Tom Peters'

EXCELLENCE!

"THE WORKS"

A Half-Century's Reflections/1966-2016

Chapter TWELVE:
VALUE-ADDED STRATEGY #1:
PERVASIVE
"DESIGN-MINDEDNESS"

01 January 2016

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

Contents/"The Works"/1966-2015/EXCELLENCE!

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 Rousseff

"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.

Contents/"The Works"/1966-2015/EXCELLENCE!

Chapter TWELVE

PERVASIVE
DESIGN-MINDEDNESS
AS DIFFERENTIATOR #1
DESIGN AS A …
"HUGE DEGREE OF CARE"

In this book, one chapter is devoted to "Nine Valued-Added Strategies."

One of the nine is ... **DESIGN**.

That's fine.
As far as it goes ... which is not (NEARLY!) far enough.

For starters, I insist upon a separate chapter focused on design. As we aggressive pursue distinction in a hyper-crowded turned-upside-down marketplace, there is no better differentiator.

That last is not a true statement: *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."*

Apple design: **"Huge degree of care."**

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

"*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

Think about this. Aesthetic values embraced in every decision and act of execution.

It is at Apple.
"But we're not Apple" you say.
I respectfully disagree.

Of course you aren't Apple, but that does not mean that design sensibility cannot infect every decision. The "new world order" is destroying tried-and-true value-added strategies. Machines/ artificial intelligence are doing an increasing share of traditional work, blue and white collar alike.

So where do we go?
Part of the answer—if I may be so bold—is suggested in this chapter.

Must we all become "art majors"?
Of course not.
BUT ... an emphasis on the liberal arts might not hurt.

12.1 " ... help its customers wherever they are"

Charles Handy: *"One bank is currently claiming to ...*

'leverage its global footprint to provide effective financial solutions for its customers by providing a gateway to diverse markets.'"

"*I assume that it is just saying that it is there to ...* **'help its customers wherever they are'.**" —Charles Handy

Maybe not "artistic," but a (clear-cut) case of … good design.

Careful choice of words.
Clear and to the point.
One hopes part of a pervasive "culture of clarity and simplicity."

Your next email ...

"*The difference between the right word and the <u>almost</u> right word is the difference between lightning and the lightning bug.*" — **Mark Twain**

An email is a communication.
Every communication has a goal ... *and is therefore precious.*

Word choice and layout decisions such as paragraph breaks dramatically alter meaning and emphasis ... and character.

No.
Not an hour per email.
(Except on rare occasions.)

But an extra few seconds or a minute or two to ... *MAKE YOUR COMMUNICATION SING AND MATTER.*

That is ... Great Design.

"Design is everything.
"Everything is design.
"We are all designers.'

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

True for a lawyer.
True for an engineer.
True for a novelist.
True for me.
True for you.
(And true for that next email ...)

FYI: Read the book; it's a gem.

12.2 **"Designers are people who think with their hearts"**

"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

Source: *Insights*, definitions of Design, the Design Council (UK)

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 an 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 **!**

_{12.3} **10 August 2011**

Design RULES!

APPLE market cap
> Exxon Mobil*

*10 August 2011 (0410.15: Apple $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.)
** In August 2011, oil was well over $100 per barrel, and oil companied were ridin' high.

"*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

As discussed previously, 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, "<u>design on every agenda</u>," 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

Apple design: **"Huge degree of care."**

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

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

BUT ... my Big Point (I repeat) 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. In fact, I would tend to argue that design for her is at least as important as at Apple—seriously.*

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

(Damn it.)
(Are you listening?)
(P-L-E-A-S-E.)

Design & Apple = Design & the 1-person freelance operation

I am serious.
Disagree?
Then please explain yourself.

"Steve and Jony would discuss corners for hours and hours."

—Laurene Powell Jobs

CARING.
Ditto.

" *In some way, by <u>caring,</u> we are actually serving humanity. People might think it's a stupid belief, but it's a goal—<u>it's a contribution that we hope we can make, in some small way, to culture</u>.*"

—Jony Ives

CARING.
Ditto.

Applicability?

UNIVERSAL.

"*Apple's great design secret may be avoiding insult. Their thoughtfulness is a sign of respect. Elegance in objects is everybody's right, and it shouldn't cost more than ugliness.* <u>*So much of our manufacturing environment testifies to carelessness.*</u>"

—Paola Antonelli, MOMA

"Carelessness."
Interesting word choice.
And you?

That last email?

"Good enough" Web interfaces?

"He craved products that didn't force adjustments of behavior, that gave people a feeling of gratitude that someone else thought this through in a way that made your life easier."

—Laurene Powell Jobs

12.4 **Good.** **True.** **Helpful.**

Ann Landers as management 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.

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

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

This is the point of the chapter.
Design-as-ubiquitous-differentiator.
Design as a (UNIVERSAL) way of life.
Design.
Care.
Everything.

"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.])

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

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

Dieter Rams on a well-designed new object: *"Innovative, useful, aesthetic, understandable, unobtrusive, honest, long-lasting, thorough, environmentally friendly and feature as little design as possible."*

—Ian Parker, *New Yorker*, 23 March 2015, on Jony Ives

Don't flip by this slide.
Ponder it.
Alone and with others.
Regardless of your job or rank or business size or type.

Who are you?
Dunno.
Do know: **THIS APPLIES TO YOU**.
Whoever you are.
Wherever you are.
Whatever you're up to.

"Design is _treated like a religion_ at BMW." —*Fortune*

"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_

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(1) And in the **services** sector ...

STARBUCKS = DESIGN

(2) **AGE OF AESTHETICS.**

"Having spent a century or more focused on other goals—solving manufacturing problems, lowering costs, making goods and services widely available, increasing convenience, saving energy—we are increasingly engaged in making our world special. More people in more aspects of life are drawing pleasure and meaning from the way their persons, places and things look and feel. **Whenever we have the chance, we're adding sensory, emotional appeal to ordinary function."** — Virginia Postrel, *The Substance of Style: How the Rise of Aesthetic Value Is Remaking Commerce, Culture, and Consciousness*

Where design fits in the greater theme of things.

Once again: **FRONT & CENTER**.

12.5 CDo

cDo*

*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.**

"Design is everything.
"Everything is design.
"We are all designers.'

The Power of Design:
A Force for Transforming Everything

Design is ...

* The reception area
* The restrooms!!
* 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.

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

Interesting way to put it.
FYI: I—no surprise—wholeheartedly agree.

"Only one company can be the cheapest. All others must use design." —Rodney Fitch, Fitch & Co.

Source: *Insights*, definitions of design, the Design Council (UK)

I more or less agree. And the **"only one"** is increasing exponentially as other paths to success diminish.

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."*

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

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.)

"A business unit strategy should be less than fifty pages long and should be easy to understand. Its essence should be describable in <u>one page</u> ... If you can't describe your strategy in <u>twenty minutes,</u> <u>simply</u> and in <u>plain language,</u> you haven't got a plan."

—Larry Bossidy, *Execution*

Same-same.

"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.)

Mgt. Team includes ...
VP (S.O.U.B.)

Vice President, Stomping Out Unnecessary Bullshit

One high-growth software company I worked with actually did this!

Literally ...

Un-design.

Systems: Must _have._ Must _hate._ / Must _design._ Must ... _un-design._

EMOTION!

Hypothesis: **<u>DESIGN</u>** is the **<u>principal</u>** **<u>difference</u>** between **love** and **hate!***

<u>Not</u> "like" and "dislike"

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.

12.8 Women BUY (Everything)

DESIGN Consequences thereof?*

(*Hint: STAGGERING)

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.)

"Forget CHINA, INDIA and the INTERNET: Economic Growth Is Driven by WOMEN."

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

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 confidant 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.
(Lots of ZEROS.)

"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*

" "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.

Remember:
$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%**

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*.)

"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*

Design consequences?
Figure it out for yourself.

Hint (repeat coming):

STAGGERING.

Sales/After-sales Process

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

Source: Martha Barletta, *Marketing to Women: How to Increase Your Share of the World's Largest Market*

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

Editorial/<u>Men</u>: Tables, rankings.

Editorial/<u>Women</u>:

"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.

Consider…*

(*Not one word in this chapter makes sense until you digest this section on … WOMENOMICS.)

$28,000,000,000,000.

Women (more or less) buy everything.
Men (more or less) cannot design for women.
This is staggering.
This is "the ball game.

NOT ONE BLOODY DAMN THING IN THIS CHAPTER ON PERVASIVE DESIGN MINDEDNESS MAKES SENSE UNTIL YOU INGEST AND DIGEST THIS SECTION.

12.9 **We** (old farts like me) **Got** (all) **the** **$**

$$$$$

DESIGN Consequences thereof?*

(*Hint: STAGGERING)

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 INVTATION 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"

"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."

"Baby-boomer Women: The Sweetest of Sweet Spots for Marketers"

—**David Wolfe and Robert Snyder,** *Ageless Marketing*

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)

>50

50% spending

10% marketing

budgets

10% = STUPID!

Silver

Tsunami❗

LOVE IT!

NO: "Target Marketing"

YES: "Target Design" & "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 *biggest,* the
wealthiest, the *boldest,* the most
(yes) *ambitious,* the most
experimental & *exploratory,* the
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 <u>WE WILL BE THE</u>
<u>CENTER OF YOUR</u>
<u>UNIVERSE FOR THE</u>
<u>NEXT TWENTY-FIVE</u>

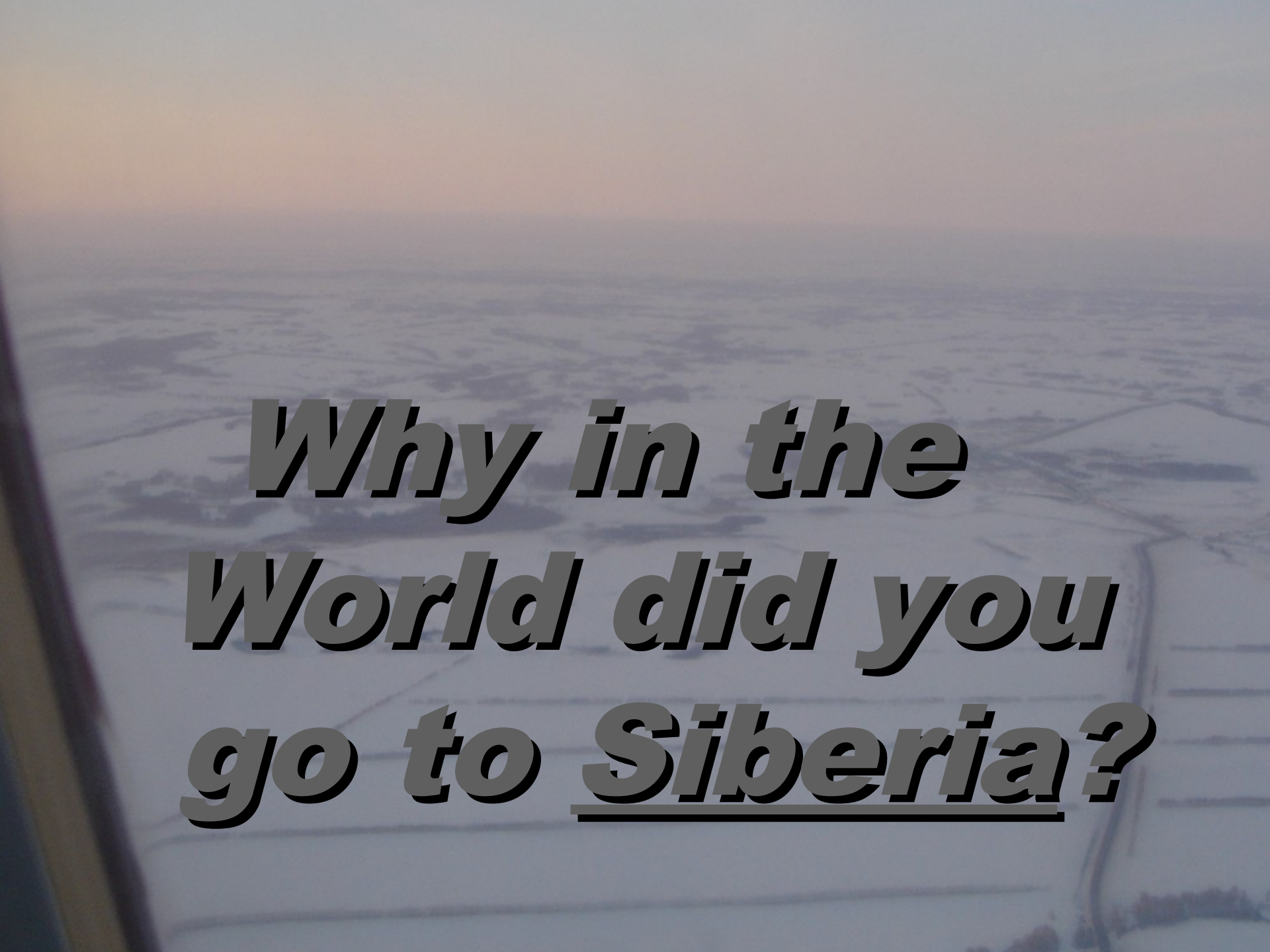12.10.1 **THE HEART OF THE MATTER DESIGN AND THE WAY WE LIVE IN OUR ORGANIZATIONS**

Apple design: **"Huge degree of care."**

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

The DMS/Design Mindedness Standard effectively proposed here is marked by that "huge degree of care." So far we have not surprisingly talked about products, services—and internal systems. **But what about the biggest design issue of all—the human institutions in which we live?** Obviously design mindedness is to a significant degree a product of the feel and culture (and care in the construction of) the workplace.

I have no intention of now subjecting you to the product of my 50 years of obsessing on organizational design. But I would like to do a quick summary—with an eye on "Pervasive Design Mindedness.

Let me set the stage ... from Siberia.

Why in the World did you go to Siberia?

A half-dozen years ago I went to Novosibirsk, Siberia, to give a seminar. (Novosibirsk, center of Soviet scientific excellence, was now confronting, as Russia, the global economy—and looking for a new direction.)

The unusual setting caused me to go back to "first principals" in my thinking about enterprise and organization.

I asked myself, for starters …

"WHAT'S THE POINT?"

ENTERPRISE* **(*AT ITS BEST):** *An emotional, vital, innovative, joyful, creative, entrepreneurial endeavor that elicits maximum*

concerted human potential in the wholehearted pursuit of EXCELLENCE in service of others.**

**Employees, Customers, Suppliers, Communities, Owners, Temporary partners

ENTERPRISE* **(*AT ITS BEST)** : *An emotional, vital, innovative, joyful, creative, entrepreneurial endeavor that elicits maximum concerted human potential in the wholehearted pursuit of EXCELLENCE in service of others.*

Enterprise, as I note … **AT ITS BEST**. (Certainly not always achieved—or, alas, even aspired to.)

On the other hand … *if this or something very much like it is <u>not</u> the aim, then … what <u>is</u> the point?*

In the context of design mindedness, this is in many ways the premier challenge—and the first challenge. For our externally oriented activities—product design and development, customer care, etc.—to exude design mindedness, the shape of the generative organization precedes all else. (Obviously??!!)

(Photo is me and my interpreter, who turned out to have an economics PhD from the University of Maryland; on stage in Novosibirsk.)

Design Mindedness writ large: "It may sound radical, unconventional, and bordering on being a crazy business idea. *However— as ridiculous as it sounds—joy is the core belief of our*

workplace. # Joy is the reason

my company, Menlo Innovations, a customer software design and development firm in Ann Arbor, exists. It defines what we do and how we do it. It is the single shared belief of our entire team."

—Richard Sheridan, *Joy, Inc.: How We Built a Workplace People Love*

The industry is tough as nails, fast-paced—and unforgiving. And yet Menlo CEO Richard Sheridan insists that his raison d'être, competitive advantage and success "secret" is …

JOY!

Please think about this.
Please think about this … in the context of design mindedness.

In a way, what's the alternative?

12.10.2 ORGANIZATIONS THAT ARE AS EXCELLENT/ WELL DESIGNED AS AN APPLE DEVICE

"New technology, by itself, has little economic benefit. ... The economic benefits arise not from innovation itself, but from the entrepreneurs who eventually discover ways to put innovation to practical use—and, most critically, from the organizational changes through which businesses reshape themselves to take advantage of new technology."—Marc Levinson, *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger*

The shipping container only "changed the world" ... *decades* ... after its creation. First "everything" had to change. That is, the entire nature of ports and the transportation system writ large.

Which is to say, it's the subsequent and painstaking and political and "non-instant" ... <u>ORGANIZATIONAL</u> <u>ARRANGEMENTS</u> ... that make all the difference, not the technology per se.

"Management" as conventionally perceived is a dreary/ misleading/constrained word. E.g., mgt/standard usage = Shouting orders in the slave galley.

Consider, please, a more encompassing/more accurate definition:

"'Management' is the arrangement and animation of human affairs in pursuit of desired outcomes."

Management is *not* about Theory X vs. Theory Y/"top down" vs. "bottom up." Management *is* about the essence of human behavior (Drucker called it a "liberal art"), how we fundamentally arrange our collective efforts in order to survive, adapt—and, one hopes, thrive. (E.g., Hall of Fame management document: Constitution of the United States of America.)

As Peter Drucker, in particular, taught us, management is an *artform* of the utmost importance to humanity—consider the U.S. Constitution, one of the greatest management documents in human history. (Yes, it *is* a "management document.")

We think of the care and craft that goes into the design of, say, an Apple product. But we don't typically think in the same way about "management architecture." That is a mistake of the first order.

Arrangement of human affairs to produce a desired and sustainable result is by definition Leadership Team Task #1. I am urging you to think about your organizational architecture the same way Steve Jobs thought about one of his landmark Apple devices.

In *Good Business*, Mihaly Csikszentmihalyi (the *FLOW guru*) argues persuasively that business has become the center of society. As such, an obligation to community is front & center. Business as societal bedrock, per Csikszentmihalyi, has the

RESPONSIBILITY to increase the … **"SUM OF HUMAN WELL-BEING."** Business is **NOT** "part of the community." In terms of how adults collectively spend their

waking hours: Business **IS** the community. And should act accordingly. The (REALLY) good news: Community mindedness is a great way (the BEST way?) to have spirited/committed/customer-centric work force—and, ultimately, increase (maximize?) growth and profitability.

BUSINESS IS <u>NOT</u> "PART OF THE COMMUNITY.

BUSINESS <u>IS</u> THE COMMUNITY.
HENCE BUSINESS ENTAILS AN ENORMOUS <u>MORAL</u> COMPONENT..

I love this!
(And "buy it" 100%.)

Read it.
Re-read it.
Think about it.
P-L-E-A-S-E.

Query: *<u>IS THIS NOT THE HEART OF "A HUGE DEGREE OF CARE"/ DESIGN MINDEDNESS WRIT LARGE</u>?*

Business' Moral Imperative:

"INCREASE THE SUM OF HUMAN WELL-BEING."

Source: *Good Business*, Mihaly Csikszentmihalyi

Yup.
Wow.
(Up for it?*)
(*Actually, you have no choice.)

(**Now** more than ever—e.g., tech driven changes are playing havoc with employment, and we're barely at the beginning of the beginning.)

Warren Bennis on superior forms of enterprise:

"Successful human communities"

Same idea.
A bit more modest linguistically.

12.11 HARD IS SOFT SOFT IS HARD

MANAGEMENT AS A LIBERAL ART

Response to question on his (Peter Drucker's) "most important contribution": *"I focused this discipline on people and power; on values, structure, and constitution; and above all, on responsibilities—THAT IS, I FOCUSED THE DISCIPLINE OF MANAGEMENT ON MANAGEMENT AS A TRULY LIBERAL ART."* **(18 January 1999)**

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

Thomas J. Peters and
Robert H. Waterman Jr.

Hard (numbers, plans) is Soft.

Soft (people/relationships/culture) is Hard.

Historically, management has been considered a "hard" practice. In 1982 in In Search of Excellence Bob Waterman and I want after that idea hammer and tongs. Our rallying cry was:

Hard (numbers, plans) is Soft.

Soft (people/relationships/culture) is Hard.

Peter Drucker ups the ante: Management as a ... LIBERAL ART.

Hard is Soft
Soft is hard.
Management as a liberal art.
Design mindedness.
A huge degree of care in all we do.

"Winning business was more important than making great products. __Microsoft never had the humanities or liberal arts in its DNA__."

—Steve Jobs on Bill Gates and Microsoft (*Vanity Fair*/0812)

Jobs at his arrogant Jobsiest. Nonetheless, a ring of truth.

Science

Technology

Engineering

Mathematics

Science

Technology

Engineering

Arts* (*Courtesy John Maeda, president, RISD)

Mathematics

The STEM to STE**A**M movement started courtesy Rhode Island School of Design/RISD president John Maeda; it is gaining adherents rather rapidly. (E.g., see the next slide.)

(Interestingly, Maeda left RISD to become a general partner at tech VC superstars Kleiner Perkins; his explicit role is to inject design mindedness into every Kleiner company.)

THE NEW GOLDEN TICKET: YOU DON'T HAVE TO CODE TO GET RICH. <u>HOW LIBERAL ARTS GRADS ARE CONQUERING SILICON VALLEY</u>

Headlines:

"Revenge of the Philosophy Majors: In Silicon Valley brilliant coding and engineering is a given. The real value added, increasingly, comes from the people who can sell and humanize. Which is why tech startups suddenly crave liberal arts majors."

"The job of a software engineer is getting more automated. What's far more labor intensive is the job of figuring out what technology users want."

Cracks in the "Engineering Uber Alles" edifice.

"One of the most glistening of tech's ten-digit "unicorn" startups, boasting 1.1 million users and a private market valuation of $2.8 billion. If you've used Slack's team-based messaging software, you know that one of its catchiest innovations is Slackbot, a helpful little avatar that pops up periodically to provide tips so jaunty that it seems human. Such creativity can't be programmed. *Instead, much of it is minted by one of Slack's 180 employees, Anna Pickard , the 38-year-old editorial director. She earned a theater degree from Britain's Manchester Metropolitan University before discovering that she hated the constant snubs of auditions that didn't work out.* After winning acclaim for her blogging, videogame writing and cat impersonations, she found her way into tech, where she cooks up zany replies to users who type in 'I love you, Slackbot.' It's her mission, Pickard explains, 'to provide users with extra bits of surprise and delight.' The pay is good; the stock options, even better."

—*Forbes* cover story, "That 'Useless' Liberal Arts Degree Has Become Tech's Hottest Ticket." (17 August 2015)

Interesting, eh?

12.12 PERVASIVE DESIGN MINDEDNESS

APPLE DESIGN MINDEDNESS

MY DESIGN MINDEDNESS

YOUR DESIGN MINDEDNESS

"Design is _everything_.
"Everything is _design_.
"We are _all_ designers.'

The Power of Design:
A Force for Transforming Everything

"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

Apple design: **"Huge degree of care."**

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

"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

Source: *Insights*, definitions of Design, the Design Council (UK)

Apple design.
My design.
Your design.

No, you and I are not Apple.
But this approach—and aspiration—is available to one and all ... from primary school to and through our professional lives.

(To beat what I hope is a live horse, it starts with ... that next email.)