
The Ultimate Consultant: Powerful Techniques for the Successful Practitioner

Alan Weiss (*Jossey-Bass, San Francisco; 2001;*
ISBN 0-7879-5508-6) \$29.95

REVIEWED BY DAN COUGHLIN

I found *The Ultimate Consultant* to be an enormously valuable resource for growing my independent consulting business for two reasons: wide breadth of topics and practical tips within each topic.

In terms of breadth, Weiss covers how to build value-added relationships with Fortune 1000 executives, how to create value-based fees and avoid charging by the time unit, how to attract prospects through value-added marketing, how to build a brand that creates synergy among a variety of marketing approaches, how to generate passive income, how to build value-added relationships with partners that generate additional marketing avenues and client work, how to gain international work, how to avoid working 24/7, how to gain work with smaller businesses, how to keep from hitting a wall in terms of financial and professional growth, and how to create true balance.

The upside is that each of these topics is very important to both independent consultants and individuals working at large consulting firms. The downside is that each topic doesn't seem to have a clear connection to the one before or after it. Consequently, they are not as memorable as they could have been. I would have suggested a diagram that connects the ideas under three or four main topics; for example, Marketing, Fees, Types of Clients, and The Life of a Consultant.

Having said that, each chapter is packed with enormously practical value. These straightforward, practical tips are the best I have ever come across. For example, on page 15, Weiss gives ten reasons why the size of a consulting firm doesn't matter, and particularly why being smaller could mean being better. They include:

1. We always deal with the principal.
2. Our overhead is very low; hence, our fees reflect that.
3. We are immediately responsive.
4. Our approach is tailored to need, not "off the shelf."
5. We aren't paying our people to learn the consulting business.

6. There are no conflicting priorities from dozens of other clients.
7. We can sign non-disclosure, non-compete, and other documents readily.
8. Attendant expenses will be less.
9. We need the clients as much as they need us.
10. It's about value and results, not quantity and size.

Hundreds of tips like these, backed up with brief explanations, are dispersed throughout the book.

Another of my favorites is Weiss's "Marketing Gravitational Field." He provides 19 different ways to add value to prospects and clients that in turn attract more opportunities for business. They include trade association leadership, third-party endorsements, print newsletters, referrals, print interviews, teaching, alliances, products, networking, commercial publishing, position papers, radio interviews, TV appearances, advertising, passive listings, speaking, website, electronic newsletters, and word of mouth. I currently use 15 of these marketing methods and have found the synergy to be enormously useful in building my own brand.

Three other effective teaching methods in this book are case studies, real-life stories from other consultants, and Weiss's own stories. He first poses case studies for the reader to reflect on and then offers his input. This creates more of a dynamic learning style than just reading tip after tip. Then he interviews dozens of other successful consultants (individuals who generate a minimum of \$250,000 per year in consulting fees) and extracts from each of them valuable points to keep in mind. Finally, he provides several stories from his own experience and the lessons he learned in both success and failure.

One thing I wish Weiss had spent more time on is explaining what happened during his first five years as an independent consultant. He mentions it briefly in the opening chapter, but then moves quickly into teaching and providing valuable advice. I think more information about the start-up years would provide insights for others to learn from.

The other challenge with the book is that Weiss develops an idea, gives some depth of explanation, but then moves to the next topic while the reader is left wanting even more. The good news is that *The Ultimate Consultant* is actually the first book in a projected series. The plan is for each additional book to take a specific topic and do a deep dive on just that topic. For example, his latest book, *How to Establish a Unique Brand as a Consultant*, draws the reader into understanding the nuances of how to build a sustainable brand and why this is such a critical undertaking.

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The Agenda: What Every Business Must Do to Dominate the Decade

Michael Hammer (Crown Business, New York; 2001; ISBN 0-609-60966-1) \$27.50. Also available on CD (Random House Audiobook, New York; 2001; ISBN 0-375-42025-8) \$29.95

REVIEWED BY CURT KAMPMEIER CMC,
WITH WILL WEISSER

Now that the unusually easy business climate of the late 1990s has vanished, the challenges facing managers and their advisors are tougher than ever. Michael Hammer says our clients must wrest market share from their competitors, motivate customers to part with scarce cash, earn success instead of having it handed to them, and wake up each morning knowing that yesterday's accomplishments count for nothing today. And unlike their predecessors from past decades, today's managers face a world of incredibly powerful customers who demand ever-improving quality, ever-lower prices, and ever-greater service. Traditional management principles that date back to Henry Ford and Alfred Sloan cannot possibly cope with these demands. A new set of principles is called for. That's what Hammer's new book, *The Agenda*, aims to deliver.

Hammer is best known as the co-author of the best-selling book *Reengineering the Corporation*. Since then, he has come to realize that no single business idea, even reengineering, can by itself guarantee success. While working with some of the best companies in the world, he has discovered innovative trends, not just in process reengineering but in the role of managers, the structure of management systems, relationships with suppliers and customers, and more. Hammer has codified these innovations into nine powerful and practical ideas that have already been shown to work in the real world of today's business. The result is a

coherent, systematic way to think about the biggest issues confronting managers and their consultants today.

The companies cited in *The Agenda* represent many different industries. Few are high-tech start-ups or glamorous media firms. Hammer believes we can learn the most from mature businesses in mature industries that can no longer survive on the legacy of their founders' brilliant inventions. Such companies do not float on a rising tide of overall market growth, and they are unable to substitute acquisition for execution. They succeed not because they're lucky, but because they apply the ideas on Hammer's agenda to consistently out-execute their competitors. Every company can emulate these winners—small or large, manufacturer or service provider, high-tech or low-tech.

Why are Hammer's ideas geared to dominating, rather than simply surviving? He says that in tough times like these, it's more important than ever to set ambitious corporate goals. If companies merely try to get by, they become fodder for smart competitors that aim to dominate. Especially given the current downturn, many sectors won't have room for more than one or two profitable survivors.

Here is a brief introduction to the nine core ideas in the book. If our clients haven't mastered and implemented them already, there are opportunities for us to help. Especially since Hammer sets the agenda, but doesn't attempt here to tell executives much about how to implement it.

1. *Our clients must make themselves easy to do business with.*

The biggest gripes the customers of our clients have are not about our clients' products or services per se, but what a royal pain their products are to order, receive, and pay for. Most of our clients need to take a long hard look at themselves from their customers' point of view, and then redesign how they work

so they save their customers time, money, and frustration. Featured examples: Johnson & Johnson, Progressive Insurance.

2. *Our clients must add more value for their customers.*

To avoid the trap of commoditization, in which our clients fight for minuscule margins against a horde of look-alike competitors, our clients need to do more for their customers. Hammer advises them to stop just dropping their product or service at their customers' doors. Instead, go through the doors, see what their customers do next, and do it for them. Featured examples: Trane, Alliance, GE.

3. *Our clients must obsess about their processes.*

Customers care only about results, and results come only from excellent end-to-end processes. The only way to achieve the performance customers demand is to make everyone aware of those processes, appoint owners for them, manage them, and improve them. Featured examples: Duke Power, IBM.

4. *Clients must turn creative work into process work.*

Innovation doesn't have to be chaotic. Clients must bring the power of discipline and structure to sales, product development, and other creative work. Make success in these areas the result of design and management, not luck, as luck has a nasty habit of running out when companies need it most. Featured examples: Caterpillar, Hewlett-Packard.

5. *Clients must use measurement for improving, not accounting.*

Most of what our clients measure is worthless, in that the measures tell them what has happened (sort of) but give no clue to what to do for the future. It works better to create models of their business that tie overall goals to things they can control, measure the items that really make a difference, and embed measurement in a serious program of

managed improvement. Featured example: Allmerica Financial.

6. *Clients must loosen up their organizational structure.*

The days of the proudly independent manager running a sharply defined unit are over. Collaboration and teamwork are now as necessary in the executive suite as on the front lines. Managers need to be taught how to work together for the good of the enterprise rather than stab others in the back for narrow gain. Featured example: Duke Power.

7. *Clients must sell through, not to, their distribution channels.*

Many of our clients let their distribution channels blind them to their final customers. That's a mistake, since it's the final customers who pay everyone's salaries. We can help our clients change distribution from a series of resellers into a community that works together to serve the final customers. And we can help our clients get ready to redefine the roles of everyone involved to achieve that end. Featured example: Kawasaki Motorcycles.

8. *Clients must push past their boundaries in pursuit of efficiency.*

The last vestiges of overhead lurk not deep within our clients but at their edges. Our clients must exploit the real power of the Internet to streamline the processes that connect them with customers and suppliers. They must collaborate with everyone they can (including us, we hope) to drive out cost and overhead. Featured examples: Geon/Oxyvinyls, General Mills/Land O' Lakes, Adaptec/Taiwanese Semiconductor Manufacturing Co.

9. *Clients must lose their identity in an extended enterprise.*

They must get past the idea of being self-contained companies that deliver complete products. They must get used to the notion that they can achieve something only when they integrate virtually with

others. They must focus on what they do best, get rid of the rest, and encourage others to do the same. Featured examples: Ford, Cisco, UPS.

Some may argue that this quick and easy-to-read book is often basic and simplistic, that it's more entertaining than practical, that the illustrations need more depth, that Hammer's ideas are not new, that some of his suggestions are unrealistic, and that some of his featured companies (such as Enron and Ford) have little to brag about today. They miss the point.

Hammer's purpose is to identify the agenda for the coming years, and his synthesis is a valuable contribution. His ideas are not futuristic or speculative. They underlie what is happening right now at the cutting edge of business. By highlighting them, Hammer hopes to make them explicit and accessible to the entire business community. He's done that succinctly, bluntly, powerfully, and well. He can be forgiven his occasional hyperbole if he motivates us to act.

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The Leadership Toolbox (CD-ROM)

The Professional Learning Unit of Shell International Exploration and Production B.V. (Global Learning and Development, The Hague, The Netherlands; 2000) GBE130; US\$195

REVIEWED BY GREG LATEMORE CMC

The unnamed authors of *The Leadership Toolbox*, a CD-ROM learning tool, introduce the material by asserting:

This is a one-stop shop that underpins the Business, Commercial, Team and Self Skills Portfolio (BTS) used by Shell International. The principle of providing a “just in time” source of quality information at your desk is relevant for any organisation and the Toolbox will meet most of your educational needs for personal and team development.

There are nine BTS “ellipses” (topics) within the main menu: (1) Manage Self—Own Performance and Development; (2) Work and Lead in Teams; (3) Create and Manage Change; (4) Drive Down Costs and Cycle Times; (5) Grow the Business; (6) Develop and Manage Alliances; (7) Focus Externally; (8) Develop Customer Intimacy; and (9) Assure Future Presence and Reputation

The content menu for each one of these topics contains the following headings:

- Soundbites (2-page summaries)
- Learning Modules (25 pages each)
- Open/Distance Learning (on a separate mail-order basis)
- Business School Courses (most are understandably from the U.K. or France [INSEAD], Spain [ESPN], or Switzerland [Lausanne]).

There are also links to an order form, a search facility, a glossary, a site map, and study aids.

Curiously, no learning modules or open/distance learning material were provided under “Develop and Manage Alliances” or “Focus Externally,” nor was there any explanation offered—perhaps the CD-ROM was released before completion?

An Assessment

What was perplexing and then annoying about this mode of learning was the sheer difficulty in getting to the items on the CD-ROM. Even for computer-literate reviewers (!), the number of screens needed to access the material and to access Acrobat Reader was excessive. Surely CD-ROM material can be more user-friendly—especially for Generation “X”-ers?

The summary booklet states, “at the end of some Soundbites and many of the Learning Modules you will find extensive lists of further reading material.” But I could find no such references apart from a short, somewhat dated reading list that listed ISBNs but provided no publication details. The reading list is also inadequate given the range of nine major content areas—there seem to be only 19 references provided for the whole Toolbox. Their authors include Meredith Belbin, Peter Drucker, Tom Peters, Peter Senge, and Noel Tichy.

I find it puzzling that the Toolbox’s “Study Aids” acknowledges that learning is an active process—and yet there is little encouragement in the CD-ROM contents to discuss, apply, use, experiment, or reflect upon the material. Just as a one-day seminar can hardly teach you skills in a variety of topics, this Toolbox seems to suffer from the assumption that solitary and passive exposure will equip the reader with leadership skills.

The assertion that this Toolbox “provides ‘just in time’ information at your desk” is supported; the claim that “this Toolbox will meet most of your educa-

tional needs for personal and team development” is simply unsustainable—unless one adopts the view that learning is not only solitary and passive but also not in need of assessment or application. This CD-ROM merely offers awareness raising.

For a human resource manager or an organizational development professional, this Toolbox might be useful in scoping the menu for in-depth interventions.

Best Practice in Leadership Development

The art and science of leadership development is alive and well throughout many Western organizations. However, this CD-ROM appears to recognize little of the learning elements in contemporary, best practice leadership development.

Best practice in leadership development these days includes at least:

- Issues mapping and needs analyses
- Being a mentor or having a mentor
- Personal learning contracts
- Personal leaning journals
- 360-degree feedback
- Chat rooms and/or book clubs
- Case studies—especially tailored to the organization
- Selected articles from current “thought leaders”
- A list of websites on contemporary authors and “blue ribbon” universities
- Action learning or action research projects
- Syndicate discussions/strategic conversations
- Self-report questionnaires
- Socratic-style questions for reflection and clarification
- Summaries, review questions, and additional readings

If *The Leadership Toolbox* contained any of these learning elements, I was unable to find any information about them.

Conclusion

I endeavored to suppress any potential “luddite” bias expressed as a preference for printed articles and books, but was frustrated by not being able to copy the material off the screen for a more careful scrutiny. So, especially for highly computer literate learners, this CD-ROM provides quick access to a variety of important topics in organizational behavior, financial management, customer relations, and change management. As a complete toolbox for learning, certainly for such a complex and important field as leadership, it is inadequate.

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The Seven Cs of Consulting: Your Complete Blueprint for Any Consultancy Assignment

Mick Cope (*Financial Times/Prentice Hall*; 2000; ISBN 0-273-645110) \$29

REVIEWED BY REES W. MORRISON CMC

Mick Cope, a consultant in England for the past 15 years and with CatalystDevelopment at the time of publication, describes in *The Seven Cs of Consulting* a comprehensive framework for delivering value through sustained change by an objective agent—his definition of consulting. According to Cope, every consulting project proceeds—or should proceed—through his seven stages, albeit varying in each project by emphasis, timing, and detail. His book lays out a com-

prehensive framework for consulting as well as a storehouse of tools for consultants.

Structure of the Book—Seven Stages and Seven Components

Devoting 15 to 25 pages to each stage, Cope explains the overall framework and his seven stages. *Client*—Understand who the client is, how she views the situation, what he would like to accomplish, and what value you—the consultant—can deliver for fees acceptable to the client. *Clarify*—Understand the problem and the holistic system in which it exists, along with the necessary participants in the change process and the risks that may buffet a project. *Create*—Create a plan (proposal) for how you will undertake the change process. *Change*—Think through what Cope refers to as the “soft issues,” such as energy, engagement, system dynamics, and resistance, so that the plan you create will succeed. *Confirm*—Ensure that positive change has taken place, mostly by measuring details. *Continue*—Imprint the change on the client organization so that the client will sustain the improvement. *Close*—Close the engagement with the client.

The initial four stages will resonate with every consultant—know what your client wants, how your situation stands broadly, where you can intervene, and what the results are supposed to be. All well and good.

But this reviewer was struck by the final three stages. Cope maintains that it is the obligation of the consultant to make sure that the client advances with the consultant’s recommendations (Confirm and Continue stages). Moreover, it is the obligation of the consultant to end the client’s dependency on the consultant, the Close stage. Those facets of consulting, Cope maintains, are as important as the preceding four stages.

This reader, for one, has never tried to have a client pay for determining whether the project achieved its goals. Nor has it been a necessary measure of success that the client adopt all the recommendations of the consultant. Finally, that Cope views weaning a client from the consultant as a major task suggests a level of involvement most consultants can only aspire to. Most consultants want to become a reliable mainstay of their clients. Still, Cope does not stop with his framework of stages.

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“Just what is this recommendation, ‘Don’t worry, be happy’?”

Cope carries his seven-stage structure miles farther. Each of the seven stages cohabits with seven subelements and diagnostic tools. Here is the storehouse bursting with ideas for consultants. For example, in the second stage, when you Clarify (“understand the real issues”), you invoke Diagnosis, Shadow, Culture, System construction, Stakeholders, Lifecycle risk, and Feedback. Cope sketches each of these aspects of the Clarify stage.

To further emphasize each stage, Cope highlights what he calls “back-pocket questions,” inquiries that will help the consultant proceed more effectively. Of the seven questions in the Change stage, the one for the element called “Stream Owners” is “Have I found clear owners for the solution? Do they have the capability and desire to own them?” The back-pocket questions help pinpoint what a consultant should focus on while working through that technique. Fortunately, all of this elaborate structure comes together in a removable card that is stitched into the back of the book.

Fertile Ideas

The very structure of the book—multiple stages and components—means that it offers ideas about consulting across a wide field. True, its 7-by-7 structure makes for a few forced subelements, but it also sprinkles the pages with ideas, and many of them will instruct even the most experienced consultant.

The *Seven Cs of Consulting* will reward every reader with new ideas for how to consult more effectively. At the risk of sounding naïve, let me note some ideas that I stored away from the book: Have the *client* commit to certain actions during the project; previously, in proposals only the consultant committed to complete tasks. Start fact gathering from the most senior level. For example, this

reviewer works with law departments and almost always interviews members of the department before talking with the General Counsel. In other words, I strive to develop my own sense of the issues in the department before hearing from the General Counsel. Cope argues the opposite: learning about the problem and its source from your client *before* you begin with detailed fact finding. A third novelty: Cope operates in a world where the consultant signs a contract with the client, and only then proposes how to address the client’s problem. This reviewer uses a proposal for both purposes—as a road map to the project and as a commitment binding on both sides. Cope makes much of having clients keep personal logs “to observe themselves and to record what actions they take, to whom they talk and what they think about certain issues.” A final idea, new for this reviewer, was that of “storyboards”—a “sequential model of both text and pictures that describes the journey a change might take.” In short, every consultant who reads this book will underline some new techniques or twists on old standbys.

Aside from the cornucopia of ideas, the book presents a raft of “concept visuals”—simple graphics that drive home a point. Concept visuals are a solid technique for consultants who write or give presentations, and Cope creates many of them (dare we say copiously?). The “change ladder” is but one of dozens of examples, as is the “energy map” and the “Change U Loop.”

Cope delivers on his promise to create *frameworks* for understanding consulting. He adores taxonomies. He makes distinctions between, say, types of change and gives each type an alphabetic name: Accidental, Backstage, Controlled, Debate, and so forth. (In general, Cope is addicted to the number seven and to mnemonics for his lists: Artifacts, Beliefs, Controls, Discourse, Energy, Flow, and Generative are all grist for the Cultural stage mill.)

Back to taxonomies and distinctions, where we could choose from many. He divides projects into hard projects and soft projects, with the former delivering tangible, visible outcomes like a new computer system and the latter delivering change in people’s behavior. He then overlays the model of forced change and chosen change. Immediately, a two-by-two matrix contrasts and compares hard and soft projects that are forced or chosen. Other examples include a model for gathering data based on “outside-in,” which uses a hypothesis and analytic checklist, and “inside-out,” which derives emergent patterns out of the data process. Articulating models and delineating differences between kinds of consulting issues and practices marks a strength of *The Seven Cs of Consulting*. At the very least, they should make the reader re-think his or her approaches to consulting.

Underlying Assumptions

The book rests on a number of underlying assumptions, each of which influences the value of the material. Here are five: (1) Cope assumes mostly the situation of one consultant assisting one client who doesn’t understand the core problem(s). Thus, he talks at length about filters, all of which is intriguing but none of which matters much in a multiperson, multiclient project. (2) He also advocates thinking about everything before acting, a cerebral approach. But some kinds of consulting involve doing something, like surveying clients, that doesn’t warrant deep thought. (3) Cope rarely mentions competition for work. Instead, it is as if the client has come to the consultant and pleaded with the consultant to help with an identified problem. In fact, Cope writes more about consultants needing to turn down work than about the challenges of finding and selling work. Nowhere does he deign to say much about fees and costs. (4) The reader will note a fourth characteristic of Cope’s

view of the consulting world—large projects lasting a long time. Not everyone works in that context. (5) Cope also assumes that projects are strategic and high level.

Conclusion

The Seven Cs of Consulting offers much to the experienced consultant. Newcomers to consulting might have some trouble recognizing the value of the framework and techniques, but consultants with more experience should appreciate the intellectual perspective of the framework, learn from the plethora of techniques he arrays, and enjoy the method of presentation and structure in the book.

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Leadership and the New Science: Discovering Order in a Chaotic World, 2nd Edition

Margaret J. Wheatley (Berrett-Koehler, San Francisco; 1999; ISBN 1-57675-119-8) \$18.95

REVIEWED BY JOHN QUAY

In the 13th century, St. Thomas Aquinas attempted to demonstrate the nature and purpose of God by analyzing His creation and its operation. This joining of the Divine and Natural Law, known as the Medieval Synthesis, lasted for several centuries until it came under attack from both faith (the Reformation) and reason (scientific discoveries). In her book, *A Simpler Way* (co-authored with Myron Kellner-Rogers), Margaret Wheatley sought to unite the new

insights of science with her vision of life as God in process. In *Leadership and the New Science* she attempts to change our view of organizations from Newtonian mechanisms to organic systems. In her words, she wants to change our “ways of being together” in our communities, our companies, and our nation states in order to bring us into line with the new science. The results of this effort at synthesis are evocative, but like St. Thomas’s, flawed. Neither the human nor the natural order of things confirm her vision—at least not in our present world.

Wheatley is a partner in the consulting and education firm Kellner-Rogers & Wheatley, Inc., and President of the Berkana Institute, a nonprofit educational and scientific research foundation that is exploring new forms of organization. Like many consultants, Wheatley was frustrated in her work with organizations. Why do so many organizations feel lifeless? Why do projects take so long and too often fail to achieve any truly significant results? Why do so many people find neither joy nor creative outlet in their isolated niches, surrounded by rules, policies, and procedures?

Puzzling over these questions, she chanced to read a book by Fritjof Capra on the “new science” and became fascinated by the latest discoveries, particularly in the fields of physics, biology, and chemistry. For Wheatley, this quasi-religious experience resulted in “a vision of the inherent orderliness of the universe, of creative processes and dynamic, continuous change that still maintained order.”

Recapturing her girlhood interest in science, Wheatley immersed herself in new findings in such fields as evolution, chaos and order, and quantum mechanics. Somewhere here, she believed, were new insights that could lift her out of the conventional ways of dealing with management and organization issues—new ways of thinking that went beyond Newtonian science. Why, for example,

must we think of organizations as machines, each part performing its pre-established function to achieve a well-oiled coordination of the whole? Or why do we draw organizations as a hierarchy of boxes, totally directed from the top? And, why is information compartmented so as to provide employees with only enough to do their jobs?

While aware of the danger of applying scientific metaphors to the field of management and organization, Wheatley believes that playing with these metaphors can lead to creative solutions to our conventional ways of thinking about our clients. For example, she believes the interconnected world of quantum mechanics offers a better organization model than the conventional structure of boxes, departments, and divisions. The latter focuses on the proper interrelation of parts; the former looks at the system as a whole.

As an organization consultant, Wheatley seeks to identify relationships, processes, systems, and information flows—the way ideas move seemingly instantaneously like subatomic particles throughout the company and beyond. She quotes Robert Haas, CEO of Levi-Strauss, as follows: “It’s the ideas of a business that are controlling, not some manager with authority.” All participants in the organization—from inside as employees or outside as customers or the general public—are linked into this force field of concepts, and the messages conveyed may spell success or failure for the company.

Another metaphorical example, this one from biology, is the way in which living organisms change, grow, and overcome problems by strengthening their relationships and intensifying their own self-knowledge. This focus on participation—the inclusion of wider and more diverse groups—to solve organization problems is a central theme of Wheatley’s work. She describes her organization-consulting approach as helping

people to find their own identity (Who are we? What do we aspire to become?), connect to new information (What else do we need to know?), and reach out to new relationships (Who else needs to be here to help with this work?). For all that, this discussion is usually lengthy and often maddening; it is the participation process that makes the plan or solution come alive as a personal reality for all the contributors. And, according to Wheatley, this process also leaves participants with the greatest possible commitment to their job—an understanding of the meaning of their work.

For me the most useful chapter in the book was “The Creative Energy of the Universe—Information.” “For a system to remain alive,” she writes, “for the universe to keep growing, information must be continually generated. . . . We need, therefore, to develop new approaches to information—not management but encouragement, not control but genesis. Information . . . is the solar energy of organization—inexhaustible.” Unfortunately, according to Wheatley, most organizations seek stability: they seek norms for behavior, performance, and expectations—and especially, no surprises! Yet surprises and variances are precisely the sources of innovation and change. And if this creates disruption or chaos for the organization, this is the necessary precursor to new and better things. Besides, there is no way companies can bottle up or channel information. Using new studies of how neural networks operate in the human brain, Wheatley maintains that information flows simultaneously through many “networks of relationships” throughout the organization. When one channel is cut off, others arise to take its place. The role of managers is to “create the conditions that both generate new knowledge and help it to be freely shared.”

In reading this book, I found that for all her useful and innovative ideas, Wheatley suffers from a naïveté characteristic of many academics. Her faith in the rightness of multiplicity, diversity, and self-organizing systems diminishes the need for leaders, except perhaps as facilitators and role models of integrity. As an organization consultant, my experience supports participation and collaboration, but large groups are not the way to achieve efficiency nor do they necessarily lead to the best solutions. People, in my experience, do need leaders; and if companies don’t carefully train, develop, screen, and promote them, leaders will arise by political connections or chicanery. Furthermore, support for participative management comes from behavioral science, not the physical sciences. It is not one of life’s “fundamental processes.” And it is not universally applicable—in situations where speed is essential, such as war, emergencies, and certain competitive struggles, there is no time for full participative management.

Wheatley’s denigration of “Newtonian Organizations in a Quantum Age” is neither appropriate nor correct. To begin with, the hierarchical form of organization is referenced in the book of Genesis and owes more to military organization and common sense than to Newton. Current organic and systems views of organization do owe a debt to biology as more useful ways of viewing human groupings than armies or machines, but this insight predates Wheatley by three quarters of a century and has been much elaborated by the behavioral sciences in the past 50 years. Furthermore, her disparaging attitude toward Newtonian Age practices such as planning, budgeting, policies, procedures, standards, controls, and so on overlooks the fact that these activities have, in large measure, worked to build businesses to their present level of success. While it is true that cosmic space-time and the sub-

atomic world of quantum mechanics follow different rules (or even no rules, according to the uncertainty principle), the human race has managed to survive to date quite nicely in the world of Newtonian dimensions, somewhere in between the immeasurably large and the infinitely small.

Wheatley describes her New Age vision as follows:

Any moment now, the earth will crack open and we will stare into its dark center. Into that smoking caldera, we will be asked to throw most of what we have treasured, most of the techniques and tools that have made us feel competent. We know what we must do. And when we finally step forward to do it, when we have made our sacrificial offerings to the gods of understanding, then the ruptures will cease. Healing waters will cover the land, giving birth to new life, burying forever the ancient rusting machines of our past understandings. And on these waters we will set sail to places we now can only imagine. There we will be blessed with new visions and new magic. We will feel once again like creative participants in this mysterious world.

This apocalyptic vision sounds like the Second Coming. The reference to feeling “once again” suggests the Garden of Eden as the first such experience, since I know of no period in human history that fits her description. Wheatley seems to be referring to a new world order that will follow the chaos of our present discontent; an order in which all mankind will participate in the great self-organizing systems of human endeavor. In this statement, and indeed throughout her book, she seems oblivious to the presence of a snake in her garden—sin. A paradigm shift from the mechanistic world of Newton to the participative paradise she describes will not eliminate envy, greed, or the lust for power. Borrowing some wisdom from

America's founding fathers, I would much prefer to put my faith in checks and balances and countervailing powers to restrain the temptations of our baser natures. My experience suggests, for example, more independent and responsible boards of directors, stronger and more honest labor unions, competition on a level playing field, regulatory agencies unconnected with the activities they were established to monitor, and a congress less dependent on special interests. Keeping these checks and balances in good working order is, I believe, a more reliable hedge against dysfunctional organizations than reliance on the self-organizing processes of nature. And, finally, it seems to me that improvements in human organizations are more likely to come in more gradual steps rather than a moment when "the earth will crack open," and these changes will be due to advances in technology (such as robots to do the drudgery) or to evolutionary changes in Homo sapiens.

In summary, Wheatley's writing lends support to more participative approaches to management, more sharing of information, and some broader, more holistic approaches to viewing organizations. In my experience, these emphases do not displace the need for order, planning, and control; instead, they call for a balance between freedom and order and good judgment in the leadership of people.

Wheatley freely admits that her theories are a work in progress, and she welcomes ideas and criticism from her readers. Our readers are invited to contribute to this seminal effort.

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Blown to Bits: How the New Economics of Information Transforms Strategy

Philip Evans and Thomas S. Wurster (Harvard Business School Press; 2000; ISBN 0-8758-4877-X) \$27.50

REVIEWED BY DOUGLAS K. SMITH

We must remember that 1997 through 2000—during which Philip Evans and Thomas S. Wurster researched and wrote *Blown to Bits*—were years of immense possibility in which thoughtful people were just as likely as those who were not to get caught up in the zeitgeist. Today, "bubble" captures our longing and our regret for those brief but roaring years when all the fundamental suppositions of more than two centuries of economics and business were questioned and, truth be told, assumed by everyone other than the most curmudgeonly to have changed. The "old economy" was just that—very old, very outdated, very archaic. In the "new economy," only speed, share, ideas, and daring mattered. Profits? They would, we took on faith, come. Until then, profitability itself was just a quaint reminder of olden times, like stuffed leather chairs, cravats, and three-martini lunches.

While we watched the Dow nearly double and the NASDAQ more than triple, consultants rushed to explain how to adjust and adjust *fast* to a future so impatient that it seemed to happen yesterday instead of tomorrow. Like most of the other instant insight books, *Blown to Bits* builds off a single framework and idea: in its case, the transformation from an old economy of "things" to a new economy of information in which the core trade-off between richness of information versus reach of information is, under the alchemy of technology, totally and completely and forever up for grabs.

There is a grand Wagnerian tone to

Blown to Bits. In it we hear, stirring,ly, that:

- The economics of "things" differ fundamentally from the economics of information.
- Prior to the 1990s, the valuable information in businesses was embedded ("glued") in the less valuable "things" of those businesses.
- In a world where information is enslaved to things, the trade-off between the richness of information available to a customer versus the number of customers reached is zero sum and brutal. For example, you can have high richness through personal, direct sales force activity; but, only at the expense of high costs and low reach. Or, you can have the high reach of the "yellow pages," but at a cost of communicating not much more than the simplest, least valuable of information to the customer.
- With the advent of Moore's Law (by which computing power doubles every 18 months—now closer to 9), technology ushered in the age of connectivity and standards that, in turn, led to Metcalfe's law (the value of a network is the square of the number of people using it).
- With broad connectivity (such as the Internet) and standards (such as TCP/IP), the "glue" joining information to "things" melts and liberates the more valuable information.
- All businesses are information businesses.
- The bold and the daring seize the opportunity in this once-and-forever transformation to redefine businesses; to break loose from the richness/reach continuum; and to grab the higher stock valuations available to "information-based" companies.
- All hell breaks loose.

Consider, then, what the authors tell us happened to the Encyclopedia Britannica. That business was *deconstructed*.

The cost of a CD with encyclopedic contents is \$1.50; the cost, including direct sales force, of a set of books is \$750. Worse, the guilt trip that historically explained parental choices to purchase encyclopedias now motivates parents to purchase personal computers with Internet connections. All of this directly confronted the leaders of Britannica without any mystery: their challenge was clear. What did they do? Nothing. They couldn't face up to their entrenched sales force problem. If your client is similarly hidebound, forecast Evans and Wurster, they will similarly find their business *blown to bits*.

There are many intriguing thoughts in this book. That the authors' enthusiasm outpaces their exploration of these ideas is, as suggested above, probably due more to the powerful optimism of the late '90s than the lack of intelligence or effort of the writers. These are a couple of smart guys; make no mistake about it. Which is why I, for one, looked forward to learning more from them than turned up in their book.

Take, for example, the heady notion that an economics of information has displaced an economics of "things." The authors pin their whole book on this yet spend less than a few pages explaining it (as opposed to the consequences of it). They make their grand claim and then move on. For example, they claim that information always has "perfectly increasing returns": Buy it once and you can use it as many times as you want cost free. "Thing" economics, by contrast, is messier: Sometimes there are increasing returns (scale leads to lower and lower unit costs), and sometimes there are decreasing returns (doubling farm labor does not double the output of the land).

Unfortunately, this kind of "hit and run" generalization leaves readers more blinded than dazzled. In my experience,

information does not always and forever follow a pattern of "perfectly increasing returns." Those of you reading this review, for example, have all invested in information to help you learn how to listen better, or consult better, or invest better. Yet, I question whether every single use of that acquired information in your lives has been as "cost free" at the margin as Evans and Wurster maintain. For example, having paid, say, a thousand dollars to attend a seminar on communications and consulting skills, you quickly discover that applying information from the session such as "understand the other person's point of view" requires *additional investment in time and practice* (that is, the applications of the information are distinctly not "cost free") as you move from your banking client to your consumer product client to your government client.

The more interesting truth is that information is infinitely plastic and also famously only randomly useful. In these and other ways, information is just as messy as "things." The authors acknowledge this; but then they ignore it. They are quick to point out that "information is not data" and that its richness varies under the influence of many attributes, including bandwidth, customization, interactivity, reliability, security, and currency. Moreover, any one of these—such as, say, customization—might include lots of elements like judgment, affiliation, emotion, implicit knowledge, and personal acquaintanceship. Yet, having acknowledged that information is actually quite interesting, the authors, once again, *move on*. Instead of exploring the economics of information in ways that might be useful, they prefer sweeping and superficial statements such as "all information has perfectly increasing returns."

This pattern stamps the entire book. In chapter after chapter, the authors tantalize us with potentially powerful perspectives only to leave us starving for

more substantive insight. Their core framework itself—the trade-off between richness and reach—is but partially explored. Likewise for the interesting distinction between "old economy" distributors who are always linked to sellers versus "new economy" "navigators" (such as Carpoint) who, under some circumstances, ally themselves with customers. Or consider "hierarchical search," a shopping process by which consumers looking to buy, say, a bottle of shampoo, select first a grocery store versus pharmacy versus discount store, then select between "men's" versus "women's" versus "children's," then select among brands available on the shelf, and then select among types of shampoo ("anti-dandruff" versus "for oily hair" versus "for dry hair"). The authors contend this kind of shopping binds customers to "old economy" value chains yet might be dislodged by the melting glue mentioned earlier. Having raised the interesting point, what do the authors do? Why, they *move on*.

There is valuable strategic insight to be gained by thinking through some of the leads provided in *Blown to Bits*. But these are raw and primitive leads at best. And, unfortunately, the book itself is not much more than a book of leads—a kind of "headline" news that dashes from one possibility to the next without really exploring any. In the end, readers will have to develop for themselves the kind of understanding that might provide relevant solutions to their clients' challenges.

Doug Smith is a consultant, speaker and author concerned with organization performance, strategy, innovation, and change. He has written several books, including the two-part Wiley Mindbook/Workbook series: Make Success Measurable! and The Discipline of Teams. He can be contacted at dekaismith@aol.com.

Consultative Selling: The Hanan Formula for High-Margin Sales at High Levels (Advanced 6th Edition)

Mack Hanan (AMACOM, New York; 1999; ISBN 0-8144-0503-7) \$27.95

REVIEWED BY STEWART A. WASHBURN CMC, FIMC

A long time ago, my partner, Porter Henry, came into my office with a bundle of galleys and dumped it on my desk. "Please look this over," he said, "and tell me what you think." That was my first exposure to Mack Hanan's *Consultative Selling*. What I read and commented on was to become the first edition. Now the book is into its Advanced Sixth Edition. AMACOM does not say what "advanced" means.

Hanan's idea was a simple one that others may have thought about but did nothing to implement. Hanan took an old sales technique that works equally with individuals and organizations, dressed it up in modern garb, and focused it on industrial selling. I first used the technique on my second consulting assignment, developing a training program for new ESSO service station dealers. The year was 1957, and everyone was building service stations wherever two highways crossed plus many in between.

The big problems to be solved for newly minted dealers were keeping and using financial records; hiring and training driveway help; and selling TBA (tires, batteries, and accessories), which was where the money was. At that time, 28% of the cars on the road dated from before World War II. The others were modern but equipped with tires, batteries, fan belts, radiator hose, and other accoutrements that when compared with today's issue had a short life. Selling replacements was the lifeblood of a service station.

There were two related problems.

One concerned finding TBA that needed replacement. The second was convincing the driver to buy the replacement *now* and at full price. The first problem was easy for me to solve. The ESSO (now Exxon) sign that hung over every station readily translated into a sales guide: Explore for needs; Spark interest; Show and explain; Obtain action. We never did decide if the "O" stood for Obtain the Order or Obtain Action. I was happy either way. So, eventually, were the dealers.

The process began with the simple question, "May I check the oil?" or "May I check the tire pressure?"

The solution to the second problem was a bit more difficult, for it involved teaching both the dealer and his helpers—the driveway salesmen—not to discuss product, product benefit, or product features. The trick was to discuss only the consequence of not taking action *now* and to *avoid* discussions of quality and price so they got pushed into the background. As a result, full margin could be maintained.

Once before- and after-sales records demonstrated the benefits of this approach, it became easy for the dealer and his driveway salesmen to discuss what would happen if a radiator hose burst, a fan belt came apart, a battery refused to hold a charge, and so on. Discussing product was a distraction that either postponed the sale or transferred it to someone else.

What Hanan did was to take this simple situation and translate it into the much more complex arena of selling to organizations, business or otherwise.

The product to be sold is increased profits, achieved through a reduction in costs or an increase in revenue. The customer is not a purchasing agent whose concerns are costs and benefits and who gains advantage by postponing purchasing because that always forces vendors to lower their prices. Rather, the customer is a manager whose value to an organi-

zation is determined by his ability to run a department or group and make increasing contributions to the overall profitability of the organization. In contrast to the purchasing agent who makes her contribution by delaying an acquisition, the manager makes his contribution by buying now. Hanan does a very nice job of explaining the time value of money. A dollar spent today buys more than a dollar spent tomorrow, for it brings a reduction in costs or an increase in revenue one day sooner.

Hanan makes a distinction between Consultative Sellers and Vendors. Vendors discuss features and benefits with purchasing agents and lay themselves open to all kinds of cost benefit analyses, competitive pressures, and an eventual erosion of selling price, margin, and, hence, profits. Consultative Sellers in contrast must demonstrate that an investment made with them will produce a sizable return quickly and assuredly, and in doing this they are able to maintain full margin. In this context, ROI (return on investment) is an important subject, and Hanan explains it well.

The transition from Vendor to Consultative Seller is difficult. Hanan does a good job of explaining how it is to be made easily.

The service station driveway salesman understands the consequence of a frayed fan belt and should have no trouble explaining that to a driver. In contrast, the Consultative Seller is up against a much more complex problem. Organizations come with all kinds of problems and needs, and matching them with a product or service is not easily accomplished. The 80-20 rule is relied on heavily. The challenge, of course, is identifying the 20% that will deliver the 80% of the volume. This is discussed, and there is a good discussion of how to obtain value from the 80% that provides only 20% of the volume.

Hanan handles this in two ways. There is a good discussion on how to

select organizations and managers where the likelihood of a good match between product and service and need or opportunity is high. Similarly there is a good discussion on how to quantify benefits; that is, either the potential for decreasing costs or increasing revenue.

Here Hanan relies on norms (averages) for costs, revenue, or margins established industry by industry. Classification is by three- or four-digit Standard Industrial Codes, SICs for short. This system for classifying businesses provides a good catalog of sources for norms. There is a fair discussion of how to determine whether a particular product or service has produced results and how those results compare with industry norms.

Old fashioned service station salesmen could get a conversation going with a prospect by asking one or two simple questions beginning with “May I check . . . ?” It is not so easy for a Consultative Seller. The discussion of this problem is good enough to provoke some serious thinking on the subject.

Hanan also discusses the manager’s

situation, how she has to go upstairs for funds, what he requires to be successful in getting them, and what’s required for the Consultative Seller to make the next sale. The objective, of course, is for the Consultative Seller to become a partner with the client manager and so ensure a continuing flow of high-profit sales.

Hanan’s guidance is as applicable to we who sell consulting services as it is to those who sell payroll services or machine tools or e-commerce portals. It is easy to see why the book has gone into six editions.

However, the sixth edition is not easy to read, and the temptation to put it aside is great. (By contrast, the first edition was much simpler and clearer.) But I think it’s worth the effort to stick with it, despite bad writing; bad editing; inappropriate references, for example, DEC as a going concern; and an annoying number of “Mack Hanan copyrighted” this and “Mack Hanan copyrighted” that.

The book is full of references to Profit Improvement Proposals (PIPs), but there are no instructions given for preparing one. There are a couple of illustrations showing part of a PIP, a cost-benefit analysis, and what-if options. But

instead of a full example, the reader is referred to a web address to download an evaluation copy of Hanan’s PIPware, software to help produce a PIP. The problem is that the organization represented by the website no longer does business with Hanan or AMCOM.

The organization of the book is another problem. One has the feeling that someone else has taken over the management of the text, someone more interested in selling collateral products and services than ensuring a clear and easy read. Stuff has been added, good stuff, edition by edition, but at no point has an effort been made to regroup and reorganize. And the index is not as helpful in this regard as it might be.

I wonder if Hanan is still alive. The Mack Hanan I knew would not let a book like this go out over his name.

Stewart A. Washburn CMC, FIMC joined the ranks of management consultants in 1954 after four years as Senior Engineer and Assistant Director of Industrial Hygiene with the National Safety Council. His first client was ESSO, for which he wrote the Bayway Refinery operating manual (safety).

From the Editor

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we to, it would need to be multinational in its coverage, to match the internationalization of consulting as both cross-border and indigenous phenomenon. We do know, though, that however you choose to regard what “really” is or is not a consultant, the numbers are multiples of what they used to be. The evidence I’ve seen, especially regarding some individual consulting firms, leads me to suspect that during recent years consulting’s rate of growth was right up there with that other of the world’s fastest growing industries, high tech.

Did I not say “remarkable”?

. . . But Not Farewell, Mark Lipton

In view of his various duties and obligations on behalf of the Milano Graduate School of Management and Urban Policy at the New School for Social Research, Mark Lipton, having served out a term as Editor in Consulting Process, with this issue departs our editorial board. Thank you, Mark.

Bennett Joins Editorial Board

I am pleased to report that John Bennett, CMC, President of Lawton Associates (Mooresville, NC) recently joined C2M’s

editorial team. As Editor, John’s prime focus is on two aspects of consulting, namely consulting to nonprofits, a subject dear to the hearts of many, and that newly acknowledged role of the consultant as executive coach.

As consultant, John has worked with leading biomedical, human service, and professional associations and educational enterprises in developing capacities for adaptation and transition. As trainer, coach, public speaker, and author, he has helped many along similar lines. He is author of the book, *Leading the Edge of Change*. Prior to forming Lawton & Associates, John was CEO of a \$23 million American Red Cross biomedical services division. ■