

Thriving on Chaos: Handbook for a Management Revolution
A Book Review

Tom Peters, the author known for his management books *In Search of Excellence* and *A Passion for Excellence*, says it straight out in his preface to *Thriving on Chaos*: “The winners of tomorrow will deal proactively with chaos, will look at the chaos per se as the source of market advantage, not as a problem to be got around. Chaos and uncertainty are (will be) market opportunities; capitalizing on fleeting market anomalies will be the successful business’s greatest accomplishment.”

Peters has developed “the essence of proactive performance in our chaotic world” in this book first published in 1987. Using 45 prescriptions that build from one chapter to the next, he has created a “must do” list for our rapidly changing environment. He reinforces the urgency by suggesting that the point of this approach is not *to be* excellent—since “*to be*” implies a final destination, and ending point—which Peters cautions against. To his way of thinking, “*excellent*” organizations are those that constantly adapt and evolve to meet the need.

His five management areas to address a world of chaos are:

- ✓ Create Total Customer Responsiveness
- ✓ Pursue Fast Paced Innovation
- ✓ Achieve Flexibility by Empowering People
- ✓ Learn to Love Change: a New View of Leadership (that loves change and shares an inspiring vision)
- ✓ Build Systems for a World Turned Upside Down (systems that measure the “right stuff” in your environment)

Each has five to ten prescriptions, built to support the five management “goals” of customer responsiveness, fast paced innovation, flexibility through empowerment, loving change, and building systems. Each has a “superordinate objective” supported by the remaining prescriptions. The objectives for each area are developed below:

- ✓ Specialize/Create Niches/Differentiate (Customer Responsiveness) – success comes to those who add value by developing services or programs that create new opportunities.
- ✓ Invest in Applications-Oriented Small Starts (Fast Paced Innovation) – use the remaining prescriptions to create successful innovations. Retain your competitive edge by close scrutiny of current services and programs, and a willingness to scratch even the successful ventures. Start new products and services that challenge your successful programs BEFORE someone else does.
- ✓ Involve Everyone in Everything, and Use Self-Managing Teams (Flexibility through Empowerment) – “people must become the primary source of value-added, not a “factor of production” to be optimized, minimized, and/or eliminated.”

- ✓ Master Paradox (Love Change) – challenge the status quo, celebrate new ideas, and learn to live with paradox. To paraphrase Tom Peters, learn to control the ship while simultaneously throwing everything up for grabs.
- ✓ Measure What's Important (Build Systems) – simplify systems and measure the right things. Suggested areas for measurement: quality, innovation, flexibility . . . even “red tape” cutting and bureaucracy-bashing.

In his appendix, Peters draws a parallel to a battle during the American Revolution, which pitted the conventional British Army (dressed in red coats) against the Green Mountain Boys of Vermont. The British stood in line and fired on concealed sharpshooters adept at using their environment to their advantage. He suggests that “Perhaps we need . . . organizations that evince the spunk and agility of the (colonials), rather than the formality of the British—a formality that was out of touch then . . . and is out of touch now, in the reality of our (current environment).”

In a stylized fashion, he then lists the characteristics of the conventional, formal, out of touch organization that spell disaster:

1. The “corporate center”—a traditional, largely invisible, impersonal circle with downward communication via chain of command. Formal declarations like policy manuals and strategic plans are favored. “Long term thinking . . . and peering into the future take place” exclusively at this center.
2. One-way, functionally narrow communication via rules and procedures—communications and control are primarily through rule books, procedures, and memos.
3. The corporate center is protected by “a phalanx of brilliant, generally (advanced degreed) staff without line operating experience. This group isolates the leaders even more by taking input from below and reducing it to “fourteen-color computer graphics with all traces of blood, sweat, tears, and frustrated customer feedback wiped away. On those attempts where (they) reach out directly, (they) prove to be as good at cutting off their superiors . . . as they are at cutting off the flow of unexpurgated information from below.”
4. Functionally-narrow cop / middle managers—sit directly on the communication path between top and bottom. (S)he is, “first and foremost, the guardian of functional turf” and is a “filter of data” from the top and the bottom.
5. A “thick, opaque barrier” between the organization and the outside (suppliers, customers, and consumers) that blocks communication in and out of the organization.
6. “Formal receptacles for the scheduled collection of information” from outsiders which is rigid, focused, and hierarchical. Both the timing and the format is largely predetermined.

That leads Peters to describe **“The flexible, porous, adaptive fleet-of-foot organization of the future: Every person is “paid” to be obstreperous, a disrespecter of formal boundaries, to hustle and to be fully engaged with engendering swift action and constantly improving everything.”**

How would you score yourself for:

Total Customer Responsiveness	_____
Fast Paced Innovation	_____
Flexibility via Empowered People	_____
Learning to Love Change: A New Leadership	_____
Building Systems to Measure the Right Stuff	_____

How would your customers respond to the following. Do we have:

1. a corporate center mentality?	Y	N
2. a functionally narrow communication, with control through rule books, memos, policies?	Y	N
3. a protective “phalanx” of managers?	Y	N
4. a cop / middle manager who filters info.?	Y	N
5. A “thick opaque barrier” to the outside?	Y	N
7. Formal receptacles for predetermined data collection	Y	N

If you would like to become a “flexible, porous, adaptive, fleet-of-foot organization of the future”, contact your Practice Improvement Specialist to request technical assistance and consultative help.