



## Peters Provocations

By Kevin Kelly

Ever wondered what business guru Tom Peters tells CEOs in his high-priced corporate seminars?

**Let's give a warm welcome to the guru of business gurus. The former academic who has sold more than 3 million management books. The corporate oracle who delivers some 100 seminars and gold-plated talks each year. The globe-trekking fast talker with a candid sound bite for every executive occasion. Tom Peters! In a string of books starting with *In Search of Excellence* (1982), coauthored with Robert Waterman Jr., Peters has broadened and amplified his message of the incredible human dimension of business. He went from excellence to chaos (*Thriving on Chaos*, 1987), to liberation (*Liberation Management*, 1992), to wow (*The Pursuit of Wow!*, 1994), each book further turning up the volume, humor, and exclamation points (!!!). Taking his own advice to get out and do stuff, Peters started a textile design and import business in 1995. Now he's peddling his latest tome, *The Circle of Innovation* (1997). Innovation!! He's talking about Shivas in the boardrooms! He's talking skunkwork theology! He's hurling insults at CEOs!! He's calling you a nitwit and your competitors big shit!!! And he is right! He's screaming IN CAPITAL LETTERS! Heeeeeerrrrrrre's Tom ...**

### On what's new

It is the arrogance of every age to believe that yesterday was calm.

### On whether technology drives the world

One is foolish not to be mostly a technological determinist. I'm about an 86.5 percent technological determinist. The genie does not go back in the bottle - period.

### On anticipating technological S curves

The problem is, you can only draw a good S curve 20 years after the fact, when it does you no good whatsoever from a decision-making standpoint. When you're there, all the signals are ambiguous. You have absolutely no idea whether that 90-degree twist you know is coming is one step, two steps, or five steps ahead.

### On the biotech revolution

My greatest delight is that I won't have to be around for this one. There is no way in hell that the truly unbalanced maniacs of the world are not going to want to do awful things with this stuff. The mere fact that polls say 20 to 30 percent of people want to clone themselves shows how insane this is.

### On whether new technologies are likely to destroy the environment

You're definitely interested in clean when you're rich.

### On why people buy *Dilbert*

Sadly, the General Motors of the 1960s continue to exist in the PG&Es of the '90s.

### On the "brand of you"

Can everybody be special? Yes. I don't have any question about that. Will everybody be? Only Mother Teresa and George Gilder think so. The notion that we're going to have this lovely democracy in which there will be 6 billion one-person nation-states and peace on Earth is total crap. Humans being human, and the notion of individual perfection being as elusive as ever, I'd say don't hold your breath.

### On the global economy

I just got back from Zimbabwe, where FedEx has gone from three people to 225 people in the last three years. That's extraordinary exponential growth. I gave my standard Tom Peters speech to local execs there. I said, "You want to be part of the global revolution? Nobody will put up with shit anymore. You've got to play the 'just in time' game ... or else."

### On India and China

I have never seen a country with more entrepreneurial energy than India. Everybody is up to something. But the 25-year-old Indians are thoroughly pissed off at China's greater attraction of foreign investors. Indians understand contracts. They have the rule of law. The Chinese have no written laws. Contracts don't mean shit there. Yet, anything can be done overnight. As extraordinary as the improvements in India have been since 1993, it is still ludicrously bureaucratic. China is moving so much faster because it wasn't handicapped by the British.

### On the lag effect

All of economics is about the lag effect. The difference between a Keynesian and a Friedmanite is whether you think a policy will take six months or 24 years to achieve its full impact. There is no question that the Industrial Revolution was liberating for an astonishingly high percentage of humanity. The problem is the fucking lag effect. We had to have 250 years of mess along with liberation: World War I, World War II, the Holocaust, and the Cold War. You've got to be hopelessly naïve not to expect the equivalent as we start the second mess, the Information Revolution. Only this time maybe we won't be quite as lucky.

### On bankers

For years and years, I was the mindless liberal who hated bankers. But it is the mix of highly organized financial infrastructure and relative craziness in the United States that's made us so successful. The major banks, the venture capitalists on Sand Hill Road, the doctors and dentists willing to invest in harebrained start-ups - that doesn't exist in a lot of places.

### On the rise of the West

The West was born 500 years ago when Europe broke free of the centralized control of the Roman Catholic Church. The resultant decentralized, disorganized model served us phenomenally well from 1500 to 1850. But in 1850, the US entered into the era of transcontinental railroads and big centralized enterprises. We invented Wall Street because these organizations needed more money than anyone had needed before. From then until 1980, it was a different world. My hypothesis is that 1850 to 1980 will be seen as a 130-year anomaly that is now coming to a total end.

### On Abraham Lincoln's marketing savvy

I just finished reading a Grant biography. Most interesting was Lincoln's decision in the first years of the Civil War not to talk about slavery, because no damn white Northerner was going to fight for black slaves. Lincoln picked the exact moment at which the populace was getting tired of preserving the

Union to go into the more messianic role of freeing slaves. I just love that because it's the old copy line: To lead the masses, find out where the hell they're running and get two steps ahead of them.

### On why so many companies in *In Search of Excellence* are no longer excellent

You mean like Atari or Wang? Beats the hell out of me. Many things happened. *In Search of Excellence* was probably a pretty good book for its time. In bad times, people turn to cosmetics and Disney movies. The book happened to be launched the week that unemployment in the United States hit double digits for the first time since the Great Depression. Waterman and I named names. We came along and said there are American companies that work. We were the American antidote. We got some stuff right, but we missed so much. You won't find *information technology* or *globalism* in the index. Yet, the odd thing is that the eight principles we teased from the data were roughly right.

### On being wrong

My proudest accomplishment is that anybody with a positive IQ regularly accuses me of being totally inconsistent. I couldn't be happier. In 1982, companies were inwardly focused. Their attention was focused on ass-kissing the bureaucrats in the Chevron Tower. Waterman and I said, "Go out and listen to your customers." It was exactly right in 1982, and it's exactly wrong in 1997. You have to ignore market research. When someone asked Chuck Williams, the Williams-Sonoma founder, "What's your secret for success?" he said, "I only bought what I liked. Fortunately, a lot of people liked what I like." But for every Chuck Williams, there are 29 total maniacs who are in touch with nothing whatsoever. The average restaurant owner, the average software or hardware company owner, could learn a hell of a lot in 1997 by reading about IBM in 1981.

### On Microsoft's Achilles' heel

Microsoft is theoretically a decentralized structure. But the fact that Bill Gates could turn a battleship that size around in literally months - toward the Internet - may mean that it is really a hypercentralized organization. Microsoft is in absolute danger in that regard.

### On the value of small companies

The least innovative companies in America are small companies. The problem with the average small firm is that it was started by a lower-middle-class kid who never had more than 17 cents. Suddenly his bank account has US\$400,000. He's covered in the local press. He makes the mistake of thinking he knew what he was doing, when he actually just got lucky, and so he continues to try to replicate the experiment. There are very few nonautocratic small companies. This means the small company can hire Looney Tunes employees and genuinely weird people. Taken together, the total population of small companies is the most innovative thing going in American business.

### On the forgetting organization

I'm totally opposed to the learning organization idea. I argue for the forgetting organization. You get droids when you have too much training and too many people thinking and learning in the same way.

### On research institutions

The role of a Hewlett-Packard or a Xerox PARC in life is to hire a lot of really great people, the most important of whom will become rabidly pissed off because of the boring bureaucratic nature of the place. They'll leave and take their ideas with them. These places are great training grounds, great boot camps.

### On the value of organizational destroyers

Every organization from six to 60,000 people needs a Brahma, a Vishnu, and a Shiva - a creator, a preserver, and a destroyer. And you need those tensions simultaneously. The problem with the

average-size corporation is that eventually the preservers take over and stagnation sets in. You need to protect the Shivas, the destroyers.

### On creativity

For every nauseatingly long day of work, Nick Park, the guy who creates the Wallace & Gromit animation series, makes a total of four seconds of finished product. Four seconds! Such devotion to craft is highly unusual today. One of the great paradoxes and madnesses of this age - which puts more of a premium on creativity than any other age in recent time - is that we don't have significant doses of time to be creative. Intensity does not breed creativity.

### On the origins of innovation

Innovation comes when the wrong products are used by the wrong people in the wrong way at the wrong time. That's the nature of great successes.

### On whether Bill Clinton or Bill Gates will have a greater impact on the US

Neither. The mere body composed of jillions of cells called "Bill" is not the point. It's the Gates-wanna-be and Clinton-wanna-be phenomena. Right now, the Gates phenomenon is having more of an impact than the Clinton phenomenon.

### On digital libertarianism

I don't think it's centered around the digital crowd. I've long prided myself on being - besides Warren Buffett - the only Democrat businessperson in America, and on being a quasi-libertarian. I assumed that I was only one of a select few. Then four or five years ago, the Stanford University alumni magazine published this very well-done survey of Stanford and Harvard alumni. To my great dismay, I was dead center in the crowd. I just hated it. Part of my problem is that whenever I read the ballot propositions, I'm always appalled by the Libertarian position. They aren't libertarian. They are anarchist.

### On his life's mission

When Robert McNamara was a captain in the US Army Air Corps in 1943, the organization was enormous. It didn't know where all its planes were parked. McNamara and his whiz kids did great work teaching the Army Air Corps to know where the fucking planes were. So I do have to give the group credit for that. But, unfortunately, what they implemented became dogma. And as the world became more chaotic, those centralized models were no longer appropriate. My entire life is an effort to exorcise the demon of Robert McNamara from society.

### On his role models

I first studied about Hewlett-Packard in 1979. I know its story in great detail. It went from being a technical company to a legendary success, a model for other companies. Its success was due to its wonderfully decentralized organization that later went through seven years of centralization, followed by a period led by a renegade executive who lived out in the boondocks, and then another era headed by a former chairman who held onto a billion dollars' worth of stock, kept his ear to the ground, and parachuted back in to the company at exactly the right moment. What can we learn from this? Not a fucking thing, except it's really great to be lucky.

### On his reading habits

The most important thing I read on a regular basis is the Life section, section D, of *USA Today*. It's not as embarrassing as reading tabloids like the *National Enquirer*, but the trend stuff going on in section D is a lot more predictive of what's going to happen five years from now than *The Wall Street Journal*.

## On being an old fart

I'm 54, and what I say is total bullshit. I am one of those monks working on the illumination of a scroll at the advent of the printing press. Seventeen-year-olds don't have the language I have. They don't have the basic scientific training. They're completely inarticulate about what they're doing. But they are doing it.

## On what he tells executives at his high-priced seminars

The only way to survive these days is to do some shit and see what happens. Every now and then you do shit that, for reasons that are completely unspecifiable, turns out to be big shit, as opposed to little shit. You just have to make sure there is enough shit going on that some big shit happens.

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Kevin Kelly ([kk@well.com](mailto:kk@well.com)) is Wired's executive editor.

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