word. ...

After the initial **120** participants and an additional **144** engaged influencers had been accrued, the word-of-mouth power kicked in as those highly social individuals generated more than 4,600 tweets about the new route. **That led to more than 7.4 million impressions and coverage in top blogs and news outlets such as the LA Times and CNN.**” —Mark Schaeffer,

ROI/Return on Influence: The Revolutionary Power of Klout, Social Scoring, and Influence Marketing

LOW numbers of engaged
influencers.

HIGH impact.

(Typical of a well-crafted program.)

“How do we help the restaurant that just opened find the 10 coolest people in the neighborhood they need to try their food so they can get good word of mouth going? We can definitely enable that. **Another idea I like: When I slide my credit card at any register, my Klout score should come up and they should be able to see, ‘Wow, we have a whale here, and so I’m going to go above and beyond to make sure this person has a good experience.’ ”**

***—Joe Fernandez, CEO of Klout,
in Mark Schaeffer, *ROI/Return on Influence: The Revolutionary
Power of Klout, Social Scoring, and Influence Marketing****

“Before the Internet, search and social media, brands had always been like smug little monarchies, dispensing persuasion and amusement from their remote palaces without resistance from a passive populace. Now, the marketplace is like an election campaign. A rough-and-tumble election campaign that never, never ends.”

—Bruce Philp, Consumer Republic

**A few more—garden variety, circa 2016—
examples of “social on the march”/“social
everywhere.”**

**(IF YOU ARE NOT ON
THIS BUS ... YOU HAVE
BEEN WARNED.)**

***You are either
creating brand
ambassadors or
brand terrorists
doing brand
assassination.***

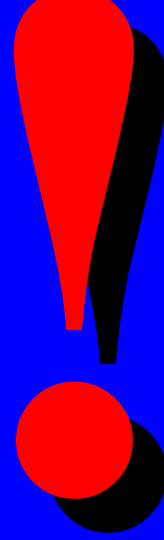


***Now, the marketplace
is like an election
campaign. A rough-and-
tumble election
campaign that never,
never ends.***



11.3.2

YOU



YOU!

YOU.

YOU.

YOU.

**“This stuff” is about the giants ... and the
1-person accountancy,**

It is ... **NOT OPTIONAL.**

11.3.3

“Gamification”: Ultimate ENGAGEMENT Tool

Gamification

***“Gamification presents
the best tools
humanity has ever
had to create and
sustain engagement in
people.”***

Source: Gabe Zichermann & Joselin Linder, *Gamification: How Leaders Leverage Game Mechanics to Crush the Competition*

Absurdly strong language. But, frankly, it works for me. That is, I believe in the accuracy of this statement based on my own academic roots in the behavioral sciences.

It Ain't About the Ws and Ls!

“Fun from games arises out of mastery. It arises out of comprehension. It is the act of solving puzzles that makes games fun. In other words, with games, learning is the drug.”

—Raph Koster, *A Theory of Fun For Game Design*

“The popularity of an unwinnable game like Tetris completely upends the stereotype that gamers are highly competitive people who care more about winning than anything else. Competition and winning are not defining traits of games—nor are they defining interests of the people who love to play them. Many gamers would rather keep playing than win. In high-feedback games, the state of being intensely engaged may ultimately be more pleasurable than the satisfaction of winning.”

—Jane McGonigal, ***Reality Is Broken: Why Games Make Us Better and How They Can Change the World***

Towards Addiction to ... **LEARNING**

*“When I enter a video game, I learn something about a fictitious world. And in that video game, I’m allowed to go at my own pace. I’m constantly assessed—assessment becomes my friend. I feel good when I master the next level. If you could only take that experience of a video game back into student learning, we could make learning addictive. **My deep, deep desire is to find a magic formula for learning in the online age that would make it as addictive as playing video games.**”*

—Sebastian Thrum, founder, Udacity,
lead developer of Google Glass, etc. (*Foreign Affairs*, 11-12.13)

Sooooooooo far beyond mere “winning” or “losing.” Ws & Ls are pretty much beside the point.

Please re-read these slides. They are (VERY) contrary to conventional wisdom—with enormous implications.

For the Win: How Game Thinking Can Revolutionize Your Business

—Kevin Werbach & Dan Hunter

The Gamification Revolution: How Leaders Leverage Game Mechanics to Crush the Competition —Gabe Zichermann & Joselin Linder

Reality Is Broken: Why Games Make Us Better and How They Can Change the World

—Jane McGonigal

Everything Bad Is Good For You: How Today's Popular Culture Is Actually Making Us Smarter

—Steven Johnson

Extra Lives: Why Video Games Matter —Tom Bissell

All yours. There are of course many, many more with excellent pedigrees.

FYI: I think Jane McGonigal's book, *Reality Is Broken*, is an accessible masterpiece.

“Idea Street”/UK Department of Work and Pensions (28% UK budget): “staff provide innovative ideas and vote for the best ones”
“first nine months: \$16 million in savings” “meaning was within the game itself, not the external reward”

**Source: *The Gamification Revolution: How Leaders Leverage Game Mechanics to Crush the Competition*
—Gabe Zichermann & Joselin Linder**

“Why exactly are we competing with each other to do the dirty work? We’re playing a free online game called

Chore Wars—and it just so happens that ridding our real-world kingdom of toilet stains is worth more experience points, or XP, than any other chore in our apartment. ... A mom in Texas describes a typical Chore Wars experience: ***‘We have three kids, ages 9, 8, and 7. I sat down with the kids, showed them their characters and the adventures, and they literally jumped up and ran off to complete their chosen task. I’ve never seen my 8-year-old son make his bed. I nearly fainted when my husband cleaned out the toaster oven.’ ...”***

—Jane McGonigal, Reality Is Broken: Why Games Make Us Better and How They Can Change the World

**A couple of examples.
(Ya gotta love Chore Wars!)**

***(But, again, reflect on the power of
the basic idea—and the ubiquity of
its possible application.)***

“You get a sense of the scale and intricacy of the task by considering the sound effects alone: The game contains 54,000 pieces of audio and 40,000 lines of dialogue. There are

2,700 ***different noises for footsteps alone depending on whose foot is stepping on what.”***

—Sam Leith on Halo 3, from Jane McGonigal, Reality Is Broken: Why Games Make Us Better and How They Can Change the World

Game design is not for amateurs. When one does create games in, say, the workplace or focused on customer interaction, one is de facto competing with the quality of the games your employees or customers are playing for their amusement.

“Flash When I work with experimental digital gadgets, I am always reminded of how small changes in the details of a digital design can have profound unforeseen effects on the experiences of the people who are playing with it. The slightest change in something as seemingly trivial as the ease of use of a button can sometimes alter behavior patterns. For instance, Stanford

University researcher Jeremy Bailinson has demonstrated that changing the height of one’s avatars in immersive virtual reality transforms self-esteem and social self-perception.

Technologies are extensions of ourselves, and, like the avatars in Jeremy’s lab, our identities can be shifted by the quirks of gadgets. It is impossible to work with information technology without also engaging in social engineering.”—Jaron Lanier, *You Are Not a Gadget*

Game/“gamification” power is no less than ... **STAGGERING. (And, yes, I do also use “staggering” a lot in this presentation. Only because this “hot” word is merited.)**

**E.g., manipulating self-esteem via
avatar/icon size **

**11.3.4 Social Business/
New Ball Game/**

ZMOT/The Shopping
Is Over Before The
Shopping Starts

“We’re moving toward an age of nearly perfect information. Review sites, shopping apps on smartphones, an extended network of acquaintances available through social media, and unprecedented access to experts mean that consumers operate in a radically different, socially interactive information environment.* ... Consumers tend to make better decisions and become less susceptible to context or framing manipulations. For businesses, it means marketing is changing forever.”

—Itamar Simonson and Emanuel Rosen, ***Absolute***

Value: What Really Influences Customers in the Age of (Nearly) Perfect Information

*Google:

ZMOT
(ZERO Moment Of Truth)

ZMOT : ZERO Moment Of Truth/Google*

“You know what a ‘moment of truth’ is. It’s when a prospective customer decides either to take the next step in the purchase funnel, or to exit and seek other options. ... But what is a ‘zero moment of truth’? Many behaviors can serve as a zero moment of truth, but what binds them together is that the purchase is being researched and considered before the prospect even enters the classic sales funnel ... In its research, Google found that

84% *of shoppers said the new mental model, ZMOT, shapes their decisions. ...”*

—Jay Baer, *Youtility: Why Smart Marketing Is About Help, Not Hype*

***See www.zeromomentoftruth.com for ZMOT in booklength format**

**The conventional marketing game is over—
*before it starts.***

(No kidding.)

(ZMOT rules.)

AutoNation: THE WORKS!

Using its digital store, **AutoNation Express,** shoppers will be able to get final loan approvals and secure instant trade-in values on their current cars. Customers can even bypass the finance office altogether, buying add-ons like extended warranties and services contracts through the website. ...

“The aim, AutoNation executives say, is to get buyers in and out the door in less than 30 minutes when they pick up their car up at the dealership.”

And the goal by many—e.g., **AutoNation, the USA's largest automobile retailer—is to effectively do the whole shebang on the web for complex processes such as selecting and completing the endless admin tasks associated with buying a car.**

**11.3.5 Social Business/
Re-Formatting
Enterprise/
All Hands On Deck/
No Option**

SB/SE

>> SM*

***“Social BUSINESS”/“Social EMPLOYEE” >> “Social Media”**

**Full-court social is a lot more than
SM/social media.**

It is a way of life.

It is a strategy.

It is a “game” that can be won—*or lost.*

Biz 2016: Get Aboard the “S-Train”

SM/Social Media.

SX/Social eXecutives.

SE/Social Employees.

SO/Social Organization.

SB/Social Business.

“Social” is a lot more than “social media.”

And that is ... GROSS

UNDERSTATEMENT.

Social Survival Manifesto*

- 1. Hiding is not an option.**
- 2. Face it, you are outnumbered. (“level playing field, arrogance denied”)**
- 3. You no longer control the message.**
- 4. Try acting like ... a human being.**
- 5. Learn to listen, or else. (“REALLY listening to others a must”)**
- 6. Admit that you don’t have all the answers.**
- 7. Speak plainly and seek to inform.**
- 8. Quit being a monolith. (“Your employees, speaking online as individuals, are a crucial resource ... can be managed through frameworks that ENCOURAGE participation”)**
- 9. Try being less evil.**
- 10. Pay it forward, now. (“Internet culture largely built on the principal of the Gift Economy ... give value away to your online communities”)**

11 Rules for Creating Value in the Social Era

- 1. Connections create value.**
- 2. Power in community.**
- 3. Collaboration > Control.**
- 4. Celebrate *onlyness*. [the uniqueness of every person]**
- 5. Allow all talent.**
- 6. Consumers become co-creators.**
- 7. Mistakes can build trust.**
- 8. Learn. Unlearn. (Repeat.)**
- 9. Bank on openness.**
- 10. Social purpose unleashes ownership.**
- 11. (There are no answers.)**

—Nilofer Merchant, *11 Rules for Creating Value in the Social Era*

**Engagement circa 2016.
(No option? More or less, yes.)**

Seven Characteristics of the Social Employee

- 1. Engaged**
- 2. Expects Integration of the Personal and Professional**
- 3. Buys Into the Brand's Story**
- 4. Born Collaborator**
- 5. Listens**
- 6. Customer-Centric**
- 7. Empowered Change Agent**

Source: Cheryl Burgess & Mark Burgess, *The Social Employee*

“Empowerment” circa 2016.

The “real deal.”

The “whole enchilada.”

FINALLY.

NO OPTION.

The “social business model” demands as table stakes a degree of “empowerment”-employee engagement-employee autonomy unimagined a scant five years ago.

That is, the customer is engaged with the provider all the time—and in every nook and cranny.

Hence, every employee is a fullblown/fulltime “customer contact person.”

Wow!

Marbles, a Ball and Social Employees at IBM

“Picture a ball and a bag of marbles side by side. The two items might have the same volume—that is, if you dropped them into a bucket, they would displace the same amount of water. The difference, however, lies in the surface area,

Because a bag of marbles is comprised of several individual pieces, the combined surface area of all the marbles far outstrips the surface area of a single ball.

The expanded surface area represents a social brand’s increased diversity. These surfaces connect and interact with each other in unique ways, offering customers and employees alike a variety of paths toward a myriad of solutions. If none of the paths prove to be suitable, social employees can carve out new paths on their own.”

—Ethan McCarty, Director of Enterprise Social Strategy, IBM (from Cheryl Burgess & Mark Burgess, ***The Social Employee)***

**Brilliant description.
Please read carefully.**

IBM Social Business Markers/2005-2012

- *433,000 employees on IBM Connection**
- *26,000 individual blogs**
- *91,000 communities**
- *62,000 wikis**
- *50,000,000 IMs/day**
- *200,000 employees on Facebook**
- *295, 000 employees/800,000 followers
of the brand**
- *35,000 on Twitter**

Source: IBM case, in Cheryl Burgess & Mark Burgess, *The Social Employee*

IBM is socially serious.

SB/SE

>> SM*

***“Social BUSINESS”/“Social EMPLOYEE” >> “Social Media”**

**11.3.6 Social Business/
Re-Formatting
Enterprise/**

**The Wild & Woolly (New)
World of (Ubiquitous
Entrepreneurial) Work**

“This boom, built around systems which match jobs with independent contractors on the fly, marks a striking new stage in a deeper transformation. Using the now ubiquitous platform of the smartphone to deliver labour services in a variety of new ways will challenge many of the fundamental assumptions of twentieth-century capitalism, from the nature of the firm to the structure of careers.” “The ‘on demand economy’ is the result of pairing the workforce with the smartphone.”

—*Economist*, “There’s an App For That,” 0103.15

Gathering the right folks for the task—as needed.

Work = Temporary/Transient.

In every job category.

(The bigger implications including basic social stability—not addressed here—are no less than staggering.) (Staggering = Staggering.)

Tongal: 40K video makers, Super Bowl ad for Colgate-Palmolive for \$17K.

Business Talent Group/LA: Bosses on the fly

Axiom: 650 lawyers, \$100M

Mechanical Turk/Amazon: Anything!

ResearchGate/Ijad Madisch: 5M members, 10K new per day

New forms of “temp” organizations are arising daily. They are responses to matching the needs of the market to the available workforce.

WE ARE ALL “TEMPS”?

Muhammad Yunus: **“All human**

beings are

entrepreneurs. When we

***were in the caves we were all self-employed . . .
. finding our food, feeding ourselves. That’s
where human history began . . . As civilization
came we suppressed it. We became labor
because they stamped us, ‘You are labor.’
We forgot that we are entrepreneurs.”***

—Muhammad Yunus,

Nobel Laureate/The News Hour/PBS/1122.2006

“Entrepreneurial flair” is not limited to a handful of Richard Bransons and Mark Zuckerbergs. As micro-lending guru and Nobel Laureate Muhammad Yunus tells us, virtually all of us who have survived the Darwinian sorting process find that some form of entrepreneurial behavior comes more or less naturally.

That is, to deal with this new world order does not require us to develop wings or fins—though it does require a societal shakeup, starting with education.

Tom
Peters

REINVENTING WORK

Distinct or extinct!

the brand

you

50

FIFTY WAYS TO TRANSFORM YOURSELF
FROM AN "EMPLOYEE" INTO A BRAND THAT
SHOUTS DISTINCTION, COMMITMENT, AND PASSION!

I call it **“BRAND YOU.”** (*“They” say I invented the term, back in about 1993.*) The idea is that for the sake of economic survival in a discombobulated world you must stand/stand out for something of significance/value.

Yesteryear’s “slot occupants,” even “reliable” ones, will not survive economically.

(In 1999, I published a set of three books in what we called “The Work Matters” series—one of which was ***The Brand You50: Fifty Ways to Transform Yourself from an “Employee” into a Brand That Shouts Distinction, Commitment, and Passion!*** Some called the “brand you” idea “self-indulgent.” While I understand their point—they got it ass backwards. Substitute for “self indulgent” the word ... **SURVIVAL**. And that was then and this is now—and the issues have been intensifying by orders of magnitude. Our slogan of sorts was **“DISTINCT ... OR EXTINCT.”**

I don’t think that needs changing—other than strengthening **!**)

#4: Big Data

11.4 **(BIG) Data =**

(BIG) \$\$\$!

(BIG) Data =

(BIG) Threat ?

**“Caesars’ Entertainment
have bet their future on
harvesting personal
data rather than
developing the fanciest
properties.”**

—Adam Tanner,

What Stays in Vegas: The World of Personal Data—Lifeblood of Big Business—and the End of Privacy as We Know it

*Ponder this ... VERY carefully: **The (absurdly-
infinitely fine-grained) data
about the casino's guests/***

*players is worth **>>** than
the real estate!*

Welcome to the New World Order.

(Re-read. Then re-reread. Then think [HARD &
LONG**] about it.)**

“With new forms of

‘sentiment

analysis’

it’s now

***possible to guess what mood one’s
in. People use substantially more
positive words when they’re up ...”***

***—Eli Pariser, *The Filter Bubble: How the New, Personalized
Web Is Changing What We Read and How We Think****

“Analytics can yield literally hundreds of millions of data points—far too many for human intuition to make any sense of the data. So in conjunction with the ability to store very big data about online behavior, researchers have developed strong tools for data mining, statistically evaluating correlations between many types and sources of data to expose hidden patterns and

connections. The patterns predict human behavior—and even hidden human motivations.”

—Illah Reza Nourbakhsh,

Professor of Robotics, Carnegie Mellon, *Robot Futures*

“Stuff” like this **X1000 is at the
centerpiece of the likes of the Caesars’
“data-centric” strategy.**

Persado (vs. copywriter): emotion words, product characteristics, “call to action,” position of text, images

**Up To \$250 To Spend On
All Ships In All
Destinations. 2 Days Left
(1.3%)**

vs.

**No kidding! You Qualify to
Experience An Incredible
Vacation With Us :-)
(4.1)**

***“A creative person is good but random. We’ve taken the
randomness out by building an ontology of language”***

—Lawrence Whittle, head of sales

Source: Wall Street Journal/ 0825.14/ “It’s Finally Time to Take AI Seriously”

**An algorithm writes a more effective ad
than a human professional copywriter—**

**given the vast horde of (BIG) data
on prior reactions to various words,
sentiments, etc.**

(Please re-read.)

“Data-Powered Sixth Sense”*

(*DPSS = “Radical insights into what makes their people work”)

“A Decoded Company with the right systems in place can collect all of the required data to provide organizational proprioception to your people [“digital body language”], giving them that background sense of what neighbouring departments and teams are doing, as well as that of the efforts of their team members. We think of this as eliminating blind spots.”

—Leerom Segal, Aaron Goldstein, Jay Goldman and Rahaf Harfoush, *The Decoded Company: Know Your Talent Better Than You Know Your Customers*

Applied to “organizational effectiveness.”

Maximized productivity ...

**THROUGH TOTAL
INTRUSIVENESS.**

(I admit it scares the hell out of me.)

**(And I don't think that's just an “old guy”
talking!)**

“Flash forward to dystopia. You work in a chic cubicle, sucking chicken-flavor sustenance from a tube. You’re furiously maneuvering with a joystick ... Your boss stops by and gives you a look. ‘We need to talk about your loyalty to this company.’ *The organization you work for has deduced that you are considering quitting. It predicts your plans and intentions, possibly before you have even conceived them.*”

—Eric Siegel, *Predictive Analytics:*

The Power to Predict Who Will Click, Buy, Lie, or Die (based on a real case, an HP “Flight risk” PA model developed by HR, with astronomical savings potential)

Algorithmic invasion (“invasion” is the correct word in my opinion) of HR is underway.

Ye gads!

“Affective computing”

“Emotion tracking”

“Affective sensors”

“Sentiment analysis”

“Emotion Sense for Android”

“Data-powered sixth sense.”

Etc.

Etc.

**Source: John Havens, *Hacking Happiness*;
Lerom Segal et al., *The Decoded Company*; etc.**

**“Sentiment analysis” and the like powers the
Caesar's revolution.**

And damn near everything else.

**I.e., the basics of how to manage your
enterprise.**

WHEW.

**Upsides. (Value added, better organization
performance.)**

Downsides. (Yo, Big Brother.)

***“I believe this is
the quest for what
a personal computer
really is. It is
to capture one’s
entire life.”***

—Gordon Bell



**“The
Quantified
Self”**

Welcome to the Age of the “Quantified Self”*

“I’ve recorded almost every workout I’ve done since age 18. I’ve had more than 1,000 blood tests performed since 2004, tracking everything from complete lipid panels, insulin, and haemoglobin A1c, to IGF-1 and free testosterone. Just as some people have avant-garde furniture or artwork, I have pulse oximeters, ultrasound machines, and medical devices for measuring everything from galvanic skin response to REM sleep.”

—Tim Ferriss, *The 4-Hour Body* (from the *Decoded Company*)

Term “QS”/“Quantified Self”/courtesy Kevin Kelly & Gary Wolf, *Wired

**The likes of this is going mainstream.
E.g., there is a sizeable “Quantified self
movement.”**

Welcome to the Age “Augmented Memory”

“You can run tests on your emails for the last year for keystroke data (how hard you hit the keys, serving as a proxy for anger/stress) and see what times of the day or week you tend to be emotional and how that effects people’s responses to your messages.

“You can cross-reference your GPS data with your emails using sentiment analysis (technology that identifies certain words that infer positive, negative or neutral language patterns) to identify the places where you are most productive.”

Etc.

Source: John Havens, *Hacking Happiness*

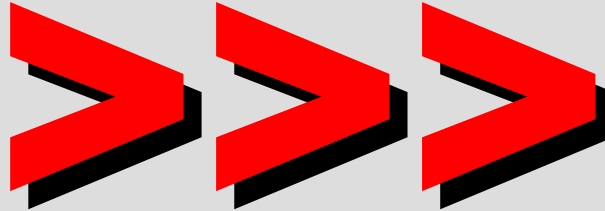
**AFFECTIVE COMPUTING & the
QUANTIFIED-SELF-AT-
WORK!?**

“[Michael Vassar/MetaMed founder] is creating a better information system and new class of people to manage it.

‘Almost all healthcare people get is going to be done—hopefully—by algorithms within a decade or

two. We used to rely on doctors to be experts, and we’ve crowded them into being something like factory workers, where their job is to see one patient every 8 to 11 minutes and implement a by-the-book solution. **I’m talking about creating a new ‘expert profession’—medical quants, almost like hedgefund managers, who could do the high-level analytical work of directing all the information that flows into the world’s hard drives.** Doctors would now be aided by Vassar’s new information experts who would be aided by advanced artificial intelligence.”—*New York* /0624.13

Big Data



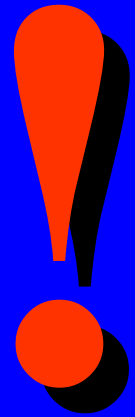
Docs.

(More than speculation.)

#5: Design

11.5.1

DESIGN



As we aggressively pursue distinction in a hyper-crowded turned-upside-down marketplace, there is no better differentiator than

... DESIGN. (PERIOD.**)**

But what is “design”? *As you will see in what follows, it’s not so much “designing stuff” as it is a pervasive “design mindedness” that affects, well, everything. E.g., at Apple, design implies “a huge degree of care.”*

But first ...

11.5.2 10 August 2011 !

Design RULES!

**APPLE market cap
> Exxon Mobil***

***10 August 2011 (0410.15: \$740B, 2X #2)**

When Apple's market cap shot past Exxon Mobil's on 10 August 2011,* there was no longer any issue about ...

“DESIGN

POWER.”

Now only idiots will ignore it—in enterprises of any and every size and flavor.

(*As I write this, Apple's market capitalization is more than twice as great as the world's #2.)

11.5.3

**A HUGE
DEGREE OF
CARE/
DESIGNERS ARE
PEOPLE WHO
THINK WITH
THEIR HEARTS**

Apple design: ***“Huge
degree of
care.”***

**—Ian Parker, *New Yorker*, 23 March 2015,
on Apple design chief Jony Ive**

I am so taken by this word ... **CARE.**
Design-as-caring.

BUT ... my Big Point is that this is not (or should not be) an “Apple (BMW) thing.” *It should apply—and CAN apply—to the freelancer who is establishing her 1-person training or accounting operation.*

Design applies ... **EQUALLY** ... to ...
EVERY ... product or service or person.

(Damn it.)

(Are you listening?)

(P-L-E-A-S-E.)

“Typically, design is a vertical stripe in the chain of events in a product’s delivery. [At Apple, it’s a] long, horizontal stripe, where design is part of every conversation.”

—Robert Brunner, former Apple design chief

Design at Apple permeates every nook and cranny. While the average firm is not and cannot be Apple, there is much to learn about the value of pervasive “design mindedness.”

And, for starters, “design on every agenda,” much the way schedule & finance ordinarily is, might well apply to your and your organization’s affairs—from school to consultancy to dress shop.

**Why not?
Consider it.**

*“We don’t have a good language to talk about this kind of thing. In most people’s vocabularies, design means veneer. ... But to me, nothing could be further from the meaning of design. **DESIGN IS THE FUNDAMENTAL SOUL OF A MAN-MADE CREATION.**”*

—Steve Jobs

CARING.

Ditto.

***“Steve and Jony
would discuss
corners for hours
and hours.”***

—Laurene Powell Jobs

CARING.

Ditto.

“ In some way, by caring, we are actually serving humanity. People might think it’s a stupid belief, but it’s a goal—it’s a contribution that we hope we can make, in some small way, to culture.”

—Jony Ives

CARING.

Ditto.

Applicability?

UNIVERSAL.

“Designers are people who think with their hearts.”

—James, age 10

“I would like to be a designer because you could make things that would help people.” —Jade, age 10

“If there was no design, there would be nothing to do, and nothing would progress or get better. The world would fall apart.” —Anna, age 11

“My favourite design is the Nike ‘tick’ because it makes me feel confident—even though I am not so good at sports.” —Raoul, age 11

From the book *Insights*, produced by (United Kingdom's) Design Council—a body charged with imbuing across the UK designmindedness in enterprises of every shape and size.

(1) I love this.

(2) Read it. Re-read it.

(3) Apply it to your next email

—I'm not in the least bit kidding!

***“You know a
design is good
when you want
to lick it.”*** —Steve Jobs

**Source: *Design: Intelligence Made Visible*,
Stephen Bayley & Terence Conran**

100% Steve.
(I knew him a bit.)

“Design is

treated like a

***religion* at**

BMW.” —*Fortune*

When it comes to design, **BMW
is close kin to Apple.**

Ann Landers as management & design guru/three criteria for products, projects, a communication, etc.:

Good.

True.

Helpful.

Another useful/inspiring set of criteria.

Again: For ...

E-V-E-R-Y-T-H-I-N-G.

**“Expose yourself to
the best things humans
have done and then
try to bring those
things into what you
are doing.”** —Steve Jobs

A profound challenge—and it goes a long way to explaining Apple’s excellence. “*Huge degree of caring*” and exposure to “*the best things humans have done.*” Why shouldn’t this standard apply to everything that every one of us does?

Let’s call it ... “Design mindedness.”

Let’s call it ... EXCELLENCE.

(And remember my Golden Rule from Chapter

TWO: “Excellence is not an ‘aspiration.’**”**

Excellence is ... THE NEXT FIVE MINUTES.

[Or NOT.]

11.5.4

Services,

too!

*“With its carefully conceived mix of colors and textures, aromas and music, **STARBUCKS** is more indicative of our era*

*than the iMac. It is to the **Age of***

Aesthetics *what McDonald’s*

*was to the **Age of Convenience** or Ford was to the Age of Mass Production—the touchstone success story, the exemplar of ... the aesthetic imperative. ... **‘Every Starbucks store is carefully designed to enhance the quality of everything the customers see, touch, hear, smell or taste,’** writes CEO Howard Schultz.”*

*—Virginia Postrel, **The Substance of Style: How the Rise of Aesthetic Value Is Remaking Commerce, Culture and Consciousness***

(1) And in the **SERVICES**

sector ...**STARBUCKS = DESIGN**

(2) **AGE OF AESTHETICS.**

11.5.5

C

D

O

C D O *

***Chief Design Officer**

A ... Chief Design Officer
... is a clear need in any/every
sizeable organization.

And some form of CDO assignment is/can be of
abiding importance in the tiniest of firms.

Again: Regardless of industry/product/service.

THE POWER OF
DESIGN

“Design is everything.”

“Everything is design.”

“We are all designers.”

***The Power of Design:
A Force for Transforming Everything***

RICHARD FARSON

Design is ...

- * **The reception area**
- * **The loo!!**
- * **Dialogues at the call center**
- * **Every electronic (or paper) form**
- * **Every business process “map”**
- * **Every email**
- * **Every meeting agenda/setting/etc.**
- * **Every square meter of every facility**
- * **Every new product proposal**
- * **Every manual**
- * **Every customer contact**
- * **A consideration in every promotion decision**
- * **The presence and ubiquity of an “Aesthetic sensibility”/ “Design mindfulness”**
- * **An encompassing “design review” process**
- * **Etc.**
- * **Etc.**

“Design Ubiquity.”

INITIATE A ...

**“DESIGN
REVIEW.”**

TODAY.

This prospective review should include every nook and every cranny of the organization. Consider a one day “stand down” as the military call it. (Starbucks had one of these a couple of years ago.) Everyone spends a day “off” focusing on a single issue. In this instance ... DESIGN.

Yes, it is/could be/can be that important/transformational.

***“Businesspeople don’t
need to ‘understand
designers better.’
Businesspeople need to
be designers.”***

—Roger Martin/Dean/Rotman Management School/University of Toronto

Works for me.

**We can't all be Steve Jobs or Howard
Schultz.**

We can **ALL be ...**

**THOUGHTFUL/CARING/
NURTURE "DESIGN UBIQUITY.**

**11.5.5 DESIGN =
SYSTEMS
DESIGN**

Lisbon/New Biz:

WEEKS

to ...

MINUTES



Systems design ... deserves a special shout out. The aesthetics of systems are waaaaay under-valued.

It's not just systems "that work." It's systems that "sing."

(Perhaps akin to the highest reaches of mathematics —where the "beauty" and "elegance" of a proof are as important as its correctness.)

In the instance cited on the prior slide, Lisbon boosted business creation significantly by converting start-up business licensing procedures from an endless, cumbersome, infuriating, bureaucratic process into something that could be crisply executed on the Web in a matter of ... minutes.

**Architect Rem Koolhaas on his drive
for clarity-simplicity: “*Often***

***my job is to
undo things.”***

Source: *New Yorker*

The Commerce Bank Model

**“EVERY COMPUTER AT COMMERCE BANK HAS
A SPECIAL RED KEY
ON IT THAT SAYS, ‘FOUND SOMETHING STUPID
THAT WE ARE DOING THAT INTERFERES WITH
OUR ABILITY TO SERVICE THE CUSTOMER?
TELL US ABOUT IT, AND IF WE AGREE, WE WILL
GIVE YOU \$50.’”**

**Source: *Fans! Not customers. How Commerce Bank
Created a Super-growth Business in a No-growth
Industry*, Vernon Hill & Bob Andelman**

Commerce Bank (now part of TD Bank) wants nothing but nothing to interfere with serving the customer as efficiently and effectively as possible.

The ... “Red Key” ... procedure described here is *systems design* at its best!

GREAT DESIGN
= ONE-PAGE
BUSINESS PLAN

Source: Jim Horan

**It can be done.
I've done it.
Hat's off to Mr. Horan.**

Try it.

PLEASE.

**For your company.
For your 5-person training department.
For your 9-week, 8-person project team.**

For ... yourself.

1 page.

(If not the back of a business card.)

“If you can’t write your movie idea on the back of a business card, you ain’t got a movie.” —Samuel Goldwyn

I make all the launch teams tell me what the magazine’s about in five words or less. You can’t run alongside millions of consumers and explain what you mean. It forces some discipline on you.” —Ann Moore, CEO, Time Inc., on new magazines

“If you can’ state your position in eight words or less, you don’t have a position.” —Seth Godin

Same-same.

Systems' **“Beauty Contest”!**

1. Select one form/document: invoice, airbill, sick leave policy, customer returns claim form.
2. Rate the selected doc on a scale of 1 to 10 (1 = Bureaucratica Obscuranta/Sucks; 10 = Work of Art) on four dimensions:
BEAUTY. GRACE.
CLARITY. SIMPLICITY.
3. Re-invent!
4. Repeat, with a new selection, every 15 working days.

I'm uncompromising here.

Every **system** should be evaluated on the basis of ...

Beauty.

Grace.

Clarity.

Simplicity.

Do this—and I guarantee you the strategic impact on organization effectiveness will be dramatic!

(BIG word: Guarantee.)

CGRO*

***CGRO/ Chief Grunge Removal Officer**
(CDC/ Chief of De-Complexification)
(CAO/ Chief Anti-systems Officer)
(CBSEO/ Chief BS Eradication Officer)

***Systems accrete crap.
Period.***

From the (literally) *minute* they are installed they naturally grow evermore ugly and complex and dysfunctional.

One needs to create the most efficient and effective and beautiful systems imaginable.

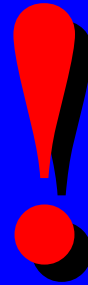
And then begin to attack them ...

IMMEDIATELY.

(One does need a Chief Systems Officer—but directly across the hall an ... *equally powerful* ... CSDO/Chief Systems Destruction Officer.)

11.5.6

EMOTION!



Hypothesis: **DESIGN** is the
principal difference
between **love** and
hate!*

***Not “like” and “dislike”**

Same-same.

Design is ...

NEVER

neutral.

Design, though emphasizing functionality as well as aesthetics, is in some form or other about an ...

emotional reaction ... to a product or service. (“Soul” as Mr. Jobs put it.)

**Not “like” or “dislike.”
Rather: “Love” ... or “hate.”
(Or something close thereto.)**

Powerful (scary!?**) stuff!**

***"Let's not forget
that small
emotions are the
great captains of
our lives."*** —van Gogh

The power of emotion.

11.5.7 Women BUY (**EVERYTHING**)

(**DESIGN** Consequences

thereof?)

Hypothesis: Men

cannot

design for women's

needs !!!???

Obviously the statement is too extreme by a fair bit. But the general reality is accurate. I have spent an enormous amount of time on this topic over the last 20 years, and I do believe this is generally—and frankly quite a bit more than “generally”—on target.* (*Some men disagree, no surprise. Disagreement among women—in, yes, 20 years—runs at approximately **ZERO.)**

At any rate, it is neither a joke line nor a throwaway line. The consequences of design that appeals to women, as you will see, run to the **TRILLIONS of **\$\$\$**.**

***“It would never occur
to a male architect
in a thousand years
to put the laundry room
up there, next to the
children’s’ bedrooms.”***

It's a tiny example, but revealing nonetheless. A seminar attendee is an architect specializing in residential structures. A close friend of hers, with her youngish kids, was purchasing a new house. One Sunday, her realtor took her to see eight prospect houses. One had a special attraction: The laundry room was upstairs—a couple of steps from the kids' bedrooms.

It turns out that the house with the second floor laundry room was the only one of the eight designed by a woman architect. Life is complex, but as my seminar-attended architect said to me, *“It would never occur to a male architect in a thousand years to put the laundry room up there, next to the children's' bedrooms.”*

That wee vignette hardly “proves” my point but it is a micro-saga that does speak to the issue.

(A few male designers are outright offended by my serious-but-light-hearted men-cannot-design-for-women comment. But the fact is, taken in the spirit in which the it's offered, I have not once in 20 years had a woman disagree.)

E.g.: M/27 designs for

F/57. Ha ha.

**(Wealthiest target
market USA? F/57.)**

**Ha ha ha ha ha ha ha ha (ha ha)
(Seriously.)**

**#6: Women As
Predominant
Customer**

11.6.1 **Women BUY (Everything)**

Women BUY (Everything)!

**“Forget CHINA,
INDIA and the
INTERNET: Economic
Growth Is Driven by
WOMEN.”**

Source: Headline, *Economist*

“FORGET CHINA, INDIA AND THE INTERNET: ECONOMIC GROWTH IS

DRIVEN BY WOMEN.”

(Headline.) “Even today in the modern, developed world, surveys show that parents still prefer to have a boy rather than a girl. One longstanding reason boys have been seen as a greater blessing has been that they are expected to become better economic providers for their parents’ old age. Yet it is time for parents to think again. **GIRLS MAY NOW BE A BETTER INVESTMENT.** Girls get better grades in school than boys, and in most developed countries more women than men go to university. **WOMEN WILL THUS BE BETTER EQUIPPED FOR THE NEW JOBS OF THE 21ST CENTURY, IN WHICH BRAINS COUNT A LOT MORE THAN BRAWN.** “... And women are more likely to provide sound advice on investing their parents’ nest egg—e.g.: surveys show that women consistently achieve higher financial returns than men do. Furthermore, the increase in female employment in the rich world has been the main driving force of growth in the last couple of decades. **THOSE WOMEN HAVE CONTRIBUTED MORE TO GLOBAL GDP GROWTH THAN HAVE EITHER NEW TECHNOLOGY OR THE NEW GIANTS, INDIA AND CHINA.”** (CONTINUES NEXT SLIDE)

Source: *Economist*, April 15, Leader, page 14

“GOLDMAN SACHS IN TOKYO HAS DEVELOPED AN INDEX OF 115 COMPANIES POISED TO BENEFIT FROM WOMEN’S INCREASED PURCHASING POWER; OVER THE PAST DECADE THE VALUE OF SHARES IN GOLDMAN’S BASKET HAS RISEN BY 96%, AGAINST THE TOKYO STOCKMARKET’S RISE OF 13%.” —Economist

The *Economist* is **NOT** given to hyperbole.

The Five Global Trends Driving Female Consumers

- 1. The presence of more women in the workforce changes everything.**
- 2. Delayed marriage means more money spent on “me.”**
- 3. Lower birthrates globally means fewer kids but more “stuff.”**
- 4. The divorce economy means two of everything.**
- 5. The presence of more older women redefines target markets.**

Source: *Why She Buys: The New Strategy for Reaching the World's Most Powerful Consumers*, by Bridget Brennan (Key word: “World”—this applies literally everywhere)

**BIG DEAL ... five times over.
(Re-read if necessary.)**

W > 2X (C + I)*

***“Women now drive the global economy. Globally, they control about \$20 trillion in consumer spending, and that figure could climb as high as**

\$28 TRILLION in the next five

years. Their \$13 trillion in total yearly earnings could reach \$18 trillion in the same period. In aggregate, women represent a growth market bigger than China and India combined—more than twice as big in fact. Given those numbers, it would be foolish to ignore or underestimate the female consumer.

And yet many companies do just that—even ones that are confident that they have a winning strategy when it comes to women. Consider Dell’s ...”

Source: Michael Silverstein and Kate Sayre, “The Female Economy,” *HBR*

\$28,000,

000,000,

000.

\$28,000,000,000,000.
(Lots of ZEROS.)

**“ ‘WOMENOMICS,’
THE ECONOMY AS
THOUGHT OUT
AND PRACTICED
BY A WOMAN.”**

—Aude Zieseniss de Thuin, *Financial Times*

“One thing is certain: Women’s rise to power, which is linked to the increase in wealth per capita, is happening in all domains and at all levels of society. Women are no longer content to provide efficient labor or to be consumers with rising budgets and more autonomy to spend. ... This is just the beginning. The phenomenon will only grow as girls prove to be more successful than boys in the school system. FOR A NUMBER OF OBSERVERS, WE HAVE ALREADY ENTERED THE AGE OF ‘WOMENOMICS,’ THE ECONOMY AS THOUGHT OUT AND PRACTICED BY A WOMAN.”

—Aude Zieseniss de Thuin, *Financial Times*

Like the term.

Like the term.

Logic impeccable.

Implications staggering.

Repeat: \$28,000,000,000,000.

**Women Age 22-30 Earn 8% More
Than Male Counterparts ...**

Atlanta ... 21%

New York ... 17%

Miami ... 14%

Memphis ... 19%

Etc.

And about those millennials (with whom we seem to be obsessed) ...

How do you spell millennial customer?

S-H-E.

**“Women are
THE majority
market”**

—Fara Warner/***The Power of the Purse***

Women as Decision Makers/Various sources

Home Furnishings ... **94%**

Vacations ... **92%** (Adventure Travel ... 70%/ \$55B travel equipment)

Houses ... **91%**

D.I.Y. (major "home projects") ... **80%**

Consumer Electronics ... **51%** (66% home computers)

Cars ... **68%** (influence **90%**)

All consumer purchases ... **83%***

Bank Account ... **89%**

Household investment decisions ... **67%**

Small business loans/biz starts ... **70%**

Health Care ... **80%**

*In the USA women hold **>50%** managerial positions including **>50%** purchasing officer positions; hence women also make the majority of commercial purchasing decisions.

Women (USA) as ...

Purchasing agents: 55%

Purchasing managers: 42%

Wholesale/retail buyers: 52%

**Employee health-benefit
plans: 60%**

Source: Martha Barletta/TrendSight Group/0517.11

With stats like these, one can see that women are driving the purchase of the bulk of *commercial goods*—not just consumer goods.

(A big deal—women are indeed “the majority market” for *everything*.)

USA/F.Stats: Short 'n (Very) Sweet

>50% of stock ownership, \$13T total wealth (2X in 15 years)

>\$7T consumer & biz spending (>50% GDP; > Japan GDP);

>80% consumer spdg (Consumer = 70% all spdg)

57% BA degrees (2002); = ed & social strata, no wage gap

**60% Internet users; >50% primary users of
electronic equipment**

>50% biz trips

WimBiz: Employees > F500; 10M+: 33% all US Biz

**Pay from 62% of male pay in 1980 to 80% today; equal
if education, social status, etc are equal**

60% work; 46M (divorced, widowed, never married)

Source: Fara Warner, *The Power of the Purse*

Women > 50% of Household Income in >50% of households. In 48% of the 55% of households/married couples, women provide >50% of income. 27% of households are headed by a single female. 75% of married female execs with the rank of VP or above out earn their spouse. Women control 51% of private wealth in the U.S.; head 40% of households with >\$600K assets; 47% of market investors are women.

Major Credit Union: pre Y2K, modal customer was 53-year-old family man; today, 46-year-old single working woman.

Commercial: 51% purchasing managers are women.

Women make >80% consumer purchases; businesswomen make >90% of household purchasing decisions. Women: 70% of travel decisions; purchase 57% of consumer electronics; write 80% of personal checks; purchase >50% of cars (primary influence >80%).

Source: *Don't Think Pink: What Really Makes Women Buy—and How to Increase Your Share of This Crucial Market*, Lisa Johnson & Andrea Learned

**More.
Piling on?
Yes.**

**"The MOST
SIGNIFICANT
VARIABLE in EVERY
sales situation is the
GENDER of the buyer, and
more importantly, how the
salesperson communicates to
the buyer's gender."**

—Jeffery Tobias Halter, *Selling to Men, Selling to Women*



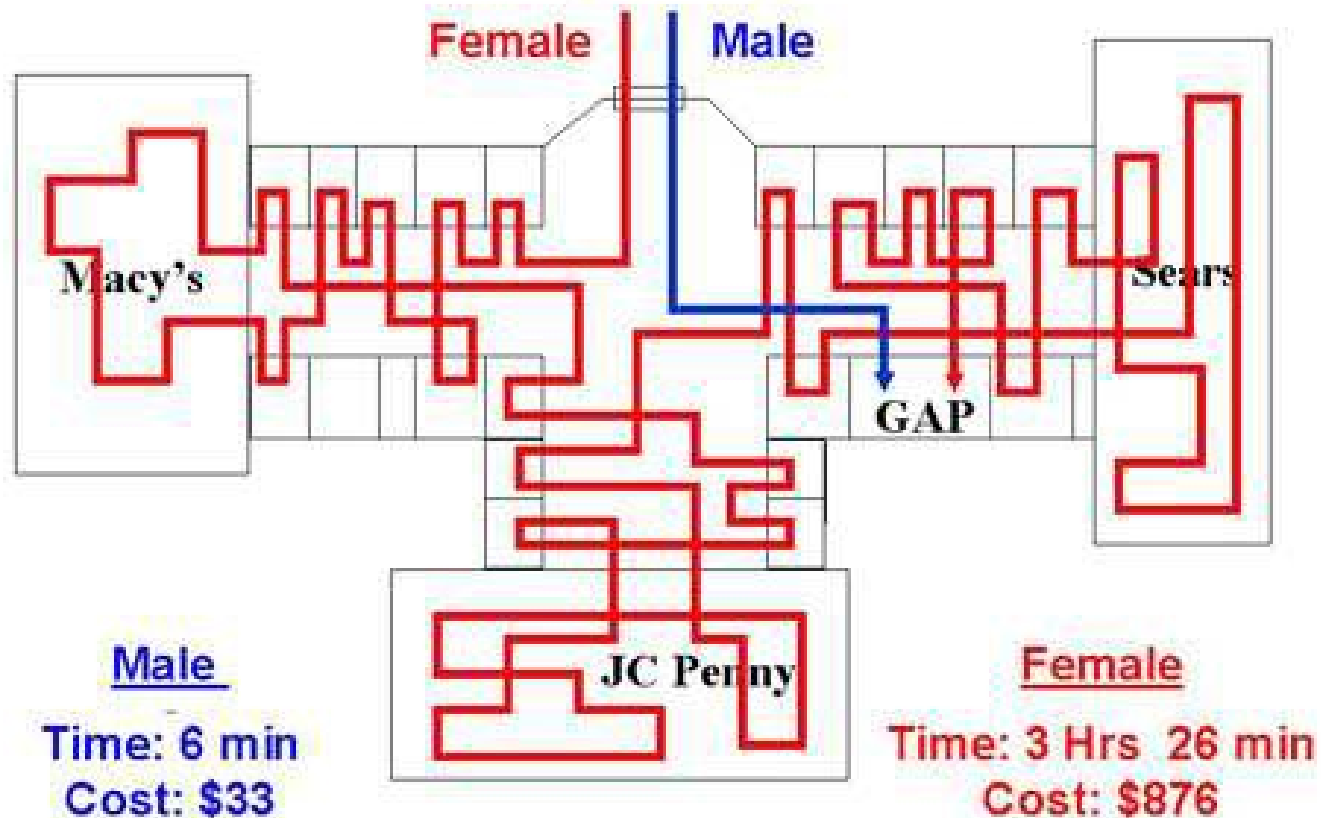
The Perfect Answer

Jill and Jack buy
slacks in black...





Mission: Go to Gap, Buy a Pair of Pants



Good for a belly laugh—I get that response all over the world! (ZERO cultural differences on this.) But also with staggering implications for every iota of the marketing and selling and distribution process involving **TRILLIONS of **\$\$\$\$\$** in the USA alone.**

The “message” is just what you see here: Women and men approach commercial transactions in significantly different ways.

Hence, your organization—in every nook and cranny—should be designed to account for those differences. After all, we are—I repeat—talking in the vast majority of cases about the bulk of your market.

“Men seem like loose cannons. Men always move faster through a store’s aisles. Men spend less time looking. They usually don’t like asking where things are. You’ll see a man move impatiently through a store to the section he wants, pick something up, and then, almost abruptly he’s ready to buy. For a man, ignoring the price tag is almost a sign of virility.”

—Paco Underhill, *Why We Buy**

Paco Underhill has few if any peers when it comes to understanding (and researching) purchasing behavior.

Sales/After-sales Process

- 1. Kick-off – Women**
- 2. Research – Women**
- 3. Purchase – Men**
- 4. Ownership – Women**
- 5. Word-of-mouth – Women**

**Also gets a belly laugh in my speeches—
and, again, the consequences run to
trillions of dollars.**

**“She” still allows him to preserve his
ego by signing the check—though
women are now the primary
breadwinner in a large share of families.**

**FYI: *This is a solid research-
based finding*—not a late night joke
line.**

**Selling to men: THE
TRANSACTION MODEL**

**Selling to Women: THE
RELATIONAL MODEL**

Source: *Selling to Men, Selling to Women*, Jeffery Tobias Halter

Men: Individual perspective.

“Core unit is ‘me.’ ”

Pride in self-reliance.

Women: Group perspective.

“Core unit is ‘we.’ ” Pride in

team accomplishment.

Source: Martha Barletta, *Marketing to Women*

“Women speak and hear a language of connection and intimacy, and men speak and hear a language of status and independence. Men communicate to obtain information, establish their status, and show independence. Women communicate to create relationships, encourage interaction, and exchange feelings.” —Judy Rosener, *America’s Competitive Secret*

“The ‘Connection Proclivity’ in women starts early. When asked, ‘How was school today?’ a girl usually tells her mother every detail of what happened, while a boy might grunt, ‘Fine.’ ”

—Faith Popcorn, EVEolution

“People powered”: AGE
3 DAYS, BABY
GIRLS 2X
EYE
CONTACT.

Source: Martha Barletta, *Marketing to Women*

Big diff.

THREE *days* 

**Editorial/Men: Tables,
rankings.**

Editorial/Women:

“Narratives” that
cohere and stir the
imagination.* **

*Editor-in-Chief, Redwood Publications (UK)

** High Point: *“Imagine the lathe that could have turned that [table] leg!” vs. “This will go well with grandma’s sideboard.”*

I was given this contrast—stories that cohere/F versus “the numbers and just the numbers”/M—by the editor of the UK’s Redwood Publications (F**, incidentally).**

**“Women don’t ‘buy’
brands. They
‘join’ them.”**

—Faith Popcorn, *EVEolution*

Purchasing Patterns

Women: **Harder to convince;**
more loyal once convinced.

Men: **Snap decision; fickle.**

Source: Martha Barletta, *Marketing to Women*

To repeat, the point is that each of these comments should have a major impact on every iota of your organization's design.

“EVERY IOTA OF YOUR ORGANIZATION'S DESIGN” is a term chosen with great care.

2.6 vs.

21

At a Manhattan event, I got into conversation with a very successful financial planner. He told me that, having sensed an enormous opportunity, he had re-oriented his practice in directions consistent with an assessment of the attributes women sought in a financial advisor.

He offered this startling (and powerful) observation: *“The ‘relationships’ orientation among women, Tom, is very real. For instance, my male clients on average recommend me to 2.6 others. The comparable number of recommendations by my women clients is 21!”*

2.6.

21.

Wow!

The Top Ten Rules to Remember About Women Consumers

- 1. Women buy or influence the purchase of most consumer products.**
- 2. Gender is the most powerful determinate of how a person views the world and everything in it. It's more powerful than age, income, race or geography.**
- 3. Women's brain structures are different from men's ...**
- 4. Female culture should be studied with the same focus that entering a foreign market requires. ...**
- 5. The person who makes the sales transaction isn't necessarily the decision maker. ...**
- 6. Pink is not a strategy.**
- 7. If women make up a significant portion of your customer base, they should be represented proportionately on your management team.**
- 8. There are five important trends driving the world's female population ...**
- 9. Women around the world are more similar than they are different.**
- 10. When you please women, you tend to make your male customers happier too.**

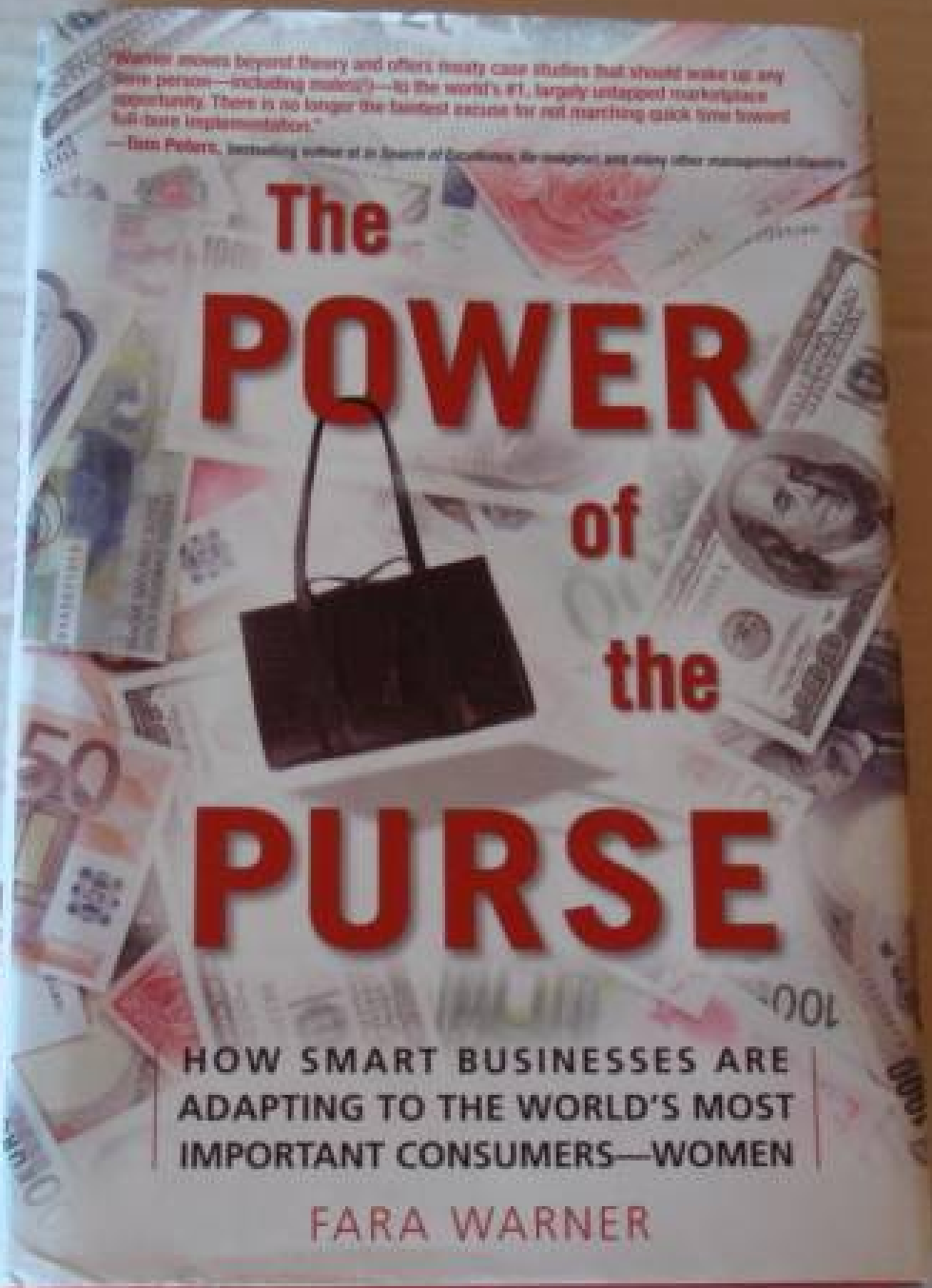
Source: *Why She Buys: The New Strategy for Reaching the World's Most Powerful Consumers*, by Bridget Brennan (Key word: "World"—this applies literally everywhere)

Excellent summary.

"Warner moves beyond theory and offers many case studies that should wake up any sane person—including males!—to the world's #1, largely untapped marketplace opportunity. There is no longer the faintest excuse for not marshaling quick time toward full-scale implementation!"

—Iain Peters, bestselling author of *In Search of Excellence*, *Strategos* and many other management classics

The POWER of the PURSE



HOW SMART BUSINESSES ARE
ADAPTING TO THE WORLD'S MOST
IMPORTANT CONSUMERS—WOMEN

FARA WARNER

**This is the book I *knew* I needed to write—
and then Fara Warner came along and did it
better and more extensively than I would
have. I wanted, and you and I need:**

Cases!

Cases!

And more cases!

**And superb cases; and superb cases is
precisely what we got.**

Buy *The Power of the Purse*.

Take it in.

Put it to work.

Get rich 😊

Some Suggested Reading

- ***Marketing to Women: How to Increase Your Share of the World's Largest Market*, by Martha Barletta**
- ***The Power of the Purse: How Smart Businesses Are Adapting to the World's Most Important Consumers*, by Fara Warner**
- ***Why She Buys: The New Strategy for Reaching the World's Most Powerful Consumers*, by Bridget Brennan
(Key word: "World"—this applies literally everywhere)**
- ***What Women Want: The Global Market Turns Female Friendly*, by Paco Underhill**
- ***The Soccer Mom Myth: Today's Female Consumer, Who She Really Is, Why She Really Buys*, by Michele Miller and Holly Buchanan**
- ***Influence: How Women's Soaring Economic Power Will Transform Our World for the Better*, by Maddy Dychtwald**
- ***The Female Brain*, by Louann Brizendine, M.D.**

A few reading tips.

INTERNET USERS: 60%F*

****“manage their lives and the lives of their families” —Kelley Mooney, president, Resource Interactive***

Source: Fara Warner, *The Power of the Purse*

“Female users are the unsung heroines behind the most engaging, fastest growing, and valuable consumer internet and e-commerce companies.

Especially when it comes to social and shopping, women rule the Internet. In e-commerce, female purchasing power is clear. Sites like Zappos Groupon, Gilt Groupe, Etsy, and Diapers are all driven by a majority of female customers. According to Gilt Groupe, women are 70% of the customers and 74% of revenue; and 77% of Groupon’s customers are female. But what’s different now is an exciting new crop of e-commerce companies. One King’s Lane, Plum District, Stella & Dot, Rent the Runway, Modcloth, BirchBox, Shoedazzle, Zazzle, and Shopkick are just a few examples of companies leveraging ‘girl power.’ The

majority of these companies were also founded by women, which is also an exciting trend. **And take**

a look at four of the new ‘horsemen’ of the consumer web—Facebook, Zynga, Groupon and Twitter. The majority of all four properties’ users are female. Make that ‘horsewomen.’

So, if you’re at a consumer web company, how can this insight help you? Would you like to lower your cost of customer acquisition? Or grow revenue faster? Maybe you would benefit from having a larger base of female customers. If so, what would you change to make your product/service more attractive to female customers? Do you do enough product and user interface testing with female users? Have you figured out how to truly unleash the shopping and social power of women? You could also take a look at your team. Do you have women in key positions?” —Aileen Lee, Kleiner Perkins Caufield & Byers (05.06.2011)

Though you might not know it based on Silicon Valley's rather sexist proclivities, fact is that women are also the primo Web users.

Can you pass the ...

“Squint

test” ?

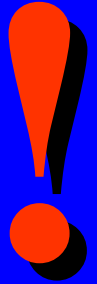
Take a picture of your executive team. Hold it up in front of your face and squint at it. Does it look pretty much like the market you serve?

If not, why not?

(*I'm *not* talking about or in any way urging quotas; I am talking about general congruence between market characteristics and leadership team composition; it makes simple economic sense.)

11.6.2

WOMEN RULE!



“Research [by McKinsey & Co.] suggests that to succeed, start by promoting women.”

—Nicholas Kristof, “Twitter, Women, and Power,” *NYTimes*

“In my experience, women make much better executives than men.”

—Kip Tindell, CEO, Container Store

Container Store is wildly successful—and is a mainstay among the “Fortune 100 Best Companies to Work For in America”—it was in fact recently ranked #1.

“AS
LEADERS,
WOMEN

RULE: *New Studies find that
female managers outshine their male
counterparts in almost every measure”*

TITLE/ Special Report/ *BusinessWeek*

“Women are rated higher in fully 12 of the 16 competencies that go into outstanding leadership. *And two of the traits where women outscored men to the highest degree — taking initiative and driving for results — have long been thought of as particularly male strengths.”*

—Harvard Business Review/2014

Read carefully.

**Again, the sources are close to
unimpeachable.**

“TAKE THIS QUICK QUIZ: Who manages more things at once? Who puts more effort into their appearance? Who usually takes care of the details? Who finds it easier to meet new people? Who asks more questions in a conversation? Who is a better listener? Who has more interest in communication skills? Who is more inclined to get involved? Who encourages harmony and agreement? Who has better intuition? Who works with a longer ‘to do’ list? Who enjoys a recap to the day’s events? Who is better at keeping in touch with others?”

Source/from the back cover: ***Selling Is a Woman’s Game: 15 Powerful Reasons Why Women Can Outsell Men, Nicki Joy & Susan Kane-Benson***

More.
Ditto.

Can you pass the ...

“Squint

test” ?

Take a picture of your executive team. Hold it up in front of your face and squint at it. Does it look pretty much like the market you serve?

So: Does the composition of your exec team (more or less*) match that market portrait?

(*I'm *not* talking about or in any way urging quotas; I am talking about general congruence between market characteristics and leadership team composition; it makes simple economic sense.)

**#7: The
(Enormous)
Aging Market**

11.7 **We** (old farts like me) **Got** (all) **the**

\$\$\$\$\$\$

1/65/8/20

109,000,000

50@50

7/13

47X

What do these #s spell?

**OVERLOOKED (ENORMOUS)
OPPORTUNITY.**

1 / 65 / 8 / 20

USA

1 BOOMER

turns **AGE 65**

Every **8 SECONDS**

For the next **20 YEARS**

USA* (*#s are as extreme in most of the fully developed world):

1 BOOMER turns **AGE 65**

Every **8 SECONDS**

For the next **20 YEARS.**

**(AND the boomers
have the MONEY—
AND the TIME to
spend it.)**

USA

>50: 109,000,000

Next 10 years:

>50: +19,000,000

18-49: +6,000,000

109,000,000.

+19 million vs. +6 million.

**HOW MUCH MORE OF AN
INVITATION DOES ONE NEED?**

More it would appear :-)

????????????

>50@50

50@50: “PEOPLE
TURNING 50 TODAY HAVE
MORE THAN
HALF OF THEIR
ADULT LIFE AHEAD OF
THEM.”

—Bill Novelli, *50+: IGNITING A REVOLUTION TO REINVENT AMERICA*

>50@50: This one really put things in perspective for me.

PROFOUND.

Profound CONSEQUENCES.

(It's so obvious after the fact—though I'd never seen it laid out this way. [It floored me, silly as that may sound.] These days the odds of pretty good health until 75 or so are pretty high. So if you figure you get warmed up at about 25, and then keep steamin' 'til 75 [or so], it is, yes, about half-to-go at 50.)

7/13

Average # of cars purchased per

(USA) household, “lifetime”: **13**

**Average # of cars bought per household after
the “head of household”**

> age 50: **7**

Wouldn't know it based on car company behavior.

**“‘Age
Power’ will
rule the 21st century,
and we are woefully
unprepared.”**

—Ken Dychtwald, *Age Power: How the 21st Century Will Be Ruled by the New Old*

**44-65: “NEW
CUSTOMER
MAJORITY”**

Source: *Ageless Marketing*, David Wolfe & Robert Snyder

BoomerBucks!

Boomer turns 50: every 8 seconds. 2009: majority of U.S. households headed by someone over 50. 2006-2016: U.S. population up 22.9 million; 22.1 million in over-50 group. 2006: 1 in 5 adults is F, over 50. Women between 50-70 who are single: 35%. Age 45-54: highest average income, \$59,021 (national average is \$42,209). FASTEST GROWING INCOME CATEGORY: WOMEN, 55-64 (4X men in same category). Women, age 60-64: 50% still in workforce. Highest net worth: families, 55-64 (\$182,000). People over 50: 70% to 79% of all financial assets; 80% of all savings accounts; 62% of all large Wall Street asset accounts; 66% of \$\$ invested in the stock market. Age 50+: 29% of population, 40% of total consumer spending, 50% of discretionary spending. Next 2 decades: BOOMERS WILL INHERIT \$14 TRILLION-\$25 TRILLION (“largest intergenerational transfer of wealth in history”).

—Martha Barletta, *PrimeTime Women*

50+

\$7T wealth (70%)/ **\$2T** annual income

50% all discretionary spending

79% own homes

40M credit card users

41% new cars/**48%** luxury cars

\$610B healthcare spending/

74% prescription drugs

5% of advertising targets

Source: Ken Dychtwald, *Age Power: How the 21st Century Will Be Ruled by the New Old*

55-64 vs 25-34

E.g.: New cars & trucks: 20% more spending. Meals at full-service restaurants: +29%. Airfare: +38%. Sports equipment: +58%. Motorized recreational vehicles: +103%. Wine: 113%. Maintenance, repairs and home insurance: +127%. Vacation homes: +258%. Housekeeping & yard services: +250% to +500%.

Source: Martha Barletta, *PrimeTime Women*

FACTS.

FACTS.

FACTS.

MORE FACTS.

47X

“In 2009, households headed by adults ages 65 and older ... had

47 times as much

net wealth as the typical household headed by someone under 35 years of age. In 1984, this had been a less lopsided 10-to-1 ratio.”

Source: Pew Research/10.11

“Households headed by someone 40 or older enjoy 91% of our population’s net worth. ... The mature market is the dominant market in the U.S. economy, making the majority of expenditures in virtually every category.”

—Carol Morgan & Doran Levy,

Marketing to the Mindset of Boomers and Their Elders



55+ > 55-

Forrester Research: “[Age 55-plus] are more active in online finance, shopping and entertainment than those under 55.””

Yes we are !

7/13

(Cars >50)

47X

(\$\$\$ 65+, 35-)

55+ > 55-

(Web \$\$\$)

Powerful.

USA 1996-2007

***Highest* rate
entrepreneurial activity
(firms founded):
Ages 55-64**

***Lowest* rate: Ages 20-34**

Source: Dane Stangler, Kauffman Foundation (*Economist*)

Yes we do !

**“Baby-boomer
Women: The
Sweetest of
Sweet Spots for
Marketers”**

—David Wolfe and Robert Snyder, *Ageless Marketing*

FEATURING ALL-NEW RESEARCH AND INSIGHTS
FROM DDB WORLDWIDE

PRIMETIME WOMEN

HOW TO WIN THE HEARTS, MINDS, AND
BUSINESS OF BOOMER BIG SPENDERS

*"I would call anyone who does not make this extraordinary book the
conscience of their marketing/strategic plans very, very foolish."*

—Tom Peters

MARTI BARLETTA

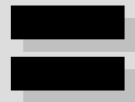
author of *Marketing to Women*



Women



Boomer-age



“Marketers’ attempts at reaching those over 50 have been miserably unsuccessful. No market’s motivations and needs are so poorly understood.”

—Peter Francese, founding publisher, *American Demographics*

“Fifty-four years of age has been the highest cutoff point for any marketing initiative I’ve ever been involved in. Which is pretty weird when you consider age 50 is right about when people who have worked all their lives start to have some money to spend.”

—Martha Barletta, *PrimeTime Women*

***“One particularly puzzling category of youth-
obsession is the highly coveted target of men
18-34, and it’s always referred to as ‘highly
coveted category.’ Marketers have been
distracted by men age 18-34 because they are
getting harder to reach. So what? Who wants to
reach them? Beyond fast food and beer, they
don’t buy much of anything. ... The theory is
that if you ‘get them while they’re young, they’re
yours for life.’ WHAT***

NONSENSE!”

—Martha Barletta, PrimeTime Women

***“The New Customer
Majority is the ...***

**ONLY ... adult market
with realistic prospects
for significant sales
growth in dozens of
product lines for
thousands of companies.”**

—David Wolfe & Robert Snyder, *Ageless Marketing*

I started to write for this commentary these two words: “a disgrace.”

Then I changed my mind. Instead, one word will

suffice: STUPID.

USA

>50: 109,000,000

Next 10 years:

>50: +19,000,000

18-49: +6,000,000

**(>50: 40% of adults/
50% spending/**

10% marketing budgets)

Sources: ImmersionActive.com* (***“Silver Tsunami”**), AARP

>50

50% spending

**10% marketing
budgets**

10% =

STUPID!

Silver

Tsunami!

LOVE IT!

**NO: “Target
Marketing”**

**YES: “Target
Innovation” & “Target
Delivery Systems”**

NOT primarily about “marketing to boomers.”

INSTEAD: Top-to-bottom product/service strategy rethink.

We are the *Aussies & Kiwis & Americans & Canadians.*
We are the *Western Europeans & Japanese.* We are the
fastest growing, the wealthiest, the
(yes) ambitious, experimental &
most different, the most indulgent, the most difficult &
demanding, the most service & experience obsessed,
the most vigorous, (the least vigorous,) the most health
conscious, the most female, the most profoundly
important commercial market in the history of the world

—and **we will be the**

Center of your universe
for the next twenty-five
years. We have arrived!

To an astonishing degree,

(**another**) (along with the

women's market) (**enormous**)

(**largely ignored**)

opportunity.

Subject: Marketers & Stupidity

***“IT’S 18-44,
STUPID!”***

Subject: Marketers & Stupidity

Or is it: “18-44

**IS STUPID,
STUPID!”**

#8: Services

(Of Every Conceivable Flavor)

Added

**11.8.1 Value-Added
on Steroids: The
(ENORMOUS)
(UBIQUITOUS)
“Services Added”
Opportunity**

“Rolls-Royce now earns

MORE *from tasks
such as managing clients’
overall procurement
strategies and maintaining
aerospace engines it sells
than it does from making
them.”* —Economist

**Engines—to engine *and* aircraft services.
Or, perhaps, aircraft services and, uh, engines
too?**

(FYI: In my view, this, especially writ large, is

pretty damned extraordinary !)

***“You are headed
for commodity
hell if you don’t
have services.”***

—Lou Gerstner, when CEO, on IBM’s services revolution

IBM
to

IBM

In the 1990s, with its old businesses in retreat, IBM began a rapid & radical transformation from hardware to services.

**“Never mind computers
and tech services. IBM’s
radical new focus is
on revamping
customers’ operations—
and running them.”**

—Headline/*BusinessWeek*

Planetary Rainmaker-in-Chief!

“^[Former] CEO Sam Palmisano’s strategy is to expand tech’s borders by pushing users—and entire industries—toward radically different business models. The payoff for IBM would be access to an ocean of revenue—Palmisano estimates it at \$500 billion a year—that technology companies have never been able to touch.” —Fortune

\$50B*

***IBM Global Services/
“Systems integrator of choice”**

IBM was the poster child of this “movement.” In the early '90s, new CEO Lou Gerstner was ordered by the board to break up the company. Before complying, he made a round-the-world customer tour. He discovered that his customers were not by and large dissatisfied with IBM's **products—**they were upset that their vast array of IBM products had not been integrated in a way that allowed the client to achieve promised enterprise-wide gains in business effectiveness.****

Gerstner found a small extant consulting unit—and recast it as **IBM Global Services; its goal was to use IBM's manufactured tools to enable no less than total enterprise transformation. In surprisingly short order, Global Services became the dog that wags the tail—a **\$50 billion++** unit, essentially the world's largest consultancy, that indeed assists re-imagining/re-inventing/re-positioning their entire firm!**

(As to the **B_M on the slide—the “M”/machine is now more or less secondary.)**

UPs

to

UPS

What Can Brown Do for You?

Source: ubiquitous UPS ad campaign

***“How can we help your
business improve?”*** rather than,
**“We’ll get your parcels from Point A to
Point B with no muss and fuss.”**

“It’s all about solutions.

We talk with customers about how to run better, stronger, cheaper supply chains. We have 1,000 engineers who work with customers ...”

—Bob Stoffel, UPS senior exec

“Big Brown’s New Bag: UPS Aims to Be the Traffic Manager for Corporate America” —Headline/BW

“UPS wants to take over the sweet spot in the endless loop of goods, information and capital that all the packages [it moves] represent.” —ecompany.com

***“UPS used to be a trucking company
with technology. Now it’s
a technology
company with
trucks.”***

—Forbes

Growth driver flips: From packages (“P”) to integrated logistics/supply chain services

“S”

() including to be sure, some non-trivial share of the time, physical delivery.

UPS = United

Problem Solvers

Not attempted cleverness on my part.

An official UPS service mark.

“THE GIANT STALKING BIG OIL:

How Schlumberger

Is Rewriting the Rules of the Energy Game.”: “IPM [Integrated Project Management] strays from [Schlumberger’s] traditional role as a service provider and moves deeper into areas once dominated by the majors.”

Source: *BusinessWeek*

IPM's Chief: ***“We’ll do just about anything an oilfield owner would want, from drilling to production.”***

A 2008 *BusinessWeek* cover story informed us that Schlumberger may well take over the world: “THE GIANT STALKING BIG OIL: How Schlumberger Is Rewriting the Rules of the Energy Game.” In short, Schlumberger knows how to create and run oilfields, anywhere, from drilling to full-scale production to distribution. And the nugget is hardcore, relatively small, technically accomplished, highly autonomous teams. As China and Russia, among others, make their move in energy, state run companies are eclipsing the major independents. (China’s state oil company just surpassed

Exxon in market value.) **At the center of it all, abetting these new players who are edging out the Exxons and BPs, the Kings of Large-scale, Long-term Project Management wear Schlumberger overalls.**

At the center of the center of the Schlumberger “empire” is a relatively newly configured outfit, reminiscent of IBM’s Global Services and UPS’ integrated logistics’ experts and even Best Buy’s now ubiquitous

“Geek Squads.” **The Schlumberger version of IBM Global Services is simply called IPM, for Integrated Project Management. It lives in a nondescript building near Gatwick Airport, and its chief says it will do “just about anything an oilfield owner would want, from drilling to production.”**

That is, as *BusinessWeek* put it, “[IPM] strays from [Schlumberger’s] traditional role as a service provider* and moves deeper into areas once dominated by the majors.” (*My old pal was solo on remote offshore platforms interpreting geophysical logs and the like.)

Oil-field services superstar Schlumberger goes the UPS/IBM route—with a vengeance. It'll manage the whole shebang.

MasterCard Advisors

Master Card's consultancy wants to run substantial portions of, say, bankers' back office activity—and in the process abet no less than operational transformation. Not unlike IBM, top MasterCard execs can imagine “Advisors” becoming primus inter pares.

UTC/Otis + UTC/Carrier: boxes*
**to ... “*integrated
building systems*”**

***elevators, air conditioners**

**Otis and Carrier—elevators and air conditioning—
go the same route.**

**(There is literally ... NO LIMIT ... to
this phenomenon.)**

I. LAN Installation Co. (3% local market share)

II. Geek Squad. (30% local market share with name change.)

III. Acquired by Best Buy.

**IV. FLAGSHIP OF BEST BUY'S
WHOLESALE "SOLUTIONS"
STRATEGY MAKEOVER.**

The local (Greater Minneapolis) LAN Installation Co. had a 3% market share in its area of business. Helped by the “experience marketing” gurus, Joe Pine and Jim Gilmour, LAN changed its name to “The Geek Squad”—and watched market share soar to 30%. It also began to do some work for Minneapolis-based electronics retailer Best Buy.

Eventually giant Best Buy bought the Geek Squad—and made the GS’s *“customer success”* philosophy the epicenter of Best Buy’s overall market positioning.

IDEO's Progression

Product Design to

Product Design Training to

**Corporate Innovation/
Culture Training/Consulting**

IDEO is a lot smaller than IBM. But the progression has been about the same—at the same time. Twenty years ago IDEO sat atop or near the top of the list of product design firms. Their issue was not a business problem—but responding to continued requests by clients to teach them “The IDEO Way” of design. IDEO did just that. But as their clients viewed IDEO’s string of successes, they became interested in yet a higher order issue—IDEO’s approach to innovating per se.

Next thing you knew, IDEO was “doing an IBM”—systemic work with giant enterprises on the overall process of innovation.

Q.E.D.

Era #1/Obvious Value: “Our ‘it’ works, is delivered on time” (“Close the sale”)

Era #2/Augmented Value: “How our ‘it’ can add value—a ‘useful it’ ” (“Solve”)

Era #3/Complex Value Networks: “How our ‘system’ can change you and deliver **‘BUSINESS ADVANTAGE’**” (“Culture-Strategic change”)

Source: Jeff Thull, *The Prime Solution: Close the Value Gap, Increase Margins, and Win the Complex Sale*

“The business of selling is not just about matching viable solutions to the customers that require them.

It’s equally about managing the change process the customer will need to go through to implement the solution and achieve the value promised by the solution. One of the key differentiators of our position in the market is our attention to managing change and making change stick in our customers’ organization.”

—Jeff Thull, *The Prime Solution: Close the Value Gap, Increase Margins, and Win the Complex Sale*

Waaaaaaay beyond the hard product—and even the service.

***Selling ... success,
repositioning, and
assisting in implementing
the culture change necessary
to support it and lock it in.***

11.8.2 Universal Value Added:

The PSF Solution
(or bust)

Tom
Peters

The Professional Service Firm 50: Fifty Ways to Transform Your "Department" into a Professional Service Firm Whose Trademarks Are Passion and Innovation!

the
professional
service firm
50

FIFTY WAYS TO TRANSFORM YOUR "DEPARTMENT"
INTO A PROFESSIONAL SERVICE FIRM WHOSE
TRADEMARKS ARE PASSION AND INNOVATION!



Another way to look at “all this” is that the organizations described immediately above (IBM, UPS, Rolls-Royce) are becoming—back to the future—professional services firms.

I first wrote about this in 1999, suggesting, at the micro-level, that any “department” aiming to survive the coming tumult must become a full-fledged no-baloney professional services firm in pursuit of ... *measurable, profitable value added.*

E.g., ...

Training Inc. , a 14-person
“business unit”* in a 50-person HR
department in a \$200M division in
a \$3B corporation—aiming for
**Excellence & WOW &
Transformational Client Support!**

***PSF/** Professional Service Firm (See my ...

*Professional Service Firm 50: Fifty Ways to Transform Your
“Department” Into A Professional Service Firm Whose
Trademarks Are Passion and Innovation.)*

The extant “training department” (aiming to survive, circa 2016, in the face of outsourcing, globalization and the white-collar tech revolution) becomes a full-fledged “firm”/“business unit”/“Training, Inc.”—and its internal-to-the-corporation “client service” activities

aim to add (dramatic, innovative, measurable, profitable) value for (1) those clients and, overall, for (2) the larger firm in which they are imbedded—and perhaps (3) for outsiders as well.

Department Head/“Cost center”/“Overhead” to ...

Managing

Partner,

HR

(IS, R&D, etc.)

Inc.

The boss of the former “training department” (or HR department or Purchasing department) becomes the de facto/de jure Managing Partner of that newly minted full-fledged professional services firm called “Training Inc.” (or HR Inc. or Purchasing Inc. or ...).

Are you/your gang the ...

Principal

Engine of

(corporate) Value

Added” ?

The prior “staff departments” become the primary growth and profitability engines of the reformed—enhanced services added a la Rolls-Royce or IBM—corporation.

Big Idea: “Corporation”

as

MEGA-“PSF”



*** I.e., a de facto collection of professional service firms aligned—and integrated—to create value for customers and their ecosystems.**

And the firm itself—e.g., Rolls Royce, IBM, UPS, Schlumberger—becomes a de facto/de jure “mega-PSF.”

Iron “Innovation Equality Law”: *The Quality and Quantity and Innovation Imaginativeness (and “R & D” per se) ... shall be the same in all functions —e.g., in HR and purchasing as much as in marketing or product development.*

I repeat: *The “innovation game” must played equally fiercely in every corner of the organization. In particular, in an Age of Intellectual Capital, said capital at it’s most imaginative must be exhibited ... EVERYWHERE ... IN EQUAL MEASURE.*

PSF/Professional Service Firm/Beliefs

PROFESSION: CALLING/PASSION TO MAKE A DIFFERENCE/EXCELLENCE (ALWAYS)

POINT OF VIEW: KNOW EXACTLY WHAT WE STAND FOR/"DRAMATIC DIFFERENCE"

CLIENT: ENDURING, TEST-THE-LIMIT RELATIONSHIP/"TRUSTED ADVISOR"

SOLUTION: ROCK CLIENT'S WORLD/ "WOW"/ IMPLEMENTED "CULTURE CHANGE"/ >>> "SATISFACTION"

What follows is an audacious list.

But ... WHY NOT?

**Attributes of
Professional Service
Firms in Pursuit of
Excellence:
The PSF35**

The PSF35: The Work & The Legacy

1. **CRYSTAL CLEAR POINT OF VIEW**
(Every Practice Group: “If you can’t explain your position in eight words or less, you don’t have a position”—Seth Godin)
2. **DRAMATIC DIFFERENCE** (“We are the only ones who do what we do”—Jerry Garcia)
3. Stretch Is Routine (“Never bite off less than you can chew”—anon.)
4. Appetite for Game-changer Projects (Excellence at Assembling “Best Team”—Fast)
5. “Playful” Clients (Adventurous folks who unfailingly Aim to Change the World)
6. Small “Uneconomic” Clients with Big Aims
7. Life Is Too Short to Work with Jerks (Fire lousy clients)
8. **OBSESSED WITH LEGACY** (Practice Group and Individual: “Dent the Universe”—Steve Jobs)
9. Fire-on-the-spot Anyone Who Claims, “Law/Architecture/Consulting/I-banking/ Accounting/PR/Etc. has become a ‘commodity’ ”
10. Consistent with #9 above ... **DO NOT SHY AWAY FROM THE WORD (IDEA) “RADICAL”**

The PSF35: The Client Experience

- 11. Always team with client: “full partners in achieving memorable results”**
- 12. We will seek assistance Anywhere to assemble the Best-in-Planet Team for the Project**
- 13. Client Team Members routinely declare that working with us was “the Peak Experience of my Career”**
- 14. The job’s not done until implementation is “100.00% complete” (Those who don’t “get it” must go)**
- 15. IMPLEMENTATION IS NOT COMPLETE UNTIL THE CLIENT HAS EXPERIENCED NECESSARY “CULTURE CHANGE”**
- 16. IMPLEMENTATION IS NOT COMPLETE UNTIL SIGNIFICANT “TECHNOLOGY TRANSFER” HAS TAKEN PLACE-ROOT**
(“Teach a man to fish ...”)
- 17. The Final Exam: DID WE MAKE A DRAMATIC, LASTING, GAME-CHANGING DIFFERENCE?**

The PSF35: The People & The Leadership

- 18. TALENT FANATICS** (“Best-Cooler place to work”) (PERIOD)
- 19. EYE FOR THE PECULIAR** (Hiring: Go beyond “same old, same old”)
- 20. Early Opportunities** (vs. “Wait your turn”)
- 21. Up or Out** (Based on “Legacy”/Mentoring COUNTS as much as “Billings”/“Rainmaking”)
- 22. Slide the Old Aside/Make Room for Youth** (Find oldsters new roles?)
- 23. TALENT IS OBSESSED WITH RENEWAL FROM DAY #1 TO DAY #“R”** (R = Retirement)
- 24. Office/Practice Leaders Evaluated Primarily on Mentoring-Team Building Skills**
- 25. A “PROPRIETARY” TALENT DEVELOPMENT PROCESS (GE)**
- 26. Team Leadership Skills Valued Early**
- 27. Partner with B.I.W. (Best In World) Outsiders as Needed and to Infuse Different Views**

NOTHING

NEW!

I am not writing science fiction here. Sure, in 2016 one must grow/discover new ways to add value every day.

**FOREVER.
OR ELSE.**

But ... the basic PSF idea/model, founded upon pure “intellectual capital” (though not called that until recently), is hardly new. E.g., my former employer, **McKinsey & Co.**, has been around 90 years—since 1926. (Read the McKinsey saga in the recent book, *The Firm*—McKinsey, the quintessential “PSF,” arguably changed the shape of American, and for that matter global, enterprise.)

Hence, role models abound—see the IDEO story above. Wheels need not be re-invented.

NOTHING NEW!*

(WHAT ARE

YOU WAITING

FOR?)

**I DO NOT UNDERSTAND—16 YEARS
AFTER MY PSF50 BOOK—WHY THIS
IDEA HAS BEEN SUCH A HARD SELL
TO THE AVERAGE DEPARTMENT**

HEAD 

11.8.3 Universal Value Added:

The **Wow**

Projects

**Solution
(or bust)**

Tom
Peters

***The Project50: Fifty Ways to
Transform Every "Task" into
a Project That Matters!***

project
50

FIFTY WAYS TO TRANSFORM EVERY "TASK"
INTO A PROJECT THAT MATTERS!

The WOW Project 50

**YOU/PSF =
WOW PROJECT
PORTFOLIO**

The PSF is by definition (and always has been) a collection of projects. No more. No less.

The ... ***rockin' rollin' value addin' survivin' PSF*** is a collection of ...

WOW Projects **!**

NO OPTION.

Your Current Primary Project (Scale of 1-10)?

- 1. Another day's work/Pays the rent.**
- 4. Of value.**
- 7. Pretty Damn Cool/Definitely subversive.**
- 10. ***WE AIM TO CHANGE THE WORLD.*****

#3.

NO OPTION.

Innovation Index: How many of your “Top Five Projects” score eight or higher (out of 10) on a “Weird” /“Profound”/ “WOW”/“Game-changer” Scale?

WOW-ification Index: Move every project (definition) that scores six or less two notches up on the “WOW-ification Scale” within the next two weeks. If your principal current project scores six or less, bring it up one (or two!) notches by noon on **Monday.*** (*This was from a tweet written on a Sunday.)

Measure it.

DAMN IT.

**#9: Our People
As #1 Value
Driver**

11.9.1 PUTTING PEOPLE

(REALLY!)

FIRST

On the one hand, this is a repeat of Chapter SIX. On the other hand, it is ...

OBVIOUSLY ...the ultimate
“Value-Added Strategy.” Hence, the partial
repeat is more than merited.

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

Source: Joe Nocera, *NYT*, “Parting Words of an Airline Pioneer,” on the occasion of Herb Kelleher’s retirement after 37 years at Southwest Airlines (*SWA’s pilots union took out a full-page ad in USA Today thanking HK for all he had done*); across the way in Dallas, American Airlines’ pilots were *picketing* AA’s Annual Meeting)

Kelleher was asked a thousand time for his/Southwest's "success secrets." His answer was invariant. And limited to the single sentence on the prior slide.* That is, employees-as-customers is clearly *THE*** value-added strategy at SWA.**

(*I know Herb pretty well. It ain't for show.)

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

***—John DiJulius, “What’s the Secret
to Providing a World-class Customer Experience”***

Ditto Kelleher.

“What employees experience, Customers will. The best marketing is

happy, engaged employees. **YOUR**

CUSTOMERS

WILL NEVER BE

ANY HAPPIER

THAN YOUR

EMPLOYEES.”

—John DiJulius,

***The Customer Service Revolution: Overthrow Conventional
Business, Inspire Employees, and Change the World***

Every now and then I come across a “perfect sentence” that describes a seminal point with total—and economical—clarity. This was one of those, that I came across early in 2015.

Perfect!

Perfectly said!

(De facto “all you need to know”—or damn close to it.)

(John DiJulius is a wildly successful entrepreneur who created a top ranked chain of spasalons. He now spends most of his time on customer-service training—with clients such as Starbucks and Nordstrom.)

7 Steps to Sustaining Success

You take care of the people.

The people take care of the service.

The service takes care of the customer.

The customer takes care of the profit.

The profit takes care of the re-investment.

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

The re-invention takes care of the future.

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

9.9.2 Training = Investment

#1!

2X

Recession comes. Most retailers cut back on training to save money. CONTAINER STORE ...

DOUBLES ... training for in-store customer-contact employees.

Perfect time for best effort++ with any customers who come our way, they say. And the only plausible path is to double down on helping our closest-to-the-customer people grow.

(Repeat: A few years ago Container Store was ranked as the #1 company to work for in the \$18 trillion USA economy.)

Gamblin' Man

Bet #1: >> 5 of 10 CEOs see training as expense rather than investment.

Bet #2: >> 5 of 10 CEOs see training as defense rather than offense.

Bet #3: >> 5 of 10 CEOs see training as “necessary evil” rather than “strategic opportunity.”

**Bet #4: >> 8 of 10
CEOs, in 45-min
“tour d’horizon” of
their biz, would
NOT mention
training.**

My odds are not speculative. I've tested this. (Alas.)

(If you had any clue as to just how much this pisses me off ...)

What is the #1
reason to go
berserk over
training?

**What is the best reason to go
bananas over training?**

GREED.

(It pays off.)

**(Also: Training should be an official part of
the **R&D** budget and a capital expense.)**

The 4-person firm chief says, “Hey I can barely make ends meet. Training? Get serious.”

Wrong.

(Stupid.)

Wrong.

(Stupid.)

Wrong.

(Stupid.)

In the 4-person outfit each employee counts

1,000X more than in the giant firm. The payoff can be staggering.

*“The topic is probably the oldest and biggest debate in Customer service. **What is more important: How well you hire, or the training and culture you bring your employees into? While both are***

*very important, **75** percent is the*

***Customer service training and the service culture of your company.** Do you really think that Disney has found 50,000 amazing service-minded people? There probably aren't 50,000 people on earth who were born to serve. Companies like Ritz-Carlton and Disney find good people and put them in such a strong service and training environment that doesn't allow for accept anything less than excellence.” —John DiJulius, *The Customer Service Revolution: Overthrow Conventional Business, Inspire Employees, and Change the World**

As John DiJulius says, this is a controversial point. But I would tend to lean (hard**) in his direction in many if not most situations. Google? Maybe not. But Google is 5 standard deviations away from the norm—at least.**

Hence, for most of us nothing is more important than training (and culture).

Summary

**Summary:
32 Customer
Entanglement
Strategies**

Tom Peters/25 October 2015

This not a literal summary of this chapter. It is instead a piece I put together for a recent (October 2015) presentation. It works pretty well as a set of concluding remarks.

32 Customer Entanglement Strategies

- * **Eye-popping customer SERVICE/PURCHASE PROCESS**
- * **Eye-popping customer SERVICE/SUSTAINED FOLLOWUP**
- * **Customer KINDNESS (K = R = P/Kindness = Repeat business = Profit.)**
- * **Fierce customer LISTENING!! (“Core Value” #1? NO KIDDING!!) (CEO: “If you don’t listen you don’t sell anything.”)**
- * **Pursuing customer LOYALTY/maximizing Net Promoter Score (Live or die via customers referring you to others—10X or 100 or 1000X more powerful in LSWSM/ Light-Speed World of Social Media.)**
- * **Focus on customer LIFETIME VALUE (>>100% profit from repeat business; hence after-sale activity [far] more important than pre-sale.)**
- * **Scintillating customer EXPERIENCE (For EVERY business of EVERY size!) (“Experience” NOT marketing-speak; ‘tis the really real thing. Life = Theater!!)**

32 Customer Entanglement Strategies

- * **Experience WOW-ification via constant “all hands-all-the-time” experimentation (WTTMSW/Whoever Tries The Most Stuff Wins.) (“WOWIFICATION” IS A REAL WORD. BELIEVE IT.)**
- * **Dramatically improved customer understanding and “WOW-ification” via application of BEHAVIORAL SCIENCE (“Kahneman-ization”—after Kahneman’s masterpiece book on perception and decision-making, *Thinking. Fast and Slow.*)**
- * **Consistent/“OCD” adherence to the WOW STANDARD of customer interaction**
- * **Co-design and develop EVERYTHING with the customer. (“Customer INTIMACY” is NOT a “buzzphrase.”)**
- * **The Age of the “Social Employee”—everyone is in the “customer contact business.” Everyone = EVERYONE.)**
- * **Optimal customer interactions via provider’s XFX/CROSS-FUNCTIONAL EXCELLENCE (90% of product development and after-sales service screw-ups are more or less driven by lousy internal cross-functional coordination—need X-functional synergy; need X-functional leadership daily.)**
- * **SCREWUPS = OPPORTUNITY #1. Responding to problems is NOT an “opportunity”—it is, truly, Opportunity #1.**

32 Customer Entanglement Strategies

- * Intimate customer connection via the **“SUCK-DOWN-FOR-SUCCESS”** strategy—“STRATEGY,” not “tactic”; this is **B-I-G**. (Get to know the folks in the bowels of the customer organization—they are the de facto [or de jure] decision makers/reputation-makers.)
- * All leaders need direct customer contact all the time. (Hey, CEO, called a customer ... TODAY?)
- * Enabling customer SUCCESS as Gold Standard (Customer “satisfaction” is not [nearly] enough—e.g., UPS says the letters stand for **“UNITED PROBLEM SOLVERS”** [that telling name is service-marked]; UPS in the “logistics management” “space,” not “package delivery.”)
- * Increasing the SOLUTION SPACE WE INHABIT (Do more and more—AND MORE—for the customer; customer-as-partner; again, Social Media magnifies this opportunity 10X/100X.)

32 Customer Entanglement Strategies

- * Product or service as LOVEMARK (Marketing super-guru Kevin Roberts gold standard; NOT a buzzphrase.) (More Roberts: “Avoid moderation”—YES, circa 2015.)**
- * Establishing non-obvious customer connections via **BIG DATA** (“Big data” is a Big Deal for businesses of every size.)**
- * Customer entanglement via **GAMIFICATION** (Make interactions into games—power tool, though non-trivial investment.)**
- * Customer engagement via intensive use of **SOCIAL MEDIA** (ONE BIG BIZ FINANCIAL SERVICE CEO SAYS HE'D RATHER HAVE ONE TWITTER CONVERSATION WITH ONE CUSTOMER THAN BUY A SUPER BOWL AD!!!!!!!!!!) (Please re-read the prior sentence.)**

32 Customer Entanglement Strategies

- * Lifetime customer coddling via provider's PEERLESS PEOPLE PRACTICES (To put the customer first, put the people who serve the customer "more first"!!!!!!!)**
("YOUR CUSTOMERS WILL NEVER BE ANY HAPPIER THAN YOUR EMPLOYEES.")
—John DiJulius, personal services chain superstar)
- * Catering on every dimension from design to follow-up on those who buy the product/ WOMEN (Which also necessarily means a high share of women in high leadership positions.) (Women now occupy >one-half of professional purchasing officer jobs—so women buy bulk of commercial goods as well as consumer goods.) (HOW MANY DAMN FRIGGING TIMES AM I GOING TO HAVE TO SAY THIS?)**

32 Customer Entanglement Strategies

* Catering to the **AGING/BOOMER**

POPULATION (At 50, half of one's adult life remains; **ONE** boomer turns **SIXTY-FIVE** every **EIGHT** seconds for the next **TWENTY** years.) (**OLDIES = PEOPLE WITH [ALL] THE MONEY!!!**) (HOW MANY DAMN FRIGGING TIMES AM I GOING TO HAVE TO SAY THIS?)

* Doing well **THINGS THAT CUSTOMERS DON'T WANT TO DO FOR THEMSELVES** (Larry Janesky's Basement Systems Inc. experiences rocketing growth—via “basement transformation.”)

* Customer magnetization via **PRODUCT EXCELLENCE** (Good stuff is always primo.) Product design and after-sales service trump excellent marketing 10 out of 10 times. Mountains cannot be made of molehills.)

32 Customer Entanglement Strategies

- * Attracting customers by **DESIGN/MATCHLESS FUNCTIONALITY** (Apple higher market cap than Exxon Mobil. Q.E.D.) (Applies to EVERY enterprise including the 1-person accountancy.)
- * Attracting customers by **DESIGN/STUNNING AESTHETICS** (Applies to EVERY enterprise including the 1-person accountancy.)
- * Attracting customers by **DESIGN/WOW** (Applies to EVERY enterprise including the 1-person accountancy.)
- * It's ALWAYS the “little” stuff—“Little BIG Things” (RADICAL “bias for execution.”)
- * **“THE CUSTOMER PAYS THE BILLS!”** (It may be a “yawner”—but it ALWAYS bears repeating.)

Appendix: Shaping Experiences

**Appendix: “Experience Design” and Execution
(Not Annotated)**

Planetree:

**A Radical Model for New
Healthcare/Healing/
Wellness Excellence**

***“It was the goal of
the Planetree Unit
to help patients not
only get well faster
but also to stay
well longer.”***

—Putting Patients First,

Susan Frampton, Laura Gilpin, Patrick Charmel

Tom Peters/Response to request for a comment on Planetree/The Planetree Alliance/2009:

"All sane persons agree that 'healthcare needs an overhaul.' And that's where the agreement stops. Healthcare issues are thorny, and system panaceas are about as likely to work as the sun rising in the West. But there is good news here and there—and great news courtesy the Planetree Model.

"In the midst of ceaseless gnashing of teeth over 'healthcare issues,' the patient and frontline staff often get lost in the shuffle. Enter Planetree. While oceanic systemic solutions remain out of reach, Planetree provides a remarkable demonstration of what healthcare—*with the patient at the center*—can be all about; and is all about among Planetree Alliance members.

"I know this may sound ridiculous, but everything about the 'model' works. It is great for patients and their families—and is truly about humanity and healing and health and long-term wellness, not just a 'fix' for today's problem. And it's great for staff—Planetree-Griffin is rightly near the top of the 'best places to work in America' list, year in and year out. And Planetree also works as a 'business model'—any effectiveness measure you can name is in the Green Zone at Griffith.

"For 30 years my 'gig' has been 'excellence.' Put simply, there are few—very few!—better exemplars of customer-centered, employee-friendly excellence, in any industry, than Griffin-Planetree. The Planetree model works—and in my extensive work in the health sector, I 'sell' it shamelessly, and pray that my clients are taking it all in."

***“Much of our current
healthcare is about CURING.
Curing is good. But HEALING
is spiritual, and healing is
better, because we can heal
many people we cannot
cure.”***

—Leland Kaiser, “Holistic Hospitals”

“The most basic question we need to pose in caring for others is this: Is this a loving act?”

—Leland Kaiser, “Holistic Hospitals”

Source: *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel

The 9 Planetree Practices

- 1. The Importance of Human Interaction**
- 2. Informing and Empowering Diverse Populations: Consumer Health Libraries and Patient Information**
- 3. Healing Partnerships: The importance of Including Friends and Family**
- 4. Nutrition: The Nurturing Aspect of Food**
- 5. Spirituality: Inner Resources for Healing**
- 6. Human Touch: The Essentials of Communicating Caring Through Massage**
- 7. Healing Arts: Nutrition for the Soul**
- 8. Integrating Complementary and Alternative Practices into Conventional Care**
- 9. Healing Environments: Architecture and Design Conducive to Health**

Source: *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel

1. THE IMPORTANCE OF HUMAN INTERACTION

Press Ganey Assoc: **139,380** former
patients from **225** hospitals:

**NONE OF THE TOP 15 FACTORS
DETERMINING PA**TIENT** SA**TISFACTION**
REFERRED TO PATIENT'S HEALTH
OUTCOME**

PSat directly related to Staff Interaction

**PSat directly correlated with Employee
Satisfaction**

Source: *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel

“There is a misconception that supportive interactions require more staff or more time and are therefore more costly. Although labor costs are a substantial part of any hospital budget, the interactions themselves add nothing to the budget.

KINDNESS IS

FREE.

Listening to patients or answering their questions costs nothing. It can be argued that negative interactions—alienating patients, being non-responsive to their needs or limiting their sense of control—can be very costly. ... Angry, frustrated or frightened patients may be combative, withdrawn and less cooperative—requiring far more time than it would have taken to interact with them initially in a positive way.” —Putting Patients First, Susan Frampton, Laura Gilpin, Patrick Charmel

“Perhaps the simplest and most profound of all human interactions is KINDNESS. ... But if it is so simple, it is surprising how frequently it is absent from our healthcare environments. ... Many staff members report verbal **‘abuse’** by physicians, managers and coworkers.”

—Putting Patients First, Susan Frampton, Laura Gilpin, Patrick Charmel

***“PLANETREE IS
ABOUT HUMAN
BEINGS CARING
FOR OTHER
HUMAN BEINGS.”***

***—Putting Patients First,
Susan Frampton, Laura Gilpin, Patrick Charmel***

**2. INFORMING AND
EMPOWERING DIVERSE
POPULATIONS: CONSUMER
HEALTH LIBRARIES AND
PATIENT INFORMATION**

Planetree Health Resources Center/1981
Planetree Classification System
Consumer Health Librarians
Volunteers
Classes, lectures
Health Fairs
Griffin's Mobile Health Resource Center
Open Chart Policy
Patient Progress Notes
Care Coordination Conferences (Est
goals, timetable, etc.)

Source: *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel

**3. HEALING
PARTNERSHIPS:
THE IMPORTANCE
OF INCLUDING
FRIENDS AND
FAMILY**

“When hospital staff members are asked to list the attributes of the ‘perfect patient and family,’ their response is usually a passive patient with no family.”

—Putting Patients First, Susan Frampton, Laura Gilpin, Patrick Charmel

The Patient-Family Experience

“Patients are stripped of control, their clothes are taken away, they have little say over their schedule, and they are deliberately separated from their family and friends. Healthcare professionals control all of the information about their patients’ bodies and access to the people who can answer questions and connect them with helpful resources. Families are treated more as intruders than loved ones.”

—Putting Patients First, Susan Frampton, Laura Gilpin, Patrick Charmel

“Family members, close friends and ‘significant others’ can have a far greater impact on patients’ experience of illness, and on their long-term health and happiness, than any healthcare professional.”

—Through the Patient’s Eyes

CARE PARTNER PROGRAMS

(IDs, discount meals, etc.)

UNRESTRICTED VISITS (“Most Planetree hospitals have eliminated visiting restrictions altogether.”) (ER at one

hospital “has a policy of never separating the patient from the family, and there is no limitation on how many family members may be present.”)

COLLABORATIVE CARE

CONFERENCES

CLINICAL GUIDELINES

DISCUSSIONS

FAMILY SPACES

PET VISITS (POP: Patients’ Own Pets)

**4. NUTRITION:
THE NURTURING
ASPECT OF FOOD**

MEALS ARE CENTRAL EVENTS

VS

***“There, you’re
fed.”****

***Irony: Focus on “nutrition” has reduced
focus on “food” and “service”**

Source: *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel

**KITCHEN
BEAUTIFUL
CUTLERY,
PLATES, ETC
CHEF REPUTATION**

Aroma therapy

(e.g., “smell of baking cookies”—from kitchenettes in each ward)

Source: *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel

**5. SPIRITUALITY:
INNER RESOURCES
FOR HEALING**

Spirituality: Meaning and Connectedness in Life

- 1. Connected to supportive and caring group**
- 2. Sense of mastery and control**
- 3. MAKE MEANING OUT OF DISEASE/ FIND MEANING IN SUFFERING**

Source: *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel

Griffin: **REDESIGN CHAPEL** (waterfall,
quiet music, open prayer book)

Other: **MUSIC, FLOWERS, PORTABLE
LABYRINTH**

Source: *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel

**6. HUMAN TOUCH:
THE ESSENTIALS OF
COMMUNICATING
CARING THROUGH
MASSAGE**

***“MASSAGE IS A
POWERFUL WAY TO
COMMUNICATE
CARING.”***

—Putting Patients First,

Susan Frampton, Laura Gilpin, Patrick Charmel

Mid-Columbia Medical Center/Center for Mind and Body

Massage for every patient scheduled for ambulatory surgery (*“Go into surgery with a good attitude”*)

Infant massage

Staff massage (*“caring for the caregivers”*)

Healing environments: chemo!

Source: *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel

**7. HEALING ARTS:
NUTRITION FOR
THE SOUL**

Planetree: “Environment conducive to healing”

COLOR!
LIGHT!
BRILLIANCE!
FORM!
ART!
MUSIC!

Source: *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel

Florence Nightingale/Notes on Nursing/patient's need for beauty, windows, flowers: “People say the effect is only on the mind. It is no such thing. The effect is on the body, too.”

**Griffin: Music in the parking lot;
professional musicians in the lobby (7
days/week, 3-4hrs/day);**

5 PIANOS;

volunteers (120-140 hrs arts & entertainment per month).

Source: *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel

8. INTEGRATING
COMPLEMENTARY
AND ALTERNATIVE
PRACTICES INTO
CONVENTIONAL CARE

Griffin IMC/Integrative Medicine Center

MASSAGE

ACUPUNCTURE

MEDITATION

CHIROPRACTIC

NUTRITIONAL SUPPLEMENTS

AROMA THERAPY

Source: *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel

CAM (Complementary & Alternative Medicine):

83M people use in US (42%)

CAM visits 243M, greater than to PCP

(Primary Care Physician) (With minimum insurance coverage)

Well educated-High income

CAM “users” don’t tell PCP (40%)

Lack of true testing a red herring:

<30% procedures used in conventional medicine have undergone RCTs

(randomized clinical trials)

**9. HEALING
ENVIRONMENTS:
ARCHITECTURE AND
DESIGN CONDUCTIVE
TO HEALTH**

“Planetree Look”

Woods and natural materials

Indirect lighting

Homelike settings

Goals: Welcome patients, friends and family ... Value humans over technology .. Enable patients to participate in their care ... Provide flexibility to personalize the care of each patient ... Encourage caregivers to be responsive to patients ... Foster a connection to nature and beauty

Source: *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel

SOUND
TEXTURE
LIGHTING
COLOR
SMELL
TASTE
SACRED SPACE

Source: *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel

Access to nurses station:

“HAPPEN TO”

VS

“HAPPEN WITH”

Source: *Putting Patients First*, Susan Frampton, Laura Gilpin, Patrick Charmel

CONCLUSION:
CARING/GROWTH
“EXPERIENCE”

CARE!/LOVE!/SPIRIT!

SELF-CONTROL!

CONNECT!/LEARN!/

INVOLVE!/ENGAGE!

UNDERSTANDING!/GROWTH!

DE-STRESS!/HEAL!

***WHOLE PATIENT & FAMILY
& FRIENDS!***

BE WELL!/STAY WELL!

**F.Y.I.: IT
WORKS!**

Griffin Hospital/Derby CT (Planetree Alliance “HQ”) Results:

**FINANCIALLY SUCCESSFUL.
EXPANDING PROGRAMS-
PHYSICALLY. GROWING
MARKET SHARE. ONLY
HOSPITAL IN “100 BEST
COMPANIES TO WORK FOR”
— 7 CONSECUTIVE YEARS,
CURRENTLY #6.**

—“Five-Star Hospitals,” Joe Flower,
strategy+business (#42)

***Learn more about Planetree/
The Planetree Alliance:***

www.planetree.org