



# **CHANGES**

a business novel

---

tom graves

# Changes - a business-novel

Tom Graves

This book is for sale at <http://leanpub.com/tb-changes>

This version was published on 2017-05-25



This is a [Leanpub](#) book. Leanpub empowers authors and publishers with the Lean Publishing process. [Lean Publishing](#) is the act of publishing an in-progress ebook using lightweight tools and many iterations to get reader feedback, pivot until you have the right book and build traction once you do.

© 2017 Tom Graves

# Contents

Notes for Sample-edition . . . . .	1
Prologue . . . . .	2
1 . . . . .	3
2 . . . . .	4
3 . . . . .	8
4 . . . . .	11
5 . . . . .	14
7 . . . . .	15
8 . . . . .	17
9 . . . . .	18
11 . . . . .	20
12 . . . . .	21
Notes for Sample-edition . . . . .	23
16 . . . . .	24

## CONTENTS

<b>Notes for Sample-edition</b> . . . . .	<b>29</b>
<b>21</b> . . . . .	<b>30</b>
<b>22</b> . . . . .	<b>31</b>
<b>23</b> . . . . .	<b>32</b>
<b>24</b> . . . . .	<b>33</b>
<b>25</b> . . . . .	<b>34</b>
<b>27</b> . . . . .	<b>37</b>
<b>Notes for Sample-edition</b> . . . . .	<b>42</b>
<b>32</b> . . . . .	<b>43</b>
<b>33</b> . . . . .	<b>51</b>
<b>Notes for Sample-edition</b> . . . . .	<b>52</b>
<b>37</b> . . . . .	<b>53</b>
<b>38</b> . . . . .	<b>56</b>
<b>39</b> . . . . .	<b>60</b>
<b>40</b> . . . . .	<b>64</b>
<b>Notes for Sample-edition</b> . . . . .	<b>65</b>
<b>42</b> . . . . .	<b>66</b>
<b>43</b> . . . . .	<b>81</b>
<b>44</b> . . . . .	<b>82</b>

## CONTENTS

Notes for Sample-edition . . . . .	91
64 . . . . .	92
65 . . . . .	108
Notes for Sample-edition . . . . .	112
74 . . . . .	113
75 . . . . .	123
Notes for Sample-edition . . . . .	126
80 . . . . .	127
83 . . . . .	128
Notes for Sample-edition . . . . .	130
Concepts and tools . . . . .	131

# Notes for Sample-edition

*This sample-edition of 'Changes' includes perhaps a quarter of the content of the full book.*

*We hear the story from the first-person perspective of Marco Pellegrini, a mid-level manager who's just been promoted to the role of Head of Organisational Change for an unspecified large company. Their old business-model isn't working as well as it did, and is in need of a refresh. But as Marco soon discovers, the nature of business itself has changed - which means that the way we do change in business must also change too.*

*In the next few chapters, we'll gain some understanding of Marco's challenge, and meet up with various other players in the story.*

# Prologue

I never did find out why he did it, what kind of background he'd had, what made him tick. And it's too late to ask him now, of course.

But he did say I should write it all down - "the past is the platform for the future", he said. So that's what I'd better do, isn't it? Start at the beginning, I guess - just before we first met. Well, here goes...

# 1

“Head of Organisational Change” - sounds pretty grand, doesn’t it? That’s what I thought, too, when I took on the job.

But here I am, facing the reality: pile upon pile of questions, things that people want fixed, things that people want changed. And every time I turn round, Pavel brings in some more.

Yeah, sure it seemed like a good idea at the time, that all-exec workshop, and our fancy ‘Call To Action’. But what it’s really meant is there’s now about thirty sheets of flipcharts to transcribe, and then, supposedly, build an action-plan for every one of them. With names, dates, actions, responsibilities, change-projects, the lot. And all on me to do it all.

I mean, just look at it! They’re all big-picture stuff, nothing concrete we can actually *use*, actually *build* on. Look at this one, for example: “How do we make more money?” - well, sure, everyone wants that, but what do we do about it? “How do we make best use of social-media?” - fine, but there’s nothing in the MBA textbook that says anything on that. And another one: “How do we find out what’s *really* going on in our business?” - I wish I knew, too!

Well, at least Pavel’s sorted all of these into a form I can work with, all on good old-fashioned index-cards that I can carry and spread around a bit. But I’m not going to make any sense of them here. I’ll go hide away in a corner somewhere, or better yet, head down the street for a coffee - I’m going to need that before I can make any real sense of this.

Best get going before someone else adds any more to this insane stack.

Ye gods...

## 2

Right. Coffee in hand, Pavel's cards on the table. Let's get moving, sort them into piles, themes, departments, something like that. Here goes...

Some big-picture stuff that's going nowhere unless I can get the C-suite on-board with this - the CEO and the rest of the top executive:

– *'How do we make more money?'*

Well, yeah, obviously, duh! - what else would we want to do!

– *'How do we cut costs?'*

That looks like a first place to start.

– *'How do we reduce waste?'*

I'd say that's part of 'How we cut costs', but some people see it different, I guess.

– *'How do we make this business more effective?'*

Make it more efficient, by cutting costs! - that one's pretty much a no-brainer.

– *'How do we review our business-model, refresh it?'*

Our existing business-model is looking a bit fragile, that's for sure...

– *'How do we improve our public image?'*

How much does that really matter?

Then there's stuff that's more about products, services and marketing:

– *'How do we get more from our customers?'*

Good question.

– *'How do we build competitive advantage?'*

And that sounds like the answer to that good question...

– *'How do we get new products to market faster?'*

...together with the answer to this question, anyway.

– *'How do we improve quality of products and services?'*

Okay, that's a tricky one, I'll accept that.

- *‘How do we customise to different markets and still keep our identity strong?’*

The branding guys make a fuss about this, but I’m not sure it matters?

- *‘How do we make best use of social-media?’*

Do we need to do this at all? - isn’t it just a passing fad?

- *‘How do we reduce customer-complaints?’*

The text-book way is just to make it more difficult for them to complain, but will that still work?

- *‘How do we improve customer-service?’*

We won’t need to if we can reduce customer-complaints!

Next we’ve got stuff about operations:

- *‘What can and can’t we automate?’*

Automate as much as possible, is the short answer - everything, if we can.

- *‘Why do our front-line staff screw things up all the time?’*

That’s why we need to automate.

- *‘How do we get our staff to make better decisions?’*

Define and enforce the business-rules! - automation again, isn’t it?

- *‘Why can’t our front-line staff work things out for themselves?’*

If we had the proper automation, we wouldn’t need them to do that at all.

And here we’ve got stuff about compliance and standards and all that red-tape nuisance:

- *‘How do we comply with this law or standard?’*

It’s a pain in the ass, but I suppose we’ve got to do it...

- *‘How do we get ready to comply with this upcoming law or standard?’*

...ditto....

- *‘How do we improve health-and-safety, environment, all that stuff?’*

...and ditto.

Now we've some stuff that's probably more for Alicia Pereira's

- no, Alicia Berkshaw, better call her that now - her HR department:

– *'How do we get more from our employees?'*

The answer's in the next one, surely?

– *'How do we get the right performance-measures, the right performance-pay?'*

That's Alicia's specialty, I know that.

– *'How do we cut staff-turnover?'*

Yeah, that's a bit too high at the moment, particularly for front-line staff.

– *'What skills do we need, when, where, how and why?'*

The more we can automate, the less we'll need this, but we'll still need *some* skills, I guess?

– *'What training do our staff need? and for what?'*

Follows on from the skills-question, really.

– *'How do we develop new leaders?'*

She's always going on about 'leaders', but all she really means is moving people up the management-ladder.

And last, here's some stuff I don't quite know where to put yet:

– *'How do we cut complexity?'* and *'What do we do about complexity?'*

Everyone wails about that, but I can't get anyone to agree on what complexity *is*.

– *'What do we do about the things we can't control?'*

That one was something about automation, I think?

– *'How do we find out what's really going on in our business?'*

That's a tough one, but I'd say it's really the fault of IT.

– *'How do we find and prioritise what issues we have?'*

Follows on from the previous one, I guess.

– *'Why can't we get our strategy to be followed?'*

If people actually did what we told them to do, we might be able to get somewhere!

I'm not happy to admit it, but that last one is giving me a lot of worries - and I don't even quite know why...

As I'd gone through all of this sorting, I'd laid the cards out again in neat lines on the table. So I lean back in my chair, looking over the layout, moving my head up and down, side to side.

"Okay", I say aloud, to myself, "now let's get started."

"I'd say you already have", says a quiet voice behind me.

# 3

I turn round, and glare at the guy. Who the hell does he think he is? I get up quickly from my chair, to block his view of Pavel's cards.

I look at him a bit more carefully now, but he's nothing much to look at. He's in his late sixties, perhaps, maybe early seventies; an old grey woollen coat in some herringbone pattern; black leather shoes with old-style square-end toes; blue shirt and dark blue striped tie; grey pants and grey jacket from two different suits, similar but not quite the same; all good quality, once, but he's worn them a long time. Middling height, middling build, middling everything; dark hair gone white, but mostly still there; otherwise, yeah, he's Mr Nobody. And a Mr Nobody who thinks it's okay to look over my shoulder while I'm working, and thinks it's okay to make comments about it, too. Let's just say I didn't exactly warm to him.

"Look, no offence, but I've got no idea who you are, and this is company confidential. Better for both of us if you didn't stick your nose where it wasn't asked, okay?"

"No offence? Oh yes, indeed, none taken." A small smile. I'll admit I just wanted to deck him.

"Just who are you, anyway?", I growl. He doesn't flinch one bit: either one cool customer, or absolutely up himself - probably both, I guess.

"MacGregor. Stuart MacGregor", he says, genially. "My friends call me Stu." He offers his hand to shake; I don't take it.

"Marco Pellegrini. Let's just stick to Marco, okay? Or Mr Pellegrini, for preference. If you must." I really don't like this guy: something odd about him. Scary, almost - which is weird.

"As you wish, of course." Again that irritating little smile of his. "I'm a consultant, of sorts. Or I was, rather: I'm retired now, but we never really stop, do we? Strategy, systems-thinking, that sort of thing." He pauses a moment, waits for me to answer, sees I'm not

going to, and continues anyway. “Don’t worry, I’m not a spy for the competition or anything like that.” He looks at me again, head slightly tilted. “You’re quite new to the company, aren’t you? So yes, you wouldn’t know who I am, of course. Not to worry. Let’s just say that I am a true friend of the company, we go way back, in fact, and I’ll help you where I can.”

I’m torn somewhere between seething at him, and just wanting to get back to work on my mess of a problem. No room for politeness: except that something kinda stops me from turning round.

“Of course”, he says. Still holding me with that quiet-strange gaze, he reaches into his left pocket, pulls out an old-fashioned card-case, flicks out a business-card, makes as if to offer it to me, and then puts it onto the table instead. “When you’re ready, do call me. I believe you’ll find it useful. And quite soon, I think?” A brief pause; he looks up, into nowhere, breaking eye-contact at last. “Hm. Yes”, he mutters under his breath, nodding his head to himself. “Quite soon.”

Then he kind of wakes up, and wakes up to the fact that I’m still there, still in front of him, and not still happy. At all. “Oh, I do apologise”, he says, “please, please, do go back to your work, I really shouldn’t disturb you, should I?” I sigh, loudly: it’s all I can do to hold back from yelling at him. He turns away, towards the service-counter, and I settle back into my chair again. Back to work: I *must* sort out this mess somehow. Last I see of the guy, he’s paying for his coffee, carefully counting coins out of an old shovel-purse - I’d thought those things had gone out with the Ark. I shake my head, and sigh again: what kind of rock did *he* crawl out from? And why couldn’t he have just stayed there and left me in peace?

Twenty minutes later, I’m still staring at the cards, all neatly lined up across the table, but no ideas are coming at all. I’ve sorted them into the right groups, the right department for each question, but that’s it: nothing more than that. I resist the temptation to sweep the whole darn lot onto the floor, and sweep them up into a single stack instead, flipping the cards round in sets to keep the groups

separate, then drop them with some care into my case.

I get up to go back to the office, dejected, down, feeling a total failure. I look around: the old guy is gone, thank goodness. All that's left on the table now is my empty coffee-cup, and the old-guy's business-card. On impulse, I sweep that up, and, with an irritated huff of breath, throw that into the case too.

Somewhen in the not-too-distant future, I'll be very, very glad that I did.

## 4

“Daddy!”

Yeah, that’s my Amber, that’s my girl. She throws open the front door just as I arrive home. “Look, look, I did a drawing of you!” She drags me toward the front room, where there’s her usual scrambled mess of painting-materials all over the dining-table.

“Hold on, Mouse, hold on!”, I laugh. “Give me a moment to get my coat off, okay?” She stands there, pouting, in her pretty pink dress - yeah, she’s still in the pink phase at the moment - but relents for the while, at least long enough to let me get in through the door. As soon as she senses that I have even one tenth of my attention directed her way, the barrage starts again.

“Look, Daddy, that’s you in your office, only it’s a castle, see? And there’s all your other knights in armour, fighting all the nasty enemy-knights outside, with their great big dragons!” Even she has to pause for breath sometimes: I get a moment’s respite. “There they are, all fighting in the market-place outside the castle. See, someone’s knocked over some apples, and there, that’s a market-woman from the mall hitting a dragon over the head with a frying-pan. I’ve got to have that in there, haven’t I, Daddy?”

She’s been learning about the Middle Ages at school, I guess. Good picture for a seven-year-old, though: I’m impressed. I look at it a bit more closely. There are lots of little details I wouldn’t expect: there are archers on the battlements, shooting arrows at the dragons, who all seem to have targets painted on them to make them easier to hit. I can’t help smiling.

“Yeah, nice, really nice. I like the swords, too. But what are those long pointy hats some of the knights are wearing? It doesn’t look like armour?”

“That’s the ladies-in-waiting. They’ll all fight for you too!”

“With swords?”

“Of course!”

Someone's got her ideas a bit confused about the Middle Ages: better not tell her that, though. Not that I'd get a chance to get a word in edgeways anyway, I think to myself, with a grin. That's my girl all right.

“And look here, Daddy, that's the biggest dragon, and she's got past all the knights, and she's got inside the castle, and she's right next to you!”

Her dragon's breathing fire at me: for some odd moment I see it as little bits of paper and red-tape. “Help! Help!”, I say, laughing. “What should I do about that?”

“You've got to fight the dragon, of course! But you can't do it all on your own. See, look, there's the big mountains in the background, with lots of people, all coming to help you! And, look, there's me, I'm the princess, on my horse, coming to rescue you!”

Again, I can't help laughing. “Isn't that the wrong way round? Princesses don't rescue Daddy-knights from the dragon, do they?”

She pouts, folding her arms firmly in front of herself. “This little princess does!”, she says, with a small stomp of her foot and a very definite ‘Humph!’.

Oops...

This time, though, it's Helen who rescues me from our fiery dragon of a daughter. “Hi, hon”, she says, as she comes in through the back door. In her right hand she's wielding a power-drill, which she puts into a holster on her belt. That old boiler-suit of hers is a mess of rips and tears and streaks of paint, but if anything it makes her look even more beautiful than ever. “The garden-bench is nearly done, but I'd still like to give it a couple more coats of varnish if I can. If your lordship permits, that is?”, she says with a grin, glancing at Amber's painting. “Been telling you The Story Of Daddy, has she? She's been making it all up with me all afternoon.”

“You have any ears left?”

“Not much!” She laughs, brightly: ye gods, but I love that woman so... “And now you, young lady”, she says, turning to Amber, “we're going out soon, and I want you in something more survivable than that dress. Up you go, get changed, okay? Five

minutes, no more: you choose, or I'll choose for you!" Mouse stands there, mouth open, about to object, and obviously about to start talking at me again. "No you don't", says Helen, "you can earbash your long-suffering father later, when we're in the car!" She pulls the drill out of its holster, waves it in the air like a pistol, pulls the trigger to rev it, once, twice. "Giddyup! C'mon! Scoot, girl, scoot!" Amber squeals, giggles, runs out to the stairs.

Then the kiss I've been waiting for all day. It was worth waiting for.

"Where are you in that drawing of hers?" I ask. "I couldn't see you."

"Nowhere, this time, oddly. It was only a picture of you, she said. She was quite emphatic about that. And of her, of course, a shiny princess on her shiny horse. She says I'm at home, waiting for you, on the other side of the mountain, and I can come and get you when she's rescued you, but not before then. I feel quite left out, I do - me, jealous of my own daughter!"

We both grin, shaking our heads. That crazy daughter of ours.

"Now, I've got to get out of all this stuff", she says, waving at her ragged boiler-suit, "and I guess you'll want to change out of your work-things, too, yes? Come on up, I'll hinder you if you like" - she must have seen the sudden glint in my eye - "but we've only five minutes, remember, we said we'd chase our young madam then?"

Definitely infectious, that wicked grin of hers. Only five minutes. Sure. But there's a lot we can do in just those five minutes...

Yeah, I do love that woman...

# 5

That was a great evening out - one of our best for quite a while. Mouse talked almost non-stop, of course, but Helen and I still had space enough for some us-time too. Nice.

While she's upstairs putting the Mouse to bed, I tidy up a bit down here. I catch another glimpse of Amber's drawing, and smile: what a great storyteller that girl is!

Then something odd catches my eye. Those targets that the archers are aiming at - they're not painted on the real dragons, as I'd thought, the ones blowing smoke and fire. They're painted on fake dragons, made out of bits of wood and paper - just targets for target-practice, it seems. Completely different: kinda hard to describe, I guess, but it's really clear in the drawing. And whilst the archers are hitting those targets all right - hitting them fine, plenty of arrows sticking out in all directions - they're not stopping the real dragons at all. Not even hitting them with a single arrow. Not much point, then, and not much help for the castle's defenders! Weird: I wonder why on earth she drew it that way?

I smile again: fact is that she probably doesn't know why she did it, either. Yep, that's one crazy kid we have, all right: gods only know what goes through the minds of little girls!

# 7

Trepidation. That's the word. I just hope to the gods that this works, that's all.

Don't let the comfortable ante-room fool you, they said: it's a test. Everything's a test. Often - usually? - to destruction. Yikes. Yikes indeed.

"Come in!" The voice sounds pleasant enough, but there's an edge to it in the background somewhere. Well, here goes...

"Good morning, Mr Pellegrini - glad you could come. It's Marco, isn't it?" All pleasantries. I smile, and stammer a "Yes".

"Do feel free to call me Margaret. Don't worry, I don't bite", she says, flashing a smile like a shark's. "Coffee? Cream? Sugar, yes?"

"Yes, thank you." I'd been warned to take the coffee, whether I want it or not.

While she fusses with the fancy coffee-pot, I take a moment to look at her. She's a big woman, but in the sense of muscle, not fat - kind of built like you wouldn't want to take her on in a boxing-ring, anyway. Like everything else in this room, she's dressed expensive, but no glitz, nothing gaudy, just all-business and nothing else: it's easy to see how she's got here, to this level. And surprisingly, she's not as tall as I thought she'd be: kind of like she has a tall bearing, a tall manner, a tall voice, just tall in everything except height. But also kinda keen on dishing out the tall-orders, too... yikes again...

"You do know what we need from you, don't you? *Results*. Predictable, certain results. We need to hit our targets, our earnings-targets, exactly on the money, every quarter, with a year-on-year of last-year plus ten percent or better. That's what builds shareholder-value. That's what our shareholders want. And that's what *I* want, from you. That's clear, I think, isn't it?"

I nod: I'm very careful not to answer.

"I know our market is changing, and I know we need to change a few things here and there. But there's one thing that can't change,

that *mustn't* change, and that's those quarterly results. That's clear too, isn't it? That's what you're giving me?"

Again just a nod is the only safe answer.

"Good. Now we still have ten minutes: let's look at this plan of yours, shall we?"

That smile again. Like a shark.

# 8

Okay. I'm still alive.

She's sending me to see two people: Alicia Berkshaw, head of HR; and some guy I haven't met before, Kim Lee, our recently-acquired CIO.

Oh, and I still have my job. For now.

## 9

“No.”

That’s her first word, almost before I walk in the door. “No. It won’t work.” Her trademark sarcastic smile. “No. What part of the word ‘No’ don’t you understand?”

“What won’t work?”

“Anything. Anything different. Whatever plan you’ve brought here.” She throws her hands up in the air. “*Dios!* Why do they give me these foolish men to work with?”

I grin: there’s not much else I can do - or say, either. What a character: we’ve known each other a long time now. Alicia Pereira, ‘the Latina fireball’, we used to call her, back at Marcom: married an Anglo guy since then, but it hasn’t slowed her down one bit. She’s one tough cookie, too: fought long and hard to get where she is now, as the head of HR here, and she’s darned well deserved it. But she’s the only woman I know who could wear heels that high and still be viewed by everyone as every inch the hard professional. A lot of respect for her, I always have: but yeah, she’s never easy to work with...

She stops, grins back, a sharp laugh, throws her hands in the air again. “Jesus, Marco, you should know better than that! - letting yourself get roped into trying to *change* anything? Everyone knows there’s only one way that works in HR: carrot and stick. Offer ‘em performance-bonuses if they hit their targets, and hit ‘em over the head if they don’t. Then monitor, monitor, monitor; micromanage ‘em if we must. That’s it: don’t even bother trying to try anything else.”

Machine-gun rattle of words there: just as with Amber at home, I’ve no chance of getting a word in edgeways when she’s in full flow, so I don’t even try.

“All right, all right. You have a *plan*”, she says, with just the right edge of sarcasm. “Let’s go down to the cafe and look at your

wonderful *plan*.” She glances at her watch. “No, make that the bar - I’m going to need a martini for this.” A moment’s perfect pause: “You’re paying, of course?”

“Of course.”

She whisks her bag off the desk, and sashays out on those lethal heels.

# 11

“Okay for me to go home now, boss?”

“Gods, is it that late already? Of course, yeah, sure, go. And thanks, you’ve really helped a lot today. Thanks.”

“Sure thing, boss. Seeya!”

Pavel. Pavel Andreyevitch Mikoyan. I’m really lucky to have him as my assistant here: he’s neat, fastidious, tidy in a way that I’m definitely not, and just gets everything *done*. I really don’t know what I’d do without him, I really don’t.

He’s also an absolute maniac on that mountain-bike of his, it has to be said. But we all have to have a little craziness in us somewhere, surely?

# 12

“Hi, hon. Heard you come in.” She looks up from her desk, reaches up for a kiss. “Mm. Nice.”

“How’s it going?”

“The analytics? Oh, it’s fine. It’ll wait.” A brief moment. “Actually, no, I really had better finish this, Brook’ll want to read it over the weekend, before Monday.”

“Oh, right. So you gotta go into the office again?” Brook is her boss, back at MarCom. Analytics can be done pretty much anywhere there’s a good net-connection, so Helen can work from home most of the time. But head-office is four hundred miles away, so it’s a pain in the ass for all of us when she does have to go in for meetings.

“Yes. On the early flight, unfortunately - it’s the only one I can get.”

“Right-oh. I can do the school run, of course.”

“Mouse’ll like that - more time with Daddy! I’m jealous.” She grins. “Would you be a love, go upstairs and check on what she’s doing? She’s in her room, with Amanda.”

“Her new Best Friend?”

“Uh-huh. Don’t mock it, okay?” She grins again. “I know it doesn’t make sense to you big tough boys, but all this relationship-stuff *matters* to little girls. Even I was one once, you know?”, she says, wistfully, but with that wicked smile of hers that I love so much. “And now this big girl’s got to get back to work”, she says with a sigh, looking back at the mess of spreadsheets and pie-charts across her three-screen display.

I give her shoulder a quick squeeze. “I’ll get you a drink.”

“Yes, do, please. There’s a reasonable Sauvignon cooling in the fridge - a glass of that would be great. Thanks - you’re a life-saver.”

I turn round, to go to the kitchen; she blows me a kiss as she twists her chair back towards her paperwork. Best get that glass for

her first; then head upstairs to face whatever doll-driven terrors my mad daughter and friend will inflict on me this time!

# Notes for Sample-edition

*We'll skip over a handful of context-setting chapters, and move to Marco's description of his change-plan. All of what he sets out can still be found as mainstream recommendations for business, though you're likely to spot a few howlers in there even at this stage.*

# 16

That's the plan done.

Well, the first cut of it, anyway.

Pretty straightforward, really, just the kind of routine stuff we did on my MBA course.

I've reworked those previous categories into six different sections, more along the usual organisational boundaries:

The *top-level strategy*, for the organisation as a whole. That's at the exec level, Margaret's turf - that's where I'm reporting into - and that's where we hit the big tricky questions, some of which I've had to sidestep for the moment.

Core strategy is that we'll make the business more efficient, and make more money, by cutting costs right to the bone. Automate everything, as much as we can. That's the central focus of the whole plan.

Leave the profit-centres alone, of course. But there's plenty of fat that we can cut out of the cost-centres: they're all just overhead, most of which we can either automate or outsource or both.

As long as we can cut costs, we don't need to touch our business-model: cutting costs will make it more profitable all on its own. Cost-cutting should make everything simpler, too - so that's the easiest way to get rid of complexity.

Gonna do a big boost on management-reporting for exec and upper-management. Set up targets for everything, traffic-light flags on everything, but keep the detail at bay, because that doesn't need to go to the top at all. Traffic-light flags will give us all the info we need to pick out priorities for action.

That other remaining question here about 'public image' we can just handball on to marketing: that's their responsibility, it shouldn't be a top-level concern.

On *finance and governance*, that's the CFO's territory. I know I won't have any authority to change anything there, but I've made

a few suggestions.

All we'll really need from them is the list of cost-centres to target for cost-cutting - and we have that list already from the accounts in the SAP system, pretty much. Nothing difficult there.

On the governance side, we'll also need some help from them to pin down the right metrics for our new performance-targets, which is the core of what Alicia will be working with.

As for those questions on compliance and new laws and so on, well, there's always new law coming up, we'll deal with it when it happens, is the best approach - no point in wasting resources on it until then. Automating everything will get rid of a whole bunch of compliance hassles, too.

On *marketing and sales*, that's the usual stuff that the CMO deals with. For here, that's mainly the questions about products and the sales side of the business-model, and I've also bundled customer-service in there too.

The core here is that we'll make a big shift to online, with a new sales-website. That'll reduce our reliance on the bricks-and-mortar stores, and even allow us to close down a fair few of those so it'll cut costs that way too.

We'll need to do some heavy marketing on that in the media, a bunch of television spots and big banner-ads, stuff like that. Maybe a campaign in the social-media in Facebook, if that'll keep the marketing guys happy, but I don't see it as important. Big-data on the website will make it easier to push upselling onto our customers, so we'll get more from them that way; same for customisation and personalisation, all with the same branding.

The other big shift will be to shut down all of our own manufacturing plants and move the whole lot offshore - not only cheaper, but faster turnaround on new products.

We might have to place a few of our product-development guys over there for a while, to make sure quality stays enough up to standard to avoid upsetting anyone - but we can probably even outsource the whole of our product-development out there too once our providers get the hang of it.

For *operations and supply-chain*, that's the COO, of course. That's where most of those front-line questions connect, but there's also procurement, which we hadn't really touched as yet.

What'll happen here is pretty much as per my first ideas on this: automate everything. That way, the front-line staff know exactly what to do, when to do it, and no arguments or confusions - just do it. And all our reporting will become automated too, from the computers, not from people. Also means we can cut our front-line and back-office staffing right to the bone, because there'll be no more ad-hoc decisions and almost no paperwork for them to screw up. Hugely simpler.

Supply-chains will get a bit longer because we're offshoring all of our own manufacturing, but it's just longer lead-times, no more complicated than we already have. And moving all of our manufacturing offshore means we won't have to worry about health-and-safety any more, or any of those hassles about environment, either - that's a big bonus.

On customer-service, we'll move everything on-line - we can handball all of that to the IT-department - plus a call-centre, which we should be able to shrink over time. Run everything from pre-defined scripts, we can hire cheap for that. We can shut down the customer-service booths in-store - we'll save a bit of money there, cut out the hassle of customers complaining for no reason. If all the manufacturing is offshored, returns become their problem, not ours. No more customer-service - that's the real target here.

With *innovation and technology-management*, that'll be the realm of our slob of a CIO, Kim Lee. He's right, unfortunately - his over-hyped IT really *will* be 'the centre of everything' for this one - but we'd better not tell him that...

The main one is gonna be all the support we'll need for the new sales-website - web-services and all that stuff. Kim'll be happy, too, because we'll need his beloved big-data to analyse customer clicks and purchases so we can do automated personalisation and upselling.

Some new software for supply-chain tracking, but that's straight-

forward off-the-shelf stuff, he says, so no big deal there either - though we'll need to silo it off so sales and stores can't meddle with our offshore ordering.

A new 'business-rules engine' - whatever that is - to control the new automated workflows for our front-line staff to follow. And a whole bunch of new reporting software, which he'll have to write in-house because of the interfaces to all of our new scanners and other in-store automation.

He says he wants a new in-house data-centre with enough capacity to cope with our peak sales-periods, such as Christmas and so on - and we'll have to give it to him, I guess. But overall, that'll give enough us competitive advantage not only against our immediate competitors, but also claw back all of the market-share we've lost to online-retailers like Amazon. That'd be good.

For *HRM, leadership and change*, that's Alicia's world. Who *isn't* a CxO - the only one who *isn't*. That's kinda strange... Oh well.

The big focus is going to be on using automation to trim back staffing as much as possible. The automation will also help enforce reporting, with targets for everyone, and bonuses for those that hit the targets. Failing to hit targets will become grounds for dismissal, so that should help improve discipline and commitment to the job. Alicia will provide us with all the targets, performance-metrics and performance-pay that will help us get more from all of our employees. That should all be straightforward there.

On staff-turnover, that shouldn't be a problem for a while, because there'll be quite a lot of layoffs, so we can pick and choose from the best. Can avoid any union problems with the workers from the factories we're shutting down, because there'll still be some jobs in retail, and we can move them there. It's just a job, after all.

I'd thought training was gonna be a bit of a stumbling-block, until I realised that the more we automate, the less training we'll need to do. Should be able to cut our training budget in half, at the least - almost to zero, for manufacturing, since almost all of it is going to be outsourced. Gonna need a few more people in IT, but

no need for training there - just get the recruiters to check their certifications, that's enough. Tick-the-box exercise, that's all. Only thing we *do* need for new training is to get people to know what we expect from them in our strategy, and make sure they know the penalties if they don't follow through on it. Should be enough.

Nothing new needed on 'How do we develop new leaders', because there'll be plenty of managers left over from the manufacturing plants we'll be shutting down. Okay, they'll be from manufacturing, not retail, but I don't see any problem there - management is management, after all, it's all transferrable skills. And again, we'll be able to pick and choose from the best. If they're any good, we can move them up the management-ladder from there. The right targets and bonuses will help in that, too.

That's the lot; that's it.

Okay, I'm biased, but I reckon it's a pretty good plan. Can't see any problems with it, anyway. Feeling good about it - really looking forward to putting it into action.

Only hurdle left is getting it past the Queen of No, that's all. Appointment's tomorrow afternoon: see how that goes.

# Notes for Sample-edition

*Marco gets approval from the CEO for his plan, and he sets out to put it into action.*

*The next few chapters, though, start to show how things don't quite go to plan...*

# 21

The plan: it's working!

Everything's in place: the targets, the metrics, all the outsource-arrangements, databases, dashboards, the lot.

The roll-out is going really well - no problems so far, anywhere. A small cost on setting it up, of course, but we're well on track to big savings by the end of this quarter.

Might be a few union-hassles with all of the layoffs, but that's about it: not expecting anything else.

Kind of a triumph, really, though I say it myself. Feels good.

# 22

I think it's working.

A few hiccups around some of the IT-systems, but that's nothing to be surprised about. Teething-problems, that's all.

# 23

I hope it's working...

But I can't tell. That's what's driving me nuts.

# 24

It's not working.

I don't know *how* it's not working, but it isn't.

We did everything by the book, but there's something weird going on. Everyone's hitting their targets just fine, but it isn't getting any better. If anything, it's getting worse - all sorts of odd problems popping up in unexpected places, kind of somewhere in the cracks *between* things. Every time we fix a problem, something else just pops up somewhere else instead. It just doesn't make sense.

# 25

I *know* it's not working.

But everyone else believes that it is working - or *wants* to believe it is, perhaps.

And I can't *prove* it, so they won't listen to me anyway - especially as our figures for this quarter show everything as a resounding success.

All I've got is a hunch - a *feel*, I suppose you'd call it - and a bunch of little stories that just don't add up.

Some of them are things that are just *too* good. Look at the call-centre logs, for instance. The target for customer-service calls is two minutes max: the operator has to have dealt with the call by then, or passed it on to someone who *can* fix the problem for the customer. Fair enough. And if you only look at the summaries, at the traffic-light set - green, amber, red - it all looks fine: we very rarely get anything outside of the green. If it's outside the green, we come down on them like a ton of bricks anyway, so it's not a great surprise: they *ought* to do it well, to the target, and they know it. But if you look at the *detail* - like I did the other day - it just doesn't add up: the number of calls climbs steeper and steeper towards the two-minute mark, and then there's just nothing, nada, zilch. Not many pass-ons, either: it's like almost everything gets magically fixed exactly at the two-minute mark. And I don't trust that kind of magic. I *especially* don't trust it when our call-volume is going up so steeply that we'll soon need another call-centre, and maybe more.

Something wrong there, I'm *sure* of it. The problem is that it's only visible if you dig right down into the detail - and for much of it, look for what *isn't* there, like a more sensible bell-curve distribution for call-durations, not this magic cut-off exactly at the target. But how do I explain it to anyone else? They only look at the aggregated summaries and the traffic-light flags, and everything's just fine and

dandy up there. Or *looks* fine and dandy, but actually isn't: and we have no way to find out *how much* it isn't. Or *why*, for that matter. That's what's worrying me right now.

And then there's what happened to Helen in our store over near the Marcom office. She went in, picked up a bunch of stuff, and went over to the checkout in the usual way: nothing unusual there. Halfway through, the checkout-chick stops dead at one item, and tells Helen she can't have it. What's wrong, says Helen - why can't I have it? It's 'cos it doesn't exist, says the chick. What do you mean, 'it doesn't exist'? says Helen - you're *holding* it, in your hand, right now. I know, says the chick, but the computer says we haven't got any in stock - and I can't sell it to you if we haven't got any in stock.

Helen starts losing her rag a bit at this point, and says, look, it's right here, it exists, and I want to buy it - are you going to let me buy it? I can't, says the chick, the computer won't let me add it to the tally if it says we haven't got any stock. But you *have* got stock, says Helen. I know, says the chick, but there's nothing I can do - computer says no, and I can't do nothing else.

At which Helen just throws her hands up in the air, she told me, and just walks out, without buying anything at all. And frankly I don't blame her: I'd do the same. But she's told a lot of people about that screw-up: I've even had a couple of so-called joking emails about it from some of her guys at Marcom. She says she won't bother trying to buy anything from there again, and as far as I know, she hasn't - which doesn't do me much good at home, either, because it's *my* company's store that's screwed her around in this way. She had a bit of a go at me about it when she first came back from that trip, which I thought was a bit unfair, because it's nothing to do with me: but she said that logically it *was* my fault, because it was *my* change-plan that pushed through the changes that made everything fall apart in that stupid way. And in that sense, yeah, she's right - which is a real worry.

It's stuff like that. On the surface, everything looks like it's working really well. According to the figures, according to everything we're measuring, it *is* working well. And yet I *know* it isn't.

I'm worried, I really am. And I don't know what to do about it  
- which is worrying me even more.

Ye gods...

# 27

“What’s up, hon?”

It’s the weekend again, and this time it’s sunny enough to sit out in the open-air cafe in the town square. Lost in thought, I wake with a jolt.

“What?”

“What’s up? You’ve hardly said a thing all day - in fact not since you came home from work last night. I miss you!” she says, with a grin.

“I’m sorry, dimps - it’s not you, honest, honest!” Yeah, that grin of hers is infectious... “Just stuff at work.”

“I thought you said it was going really well? I’m so proud of you for that.”

“Well, it *was* going well, yes. It still *is* going well, on the surface. There’ve been some good bonuses coming out for that - for the line-managers, at least, and for the C-suite, of course. But...”

A long pause.

“That’s a lot you’re not saying in that ‘But’, hon.” Droll and laughing at the same time: it helps. “Spill it, please? That’s what I’m here for.”

She reaches round, squeezes my shoulder, gives me a quick kiss on the side of my cheek. Yeah, that helps a whole lot more. I let it all out in a long, long sigh.

Been a lot of effort holding it all in, I guess. I’m tired.

“You remember that stupid business over near your office? Where the girl wouldn’t let you buy that thing because she said it was out of stock?”

“Yeah, too right I do!” A real flash of anger in her eyes.

“Well, it wasn’t just a one-off. There are lots and lots of little things like that, just little things that don’t make sense. And on their own none of them add up to much, but when I start putting them together it feels like they’re adding up to a whole big deal.

And yet all of it's under the radar: none of it's showing up in our systems or our metrics - the same kind of analytics-stuff that you do for Marcom. It's all just little stories, coming down through the grapevine. Little hassles. But I've got a real, real nasty feeling that they're about to join together into one ginormous hassle that could blow us right out of the water."

I run my hand through my hair. Feels like it's thinning already: just another thing to add to my woes. Great.

"And by 'us' I don't just mean the company, I mean *us* - you, me, the Mouse. Everything. That's what got me worried, dimps. That's what's got me beat."

She opens her mouth to speak, stops, closes it, sets back down. In the end, she settles for just one word: "Ouch."

"Yeah. Ouch." Nothing much else to say right now, really.

Sitting beside me, she turns round to face me, sideways.

"Come on, hon: look at me. Whatever happens, we'll ride through this one, okay. Together. We always have, we always will." Her smile lights me up inside, pushing away the dark. "That's better!" she laughs, "Okay, let's look at this logically. Nothing's *actually* happened so far, right?"

"Not as such, no. Not anything that anyone else has bothered to see. So far it's only me - and that's only because I've been *looking* for it, ever since that mess you had to put up with in our store."

"So it's all *my* fault, is it?" she says, laughing. We both share another smile. A bit of a struggle to find that smile, in my case, but yeah, it's there. It helps.

"Right", she continues, "so there's nothing that's happening right now, and you're actively looking for it, whatever it is. Which means you *will* find it: that's logical, isn't it? And when you find it, you'll fix it, all long before it becomes any kind of real problem that's going to hurt in the analytics or anyone else. I know you will, you always do. Which means there's nothing to worry about, is there?"

"Thanks for your faith in my *great abilities*, dimps", I say, with a happily-mocking bow, "but it's worse than that. A whole lot more

tricky than that. You're right about 'won't show up on the analytics before anyone notices', but right now it's not showing up on the analytics *anywhere*. That's the whole point. And yet it's there - I know it is."

Again, I stop for a moment, trying to regather my thoughts. Or something.

"I know it's just a feeling, that's all. I know it's not logical - I'm sorry. It's just this really, really bad feeling that we've all missed something absolutely huge, hidden right there in plain sight where we just can't see it. Or *won't* see it, perhaps - something like that. And yeah, it's just, it's just... I dunno, just so damn huge it's gonna wipe us all right out."

"It's not your fault, hon... don't worry so."

"But it *is* my fault, dimps - you said so yourself, remember? I was the one who cooked up the plan, I was the one who got it approved, I got it pushed into operation and all that. And they all think it's working, think it's working well, when instead it feels way way certain that we're about to get blindsided by something so huge that we can't even see it. What have we missed, dimps? That's what gets me: what have we *missed*?"

I sigh.

"And if the shit hits the fan - or *when* the shit hits the fan - well, then what with Alicia on one side, Fat Boy Kim on the other, and the C-suite all nicely lined up for the kill on the far side of the table, it's gonna be the mother of all blame-fests. And I'm lined up right now as the fall-guy, the pig-in-the-middle. It'll be me that's the meat in the sandwich there, no doubt about that."

Even Helen's beginning to look worried at this. I'd hoped she wouldn't.

"It's got me beat, dimps. I just don't know what to do."

I sit there, elbow on the chair's arm-rest, head bent down, chin resting against my wrist, flicking my thumb-nail distractedly against my front teeth. In front of me, on the table, my coffee's long since gone cold. Yeah, I'm going to need help with this one, that's for sure. But who the hell *can* I call? - I don't know anyone who'd

know anything that's any use for this...

“Where *is* he, Daddy? I haven’t seen him for *ages*!”

The Mouse. I’d clean forgotten she was even here with us. Ye gods, I really am that bad at the moment...

“Where is *who*, darling? Who do you mean?” That’s Helen. Sure I must have noticed the Mouse endlessly looking around for someone in the square, for the whole time Helen and I had been talking, but I hadn’t taken it in at all. Chalk up another hit for Daddy Disaster-Area.

“Mr MacGregor, of course!”

Whoa! I blink, twice, hard. That woke me up! - where the heck did *that* come from? Now she’s got my attention, all right!

“Who’s Mr MacGregor, darling? I don’t know him...” That’s Helen again: I’m not sure I can speak clearly yet.

“That nice man with the funny hat - you remember, Daddy, we met him here *weeks* ago. I’ve been watching for him ever since.”

My god, she *does* mean MacGregor - *that* MacGregor. But how...

“How do you know that’s his name, darling? Have you spoken to him?”

“No, but *I* think he’s just like the Mr MacGregor in *Peter Rabbit*. That’s why I think he’s Mr MacGregor. Well, he doesn’t have a beard like Mr MacGregor, but I think he’s just the same. He’s made out to be the nasty man but all he’s doing is he’s hoeing his onions and his carrots, and looking after them, and Peter Rabbit comes in and steals them. So *he*’s the baddie, not Mr MacGregor - *I* wouldn’t like it if some naughty rabbit came and stole my dinner, would you? So *I* think Mr MacGregor’s the goodie, not the baddie. And I like this Mr MacGregor too, so I wanted to tell him that I like him, and that Peter Rabbit’s the baddie.”

Yeah: we blink. That doesn’t stop the Mouse, of course. Not for one moment.

“And anyway the book says that Peter Rabbit’s a very naughty rabbit, but Flopsy, Mopsy and Cottontail are good because they only pick the blackberries and they’re all very good rabbits, that’s what

the book says. They're better than Peter Rabbit because he's a boy and they're girls, that's why."

And she stops dead, arms folded, in an 'and that's final!' pout. A whole language of pouts, that girl.

Brilliant, just absolutely priceless; we have to laugh. "Sexist already? At this age?" I whisper to Helen. That crazy daughter of ours! But I really ought to kiss her too, because she's taken me right out of that hell I've been stuck in for the past few days. It's gonna be all right; I've no idea how, but *somehow* it's gonna be all right. A quite other kind of certainty, that.

MacGregor, though: what *was* that guy on about? Yeah, maybe I do need to follow this one up, and soon...

# Notes for Sample-edition

*We'll skip over a few chapters here, to bring us to Marco's first proper meeting with Stuart MacGregor.*

## 32

Coffee. I need a coffee.

Stand in line at the counter in Ricardo's, looking around. No sign of him here yet, but not quite eleven, so no big deal.

Coffee ordered; the usual fight with the damn credit-card machine - they never work properly in these places. Is a nice place, though.

Wait for the coffee itself. Biscuit? Pastry? No, better not, not just now, need to make a good first impression with this guy. Feel frazzled as hell, but at least my suit's reasonably crisp, that's something.

Got out just in time: Pavel'll hold the fort for me long enough, till I get back from this. Still nothing at all showing wrong on the dashboards, but I know it's there, just waiting its time. If we're lucky - if we're real lucky - we'll get away with it for at least this quarter, maybe another one as well. Would give us enough chance to get real changes going - if we can work out what the hell they are. Just hoping to the gods that MacGregor can help, that's all.

Stu. Not MacGregor. Stu. He seems to prefer informal: so do I, but so often ain't safe.

Coffee in hand. Okay, here goes - go find a good booth, if there are any left.

Ye gods, he *is* here already - just over there. Best position in the place, for quiet - yeah, he *does* know his stuff, he's done open-and-confidential plenty times before, all right. Though if he's the kinda guy I think he is, he could do it in the middle of a crowded railway-station and no-one else would hear a thing. That's class.

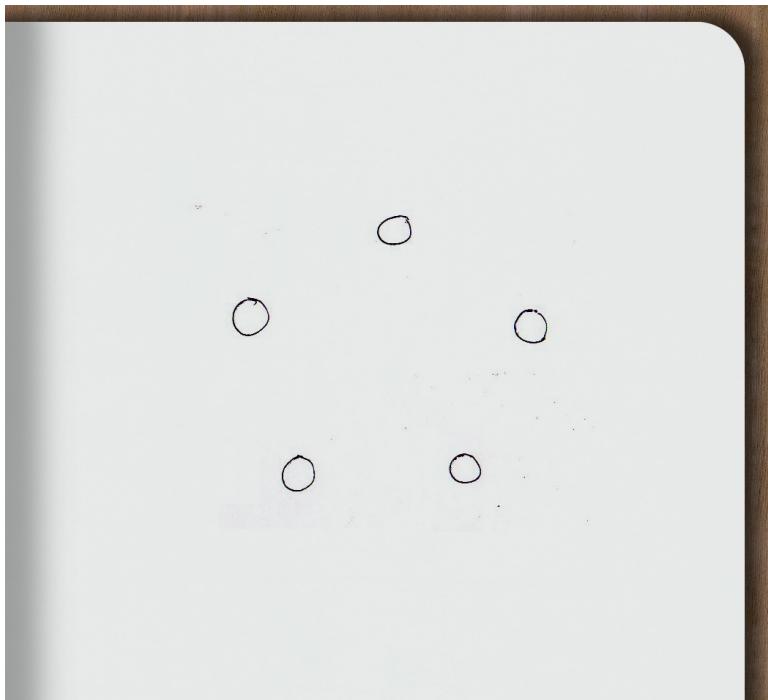
And yet he looks just Mr Nobody again. He's in a sort of business-suit, sure, but dressed-down even further than I am. Mr Nobody. That's a whole different kinda class, I'm guessing. Just who *is* this guy? - but if he *can* help, I'll be one heck of a lucky guy, and I know it already, just from right here.

Straighten up, Marco, straighten up. Start walking.

Yeah, he's seen me. Get the smile right... And no, I don't need to do that, do I? Not with this guy - he'd see straight through me straight away. A darn sight easier just to be real.

Ye gods - he *stands*, as I come over! Old fashioned, I know, but *I'm* the Mr Nobody here, *I'm* the one asking for help, he's switched the whole status-games round. Or doesn't let anyone play 'em. Yeah, that *is* a whole different kinda class.

"Mr Pellegrini, Marco, so glad you could make it." A brief, firm shake, I manage an unshaken greeting, then we both sit down, facing each other across the table. Coffee-cup down, no spills. He already has pen and paper out, double-spread, three different pens, neat and tidy, ready to go. With five dots in a pentagon layout on one side of the spread, I notice. Five. Where've I seen that before?



1: Five dots in a pentagon layout (see Notes)

No time, not time now. Just get straight to it. I reach to open my case...

“There’s no need, Marco. It’s easier to talk it through, I’ll take notes from here.”

And he does. We do. We start with what I’m seeing that’s going wrong, that I can’t explain, that I can’t even properly describe. He gets it all out of me somehow, in no more than ten minutes flat. Small notes appearing on his pad, two different colours, black and red, all in different places around that five-way grid. A few notes going on the other, open side of the spread, but not many. I barely notice any of this while it’s going on; don’t notice that I must have stopped at times to drink my coffee, because it’s gone when we stop. All the way through, he’s sitting straight in front of me, pen

in one hand, chin resting on the other, looking straight at me, with occasional glances as he writes a note. A few times he says a “Hm.” or an “Uh-huh.” or a “Yes.”, but not a word otherwise. That’s it. That fast.

“Fine. Yes, that’s good, that’s clear enough”, he says. “And now, what was the plan? What did you expect to happen? What *should* have happened? And why, if you would?” And we do the same thing all over again, again in barely ten minutes flat. The only difference is that this time the other pen is the green, not the red, and most of the notes are going onto the open sheet of the spread. The few that go onto the grid are almost all around just two of the points, kinda two o’clock and seven o’clock. Means something, obviously, but no idea what.

“Yes”, he says, kinda to himself, as we come to a close, “No real surprises there.”

No surprises! Nothing’s damn well worked the way it should have done, according to the plan - how can there be ‘no surprises’?

“Tell me, Marco, where did you do your MBA? Which business-school?”

I tell him - and only then realise that I hadn’t yet told him I had an MBA. What...?

“Aye, well, that explains it, of course. It’s exactly what we’d expect, isn’t it?”, he says, with a kind of sad sigh, looking down again at his notes.

Is it? What we’d *expect*? That’s news to me - we did the damn plan by the book, it damn well should have worked! Except it didn’t, I remind myself, hurriedly. Maybe he’s trying to tell me something? Maybe I’d better listen?

“Master of Business Administration”, he says, kinda quietly downbeat. “It’s quite right, the name, of course: administration, not business. A glorified clerk, that’s all.” Another sad little sigh, much shorter this time. “Aye, I so wish they wouldn’t try to sell it as a business course, because it just isn’t, you know.”

It isn’t? Given what I paid for that course, it’d damn well *better* be business!

“No, lad, please, don’t worry, that really is a bit unfair of me. It’s a lot of work, of course, an MBA, I don’t doubt that. And they’re professional in what they do, the business schools, I don’t doubt that either.” He steeplest his hands, rests his chin on the thumbs, leans forward slightly. “You’ve learnt it all well, too, very well, no doubt at all about that. One of the best I’ve seen, I’d say.”

Kinda odd: I’m sorta proud about ‘one of the best I’ve seen’; but I’m waiting for the ‘But...’, the put-down...

Which doesn’t come: he takes it completely sideways instead.

“It’s not your fault, Marco - let’s make that plain from the start. You’re only in this trouble because you did it so well, in fact. And you’ve shown how good you *really* are, because you’ve seen what’s really happening, long before most businessfolk would.”

Both his hands flat on the table, for a moment; leans forward, then pushes back in his chair, back into the cushion of the booth. Leans forward again, elbows on the table, arms flat, brings them back again, rests them in his lap, looks down again, clasping his hands. Bearer Of Bad News, it looks like.

“Hm. A few questions first, I think, lad, and then we’ll work out what to do. Tell me, what metaphor would you use to describe a company?”

“A machine, I guess. A well-oiled machine”. That’s pretty much straight out of Business 101.

“Yes. ‘A company is like an enormous machine’, says that character in the film my great-grandson likes so much - *The Incredibles*, I think it’s called. ‘An enormous clock. And all the little cogs mesh together’ - that’s about right, isn’t it?”

“Yes, I’d say so.”

“Aye. Quite. And tell me: do *you* like being described as just a cog in a machine?”

“No... not really...”

“No. And neither does anyone else. But we still persist with this description of a company, don’t we? - a metaphor that doesn’t work for anyone.”

He stops, for emphasis, again with a brief sigh.

“That metaphor comes from people like Taylor - you’ve heard of him, I guess, Frederick Winslow Taylor, yes?” I nod assent. “...and Henry Ford. That’s why it’s often called Fordism, or Taylorism. ‘Scientific management’, some people call it.”

“Yeah. We looked at that quite a bit on the MBA course. Controls and all that.”

“Let me tell you, Marco, there’s barely a single scrap of real science anywhere in it at all. Oh, it looks good, it *looks* ‘scientific’ enough. And people love it, the managers especially, because it lets them think they’re in control. Which they’re not. And that’s the whole point, lad: they’re not in control, of anything. They never were, and they certainly aren’t now.”

I guess he must have read my face.

“That’s the real world, lad. These business schools, they’ve been teaching you all the skills you’d ever need for a business-world that doesn’t even exist. That metaphor of ‘the company as a machine’ was losing any meaning it ever had, even when I was first starting in business, fifty, sixty years ago. Now, it’s no more than a joke - but it’s one that sadly most people seem to want to believe is true. So no wonder that what you’ve done there in your plan doesn’t work as well as you thought it would: don’t be surprised at that, it just can’t do it.”

Ye gods...

“Let’s try you out on a few names. Deming, W. Edwards Deming - have you heard of him?”

“I’ve heard the name. They mentioned him on the course once, I think, but that’s about it?”

“They mentioned him on the course once’. Right. That’s criminal, that is. For the record, he’s only the man who all but invented quality-systems. You said you think you might have some quality problems: if you don’t know Deming, you’re *definitely* going to have them. And no means to fix them, either.”

He’s quite cross, now, by the sound of it, but at least it doesn’t feel like he’s cross at me. That’s something, I guess.

“Let’s try you on a few more names that I don’t think you’ll

know, but you certainly ought to. Lilian Gilbreth - she's often described as the mother of modern management, the same vintage as Taylor? Beer, Stafford Beer - the Viable Systems man? Donella Meadows, systems intervention-points? Humberto Maturana, ecosystems? John Seddon, failure-demand? D'you know any of those?"

I shake my head at each of them.

"Charles Handy? He started the first-ever business school, by the way."

"No, I don't know him either."

"All right. Someone you'll certainly know: Michael Porter."

"Yes, I do know him. Five Forces. Porter Value Chain."

"Did you know that was thirty years ago, more than thirty years ago?"

"No, I didn't."

"Right, can you tell me this: What's the purpose of a company, a public company? What did they teach you in business-school on that?"

"Uh, to optimise the medium-term returns to the shareholder?"

"Aye. I've heard some schools say 'maximise', and some say 'quarterly returns', to line up with American business-rules; but that's about right, what you said. Now, do you know what Michael Porter says *now* - not thirty years ago, but right now - about shareholders, and shareholder-return?"

I shake my head. Not much else I can do, or say.

"Quote, 'The obsession with shareholder value is the Bermuda Triangle of strategy, in which companies sink without trace.' And he's right, Marco, he's right. They do. All the time. Following exactly the same kind of plans that they taught you how to do in your precious MBA course."

I don't have to guess he doesn't think much of MBAs...

"And for a variety of reasons, I'd rather it didn't happen to your company - the company you work for. Like I said, I've been a friend of that company for a very long time. You say you'd need some help, Marco. But I need some help too - and as it happens, fortunately,

they're essentially the same thing. So let's talk, and let's keep talking - and we *will* get you out of this fix, I promise you that."

A short pause. Again, I just don't have anything to say - except that it feels like my whole world is coming apart. Not in a wrong way, at least - it actually feels like a breath of fresh air, somehow - but yeah, falling apart...

"Aye. Well, first, let's get you another coffee, another drink. And then I'll introduce you to some home-truths about how a company *really* works - which, by the way, *isn't* like a machine..."

# 33

Ten minutes. That's all it took.

I wander back up to my office, almost in a daze. Nothing looks the same any more. Nothing.

And nothing that we're doing here, that we've been doing, that we've been so certain is the right thing to do, actually works. Nothing. I can see that now. All too clearly.

Thirty five years old. Five years of full-time study. Pretty much everything I've learnt in fifteen years of business. All of it, bulldozed flat, in just ten minutes, by 'just some old guy in a funny hat'. Ye gods...

Ten minutes!

# Notes for Sample-edition

*We'll skip over a few chapters that introduce a key method called SCAN - used for mapping out the complexity with which Marco's plan is having so much trouble - and move to a trio of chapters that explore the traps that can be created by over-reliance on targets.*

# 37

“No targets.”

“I’m sorry?” I know Stu can push the edge, but this is *weird*. Management *runs* on targets - that’s the whole point. No targets, no management, almost. And in a company of this size, anyone who suggests trying to run this place without management is off their head. Which, okay, I am, pretty much, at this point. So okay, keep listening...

“No targets. That’s your first challenge, Marco - redesign your plan so there are no arbitrary numeric targets of any kind.”

“Why? I don’t understand...”

And better keep this phone-call short as I can, too - tight timing, no time to sit and talk and think things through, supposed to be expecting a summons from the Queen of No at any time in the next few minutes. To congratulate me on my success, apparently.

Which, after these conversations with Stu, I’m realising ain’t no success at all - far from it. Short-term success, long-term nightmare. And beginning to worry that that’s what she wants - so long as the nightmare hits just after her nice big performance-bonus comes in and she’s out of here. Wait, Marco, for the gods sake, don’t go down there, not now, just pay attention to what Stu’s saying, and keep this thing together as best I can...

“It’s because targets don’t work. They look good, they’re easy to track, they keep your managers happy, and they just don’t work. Remember one of the names I gave you, John Seddon? About failure-demand?”

“Yes...”

“You’ll perhaps need to research him a bit, and I’ll drop you a line about a couple of other names you need to follow up on too. There’s a policeman who describes it very well, for example - very worth reading.”

I’ve had what Stu calls ‘a line’ a couple of times already: literally

a line or two, in a physical letter dropped in the post. Weird - why doesn't he use email like everyone else?

“I’d better be quick for now, but here’s the basic idea for you. Targets don’t work because of two things. One is that you’re demanding that your people should achieve the target, so that’s what they’ll do - at the expense of what you actually need them to do, if need be. Fact is that *every* target gets gamed - it’s in the nature of the beast, there’s plenty of research on that. And the more you get your people to focus on the target, the less attention will be left for the actual work. It happens every time. You’re in enough of a spot already, and targets *always* make things worse.”

“Okay, but...”

“The other reason is that targets create what’s known as failure-demand. John Seddon is your man for that. Failure-demand is when the job isn’t done right the first time, so you have to do it again, and again, and again. Time-targets are a common cause of that: if you say something has to be finished within a certain time, people will say they’ve finished it, and then start a so-called new job to cover the rest. But it takes time to start a new job, you can’t just carry on where you left off. So the more you force the target, the more failure-demand you create, and the more it costs you, and everyone else as well.”

“Okay, but...”

“You’ll need metrics that make sense, Marco, metrics that link to the work, and that help people on the ground work out what they need to do next. But no targets. That’s your challenge. Are you all right with that?”

“Yes, but...”

“Good. Remember, the faster you try to make something work, often the slower it gets. Like this call, yes?”

“Uh, yeah, but...”

“That’s fine, Marco, that’s fine. Just remember what I showed you with SCAN, yes? - if it’s on the far side of that boundary, you can’t control how long it takes. Things take as long as they need to take, no more and no less. And a phone-call is a good example of

that.”

“Yes, but...”

“I’ll drop you that line, and I’ll talk with you later in the week. Goodbye for now.”

“Uh, thanks, and yeah, bye, and...”

Silence; the screen on my cell-phone lights up again, with its ‘Call Ended’ display. I put the phone down on my desk. No targets. Ye gods...

And at that moment, the deskphone lights up, and starts its braying ring. Glance at the CLI display: yep, it’s the Queen of No, all right. Or Penny, rather - her PA. I am duly summoned - better go.

As I grab off the desk the things I’ll need for the upcoming audience with Her Majesty Margaret Millhouse, Stu’s voice kinda rings in my ears: “A phone call will take as long as it needs to take, no more and no less.” Yeah, right, true, there, certainly, but how do you *predict* that? - how do you *control* that? And if you can’t control, how *do* you make it work - especially without targets?

‘Conscious-incompetence’, you said, dimps - well, I sure feel incompetent right now... And you say this is an *improvement*? Crazy... crazy... crazy...

## 38

“Amber, darling, would you tidy your room, please?”

Helen, calling up the stairs. That’s the request, from what Stu says.

“Why should I?”

And that’s the response. Unhelpful daughter! I have to smile.

“Because I tell you to.”

Yeah, that’s the manager, all right.

“Shan’t.”

A real classic worker-response, that. Just wait till she gets unionised, getting together with other girls. Teenage years are going to be real fun, at this rate.

“I’ll give you an ice-cream, when it’s done...”

That’s the bribe... - the carrot...

“...and we’re not going out to Gran’s until it *is* done!”

And there’s the threat - the stick. Ye gods, are we *that* predictable?

“I’ll have the ice-cream ready in just two minutes...”

And that, Stu would say, is a target - with an arbitrary time-limit...

“Yes, Mummy, I’ll do it! I’ll be down soon!”

...and target accepted. So what’s going to happen?

I don’t have long to wait. Urgent scruffling noises from her room, but it can’t be more than two minutes before the Mouse yells “Finished!”, followed by a thunder of feet as she crashes down the stairs.

“Thanks, Mummy! Yum!”

Okay, so what’s she actually *done*? - real performance against the need, as Stu says, or just delivering against the target? Let’s have a look.

Wow! Looks like a hurricane’s hit the place! But yeah, it’s *sort of* tidy, I’ll give her that. Bedding’s a crumpled mess, but at least

it's on the bed. And the floor's empty - that's a first, in *weeks*, I'd say. Yeah, she's performed, all right. Fair enough, she deserved her reward.

Wait a moment, though - where's it all *gone*?

Let's look a bit more closely... Yeah, thought so: half of what was on the floor is now under the bed, in an even worse mess than when it was all over the floor. Right down the back, up against the wall, there's that new top of hers: the shop's bag is over this side under the bed, but the top itself is crumpled as heck, and what looks like a sticky bag of sweets squidged into it - Helen won't be happy about that! And the rest - the clothes, mostly, and most of them dirty - all in a pile in the closet, and crammed in amongst all the clean stuff at random into the drawers. Some of it hidden *under* the clean stuff, in the hope we won't notice.

Oops...

Target: room that *looks* tidy enough to pass a quick inspection, to be done in under two minutes.

Target achieved: one.

Actual need: clean and tidy room. Mostly so we have *some* way to keep her stuff clean, and so she can *find* stuff again when she wants it - always a nightmare with this kid.

Actual need achieved: zero.

Yeah, it's 'Oops', all right...

Strike one for Stu there: *big* difference between achieving the target and achieving the need. Right here, right in my own house. Ye gods, what does that say about our business?

What else did Stu say about this? Oh yeah, that's it - about targets and failure-demand. So let's go downstairs and stir things up a bit...

Down in the kitchen, I whisper a few words in Helen's ear. Eyebrows raised to the sky, for a moment, then she grins. "Yes - of course!", she whispers back. The Mouse doesn't notice a thing: she's too busy with her ice-cream.

"Lovely, Mummy - can I have some more?"

“Maybe later, darling, when we come back from Gran’s.” Quietly, sneakily, she slips in what I’d suggested. “You know, darling, your gran would love to see you in that new top we bought yesterday - would you change into that before you go?”

“Yes, Mummy!”

Straight away, she leaps down from her chair, and crashes up the stairs again to her room. Leaving the used ice-cream bowl right there on the table, of course, for her mother to tidy up. Hmm... something else we’ll have to work on, I guess. But strike two for Stu: when everything’s based on targets, just about everything else becomes Somebody Else’s Problem. And if there isn’t a Somebody Else who’ll take responsibility for the problem, it becomes, yeah, a real problem - but one that no-one can see *as* a problem, at first, until it all piles up. Literally, here. Again, what does *that* say about our business? Yikes...

But she’d do almost anything for her grandma, that girl - an interesting bit of leverage we could play with sometime else, perhaps...

Meantime, like we’d agreed, Helen’s been watching the clock, waiting. Interesting collection of thumps and bangs coming from up there. The seconds-hand barely has a chance to complete its second sweep around the clock-face before there’s a wail of tears from up the stairs.

“Mummy! I can’t find it! It’s gone!”

Up the stairs we both go. Yeah, the room’s in a total mess, all over again. Two minutes to ‘tidy’ it, two minutes to make it even worse. Right back where she started, and more. Looks like she’s dumped every clothes-drawer on the floor, mixed it all up, clean and dirty, thrashing around, trying to find that top. And no, she hasn’t thought to look under the bed. She’s holding up the empty shopping-bag from that store, tears rolling down her face.

“Someone’s *stolen* it!”

Forewarned, Helen gives the bed a firm nudge, reaches down behind the back edge, pulls out the scrunched-up, sticky-laden, and now-unwearable brand new top.

“Oh, Amber, darling...”

For once, the Mouse looks appropriately contrite. She really did like that top. Chose it herself, too: almost the first time she’s done that.

“Sorry, Mummy.”

Gently, gently, Helen slips in the ‘Why’.

“That’s why we ask you to keep your room tidy, darling. It’s so you can find things again. It’s so you have the clean things ready when you want them.”

“Sorry, Mummy.”

“Sorry Granny too. She would have liked to have seen you in that top.”

The Mouse is an absolute picture right now - I’d better not laugh or I’ll spoil it all. A picture of dejection, almost in tears. The lesson’s hit home this time, I’d guess.

And Helen’s a real master at taking the lesson to the next level, in a way that really works.

“But we can show her next weekend, can’t we? You can help me clean it for you, and iron it too, so it’ll look its best all over again.”

The Mouse brightens up a bit at this. And now the closing punch...?

“Come on, darling, let’s tidy this up together, shall we? Let’s sort out the clean clothes from the dirty ones, and put it all away so you can find it when you want it.”

“Yes, Mummy.”

Much brighter now, the Mouse. She actually *wants* to tidy up, now that she can see what’s in it for her. And just like Stu says, it’s the connection to the ‘Why’ that makes it work - not some unrelated ‘reward’.

And yes, dimps, I’ve got the message you’re telegraphing with your eyes: tidying up a girl’s bedroom is ‘secret women’s business’, no men allowed. Better get out of here!

# 39

Downstairs in the kitchen. Hit the machine for another coffee. Better think about this one.

Oh yeah, and watch how long the tidy-up *actually* takes - compare that against the target.

Coffee in hand: I'm gonna *need* this...

Here goes.

Helen tried command-and-control, and it just didn't work. So she set up a carrot-and-stick, and backed it up with a target - an arbitrary time-target. And then the Mouse, quotes, 'delivered' against the target. Definitely quotes 'delivered'.

But that's the point: *she met the target*. There was nothing in the target *itself* that tested whether what she'd done was any good - which, in fact, it wasn't. So if we only measure against the target, such as a time-target like that, then people can 'deliver' just about anything - maybe even nothing at all - but they can still meet the target. And they'll meet that target all right if there's a big carrot for doing it, and a big stick if they don't.

Which is exactly what we're seeing in those call-centre records: that sharp cut-off at the two-minute mark. We don't check whether the call was actually finished - satisfied the *customer* need - or whether it was just cut-off anyway because it was about to hit the target limit. Ye gods...

Okay, so if the *target* didn't mean anything, then what was the '*actual need*', as Stu puts it? In the Mouse's case, I guess, it'd be like Helen said: able to find what she wants, when she wants it, and also keeping the dirty and clean clothes apart so she knows she's got clean clothes when she wants them. So that's what we *actually* need to test for: being *able* to find what she wants, and being able to find *clean* clothes. And *have* clean clothes, too. How long it takes almost doesn't matter for this: the time-target just isn't useful at all. In fact it's a really unhelpful distraction.

So what's happening at work? How does this compare from here to there? All of those targets we put into the plan, all of the IT to track them, all of those dashboards to show who's doing what against those targets - and probably three-quarters of them are measuring something that isn't relevant, and completely missing most of the things that *are* relevant. And much of that is probably because we're measuring things that are easy to measure - like how long something takes - rather than something that's either harder to measure, or happens later - like being able to find clean clothes when you want them.

For Mouse, we don't need to measure time to tidy, we need to measure time for her to *find* something when she needs it. But if we put a time-limit on that, on how long it takes to find something, then *that* becomes just *another* target, that gets 'gamed' in the same way. As soon as we put targets on things, we just go straight down the rabbit-hole, until *nothing* makes sense at all any more. Just like we're seeing at work.

And because the Mouse didn't do the tidy properly the first time, she's having to do it all all over again. That's Stu's 'failure-demand', I guess. It looks good as long as you don't count how long it takes to deliver the actual need. Which is a lot longer, *because* it hasn't been done properly in the first place. In that sense, yeah, targets *themselves* will *create* failure-demand. And we rewarded her for meeting the target, not the actual need - so we're actually rewarding her for *making it worse*. Oh boy...

Can see that happening at work, too - except, because we're focussing only on the targets, there's no way we can *see* we're not meeting the actual need. All that we *can* see is that the call-centre call-volumes are going up so much that we're gonna need another call-centre soon - which, if Stu's right, will just create *more* call-volume, without solving much of anything at all. Which costs us through the nose, more and more, and it's also just getting customers annoyed with us, more and more, because they're *still* not getting their needs met.

Yeah, this is getting seriously scary, all right, just like Stu said.

Yikes...

What about the target itself, that two-minute target - did that make any sense in practice? Not much, by the look of it: it's gone five minutes already, and it still doesn't sound like they've finished. But if she *had* done it properly first time, it might well only take two minutes now. It's gonna vary quite a lot, depending on what kind of mess she's starting from, won't it? Same with the call-centre: there's no way we can know in advance what kind of customer-service question is going to come in on any call, so how can we simply say that everything's just gonna take two minutes max every time? That's *crazy*.

But how come we didn't *see* it was crazy before we even started? Yeah, Stu, I can hear you speaking over my shoulder right now, even though you're not actually here: it's because we *wanted* to believe that targets would work. Because it would look like we're in control - in control of time itself, in that case. Which we're not. Not at all. And can't be.

Deluding ourselves, in other words. No other way to put it.

Ouch.

Sounds like they're coming downstairs now - yeah, it's taken them just gone seven minutes. Not two minutes. Just shows, doesn't it? - the difference between the real-world, and the imaginary one. *Big* difference. But it's the imaginary one that we're stuck in at work - stuck *with* at work.

Stuck *ourselves* in, that's the real point.

But if we want to be in the *real* world, that's a whole lot of rethinking we're gonna have to do. Pretty much scrape it back to the bone and start again. And yeah, Alicia and the Fat Boy are just gonna *love* that, I *don't* think - because they're going to pretty much have to go back to scratch on everything *they've* done, too. That's gonna be *real* fun...

Enough of that, stop thinking about work - it's the weekend, it's my-time, not work-time, I can think about work when they pay me at work.

Which is another target, another fake boundary - work-time

versus not-work-time.

Stop it! - you're going down the damn rabbit-hole again! Crazy... real crazy-making, this stuff. Probably another reason why everyone avoids it. But it's the only way that works.

C'mon, again, *enough!* Get back to being Daddy Takes Wife And Daughter To Grandma. That's all I'm doing right now. Keep the focus on right here, right now. Nothing else. Sheesh!

Let's go.

# 40

Targets. Targets. What else *was* it that I've seen about the Mouse, and targets?

Her painting! - that's it! All those weeks ago. She had those archers up on the castle wall, shooting their arrows at the targets - and not at the dragons. Hit the target, ignore the actual need.

She *showed* me, right there, right then. How did I miss it?

And how come just a little kid knows more about this than I do? Crazy!

Talk about 'need to learn to see what's right in front of you', all right. And 'need to unlearn what you've learnt is 'true''. Ye gods...

# Notes for Sample-edition

*In the next ‘training-session’, Marco, Pavel and Alicia learn about a project-checklist called Five Elements that will be used as the base-frame for much of the material they’ll learn in this central part of the book.*

## 42

It's a bit of a squeeze, but we can do this.

We're back in the same booth at Ricardo's, all four of us this time, Pavel and me on one side, Stu and, eventually, Alicia on the other. Greetings all round in the usual way, though Alicia is scowling, defensive, skeptical. Stu turns to her.

*"Tu es do brasil, sim? De São Paulo? Prefiras que falamos no português? Ou no espanhol?"*

Portuguese? Brazil? Not from Argentina? I'd always thought she... But no, Alicia bursts into a huge grin that, if Stu isn't careful, could turn into one of her huge spike-laden hugs.

*"Obrigada! Não, obrigada, o inglês es suficiente, pelos otros!"*

She turns to me, all lit up from the inside, the scowl completely gone.

"See? He *knows*, this guy! Buenos Aires was later, *sim, mas a cidade de São Paulo*, she is my mother, she is my home." She reaches across the table, pointing, would spike me in the chest with the inch-long nail of her index-finger if the table wasn't in the way. "You *listen* to this guy, Marco - he *knows!*" And sits back again, arms crossed, with an explosive 'huff' of breath and a 'so there!' little-girl pout that's so like the Mouse that it hurts.

Yeah, we all laugh - even Stu lets his 'dour Scotsman' mask slip for a moment. But wow, all the tension's gone, immediately. Chalk up another one to Old Man Mystery.

Stu takes off his half-moons for a moment, dusts them with a cloth, puts them back on again - perhaps in an attempt to hide that small smile.

"Let's get down to business, all right? Now, Alicia, I trust that Marco has told you a fair bit about what we've done so far?"

"When I've let him, yes." But she says that with a grin, which is definitely a good sign.

"Fine. Well, if there's anything that we talk about that you

haven't let him let you know, you let me know instead and I'll show you how it works, all right?"

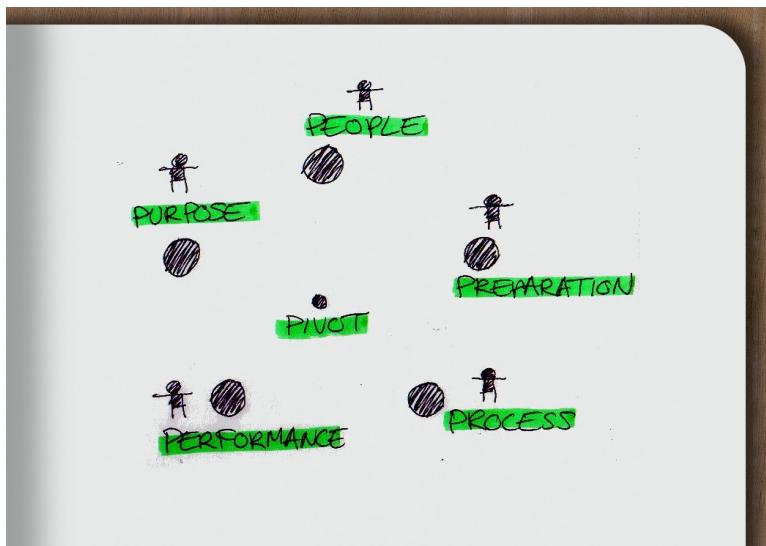
*"Si, jefe!"*

That's 'Yes, boss', if my trawl through my scattered Spanish is right? With Pavel's Russian and German and French, and Stu fluent in just about anything, it seems, am I the only one here who *doesn't* speak a whole string of languages half the time? I'm supposed to know Italian, I guess, but my family's been here so long I don't even have any of that. Incompetent, I am... 'conscious-incompetence' again...?

"Right. Well, what I said to Marco a while back" - he emphasises 'Marco', and glances firmly at me for a moment, to bring me back to here and now rather than slumped in self-doubt - "was that what I'll show you is kind of a story in five parts, which gives you the framework for the story of the company as a whole. And overall, it looks a bit like this."

He draws five large dots on his notepad, in a kind of pentagon layout, with another dot in the centre. Yeah, that's what he used in our first talk here, wasn't it?

"You see, there are five things you'll need to keep track in a company, all of the time. And usefully, they all begin with 'P'. That's Purpose" - he points to the dot at the ten-o'clock position - "People" - twelve-o'clock - "Preparation" - two-o'clock - "Process" - five-o'clock - "and Performance" - seven-o'clock. "And the whole thing balances on another 'P', the Pivot-point at the centre."



6: Five Elements plus Pivot

“You’ll need to keep the right amount of attention on all of those five different parts, all of the time, because if you don’t, the whole thing’ll get unbalanced, it’ll fall off the pivot, and you’ve lost your company. All clear so far?”

Yeah - no objections here.

“Now, in a way this is nothing new, it’s been around for a very long time in various forms. For example, there’s a man called Bruce Tuckman that you might know, talking about project lifecycles, it goes back about fifty years or so. It’s sometimes called ‘Group Dynamics’ - Forming, Storming, Norming, that one. You might even have heard of it in your MBA course, Marco?”

Ouch... he really *doesn’t* think much of the MBA, does he?  
Better reply, though...

“Yeah - the last step’s Performing, isn’t it?”

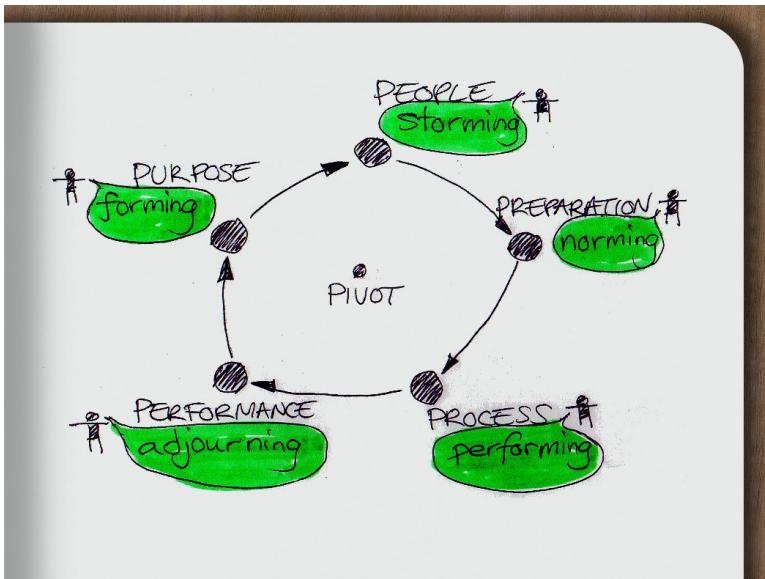
“In some versions, yes, but that’s not quite complete, not in practice. There’s one more step - Pavel, you’d know it, I think?”

“Mourning, or Adjourning - the end of the project, coming apart, lessons-learned. That was part of our knowledge-manage-

ment work, anyway.”

“That’s right, that’s the bunny.”

He writes these labels onto his diagram, as speech-bubbles for his little stick-figures.



7: Five Elements with Tuckman sequence

“So Forming is what happens when the project starts, it’s the Purpose for the project. Then we go to the Storming phase of the project, which - you’ll have no surprise here, Alicia - is all about People.”

Yeah, she grins, all right.

“Once we’ve sorted out the people-stuff - and, you’ll note, *not* before then - we settle out into the Norming phase, the Preparation for the actual work, which is where all your managers come into the picture, Marco...”

Okay, I can see that...

“...and you’ll notice they’re all busily *avoiding* the people-stuff as much as they can - it’s always Someone Else’s Problem, right?”

Ouch... - especially as Alicia kinda gloats at me, too...

“Once we’ve got the preparation sorted out, we wait for a start-event that kicks off the Performing, the actual Process where all the work gets done. And your managers seem to avoid that one as well, mostly, don’t they?”

Ouch again...

“And then there’s an end-event somewhere that says we’re done, we’re finished. And that’s where - as young Pavel here says - we should shift over to an explicit Adjourning or Mourning phase: we shift from *performing* to *Performance*, to take stock of what we’ve done. And strangely enough, Marco, your managers *do* all want to be involved in this one again, because that’s where people can claim the credit for everything that’s been done before.”

*Ouch...*

He’s drawn lines linking between each of those dots as he’s described this. “Now most people seem to think of this as a linear sequence - beginning, middle and end. But it’s called a ‘project life-cycle’ for a reason, because it’s not just a linear sequence, it’s a cycle - and if you break the cycle at this point, everything comes a grinding halt. So the last part of Performance is to link it all back to Purpose - which is one reason why you need to be clear on your Purpose in the first place, otherwise there could literally be no point in any of what you’ve done.”

He draws in the last link. So yeah, it’s a cycle - but so what?

“What’s the importance of it being a cycle, you’re probably thinking?” - ouch... - “Well, if it isn’t a cycle, you’ve got no reason to keep going. You’ve got a completed project, all right, but you’d have nothing on which to build a business - business is repeat-customers, right?”

Okay, I’m suitably chastened, as Helen would say...

“And the other point here is if you try to miss a stage, or try to do it out of sequence, it’ll go bad on you - sometimes very bad. A lot of people want to jump straight from Purpose to Preparation, skipping over the ‘storming’ stage, the People bit: all that happens is you’ll do the storming anyway, but probably right in the middle

of trying to do the Process. You'll know all about that game, Alicia, I think?"

She nods - she's obviously fascinated by this, even though it's all the kind of theory-stuff that she usually hates.

"And the other one people do a lot is to try to jump straight away to Process, to *doing*: well, you know all too well what happens when you jump in without a plan, and that's what Preparation is about, isn't it? When you have Process without any Preparation, you're going to keep on going backward into the People stuff all over again - and yes, with plenty of storming, too."

Ye gods... that's just *obvious*, yeah, but why didn't I *see* it before?

"There's a fair few variants on this that you'll find around. Jay Galbraith did one about forty years ago, for example: it's essentially the same, just different labels and the Purpose and People phases swapped over in its layout. But it's really just about relationships between these things - there's no sequence to it as such, as there is Tuckman's lifecycle."

He stops for a moment to make sure we're getting all of this in. We are, all of us - including Pavel, who hasn't said a word but is just staring at that diagram as it unfolds on Stu's notepad.

"The real roots of this thing go a long, long way further back - three, four thousand years, maybe. The old Chinese did a vast amount of work on it: they called those phases Wood, Fire, Earth, Metal and Water, but it fits exactly to what I've shown you here, and it's essentially the same thing, the same idea. They used it as the basis for all of their medicine and music and a whole lot more - and all of it's directly usable in business once you know how it works. They called it *wu xing*, 'five phases' or 'five elements', and that's what we tend to call it now: Five Elements."

He picks up his pen again, gestures around the whole diagram.

"They say that a picture is worth a thousand words? Well, there's the whole of your business-story, all packed into one small picture. It's one of the most useful tools for understanding business that you'll ever find."

Wow... he's right, he's so damn right - so why the hell *wasn't* this *anywhere* in that darned-expensive MBA of mine?

"Right. There's a few more things I ought to show you at this big-picture level before we go down into the detail of any one part. The first is that it's *recursive* - you'll see the same kind of pattern repeating in almost the same ways at every level of your business. You'll find it right at the top, with strategy, as you'll see with Galbraith's star-model. You'll find it in the middle, with Tuckman's project-lifecycle. You'll find it further down again, in the lifecycle of a single sale, a single iteration through a business-process. And you'll find it right down at the bottom, at the sub-millisecond scale and below, in the lifecycle of a single automated transaction between two computers. Wherever there's a project, a process, a lifecycle, or whatever, you'll find something very much like this pattern. And the old Chinese realised the real key to it all, right from the start: not just that it's that particular pattern of sequences and relationships, but that it's *recursive*, that it applies everywhere."

So how come we've all kinda forgotten about this?

"It's easy to miss if you don't know it's there, if you don't know what to look for. Remember I said about 'things have to be believed to be seen', Marco? - well, this is one of those things. It's not a *grand truth* or anything like that, it's not absolute, it's just a way to see things. In a way it's there because we choose to see it there. But it's very useful indeed to get into the habit of seeing it there."

"How? How do we *use* it?" That's Alicia letting her usual skepticism get the better of her at last. I don't blame her: I'm starting to feel a bit that way myself - kinda too much theory and not enough practice...

"One way is as a simple checklist. Quite straightforward, you see: the pattern gives you what needs to happen, in each given stage, and the sequence in which it needs to happen. So you use the pattern to check for what *isn't* there, or is happening in the wrong sequence or the wrong place. Like in some of your change-projects, I'd be guessing, Marco?"

Back to 'ouch' again... Yeah, without even thinking about it, I can see way too many projects we've done that'd fail that kind of test. And did, mostly. Ouch...

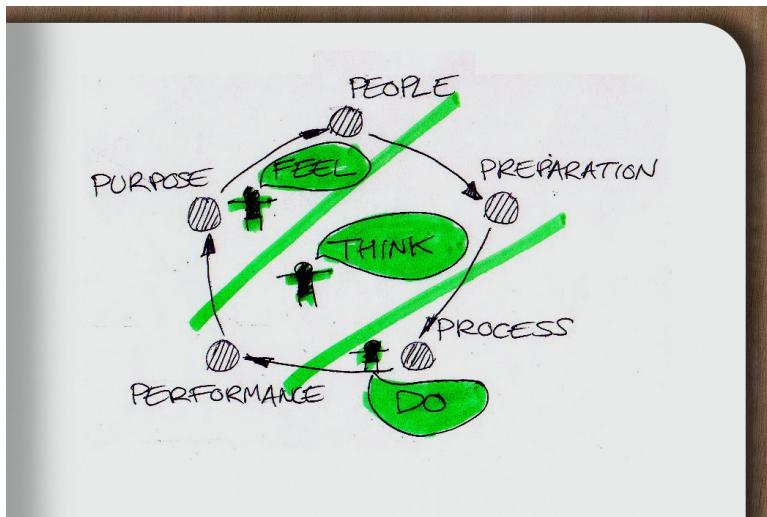
"Right. Now, Pavel, Marco, do you remember that in that vertical axis in SCAN, there's a kind of shift from plan to action, from *think* to *do*?"

"Yeah, sure!" That's Pavel, of course - I'm still a bit shell-shocked from the implications of Stu's 'simple checklist'...

"Good. Now there's another shift a bit like that one, that's a bit sideways on to that, but you can also think of it as being in the same kind of ballpark. It's this."

He draws two parallel lines across his diagram, splitting the domains into three groups: Purpose and People, then Preparation and Performance, and finally Process all on its own.

"Feel, think, do." He writes those captions in the respective groups: 'feel' for Purpose and People, 'think' for Preparation and Performance, and 'do' for Process.



8: Five Element and 'feel, think, do'

"Now let's do a bit of a business history-lesson, though you'll

still see too many signs of the same thing going on in business today. Cast your mind back to Taylorism at its peak, in the 1920s or 1930s. What are the *roles* of managers and workers in that system?"

I open my mouth to speak, but Pavel gets there first. "Managers think, and don't do; workers do, and don't think. Not *allowed* to think, in fact."

"That's right: 'check your brain in at the door', was how someone put it once. I've seen too much of it myself over my time, too. So here's a question for you: if managers *think*, and workers *do*, who was doing the '*feel*' part in classic Taylorism? - the Purpose, and the People, in that Five Element cycle?"

"No-one...?" - that was me, this time.

"Aye, that's how it looks at first sight. There's no space for people *as* people in Taylorism, everyone is just a component in the machine. The only thing you're fussed about with people in Taylorism is that they should all be 'little cogs that mesh together' - that's what we said before, wasn't it, Marco? And that's what a 'job-description' was supposed to be: a description of how a cog should fit in the machine."

"*Dios!* Not just was, it still is!" - that's Alicia, of course.

"Right. But if it's a machine - the whole company is a machine - then what's that machine *for*?"

"In Taylorism, yeah, it's a machine for making money..."

"Aye. But making money for *whom*?"

"The owners..."

"Right. So what you've got is a three-tier system. The purpose of the machine, and the only people who count, are these mysterious 'the owners', who don't need to think, and don't need to do."

He points to that upper-left side of the Five Element diagram.

"From the Five Element view, they should be holding the '*feel*' space for the whole system, but here in Taylorism, the only feelings they're expected to care about are their own. The whole machine exists to serve them: all they have to do is sit back on their yacht and watch the money rolling in."

He points down at the lower-right of the diagram.

“Down at the bottom, you have the workers. Their feelings don’t count, and their thoughts don’t count - they’re just robots, right?”

Well, yeah, kinda, I guess - but pretty strange politics from someone I’d thought as a hard-core businessman, though...?

“And stuck in the middle are people like you and me: we’re supposed to think, and that’s all. We don’t *do* - we don’t dirty our hands with that, a lot of us even think we’re ‘better’ than that, too good for that. *But we don’t feel, either*: Taylorism doesn’t allow us to do that. We get compensation instead, don’t we? Have you ever wondered what ‘compensation’ actually means, in the original Latin? It literally means ‘against thinking’. We get paid to keep the machine going as hard as it can, until it falls apart from sheer overuse; but most of all we’re paid to *not* ask awkward questions.”

It’s the first time I’ve seen him openly passionate about anything - kinda frightening, to be honest...

“If you take one good look at Taylorism in terms of Five Elements, you’ll see it just doesn’t work, for anyone. It certainly doesn’t work for the workers. It doesn’t really work for us, as the manager-type folks, does it?”

Nope... Pavel responds quickest here, but yeah, that’s true for all three of us.

“And the tragedy is that it doesn’t even work for the so-called ‘owners’ - especially these days, when the ‘owners’ are just about everyone, anyway, through pension-funds and the like. In short, it’s a total disaster - the wrong metaphor, the wrong structure, the wrong balance of responsibilities, in every way the wrong way to do it. To make it work, we have to rethink the whole damn lot, in terms of those Five Elements, all fully recursive, with *feel, think* and *do* all taking place and all fully linked together, right through every part and every level of the organisation and enterprise.”

Whoa...! - that’s kinda a huge challenge isn’t it?

“The sad part is that it’s nothing new. Gilbreth showed exactly how to do it more than a hundred years ago, but almost no-one was listening - in part because she was a woman, I suspect. Then

Deming again showed how to do it, fifty, sixty years ago, but just about the only people who listened to him then were the Japanese. And when the Japanese did get it together, they wiped the floor with the Americans and the Europeans, on quality and productivity. Do you know the big difference between an American-style assembly-line and a Japanese one?"

I've no idea, but Pavel cuts in: "Something about who's in control?"

"That's him. In the American version, it's the *managers* that are in control. They keep ramping up the speed, the workers get stressed more and more, and the only thing that anyone measures is how much is coming off the line. That's what they call 'productivity'. So the one thing a worker is never allowed to do is to stop the line - they'll get fired straight away if they do."

Yeah, that's familiar, all right... goddamn sausage-machine, so many places I worked, back in my student days...

"Now in the Japanese model, it's the *workers* that are in control of the line. There's a set time for every task, but if the worker can't complete it in that time, it's the fault of the system *as a whole*, not the individual worker. The role of the manager is to give the workers all the help they need to get the job done, and done well, but otherwise keep out of the way. And if the worker still can't get the task done in time, it's their *responsibility* to stop the line, so that bad product can't come off that line. The workers and the managers work together to find ways to keep speeding up the line, to keep ramping up the productivity - but the test of 'productivity' is the amount of *good* product coming off that line."

Yeah, different, all right...

"Back in the American model, the only thing that counts is quantity, not quality, so the only end-result is lousy quality and vast amounts of failure-demand. That one fact damn near killed American manufacturing stone dead, forty, thirty years ago, and it still hasn't recovered to this day. And it'll kill *your* company in the same way, if you let it happen. That's why we're all here, talking about this - because it's what we *don't* want to happen, right?"

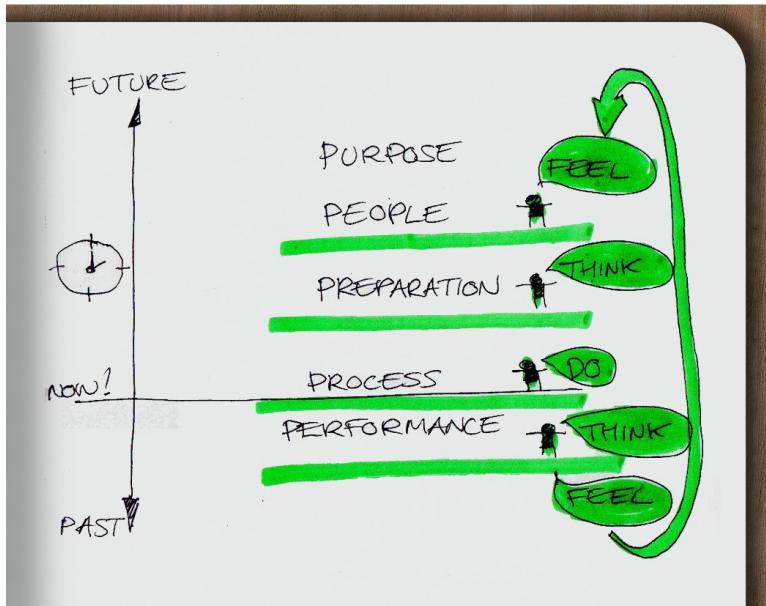
Wow... - my head's just spinning with the implications of this...

“We'll come back to that in a moment. But for now, the last thing about that 'feel, think, do', is how it fits with that vertical-axis on SCAN. You remember that at the *now*, there's no time to think, you've just got to get on with the doing - which means that your thinking has to be right *before* you get to the now. It's that separation, you remember, between the plan and the action?”

He does a quick sketch of the SCAN frame on the other side of his open notepad.

“Well, that separation happens twice: once *before* you put the plan into action, going from Preparation to Process; and then *after* the action, going back from the action to review what happened, going from Process to Performance. But much the same kind of transition takes place further away in time as well, between *feel* and *think*, as well as between *think* and *do*. In effect, what you've got is a kind of U-shape - we talked about this before, but this is kind of an extended version, going from feel to think to do, then back from do to think to feel. The problem, as we'll also see in a moment, is that managers tend to get too stuck on the importance of their 'think' role - and that's a very common cause of the Five Element cycle breaking down.”

He draws this sideways-on U-shape in his SCAN diagram.



9: Five Elements and SCAN

“Now I want you to hold that shape in mind whilst we do the next bit, all right?”

He points back to the Five Element diagram.

“The next bit is that each of the Five Elements has a different view of *time*. Time in the Purpose phase is all about *far-future* - often measured in years at least, and maybe all the way to infinity. The view of time in the People phase is, well, *people-time* - in a business, times connect *through* people. They bounce around from worrying about the future to worrying about the past, and back again, often all at the same time - as Alicia well knows, I’d think?”

“Tell me about it...” she mutters under her breath.

“In the Preparation phase, the time-focus is on the *near-future*. The danger here is that when the manager-mindset thinks about ‘the future’, what *they* think of as ‘far-future’ is maybe only a few months away, or a few years at most. So some of those managers think that they’re taking over the Purpose role when they think

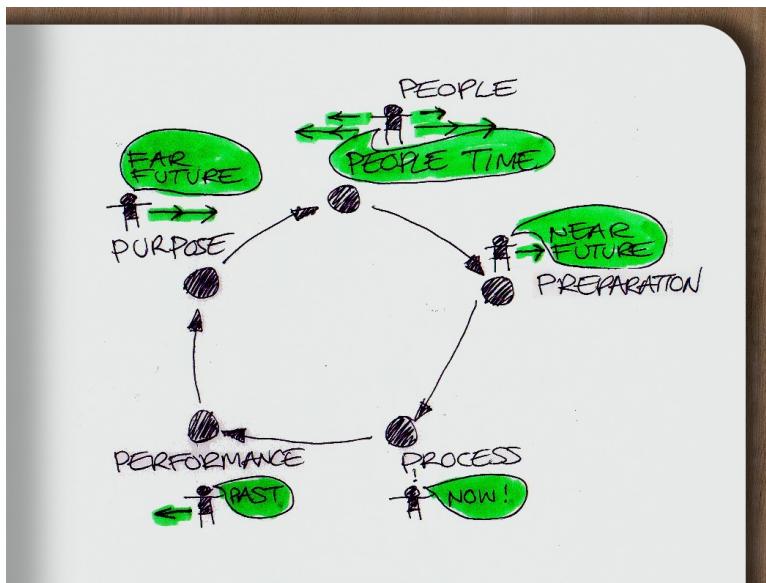
about 'the future', when in fact it's a very different beast. You've got the makings of a really bad problem there."

He taps on that part of the diagram as he says this.

"Now in the Process phase, they only have one possible view of time, and that's 'NOW!' - always spelt in capitals, metaphorically speaking, and always with an exclamation mark. Everything happens in that 'NOW!' - there's no time for anything else. You'll see the link here with the bottom of that time-scale in SCAN, yes?"

Pavel nods - at least he's clear on this, I'll admit I'm struggling a bit to keep up. But making sense - yeah, it's making sense, all right.

"And in the Performance phase, it's always about the *past*. Remember that that's the other half of the manager's 'think' role - one part focussed on the near-future, the other on the past. That's where a *very* big problem tends to come up, as we'll see later."



10: Five Elements and time-perspectives

He taps in turn around each of the phases on his diagram.

"Far-future; people-time; near-future, NOW!; and past. All right

with that? Good. Now, still thinking about time-focus, watch what happens as we go round the Five Elements sequence. Far-future morphs quite well into people-time, and people-time into near-future. And as we saw with SCAN, that U-shape shows that there's no great difficulty in going from near-future to NOW! to past. But at the end of Performance, when we want to link back to Purpose again, there's a great big gap, a great big clash: Performance is still looking backward into the past, while Purpose wants us to swing round and look towards the far-future. There's quite a challenge to link those two together: and it seems that quite a lot of people - especially the managers who think that near-future is the same as far-future - just aren't up to the challenge. Which is why so many people talk about a 'life-cycle' but show it just as a linear-sequence, without any connection from the end, going *forward* - not 'back' - to the beginning again, the start of a new cycle. It's very important that we close the loop, and keep it moving onward."

Nods all round on that.

"There's more that we need to cover here, but let's take a quick break now, and come back to it when we've each had our refreshment."

My turn to take the orders, I think - and yeah, let's keep this moving on.

## 43

Looking back towards our table from the counter, while the barkeep is sorting out our drinks-order, looks like Alicia is doing some useful catch-up with Stu. That's good: important that she gets to know him in person. And good too that Pavel seems to be cutting in all right when they need any clarification about what we've learnt so far. We're coming together as a real team - kinda like each of us tackling different parts of the Five Element cycle, but making it work as a whole between us.

That last bit, about time-perspectives and bridging that gap between looking back at the past and looking forward to the far-future - he seemed to imply that that was really important. I was gonna ask 'Why?', but he was in full flow, and then it all kinda came to a stop. Like *I* need to make that connection, that isn't quite there for me yet.

'Trust the process', I guess? - we'll get there somehow even if I don't yet know how, I think I can trust that. He does seem to be promising that he'll close the loop on all of this for us before he's finished.

And yeah, 'close the loop' - that *is* the point, isn't it? Loops within loops within loops, all of which have to close somehow. And I know too darn well how easy it is to get lost down the rabbit-hole when those loops go too deep: something we all have to watch out for. Still, the Five Elements stuff seems to work as a checklist so we can work out where the heck we are in each of the loops, and give us a map to work our way back out of the rabbit-hole again.

If I can do that, then maybe I'm not quite so incompetent after all? That'd be good, at least.

## 44

Coffees parked on the table - time to get back to it. Stu's ready for it straight away.

“Right now, let’s go quickly through another of these big-picture themes, this time about leadership. One of Marco’s cards was about ‘How do we develop new leaders?’” - I’m no longer surprised at this, he must have memorised the whole lot, just in those first few seconds - “I’d presume that was from you, Alicia?”

“More from Petra than me, but she’s in my department, yes.”

“But who *are* those leaders? What do they *do*?”

“The next set of managers - that’s who we’re looking for as the future leaders. And...”

Stu taps rather pointedly on the Five Elements diagram.

“...Oh.” That must be the first time I’ve ever seen her stop like that...

“And remember the *recursion*, lass - remember the recursion...?”

“Oh. *O dios!*”

“That’s right, lass. You’re used to thinking as a good Taylorist would: leader equals manager equals leader. Leader as ‘someone who tells others what to do’ - Preparation - or ‘someone who tells someone else that they got it wrong’ - how *not* to do Performance. Leader as a ‘think-person’. But there’s a lot more to it than that, isn’t there?”

“Yes.” That’s said in not much more than a whisper. Her face has gone white: she’s as much in shock right now as I’ve been a fair few times with this guy. Glad I’m not the only one, but still...

“Aye. We’ll need leadership *everywhere*, of every different kind and at every different level. So many different kinds of leadership that we probably don’t know where to start.”

She nods, without a word. It takes a lot to silence Alicia...

“So if we want to do this properly - rather than the Taylorist

way - then this diagram is definitely going to be our friend. There's two quite different types of leadership we're dealing with here - in fact three. Pavel, you haven't said anything for quite a while, what would you say these types or forms of leadership are? They're *fundamentally* different in what they do, remember?"

Pavel's been staring at that diagram for almost the whole time since we started, as if trying to puzzle it all out on his own.

"Uh, you're going to need leadership *in* each phase. They're different from each other, of course, but in a way they're all doing the same kind of thing, keeping people focussed on the work of just that phase.

"Aye, that's the one that most people manage to get, eventually, after some prompting. And you've got there all on your own. You're doing well - keep going, lad."

Pavel looks proud, his face going pink with embarrassment - but does indeed manage to keep going.

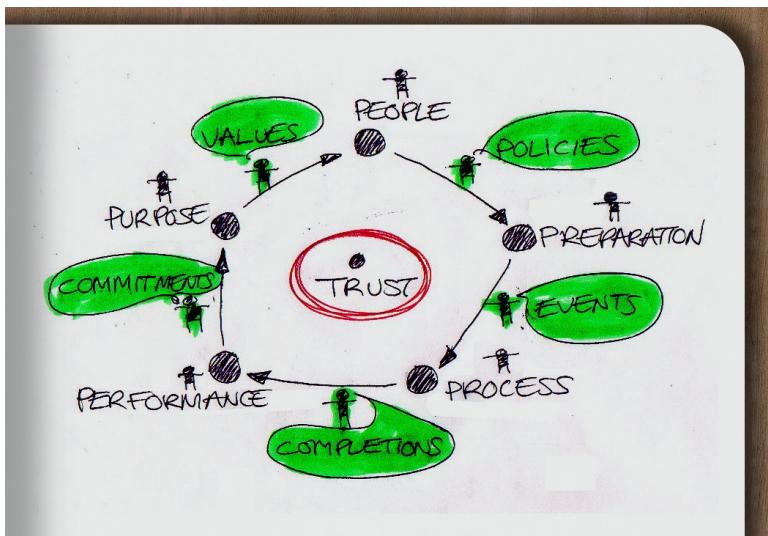
"And then there's, well, what's almost more a real kind of leadership, that leads people from one phase to the next. That's very different from the within-the-phase leadership, because you've got to keep *two* phases in mind at the same time: the one you're going *from*, and the one you're going *to*."

"That's the bunny, lad, that's exactly right. Now what's the *third* type, can you tell me that?"

"There's the one in the middle, isn't there? - right at the centre? That leader doesn't really go anywhere, but it has to hold the balance across the whole thing, between all those other kinds of leadership."

Stu, for once, says nothing at all, for a moment - instead he just kinda does a small bow, a small nod of salute. Pavel looks very pleased, and he's deserved it, too - it's been another long session, and still it isn't finished yet.

"Aye. The simplest way to think of it is five plus five plus one: one in each of the Five Elements, one *between* each of the pairs of Five Elements in that main supportive sequence, and one that's, quotes, 'holding the centre' for everyone."



11: Five Elements - leadership

He taps at each of the gaps between the five domains.

“Now we’ve got useful names already for each of the Five Elements, so let’s do the same for what it is that links each of the pairs together. This first one is *Values* - vision, values and suchlike are what link People to Purpose, or rather, what bring some kind of Purpose to People.”

He writes that name in the first gap, showing it as a speech-bubble caption for a stick-figure beside the arrow that links those two domains together.

“The next one we usually call *Policies* - it’s all the policies and rules and guidelines that you’ve settled out in the storming between People, and get them going on the Preparation, the plan.”

That one goes in the second gap.

“The Preparation goes on until there’s some kind of start-event - we usually call that one just *Events* - to get people onto doing the Process, the actual work. And in the same way there’s another event that tells you when to *stop* doing the Process, and move to assess Performance. That one, we usually call it *Completions*, because it’s

not just the task itself that finishes, there's a whole lot of other things that need to be wrapped up at this point - we'll talk about that later when we come back to the detail of this phase."

Again, he marks those in the respective gaps.

"Now this last one is tricky, for the reason I told you earlier - the two phases point opposite ways in time. We usually call this one *Commitments*, but remember, it's actually the one that holds the whole thing together, where the end connects back to the start again. What it's really about is connecting Performance - everything you've done in this cycle - back to Purpose - what you meant to do, in the big-picture sense."

He puts quite a strong emphasis on this one as he writes it in the gap.

"And finally there's what happens in the middle. If you'd believe the usual business-brigade, what they'd say you should put in the middle, as the centre of everything is money, or profit. That's just a load of old jobbies, that is. For any company, for any enterprise, what holds it all together is *Trust*. And that's one of things you most need to keep track of in your metrics, Marco: keeping track of the money almost doesn't matter, because as long as you've got trust, inside and outside the company, the money will largely look after itself."

Whoa... I can see his point, I *know* he's right - but how the heck am I gonna get it over to anyone else?

Opposite me, Alicia is still looking pretty pale. She mutters, almost to herself, "I've got my work cut out for me, with this, I can see that..." You an' me both, girl - all three of us, in fact, with Pavel here to help - we've all got our work cut out...

"There are two other things I'd suggest you need to keep right with you all the time in that centre. And that's this - the Five Elements frame - and SCAN. With those two, and some decent metrics that actually *mean* something, you've got the best chance of making sense of what's going on, and where it needs to go."

I think we all nod at this point: nothing more to say, really.

"Right. Let's do one more pass through this Five Elements set

before we get to the closer. Remember we said how the job of the centre is to *hold the balance*. You've got all of those factors that come into play here around the Five Elements: the nature of the Elements themselves, the feel-think-do split, the time-orientation, and the different types of leadership. Well, what happens, if you *don't* have it in balance? What happens if there's no-one holding the centre, and instead just one of the Elements dominates over all the others, as if it's 'the centre of everything'?"

He taps on the Purpose domain.

"For example, if Purpose thinks it's the centre of everything, you get people who are churning out ideas all the time, and you never get a chance to make any kind of move before the next 'great idea' comes along. Most universities tend to be a bit like that, and the IT trade is riddled with it, too: 'idea-hamsters', we call them. It's always about the future, never about the now: you rarely get a chance to get anything started, let alone finished."

'The IT trade' - immediately my mind goes to Fat Boy Kim, and his obsession that IT alone should be the centre of everything...

"The next one's yours, Alicia: what happens when the People domain dominates?"

"Everyone so busy 'being nice to each other', or stabbing each other in the back - often both at the same time - that again, you're never going to get anything started. Or if you do, you get attacked as a 'show-off' or 'self-important' - or you only got it because of your looks, or something like that - so you won't get far before someone *does* stab you in the back. I've seen a lot of that."

I'll bet you have: I can hear the hurt in your voice even from over here...

"Aye, you would. So, Pavel, what about Preparation - what happens when that one dominates the show?"

"Analysis-paralysis - always trying to make the plan perfect before we can start. So that one never gets started, either."

"Right. And that's one of the classic Taylorist traps, isn't it? - managers meddling and micromanaging so much that no-one can get any work done at all."

Ouch...

“And Process - what would you say about that one, Marco?”

“Once it starts, it never stops - just keeps churning out the same thing forever, regardless of whether anyone actually wants it. Yeah, I’ve seen that one a lot too, where the production-manager rules the show. Works fine for a while as long as there’s someone to keep selling the stuff as fast as they can make it - but if the market changes, they’re dead.”

“And ‘change’ is probably the right keyword for all of business right now, yes?”

He points to the last domain, Performance.

“But it’s this one you’ll see most often at present: people obsessed about what they call ‘performance’, but mostly it’s just about the money. The give-away clue is when someone thinks that ‘last year plus ten percent’ is a strategy. It’s not a strategy, it’s a joke, the kind of bad joke you’ll get from someone who sees the world only through the rear-view mirror. Watch out for those ones: they have a lot of power, because they sit right at the place where the money is made, at that moment of completion just after the Process phase finishes and the customer pays their bill - but they’ll drive the whole company straight over a cliff unless you can find a way to constrain their power much more than they’d like.”

Sounds like there’s a warning there... he’s trying to tell us something that he can’t say straight-out...

“Which bring us to the last thing I want to show you about this tonight.”

He picks up his fat highlighter pen, rather than the black pen he’s been using so far.

“Remember what I said about Taylorism and the way it’s based only on ‘think’ and ‘do’? Well, look what happens here if you follow that line. What you get is short-termism, and what I call the quick-profit failure-cycle. What happens is this.”

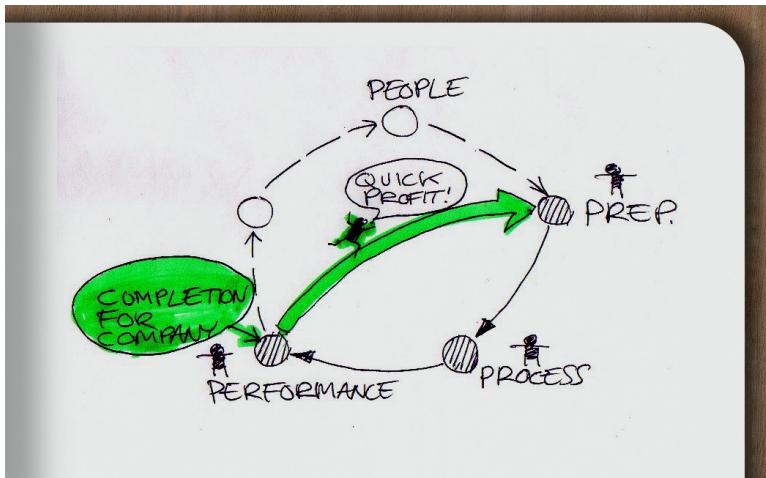
He draws a fat line through the middle of the Performance domain.

“When you have a CEO, for example, who thinks that ‘last year

plus ten percent' is a strategy, you know that what they doing is they're focussing on the money, and nothing else at all. There are four sets of things that have to be taken to completion in that Completions gap - I'll explain that in more detail when we get there, later in the show. The first is that you want to complete the task itself - that's straightforward enough if you've got a production-manager that does actually know when to stop. The next is when you get completion from the *company's* perspective - for example, you get paid. Now what happens is that the foolish manager, under the demands of the foolish CEO, cuts it off right there, and goes running back to the middle of Preparation, to set up the next punter as quickly as possible."

He draws a fat highlighter-line from the Performance domain to the centre-part of the Preparation domain, and then on down through Process to join up with where it started, half-way through Performance.

"And you go from there straight into Process, and back to the short-cut version of Performance, as quick as you can, to keep the profits rolling in. And yes, it's very profitable, very profitable indeed, for a short time, at least. But can you see what really happens here?"



12: Five Elements - 'quick-profit' failure-cycle

He sweeps around the outside - the part that's been missed out of the shorter version of the cycle that he's drawn with the highlighter.

"You lose the other half of performance - the half that's harder to see and harder to measure. You lose commitment. You lose purpose. You lose the vision and the values. You lose the people. You lose the policies that make it all work. And above all, you lose the trust that keeps it all together. On the surface, it all works just fine - for a while. And then it all falls into a heap on the ground, with a great big crash. And everybody says it's all a big surprise, it was all completely 'unexpected'. And yet you can tell exactly what's going to happen, and almost exactly when it's going to happen, soon as someone sets up this kind of supposedly-profitable short-termist mess."

He's getting passionate again, but he's trying not to show it, I guess...

"What's interesting is that the game usually lasts just long enough for the current CEO to cash out with the bonus for 'excellent performance' - and leave everyone else holding the baby."

Ouch: that's *definitely* a hint... But why us?

“Take a look at your own change-plan, Marco; and your part in it too, Alicia. Take a long look at what you’ve set up, and then compare it to what I’ve shown you here. And then have a bit of a think about what you’ve done, and what you might need to fix to make it work again, and work properly, for anyone other than the short-term ‘investors’?”

Yeah, challenging, all right - but what’s the big problem that he’s on about here?

But then I see Alicia’s face, and Pavel’s as well, both of which could only be described as ‘white as a sheet’.

And then - only then - does it finally hit me: and I literally feel the blood draining from my face too. That phrase ‘the blood runs cold’ - I never knew how true it could be. Because, yeah, that’s exactly what I’ve built: a quick-profit cycle, fast as possible, with perfect metrics to keep the managers happy - and no connection to reality at all. No vision, no values, no commitment, no connection to people *as people* - and not a whisper about trust anywhere in the picture. If Stu is right, it’s a goddamn *suicide-pact* for all of us - with all of those short-term ‘investors’ holding all the life-insurance policies to cash out when we go.

Not even ‘yikes’ or ‘ye gods’ will do for this one. I stammer out the only thing I can say under the circumstances...

“Oh... Holy shit... we’re *screwed...*”

Screwed *ourselves*, is the problem: screwed ourselves over *big-time*. How the hell are we gonna get out of *this one*?

# Notes for Sample-edition

*The ‘training-sessions’ with Stuart continue onward, interspersed with examples of how they apply in real-world business-practice. We’ll jump forward here to another example ‘training-session’, this time on the service-cycle that needs to guide all interactions and transactions.*

## 64

Alicia with us this time. We need her here - we definitely *need* her...

It's not that Stu's wrong - he isn't. It's more that there are so many challenges he throws up at us, often without seeming even to notice it, that we need Alicia's counterpoint to make sense of it all. Diversity? - yeah, too right. Always thought it was just the bleeding-heart liberals making a fuss about nothing. No: not any more. Having multiple ways of looking at this stuff is the only way we're gonna make sense of it - and we *need* to make sense of it, and fast.

Okay, Stu's coming back with his coffee now, with Alicia in tow. He's got her up to speed with the last session, I'd assume. And we better get on with it: a lot to do. Always a lot to do. Service-cycle this time, he said. Whatever that is. Just hope it helps, that's all.

"All right. Well, thanks for coming again. I know it's hard going, this stuff, but you'll need it all if you're going to get your business to work in the way that you need. And the challenge we've had all along is that it just isn't in the usual business-books - you have to hunt for it in less-known spaces, out in enterprise-architecture and systems-theory and the like. Oh, that reminds me, I promised, didn't I, to send you some suggestions for books that might help on all of this."

He scribbles a note on his notepad. "So, I said that this time we'd talk about the *service-cycle*. It's another part of that Enterprise Canvas model we looked at last time. But to get you in the mood, let's try another quick question first: what's the purpose of a company? We've already said that it isn't about 'making money' - or not only about that, anyway - and it isn't about 'shareholder-value'. So what is it?"

"I remember you said once before that one of the business gurus - Drucker, was it? - said the purpose of a company was to create a customer. Is that what you mean?"

“Aye, Marco, that’s a good one, and Drucker’s a good man too for much of what we need in this. But remember from last time, that we can have bad investors as well as good ones? With customers it’s much the same. A bad customer - one that still pays the money all right but doesn’t line up with your values - well, they can cause you a lot of damage. Ask some of the big banks about that one, yes? So yes, ‘create a customer’ is a good start, but it’s not quite what I’m looking for here. Alicia, do you have anything you’d suggest on this?”

“I’d say creating better people, *señor*, not just better customers. I’ve read and seen quite a bit about Drucker, I like what he says, but everything he says about customers should apply to our people too, inside the company. And beyond it, from what you’ve said before.”

“Yes, I like that - I like it a lot. But I’m looking for one more thing, slightly sideways from what you’ve said so far. About creating and maintaining something that brings and holds all of these people together in that shared enterprise.”

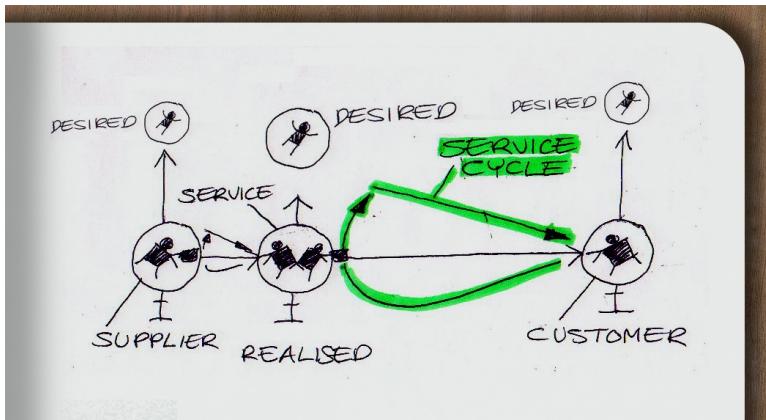
“Trust, maybe? Is that it?”

“That’s exactly it, Pavel! Everything begins and ends with trust - *everything*. If you don’t have it, nothing works - it really is as simple as that. So if you want anything to work, at all, you need to monitor and maintain that trust.”

He draws the same basic service-diagram he did the last time, with the service in the middle, supplier and customer on either side of that, horizontal lines linking between them, and the vertical values-arrows passing upward through each.

“Now this is where the service-cycle comes into the picture. It’s a cycle that happens - or *needs* to happen, rather - across every single transaction and interaction, between anyone and anyone or anything else, everywhere in the entire enterprise. It’s not just with customer and supplier: it’s *every* relationship between services, including all those support-services and the investors and so on that we talked about last time. It’s fractal again, at every level, as we saw before - you’ll find service-cycles within cycles within cycles intersecting with other cycles, much like we’ve seen before. And it’s

one of the main reasons why we use this metaphor of ‘everything is a service’, because services and the service-cycle are one of the few ways that are simple enough and yet real enough to help us make sense of the real complexity of business.”



28: Service-cycle

He taps on the horizontal line between ‘service’ and ‘customer’. “To keep it simple, let’s pick just one interaction, a transaction between the service and a customer. Now there are other interactions and transactions that need to happen *before* that transaction” - he taps above that line - “and *after* that transaction” - he taps below - “but we won’t go into that just yet. There’s a lot more detail on this in a couple of the books on that list that I’ll send you, but we don’t need it right now. Let’s keep it simple with the service-cycle for just this main transaction itself.”

He looks up at Pavel. “Now, lad, you said ‘trust’. If a transaction starts from trust, *how* does it start from trust? What’s the trigger?”

“In the beginning there’s nothing *to* trust, is there? Not right at the start, anyway. The only thing I can think of is reputation, but I’m not sure you can even have that sometimes, for someone who hasn’t done anything before - like a startup, for example.”

“That’s a good point - and you’re right, at the very beginning,

sometimes we'd have to start from the second or even the third stage of the service-cycle. But once we *have* started the cycle going, it's in-person trust, or secondhand trust in the form of reputation, that typically starts each new iteration."

He writes 'Trust / Reputation' some way above that horizontal connecting line. Leaving space for two or three other factors, I'd guess.

"Now what happens next, once you've established reputation? What's the next thing that has to happen before service-delivery can take place?"

"You've gotta have something to sell first - but then you've gotta let them know you have it."

"That's true, Marco, but I'd suggest there might usually need to be something else that has to happen first."

"It's the people bit again, isn't it, *señor*? Before you can start a conversation, you need enough of a relationship to let it happen."

"That's what I'd say, Alicia. Once the trust is in place, you need to establish who you are. That's the relationship. Marco, you're looking worried about this?"

"Yeah - isn't it the wrong way round? I mean, if we look at what happens in a bar, people talk first, and build the relationship from that."

"Aye, that's true, there's an element of chicken-and-egg here, you're right. It's the same with reputation and relationship, by the way: if you look at how computer transactions work, each side may need to know the other's identity first before they can check out the reputation, the 'trusted-partner' protocol and suchlike."

Okay, that was a surprise, him knowing that stuff: most of the IT people would never have thought to describe that, let a non-IT guy of his age. Huh.

"But if you want a first-hand example, Marco, cast your mind back to when we first met. Remember the mistake I made then? - and I'll admit it was a mistake, yes, and I'll apologise for it again right here and now. It was that I commented on your work *before* connecting with you, person to person. How did you feel about

that?"

"Not happy. I wanted to deck you, to be honest."

"Right. There was no trust, no reputation, no relationship, I just walked straight in and started talking. It's not a good idea, is it? And yet when you think about the way most companies approach their advertising, what they do is exactly the same: they march in and demand your attention without so much as a by-your-leave."

"The same with all those endless scam phone-calls, isn't it, guv'nor? Ludmilla *hates* 'em."

I'm wincing a bit at this: yeah, we're gonna need to do a lot of rethink about how we do our marketing, sounds like...

"Aye, agreed on that, Pavel. Anyway, as I say, there's a certain amount of mixty-maxty about this, the fractality itself means you can swap them all around a bit, but let's put this here for now."

And he writes 'Relationship / Connection' below the 'Trust / Reputation' line, but somewhat to the right.

"The next part, as we've just seen, is about gaining attention, and building a conversation. You'll note that usually it's important here for it to be a real conversation, talking *with* someone rather than talking *at* them. Which, as you said, Pavel, is about all that most advertising does."

Ouch... *definitely* need to rethink how we do our marketing...

"But there's one thing that can make a big difference here, and that we've looked at a few times before, and that's the vision and values. If you don't have any reputation to start with, you can at least offer your vision, and that alone will often give people enough to decide whether you'll trust you. Then the vision is also a good way to provide an anchor around which relationships start to form - a well-structured vision is a way to bring people together, so *they* start their own conversations about it, and then bring you into the conversation."

He writes 'Conversation / Agreement' below the 'Relationship / Connection' line, again somewhat further to the right.

"And as we've also talked about in an earlier one of our sessions, a clear vision provides the basis for what we call *pull-marketing*,

something that brings people to you, rather than the usual *push-marketing*, where you push yourself in people's faces whether they want to know you or not. Pull-marketing is not only a lot better all round, for everyone, but it's also a lot more effective, and a lot cheaper, too."

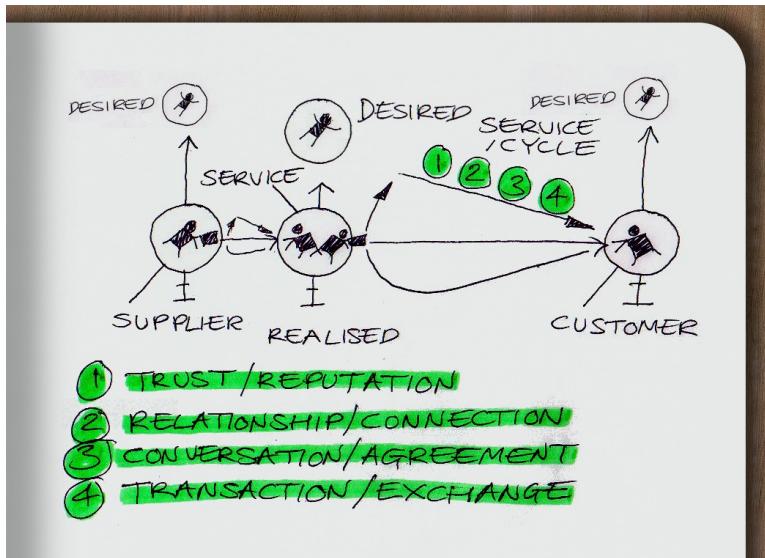
"So why doesn't everyone do pull-marketing, guv'nor?"

"How many companies are clear on their vision, Pavel? Not many, are there? - and it won't work without a clear vision. The other catch is that it's got to be real, and you've got to *deliver* on all of the promises you make in the vision - because if you don't, you're going to give yourself so many antclients that, well, it won't be much fun for you, let's put it that way?"

"Okay, yeah, good point."

"Right. So the final part here, that brings it all together, is the actual transaction - the service-delivery, the handover of the product or whatever. You've built up the trust; you've established the relationship; you've discussed and agreed between you what the deal is going to be; now you deliver on the deal. All straightforward enough on that, I think?"

Yeah, it's obvious, so no need to comment on that. He writes 'Transaction / Exchange' just above the horizontal-line between Service and Customer, but once more somewhat further to the right of 'Conversation / Agreement'.



29: Service-cycle - toward transaction

“Now, what makes it a cycle is that we now unwrap the whole lot in the opposite direction, in a series of distinct completions. Watch how this works - because if your systems or structures miss out any of these steps, the whole cycle runs a risk of falling apart. If the cycle falls apart, you’ve nothing with which to build and maintain trust; and if you lose the trust, you’re out of business. It really is as simple as that. That’s why this matters - and it matters a lot.”

“Wait a mo’, guv’nor, please?” Pavel’s been doodling furiously on his notepad for the past couple minutes, and seems to have come to some kinda conclusion. “Trust and reputation kind of line up with Purpose, right? Relationship with People; conversation with Preparation and planning; transaction with Process; and now completions with outcomes and Performance. Is this sort of Five Elements again in a different guise?”

“Yes, it is, Pavel! - exactly that! But hold that thought for me, will you, because that’s a really important point that I want to come

back to in a moment. You've set the stage up for me really nicely there. Aye, thank you!"

He kinda twinkles a bit - professor to bright student and all that. Which it is, I guess: Pavel's a bright lad, we're lucky to have him in on this. Wish I could say the same about myself... - but whoa, Marco, yeah, Helen and 'conscious-incompetence' again, need to get a grip on that, don't compare, don't compare, we're all struggling with this, probably even Stu himself too. So keep the focus right here right now, Marco, yeah? Keep the focus - this is important stuff, it's *all* important...

"Right. So what Pavel's just said gives us a key clue here - this is another way in which the Five Elements all connect back up to each other. But in this particular point in the service-cycle, with the completions, we connect it all back up again in a particular sequence, zipping everything back together step-by-step in the reverse order to that with which we've done it so far."

He writes 'Completion for Transaction' just below the Service-to-Customer horizontal-line, lined up with the 'Transaction / Exchange' label.

"The first step here - the first completion - is to make sure that the transaction is complete. That's often not as straightforward as you might think. With service-delivery, it can just keep on going and keep on going, as know too well in practice with many things in your own life. And even with physical products and data-files it's often not as simple as just handing it over - you might need to explain how to *use* the product, or do follow-up customer-service and suchlike. Whichever way it goes, you'll need a clear marker or condition that tells you when you've delivered the service or product that you promised and agreed in that previous conversation. That's the first completion we need here - completing the transaction."

He writes 'Completion for Conversation' below the previous label, this time lined up with the 'Conversation / Agreement' label above the horizontal-line.

"The next step is to complete the agreement, the conversation.

Just before you'd moved on to the transaction part, what you'd have ended with in the conversation will be some kind of contract, formal, informal, or whatever. At the end of the transaction, you've delivered the *content* for that contract; now you need to complete the contract *itself*. For your business, the simplest form of this is that you get paid. Or, if you're the customer, that you pay your supplier. There can be a lot of other nuances and subtleties here that we can talk about some other time, but essentially that's it. So the second completion we need here is about making sure that the conversation, the contract, is fully complete - though complete in *both* directions, you'll note, not just from the company's perspective. That's part of that point of Pavel's that we'll come back to in a moment."

He writes 'Completion for Relationship' below the previous completion-label, this time lined up with the 'Relationship / Connection' label further above.

"For this next one, what we need to do here - again on both sides - is ensure that the relationship-connection is complete. That your customer is satisfied, and that *you're* satisfied too. That's what makes it an *ongoing* relationship - repeat-customer and so on. It often also helps your onward reputation too, your customers singing your praises for you - as 'proclients', if you like, the opposite of anticlients. If you make sure that that relationship is there, you can each start a new service-cycle with each other at any time, with a certain amount of trust already fairly safe to presume."

He stops for a moment. "Ah, wait, of course - there's a really important catch we need to note here. Marco, do you use a CRM in the business - a Customer Relationship Management system? I'd expect you do."

"Yeah, we have one. Several, actually. One of the main tasks right now for Kim - our CIO - is to try to trim them back down. To just the one, if we can."

"Aye. And what's it for? What does it do?"

"It holds all of our information about customers. Who they are, where they live, what they buy, their whole history with us, and

anything else we can pull in from their browsers and so on. It's great - essential, in fact. Lets us do targeted marketing, for example. On the webstore, lets us do personalised offers, adapt prices in real-time, all kinds of cool stuff. Yeah."

"Pah! 'Cool'? 'Real-time'? 'Targeted'? You know how much you sound like Kim just now, Marco? *Dios!*"

*Ouch...*

Stu smiles. "She's right, Marco. Do *you* want to be 'targeted' by anyone? No relationship, nothing human about it, just an algorithm on a block of data on someone's CRM machine?"

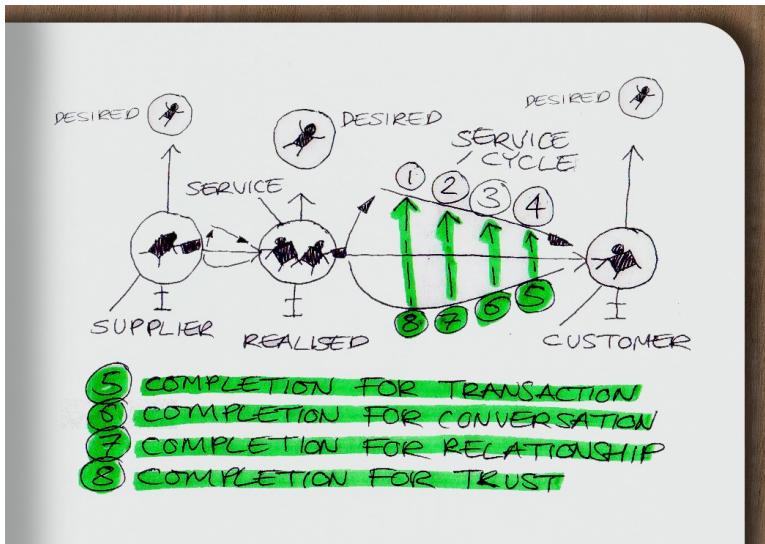
*Ouch...*

"The key point to watch here, Marco, is the word you used a moment ago: *information*. A CRM is useful, yes, and you'll probably need to update that CRM each time as part of completions in this stage of the service-cycle. But never forget that it's *only* information - information *about* a relationship, but not the relationship *itself*."

He turns to Alicia here. "It's much the same with your HR records, Alicia - they're information about an employee or whoever, but not the relationship itself that you and the company have with that person. Information and relationships are fundamentally different things, and it's essential that we never mix them up. That's a crucial distinction to bear in mind, all of you - because if you ever get it wrong, you'll be churning out antclients and antiemployees like nobody's business. And that's not good idea, is it?"

"No, it isn't." I'm still seeing Helen's face when she came back home after that screw-up at our store near the Marcom head-office - mass-producing that face a thousand times with a screwed-up CRM would *not* be fun...

"Right. Last part of the completions." He writes 'Completion for Trust' below the 'Relationship'-completion label, lined up with the 'Trust / Reputation' label at the top of the stack above.



30: Service-cycle - complete

“Remember we said that this whole thing is about trust, and building and maintaining trust - that trust is the engine that drives the whole service-cycle? Well, this is where you fully close the loop, and you find out whether you still have a business or not.”

He gestures toward me. “You remember that Marco earlier talked about Drucker, that the purpose of a company is to create a customer? If the whole thing was only about relationship, Drucker would probably be right, given a few twists and turns and suchlike. But it’s not just about relationship, it’s about *trust*, with relationship in part actually a kind of outcome of that trust. Over time and over repeated service-cycles, it is, certainly.”

He kinda waves his hands around a bit, finger raised, then making a shape, and more - trying to make a point about something that, yeah, is kinda hard to describe.

“The best way I can think of this is that it’s not just about creating a customer, it’s about creating a *story*, a *shared* story. And then showing that we *are* keeping to the values and vision of that story. That’s where the trust comes from. So the completion here,

completion for trust, for reputation, it's about making sure that you, you, what's that old word now? - yes, that's it, that you *cleave to* the story. Remember the holomap? - it's about completing not just with customers and suppliers, but with *all* of your stakeholders. All of them."

"Isn't that impossible, guv'nor? How do you connect with everyone, when, from what you've told us, many of them we can't even know who they are?"

"You're right, Pavel, but I'll give you a real example. Remember what we said about bad customers as well as bad investors? Well, think about that story when one of the big banks was found to have been doing money-laundering on an industrial scale - huge, huge amounts of money - for some of the big drug-cartels? If the service-cycle really is only about the relationship between service-provider and customer, then there would have been nothing to worry about: after all, both the bank and the cartel were very happy about their relationships, their conversations and their transactions."

"Yeah, I heard about that one. The bank even redesigned their tills to match up better with the cash-boxes that the cartels used."

"Aye, they did. And the whole thing was very profitable to both parties - very profitable indeed. But remember it's not just about the transactions or the money, but about the *story*, in this case the story of trust in the banking-system itself - and a lot of people happen to have very strong opinions about drug-money and whether it was acceptable for banks to knowingly launder it. Those people, the regulators in the marketplace, and a whole lot of others on the outer edges of the holomap - well, they regarded it as a betrayal of the story. And the upshot was the bank got hit with an enormous fine - the largest for any bank in history, I think?"

"Didn't stop them from doing it again, did it? And none of them went to jail!"

"True, Marco, true, but there's so much anger around that that I'd suspect that kind of social punishment will start to happen soon. But even if doesn't, do you want that kind of stain on your own business, your own reputation? That people are only willing to do

business with you because maybe they don't have any real choice, but they'll do everything they can to frustrate you as long as it doesn't get in their own way? That's what I'm talking about here."

"Sure. And yeah, you're right, I don't see it as just about the money. Business is business, but it isn't about screwing people over, either. That's not what we're here for. Nope. Not on my watch - not if there's any way I can stop it."

Surprised how strong I feel about that. And from the nods from everyone round the table, I ain't the only one. Good.

"Right, agreed. So let's finish this off. This completion is about making sure that you've kept to the story. In a sense it's more about you, about how *you* feel about how well you've kept to the promises you made in the vision and values. You can track that internally, of course. But it's also a key use for social-media - you monitor not just for direct antclients, for unhappy customers, but also at the larger scale, about how people view you, your reputation in the wider world. Your monitoring of social-media is *really* important for that."

Ouch... My face reddening again when I remember that threw away the social-media part of the change-plan, on the basis that it wasn't relevant to the business...

"All clear on that? Good. Now let's turn back to what Pavel said, about the way this lines up with the Five Elements cycle. Which it does - yes, it does. The last of those four types of completions, you remember, was also the one that links Performance back to Purpose, and keeps *that* cycle going, too."

He flips over the page on his notepad, and draws a Five Element pattern on it.

"What drives the Five Element cycle is not just the five phases themselves, but also what links between them. Values link Purpose and People; policies link People and Preparation; start-events link Preparation to Process; completion-events mark the transition from Process to Performance; and success brings us back from Performance to Purpose. We've done all this before, haven't we?"

As he draws his diagram, he labels those links between each of

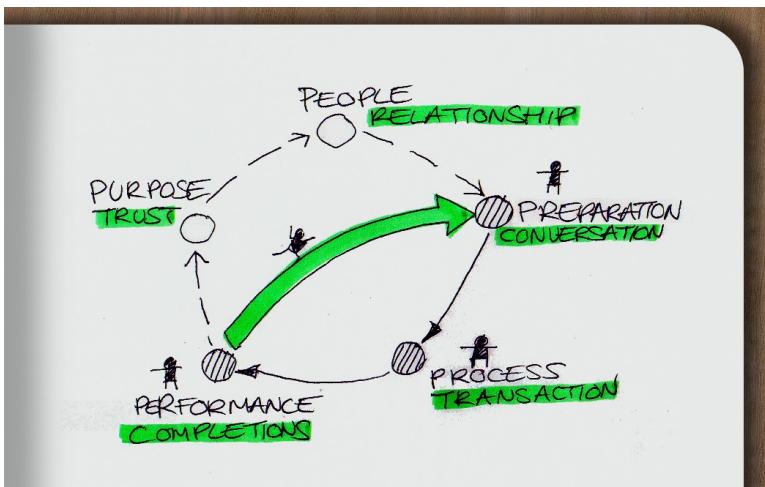
the Five Element phases.

“Now very often you’ll find a company that doesn’t understand how the service-cycle works - in fact that’s most of them, I suspect - and they think it’s only about the money, and about themselves. So they break the service-cycle halfway through the completions: as soon as they’ve got their money, they’ll take a short-cut, and jump back to Conversation / Attention again - advertising and all that - to try to grab the next paying customer as quickly as possible, without any attention to the one they’ve just finished with. You’ve all seen that, I presume? You’ve all been on the receiving end of it, too.

“*Si. All smiles until they have my money, then the smile vanishes and throw it in my face. Chanchos! Asquerosos!*”

Yep. I wouldn’t like to be the guy who’s just tried that with Alicia...

“Aye.” Stu uses his highlighter to draw a fat line on his Five Elements diagram, a short-cut from halfway through Performance to halfway through Preparation.



31: Service-cycle - ‘quick-profit’ failure-cycle

“But watch what happens if they do that - we’ve talked about this before, a while back, but this is another way to look at it. So

you'll notice it's very profitable for a while, because you get back to the next paying customer faster, and then faster again. But each time, they miss out on completing the 'success' part of Performance, which breaks the link to Purpose, which loses the connection to values, which in turn loses the connection to People, which means that your policies cease to make sense, which means that your Preparation won't work well either - especially if anything changes in the world around. So yes, the short-cut is very profitable *for a short while* - and then the whole thing suddenly falls apart, supposedly without warning. That's what kills companies - you've all seen it, yes?"

Yeah, I have. We all have. Bloomin' stupid...

"And yet it's not without warning - in fact, for those who bothered to look, there was plenty of warning, because you know straight away it's going to happen as soon as someone tries to set up that short-cut version of the cycle as their standard for all of the business. Which too many businesses do."

He gives a wry laugh.

"We sometimes call it the 'quick-profit suicide-pact', because from a business perspective that's essentially what it is. You need to avoid that at all costs. And the way you avoid is by making sure that of those completions do take place, properly, in the proper order, and that you don't run off straight away for the next punter and leave everyone else in the lurch."

He points to the start of the short-cut, in the middle of the Performance phase.

"Now I'm not saying you should never do the short-cut. Trying to do the whole service-cycle in full step-by-step detail every time will slow you down a lot, and for most businesses now, the pressures are so huge that you could go out of business that way too. But you do need to keep the balance right: if you do the short-cut every time, it *will* kill the trust that drives the service-cycle, which means it *will* kill your business too. And sooner rather than later."

He kinda lifts up, rests his head on his chin.

"You're all facing huge pressures to deliver 'results' - which for

too many people just means money. And the more those people focus only on the short-term, the current-quarter or whatever - and the more you're trapped into feeding any kind of money-investors other than the symbiote, like we talked about last time - then the more they'll pile on that pressure. It's not easy, but resist that pressure as much as you can, in any way you can: do the service-cycle properly, because if you don't, you're dead - as a business, at least. That's about all I can say on that for now."

He stops, looks brighter.

"Anyway, let's not dwell on that for now. You've all done notes as you've gone along - that's good. The thing I want to notice most of all is that the service-cycle is your friend, and it applies *everywhere*, with *every* interaction. Once you get that in your head, all of your service-design becomes a whole lot easier, everywhere. Are you all comfortable with that?"

We are. And yeah, time to go home, and let it all brew. Which it always does...

# 65

Downtown again, grocery-shopping. Kinda amusing to look at it all in terms of the service-cycle - trust, relationship, conversation, transaction, and then all the way back again.

I remember I thought about this, way back, before I even did the first plan. Comparing the old grocery-store on Crouch Street to the big supermarket in the mall.

Didn't think then that the differences were that important. Well, now I know that they are. Very. And we need to think fast about those differences, for our own stores - because if we don't get it right, it'll kill our business stone-dead.

In the old grocers, the service matches up pretty much exactly to Stu's service-cycle. It's all about the story. Sure, it's a family-run store, and yeah, they've been on the same site for almost century, but that itself isn't really the story. More like it's about the *quality* of food, kinda *food for food's sake*, almost. 'Finding the right ingredients for the right occasion', the old guy there used to say.

Which is pretty much dot-for-dot for Stu's structure for a viable vision. And can easily adapt it to find who good allies would be, too. Interesting...

But yeah, purpose, vision, story - they've got it all in that store. That's Step One in the cycle.

Step Two is the relationship-bit. And yeah, they do put a fair bit effort into finding out who *we* are, as prospective customers - what *we* need, and so on. It takes time, sure, but it builds up over time, too. We've been coming here a couple years now, on and off, and... - well, it's kinda like *family*, really. Extended-family, but that kind of family feel.

It even works with people who don't gel with the story. A smartass couple came in last time we were here, and the first thing they saw was the prices on stuff, and they kept on making snarky

comments about how pricier they were than the cheap versions in the supermarket. Guy behind the counter wasn't fazed by this at all, just tells them which supermarket is lowest price this week for this versus that, then asked if there was anything they'd like from *this* store. No defensive at all, just 'This is what we do, if it isn't what you want right now, that's fine, but we'll help you any way we can anyway'. Nicely done. Kinda shocked them, I think: they left, but I got the impression that there'd be a next time - and that next time they might well be back for real.

Interesting, too, that the relationship bit also makes it easier to get the conversation going - the Step Three bit in the cycle, that establishes what the content of the service needs to be. They know what we usually buy, so that makes the decisions faster. But they *also* know how to read the signs about when we want something different; and from there they know how to guide us to, yeah, 'the right ingredients for the right occasion'. That's a big difference - I don't think there's any CRM that could do that. And also interesting that it isn't necessarily an upsell - quite a few times now they've suggested something that's simpler and cheaper, rather than something more fancy and expensive.

And the transactions - Step Four - well, yeah, it's an old shop, but they link both old and new. They joke that they'll take payment any way at all, as long as it's money: and they do actually mean it. There's all the current tech, of course, including contactless, and pay by bank-app. But a lot of their clients are older, and stick with the old ways, like paying by cheque or even doing a monthly bill. There aren't many places that still do that.

Then Step Five, the completions - yep, all of them are there, making sure the customer is happy, linking the customer to the story, and so on. So yeah, they do cover the whole service-cycle. And it shows. In our experience there, anyway.

Compare that to the supermarket.

Story? - *what* story? It's all marketing, a kind of pretend-version of the story in the old grocery-store. The 'value-proposition', it has a bit of extra glitz and gloss in places, but it's basically the same low-

prices-are-the-only-things-that-matter race-to-the-bottom as every with other supermarket. Wow, I'm so excited. Yawn.

Relationship? - *what* relationship? Stu was right: what little there is of it, it's all just CRM - information as a substitute for relationship, in the delusion that they're the same thing. There's a bit of person-to-person connection that builds up over time, but it seems more by accident and habit than by design or intent.

Conversation - *what* conversation? There's no advice, no guidance, no nothing - just aisle after aisle, vaguely labelled. They keep moving stuff around, to try to get us to bump into other impulse buys while we're searching for what we need. And they've laid out the space to force us to cover the whole store while searching for everything for an everyday shopping-run - again, to try to get us to buy things we don't actually need - but which again means that everything takes much longer than it should. I guess it must give them the results they want, or they wouldn't keep doing it, but it annoys the heck out of us. Every time...

Transaction? - well, yeah, you can pay any way you like, as long as it's a way that's easy for them. What was that quote Stu gave us a while back? - "customers do not appear in our processes, we appear in their experiences". Well, at the supermarket, we're just 'consumers' who are deemed 'wrong' whenever we somehow fail to fit their process. And yeah, the experience? - well, it's crap, to be blunt about it. Every time...

Completions? - once you've paid your money, get out of the store right now, you're in the way. That's the attitude. We don't use their fancy 'membership card' thing any more, because all it does is get us bombarded with marketing guff through every damn channel. CRM again: if you buy anything from them, they think they own you for life. Or own your wallet, rather.

And I checked with Helen: turns out, no, it's not actually any cheaper at the supermarket than at the old grocery store. Individual *items* are often cheaper, sure; but we buy so much extra crap there that it kinda counters the savings anyway. And a lot of what we buy there - all those two-for-one deals and so on - ends as waste,

because we can't even use it up before the use-by date. Which kinda defeats the whole object of the exercise.

Okay, yeah, it *is* still the same service-cycle at the supermarket. Sort of. In a technical sense. But no sense of *service* - more, it's self-serving pseudo-service at best.

So the summary for all of that - the one-liner, the simplest way to describe the difference? Shopping at the grocery store is something to *enjoy*; shopping at the supermarket is something to *endure*.

Ouch.

What's also clear is that what drives the difference is whether we do the whole service-cycle or not. They do the whole thing in the old grocery-store; they do only a tiny fraction of it in the supermarket. That's *why* the supermarket feels so awful as it does.

But in our current change-plan, I'd moved our stores a lot closer to the supermarket's style, on the basis that it would be more 'efficient' and all that.

Maybe not such a good idea...?

I'll need to think hard about that as we rework the change-plan into its new form.

# Notes for Sample-edition

*Again more ‘training-sessions’ and practical examples. We’ll include here one of the last of these, about supporting continual-learning and continual-improvement via a very useful technique called an ‘After Action Review’.*

## 74

Back in Ricardo's again - probably another long session, but should be the last of them, Stu says, as it's the last part of the Five Elements cycle. *Performance*. After *Performing*. Do the work, then check on how well we did that work. Recursively, for us too, in all of these cafe-sessions.

Yeah, makes sense, I guess.

First off we just gotta settle down a bit - a lot going on at work now, with all of the changes that we've needed to slip in from all of this work we've done with Stu. And a lot of those changes need to be underneath the Queen of No's radar, if we're going to give her the results she demands, without her interfering in everything we do. So yeah, kinda tricky right now. Kinda stressful, too. But worth it, I think.

Anyway, time to kick off. A lot to do tonight, if Stu's as on-form he usually is - and not much time to do it.

"Right, all, let's get to it. Last time, we were looking at the Process phase, about what happens in real-time action. Now if you think about it, that action was the outcome of your plan, the plan that you developed in your Preparation phase. There was some kind of event or trigger to *start* that action, to change from Preparation to Process, and get into the real-time action. All fair enough on that, yes?"

Yeah, no complaints from any of us.

"Now here, much the same kind of thing happens, but somewhat in reverse: there's some kind of *end-event* that triggers the transition from Process into Performance. If that end-event doesn't happen, of course, you'll just keep looping around in Process forever, and never stop to review what you're doing. Or even *deliver* what you've been doing. That happens a lot in many organisations... - particularly those where the Process-people rule the roost. It's not a good idea..."

Halfway between irony and sarcasm, is Stu right now, but yeah, he's got a point there all right.

“So here's a question for you: How do you *know* when the work is done? How do you *know* when it's time to stop? What's that trigger-event? What signal do you use?”

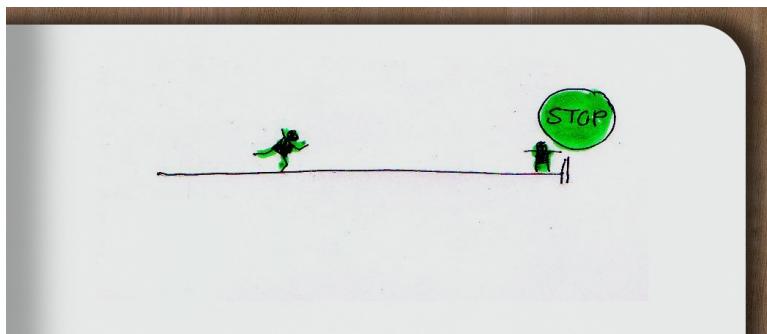
Ouch... - that's actually trickier than it looks. So many different ways - date or time, payment, end of the line, switches, all kinds of different things...

“So watch for that signal - whatever it should be - and make sure everyone involved in that work knows what that signal is, too. Once you get that signal, you change gear again - to use Pavel's analogy - but from focusing on the immediate Now, to looking backward at that Now as the recent past.”

“What, kind of like a backpedal brake, guv'nor? We come to complete stop and all that?”

“No, Pavel, it's different from that. It's more like we've been spinning round close to the centre, to get things done, but when we get that end-signal, we move away from that centre, to get some distance so as to look back at what we've done. It's a change of tempo, true, but it's not a stop as such - more a change of direction, but without losing momentum. Look, let me show you.”

On his notepad, he quickly draws a straight-line path, with a cross-bar as a stop at the end.



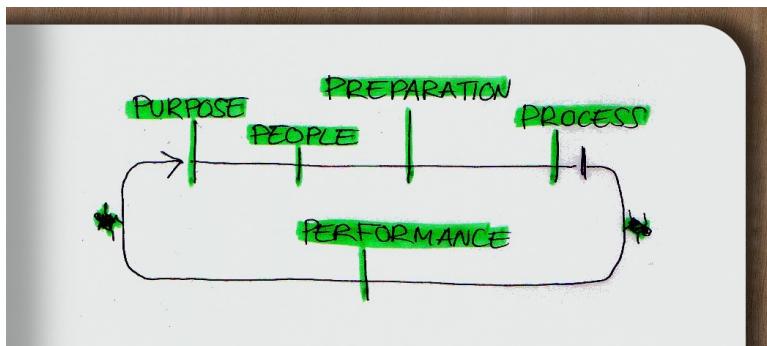
41: End of process - dead-stop

“You see, the mistake that many people make is to think it all comes to a stop at the end of the process, the end of the project or whatever. But if you do that, how does that connect with the next process, the next project? Your short-answer is that it doesn’t. To do the next process or whatever, you have to start the whole thing all over again, from a dead stop. And as a cyclist, Pavel, what’s that like, to stop and restart like that?”

“That’s kinda like traffic-lights, ain’t it? Darn hard work, stopping and starting all the time.”

“Aye, it is indeed. Now take the tail-end of a project, and connect it up cleanly with the start of the next, like so...”

He scrubs out the cross-bar at the end of his straight-line path, and extends the path, looping it back below the existing line, with an arrow-head that connects the path back to its start. He quickly marks four points on the upper part of the path, labels them Purpose, People, Preparation, Process - the first four phases of the Five Elements cycle - and then adds another about halfway along the return-path, labelling that as Performance.



42: End of process - link as cycle

”...then you don’t lose that momentum. You’ve changed direction, for sure, but it’s still part of the same movement, it still drives the same story forward, without actually stopping at all. What’s that like, Pavel?”

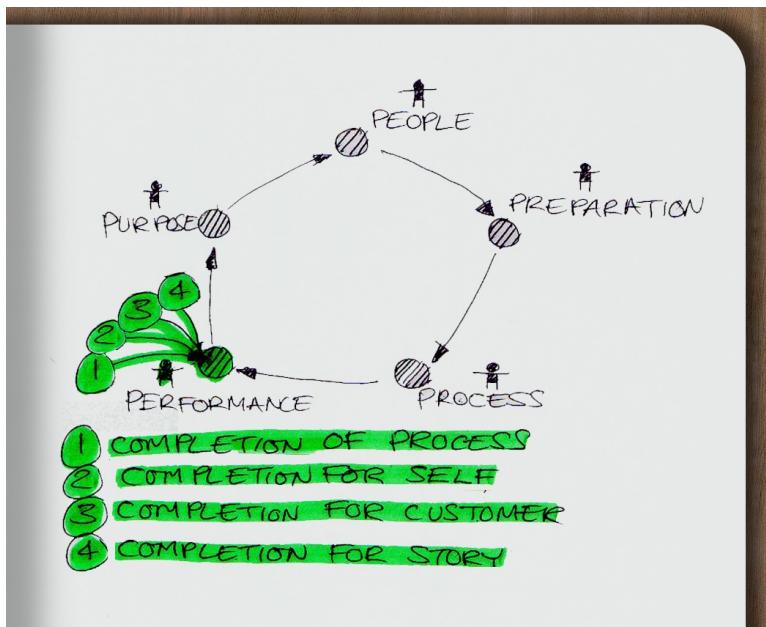
“Well, it just *flows*, don’t it, guv’nor? It’s like the cycle-path down the old train-tracks, to get to our other office, you have to dodge the walkers sometimes, but it’s no stops, gets there in half the time. And no hassle with the traffic, neither, so I feel better to get straight to work, too.”

“Right. But remember that it’s not just straight from Process into the next cycle - there’s work to do here in Performance as well. Part of the work here is that set of completions that we talked about before, for the service-cycle - completion of the process, completion for ourselves, for the customer, for the market and for the broader story - and also making sure that we *don’t* allow ourselves to be distracted too often into the ‘quick-profit’ short-cut.”

He flips over the sheet on his notepad, and sketches out a Five Element cycle, with the phases marked out in their usual positions, but this time without any labels. He taps on the phase at the seven o’clock position - in other words, his Performance phase.

“The real purpose of this phase is threefold: benefits-realisation, lessons-learned, and connect back to purpose. Which, for the business of the business, if you remember, is to reinforce trust - in that sense, yes, it’s exactly the same as the service-cycle, but here it’s more across the story as a whole, rather than a single instance of delivery of a service or a product.”

He sketches four short lines radiating out from that Performance phase.



43: Performance - Four completions

“Now *benefits-realisation* is, literally, what benefits you’ve realised from doing the work, and benefits for whom. For the most part, this is about those four completions again” - he waves his pen above those four lines - “and the purpose of that review is make sure that, first of all, there *have* been benefits from doing the work, and also that those benefits have been divided up fairly between all of the players in that part of the story. You’ll remember what we said before about different types of investors? - well, the ‘divided up fairly’ bit includes them too, as the respective ‘beneficiaries’ we saw back then. But it’s also why you need to be careful about what kind of investors you have, so that the balance of investment and dividend *is* fair to you and others too. As we’ve seen, some types of investment are anything *but* fair, anything *but* balanced - and you need to keep those unfair ones at bay, as much as you possibly can. Part of your review here is to make sure that that kind of check

does happen, every time.”

He picks up a coloured pen, and puts numbers beside each of the Five Element phases, one to five - but this time starting at the two o’clock position instead of the usual ten o’clock position. Odd...

“Those completions will help you link back to purpose, of course. Now the other emphasis here - on lessons-learned - will also help in that. To do that there’s a classic method for identifying lessons-learned, called an After Action Review, or AAR for short. It consists of four simple questions: What was supposed to happen? What actually happened? What was the source of the difference between them? and What can I learn from this to do better next time? And in the right context, with the right people, in the right way, that works very well indeed.”

He gestures quickly round his Five Elements diagram.

“But because we’ve been working for so long with a five-fold structure, with Five Elements, there’s a slight twist we can do to the AAR to make it fit better with what we’ve already done. And it’ll also help to re-emphasise *why* we do the Five Elements in the way that we do, in the sequence that we do it, and with the content that we work on and deliver from each of those five phases. The trick here is that we do the AAR with five steps, instead of four - and we start two steps further round than we do with Five Elements.”

Where Preparation would be on his Five Elements diagram, he writes ‘plan’.

“The question we start with in an AAR is ‘What was supposed to happen?’. Now in order to be able to say what was supposed to happen, you need to have had some kind of plan, right? That’s the whole point of Preparation - that you have some fairly solid idea of what you want to do and why you want to do it, how and when and where you’re going to do it, who you’re going to do it and for, and so on. And that you have some reasonable readiness for what you aim to do, too. Now what you plan and what you actually do in practice may well be different - we’ve talked about that before, and we’ll come back to that in a moment. But in order to be able to learn from it, you need to have had some kind of plan, some kind

of future intent. All fair enough on that so far?"

A kind of general nod and mumble of agreement - it's still explanation-time, rather than doing-time, so nothing really to say.

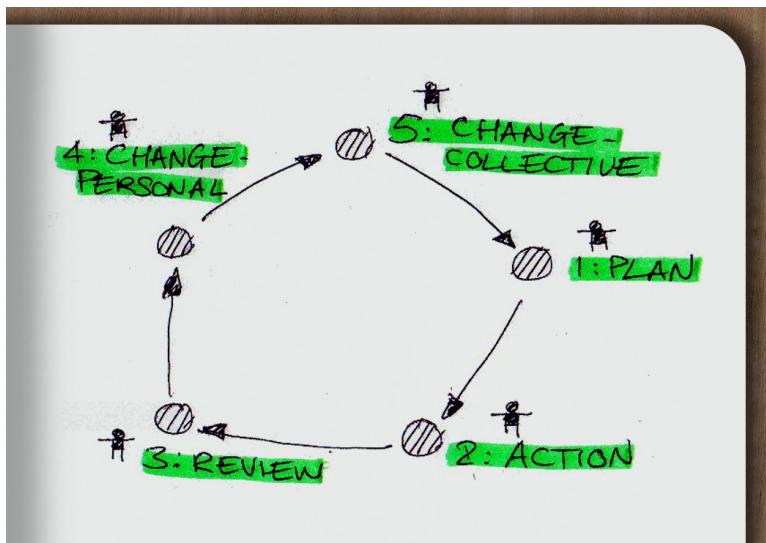
He now writes 'action' where Process would be.

"The next question in the AAR is 'What actually happened?'. To answer that, you need to have some kind of records about what happened during your Process - in other words, the action-records I wrote to you about after the last session. You'll all have made a good start on that by now, I trust?"

No answer, just embarrassed squirming all round. And I'd thought I was the only one who'd screwed up. But hey, at least I can claim to have made a *start* on it by now...

Stu looks around with a wry smile. "No matter - you now know what those records are *for*, at any rate. Which brings us to where we are right now, where the AAR lines up with Performance."

And he again uses his pen to write 'review' where Performance would be in Five Elements.



44: Performance - After Action Review

“It’s here that we bring together the records of the plan and the records from the action, and ask ‘What was the difference?’ - and, perhaps more important, ‘What was the source of the difference?’ And aye, that can be a tad difficult at times, because it’s not a common thing for everything to go to plan, is it?”

Yeah - more embarrassed wriggling all round...

“But you do need to be honest with yourself about this, and with each other, too, because otherwise it isn’t going to work. It’s one of the reasons why a key rule for any AAR is ‘No blame!’ - because blame, as you’ll remember from that power-diagnostic, is one of the things that will guarantee to make things worse than they might already seem.”

Yeah - that power-model is turning out a lot more important than I’d thought. A lot of things keep on coming back to that.

“And also - and I think I need to emphasise this - you need to take notice not just of things that ‘went wrong’ in unexpected ways, but maybe even more of things that went ‘unexpectedly *right*’. It’s like risk versus opportunity, remember that? - if you focus only on the risks, you’re likely to miss the opportunities. So notice both ways, not just the one. And once you’ve noticed those differences, take some time to look at where those differences came from, how they happened, what you missed, what came in from an unexpected direction, and so on. It’s in that exploration where your real learning starts to happen.”

“Stu, are you saying that this needs to happen everywhere? Embedded in every process?”

“Aye, Marco, I am. Learning isn’t a separate activity you do somewhere else, from time to time - it needs to be part of the work, *in* the work. Look at the Five Element cycle again - Performance is part of every cycle, and lessons-learned is always part of what happens in Performance, every time. If you miss it, you miss opportunities for learning, for shared-learning - and you risk breaking the overall Five Elements cycle, too. That’s not a good idea, lad.”

“Sure, but it’s gonna be a big mind-shift to embed it everywhere...”

He cuts in, harsh, almost sarcastic. “And so what, Marco? Look around at other industries, other work-domains. Look at the Army, for example: they do an After Action Review, after everything they do, everywhere, all of the time. Emergency-crews do it; foresters do it; construction-crews do it; surgeons do it; the entire oil-industry does it, all of the time. So tell me, what makes your business so simple, so special, so stable, that it has no need to learn anything as it goes along? Hmm?”

*Ouch...* Don’t even *try* answering that one, Marco, ‘cos you know he’s right... A *definitely* embarrassed pause...

“I’m sorry to be rude, lad, but if you *do* want your business to work, in the way that you’ve told me to want it to work, then you need to take this seriously. With the pace of change that you’re facing, you *need* to be what they call a ‘learning organisation’ - and this is one of the few ways that you can embed the habit of learning into everything that the organisation is and does.”

“Yeah. Right. Thanks.”

“Aye, right. So the next part is that once you’ve got something you can learn from, you now need to do something about it. And that brings us back to the purpose of the work - in fact, both back and also forward, because it brings us into the start of the next Five Elements cycle, with Purpose. So notice this: that *continuous learning is a key part of what drives the cycle, and links it all together*. Completing the previous cycle demands that we also carry through into the next with any change we need to make.”

He writes the words ‘change - personal’ where Purpose would usually be, and ‘change - collective’ for the People phase.

“The original AAR had one single question here: ‘What do we need to do differently next time?’ But there are actually two parts to this - the changes that we need to make *personally*, and the changes that we need to make *collectively*. Which, in turn, is two distinct questions: ‘What do *I* need to do differently?’, and then, when we’re working with others as a team or whatever, ‘What do *we* need to do differently?’. If you think about it, the ‘We’ can’t happen without each individual ‘I’ pulling their weight, and then pulling

together. In that sense, the first is very much the 'Forming' phase, the Purpose phase, whereas the second links up to the 'Storming' phase, the People phase. And again, that's where you get the echoes of the previous cycle rippling through into the next. It's a *continuous* process, the Five Elements, which includes continuous learning as a core part of its existence."

He leans back, with a sigh of satisfaction - kinda changing gear, like Pavel said.

"Right - that's it. That's all of the Five Elements - or all you'll need for now, at least. Anything else can wait until later. Let's take a quick break now, and then wrap up with our own After Action Review."

## 75

‘Continuous learning is a key part of what drives the cycle, and links it all together’. That’s what he said just now.

So how do *I* learn, at work and elsewhere?

Do *I* learn continuously?

Do *I* learn at all...?

Not enough, is the short answer, I guess.

I’ve tended to do my work-type learning in great big chunks - university, the MBA, even this with Stu to some extent. And then think I don’t need to learn anything new, until way past when the old way doesn’t work well any more - and then I have to learn some other great new chunk in a hurry. Just like I have done here, in fact.

Kinda ‘boom and bust’, really. Or a not quite so disastrous version of his ‘quick-profit failure-cycle’ - keep on going and going with what I have, to squeeze the most out of what I’ve learned until it all breaks down. But try to catch it before it breaks down completely, so it’s not a *complete* fail.

But kinda inefficient doing it that way. Ineffective, Stu would say: unreliable, inelegant and all the rest.

So how would it look if I *did* do his ‘continuous learning’? What would that look like? How would it be different from the boom-and-bust that I do now? Would it be different at home too?

All of Stu’s things are checklists, really. So use this one as a checklist too: plan, action, review, change ‘I’, change ‘We’. What’s that look like?

The plan - the ‘What was supposed to happen’ bit. Short answer is I’m way too random about it - either way too much planning, especially at work, or way too little planning, especially at home. Not enough of a ‘just enough’. Often not much a link back to Purpose or People, either - just start straight away with the How of the plan, without much thought about Why or Who.

And when I *do* do a proper plan, okay, yeah, I carry it through

into the action bit, but almost never think to refer back to that plan when it comes to review. All gets thrown away as soon as the action starts.

So yeah, things to change there.

The action - 'What actually happened'. That's another great big 'Oops', because I don't keep much in the way of action-records. Of *other* people's work, yeah, sure, always, I'll demand that from them - but not from my own work. 'I'm a manager, I don't need to do that!' - yeah, right... Clear now that I darn well *do* need to do it - no question at all.

Tricky bit is gonna be around *what* action-records to keep. Stu's stuff about metrics again: not metrics just as something measure, like time on this or that, but metrics I can actually *use*. 'Something to learn from, or change from', was what he said - yeah, that's it.

Which means there's another whole load of stuff I need to learn about 'metrics to learn from'. Think I've seen something on that on the web somewhere, will have to hunt it out again.

Ask Helen, perhaps - she knows more about that than I do, so learn from her.

Or learn from the Mouse, for that matter. Learn from *everywhere*. That's the whole point, isn't it?

Then the review - 'What's the difference between plan and action', 'What's the source of the difference'. Another one where I'm great at doing it for - to? at? - other people, but lousy at doing it for or about myself. The 'I'm a manager, I'm perfect already, I don't need to do this!' delusion again.

Even when I do do it for myself, I don't look at the previous plan, I jump straight to the *next* plan. Which feeds that 'I don't need to learn anything' failure-cycle. Ouch.

The personal-change bit - 'What do I need to do differently next time'. If I'm honest about it, I rarely face this one at all. It's only when it's so absolutely in-my-face that I can't ignore it - such as has happened a lot with Stu's stuff - that, yeah, I'll do something about it. Otherwise my attitude's been that anything that needs to change is other people's fault, not mine, so their responsibility too -

'I'm already perfect, it's other people who need to change, not me'. Ouch ouch ouch...

And collective-change, about working together as 'We' - 'What do we need to do differently next time'. Yeah, same again. Other people need to do what I tell 'em, or expect them to do, otherwise they're the ones who need to change. No 'We' about it at all. I still do that too often at home; I do it *way* too often at work. And then wonder why it doesn't work. Duh. Is there any word for 'ouch beyond ouch ouch ouch'? - because that's what it should be, to be honest.

Yeah. A lot that I need to learn about learning, that's for sure.

But even something as simple as this After Action checklist of Stu's might help quite a lot with that. If only as a much-needed kick up the backside, to keep telling me I need to do something about this. And *do it*, too - not just talk about it.

'Change is personal', he says. Yeah. Ouch indeed.

# **Notes for Sample-edition**

*Marco sets out his revised plan, to recover from the previous mistakes, and deliver the real desired-outcomes. In the next couple of chapters, we look at the practicalities of rolling out this revised change-plan.*

# 80

Two things that really work.

In engaging people in the new plan, that is.

One is the vision-stuff - getting clear on what we're doing, why, who it's for, all of that. Stu's right about making sure that it makes sense to everyone: before, it was mostly a 'more change for change's sake?' reaction, this time it's much more an 'okay, yeah, can see that'd help me' one. Big difference, even though it doesn't look much different on the surface.

The other is his SEMPER stuff - the power-model. Straight away we can see what's going on, why it's going on, what the drivers are, who's getting stuck, why they're getting stuck, that kind of thing. Interesting that it's most often the middle-managers, afraid of losing their 'control', their bonuses, in the background often afraid of losing their jobs - with good reason, in some cases, because really they're doing almost nothing other than slowing people down. Particularly with 'what's going on' meetings, and demands for metrics they never actually use. Kinda eye-opening, really. Kinda depressing, too...

SCAN works, in getting people to see what we can automate and what we can't, and also about what happens when the panic hits, and why we need specific skills in place.

Stu's right about Five Elements - it gives a good frame for everything, including continuous improvement and continuous review.

And the service-cycle works well, too - particularly in helping us spot what we would otherwise have missed.

The other stuff we learnt from Stu is useful, yeah - all of it. But those are the standouts, I guess.

That and helping us keep all of this under-the-radar while the changes are going on. That's important, too. Very.

# 83

Putting it into practice. The new plan, that is.

We've got engagement - far more than we ever had with the old plan. That helps. And it's engagement with pretty much everyone - perhaps especially from line-managers and frontline staff. Which is a *big* difference from the previous plan. Chalk another one up to Stu and the importance of a shared-vision that actually *means* something to people.

We've got CIO Kim onside - that's a big plus, too. On the previous plan, he regarded us as just a nuisance, a fly in the ointment for his perfect systems. This time, he's brought in a couple of new guys with fancy-sounding titles - enterprise-architect and business-architect - but who straight away *understood* what we were trying to do, and did the translation into IT-speak so that it made sense over on their side of the silo-wall. That made a big difference too. What I'd really want is to knock down the walls a bit and have those guys working directly with us, but I don't suppose that's gonna happen anytime soon. The software guys working with Pavel are one thing, but these guys get the big-picture too - and that makes a lot of difference.

The shift from old-style *efficiency* to a much broader idea of *effectiveness* - yeah, that's been a bit of a headache. It's not that it's hard, as such, more that the mindset to make it work well had kinda faded away - probably most from our previous over-insistence on efficiency over everything else, if I'm to be honest. Okay, all the bits we need, they do all sort-of exist, in a fragmentary kind of sense - health-and-safety here, quality there, security over there, and so on - but not in the joined-up way that Stu meant.

He's sent me a book on that Enterprise Canvas model he talked about - the book's called *Mapping the Enterprise* - which has a section specifically on the effectiveness stuff. Once we've identified what all the factors are - and that SCORE frame is helping a lot

with that, in workshops we've been doing across the board - then we need to make sure that all of those factors connect to every part of the enterprise, because they're actually *everyone's* responsibility, by definition.

And that's where the challenge is: getting it into everywhere. We talked about it in Stu's sessions, but the book gives more detail on that four-part structure that applies in the same way everywhere, for every effectiveness-factor: first explain why it's important to the enterprise; train people so that they can do it not just in theory, but *at run-time* - that SCAN difference again; do it, in every aspect of work; and then verify, and review so as to do it better - the After Action Review stuff.

But most of our existing processes for each of those effectiveness-factors assume that in each case it's only *some* people's responsibility, not everyone's, and at that a different 'some people' every time - which is probably one of the main reasons why it hasn't worked all that well. And even what we have isn't joined-up in any consistent sense, which makes things harder again. On top of that, there are some mandatory legal boundaries - auditors and so on - that we have to allow for, that kinda break up the joined-up-ness all over again. Tricky. But having at least *something* that's consistent everywhere does make it a whole lot easier to deal with - that part of the book is definitely proving a good way for us to go on this.

It's stuff like that - lots and lots and *lots* of little tweaks and details that make it a fair bit trickier than it looks in theory. But that's the whole point of this, isn't it? - that big difference between theory and practice. And it's getting that difference right is what makes it all work. And all worthwhile, too.

# Notes for Sample-edition

*Marco's change-plan is rolling out well. Yet beneath all of that, there's a deeper and more threatening challenge that must still be faced if the real desired-outcomes are to be achieved. This will rise to a full climax before it can be resolved - but to find out what that is, you'll need to read the full book!*

*(The book also includes extensive notes on sources and suggested further-reading, and an index of where key concepts and tools are referenced within the book. That latter index follows after this, as the last part of this Sample-edition.)*

# Concepts and tools

**Anticlient:** Chapters 50, 51

**Checklists:** Chapters 61, 69, 70

**Competence-incompetence model:** Chapters 35, 46, 55

**Role of CRM (*Customer Relationship Management*):** Chapters 64, 65

**Effectiveness:** Chapters 52, 58

**Five Elements - *Inquiry*:** Chapter 33

**Five Elements - *Lifecycle*:** Chapter 42

**Five Elements - *Feel, Think, Do*:** Chapter 42

**Five Elements - *Time-perspectives*:** Chapter 42

**Five Elements - *Leadership*:** Chapters 44, 46, 54

**Five Elements - *Purpose*:** Chapters 48, 50

**Five Elements - *People*:** Chapters 52, 54

**Five Elements - *Preparation*:** Chapters 58, 59, 60, 62, 64, 66

**Five Elements - *Process*:** Chapters 69, 72

**Five Elements - *Performance*:** Chapters 74, 76

**Five Elements - *After-Action Review*:** Chapters 74, 75, 76

**Five Elements - *Failure-modes* ('quick-profit failure-cycle'):** Chapters 44, 64

**Governance model ('backbone and edge'):** Chapter 66

**Holomap (*stakeholder-map*):** Chapters 48, 50, 62

**Inside-out, Outside-in:** Chapters 48, 51

**Investors model:** Chapters 62, 63

**Metrics:** Chapters 72, 73

**Organisation and Enterprise (*definitions*):** Chapter 48

**Power/Responsibility model:** Chapters 52, 54

**Push-marketing vs Pull-marketing:** Chapters 50, 64

**SCAN - Sensemaking:** Chapters 34, 42

**SCAN - Decision-making:** Chapter 69, 70

**SCORE strategic mapping:** Chapters 58, 59

**Services model:** Chapters 60, 62, 63, 64

**Service-cycle model:** Chapters 64, 65

**Service-guidance model - *Direction, coordination, validation:*** Chapter 60

**Targets (*fail*):** Chapters 37, 38, 39, 48, 52, 95, 96

**Visioning - *Purpose, vision, values:*** Chapters 50, 69

**Value-proposition:** Chapters 50, 60