

PEOPLE

96. It's All About ... the Quality of the Workforce. The formulation that follows came from a speech I gave in Shanghai in the spring of 2009. I was part of a program that included renowned consultants, economists, etc. I began by saying, "In the next several hours you will hear many prescriptions for dealing with today's shaky times—and preparing for China's future. Many of those prescriptions will involve the role of the government in manipulating economic levers, the sorts of help that big firms and SMEs will need, etc. I will doubtless find myself in agreement with many, probably most, of the suggestions made." But then I added that *my* role was to simplify, to boldly and perhaps foolhardily assert that, regardless of economic levers pulled, there was in fact only ... One Thing that Really Mattered in the long run to the health of the enterprise—and, indeed, the economy as a whole: *the quality and character of the work force.* (And, concomitantly, the unstinting "24/7" devotion of enterprise leaders to developing each and every member of that work force.)

This applies throughout the world—in America and Brazil and Lithuania and Estonia and Korea. And in China, as it pursues a future obviously more and more dependent on incorporating intellectual capital and creativity into its economic portfolio (already China bristles at being assigned a role as "the world's workshop"). This applies to 100% of people in the workforce. As in a football team or symphony orchestra, there are no "bit players." This applies in every industry and for every price-point strategy therein. In Brazil, Magazine Luiza, the country's Walmart, is invariably near the top of the "Best Companies to Work For" list, just as Wegmans, the regional grocer, and the Container Store are at the head of the pack, peers of Google and Amgen, on the American "Best" list. This applies to companies of all sizes—from microscopic to humongous. This applies in good times—and especially in bad times. Engaged workers and an unwavering commitment to Excellence from those workers are not the whole story—but they are the bedrock upon which all else is built.

97. Up with People! As in: Increase Your People Budget. There's a convenience store near me. They undertook what I'd guess was a \$500,000 physical renovation.

Bravo!
Except ...

The staff attitude, previously crappy, is as crappy as ever. And it's all the more obviously crappy in what's now a great-looking space. Frankly, I feel the owners pretty much pissed away the \$500,000! That is: I'll trade a paint job for a terrific attitude any day!

It calls to mind a Very Big Issue. It's so easy to get caught up with the capital budget. The capital expenditure:

It's "permanent"!
You can take pictures of the result!
It doesn't take sick days!

The people budget, on the other hand, is ...

All about intangibles.

"Soft stuff."

No photo ops to speak of.

So here's my dogmatic suggestion: When you've absolutely, positively, unequivocally locked down your budget for the next year, I beg you to pick the lock. Please, please, please: Cut the projected capital expenditures by 15 percent. And: Redirect those savings to the people budget (recruiting, training, perks, pay, extra staffing, whatever) ... penny for penny or million for million!

98. Cherish the Last Two-Percenter. Simply put, one cannot overestimate the value of ... "the last two-percenter." That person who, at 2 a.m., takes one final look at the presentation to the Board tomorrow, and discovers that two key numbers are transposed on the footnote on Slide 47—and then looks "one [more] last time" when she returns at 5:45 a.m. The carpenter who, though technically "finished," adds one final touch that alters the character of the cabinet he's spent two weeks building, and then hauls the piece back to his shop for a significant (to him) revision. Etc.

Sometimes we call the last two-percenter a "pain in the ass." True, but no one (LITERALLY NO ONE!) is of greater importance to the success of what we do. Recognize and reward the "pain in the ass" "last two-percenter" as if she were the Ultimate Gift from The Gods. She is!

99. The Excitement Axiom—and the People Corollary.

Axiom: Only Excited People can excite customers over the long haul—i.e., again & again.

Corollary: To cause our colleagues to be Excited we must put—and keep—the maintenance of their well-being and their opportunity structure at the Top of our agenda.

Which must necessarily mean that ...

- (1) the employee who serves the paying customer is for the leader, in fact, her primary customer;
- (2) hence the paying customer actually comes second.

(Which is what Southwest founder Herb Kelleher, RE/MAX founder Dave Liniger, and former Rosenbluth International boss Hal Rosenbluth, among others, would say. I have learned at their feet and cribbed directly from all three of them.)

Bottom line:

*Want to put the customer first?
Then put the customer second!*

Pledge of Enterprise Allegiance: I hereby promise to ...

First and Foremost
Cherish and Excite the People
Who in Turn Have the Opportunity to

Cherish and Excite the Customer
And Induce the Customer to Recommend Us to Others
Which is the Premier Path to Growth and Profitability.
Forever and Ever,
Amen.

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