

Tom Peters'

EXCELLENCE!

“THE WORKS”

A Half-Century's Reflections/1966-2016

Chapter EIGHT:

MORAL IMPERATIVE/2016

PEOPLE DEVELOPMENT

01 January 2016

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

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Women Are the Most Effective Leaders**
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- 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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Chapter EIGHT

THE MORAL IMPERATIVE: PEOPLE DEVELOPMENT

**(A BRIEF BUT
HYPER-IMPORTANT
RETURN TO
“PEOPLE STUFF”)**

8.1

THE MORAL

IMPERATIVE:

PEOPLE

DEVELOPMENT

CORPORATE MANDATE #1 2015: *Your principal moral obligation as a leader is to develop the skillset, “soft” and “hard,” of every one of the people in your charge (temporary as well as semi-permanent) to the maximum extent of your abilities. The bonus: This is also the #1 mid- to long-term ... profit maximization strategy!*

**To my way of thinking,
this is by far the most
important point
considered in this
presentation/book.***

***This is derivative of what has just been covered in Chapters 6 & 7. The “employment contract,” as we have known it for at least the last 50 years, is permanently severed. What will take its place? Certainly not “job security” in any way that resembles the past. Only personal development will (possibly) stand up to the onslaught of robotics, algorithmic development, etc. Thus the development of one’s mates—employees, contractors, whatever—is now a *moral imperative*. But, as noted, also a precursor of profitability.**

**#3: Provide a *pride-*
worthy job.***

**#2: Help people be
successful at their
current job.****

**#1: Help people grow/
prepare for an
uncertain future.*****

*“Provide a *secure* job.”—**NOT POSSIBLE IN 2015.**

Success is **NOT enough, circa 2015.

***Society—and profitability—demands this. (Or should!)

(And: What a challenge!)

EXCELLENCE 1982:

People First.

Product First (1T).

Limit “MBA-ism.”

EXCELLENCE 2014:

People First (new/more encompassing definition).

Innovate or Die.

“If it ain’t broken, break it.”

Business's Moral Imperative:

**“[INCREASE
THE] SUM OF
HUMAN WELL-
BEING.”**

Source: *Good Business*, Mihaly Csikszentmihalyi

Business' Moral Imperative:

**BUSINESS IS NOT “PART
OF THE COMMUNITY.” IN
TERMS OF HOW ADULTS
COLLECTIVELY SPEND
THEIR WAKING HOURS:
BUSINESS IS THE
COMMUNITY**

Source: Adapted from *Good Business*, Mihaly Csikszentmihalyi

In *Good Business*, Mihaly Csikszentmihalyi 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.

Big words.

Big idea.

Merited.

Oath of Office: Managers/Servant Leaders

Our goal is to serve our customers brilliantly and profitably over the long haul.

Serving our customers brilliantly and profitably over the long haul is a product of brilliantly serving, over the long haul, the people who serve the customer.

Hence, our job as leaders—the alpha and the omega and everything in between—is abetting the sustained growth and success and engagement and enthusiasm and commitment to Excellence of those, one at a time, who directly or indirectly serve the ultimate customer.

We—leaders of every stripe—are in the “Human Growth and Development and Success and Aspiration to Excellence business.”

“We” (leaders) only grow when “they” (each and every one of our colleagues) are growing.

“We” (leaders) only succeed when “they” (each and every one of our colleagues) are succeeding.

“We” (leaders) only energetically march toward Excellence when “they” (each and every one of our colleagues) are energetically marching toward Excellence.

Period.

**HENCE, OUR JOB AS LEADERS—
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INDIRECTLY SERVE THE ULTIMATE
CUSTOMER.**

PERIOD.

After Peter Drucker's passing, the 1st big conference honoring his life's work was held in Sydney, organized by the Australian Institute of Management. (FYI, Doris Drucker, Peter's wife, was in attendance.) I was honored to be asked to keynote the seminal event. In putting together my remarks, I went back to Drucker's early management work—featuring the larger responsibilities of managers.

The prior slide was not an attempt to mimic PD's ideas—but it was offered in the spirit of his profoundly important work. And it is literally meant as a *formal* “oath of office”—however grandiose that may seem at first blush.

ENTERPRISE AS... NO LESS THAN A
CATHEDRAL IN WHICH
THE FULL AND AWESOME
POWER OF THE IMAGINATION
AND SPIRIT AND NATIVE
ENTREPRENEURIAL FLAIR OF
DIVERSE INDIVIDUALS IS
UNLEASHED IN PASSIONATE
PURSUIT OF ... **EXCELLENCE.**

This, too, was created for the Drucker memorial event. I always make clear that my “cathedral” has nothing to do with a particular religion. But the word *is* intended to suggest that helping people grow—in businesses as well as 3rd-grade classrooms—is an activity that has spiritual & moral connotations.

(And, yes, I do add for the cynics that it also happens to be the best way to create a successful—and sustaining—enterprise.)

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PURSUIT OF ... **EXCELLENCE.**

Do me the great honor of pondering this on a quiet day as you walk through a park or along a river.

Think about the path that you have chosen as leader—and the applicability (or not, as you see fit) and implications of these words.

Thank you.

“The notion that corporate law requires directors, executives, and employees to maximize shareholder wealth simply isn’t true. There is no solid legal support for the claim that directors and executives in U.S. public corporations have an enforceable legal duty to maximize shareholder wealth. The idea is fable.”

—Lynn Stout, professor of corporate and business law, Cornell law school, in ... **The Shareholder Value Myth: How Putting Shareholders First Harms Investors, Corporations, and the Public**

“[a corporation] can be formed to conduct or promote any lawful business or purpose”

—from Delaware corporate code (no mandate for shareholder primacy), per Lynn Stout, professor of corporate and business law, Cornell Law school, in *The Shareholder Value Myth: How Putting Shareholders First Harms Investors, Corporations, and the Public*

“Courts uniformly refuse to actually impose sanctions on directors or executives for failing to pursue one purpose over another. In particular, courts refuse to hold directors of public corporations legally accountable for failing to maximize shareholder wealth.” —Lynn Stout,

professor of corporate and business law, Cornell Law school,
in *The Shareholder Value Myth: How Putting Shareholders First Harms Investors, Corporations, and the Public*

Though I believe that people development is the keystone of profit maximization, it may not happen overnight. Short-termism is, alas, often the excuse for not pursuing this path—it comes in the guise of *“It fails to maximize shareholder value.”* It’s a long story, but fact is shareholder value maximization is in no way a corporate legal imperative.

(The book by Lynn Stout cited in this slide is a peach—which is to say a “must read.”)

***“On the face of it,
shareholder value is the
dumbest idea in the world.
Shareholder value is a result,
not a strategy. ... Your main
are your employees, your
customers and your
products.”***

—Jack Welch, *FT*, 0313.09, page 1

**“Mr. Shareholder Value” now says the
idea is nutty— *“dumbest
idea in the world.”***

And the waters parted ...

8.2

THE MEMORIES THAT MATTER

**Imagine looking back 5
years from now on the prior
5 years: What will you be
able to say about your ...
PEOPLE DEVELOPMENT
SCORECARD?**

(And; What can you say about the last 5 years?)

The Memories That Matter

When you're my age, 73, no matter how hard one tries to be forward focused, there is a frequent urge to "sum things up." As one does look back, there is a certain class of memories that stand out. I know my own story—and I've talked to many others. When you look back at "what really matters"—it's rarely "the numbers."

Make no mistake, as you soldier on, your tiny or huge enterprise must be profitable to survive. Wanna do great things? Well, check out the "cash flow" statement first.

True, but still "the summing up statement" is far more about the basics of human behavior and character than about the angle of incline of a market share graph. What follows is, then, in a fashion, "the memories that matter"—or *will* matter. Why point this out? Because to get the tally right on this one at age 73, the sorts of things enumerated here must have been "top of mind" throughout your career—*i.e., yesterday & this morning!*****

The Memories That Matter

The people you developed who went on to stellar accomplishments inside or outside the company.

The (no more than) two or three people you developed who went on to *create* stellar institutions of their own.

The longshots (people with “a certain something”) you bet on who surprised themselves—*and* your peers.

The people of all stripes who 2/5/10/20 years later say “*You made a difference in my life,*” “*Your belief in me changed everything.*”

The sort of/character of people you hired in general. (*And* the bad apples you chucked out despite some stellar traits.)

A handful of projects (a half dozen at most) you doggedly pursued that still make you smile and which fundamentally changed the way things are done inside or outside the company/industry.

The supercharged camaraderie of a handful of Great Teams aiming to “change the world.”

The Memories That Matter

Belly laughs at some of the stupid-insane things you and your mates tried.

Less than a closet full of “I should have ...”

A frighteningly consistent record of having invariably said, “Go for it!”

Not intervening in the face of considerable loss—recognizing that to develop top talent means tolerating failures and allowing the person who screwed up to work their own way through and out of their self-created mess.

Dealing with one or more crises with particular/memorable aplomb.

Demanding ... **CIVILITY ... regardless of circumstances.**

Turning around one or two or so truly dreadful situations—and watching almost everyone involved rise to the occasion (often to their own surprise) and acquire a renewed sense of purpose in the process.

Leaving something behind of demonstrable-lasting worth. (On short as well as long assignments.)

The Memories That Matter

Having almost always (99% of the time) put “Quality” and “Excellence” ahead of “Quantity.” (At times an unpopular approach.)

A few “critical” instances where you stopped short and could have “done more”—but to have done so would have compromised your and your team’s character and integrity.

A sense of time well and honorably spent.

The expression of “simple” human kindness and consideration—no matter how harried you may be/may have been.

Understood that your demeanor/expression of character always set the tone—especially in difficult situations.

Never (rarely) let your external expression of enthusiasm/determination flag—the rougher the times, the more your expressed energy and bedrock optimism and sense of humor showed.

The respect of your peers.

A stoic unwillingness to badmouth others—even in private.

The Memories That Matter

An invariant creed: When something went amiss, “*The buck stops with me*”; when something went right, it was *their* doing, not yours.

A Mandela-like “naïve” belief that others will rise to the occasion if given the opportunity.

A reputation for eschewing the “trappings of power.” (Strong self-management of tendencies toward arrogance or dismissiveness.)

Intense, even “driven” ... but not to the point of being careless of others in the process of forging ahead.

Willing time and again to be surprised by ways of doing things that are inconsistent with your “certain hypotheses.”

Humility in the face of others, at every level, who know more than you about “the way things really are.”

Bit your tongue on a thousand occasions—and *listened*, really really *listened*. (And been constantly delighted when, as a result, you *invariably* learned something new and *invariably* increased your connection with the speaker.)

The Memories That Matter

Unalloyed pleasure in being informed of the fallaciousness of your beliefs by someone 15 years your junior and several rungs below you on the hierarchical ladder.

Selflessness. (A sterling reputation as “a guy always willing to help out with alacrity despite personal cost.”)

As thoughtful and respectful, or more so, toward thine “enemies” as toward friends and supporters.

Always and relentlessly put at the top of your list/any list being first and foremost “of service” to your internal and external constituents. (Employees/Peers/Customers/Vendors/Community.)

Treated the term “servant leadership” as holy writ. (And “preached” “servant leadership” to others—new “non-managerial” hire or old pro, age 18 or 48.)

The Memories That Matter

Created the sort of workplaces you'd like your kids to inhabit. (Explicitly conscious of this "Would I want my kids to work here?" litmus test.)

A "certifiable" "nut" about quality and safety and integrity. (More or less regardless of any costs.)

A notable few circumstances where you resigned rather than compromise your bedrock beliefs.

Perfectionism just short of the paralyzing variety.

A self- and relentlessly enforced group standard of "EXCELLENCE-in-all-we-do"/"EXCELLENCE in our behavior toward one another."

***“I shall tell you a
great secret, my
friend. Do not wait
for the last
judgment; it takes
place every day.”***

—Albert Camus

James J. Jones

1940 – 2015

Net Worth

\$21,543,672.48

Not.

“In a way, the world is a great liar.

“It shows you it worships and admires money, but at the end of the day it doesn’t.

“It says it adores fame and celebrity, but it doesn’t, not really.

“The world admires, and wants to hold on to, and not lose, goodness. It admires virtue. At the end it gives its greatest tributes to generosity, honesty, courage, mercy, talents well used, talents that, brought into the world, make it better. That’s what it really admires. That’s what we talk about in eulogies, because that’s what’s important. We don’t say, ‘The thing about Joe was he was rich!’

“We say, if we can ...

“The thing about Joe was he took good care of people.”

—Peggy Noonan, “A Life’s Lesson,” on the astounding response to the passing of Tim Russert, the *Wall Street Journal*, June 21–22, 2008

8.3

PEOPLE:

WRAP UP

Tom's TIB* #1: *Your principal moral obligation as a leader is to develop the skillset, “soft” and “hard,” of every one of the people in your charge (temporary as well as semi-permanent) to the maximum extent of your abilities. The good news: This is also the #1 mid- to long-term ... profit maximization strategy!*

* This I Believe (courtesy Bill Caudill)

ONE MORE TIME FOR THIS SLIDE.

**BIGGEST OF
BIG DEALS.**

APPENDIX

**COMING TO
BELIEVE**

**I. What I've Come/
Am Coming to Believe**

**II. "Reframing Capitalism":
A 15-Point Human
Capital Development
Manifesto/HCDM
at the Enterprise &
National Government Level**

**III. Manifesto/Polemic:
Best Teacher Corps Wins!**

**IV. Manifesto/Polemic:
Entrepreneurial Pre-eminence!
Entrepreneurial Ubiquity!**

**I. Circa 2013:
Coming to
Believe ...**

“I believe that ninety percent of white-collar jobs in the U.S. will be either destroyed or altered beyond recognition in the next 10 to 15 years.”

—Tom Peters (22 May 2000/cover/Time magazine)

"The root of our problem is not that we're in a Great Recession or a Great Stagnation, but rather that we are in the early

throes of a Great

Restructuring. Our technologies are racing ahead, but our skills and organizations are lagging behind."

Source: *Race AGAINST the Machine*, Erik Brynjolfsson and Andrew McAfee

About halfway through 2012, I concluded that I needed to take a self-taught study break—to assess the increasing strange world around us. About 50 books later—and hundreds of hours spent, uncharacteristically, staring into space from a hill on my farm in Vermont—what follows appeared. There is no effort to tie it to substantial references. **The bedrock is there ... but my goal, in summary form here, was to try to write down what I think, or, rather, what I think I'm coming to think.**

Circa 2013: Coming to Believe

- 1. The power to invent (*and execute*) is switching/flipping rapidly/inexorably to the network. “Me” is transitioning to “We”—as consumers and producers. Nouns are giving way to gerunds—it’s an “ing”/shapeshifting world!**
- 2. The Internet *must stay open and significantly unregulated to enable, among other things, the entrepreneurial spurt that will significantly underpin world economic growth.***
- 3. Entrepreneurial behavior and upstart entrepreneurial enterprises have underpinned every monster shift in the past, such as farm to factory. This time will likely be no different.**
- 4. An obsession with a “Fortune 500” of more or less stable giants dictating “the way we do things” will likely become an artifact of the past. (Though big companies/“utilities” will not disappear.)**

Circa 2013: Coming to Believe

- 5. There is simply no limit to invention or entrepreneurial opportunities! (Please read twice.)**
- 6. The new star bosses will be “wizards”/“maestros.”**
- 7. Sources of sustained profitability will often be elusive in a “soft-services world.”**
- 8. Control and accountability will be a delicate dance. Now you see it, now you don't ...**
- 9. Trial and error, *many many many trials and many many errors very very very rapidly will be the rule; tolerance for and delight in rapid learning—and unlearning—will be a/the most valued skill.***

Circa 2013: Coming to Believe

10. “Gamers” instinctively “get” the idea of lots of trials, lots of errors, as fast as possible; for this reason among many, “the revolution” is/will be to a very significant degree led by youth.

11. Women may well flourish to the point of domination in new leadership roles in these emergent/ethereal settings that dominate the landscape—power will be exercised almost entirely indirectly (routine for most women—more than for their male counterparts), and will largely/elusively inhabit the network per se.

12. The “Brand You/Brand Me” idea is alive and well and getting healthier every day and is ... not optional. Fact is, we mostly all will have to behave/be entrepreneurial tapdancers to survive let alone thrive. (Again, the under-35 set already seem mostly to get this; besides, this was the norm until 90 years ago.)

Circa 2013: Coming to Believe

13. Individual performance and accountability will be more important than ever, but will be measured by one's peers along dimensions such as reliability, trustworthiness, engagement, flexibility, willingness to spend a majority of one's time helping others with no immediate expected return.

14. AI is ripping through traditional jobs at an accelerating pace. Virtually no job, circa 2000, no matter how "high end," will remain in a recognizable way within 15-25 years. It's as simple—and as traumatic—as that.

15. Wholesale/continuous/intense re-education (forgetting as well as learning) is a lifelong pursuit/imperative; parent Goal #1: Don't kill the curiosity with which the child is born!

Circa 2013: Coming to Believe

16. STEM (Science-Technology-Engineering-Math) is no doubt significant to a being transformed by technology, though it has severe limitations. I favor the somewhat more robust formulation labeled STEAM/steAm. The “A” is for Art, or the arts. “The arts” are to some extent “what’s left” in terms of value creation as AI/robotics vacuum up traditional high-end occupations—think Apple.

17. The surprisingly good news: Education is busily re-inventing itself and leaving the ed establishment in the dust! The idea of and shape of education per se are erasing all that’s come before.

18. GRIN/Genetics-Robotics-Informatics-Nanotech: Overwhelming transformation is hardly just the provenance of AI/Robotics. Change, entrepreneurial activities and early adoption in the “G”/genetics and the “N”/nanotech arenas are accelerating. In fact, our 25 year horizon may border on the unrecognizable.

Genetics

Robotics

Informatics

Nanotechnology

Circa 2013: Coming to Believe

19. Government has a large role to play, like it or not. E.g., government-funded BASIC-research and development is a major-league necessity—which is growing rather than diminishing. Acknowledging the limits, at times severe, of markets is imperative!

20. Governance: It is hard to imagine that fundamental systems of human arrangement-governance will remain unchanged.

21. Downside? I have during my months of forced re-education personally moved from a position of deep pessimism to one of guarded optimism. Will “everything be different” in 10 or 25 years? Perhaps. Will we adapt individually and organizationally; history says yes, but common sense says there are no sure bets, and frightful issues (from genetics to war-and-peace) can readily be imagined. Stay tuned!

II. A 15-Point Human Capital Asset Development Manifesto

World Strategy Forum/

The New Rules: Reframing Capitalism

Tom Peters/Seoul/15 June 2012

*I was intimidated by the title of a conference I addressed in Seoul, Korea. Namely, “Reframing capitalism.” And by the fact that a passel of Nobel laureates in economics would be addressing the issue. **Then it occurred to me that the mid- to long-term “reframing” was more about recasting the nature of work/jobs in, for example, the face of 2020’s artificial intelligence than about whether the Spanish bailout is \$100 billion or \$400 billion—as nontrivial as the latter is.** I.e., what the hell will the world’s four billion or so workers be doing, say, 10 years from now? I’m not sure that sophisticated econometric analyses will be all that helpful in determining an answer.*

A 15-Point Human Capital Development Manifesto

- 1. “Corporate social responsibility” starts at home—i.e., inside the enterprise! MAXIMIZING GDD/Gross Domestic Development of the workforce is the primary source of mid-term and beyond growth and profitability—and maximizes national productivity and wealth. (Re profitability: If you want to serve the customer with uniform Excellence, then you must FIRST effectively and faithfully serve those who serve the customer—i.e. our employees, via maximizing tools and professional development.)**

“Business has to give people enriching,

rewarding lives ... or it's

simply not

worth doing.”

—Richard Branson

2. *Regardless of the transient external situation, development of “human capital” is always the #1 priority.* This is true in general, in particular in difficult times which demand resilience—and uniquely true in this age in which **IMAGINATIVE** brainwork is de facto the only plausible survival strategy for higher wage nations. (Generic “brainwork,” traditional and dominant “white-collar activities, is increasingly being performed by exponentially enhanced artificial intelligence.)

***Regardless of the
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3. *Three-star generals and admirals (and symphony conductors and sports coaches and police chiefs and fire chiefs) OBSESS about training.* Why is it an almost dead certainty that in a random 30-minute interview you are unlikely to hear a CEO touch upon this topic? (I would hazard a guess that most CEOs see IT investments as a “strategic necessity,” but see training expenses as “a necessary evil.”)

4. *Proposition/axiom: The CTO/Chief TRAINING Officer is arguably the #1 staff job in the enterprise, at least on a par with, say, the CFO or CIO or head of R&D.* (Again, external circumstances—see immediately above—are forcing our hand.)

***I would hazard a guess
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“strategic necessity,”
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5. *The training budget takes precedence over the capital budget.* PERIOD. It's easier fun to get your picture taken next to a new machine. But how do you get a photo of a new and much improved attitude in a key distribution center? But the odds are 25:1 that the new attitude will add more to the bottom line than will the glorious state-of-the-art machine.

6. *Human capital development should routinely sit atop any agenda or document associated with enterprise strategy.* Most any initiative you undertake should formally address implications for and contributions to human capital asset development.

7. *Every individual on the payroll should have a benchmarked professional growth strategy.*

Every leader at every level should be evaluated in no small measure on the collective effectiveness of individual growth strategies—that is, each individual’s absolute growth is of direct relevance to every leader’s assessed performance.

***Every individual
on the payroll
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benchmarked
professional growth
strategy.***

8. *Given that we ceaselessly lament the “leadership deficit,” it is imperative, and just plain vanilla common sense, that we maximize the rate of development of women leaders at every level—little if anything has a higher priority.* (It is an outrage that this has not been the case until now—and is still not the case in far too many institutions.) (And, while there are no guarantees, women are more likely dispositionally to take a shine to the imperative of maximizing human asset development.)

9. *Maximum utilization of and continued development of “older workers” (to age 70—or even beyond?) is a source of immense organizational and national growth and wealth.*
The rapidly aging population, with oldies far more healthy and vital than ever, Ought to be an opportunity rather than a pain-in-the-butt to deal with.

10. *The practical key to all human asset development activities is the 1st-line manager.* (“Sergeants run the Army” is an accurate commonplace observation—supported by development resources.) Hence development of the full cadre of 1st-line managers is an urgent—and invariably underplayed—strategic imperative. Arguably, the collective quality and development trajectory of 1st-line leaders is an organization’s #1 human asset development priority. (Consistent with all the above, the 1st-line leader’s skill at “people development” is her or his top priority—for which she or he must be rigorously and continually trained.)

11. *The national education infrastructure—from kindergarten to continuing adult education—may well be National Priority #1.* Moreover, the educational infrastructure must be altered radically to underpin support for the creative jobs that will be more or less the sole basis of future employment and national growth and wealth creation.

***“Every child is born an artist.
The trick is to remain an
artist.”*** —Picasso

***“Human creativity is the
ultimate economic
resource.”*** —Richard Florida

***“Creativity can no longer be
treated as an elective.”*** —John Maeda

12. *Associated with the accelerated priority of the national education infrastructure is a dramatically enhanced and appreciated and compensated role for our teachers—this must necessarily be accompanied by rigorous accountability.* There is no doubt that “teaching” (instilling) insatiable curiosity, say, which is the #1 attribute of a creative person, is no easy task; however, there is no way that it can be ducked if one looks at future definitions of employability.

***The very best and the very
brightest and the most
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13. *The great majority of us work in small enterprises; hence national growth objectives based upon human capital development MUST necessarily extend “downward” to even 1-person enterprises.* Collective productivity improvement through human capital development among small businesses has an unimaginably large—and underappreciated—payoff. While many small business appreciate the notion, they are unprepared to take the steps necessary to engage their, say, dozen employees in seeking productivity improvements.

14. *Needless to say, the activities imagined here will only be possible if abetted by a peerless National Information and Communication Infrastructure.* Indeed, the work here is being done—and the need is appreciated and reasonably well funded. The effort must not falter; the new information-based tools are the coin of the realm.

15. *A The good news: We are up to the challenge. The entrepreneurial spirit is a near universal, not just available to a privileged few.*
One thinks of entrepreneurs, and Richard Branson or Elon Musk comes to mind. Fair enough. But there are as many flavors of entrepreneurial behavior as there are adult citizens. And, with effort and appropriate support systems, it is possible to re-kindle that flair in one and almost all.

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.”

Source: *The News Hour*/PBS/1122.2006

III. Manifesto/Polemic: Best Teacher Corps Wins!

A discussion with friends in New Zealand led me to create a third summary document. An evolving and radical new model of education is discussed several times in the previous summary pieces. **But I hadn't tried to think through, more or less in total, the specifics of the education challenge.** Again, in the spirit of trying to figure out what I think I think, the following emerged ...

Manifesto/Polemic: Best Teacher Corps Wins!

“The best educated nations win.”

Or: “The best educated and most entrepreneurial nations win.”

There is more to life than education.

There is more to life than entrepreneurship.

Manifesto/Polemic: Best Teacher Corps Wins!

Yet these two variables are increasingly important in the years ahead—and those years are rushing toward us at an unprecedented pace. In technology change, yesterday's decade is today's two years—or less.

If these two variables are important, then it more or less follows that our teaching corps—especially for the first 8 grades—are the most important members of our society. (Singapore more or less—mainly more—believes this and acts upon it.)

***The very best and the very
brightest and the most
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and entrepreneurial and
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graduates must—must,
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teaching.***

Manifesto/Polemic: Best Teacher Corps Wins!

Implication: The very best and the very brightest and the most energetic and enthusiastic and entrepreneurial and tech-savvy of our university graduates must—must, not should—be lured into teaching. (They need not stay for life—one would be happy with 5 years, ecstatic with 10.)

In the USA and other nations (many if not most if not almost all), the variables set out above and associated with excellence in teaching required to meet the challenges of 2020, let alone 2040, alas, do not describe our fresh caught teachers. One could even argue, stopping short of cynicism, that those variables are often the antithesis of the ones associated with those attracted to teaching today. This is simply unacceptable in the face of the most likely scenarios for economic excellence—or, for that matter, survival.

***“Human creativity
is the ultimate economic
resource.”*** —Richard Florida

***“Every child is born
an artist. The trick is to
remain an artist.”*** —Picasso

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/

The News Hour/PBS/1122.2006

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!

Manifesto/Polemic: Best Teacher Corps Wins!

(FYI: To reiterate one of the initial points—we must attract instinctively entrepreneurial candidates—there are more of such candidates than one might imagine. Attracting entrepreneurial candidates, of course, requires a system that is open to change and which celebrates rather than condemns rebels. Concerning the proclivity or fitness for entrepreneurial adventures, Nobel Prize winner Muhammad Yunus put it this way: “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.” Bottom line: Super-genes are not required to foretell entrepreneurial—the millions upon millions converting to entrepreneurial ventures courtesy the Web are more or less proof of Yunus’ assertion.)

Manifesto/Polemic: Best Teacher Corps Wins!

Finding and educating these new-criteria teachers requires a revolution in both content and the incentive structure needed to attract the best of the best—and to induce them to experiment boldly once aboard the education train.

(FYI: Re content, there is a school of thought prevalent in the USA which demands an immediate curricular shift toward “STEM”—science, technology, engineering and mathematics. To be sure, o harm done, lots to applaud. However, Rhode Island School of Design President John Maeda recommends instead “STEAM”—science, technology, engineering, the arts and mathematics. His argument is based upon an assessment of future bases of competitive advantage as computers make vast inroads to existing jobs; the concept arguably—or, in my opinion, inarguably—makes a great deal of sense.)

Science

Technology

Engineering

Mathematics

Science

Technology

Engineering

Arts*

(*Courtesy John Maeda, president, RISD)

Mathematics

Manifesto/Polemic: Best Teacher Corps Wins!

This necessary revolution in teacher inducement and development, no matter the urgency assigned, will not happen overnight—or in the next five years, even if one and all, including teachers' unions, agreed on the premises above.

Manifesto/Polemic: Best Teacher Corps Wins!

In the meantime, we cannot wait

Our universities today do turn out magnificent “products” who can meet the specs above and de facto launch the education revolution—today.

We must immediately move to unmistakably and with governmental approval and towering private sector contributions bag these candidates as they march out of the graduation auditorium with their spanking new degrees.

Manifesto/Polemic: Best Teacher Corps Wins!

(FYI: In my opinion, the impact of the new technologies is such that we need a very young teachers corps—one that has the demographics of the Facebook or Twitter new-hire corps. Assertion: With rare exceptions, older teachers—35+??—will have the devil’s own time identifying with the experiences of the students who walk into their classrooms, circa 2020—and, for that matter, circa 2013. And the devil’s own time embracing new “upside down” approaches to teaching. For example, as many forward thinkers have said, the teacher must in effect partner with rather than dictate to students who in many ways are more technically qualified than they are; and partner with students in ventures that de facto foreshadow a penchant for entrepreneurship.)

Manifesto/Polemic: Best Teacher Corps Wins!

Role models needed: Teach For America is an example of an approach that appears to provide a semblance of a road map for others. It is hardly “the answer” to this “save the nation” need. But it does provide an exceptionally worthwhile and tested case—both its successes and failures, the latter of which illustrate the pushback that this entrepreneurial approach induces in, at least, the USA. Teach For America, however, is almost proof positive that, under the right circumstances, the very best and the very brightest from leading institutions can be attracted in numbers to at least a stint as educators; this proven attraction predates the 2007++ crash, so it cannot be written off as merely a response to a lousy job market for graduates. (Teach For America is but one example. In particular, courtesy charter schools among other efforts, a plethora of de facto experiments are in train in the USA.)

Manifesto/Polemic: Best Teacher Corps Wins!

Also, in the role model set, could be the likes of the Robertson scholars—a “full ride” university scholarship program established by philanthropist Julian Roberts and overseen by an evaluation process so rigorous that it merits comparison to the Rhodes program, though at the university entrance juncture. In one way or another, identifying these future “save the nation” teachers is a bit like developing sports champions; while one can go far too far, ID-ing talent early is an imperative strategy. Which is to say that the attraction to, in effect, nation-building-through-a-matchless-teaching-corps should mark university entrance as well as post-university work. (FYI: this latter assertion about funneling top university candidates into the system in no way suggests funneling them toward schools of education—alas, the latter are often laggards rather than leaders in developing the needed skills laid out at the beginning of this paper.)

**IV. Manifesto/Polemic:
Entrepreneurial
Pre-eminence!
Entrepreneurial
Ubiquity!**

“I am often asked by would-be entrepreneurs seeking escape from life within huge corporate structures, ‘How do I build a small firm for

*myself?’ The answer seems obvious: **Buy a***

very large

one and just

wait.”

*—Paul Ormerod, **Why Most Things Fail:***

Evolution, Extinction and Economics

“Mr. Foster and his McKinsey colleagues collected detailed performance data stretching back 40 years for 1,000 U.S. companies. They

found that **NONE** of the long-term survivors managed to outperform the market. Worse, the longer companies had been in the database, the worse they did.”

—Financial Times

**THE RED
CARPET
STORE**

(Joel Resnick/Flemington NJ)

My favorite company. (No kidding.) They provide the red carpet for the Oscars, etc., etc., etc.

**They DOMINATE/
OWN** their niche.

Cool.

VERY cool.

(My kinda folks.)

The Magicians of Motueka (PLUS)!

W.A. Coppins Ltd.*
**(Coppins Sea Anchors/
PSA/para sea anchors)**

*Textiles, 1898; thrive on **“wicked problems”**
—e.g., **U.S. Navy** STLFAST (Small To Large Vehicle At Sea
Transfer); custom fabric from **W. Wiggins Ltd.**/Wellington
(specialty nylon, “Dyneema,” from **DSM**/Netherlands)

More **VERY** cool: Motueka, New Zealand, is a peanut-sized town. (Very near where I live in the North American winter.) But it sports **BEST-IN-WORLD** in the high-value-added business of sea anchors. Clients include the U.S. Navy and the Norwegian government.

Grooves on, to use its term ... **“wicked problems.”**

(I organized a keynote speech to New Zealand’s business and government leaders around W.A. Coppins—an exemplar of global business “domination” in a small corner of a small country.)

Retail SUPERSTARS

Retail Superstars: Inside the 25 Best Independent Stores in America —by George Whalin



GEORGE WHALIN

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. ...”

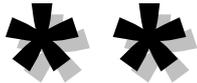
***“BE THE BEST.
IT’S THE ONLY
MARKET THAT’S
NOT CROWDED.”***

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

Incredible. I give this book to accountants and lawyers and anyone I can buttonhole. (I'd guess I've given away about 100 copies by now.)

IT AMOUNT TO 25 ACTS OF UNPARALLELED IMAGINATION— THAT DEFINE EXCELLENCE AND DIFFERENTIATION. (In, often as not, out of the way corners of the USA.) (Customers come literally from all over the world to shop with this Magic 25.)

MITTELSTAND *



***Mid-sized superstars. The backbone of German excellence; until about years ago, Germany—not China, Japan, or the USA—led the world in exports. (China now has the #1 slot.) And that sustained stellar performance was unmistakably led not by the giants, but by the Mittelstand.**

*****“agile creatures darting between the legs of the multinational monsters”***

Hidden Champions* of the 21st Century: Success Secrets of Unknown World Market Leaders!

Hermann Simon (*1, 2, or 3 in world market; <\$4B; low public awareness)

**Baader (Iceland/80% fish-
processing systems)**

**Gallagher (NZ/electric
fences)**

W.E.T. (heated car seat tech)

**Gerriets (theater curtains
and stage equipment)**

**Electro-Nite (sensors for the
steel industry)**

**Essel Propack (India/tooth
paste tubes)**

**SGS (product auditing and
certification)**

DELO (specialty adhesives)

**Amorim (Portugal/cork
products)**

EOS (laser sintering)

Beluga (heavy-lift shipping)

**Omicron (tunnel-grid
microscopy)**

**Universo (wristwatch
hands)**

**Dickson Constant
(technical textiles)**

**O.C. Tanner (employee
recognition/\$400M)**

**Hoeganaes (powder
metallurgy supplies)**

A superb book—published in 2009. (Simon has been recognized as Germany’s “most influential management thinker.”)

Consider companies like those on the prior slide to be the ...

**Superstars of the Global
Mittelstand.**

**I. What I've Come/
Am Coming to Believe**

**II. "Reframing Capitalism":
A 15-Point Human
Capital Development
Manifesto/HCDM
at the Enterprise &
National Government Level**

**III. Manifesto/Polemic:
Best Teacher Corps Wins!**

**IV. Manifesto/Polemic:
Entrepreneurial Pre-eminence!
Entrepreneurial Ubiquity!**