



THAT'S ALL VERY WELL, BUT...

10 Uncomfortable truths about
marketing and business (same thing)

BY STAME REILLY

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Introduction

I have added this thing about ‘10 Uncomfortable truths’ because research has shown that this increases the chance of someone reading a business book by 13.5% (paired monadic test, sample size of 200 international business people). Actually that’s bullshit, there was no research and anyway I could have constructed the research to prove just about anything. But another piece of imaginary research shows that most people believe that kind of research bullshit. And bullshit, of course, accurately describes most business books.

Get back to the main title. That is my reaction to business books. It is my reaction to every book I have read on golf. ‘Play Golf Tiger’s way’. If I, or any of the suckers that bought it, could play golf Tiger’s way we wouldn’t have time to read books. We’d be sipping champagne on our private jet, our head nestled in the cleavage of Miss Venezuela, approving the designs for our new villa in the Caribbean, on our way to Palm Beach to win yet another major. I can’t keep my fucking head still, consequently I stuff my golf shots. That’s my problem, my reality.

If I had started playing when I was 3 years old, if I had been so obsessed by golf that I was prepared to spend every waking hour practising, if I had an ounce of his athletic talent, hand to eye co-ordination and of course if I had his personality, motivation and incentive then maybe just maybe I could ‘Play Golf Tiger’s way’. Instead I have to accept that despite playing regularly my golf is getting worse, not better. I need help but I am not going to get it from golf books. A golf coach is going to have to take a look at what I have got in terms of swing and talent – not much –and with great patience he will give me a few selected tips, not too many in one go, ones that are ideally suited to my situation and my ambition and slowly he will help me cut out my mistakes. In the process he will have to get my head straight, give me a bit of confidence, help me make sure that when I inevitably hit a bad shot I do not follow it up with another bad shot. But why would I follow one bad shot with another? Because the first shot

has now left me in the rough with 220 yards into the wind to get on a green the size of Miss Venezuela's backside. Tiger could make it and I have read his book so I of course will attempt it and in the process I will shank my ball even further into thick, dark, snake infested bushes. Why, because I can't keep my fucking head still.

I admit I am in a cynical mood (and as you might have gathered my golf isn't going too well) but I am fed up with business books and golf books. In my view they are all as useful as tits on a boar. You are probably not so interested in golf so let's focus on business books. Millions of them are sold every year, new ones appear daily, they sit on shelves in every office in the world, a few of them are actually read, many are skimmed, many more are bought but never read. It's almost as if the title is enough – 'Innovate your way to growth' – to act as some kind of force for good that seeps from the shelf and enters into your brain through osmosis, making you a better corporate warrior. They quite clearly don't work. If they did we'd all be fucking geniuses, rich geniuses. Yet we keep on buying them. Why? I'll tell you why – for the same reason we buy romantic novels or watch adventure movies. Same reason we buy Hello magazine. Not because they represent any reality we are likely to achieve or that even exists. No, we buy them because we like stories and are drawn to celebrity. We like to pretend we can be our heroes and, in some cathartic way, we like to beat ourselves up by comparing our mundane, complex, flawed worlds with other worlds that seem more perfect. We know how the story will end, the hero will learn from their mistakes, latch onto some piece of best practice and make millions for them and their shareholders. I am delighted to say kids still watch Star Wars, grab some piece of paper tube (the light sabre) and go out and rehearse the moves they saw Luke Skywalker make. I am bemused to say grown up business folk do much the same thing. The kid knows he is not Luke and never will be. I am not so sure about the business folk.

What has set me off on this rant? I have recently been sent two books. I won't name them because in both cases I know and respect the authors and in fact as business books go they're OK. There are some useful messages, titbits of insight

that might help one day etc etc. But they are both presented in a way that helps perpetuate the myth that business books will teach you how to be successful in business in the same way as a golf book will help you be a great golfer.

One of these two books deals with creativity and sets out lots of exercises, workshop techniques, mental games that will make you a more innovative company. It's clearly aimed at very dull companies in the same way that 'The Joy of Sex' was aimed at lonely wankers. The other book looks at marketing geniuses and says, I quote, ' Steve Jobs is the Einstein of today's world ... *there follows lots of words reminding us of his achievements like reminding us that Tiger has won 12 majors ... anyone can achieve this*'. Oh, yeah?

Of course the author then tries to explain how we are going to pull this off. For example we are going to be an 'outside-in business', we will 'stand in the shoes of our customers' and so on and so on. Bullshit.

Thank God these particular books are mercifully light on the DIAGRAM. How I hate the DIAGRAM. Some spurious piece of quackery that seeks to arrange superficial points into some kind of logical flow diagram to add some apparent intellectual rigour. Or my very favourite where there are two lists of words headed 'From' and 'To'. This explains that you must move from some sub-optimal state to some other perfect state. From 'Cost focussed' to 'Customer focussed', 'Closed networks' to 'Open networks', 'Analytical organisation' to 'Learning organisation'. How about from 'Moving my head like an epileptic on a trampoline' to 'Keeping my fucking head still when I hit the ball'. Thanks Sherlock.

And then there are the surveys. '65% of the CEO's interviewed as part of our study identified succession planning as their most important task'. Remarkably you can substitute succession planning for about a 1000 other worthy tasks like 'Brand stewardship' or 'Effective fact-based decision making' if you believe all the surveys in all the books. Which must make CEO's some kind of Time Lord able to manipulate the universe to create 24,000 hours in a day or alternatively,

lying tarts who tell everyone what they want to hear (actually now I come to think about it...).

Best of all there are the examples, the exemplars, the heroes. ‘The effective fact based decision making process (EFBDMP) set out in this book lies at the heart of many high performance companies. For example – *there follows the name of some otherwise deeply ordinary company who is either having an unexpectedly good run that will have ended by the time the book has been published (cf In search of Excellence) or alternatively is useless in most other things but in this one area has found religion* – introduced EFBDMP in its micro-processor division and saw its return on innovation increase by 10.6% in three years’. Or maybe they just got lucky. Maybe they replaced the wanker that was running the micro-processor division with someone who could read without moving his lips, that’s often how performance improves. Maybe the CEO should spend 65% of his time on succession planning.

‘Steve jobs is the Einstein of today’s business world’. Well bully for Steve fucking Jobs. What was he doing making computers in his parents garage or wherever the hell he was? Why wasn’t he out getting pissed and chasing women like the rest of us? Why wasn’t he reading Phillip Kotler or Michael Peters like he was supposed to? Who cares, he is a winner, like Sir Richard Branson or Bill Gates or Jack Welsh and because they are winners the mere mention of their name in the context of whatever bullshit business factoid you are touting, like a cheap pimp, in your penny-trash business book will lend it credibility. I can’t be Luke Skywalker but maybe I can be Richard Branson – no you fucking can’t.

Finally there is simple business wisdom illustrated by a simple parable. The One Minute Manager – what do I do with the other 479 minutes before it’s time to go home and shout at the kids? Who moved my cheese? – no-one moved my smelly fucking cheese, we don’t make cheese, we make micro-processors! Are you a man or a mouse? – I am a mousey kind of a man.

What gives me the right to be so discourteous to all the business book authors,

the five minute gurus, the consultant who writes books to publicise his consultancy? Because I too wrote a bloody business book. So I feel motivated to set the record straight.

That's all very well, but ... here are 10 uncomfortable truths about business and marketing (same thing). Knowing them will not make you more successful but they will make you less of a sucker for business books and business witch doctors and that in itself might make you more successful. I can't back up anything I am about to tell you ... but then neither can they.

Here's my list:

1. Necessity (based on fear, greed, obsession) is the mother of invention.
2. The real money in business is made by getting from crap to average.
3. Consensus sucks
4. What gets measured gets done
5. Change management doesn't work, leaders do.
6. History is the best predictor of the future.
7. Six million flies are not wrong.
8. People lie like a cheap suit
9. There is no finishing line
10. We all hate marketers for good reason

Interested? well read on ...

1. Necessity (based on fear, greed, obsession) is the mother of invention

For the most part business makes money by replicating successful processes – boring but true. Show me a business that has a true innovation culture, where anything goes, the status quo can always be challenged by anyone in the organisation, where it is OK to try new things and make mistakes and I'll show you a loser. The natural and correct reflex of any business is to codify things that work and then learn how to repeat them. That way they build on success and take out cost – don't waste time questioning, get on and do it the way we told you.

Innovation, the constant pursuit of profitable change, is massively over-rated. This is partly because it is a really woolly concept, one that is used to cover everything from restlessness to invention. It has been preached so vigorously by the gurus that for a CEO to say he does not like or understand innovation (and CEO's rarely like what they do not understand, again for very good reason) is like saying they support sex discrimination.

As you constantly repeat a task you will see ways to improve it. I am not a handy person and I marvel at artisans like brick layers, the way they can put up a wall straight and fast. The point is that if brick-laying is all you do, day in, day out, working alongside lots of other brick-layers you get good at it and you develop or pinch from others lots of small improvements that help you get better and faster. This must mean one brick-layer has had the nous to try something new and if it is demonstrably better then he will switch to that method and others will quickly follow suit. But the point is that his little 'innovation' was not born of a culture of innovation. His foreman did not give him permission to keep changing the rules, he did not say 'its ok to make a mistake as long as you are trying to innovate' and he certainly did not have a fucking ideation session. Constant repetition within a very clear framework

(literally) makes you better at something. This is not innovation, it is just plain common sense.

Of course whatever little improvements he makes could be regarded as a small 'invention' but very rarely in the sense of a real breakthrough. It is just a natural process of improvement through doing, and the improvement can only come by having the discipline most of the time to do it the same way. If every brick layer constantly did it his own way it would be hard to spot the improvement. In order to improve rules you have to have rules. So stop beating yourself up for not being the kind of innovative business who can't find the bloody cheese.

We should scrap innovation as a word and focus on two things – constant improvement through repetition (which means you do not want a challenging, creative organisation, you want people who follow the rules) and invention.

Invention is a great thing. True invention can change the world, it can improve lives and it can make loads of money. The uncomfortable truth is that it is rare and it is the offspring of some very hard to fake and frankly quite unappealing emotions – fear, greed, obsession – which are also rare. So it very, very, very rare and you would be sensible not to turn your organisation on its head in order to pursue it. But people do – they set up multi-functional innovation teams who forget about their day jobs. They create overly complex innovation processes with funnels and gates. They bring in the blue sky thinkers who take your best performers away on workshops, industrial tourist trips and fill their heads with a load of useless crap, crap like:

Anyone can have an idea – yes but not a good one

You must learn to see the positive in everything so ideas can flourish – yes but you have to strangle and burn crap ideas in case some wanker mistakes them for a good idea

Everything can and should be challenged (as one American tosser once said with

intense seriousness to a workshop I was in, ‘there is no, is, is) – yes, but not by you and not unless you really understand why the status quo works.

I am being very cynical, I know, and to be fair I have attended and run many workshops out of which, on some rare occasions, a truly good idea emerges, one that on even rarer occasions was actually implemented with some success. But even a watch that is broken is right twice a day – given the sheer amount of ideation sessions sponsored by companies that have unquestioningly bought into the religion of ‘innovation is good’ you would think the success rate would be higher. Why is it not higher – because these exercises ignore a couple of uncomfortable truths.

Firstly, not everyone is created equally, some people are naturally more gifted or cursed, depending on how you regard it, to look at what everyone looks at, but see why they do not see. I say cursed because this is not a comfortable approach to life, it puts you on the outside and it puts you at risk.

Secondly, all this innovation process and ideation workshop crap ignores the base reality of motivation. Fear, greed, obsession – these are the mothers of invention. Do I need to explain, does this not already strike a chord. It surely must – you know in your heart that all the great inventors from Brunel to Dyson were the antithesis of the kind of ‘let’s all innovate together’ bollocks that has been popularised over recent years. They are examples of obsession, the kind of obsession that drives a man to work hard and tenaciously in fields that, for most of us, would attract only passing interest.

Business can benefit from this kind of geeky obsession but it has to be prepared to look for it, pay for it and tolerate it. I say tolerate because obsessive inventors sit uncomfortably in big organisations – they are by nature strange non-conformists and of course they piss people off with their ability to ignore the rules and play around. Probably better to isolate them in some skunk works until they are needed, or buy them out cheaply after they have invented (Dyson is that rarest of animals, an inventor who can actually capitalise on his

inventions). Let's get on to greed and fear because these are the things that make business want to invent. Necessity is indeed the mother of invention, but the necessity is born out of fear or greed or a mixture of the two.

Will your business go bust unless you come up with a new idea, will you get fired, will you make loads of money, will you fuck over the competition, are you obsessed with growth, power, glory. These are the conditions for breakthroughs.

I don't mind having an ideation workshop but I want clear time pressures, massive incentives and huge penalties for failure. My favourite ideation workshop was depicted in the film *Apollo 13*, the scene where they have to come up with a way of creating more oxygen using a mish mash of what was available in the capsule. Crack it or your mates die while the world watches on prime time TV, you've got one hour.

I have spent many years trying to make businesses more inventive. It does not work. They have to really need to come up with something new. If there is no burning platform, then create one – create the 'innovation gap' by setting targets that can only be met by a breakthrough. Back this up with incentives both positive and negative. 'We encourage all our people to have ideas' – well then pay them, pay them lots but also make it clear that if they bring you a crap idea you will dock their pay and put them on a written warning. Tap into greed and obsession and create fear – then watch the good ideas flow. Fire the fuckers who waste you time. Invent because you need to invent.

This may sound a bit extreme, to be honest I am beginning to scare myself, but it's true. Most businesses are crap at innovation/invention because they are performing reasonably well without it. They get good at it when they really need to. It's the same with getting fit, eating healthily, giving up smoking. Some people seem to be able to live healthy lifestyles but they are a small minority and/or they are self obsessed. Most of us do it when and only when we have to – our doctor gives us some dire warning; we get pissed, enter the marathon and then don't want to look like a plonker in front of our mates; we want to get

laid more; we're scared of dying; we're vain. The real things that get us off our arses are not very worthy – same in business because it's the same people just a different context.

There should be constant improvement borne of repetitive behaviours and a fundamental interest in what you are doing. Lots of little things that make you better and better at what you do. But the real breakthroughs, the things that create shift changes in markets, that make careers, that make pot loads of money, these are the product of necessity, real or imagined. If this necessity exists or can be faked, if you have a burning desire to be richer, if you are obsessed with being acclaimed the best micro-processor manufacturer in the world then set up your teams, take them off their day job, hire your workshop facilitator, be prepared to incentivise, set time limits and the chances are you will get something. If the truth is you do not need to then don't waste your time.

2. The real money in business is made by getting from crap to average

In the same way that we have been indoctrinated that we must be constantly innovating to transform our business we have also been bullied into thinking we must all be excellent.

Let's examine the logic of this. If we were all to become excellent, and there are thousands of business books and gurus who are convinced they know exactly how we can do this, then we would all be average. Obviously we are not, there is a performance spectrum from piss-poor, through average to excellent. Now it is tempting to believe that this performance is distributed in a beautifully shaped bell curve and I do not have the data to prove it isn't – but it isn't. In my experience most businesses are pretty poor and their management teams include an uncomfortable number of complete wankers. I am sad to say I have known some really quite senior people who are total 'charlie uncle november tangos'. I believe, and I bet you do too, that most businesses are fairly useless, kept alive through some form of inertia and the fact that most of their peers are even more useless. Only a very few companies come close to being excellent, only slightly more could be described as good.

So again, apply a little logic. Where is the most money to be made? From getting 'from good to great' or from truly awful to adequate – you do the maths. I can to a certain extent back this up. Private Equity firms are on to this and one their most successful leaders – can't remember which one – made exactly this point in an interview for the BBC's Business Today radio programme. He said, and I quote from memory, 'We take businesses that have been really badly managed and invest just enough talent and money to get them to average'.

I want to develop this thought and maybe make it a little more actionable. I nearly titled this 'uncomfortable truth' – 'You make more money by cutting

out mistakes and firing wankers than trying to be the best'. Apologies to the non golfers but there is a great analogy here. Most golfers – like the vast majority – improve their game by cutting out mistakes (shanked drives, 4 putts, that sort of thing) than by trying to increase the number of shots that are as good as Tiger Woods.

The most dangerous piece of management nonsense is 'It's ok to make a mistake' – no it fucking isn't. It's ok to make a mistake in certain very rare situations (see above i.e. in the pursuit of invention) and of course you will make mistakes so it makes sense to learn from them. But try telling Roger Federer that it's ok to make an unforced error. Next time your bank fucks up a transaction, tell them, 'That's ok'.

I like businesses where the dominant culture is that you work hard to avoid mistakes and that you beat yourself up if you do screw up. I like people who do something impressive but will still focus on the two or three things they got wrong. These are the hard yards and this is where the money is made.

We can faff around with clever brand promises but how about this one – **we never get it wrong**. In fact 'It does exactly what it says on the tin' worked really well for Ronseal DIY products. Imagine that your bank said that. 'We at Conglomerate Bank are not friendly and we are not imaginative but we never, ever make a mistake and if we did we'd give you huge compensation as is your right'. Where do I sign up? As we now know making mistakes in banks was the norm not the exception, and at the highest level.

But who makes mistakes? People make mistakes – so fire the fuckers. Many years ago I interviewed a successful head of a direct insurance business. His philosophy was simple, and I quote 'Spot the wanker and weed the fucker out'. He then proceeded to give me an example of some new practice they were trying to introduce and how some bloke in the post room had interpreted this as meaning he should refuse to send out any policies after 5.00pm which dramatically cut service levels as one might imagine. 'It was possible to interpret

it in this way but only if you are a wanker. Trick in business is to spot the wanker and fire them’.

Not a popular point of view I accept but it struck me then that he was on to something. We have all seen it, how the performance of a team – sport or business – is compromised by one or two weak links. In sports they get dropped, but not in business, in business, the majority of business, we tolerate them.

Never mind getting from good to great and the pursuit of excellence. Get from poor to average and do it by cutting out mistakes and weeding out the tossers. If you pursue this rough logic you might even become excellent in comparison to your peers.

3. Consensus Sucks

Who came up with consensus management? Can we find him (maybe it was a she, apparently it is a feminine trait) and string him up. No let's go medieval and hang and draw the twat first. The meek will inherit the earth – if that's ok with rest of you. Never a truer word in jest.

What a crock of shit, managing by gaining a consensus, getting everyone to buy in. One former colleague of mine told me that I clearly had no understanding of applied process. By this he meant that I was not prepared to waste time and energy going through endless hoops and loops of consultation, principally with him and his other senior mates in order to get something done that was bleeding obvious. No I did not, I am not good at herding cats, pandering to egos (other than my own), listening to fools gladly, considering every unintended consequence. Life is too fucking short.

I feel I may be losing my audience at this point so let me submit a little piece of hard evidence for this line of thinking. Just about every successful business of longstanding started with strong leadership and a command and control culture if for no other reason that most of them were owner managed businesses. Do you think Rupert Murdoch manages by consensus? Do you think the founders of Marks and Spencer did?

Maybe it would help if I clarified what I mean by consensus. Consensus is about getting everyone in the boat before something gets done. The opposite is not mindless dictatorship, it does involve selective consultation to ensure that the leadership can make the best decision within a reasonable timeframe.

The best army officers understand this. The objective is set – take that hill by sunrise. The good officer will gather his best sub-ordinates and ask pertinent questions, questions for information, how battle ready are the troops, do we have enough ammo – I don't know all the right questions, thankfully I was

never in the army but I have seen it in the movies – and then he makes his plan. He does not look for consensus although he will have achieved some level of buy-in through the process of selective consultation. He then issues instructions and expects them to be followed.

Talking of the movies I have always had a great deal of admiration for Colonel Jessop, the Jack Nicholson character in 'A Few Good Men'. Take away the swaggering arrogance and sadistic cruelty and he has a point. 'You live under the blanket of security that I provide and have the impudence to question the manner in which I provide it. I don't have that luxury. In my world people follow orders or men die' (or words to that effect). You may not like the army but in times of crisis would you like an army that worked on management by consensus? No, you want an army that sets clear objectives and gives orders designed to achieve those objectives based on the best information available. You would expect those orders to be followed out whether the troops had been consulted or not and whether they agreed or not (subject to human rights, Geneva Convention etc).

You can't run a business quite like an army – you can't guarantee the troops won't desert and you can't really punish them if they disobey. But there is no need to run it like a bloody democracy. Opinions are not equal, there isn't time to get everyone's buy-in, they never bloody agree anyway. But so much time and money is wasted, so much opportunity is squandered building a consensus and so little value is put on true leadership. When ownership and management is combined this need for constant consensus diminishes. Yes, if you have relevant information you have a right to be heard but otherwise fit in or fuck off.

There are some occasions when you need to get consensus, essentially when there is risk involved. This is going to put all our jobs at risk, there is a risk this is not right. Then you need some real buy-in. But most of the time the only jobs at risk are the leaders and the only money at stake is the owners. Set out the issue, take advice where you need it and make a decision. Sideline anyone who gets in the way.

There is a sub-point to this. Clear decisions based on informed leadership should attract the right people and encourage the wrong people to exit. You should gather the team you need around a decision and allow the nay-sayers to bugger off. If you look at the development of a successful business in the early years it is interesting to see who stayed and who left. The right ones stayed and wrong ones left. Maybe the leavers were not such bad people and you lost of few skills you would have preferred to keep but they were wrong for the business you and your partners were trying to build. I speak from experience.

I also speak from experience when I say I have seen at close quarters the debilitating effect of creating change while trying to keep all the doubters and those with personal agendas alongside. Flush them out and flush them down the pan.

The great Jack Welch talks of the 2X2 matrix of performance and values (buy-in to your values and vision is the way I interpret this). The ones who perform and conform are easy, promote them; the ones who do neither are easy, fire them. What about the others who perform but don't conform or visa versa? If at all possible fire them too.

Consensus is in my view a search for popularity and comfort. They all thought I was a great guy because I worked so hard to bring them all along with me and the fact that we failed, well you can't blame me, we were all in it together. Bullshit. They will all like you if you are right more often than you are wrong and either way you have the courage of your convictions and make a decision that you stick to.

Good leaders have integrity, they listen whenever they can, they ask questions for information not to score points, they subvert their ego to the greater good of success, they share success but take personal responsibility for failure, ideally they are good communicators but not always. But they do not manage by consensus.

Have we found the guy who came up with consensus management, have we hung him 'til his eyes popped out, have we drawn out his entrails in front of his bulging eyes, yes? – now cut the bastard's head off. His crime? In the words of Dylan 'You just kinda wasted my precious time'.

4. What gets measured gets done

And what visibly gets measured gets done even better.

Life used to be so simple. What did we sell, did we meet the orders, any complaints, did we make money? Simple measures, simple business. Cars used to be simple too – how much fuel do we have, how fast are we going, oil and water ok? Now we have dash boards like the cockpit of a 747 but with none of the pre-flight checks. My last car was so complex I never figured it out in the year I owned it. Businesses no longer have simple dash boards. Every new initiative, every new set of consultants, every new MBA, every new arrival from another industry has added more measures and removed none. Businesses now measure just about everything. You can spend a whole board meeting reviewing all the measures you have and still have not a fucking clue what is really happening or not happening. Meanwhile the IT boys suck more and more cash trying to reconcile all this data in some integrated real time system but their work cannot keep pace with the arrival of new KPI's (key performance indicators).

We scoff at the old time entrepreneurs for their lack of sophistication. Can you believe they managed the business without knowing their brand equity, their free cash flow, the ratio of top box satisfaction score over bottom box, their discounted EPS, the penetration and repeat purchase of 300ml apricot flavour in C stores in Pigs Knuckle Arkansas. Hard to believe I know but somehow they muddled along.

The more sophisticated our measurement tools have become the less feel we have for our business. The founder of M&S (Lord Sieff) used to walk into a store and stand quietly – he would be forming a view on the state of business in that store by listening for the sound of the tills.

I am not going to recommend 'the best set of measures' and I am not going to slag off data analysis. The uncomfortable truth is this. In most businesses a)

there is no clear hierarchy of measures with the most important, i.e. the most insightful, at the top and b) there is no alignment between the measures that the employees down the command chain perceive to be the ones that really count – and therefore the ones they make their decisions by – and the strategy of the business.

‘No-one seems to care about customer service, they clearly did not listen when I, the CEO, said this was our number one priority’.

‘What’s the most important measure in the call centre?’

‘Calls handled per hour and number of calls waiting. And your point is?’

There is a consultancy product I wanted to develop in the days that I touted my wares like a two bit hooker. I really wish I had, it was money for old rope and yet I would have probably delivered more value than all the rest of the projects I flogged put together. It was simply this. In one month we (always sell a team, the margin is higher) will listen to your leadership team (let’s hope like hell it is the board) and we will note the key planks of your strategy (ok your objectives given most of you would not recognise a strategy if it bit you in the arse). We will note this and feed it back to check that we have understood (and in the process express it more clearly than you lot ever have). We will then conduct a simple survey among a representative sample of your employees (co-workers if it makes you feel better) and see what they see as the objectives/vision/strategy/priorities of the business. We will at the same time ascertain what they think you think are the most important measures or Key Performance Indicators. We will then report back and comment without judgement on the relationship between the three – your strategy, your perceived strategy and the measures your co-workers think are most important to you. We will of course give you the pleasure of taking the reins as you drive the coach and bleeding horses between all three.

What gets measured, what are seen to be the KPI’s that count, determines what

gets done and how decisions between competing priorities are made when you are not looking.

Ask a business whether they have ever changed strategy and they will almost always say they have, probably more than once in the last 10 years. Now see whether any of the measures changed. Hmmmmmm. The only way you know a strategy has changed, a priority if you will, is if the measures have changed and in particular the hierarchy of measures has changed. You can't keep adding, you must make choices on the relatively few numbers that go on the corporate dashboard.

I am going to discuss change management programmes (which for the most part do not work) in the next section but lets just say now, if you want to make change happen fast and effectively simply change the measures and drive those measure home ruthlessly.

Now we could make this more complicated, could we not? I can feel those clever fuckers out there lining up to point out issues such as cause and effect, inputs and outputs. For the dumb fuckers let me explain. A good business understands cause and effect, therefore they can choose whether to measure an input – the cause – and/or the output – the resulting performance. Simple example – you can choose to measure whether customers are happy or how many blow jobs you gave or whatever the equivalent is in your industry that puts a smile on their face (I have already owned up to being a two bit hooker and frankly I had some pretty happy clients). Inputs and outputs, cause and effect.

Personally I like blow jobs and so do most of the people I know unless you count the girls. But when it comes to KPI's I like measures that focus on the outputs and leave some room for manoeuvre as to how it is achieved. (Yes, I know I also like people who follow orders but I am talking about measures that ultimately apply to the leaders of the business). There is no prescription in terms of key measures, it depends on what you are trying to achieve. My observation is that given what gets measured gets done, and what measures visibly get the

most attention gets done even better, and what gets incentivised to the hilt gets done with alarming speed ... not enough attention is paid to the measures. Be careful what you wish for and be careful what you measure.

The right set of measures, chosen carefully and with sacrifice, can achieve great things despite some fairly inept management. I won't mention their name because they are a litigious bunch but a certain largish advertising and communications group (or however the fuck they describe themselves these days) manage very successfully (i.e. they make money and grow margins) through well chosen, ruthlessly applied measures despite the absence of much in the way of a recognisable strategy and despite some flaky chiefs in their operating businesses.

5. Change Management does not work, leadership does

Since change management consultants charge like a grumpy bull elephant, this uncomfortable truth can save you some real dosh. Over the years I have seen Change Management Programmes from every angle – I have designed and tried to implement them, I have worked alongside CM consultants, I have been at the receiving end and I have sat on boards discussing whether to start them. For the most part the experience has been disappointing – disappointing in the way that spending more than a year planning your ascent of Mount Everest and then breaking your leg 50 metres short of the summit is disappointing. Or like spending all day building some Ikea wardrobe only to discover that you forget to put a connecting bolt on the first panel and you therefore have to start all over again is disappointing.

For those of you wondering what I am banging on about, a change management programme is the recognition that major change needs careful planning, consultation, measurement, follow up etc etc. especially in large organisations infected by the consensus management crap already covered. I am not totally cynical about this, with or without this daft notion of consensus, major change is not to be undertaken lightly. I have already explained that the natural reflex of the organisation is to reinforce behaviours, to embed and replicate processes that have been proven to work. So weaning them off one way of doing things and moving them to another is never going to be easy, especially when you add to that the complexity of different functional silos, different divisions, international operations with different starting points and different cultures, the politics, the egos, the IT systems and all the other connected systems that also have to change. Even in relatively small businesses change is hard, in big enterprises it is a mission of note and one not to be undertaken often or blithely. No surprise then that a CM industry has developed that can ‘help’ you implement and manage change, an industry that involves armies of well paid consultants. Armies of consultants who you pay like mercenaries is appropriate

because change management is like trying to get an entire army to change direction but without the essential tool an army has, a chain of command and people who follow orders. So why not bring in consultants who have both?

There is a paradox that lies at the heart of this change business. The best time to make major change is when things are going well (just before you slide down the last part of the S curve of growth) and not when you are in the shit. But when is it easiest to make change – when everyone knows you are in the shit and feel uncomfortable enough to consider new ways of doing things. And when is it hardest – when things are going well and everyone wants to stick with what's clearly working.

So change is hard, harder than Vinney Jones, harder than Sudoku, harder than a hard thing left in the sun to harden. The consultants' job is to make sure you understand just how hard – so the bill will not come as a shock – and to give you benefit of their experience, wrapped up, as always, in some cute model created by people who understand change in an organisation the same way a teenage virgin understands sex having discovered the pornography channel.

I don't want to quote anyone's actual model because they might get upset so in as long as it takes me to type it I will create one:

1. Establish the reason for change.
2. Ensure that this is understood by the stakeholders.
3. Get senior buy-in
4. Enrol people into designing the change
5. Analyse the supporting systems and incentives that are affected
6. Communicate the change
7. Pilot the change
8. Recycle the learnings
9. Roll out
10. Short interval reviews

(I think this bears a passing resemblance to some model I have seen).

The uncomfortable truth is that this rarely works. Why? Maybe because people do not follow the model. Maybe because most organisations are changing whilst in the shit and a) the short term priorities take precedence and/or b) they are making a lot of changes all at the same time and the poor bastards at the coal face are so stressed out having to sit on so many committees and attend so many workshops they don't know which way is up. I have seen more than one business totally paralysed by the sheer number of change management programmes they are attempting. It must be like changing job, moving abroad, getting divorced, taking up hang-gliding while learning to play the harp and speak Mandarin Chinese.

The secret lies in point number 3. – senior buy-in. Change requires leadership – steely, clear headed, tenacious, long term, committed, courageous leadership. It requires leadership to identify the moment to change – just before you hit the shit – and to be decisive about the nature of the change. And it requires leadership to drive the change, a leader who can carry his lieutenants with him or her so that the organisation cannot see a chink of light between them. That's what it needs and that's what it more often than not lacks. With this kind of leadership almost any approach will work, without it the best models and the best consultants will change nothing but your bank balance and stress levels.

6. History is the best predictor of the future

Mark Twain said, 'If you do what you always did, you'll get what you always got'. We mostly do and therefore history repeats itself and that's why understanding history is our best window on the future. We all know this but we all convince ourselves that this time it will be different. Even though the fundamentals are the same we convince ourselves that the outcome will be different. This change management programme will succeed where others have failed, this relationship will work, this time I really will give up smoking, the USA empire will be different to the British empire or the Roman empire.

And of course sometimes it is 'different this time' because something is fundamentally different but the uncomfortable truth is that mostly it is not. By mostly I mean 999 times out of a 1000 but we behave as if it is one in three. We keep buying our lottery tickets on life even though we have virtually no chance of beating the odds.

I remember a short science fiction story I read years ago where some time traveller stood on a butterfly back in the days of the dinosaurs and this caused everything to be different when they came back to the present day. This notion of changing the course of history by changing some seemingly insignificant thing way back in time has been used often and it is very seductive. My theory is that it does not change history it merely changes your place in history. If some one had just stepped on the right butterfly I'd be Bill Gates, but there would still be a Bill Gates.

More recently I have read Robert Harris' 'Imperium' about the career of Cicero and was struck, as I am sure he intended me to be, by the similarities in the politics of ancient Rome and modern day Westminster or Washington. Because of course the thing that does not change is human nature.

So the next time you get frustrated with your finance colleagues or VC partner who trots out some irritating precedents to undermine the business case you are trying to make you would do well to remember that they are probably right. And if 'probably' is not to become 'definitely' you have to be very clear what is different this time. This time it is ME, I will make the difference through my winning personality, selfless devotion to the cause and superior intellect. Well maybe you will but probably you won't.

In business, we don't spend enough time really analysing the past, preferably by spending time with the people who were there. We don't then give ourselves enough time to think through what is truly different this time around. We focus on the possibility of a discontinuity, a paradigm shift as the boys in the blue suits like to call it, when the truth is that precisely the same paradigms are in operation. As noted above we make sure they are in operation by enshrining them in replicable processes and wrapping all that up in good old human nature.

This is not as gloomy as it sounds. It is possible to break free and discover new shores but only if we understand the past or we get lucky or, more accurately, if we get lucky, realise why and then take advantage of the situation – which is what Bill Gates did.

The most exciting and topical test of all this is the internet. Many aspects of the internet – very useful for travel bookings, great for pornography and information is power – could have been predicted from the past. As a bit of Francophile (the French have always been in love with technology) I would point out that the experience of Minitel would have been very useful in predicting the early commercial applications of the web. Adam Smith and the South Sea Bubble should have shown up the fallacy of many of the early 'internet business models', an expensive oxymoron if ever there was one. But many things about the internet are genuinely different. Like the invention of the printing press and the development of steam power, the internet offers such a fundamental shift in speed and access that I believe this time it will be different, this time there will be new models for making money, this time it will

fundamentally change the way we live our lives. On the other hand the launch of your new apricot flavour toothpaste will not change the world even though you have built in some digital media that seeks to access new social networks using blog sites. It will be just like the launch of shampoos with fruit extracts or fabric conditioner with aloe verde. It will suck.

For history not to repeat itself there must be something genuinely new. If there, is it will defy testing, so market research won't help. It will challenge long held beliefs, so it will make you unpopular and it may well take time to catch on especially among your established customers. It will create unintended consequences so you will need to keep an open mind about exactly how to follow up, and it will be once in a blue moon so don't hold your breath.

History will repeat itself until the moment it doesn't, but that does not happen very often.

An entire section with no swear words – I knew I could fucking do it.

7. Six million flies are not wrong

Just in case this uncomfortable truth does not immediately ring a bell let me elaborate. This refers to the old joke (bumper sticker actually) – ‘Eat shit – 6 million flies can’t be wrong’. Well they are not wrong. Flies will swarm on a dog turd because it is nutritious. They may then have a nibble on your sandwich and forget to wash their hands before doing so which will give you the shits because dog turds are not so nutritious for you. And then they will swarm onto your turd. And that is another reason why they are not wrong – their ability to take nourishment from shit means they will never go hungry. They only have a short life so they can’t hang around on the off-chance you will carelessly discard a Pret a Manger sandwich. They need certainty in their diet – certainty like the Pope is Catholic and bears do shit in the woods, that kind of certainty. Their short lives and unwillingness to take chances when it comes to the important matter of food also explains the swarm of flies. They sense what their mates are doing and when one or two happen upon a tasty turd they all swarm in. They’ll stick with that turd until it is all gone or until there are just too many flies and it becomes easier to fly over to some newly discovered turd.

There is a reason for this scatological metaphor. When it comes to knowledge, attitudes and buying behaviour we are just like flies on a turd. Uncomfortable but true is the fact that marketers fail to recognise this. If you look at how money is spent in marketing – and I mean spent not invested – it is driven by fundamental prejudices.

Consumers are pretty fucking stupid. (They even call them ‘consumers’ which is not a term of affection or esteem. They are actually people, just like you or me.)

They make lots of individual decisions based on a mixture of emotion and whatever is the opposite of emotion, and these individual decisions aggregate up to some sort of total that equates to your market share. Implicit in this is another prejudice – the belief that the fluffy bit, the bit based on emotion and

values, can be manipulated or faked. This is silly but its silliness is a source of potential power to the marketer – they make this their domain and present it as some kind of dark art.

‘The Wisdom of Crowds’ is that rare thing – a really good business book. It is good because it provides a great insight that can change the way you see the world for the better and because the insight is in the title so if you are quick on the uptake you don’t even need to read it. There is a wisdom in crowds, a collective knowledge that is most often right. There are lots of examples of this in the book but my favourite is the observation that the audience in ‘Who wants to be a millionaire’ (answer, by the way is Paul Smith, the creator of WWTBAM) almost always get it right by majority vote even though you have to believe the audience must be the dumbest of the dumb to want to give up their time to sit in a TV studio and watch a general knowledge quiz. Through all the nonsense and bullshit, we, as a collective, kind of know. And if the majority of people believe something the chances are it is right, or at the very least there is a sound reason for that belief. Not so stupid after all. Obviously there are many occasions when what most people believe is wrong but it is not demonstrably wrong and there is always some basis for that belief that has some purpose. While it has that purpose, and until it is proved wrong as and when something more ‘proven-to-be-true’ comes along, we stick with it. If it looks like a duck, it walks like a duck, and quacks like a duck then it probably is a fucking duck.

The world is flat. Well obviously it isn’t but it did look fairly flat to the ancients and the fear that you might fall off it if you walked too far kept everyone together.

To bring this back to the business and marketing world, I am always reassured that over time truth comes through and is reflected in people’s behaviour. You can make some tricky adjustment to your pack range in an attempt to fool people to buy more or pay more for a smaller amount but over time the market regains its previous shape and size as people suss it out and adjust their

purchase behaviour accordingly. In categories where products have become very similar the prices get competed down to some tight cluster until someone launches a genuine premium that is worth a higher price. While that is going on people will continue to pay a small premium for something they are familiar with even if it is not in fact any better. Because they are stupid? No, because a) they don't give a shit, their choice of cola ain't that important and they have better things to worry about and b) minimising risk by not taking a gamble with an unknown but slightly cheaper alternative is a perfectly sound strategy.

For this reason and this reason alone marketing starts with product truth. Spend all your energy making it better and over time you will win people over. As you start to win them over – the first one or two flies settle on your particularly tasty turd – then at a certain point in time, as that wisdom starts to spread through the crowd and a tipping point is reached, millions of other flies will follow.

It is fair to say that people now know about tipping points thanks to Malcolm Gladwell. There are also much more realistic 'conversion models' on the market that explain and can measure the movement of the crowd. But it does not seem to have much affected the behaviours, tools and expenditure of the marketers. They still seem to be well stuck into the polished turd that is mass marketing, piss poor innovation, a lack of obsession with real product truth and quality and an over obsession with form over substance – all sizzle and no sausage.

The first and most important thing in marketing is differentiation – make it different and make it better and don't fool yourself on this count. If your turd is like anyone else's turd the flies will move away as soon as it is safe and comfortable to do so.

The second most important thing is momentum. Getting the first few flies to settle is the tough part and that requires a truly better alternative, one that will generate real enthusiasm among the select few. Just pause on that thought for a moment – does your market research allow you to spot the enthusiasm of the

selected few or does it employ statistical techniques designed to capture the feelings of the disengaged millions?

Having got your 'early adopters' the most important thing is the knowledge transfer that creates the buzz, the momentum. That's what gets you to your tipping point.

The two most important things to measure on a brand, a business, a new media personality or sports star:

Are they different?

Is there a sense that they are growing in popularity?

Flies are not wrong and people are not wrong – or stupid. If it is better it will find an audience and that audience will transmit their knowledge to create a collective movement. People make decisions based on their sense of what others are doing around them and move like a swarm of flies. (Check out Mark Earls on this herd movement thing if you don't believe me).

If you really buy into this – and I think you would be as thick as shit not to – it will change the way you see everything in your business. It will make it so obvious that most of the things you do are a complete waste of time and money. If you are brave enough it will get you to change – change what you do and what you measure.

Truth will out, people are not stupid and they quite sensibly make decisions based on a collective wisdom and a sense of where the smart money is going.

“Advertising is a tax you pay for having an unremarkable product” Robert Stephens, The Geek Squad (a remarkable and successful product).

A little joke for you.

A little bird in a farmyard sees a fly and swoops down to eat it. Unfortunately the fly was enjoying a tasty meal of cow dung and the bird quickly got stuck in the manure and began to drown.

'I am going to die in this filthy manure, what a way to go' the poor little bird cried. Just then a cruel north wind blew and froze the dung. The bird was not now drowning but started to realise that he would instead die of hunger and cold. Luckily the cow came back and deposited some more brown sticky stuff, just enough to unfreeze the cow pat the little bird was stuck in. Although he was now a little smelly the bird was able to struggle free and flew off to a high branch where it sang at the top of its voice, so happy was it to have escaped near death, not once, but twice. At that point the farmer, having been woken up by the bird, opened his window and shot it. Moral of the tale – if you get to the top of the tree by being full of bullshit don't sing about it'.

8. People lie like a cheap suit

How can you tell when someone in a focus group or a business meeting is lying to you – their lips are moving. That may seem a bit harsh and in fact I am not telling you the whole truth (see – even I am liar). They are not always lying – sometimes they are telling you a half truth, sometimes they are telling you what they think you want to believe, sometimes they are exaggerating to make a point, sometimes they believe they are telling you the truth but in fact they are mistaken, sometimes they are just posturing, sometimes they want to be consistent with what they said in the past even though they now doubt it, sometimes they are just repeating what someone else told them because it sounded good, sometimes it is not so much a lie as a prejudice, sometimes it is a white lie. Only very rarely do they deliberately lie through their teeth and only very, very rarely do they tell you the whole truth and nothing but the truth.

Good friends make an honest effort always to be truthful with you. People with a business relationship – a colleague or a buyer of your goods or services – don't really care enough about you to make the effort.

They lie about that too. They will behave in focus groups as if it really matters to them how your brand of long life battery performs. They will behave in meetings as if their first loyalty is to the business and not to themselves. In both cases you are paying them to do so – worth bearing that in mind. Some people are honest enough to show their true apathy but most will tell you that they care passionately about the success of this project even though they have already made up their mind to leave. I have done this myself. At the time it was a mixture of several of the types of lie listed above – what I thought they wanted to hear, bit of posturing and a fair dose of self-delusion – I genuinely thought I did care or least I cared while I was saying it. We all wear different masks and we all act up to the mask we are wearing.

What, you may ask, is the SFW (so fucking what)? The SFW is that we make decisions based on all this, big decisions. We commit or cut investment,

we design products, we relaunch brands, we initiate change management programmes. We go with the consensus even though more than half the consensus is based on lies that hide ignorance or apathy or prejudice.

Would you marry someone because they said they loved you and wanted to spend the rest of their lives with you? You would if you loved them because it would be what you wanted to hear. But if you were more sensible you would look for some action to back up the words, you'd look for some authentic passion, some evidence of commitment and sacrifice. In the words of Extreme (in their song 'Only Words') "what would you do if I took those words away, then you couldn't make things new just by saying I love you". Actions speak louder than words, you have to put your money where your mouth is.

In order to insulate yourself from lies in your business decision making you have to ask the right questions. This responsibility lies (ho, ho) with you. You can't affect other people's behaviour with any reliability, you can only affect your own. You can't stop people lying, you can only make sure you ask the tough questions, look for evidence, make sure that you weigh up the words with observed deeds.

I am trying to make this whole rant as honest as I can. I have honestly tried to think of the things that I have discovered to be true and that seem to mess up business based on my premise that all businesses are fucked up in some way or another. I wouldn't be arrogant enough to say it is a comprehensive list, just the best I could come up with. And this one I feel very strongly about.

People talk shit and we let them away with it. I have done research when I have proved that 'consumers' were lying (simply done this involves matching observed behaviour with claimed behaviour). I have sat in business meetings when I have wanted to scream 'You lying bastard' to a colleague because I have known for a fact that they were.

In his film 'Liar, Liar' Jim Carrey shows how uncomfortable the world would be if we told the truth the whole time. If people could truly listen to the voices in

our heads how scary would that be? And many times people really believe what they are saying – you can't call them on it, they have convinced themselves which of course makes them the most dangerous liars of all (cf George Bush and Tony Blair). But there are times when you need the truth, you need honesty, it matters.

It can be tough to be honest with your boss. When asked a question you either say what comes into your head, even if you are not sure, or you tell them what they want to hear. I have coached people (on behalf of their boss who has suspected they are bullshitters) always to make one of three responses when asked their opinion.

1. Yes, you are right.
2. No, you are wrong, here is why I think that.
3. I don't know enough to comment. This is what I will do to find out and I will get back to you by (specify a time).

Pick one – there should be no alternatives.

As for research to get to the so-called 'consumer truth' (truth or perceived reality?) I am quite simply baffled why so much of it is so crap. Sad to say, if we had all the money we have wasted on research we'd waste it again on research. I don't know where to start to try to explain this phenomenon. I will just say it is possible to conduct research that will get close to the truth – you just have to make the effort. If you can't be bothered then don't do the research, back your judgement and be prepared to make changes if it doesn't work out the way you expect. Just like you did when you got married.

You could of course start by not lying to yourself. Why are you really doing this research? Why do you care whether this project succeeds? Do you really want to know and what do you really want to know?

'I want the truth!'

'You want the truth? You can't handle the truth'

A FEW GOOD MEN

9. There is no finishing line

Infinity is a tough concept to grasp. Kids find it fascinating and I still find it mind-blowing. This universe thing – what happens when you get to the end of the universe? What's that, there is no end you say – how does that work then?

Just to prove I have a sweet side to my nature I will tell you about a little thing I have going with all my kids. When you tell them you love them they often ask, 'How much?' Lots and lots does not quite cover it so I made up this answer – 'More than all the stars in all the skies and all the grains of sand on all the beaches in all the world, times a billion, squillion, trillion'. That shuts them up. That is a big love – but it's still not infinity.

We can't cope with infinity, in life or in business. We are finite (three score and ten if we are lucky), everything we encounter is finite, we don't do 'never ending'. If we encounter something that is or seems never ending we create milestones so that we can come to terms with it. Let's climb Everest – well let's just get to Base Camp One and then see how we feel.

Interestingly, early forms of capitalism were very finite. For instance, people would get together to raise the money to charter a ship, a captain and a crew. They would send the ship off and as it went around the world it would buy and sell cargo, adding value as it went (I won't go into details as it involved slavery and all that). After a year or so it would pitch up again at Bristol docks or wherever and discharge its, by now, very valuable cargo that would then get sold to the local merchants. The syndicate would split the profits and that was an end to it, unless you decided you wanted to 'roll the dice' again. A very clear and finite form of investment.

That is not how it works in today's capital markets. With a large number of institutional and private investors the ownership and the time scales are not clearly defined. In theory the board manages the business on behalf of the

shareholders and their job is to maximise shareholder returns. The sensible CEO's make a point of acknowledging this as often as they can. There is a bit of a problem here however. I think we all know that the management of businesses have all sorts of personal or collective agendas that are not exactly consistent with a commitment to maximise shareholder returns. It doesn't play well if the CEO says 'My number one objective is to get my knighthood' or an ambitious manager admits he is only sticking around long enough to learn how to set up in competition. These things are best kept to yourself and there are elaborate incentive systems in place to try to ensure that personal agendas and shareholder agendas are kept in line through the old fashioned motive of greed. The point I want to make is that they never agree the timescale over which they are going to maximise the shareholder returns and as a general rule the management is working on longer horizons than the shareholders. It's not black and white, the shareholders do understand the value of long term sustainable growth and the management do respect the discipline of short term targets. However, there is never a clearly understood reconciliation of the two. The short term targets are clearly set out, the long term ones are wrapped up in some woolly strategy that tries not to get itself pinned down into hard numbers.

Strategy is all very well – we all sign up for the core purpose, the big hairy audacious goals, the vision, the strategic choices and all the other great stuff we've read about and the strategy consultants preach to us. If you are up your arse in alligators it probably is a very good idea to remember that your first objective was to drain the swamp. However, the alligator problem has a very clear time horizon, the swamp drainage issue is more vague. And anyway what are you going to do when you drain the swamp – build a condominium? What returns should I expect from that and when. Fact is that however you develop and express your strategy in the end it has to boil down to a set of numbers and a timeframe and the chances are if you are very honest it will not match the expectations of your shareholders. You can never win if for no reason that you have a wide range of shareholders who will have a wide range of priorities and expectations.

When you have drained the swamp and built the condominium, what next. Are you going to find more swamps to drain and more condos to build, because you are starting to get good at this or will you diversify because frankly you are getting pretty pissed off with getting bitten in the arse by alligators? In business today there is no finishing line, just a succession of problems to be solved which when solved, present new problems that stretch on as far as the eye can see, maybe into infinity. The timescales and milestones that we set are artificial and are a matter for negotiation between the managers and the owners although this negotiation is almost always fudged.

There is an exception to this – the VC and Private Equity companies. I like their approach. They absolutely don't do infinity. Indeed, they don't appoint managers unless they clearly understand and agree to their rather more finite time horizons. They start by working out their exit strategy and setting a solid financial target for the financial returns at that exit point. Don't you love them? I have this vision of a VC guy asking a girl out on date and getting straight down to business. 'Hi darling, I'd like to agree right up front when we are going to split up, how soon I can expect to have sex with you and how much sex and fun we will have between now and when we split and how much all this is going to cost me. And don't expect roses on your birthday, I don't do flowers'. There may be little in the way of romance and sentiment but at least they are honest. I would also point out that their sector is growing because they are delivering better returns – any connection I wonder. I had a meeting recently with my banker who told me that I must regard Private Equity investment as the high risk part of my portfolio. I wonder whether this notion is now becoming outdated especially as he has managed a measly 5% return after tax p.a. and my one punt into PE has given me 100% return in 3 years and still has 7 years to run?

But most businesses out there raise capital through the markets with this big fudge about timescales at the heart of the relationship between the owners and managers. What is certain in all of this is the annual calendar. We don't question it. There are twelve months in the year. You can fiddle around with

when you start your 'financial year' but it will still have 12 months. We have a birthday once every 12 months, New Year happens once every 12 months – and these are the occasions we reflect on what we have achieved and make our plans for the year ahead. It was my birthday this week and my 8 year old asked me how it felt to be one year older than I was the day before. Rather grumpily I explained to him that every day I am one year older than I was a year ago and I am only ever one day older than I was the day before. I love him more than all the stars etc etc but he was pretty slow at picking up on the idea of a moving annual total. But then he is 8 years old and life feels infinite. I am a lot older than that and it feels very bloody finite. I am a lot nearer the finishing line than the start line, I have finished the first half, had my half time orange, changed ends and am now well into the second half hoping like hell I don't get pulled off early. I now set goals over very much shorter time horizons. Is there still time to score one more goal?

Time may be a relative thing but we all buy into the 12 month calendar unquestioningly. Fund managers, who form the largest part of the shareholders, totally get this 12 month deal. They are the most venal of animals and they get their bonus annually so all they really care about are your annual returns upon which their bonus is based if you happen to be in their portfolio. It focuses their mind and therefore it focuses your mind too if you work in a publicly owned business. 12 months is not entirely arbitrary – there are 4 seasons in one year and seasonality affects most businesses. Even if it was arbitrary we have to agree some kind of common timeframe between infinity and tomorrow. 12 months works for most of us. To the 12 month calendar we have added, with much more arbitrariness, things like the five year plan and the quarterly update.

So what's the problem – what is the uncomfortable truth? It is this – infinity may be a bit mind blowing but to all intents and purposes that is our reality. There is no finishing line. You have a great year? – you need to do better next year. You finish draining every swamp you can find and exhaust the market for condos, find new places to develop and new things to build. There is no finishing line except for you – you have 40 years plus or minus and probably

only 10 of those at the top. This is what determines your finishing line and influences your personal agenda. But business has no such finishing line (unless you fuck up and drive your enterprise into the ground). Skilful leaders of successful businesses choose precisely the right moment to set new horizons – they feed out false finishing lines so we don't all lose heart. But no-one knows what the real goal is, just the next mountain to climb. I think there are two SFW's that come out of this.

Firstly, the process of setting the finishing lines, getting agreement to all of this, setting the incentives, deciding how much profit to give out today versus how much to reinvest in the future is fudged in too many businesses. Because it is fudged the 12 month calendar, which is very clear and solid, takes precedence. The long term stuff is buried into long winded, vague and ultimately useless strategy documents. The Private Equity approach is not right for all businesses and all situations but it works well in many situations precisely because it does not fudge this.

Secondly, while the 12 month thing may work well because everyone buys into it and you can use this to lock in lots of other things – performance reviews, annual holidays, planning cycles etc, etc – it does not work for everything. In fact it does not apply to most things you are actually trying to do in life or in business. It takes 9 months to make a baby. It can take 2-3 years to fix a brand or design a new product upgrade. Just to reassure that this insight, if such it is, has practical use I have overseen the introduction of 2 year brand communications plans and it unlocks really useful stuff. It allows people to be much more honest about what they need to do, how much it will cost and what returns you can expect. My biggest gripe about the 12 month plan is that it fosters a culture of dishonesty – you lie to make the numbers this year. There is a kind of tyranny in the 12 month planning cycle. If you look at a typical one, at the times in the corporate calendar where budgets need to be prepared, agreed, committed etc you figure out that if you want to have a fresh idea, one that may well move the business forward but will change the 'annual budget' you are allowed to have it in March. An idea any other time of the year will screw up the annual planning cycle.

Life is not like that. Life is a moving average of various lengths with no finishing line. It is just a succession of challenges. Everything else is our creation and the reason that I am banging on about it is because our failure to appreciate this and our uncritical acceptance of the 'rules' screws up business and life. 'I'll give up smoking next year or when I am 50' – give up now! 'We have got to get that ready by the distributor conference in May' – we have got to get that right not just ready by May.

I think we have a dangerous mixture of rigid acceptance of artificial short term time horizons and fear of the long term, a fear that comes from our inability to come to terms with infinity, the fact there is no finishing line only our own mortality.

I don't have 'the answer' but I do have some suggestions.

Like the PE companies we should be much more proactive in setting time frames that support what we are trying to achieve. This is not easy because you need to get buy in from lots of different stakeholders but it is worth doing – it is more honest.

Just because we can't get our mind round infinity we must not just fudge the long term. We have to accept that there is a higher purpose. Someone constructed a very clever book a few years back that was based on asking a thousand eminent people a simple question – what is the meaning of life? The common theme in most of their responses was 'To pass the baton on in better shape than you received it'. The job of managers of a business is to pass the business on to the next generation in better shape than they inherited it. Their responsibility is to translate this idea into a strategy that has measurable goals and timescales that they are prepared to commit to. In doing so, there has to be a well thought through balance of reality and stretch – don't make it too easy and don't make it pie in the sky. The way the capital markets work and managers respond to this modus operandi has made us lose sight of this.

10. People hate marketers for good reason

UK marketers have developed a nauseating inferiority complex. They whinge on and on about how marketing is not valued in the boardroom the way it used to be in 'the good old days'. Their 'profession' is not understood or respected and they are constantly undermined by short-sighted financial people. As the job has got harder and harder the appreciation for their skills has got lower and lower. This is beastly unfair because their job really has become exponentially harder as audiences and media have fragmented and technology constantly redefines their frameworks. Then there are the ghastly retailers who have pinched all the margin and left too little to build real brands. It really is too just too awful and the ultimate insult, one that is constantly referenced as the visible proof of just how low the marketer has sunk in the food chain, is the pitifully few marketing directors who are afforded full board director status.

Running like a two part harmony is the equally audible whine of the advertising agency. 'In the good old days we used to be your trusted partners, we are now mere suppliers. You love management consultants more than us, you favour boutique specialists over our huge networks, you even do some of the stuff yourself now, like brand planning. We are the rightful guardians of your brands and yet you treat us like some mincing interior designer advising you on fabrics for the house, the house you let someone else design and build for you. We used to be the architect!'

Sorry to spoil the catharsis but I would like make a few simple observations.

1. The good old days referred to were the late 70's and early 80's when the Britain plc was in the shit. The bad new days, the period since then, has seen a massive strengthening in the UK economy (until recently but that is down to the bankers who always were rhyming slang).
2. European and American marketers have not suffered the same loss of

confidence. They have always favoured the more quantitative techniques over the qualitative, a better balance of deduction and induction

3. 'More than half my advertising is wasted' used to be seen as evidence for the art of the great marketer. There is no reason why half should be wasted and if it is, this is now seen, quite rightly, as proof of the flakiness of a marketer and the ineptitude of their advertising agency.

I am a passionate believer in the value of great marketing. Done well it produces high quality, sustainable long term growth. Indeed I see no difference between marketing and business – the strategic approach and tools are the same, the whole organisation should be a marketing organisation and the CEO is the ultimate brand manager. Business has only three kinds of assets – human, financial and reputational. Marketing, branding if you like, is reputation management. Advertising is a key part of this. As has rightly been said – advertising is truth well told. 'Well' means right place, right message, right time, right price. There is nothing about brands that cannot be measured as accurately as anything else (which is to say measured to a reasonable degree of confidence not necessarily to 100% accuracy). Marketing does involve flair, judgement, art but so does commodity trading.

No, there are reasons why people hate marketers, reasons that may be uncomfortable to hear but are true nevertheless. Note I say 'people' – just about everyone hates marketers, colleagues obviously, but comedians, intellectuals, normal folk (consumers).

I will list the reasons why in just a moment but first I wish to indulge myself by describing my peer group as I entered brand management in the mid-late 70's. The names have been changed but they are real people and they will recognise themselves.

Gerald Chumley –Wauchope – Old Etonian and Oxbridge graduate (History degree I think). His parents owned half of Suffolk. He therefore developed a number of affectations which he believed compensated for this and showed

him to be a man of the people, able to converse with the staff on his family estate, the foreman on the factory floor or the national accounts salesman on equal terms. He rolled his own cigarettes, he drove a beaten up mini, he swore a lot (in a cut glass accent so it came out as ‘farking cahnt’), he listened to Led Zeppelin played loudly on his car stereo. Rather than get himself embroiled in the mundane aspects of his job like running a decent promotion or delivering the new label artwork on time and in budget he busied himself with matters of grand strategy and returns on fixed capital. He was, you see, training to be a chairman, an ambition he made no effort to disguise. In his mind he was a young John Harvey Jones (the then very successful chairman of the equally successful ICI and the first of the TV business gurus). In reality he was like a character from an Evelyn Waugh novel – a kind of butch Sebastian Flight.

Nigel Mount – stunningly good looking and unbelievably bright. Could not be bothered to study for Oxbridge so he did a rather cool degree in Political Strategy at some really trendy South Coast University that enabled him to discuss the Bay of Pigs crisis as if he had personally advised the Kennedys behind the scenes. He developed idleness to an art form but rose rapidly through the ranks due to his ability to argue on his feet like an experienced QC and deliver a great presentation, one that he had persuaded someone else to write and had looked at only minutes before he stood up in front of the projector. His sexual conquests made Warren Beatty (someone he rather admired) look like a priest. On one occasion he bonked two of the departmental secretaries on a park bench on Wimbledon Common. Allegedly he grew marijuana in his bijou bachelor cottage in industrial quantities. He could debate any subject you cared to mention and did so only ever with one objective in mind – to prove he knew more than you. His nick name was Topper because he could top any story you told or any experience you had ever had. He drove a white Lotus, he skied like Jean-Claude Killy although never so fast that he would actually risk falling over. He was the laziest and most naturally talented man I ever met.

Selwyn Goldsmith – another Oxbridge graduate with a good degree in Law

but decided he had too much flair for the bar and choose to go into marketing. Came from a successful, monied and old European family who were probably rather bemused by his career choice. He regarded the debate, the intellectual jousting, as by far the most interesting part of job. He always stood rather too close when he was talking to you and he would do that quite often because he wanted to argue about everything. He prided himself at always being able to think about options that you had missed. When you grew weary of his intense and self-absorbed debating he would tell jokes, lots of them, most quite funny, all of them very loud.

Brian Angry – northern lad who must have been somewhat of a prodigy at his local mining town school when he won an exhibition to Oxford to read PPE. His heroes were John Lennon and Bob Dylan and James Dean. He got into politics at university, not in an active way, but he joined the International Socialists and despised capitalism. He did not handle his drink too well and sadly he drank a lot. With a few too many pints inside he invariably managed to insult someone or other because he could not hide his utter contempt for them. He was of course a cynic about marketing which did not help his career prospects which is a pity because he was probably the best of all of us.

Sophia Howard – 6 foot tall, black, Rodean educated and terrifying. She and I once had to mime the phrase ‘Fuck a duck’ in a game of charades at a senior person’s leaving do. We did the ‘duck’ bit easily – the other bit ruined me for other women and almost ruined my career. As I lay beneath her writhing body on the restaurant floor I looked up at our then Marketing Director who was part of the, by then, very drunk crowd trying to guess what we were doing. They figured it out fairly quickly but everyone was too stunned to shout it out so I lay there for some time. But I will never forget the look on the boss’ face – was it disgust or envy or both? Sophia worked on a smallish brand but she persuaded the national accounts team to get her a disproportionate amount of promotional feature – they were in awe of her, we all were.

Me – I arrived on my first day driving my brother’s V12 E-Type Jaguar, wearing

a rather too sharp made-to-measure suit he had bought for me, complete with waistcoat and fob watch. Unfortunately I arrived at the car park with my new boss in the car in front of me and the chairman in the car behind. I quickly made enemies. Arrogant, chippy and fiercely competitive – unlike most of my colleagues I had known that brand management was what I wanted to do since I was a teenager. My degree – economics and sociology – was selected with this in mind. I knew it all, day one and, in my head at least, I just got better. But I also made friends – I could out-drink, out-sing and out-party everyone and I had a voracious appetite for every aspect of the business.

There were about another 30 key shakers and movers, all just as colourful/ghastly.

This, you will by now be guessing, is the set up to me explaining why marketers are so useless and so vilified. Not a bit of it. That marketing team was the best I ever had the pleasure of working with. We were winners. We were top in 7 out of the 8 markets in which we competed. We were very colourful, we were all very arrogant but we were unbelievably good at what we did, and what we did was build brands that delivered against short term profit targets and long term ambition. We balanced rigorous analysis with great flair and risk taking. We buried ourselves in the market, the product, the consumer, the trade. We won because we knew more and we were very fast and nimble at putting that knowledge into effect. We were restless and hungry, we fought for every decimal place of market share. We made it our business to work with the best agencies and the best people in those agencies. We experimented constantly and new knowledge was spread around the department at a fast rate. We were the ultimate learning organisation even before the phrase had been invented. It was a true meritocracy – the brightest were hired and the brightest and most effective were promoted (mostly).

No, when I talk about crap marketers I am talking about the rest of you wankers, dull of wit and imagination, no curiosity, no courage, no hunger to win. The kind of people who blame everyone else when things go wrong rather

than looking to yourself. The kind of people that take ‘no’ to mean ‘no’ instead of seeing it as request for further information. You whinge on about fragmenting markets and media, the pace of technology – there has never been a more exciting time to be a marketer. I hate you too. Here’s why:

- Marketers don’t make enough effort to understand the fundamentals about their product or service. If you sell beer or detergent then make it your business to know as much as the brewers and the scientists.
- Marketers commit large chunks of business capital and cash without the ability to make a decent business case and often on the basis of some fucking focus group.
- Marketers outsource almost all their job while pissing on their colleagues if they struggle with theirs. *‘I can’t believe it, the development guys say they are going to need another three months. Omigod, how long does it take to deliver a breakthrough improvement at lower cost for goodness sake?’* Meanwhile they have just spent \$250k on the next bunch of brand advisors to tell them what to think. They will even pay people to take them on a ‘consumer safari’ rather than getting out there, asking questions and experiencing it for themselves.
- Marketers fiddle with things constantly but never the most important things. They will redesign a label to make someone look at a product rather than get to grips with how to upgrade the product so people seek it out.
- Marketers are conservative – they bang on about innovation and yet they are the most Luddite scaredy cats of them all.
- Marketers expect consumers to make decisions they themselves can’t. They spend a fortune on research and use it as a substitute for judgement.
- Marketers talk too much and think too little. How many marketers do you know who pause before they answer? They worm their way up the greasy pole

by making great presentations, by talking about what they are doing rather than doing it.

- Marketers pay lip service to the idea that the whole organisation is the marketing machine. They believe they should run everything and that every department should be a slave to their vision despite not actually having one.
- Marketers make everything more complicated and more expensive. They don't improve our lives.
- Marketers spend a disproportionate amount of time making ads and most of them are crap. How can any 'profession' spend so much time doing one thing and still be so hit and miss. And when they are not hanging around their agencies planning the next 30 second TVC or swanning off to some shoot in an exotic location they are sitting at the back of some conference discussing new media and bemoaning their agencies for being so stuck in their ways.
- Marketers lack discipline and structure. They can't even agree what they mean by all the fancy terms they use like 'brand equity' and 'value proposition'. Every profession uses jargon but they use it as a shorthand. Marketers use it as a smokescreen to hide their cluelessness.
- Marketers are wimps – they can't even party like they used to. They all go to the gym and eat vegetarian food. Basically they make it their business to live their lives as insulated as possible from the people with whom they are trying to engage.
- They take short cuts whenever they can – they rarely knuckle down and try to get to grips with an issue, root and branch. They are quick fixers by nature and not very good ones at that.

There are two basics about marketing. Understanding human nature and creating meaningful difference based on that insight. To this you must add the

fundamental of strategy – making informed choices, making sacrifices, setting priorities. How many marketers do you know who do this well?

No wonder we all hate you.

“Are there any marketing people in the audience tonight? Good, go out and kill yourself. There is no purpose to anything you do and you are fucking the planet with your evil machinations. Go out and kill yourself. You are Satan’s spawn. There is no joke here, I am being serious, kill yourself. I bet all you marketers are thinking ‘Bill is being very clever here, he is going after the outraged dollar, we’ve done our research, there is big demand for that, he’s doing a really clever thing’ I am not doing that, you evil fucks. I’m serious, kill yourself and rid this planet of your evil ways”

BILL HICKS

... or stop whining, get proficient at your job, understand what you sell and why people buy it and use that knowledge, with courage, to make a difference. If not, get the fuck out the way and make room for inventors.

Conclusion

That is my list of uncomfortable truths about business, truths they don't seem to tell you about in business books.

I'd love to hear from you and what you see as the uncomfortable truths – as long as it is something you genuinely feel strongly about and it is interesting and amusing. If they are then I will add them to my list.

Maybe together we can build the most honest business book ever written.

Stame Reilly

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Footnotes

I have given very few acknowledgements or references for further reading like you are supposed to. Mostly I could not be bothered, sometimes I want to take the credit myself, often I don't think the people concerned would want to be associated with what I am saying. Irrelevant details ruin a good story or a good rant. 'A really funny thing happened the other day, it didn't actually happen to me, it was my friend, the one I was telling you about...' – who cares, get on with it, make your point. In any event this will be published on the net and anyone who cares to can provide acknowledgement where it is needed. More interestingly, as I say above, they can contradict or build on what I am saying.

About the author

Stuart Andrew Melvin Reilly, or 'Stame' Reilly to his few remaining friends, fell off the corporate ladder before becoming a failed business consultant. He has written one business book, which is now out of print.

He is cynical, bitter and a very bad golfer. He wears a hat because he is bald, not cool, and because Bill Hicks did.

What more do you need to know?

