

The Anatomy Of Fire

Chapter 3: **Possibilities**

Engines

Sparking A New Spirit Of Enterprise

Chaplet 3.1

By Tom Brown

- *History is sprinkled with watershed products that arrive in an inchoate market and crystallize a whole new order in which business organizations instinctively alter the way they do things and society is smitten with a new sense of possibilities.*

— Business Writer
Brenton R. Schlender
in *Fortune* (August 26, 1991)



Though “churn” is a word that reverberates great historical pitch, it is by no means remote and academic. The profound destiny-marking questions we all ask about *who we are, what we do, why we’re here, where we are going* — none of these can be addressed without first referring to contemporary churn. For success is always an *if*, but failure is never an accident. The demise of any store, any plant, any government, any office, any shop, any factory is first a failure of an *idea* followed by a failure of place.

In commerce today, “churn” is despised by all but the most ruthless placeholders who see it as yet another way to suck profit from a market niche that has already gone supernova. Consider the field of insurance as a prime example of insidious churn.

With people, rightly or wrongly, disinclined to buy insurance policies or to increase their coverage proportional to their needs, some insurers saw fit to

recommend to existing policyholders that they abandon existing policies in favor of new, “improved” ones. Not known to the customer, at least as claimed in recent lawsuits, was the fact that the primary benefactor of such change in insurance coverage was the agent reaping new or higher commissions and the insurance company who could “move products” more conducive to a higher bottom line.

But this is not just about the insurance industry. Such charges of churn have been levelled lately against unscrupulous business people in banking, investing, telecommunications, and other fields. And this is, really, not about churn at all. Such pathetic business practices are more precisely called “churning.”

Churn is something different; it is all about the world, and by extension the marketplace, moving forward. Inexorably. Relentlessly. Perhaps even brutally. Churn may inflict us with stress and torment, but terms like *state of the art, higher standard of living*, even the

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trite *new-and-improved* — these are all phrases that reflect a moving marketplace, a world that quite naturally churns.

Those organizations with prescient and progressive leadership stay ahead of such changes; in many cases, they shape our sense of progress. They lead us on our common journey into the future. They enrich our ideabase, what we stand on, mentally, to see ourselves in the world and the future.

Those organizations with sheepish and fearful placeholders at the helm roil their customers through churning dubious products or services — or skimping on quality, or hiding behind financial machinations that neither create new wealth for the world nor new possibilities for customers. These insensate travellers can only see their organization as a place, the people employed there as spare parts. Churning, or some other exploitation of place, becomes their prime strategy for “success.” In truth, it’s their last resort. Success is always an *if*, but failure is never an accident.

Peter Vaill’s engaging *Managing As A Performing Art* (Jossey-Bass, 1989) was where I first encountered “permanent white water.” In the book, Vaill reveals that the phrase actually came from one of his seminar participants, who once confided to him these memorable words:

“Most managers are taught to think of themselves as paddling their canoes on



Farewell, Videos!

© Tom Brown

calm, still lakes,” free to steer “their canoes” in their own best interests, especially during those times when they have to “shoot the rapids.

“But it has been my experience,” said the student, finishing, “that you never get out of the rapids! No sooner do you begin to digest one change than another one comes along to keep things unstuck.... The feeling is one of continuous upset and chaos.” There is no better expression of 20th Century churn.

But “continuous upset and chaos” is a

sword that can quickly cut a lucrative status quo away from placeholders (and those chained to them). It can also cut a path for potential progress for those leaders primed for a new journey, ready to guide their followers toward new vistas.

In contemporary literature, these may be the two most powerful paragraphs written about the double-edge of churn: when Paul Solman and Thomas Friedman wrote *Life And Death On The Corporate Battlefield* (Simon & Schuster, 1982), they reviewed the tumult in the marketplace and detected distinct patterns. Using 1950 as an approximate start date, they traced 30 years of marketplace churn in a few hundred words. Perhaps it's because I was born in 1950, but I continue to latch onto these paragraphs on days when I feel threatened by the "permanent white water" of change. I lived through all this; they are writing about a huge chunk of my life! I carry their words, then, to keep in mind that there is a wide, wide gap between being an engine of change — and a victim of churn:

No matter how wise an executive is, he must still face the vagaries of the real world... The marketplace is in constant flux; the only certainty is change. In the past thirty years, supermarkets have replaced groceries, discount stores have replaced "five and dimes," shopping malls have replaced

downtowns, fast-food outlets have replaced diners, jet planes have replaced ocean liners and railroads, television has replaced network radio (after network radio replaced vaudeville), Xeroxing has replaced mimeographing, 33s have replaced 78s, stereos have replaced phonographs, calculators have replaced slide rules, ball-point pens have replaced fountain pens, and computers have replaced a good number of people.

In their heyday, the railroads seemed omnipotent; network radio, everlasting. And today, we still assume that our largest and most powerful corporations are somehow beyond change, beyond failure.

Each of the examples cited created victors and vanquished. Sure, Union



New Hut?

© Tom Brown

Pacific does not hold the stature it once did; but then there's Delta, American, Southwest Airlines, and all the rest. Sure, A&P is a shadow of what it was; but even a short visit to an Albertson's, a bigg's, a Meijer's, or any other hypermarket will open up new horizons for most shoppers. Sure, NBC Radio is not part of a medium whose presence commands as much attention as the NBC Television Network — but both have been eclipsed in large measure by cable television.

I've outgrown the shirt that bore the blue blotch of a name-brand fountain pen whose refill leaked and oozed down to my abdomen from its clipped position in my chest pocket. And well I remember the small drugstore in Pinellas Park, Florida, where our family gawked at the new, slim-barrelled BIC pen which sold for a few dimes, even in the late '50s.

Now, of course, we have rollerballs and gel pens — that is, if you're not using a laptop exclusively. But if I had the ink-stained shirt today that I changed out of when I was eight or nine, I'd stretch it and frame it. It would be a memento of a moment in marketplace history — a moment when someone, some enterprise, had the audacity to move the planet forward in its own small way.

When Steven Jobs, then CEO of Apple Computer, was trying to lure John Sculley from Pepsi-Cola to help lead Apple Computer, he remarked in the negotiations something to the effect, “Do

you want to sell sugared water to kids or do you want to come to Apple and help change the world?” Brash? *Yes*.

Aggressive? *Yes*. Overstated? Well, only *maybe*. For Apple is but a part of the PC revolution moving data management to ever more micro-sized machines. Apple, Microsoft, Sun Microsystems, Xerox, DEC, IBM, Adobe, Netscape — in hard and soft ways, all of these companies have sensed churn, made churn, won over churn, and been set back by churn.

- Between 1955 and 1980, a quarter century, 238 companies fell off the famed *Fortune 500* list. Between 1985 and 1990, only five years, 143 companies dropped. *Churn!*
- When Wal-Mart first started to nibble at front-runner Sears, Roebuck (circa 1980), it could claim only 12% of Sears' North American sales. In 1996, Wal-Mart had grown from a Sam Walton brainchild to a \$106 billion (in revenues) mega-corporation. And Sears? It reported \$38 billion in revenues. *Churn!*
- No less a grand corporation than General Mills dropped its *Fortune 500* rank from 156th place to 264th in 1996. You can blame it on dropping cereal prices (*Fortune* does); but a real student of market change will note the spread of bagels and

breakfast bars raiding many a cereal maker's market share.

Churn!

Success is always an *if*, but failure is never an accident. Our favorite video-rental store is no more. As with many families, our Saturday nights for the last several years were defined by driving just a few blocks to a store that displayed a thousand or more videos, from years-back to just-out. Then, one day, a "For Lease" sign announced its departure from our neighborhood.

That booming video outlet, now a deserted shell of a store, was the victim of churn. Done in by too many competitors? Some will say that. But the real culprit, as in so many companies today, may have been someone inside the business, not out.

As with stagecoaches, elevator operators, service stations stacked with attendants, drive-in movie theaters, people who make phone message pads, mainspring watch makers, and hosts of televised variety shows, the video store will soon be churned into a distant memory. You can already rent videos for about the same price direct from your cable television source. Punch a few numbers into your TV control box, and your desired movie is ready-to-watch. Forget the drive in the car (in the rain) to rent a video cassette from a store. Right now, the cable company tells you when you have to watch the video you choose; soon, you'll pick your own time. Soon

after that, you'll probably just buy your own personal copy of the video, downloading it and storing it on the gigabyte drives that will be part of TV sets to come.

Video stores managed by placeholders will say that their business is "just fine," that they wished they had "a better location" or that they're finding it increasingly hard to "fight the big chains." Meanwhile, the placeholder will "compete" by lowering the rental price of videos, throwing extra videos into your rental bag for the same price, or even offering to enhance your video viewing by adding bags of pretzels and chips as a purchase option. The placeholder will say to his employees that he is "ahead of all those other guys." He will even say to himself while driving home that he is "inspiring his employees through his bold innovation."

But a placeholder can't say what he or she can't see. Video stores, like other businesses today, cannot afford to hold tight to original business plans, no matter



Hold The Phone

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The places that will thrive tomorrow will be governed by the churn of new ideas today. More than we have encountered in hundreds of years, a cataclysm of new ideas will increasingly assault every status quo that you hold today, perhaps even cherish, as the established order.

how brilliant they were at inception — no matter how much profit they are generating in the present — no matter how convincingly the placeholder-in-chief states the business case for “staying the course” via cutting costs and waiting for the competition to succumb first. “Nothing in progression can rest on its original plan,” said Edmund Burke decades ago. “We might as well think of rocking a grown man in the cradle of an infant.”

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A leader today can see the ultimate demise of telephones wired to the wall or desk, wallets with slits for umpteen credit cards, shopping malls that require you to

come to them, vehicles that require odorous fuels that flow from nozzles, computers that covet big space on the desktop, clothing that is designed for generic sizes and tastes, foods that have to be bagged and carried, books that have to be carted, meetings that demand millions of plane miles to be logged, and organizations that refuse to work without a chain of command to whip everyone into an appointed place.

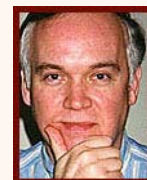
A placeholder thinks about all this churn and fears for the safety, security, and stability of the place he or she has built into such a success. Averse to being an engine of change, he assumes the demeanor of a victim of churn. Beset and bewildered by the commotion of new ideas, placeholders seek an invincibility borne of reinforcement of all that’s been done before.

A leader today thinks about all this churn and realizes it is God’s gift to those wise

enough to see life as a journey. He yearns to be called an “engine of change,” and it is the only title he ever hopes to pin on those who would follow him into the future. Smitten with a new sense of possibilities, leaders seek an invincibility borne from a mastery of new ideas transformed into bedazzling acts of exuberant enterprise.

“Two roads diverged in a yellow wood,” wrote Robert Frost in “The Road Less Travelled.” In a world of churn, both placeholders and leaders seek to be invincible. One will. And the other? Shaken to its very roots, the other will become invis...

To learn more about the author...



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The Anatomy Of Fire

Chapter 3: **Possibilities**

Taproots

Sparking A New Spirit Of Enterprise

Chaplet 3.2

By Tom Brown

- *Biology is more like history than it is like physics. You have to know the past to understand the present. There is no predictive theory of biology, just as there is no predictive theory of history. The reason is the same. Both subjects are still too complicated for us.*

— Astronomer and Author
Carl Sagan
(1934 - 1996)

from “One Voice In The Cosmic Fugue,” in *Cosmos* [As Televised]



It would be unnatural not to want to survive. After all, the human species has been shaped, in part, by its ingenuity at surviving. So, faced with societal churn, the human drama and the human dream become one and the same: to the degree each of us can, we struggle to make ourselves, our familial kin, our organizational kith — all invincible. We rely on our roots.

But placeholders and leaders here part. Faced with churn, placeholders instinctively grasp for as large a chunk of the “now” as they can. Were H. G. Wells’ fictional *Time Machine* actually possible, giving mankind the capability of transporting magically to any era from faint past to fantastic future, the placeholder would set the controls and dials for *right now*, the present!

For it is in *containing*, *exploiting*, and *profiting* from the status quo that placeholders shakily stand their ground against life’s threatening churn. Confronted by discontinuity, the placeholder-tyrant orders up more troops to collect more taxes so he can sleep richer and more secure for at least one more night; the placeholder-priest herds his congregation into the temple of

tradition so that all can chant cant; the placeholder-CEO looks at business as it’s been and orders up “more of the same,” slouching toward anything sure to

“Now,” however, is no friend of the leader.

compound today’s dividends, shying from future rewards that require risks today.

“Now,” however, is no friend of the leader. He or she knows that people taxed too far will ultimately revolt; congregations which chant but never converse generate babble, not brethren; heavy investment in what’s working today has seldom been a safe passage to what’s coming tomorrow. *Investing, exploring, and progressing* — this is how leaders capitalize on churn, converting peril to potential. Be it city hall, church, or boardroom, travel with a placeholder, and your trip will take you only as far as you have already come. Sail with a leader, and you are voyaging to tomorrow, you are journeying to the land of new ideas.

This split, not in stimulus but in response, cannot be overstated. It is the disquieting crux of the present. With so many organizations now guided by placeholders, the once hearty popular pulse has been reduced to a dull thud. Inundated by churn of every conceivable

stripe, the world is groping for innovations in order to better interact, better employ, better enjoy. Placeholders, hearing such pleas from the populace, literally have nowhere to go so their followers have no one to follow.

Today, in every context, people yearn for *enterprise* — not in the shape of something to buy or to bank, but in the form of something to be part of, to move ahead with. From peasant to physicist, it has become obvious to all but the oblivious that the plodding pace of placeholders is dubious elixir — not enterprise.

No matter how lucrative it may appear, exploiting the status quo seems, to all seers of reality, a tremulous bridge to the future. And that is *precisely* the bridge we're now standing on. Our world is churning; our bridge to the future is shaking.

Such was my quandary as I began my first pilgrimage to Yellowstone. As mentioned earlier: “I had spent most of my life inside the organizational world; and it felt good to be running away.” Somewhere amid the granite and pine, betwixt the fox and the swans, beside some spouting geyser or crystal rivulet, I started to see what was obscure in conference rooms, whirring machine shops, skyscraper elevators, or manufacturing plants.

Although one cannot account for unpredictable tornadoes and floods, the

churn of ideas that man has imprinted on the canvas of nature *does* have a pattern, one that placeholders never seem to comprehend or appreciate. Be it myopia or scorn, placeholders invariably stay put — mining the place that they know, passively resisting the advancing cycles of change that leaders mesh and move forward with, no matter how awkwardly. Placeholders mine old gold; leaders find new gold.

Hiking through a field of grass a few hundred kilometers from a herd of indifferent bison, I journeyed to Yellowstone and thought about churn and



Old Gold

© Tom Brown

the contrasting reactions it begets. Starting from that vantage point, the progressive cycles of change remain hazy but have grown ever more distinct as I've researched and contemplated them over the years. Thinking about change along a community, scientific, religious, legal, commercial, or any other historical timeline, it would appear that there is some predictability in all the social churn.

...The soul's dark cottage, batter'd and
decay'd,
Lets in new light through chinks that
Time has made.
Stronger by weakness, wiser men become
As they draw near to their eternal home:
Leaving the old, both worlds at once they
view
That stand upon the threshold of the new.

— Edmund Waller (1605 - 1687)
from “On The Divine Poems”

Going forth from the raw, primal paths of nature (still largely undisturbed in places like Yellowstone), what has mankind been trying to do if not enhance a rough and rocky planet with taproots of improvement, struggling to make life fundamentally better for all? Much like the impressive spread of a four-month-old rye plant, whose cumulative root system can reach 387 miles in total, the great episodes of churn overtaking an

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intransigent status quo all arguably grow from one or more of seven great change roots, whose many derivatives multiply the effects (and impact!) of transformation.

Paradoxically, one can never stand invincible against a great churn unless and until one comprehends the causative taproots of the change and chooses to journey along with it. Look closer at the churns of the past, or of today, and — amidst the chaotic heaving and tossing — discern men and women striving to:

Be Free

Although every Age, including our own, has seen many people manacled by the imposed will of some pompous oppressor, the pharaohs and dictators are becoming fewer and less prevalent. Although some countries today operate under the twin yokes of domination and fear, even the billion+ people living in China seem headed for (and desirous of) something more enlightened than militaristic dictatorship.

The trend has been clear, though not clean, since at least 1215 when the British “Magna Carta” proclaimed that “No freeman shall be taken, nor imprisoned, nor disseized, nor outlawed, nor exiled, nor destroyed in any manner; nor will we pass upon him, nor condemn him, but by the lawful judgment of his peers, or by the law of the land. We will sell to none, we will deny nor delay to none right and justice.”

It is a stirring proclamation, penned more than 500 years before the United States' "Declaration of Independence." But it is a milestone marker on a now well-worn path: Man's first and most important root on this planet is the right to live unbridled and free.

Be Healthy

Go to any modern pharmacy and you'll find a cornucopia of tools and aids to make us hale. Go to any modern hospital and you'll find a battery of tools to assist doctors and nurses in repairing human bodies and setting them aright. One can debate the need for seven different accessories by which to keep and/or dispense pills — and one can certainly debate the cost structure in the health care industry, but the prevalent direction of the world is to be more healthy and to live longer. Is the world *there* yet? Not at all.

In the United States, we enjoy (by almost any standard) an abundance of health care. Even accounting for the overconsumption of fatty hamburgers, with couch potato syndrome on the side, the U.S. enjoys robust health. We have one physician for every 391 people; the average male will live to 73 (women seven more years); and only eight infants will die of every 1,000 born. Americans spend \$2,765.00 per person staying well.

To be sure, other countries suffer by comparison. The Philippines spend only \$15.00 per person on health care; in the

Democratic Republic of Congo (Zaire), the number is a third of that low figure. The Philippines have one doctor for every 1,062 people; in Congo (Zaire), the number is 15 times that! A male in the Philippines will live, on average, to 63 (women: 68); in Congo (Zaire), the typical man lives to 46 (women: 49). Fifty infants (of 1,000) will die in the Philippines; 109 infants in Congo (Zaire). Again, the contrast is clear.

But against one hundred years ago, global health receives more attention and more concern. No one should be sanguine about *any* of the statistics quoted above (which were obtained from SatelLife < <http://www.healthnet.org> > © 1996). Because we have grown not just to treat illness, but to spurn it. We are born to live long.

Be Intelligent

It may not be apparent on mainline television shows, and we foolishly support "newspapers" sold in grocery stores which avow that prominent politicians and film stars are, in fact, from alien planets. But in the aggregate, the world is increasingly informed by satellite broadcasting and Internet networking; and there are people in *every* country who aspire to know and understand current conditions, trends, technologies, and values.

It is a useless stretch to depict cavemen rushing about to acquire the latest information about whatever might have

been considered a “breakthrough” in that time, but it is not erroneous to note that the world has progressed far from the cloistered monks who, alone, kept the light of knowledge alive throughout the Dark Ages. The pervasion of the English language coupled with increasingly universal technological platforms have made the transfer of knowledge widespread, feeding minds hungry to learn faster and to know more.

What’s being taught, and how well it’s being learned, are issues related to “intelligence,” of course. To be sure, no country can look at its literacy rate alone (United States: 96%; Philippines: 89%; Zaire: 72% — per SatelLife) and claim to have multitudes of scholars. But no society has ever prospered without a zest for learning higher proportionally to its



Taproot

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neighbors. Now, many countries and states are backing knowledge as an economic and cultural backbone.

Be Prolific

Search AltaVista < <http://www.altavista.digital.com> > by typing the word *productivity*, and you will be regaled with 400,000 responses. We have gone beyond the desire to simply be productive, at least in the industrialized countries. And we have made high-quality an assumed baseline on most products.

What we are emerging toward is a vast potential to produce with such volume and speed that we can discuss concepts like “mass customization,” the ability to serve *millions* of customers with mass production techniques while simultaneously meeting individual needs and desires. Just one hundred years ago, Henry Ford’s insistence on painting all cars black seemed sensible, given the standards of the time. Today, a person’s request to have a major automaker paint *one* car fuchsia may seem silly, but more and more people are saying, “Why not?” In just a few years, the automakers will say the same.

This is what we collectively desire: to be able to create at will a spontaneous, even bewildering, array of products. An Indiana University professor says that the typical grocery store stocks some 30,000 items! I suspect that no one really knows the total number of possible mutual funds you could invest in today. How many different kinds of pens could you find to buy, if I asked you to search this afternoon? H&B Recordings Direct, in

San Antonio, TX < <http://www.hbdirect.com/> > lists about a hundred versions of Beethoven's *Fifth Symphony*. How many fast food choices do you have to pick from tonight? The Biblical saying "Be fruitful and multiply" (Genesis 1:28) has a profoundly different meaning in the world of today and tomorrow. A growing population must be met with the capacity to feed and clothe it, let alone drive it across town. Thus, ideas on how to be more prolific capture our attention.

Be Connected

In 1996, I witnessed a presentation to a crowd of business people in Boston; someone on stage showed a photographic slide of an African tribesman using a cellular phone. Commonplace? No. And the photo perhaps misrepresents widespread reality. Yet there was a symbolic truth to the photo.

The world is shrinking by linking. In different countries I have visited, the skew of the media remains heavily focused on what's happening there, in that specific country. Certainly, the United States favors itself thusly. However, there remain absolutely no *technological* glitches to be ironed out if we want to know what's happening inside the government halls in Ottawa, Johannesburg, Auckland, Vienna, or Sao Paulo.

We have gone from the Alps-crossing conquests of Gallic and Celtic tribes by

Hannibal and the transcontinental outreach of Magellan to a time when Iridium, Inc., a program for total global connectivity capitalized by 17 major corporations, promises to make interconnections stronger, more commonplace, total. But such a technological marvel is but a fulfillment of Marshall McLuhanesque thinking that the media would increasingly become so pronounced that their existence and use would hold a message in and of itself. Thus, CNN is both a communications network and a fulfillment of our need to be closer to one another for reasons familial, governmental, and commercial. As a race, humans feel most comfortable when the others we seek and value are readily accessible. Even jet travel already seems like a s-l-o-w way to connect with others.

Be Happy

Several years ago, a book of compiled responses to the question "Are You Happy?" was published (Houghton Mifflin, 1986). Dennis Wholey pulled it together, and it made for a thoughtful self-assessment tool. Just by comparing how a wide range of others answered that question, one could start to mumble out his or her own answer.

While I can't say if *you* are happy, it does seem clear that the burgeoning entertainment and "fun" industries say something about the human need to deflect the world of work and enjoy boating, golfing, tennis or a hundred

other sports (don't forget darts!). Or perhaps you're seeking a week at a Disney park (Europe, Florida, California with more coming). Should Disney not do, there's always SeaWorld or Knott's Berry Farm.

Some people vacation by renting a cabin in the forest or a bungalow on the beach. Some go nowhere: they just watch a week's worth of new movies at the cinema. Books, compact discs, videos, interactive games — we have invented myriad ways to relieve our burdens and openly pursue fun. If one so desired, he or she could construct a week of video watching or song playing all about people not having fun. Nathaniel Hawthorne wrote "The Scarlet Letter" for didactic reasons; he never had Demi Moore in mind as an enhancement (or is that diversion?) to the story.

Lest this appear to be an endorsing paean to Dionysian liberality, one need only add up the time, people, capital, and personal energy now consumed under the



New Gold

© Tom Brown

banners of "entertainment," "sports," and "travel and leisure" to realize that the time of wearing hair shirts to show penance has passed. Though I might quibble with, even disavow, your selection of "a good time," each of us seeks some way to healthily balance work with pleasure. When that balance is out of kilter for long periods, or when it's denied completely, our roots cry out that something is wrong.

Be Harmonious

For some time, the heading for this human taproot was "Be Blessed." This phrasing seemed in accord with my own exposure to strong Judeo-Christian influences. The root seems more inclusive than that. For I have met many people of other religious persuasions, and some with none at all, who intensely desired to be one with some "greater force."

For many, of course, this means being one with God via traditional churches. Despite reports that some mainline churches are losing enrollment, yet others are growing into modern cathedrals.

Other people seek to be One via other means. Cat Stevens was a popular rock singer ("Peace Train," "Moonshadow," "Oh Very Young") in the 1970s. Then, seemingly overnight, he "vanished." Now, when you buy one of his cassettes, you will find a note therein declaring that he "left the music business to dedicate

his life to working for peace and spreading the message of Islam.” The note says that he is “both healthy and happy, living comfortably in England together with his wife and three daughters.”

Beyond the cassette, what’s magnetic is the 1984 letter from “Yusuf Islam” [Cat Stevens] included as well. He says, in part, that he “was almost at the point of giving up” when he encountered “the Holy Qur’an”:

...After I had read *The Opening*, it was as if suddenly, someone, somewhere, had switched on the lights and I was able to perceive the wonderful order of things which before I could barely feel in the dark... [T]he absolute and uncompromising belief in one universal God (Allah), the sole creator and Sustainer of the heavens and the earth... had a direct effect on my inner psyche and on my view of life. I realized that this “oneness” was the purpose behind the universe.... I believe that each person must choose which path he or she wishes to follow....

Be it Islam or Southern Baptist, be it the “Force” from the *Star Wars* trilogy or Mormonism, be it an all-embracing commitment to Greenpeace or some other environmental movement or a resurrection of William Wordsworth’s pantheism — humans need to be guided, pulled, by things Higher and Holier than their own basic human drives. Man is

-
- ❖ **Freedom**
 - ❖ **Health**
 - ❖ **Intelligence**
 - ❖ **Prolificacy**
 - ❖ **Connections**
 - ❖ **Happiness**
 - ❖ **Harmony**
-

truly lost when he has no “magnetic north” to guide his existence; we crave a North Star that we can believe in, be attuned to, and follow.

Historically, mankind has shown himself to be such a diverse and complicated creature that every one of us has hundreds of roots thrust into the world in which we live and labor. But these seven taproots have been, and predictably will be, the foundation for the colossal cycles of churn that make a safe and secure status quo a roller coaster. New ideas — backed by notable new ways or new products — from anyone in any of these seven areas have traditionally proven to be towering in consequence.

Which is why so many organizations, especially corporations, have flourished in their time only to face an untimely demise. Directed by placeholders who only know how to take what’s already been done and do it tediously more, a forward-sweeping churn brushes all

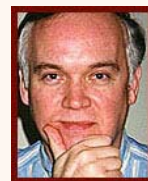
away. So, curiously, King John in the 1200s (after the “Magna Carta” brought new freedom) — and Ken Olson of Digital Equipment Corporation (after personal computers supplanted his myopic bet on mainframes) — can be seen as relatives of sorts. For a brief speck of time, both were mighty rulers, each in his own domain. Then, *churn*.

But it was *not* happenstance. It was *not* tragedy. It was not the mythical Fortuna playing games with human stakes.

The demise of any store, any plant, any government, any office, any shop, any factory is first a failure of an idea followed by a failure of place.

As Merlin said so often to his apprentice, Arthur, in T. H. Whyte’s *The Once and Future King*, “Might doesn’t make right.”

To learn more about the author...



www.thomaslewisbrown.com/bio.pdf

about the artist, H.L. Mac Thornton...

www.mgeneral.com/4-ebook/97-other/040197li.htm

The Anatomy Of Fire

Chapter 3: **Possibilities**

Quietus

Sparking A New Spirit Of Enterprise

Chaplet 3.3

By Tom Brown

- *This is the state of man: today he puts forth the tender leaves of hope. Tomorrow blossoms and bears his blushing honors thick upon him. The third day comes a frost, and nips his root, and then he falls.*

— English Playwright
William Shakespeare
(1564 - 1616)
in *Henry VIII*



There is no cemetery for companies that die.

There is no burial ground for organizations that no longer serve. There is no graveyard for businesses no longer needed. Although entities don't have a "sell by" or "use by" date imprinted on their charters, the shelf life of any group of people incorporated to fulfill a societal purpose is tangibly tied to its ability to face life's churn head-on — and prove worthy to endure. The vitality of the place where you invest your life's work is hinged to the vitality of the ideas which propel it toward the future.

Given that ideas create churn, it is churn (in truth) which creates any organization or company, whose primary wealth is inspirational, the founding vision. In turn, the organization or company creates work for all the others eager to build on the original idea. In turn, the fruitful work of the many creates patterns of notable achievement and productivity. In turn, such achievement and productivity create worldly success. In turn, worldly success creates material wealth. In turn,

material wealth creates an appetite to extract as much "gold" as possible from the original idea — in extreme form, this can become the desire for monopolistic supremacy. Unbounded supremacy, in turn, creates a fixation on squeezing the status quo harder *and yet harder* in an endless quest for "more! more! more!" until the founding focus of the entity too easily becomes containing others, exploiting all, profiting heedlessly — a nearsighted distortion of the incorporating kernel that started it all.

But such extreme success can often prefigure predestined failure. Such is the cycle of churn. For the percolating ideas of others will sooner or later attack today's *s'wonderful* with hard-hearted vengeance, reducing it tomorrow to a *s'was*. Call it, kindly, *myopia* — or, angrily, *greed* — this cycle explains why placeholders will never be called leaders.

Just look at the seven taproots of colossal change. Even after hundreds of years, we continue to see placeholders who:

...have taken the taproot of freedom — and increased their attempts to enslave...

Governments enslave people and imprison journalists while people on the whole travel about ever more freely and obtain needed information quicker and easier than ever before. Shackles on the ankles and shackles on the mind are

bonds that tie people to slaveries which no longer fit a world woven together by a free-roaming, open, global mindset.

In commerce, well-known companies have stumbled badly defending mainframes over PC's. Does any telephone company have a future today which believes metal-based land lines will still define "telecommunications" in 2010? Old-think insurance companies continue to haunt the marketplace trying to snag the attention of those who are managing their own family's financial security through prudent cash management and investing — *prosurance*, if you will.

...have taken the taproot of health — and sanctioned the opposite...

Governments, rather than fully educating their populations about the negative impact of lung-blackening tobacco and mind-warping drugs, have instead unwittingly promoted a citizenry plagued by illness and huge health-care costs. Enforcing laws or imposing taxes has been a poor substitute for informing and teaching people the consequences of partaking pervasive poisons. Commercially, how long can companies sell foods high in fat and low in caloric quality? And all those companies which provide products and services for people who are sick will themselves prove to be unhealthy places to work if the population as a whole starts to manage its health as rigorously as some have already learned to manage money.

...have taken the taproot of intelligence — and supported the asinine...

Governments have confused "liberality" and "a liberal education," thereby reducing the net thinking ability of an entire nation. Can any nation afford to have its schools and universities listless and lax when they should be brimming with educational energy? Can any nation afford to have its students simply go to school, when they should be growing in school? Moreover, while the world's technological power is awesome, the technological prowess of an entire generation has been segregated into those who can compute and those who can't, based too often on the intellectual and economic base of a child's parents.

Commercially, can network television and popular movie making, as conducted now, stand up to those segments of the population which prize (and therefore promote) broad-thinking literacy and, more than that, brilliance? What will happen when the power of the audiovisual media are channeled into an educational force that breeds *super* students? Can any company survive which, repeatedly, insults the thinking ability of its diverse audiences?

...have taken the taproot of proflicacy — and forgotten customer satisfaction...

Many governments now have national productivity measures if not special

“centers” for the study and promotion of greater productivity. Why?

Think about the migration of people in the world: every boatload of emigrants from one country reveals that, by and large, they are trying to emigrate to countries that have *more choices* for their citizens in just about every area of life: education, radio stations, cars, toothpastes. The poorest countries on the planet are those in which productivity (and, sadly, its citizens, as well) mean nothing.

Commercially, one would expect that a dazzling array of products (and high efficiency in making them) would yield a parallel zoom in customer service. Of course, making something and servicing it seem to be something akin to bilingualism in most companies today.

Even industries that are, in and of themselves, almost *totally* service-based (for example, banking) have not shown an equivalent ability to generate satisfied customers. Sure, banks can now clear checks in record time, but they have been slow-footed in winning all the financial business of customers who continue to clamor about insensitive bank employees (much to the delight of the burgeoning mutual funds industry!)

For all its accessible promise, even “mass customization,” remains more a theory held in place rather than a practice exercised across the board.

...have taken the taproot of connections — and emphasized divisiveness...

Governments which have overlooked, or discounted, the world’s globalized economy have had nothing but unique trademarks or protectionist tariffs to make it competitive. Every attempt by a civic body to lock borders, restrict communication, handcuff language is taken for what is it: a blind (and ultimately futile) attempt to subjugate its people further: by *not* allowing them to compete on the playing field of ideas.

In commerce, companies have been growing ever larger, the mega-corporation now the standard mode for many. But “divisions” in these companies (and even in many small ones) are still norm. People who could talk and work with others across a broad organizational and geographical spectrum too often remain constrained because of imposed internal “borders.” For example, a multinational company which spends nothing to promote inter-cultural understanding along with language training will never become truly global. It won’t know how.

...have taken the taproot of happiness — and subsidized sweatshops...

Governments that can only prove their need to exist by waging wars against neighboring states are practicing the most unwholesome vanity there is: the people need *us* as protection from *them*. “Life, liberty, and the pursuit of happiness” is a

phrase that is now a cliché in the United States. But whether it's a phrase that is novel or trite, the question soon will be which societies in the world best provide their citizenry a life balanced by honest labor and honest *joie de vivre*. For it was precisely this promise which has drawn people to the United States from virtually every country around the globe. It is entirely possible that other countries may now be learning how to compete with the U.S. not just economically, but in the social context as well.

Commercially, the anger, frustration, and doubt that has built inside many companies today is a fearful reminder that it is not boiler room temperatures, alone, that make a sweatshop — it's working under the yoke of petty tyrants, gross insecurity, and inhumane work practices. How long can a company survive when its workers feel like slaves on an 1800's southern U.S. cotton or sugar plantation? Just look at any set of results from corporate attitude surveys to realize that few people seem to feel that they are better humans for the work they do. Put another way: how many people actively promote the idea that their own children should, when employable, work in the same companies that they do?

**...have taken the taproot of harmony
— and endorsed mammon...**

Governments which recently have focused intensely on boosting their Gross National Product have dangerously neglected their Gross *Civility* Product,

their Gross *Cultural* Product, their Gross *Enjoyment* Product. A country that cannot afford a rich investment in arts and arts education is bankrupting the spirit of the society. Economic health should be a stimulus to healthy music, parks, urban thoroughfares, families, and workplaces. Denied such "remuneration" for all their hard work, who will continue (and for how long) to offer their heart's work? Not finding reward in what one does is especially hard for a "me-generation." The problem with a me-generation is that it does not generate kinship with any higher Spirit — political, communal, or religious. Personal economic success, alone, is sham success.

A population that only knows how to earn (or borrow) and immediately consume will, sooner or later, come to scorn the limits of material ingestion. A splintered populace that only knows how to root for a distant and overpaid professional sports team soon can't

**A company without
larger meaning is a
company driving on
empty. A company
that cranks is no
match for a company
that cheers.**

imagine why it should root for itself. A citizenry that trusts no one soon has faith in nothing.

In commerce, every company that has transmogrified a larger calling into *just* an economic bogey has paid dearly with the growing distrust and antipathy of its workforce. People striving to achieve a bona fide vision tend to be caring workers; people striving to fill out someone's ideal spreadsheet are mechanistic tools. People who cannot see their labors creating better households, better lifestyles, and better children will soon start coming to work either terrified or disenchanted. Commercial entities operate under the same stricture: a company that has been reduced to an economic engine is not viable in the long-term because it, too, will be frightened or fretful about the future. A company without larger meaning is a company driving on empty. A company that cranks is no match for a company that cheers.

If one appraises the churn of the world by considering only the last ten years or so, one can easily miss the lessons that a longer view of history can impart. Contemporary events often make much more sense if one appreciates the longer trendlines, especially in terms of taproots:

- constrictive communism and its opposition to political freedom *had to fall: the world is moving toward greater freedom*



Treat Yourself To The Past

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- tobacco companies *had to pay back profits: the world is moving toward higher standards of health*
- monopolistic television and radio networks, and their inane programming, *had to give way to unlimited opportunities to learn via cable and satellite links: the world is moving toward greater intelligence for more people*
- reengineered (and now record) productivity capabilities by companies *had to give rise to calls for civic responsibility: the world is moving toward productivity with a purpose*

- the ability of computers to talk to one another *had* to generate an Internet that defies, almost by definition, any attempt to confine people's desire to reach out and communicate: *the world is moving toward a capability to connect universally, instantaneously*
- cut-to-the-bone layoffs and work-without-end *had* to create conditions in which people begin to opine the low quality of their personal lives: *the world is moving toward a quality of life that's commensurate with its quality of work*
- companies crazy with making insane profits *had* to be audited on how well they conveyed a sense of "corporate soul": *the world is moving toward a motivational force greater than greed*

"BUT!," many will say, "this has not been my experience! This is not what I see when I tune in the evening news. I see terrorism, and nationalistic narrow-mindedness, and companies making record profits that routinely treat me, its customer, with an I-don't-care attitude. Taproots of change? Hooey! It's hooey!"

Looking at the world with timeline binoculars that only see backward a dozen years, it's impossible to see how far we've really come. What's important

is to stop and consider where we've come, the human race, since all the world looked like the rough terrain of a Yellowstone. Even more importantly, it's important to stop and note that it is the prevalence of placeholdering today, the absence of leadership, which infects our capability to see the world bathed in brighter, warmer rays. As humans, we are destined to get older, also better, if we lead ourselves in that direction.

Yet in so many examples we could cite, and then detail, a placeholder mindset prevailed in the company or organization that is crumbling, quickly or slowly, into oblivion. Given the taproots of history, the enemy of Third World dictatorships is much more to be found in churn rather than the enemies across their borders. The problem with the largely-symbolic British monarchy is oft tied to the mating practices of its younger members; actually, the problem is in its irrelevance. And the future of China is now tied to Hong Kong, not at all vice versa.

A few years ago, I sauntered into a McDonald's restaurant located on the busy stretch of tourist attractions in the Orlando, Florida, area known as International Drive. Filling one wall of this fast-food haven was a dramatic photograph of a great whale swooshing its enormous tonnage into spray of white-frothed water. It was a gripping photo. Below the photo were these few words: *Extinction is forever*. I don't know what I ate that day, but the memory of the mini-lecture on that wall has stuck with me.



Unanswered Questions ...

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There are real risks in entrusting one's destiny to placeholders. That Orlando McDonald's had it right: *The ultimate price of placeholdering is extinction*. So although there are no cemeteries, burial grounds, or graveyards for placeholder concerns, the relentless, unstoppable, unbeatable trek to the next century means that more and more placeholders will stumble and fall, replaced by a leaders with a human urge to make human life better.

Churn, then, will not subside. Given the number of placeholders clutching onto power and profits today, churn will more likely increase tomorrow. Any government or community that isn't liberating its people to produce more, live better, and connect with the world cannot effectively rule even though its GNP-like measures soar to meteoric levels. Any company or corporation that isn't directly or indirectly supporting health, learning, social fulfillment, and meaningful work — whether it processes retirement checks or crushes rock or

writes encyclopedias — has absolutely no warranty for its survival in the future. Count it a life verity that placeholders never hold their place.

The viability of any entity cannot be severed from the viability of the ideas which gave it birth. Pharaohs, quill pens, health as the manipulation of “four humors,” stagecoaches, socialism, manual typewriters, the Bastille, a limited number of television networks — all of these passed into quietus when the ideas that lifted them to greatness died. So Solman and Friedman conclude their book, *Life And Death On The Corporate Battlefield*, by saying “you can never rest easy.”

And this is emphatically true if you are a placeholder or you are aligned with one.

**The viability of any
entity cannot be
severed from the
viability of the ideas
which gave it birth.**

It's just a matter of churn before your time has expired. And yet... And yet...

As I write this, I am playing what is perhaps the most famous composition of the turn-of-the-century American composer, Charles Ives. “The

Unanswered Question” was written in 1906, and commentator J. Peter Burkholder explains (in his notes to the 1990 rendition by Leonard Bernstein on Deutsche Grammophon D-105598) that Ives (an insurance salesman so successful that when he won a Pulitzer Prize for his Third Symphony, he gave the prize money to a fellow composer) intended the piece as “an exploration of spiritual rather than mundane experience.”

Play the piece for yourself. For me, it raises moods akin to being in a cemetery. Orchestral strings, vibrating at their highest pitch, meet a pensive trumpet, which solemnly deflates each and every attempt by the other instruments to move the composition to some level of vibrancy. Burkholder further explains:

The strings play slowly changing chords in G major, representing “The Silences of the Druids — who Know, See, and Hear Nothing.” The trumpet intones “The Perennial Question of Existence,” a curving atonal query repeated seven times. The flutes, oboe, and clarinet search for an answer, becoming louder, faster and more active with each attempt: but the Question remains unanswered, and finally they give up the quest as futile, mock the Question, and disappear. The Question sounds one last time, and the strings fade to nothingness.

Charles Ives’ haunting, somber, mournful music is a placeholder fugue: with all their getting, they did not get

understanding. So, when the moment of their demise comes — be it by revolution, takeover, or bankruptcy — and all that remains is a grim organizational gravestone (no matter how pricey the casket!), they sit with one unanswered question. Once socially victorious, now ideologically vanquished, they can only feebly reflect on the exceptional enterprise whose leadership *didn’t* succumb to life’s churn.

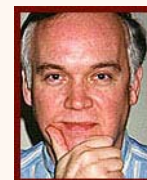
Speculating first that it might be attributable to “pure luck,” then ascribing such endurance to wisdom approaching the mystical, The Question for the placeholder, clenching his clenched red-finger-tight, remains, alas, Unanswered:

What else might I have done?

What else might I have done?

What else might I have done?

To learn more about the author...



www.thomaslewisbrown.com/bio.pdf

The Anatomy Of Fire

Chapter 3: **Possibilities**

Invincible

Sparking A New Spirit Of Enterprise

Chaplet 3.4

By Tom Brown

- *In terms of laboratory research, the search has been thorough and intensive. Our epoch could not go any further. Certainly we have achieved a profound break with the past. The proof that the revolution has been radical is demonstrated by the fact that the words expressing fundamental concepts — drawing, composition, color, quality — have completely changed meaning.*

— Artist and Modernist
Pablo Picasso
(1881 - 1973)



- *Complications are always easy but another vision than that of all the world is very rare. That is why geniuses are rare... to see the things in a new way, that is really difficult....*

Picasso saw something else, not another complication but another thing, he did not see things evolve as people saw them evolve in the nineteenth century ... in other words ... he did not see as all the others did, as all the world thought they saw

— **Author and Critic**
Gertrude Stein
(1874 - 1946)

Exhume the bodies of every placeholder who ever lived, disinter the remains of all those who held firm when moving ahead was what society needed, unearth the crumbling skeletons of those who were so mighty in the past, then fell, and you will find a pair of blinders still gripping their temples. Made of opaque fabric that grew thicker with time, they can be easily identified by the words scored into each eye patch of black, the only words the placeholder ever really saw or understood: at one eye, *Right* — at the other, *Now!*

Tyro or tyrant, in politics or commerce, in education or religion, in town hall or family home, placeholders amass, stockpile, and covet all that they can acquire and ferret away *right now*. And when the safety of *right now* is threatened, they invariably spin ever thicker cocoons of control, dogma, acreage, or coinage — whatever be the currency they value — and choke. Placeholders worship *right now* and usually die (I suspect) without anyone knowing whether they realized at the end that they had saluted, all those years, an

apparition. In the holy quest to be invincible *right now*, their lives became a sacrilegious waste. No one can ever recall their legacies *right now*.

We need not speak of 12th Century Chinese dynasties or 19th Century Russian czars. We can overlook the legions of doctors who, as late as 1850, prescribed leeches for afflictions as diverse as insomnia to insanity. Forget even that in this century, a popular cookbook, *Three Meals A Day* (J. R. Peper, 1915), billed on the title page as “The Great 20th Century Cook Book” offered recipes for “Summer Diseases” that included a “1/2 ounce of gunpowder” mixed with alum, saltpeter, cream-tartar, and sulphur. In my own life, my mother smoked; ate meat, cheese, and milk freely — at all meals; and exercised little in later years (just when she needed it most!). Her doctor seemed sanguine about all this. Bless her soul, but my own life regimen is polar-different from hers (if otherwise, my doctor would be enraged!). Yet look

There is no better field to study the deleterious tendencies of placeholders than in business.

around: many people *still* revere the diet and lifestyle of an earlier generation. Placeholding is pervasive.

There is no better field to study the deleterious tendencies of placeholders than in business. “Of the top twenty-five industrial corporations in the United States in 1900, only two remain in that select company today.” The writer is Thomas J. Watson, Jr., the son of IBM’s founder and the man most credited with moving an overwhelmingly successful (and lugubrious) company built on clickety-clack punch cards into transistor technology. This is how he opens *A Business And Its Beliefs* (McGraw-Hill, 1963). He goes on:

One retains its original identity; the other is a merger of seven corporations on that original list. Two of those twenty-five failed. Three others merged and dropped behind. The remaining twelve have continued in business, but each has fallen substantially in its standing.

Figures like these help to remind us that corporations are expendable and that success — at best — is an impermanent achievement which can always slip out of hand.

“If you look at them in the light of their potential, most commercial corporations are dramatic failures — or, at best, underachievers.” The writer is Arie de Geus, the man often credited with the successful installation of long-range

thinking in Royal Dutch/Shell and often cited as the founder of the concept of “the learning organization.” This is how he opens *The Living Company* (Harvard Business School Press, 1997). He goes on:

The average life expectancy of a multinational corporation — Fortune 500 or its equivalent — is between 40 and 50 years. This figure is based on most surveys of corporate births and deaths. A full one third of the companies listed in the 1970 Fortune 500, for instance, had vanished by 1983 — acquired, merged, or broken to pieces. Human beings have learned to survive, on average, for 75 years or more, but there are very few companies that are that old and flourishing.

The data points are everywhere. Dun & Bradstreet reported that there are nine million companies in the United States alone. Of these, 73.9% are *25 years old or less*. Only 2.5% are more than 75 years old. Given trendlines like these, it’s not amazing that the chatter at the office coffee counter is that such marketplace upheaval is taken to be the consequence of an “evil” churn — the corporation as victim. Still others see it as decay, the ever-faster wearing down of the great things that mankind has built in community and commerce since his stone-and-meadow “Yellowstone” years.

Both points of view are akin to the life philosophy of the nomadic *bedu*, who

populated the Arabian peninsula in the Sixth Century when Muhammad preached. As Alan Jones, an Arabic and Islamic scholar at Oxford University, summarized: “The *bedu* had little or no religion. Their poetry makes it clear that their basic belief was that Fate ruled their destiny and that sooner or later Fate would bring death.” But it cannot be stressed too often: *the demise of any store, any plant, any government, any office, any shop, any factory, is first a failure of an idea followed by a failure of place.*

“Decay is hardly the word for what is happening to us. We are witnessing changes so profound and far-reaching that the mind can hardly grasp all the implications.” The writer is John Gardner, a former federal cabinet officer in the United States government and the founder of Common Cause. This is how he opens *Self-Renewal* (Norton, 1981). He goes on:

Yet no one can fail to see in some segments of our society the dry rot produced by apathy, by rigidity and by moral emptiness. Only the blind and complacent could fail to recognize the great tasks of renewal facing us — in government, in education, in race relations, in urban redevelopment, in international affairs, and most of all in our own minds and hearts.

“Renewal,” however, is not a word placeholders relate to. Renewal is the antithesis of *right now*. But what is

worrisome *right now* is how so many people around the world are blind, are complacent, to the churn to come. Placeholder is pernicious. It creates

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bloat, then invites people to gloat; but humans are never so vulnerable to setback as when men and women stop questioning the status quo.

Our taproot history points to a 21st Century in which men and women are: free to grow to optimum individual potential, healthy in mind and body, educated to the point of personal wisdom, productive to the point of plenty, connected to the rest of the world, happily fulfilled by the challenges of life, and in harmony with some Greater Good. Throughout time, we esteem those leaders who have advanced these trends

— technologically, politically, socially, or commercially. This is our common heritage; it is also our common calling. Why, then, are so few today willing to discuss either the ideal community or the ideal corporation?

Without detracting from the achievements of a New York, a Sydney, a Tokyo, a Buenos Aires, a Paris: can any of these afford to wake up one day to find placeholders in charge who allow some of the population to be free to expand personal horizons while others are enslaved by want, lack of opportunity, ill health or an inferior education? Are the cities in which we live *right now* acceptable cities for tomorrow?

Without detracting from the solid achievements of an AOL/TimeWarner, a Glaxo Wellcome, an Exxon, a Northern Telecom, a L'oreal, a Monsanto, a Sumitomo Bank, a Disney, or a Boeing — can *any* of these afford to wake up one day to find placeholders in command who emphasize profit over progress, make innovation a concern only of those spun off, promote quality of work at the cost of quality of work life and quality of management, or operate without regard to social responsibility? Are the companies we gloat over *right now* the corporations to ride into the future?

It is a curious, yet cogent, connection: Alexandria, centuries ago, was the international crossroads of commerce, communications, and knowledge.

Somehow, someone let it go. A hundred years back, I could have named 25 U.S. companies most everyone would have known, probably revered. They're almost all gone. Where would you go today to find even the list of their names? In each and every case, someone let it go. It is a curious, yet cogent, question: in a



Fortune Maker

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world of colossal churn, how does one become invincible? Since corporations are the city-states of our time, let's focus on one company to start to answer that question. Although I have not done this, I suspect that I could stop a man or a woman in almost any country on the planet, mention General Electric, and beget a knowing nod. General Electric, and its former CEO, Jack Welch, appear to have been the stuff of business and social legend. If any organization, if any business luminary, has a chance to endure, surely it must be GE, no? Let's think about this:

* With more than \$126 billion (USD) in sales, GE was *Fortune's* 2002 "Most Admired Company" — and stockholders

continue to smile as they reflect on its more than \$13 billion in profits.

* GE is one of those companies with the luxury of billions sitting in cash, as the new CEO, Jeffrey Immelt, and other top executives think of constructive ways to spend it.

* In terms of the famed Fortune 500, GE's current listing is sixth; that's down from GE being in fifth place in 2001.

* At one point, a few years back, *Fortune* pointed out that GE was operating 12 distinct businesses, "eight of which are big enough to be on the 500" list. (GE's financial services arm, GE Capital, alone would rank 20th, according to the magazine at that time.)

* When I speak to groups of managers or executives and ask them to name the companies where they would like their own personal pension or savings invested, GE is always in the Top Three.

* Welch and GE, of course, were the subjects of *Control Your Own Destiny Or Somebody Else Will* (HarperBusiness, 1993), a best-seller — even today! The book by Noel Tichy and Stratford Sherman profiles the tumultuous rein of Welch when he first became chairman of GE, when he launched a "revolution" inside the sleepy business giant. And while Immelt does not seem to be getting the same kind of intense admiration, he is getting the same level of intense scrutiny as Welch ever did.

* And though Jack Welch is gone, he's really not. He wrote *Jack: Straight From The Gut* (with *Business Week's* John Byrne), a best-seller that still generates personal appearances for Welch (and speaking fees!) around the world. For these reasons, or others, Welch has repeatedly been named as a "most admired" CEO in one poll or another. Even some bad press about a romantic dalliance with the editor of the *Harvard Business Review* (and news about his subsequent divorce) does not seem to have toned down the sustained universal admiration for Welch (and, by extension, for General Electric).

Now, to put it all together: the popular logic is that if ever there were a company that had become invincible to churn, this was the real thing. It's popularly believed that GE won't ever be listed in a business book that talks about has-beens. GE will be around in the 21st Century, most ever, and even the one after that! To many, GE is the safest, most secure, corporation on the planet. *Right now*, it is invincible, and appears to be eternally so. That's what everyone says. Is it true? Only the "final" article on "Jack Welch's GE" will be able to pinpoint whether he was, in retrospect, a placeholder or leader. In truth, it will be most interesting (say, in 2005) to see how much of Jack Welch's GE remains; already there are rumored sell-offs of some of Welch's most prized business lines.

Clayton Christensen, in *The Innovator's Dilemma* (Harvard Business School

Press, 1997), has a unique perspective on companies and business chiefs like Jack Welch. Christensen talks about “good companies” that “stumble for many reasons ... bureaucracy, arrogance, tired executive blood, poor planning, short-term investment horizons, inadequate skills and resources, and just plain bad luck.” (The list would be the same for failed governments, would it not?)

Christensen notes that he has seen corporate deflation in both fast-moving and slow-moving industries. And he mentions Sears and DEC as two notable examples. In Sears’ case, Christensen notes that “at its zenith Sears accounted for more than 2 percent of all retail sales in the United States.”

He goes on to credit Sears with being an innovator *par excellence*: “It pioneered several innovations critical to the success of today’s most admired retailers: for example, supply chain management, store brands, catalogue retailing, and credit card sales.” He quotes a 1964 *Fortune* article that extols “an extraordinary powerhouse of a company.” Then Christensen appropriately changes tone: “Yet no one speaks about Sears that way today.”

DEC is closer to GE, both of them being manufacturing titans. Here, too, Christensen has exhumed some fascinating then-and-now examples. He quotes *Business Week* in 1986: “Taking on Digital Equipment Corp. these days is like standing in front of a moving train.

The \$7.6 billion computer maker has been gathering speed while most rivals are stalled in a slump....” He also notes that in *In Search Of Excellence* (perhaps the greatest business best-seller of all time) DEC was highly esteemed; that book, of course, was based on an extensive McKinsey Consulting study. Then Christensen appropriately changes tone; he cites a *Business Week* article on DEC written just 12 years after the first



The Broken Chain

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one: “Digital Equipment Corporation is a company in need of triage.”

It seems to be an enigma. Based on these two examples, one might wonder, in the case of GE’s heralded stature today, whether to view it as the entrepreneurial exception, *a company that lasts*, or whether to view it as a company that has assuredly peaked, a corporation about to be buried, a company whose stock should be converted to cash and reinvested elsewhere *before* the name “Jack Welch” evokes a puzzled look from passersby.

In a world of colossal churn, how *does* one become invincible?

There is, of course, no quick answer that satisfies. To be sure, GE, its executives, management, and workforce, must continue to be on the bow wave of taproot change in all of their businesses. For now, making jet engines has proven to be a leading-edge decision for the company; there is (despite the threat of terrorism) no better, more reliable way to travel. This business aligns with people wanting to be more free, to travel, to connect.

In GE's mainline businesses (say, major appliances), their future is less clear. They have pushed hard on costs in order to have competitive prices. They have also bet heavily on a washing machine with a breakthrough engineering design that has generally met with good reviews. As always on such items, people raise questions about quality and styling. To reengineer is not necessarily to improve.

Remember when the stars of "Saturday Night Live" used to lampoon their own employers as the "Nobody Basically Cares" network? GE's 1980's purchase of an established television network, however, looks less prescient against the backdrop of time. GE's National Broadcasting Company business unit (in collaboration with Microsoft) seems to lack the cable television conviction of a CNN, one of cable's pioneers. Flip through the 50+ channels that we all seem to have these days, and one must ask if MSNBC is a brilliant standout in terms of educating and communicating — or is this channel simply more talk?

Along these same lines, GE's consolidation of financial services into a mighty business group (which has grown to become a large portion of their overall business, as noted above!) raises for some the question of GE's core mission and purpose. Did the founders of GE really conceive it to be a place to make money *with* money? Is this the future of the company: a *bank* of some sort?

To be sure, GE must strive to be ahead technologically, politically, socially, and commercially in a very diversified spread of businesses. It must face the challenge of churn just like any other company or organization: if it invents washing machines (or whatever) that are different from the past, but not better; if it maneuvers to cozy up with governments that assure GE guaranteed business while also oppressing people; if it guzzles vast profits from society without acknowledging through contribution and charity that it is a guest of society, not its treasurer; and if it becomes a beast of a company to do business with, one that treats its base of customers as an encumbrance, or, worse, mere patsies to twirl for profit — then it is safe to say that GE's days in the sunshine of success will be an easy, and small, number to calculate. Remember when Enron was a worshipped corporation, championed in the press and business books alike?

The actions above, ones which would trigger immediate negative press, are *not* things that GE has done — but perhaps it will help you to see how easy it is for

companies to shine one year and then become pale shadows the next. Churn only accelerates the rate at which life-and-death hurdles come to any company running toward the future. The pace is more frenetic today than ever. These are delirious, *wonderful* times in which to live!

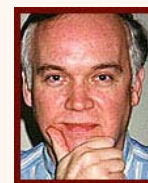
GE is symbolic — yes, emblematic — of our Age on the planet. GE, and we, have taken the raw stock represented by the rough, unchanged nature still extant in a Yellowstone National Park, and we have shaped, formed, milled, packaged, purveyed, and profited to an extent that draws raves. But each day, this man-made monolith must awaken and decide if it is travelling through time collecting and hoarding all that it can — or if it is on a journey to lead society to exciting and helpful vistas unvisited, perhaps even unknown. So must we all. This is what Gertrude Stein was talking about when she described her friend, Pablo Picasso, as “a creator”: someone who “is not in advance of his generation but he is the first of his contemporaries to be conscious of what is happening to his generation.” And, with that consciousness, Picasso chose to be a leader, to take the world of art to a higher plane of achievement.

The security sought by placeholders ultimately gravitates to a place: tangible assets that can be created, calculated, and banked. People are simply a conduit to

get to what really counts. Placeholders always worship the most current of currencies, something of value *right now*. For placeholders, security is the last refuge of the insecure. But churn buries all placeholders, surely and soon. If there *were* graveyards full of doomed dynasties and crushed corporations, you would see that the chain of collapse is seldom broken, that the *bedu* were more wrong than right, that Fate cannot stop the country, the corporation, the person who can summon fresh-thinking enterprise to ride the waves of churn to new levels of success, usually at the expense of all those “secure” placeholders.

Real security, that sought by leaders ultimately gravitates to *a new idea*: assets that only grow in the human mind. People are thus the most-sacred resource; they are the keys to life’s largest locks. Leaders always worship the most current *frontiers*, they seek for something that will be highly valued *tomorrow*. They are the primary source of churn. For leaders, security is a state of find.

To learn more about the author...



www.thomaslewisbrown.com/bio.pdf

about the artist, H.L. Mac Thornton...

www.mgeneral.com/4-ebook/97-other/040197li.htm