



# Featured Book Review

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## Corporate Rebels With a Cause

How Counterculture CEOs Are Leading a Bottom-Up Revolution

Review by Nan Bauroth

Every time the business world turns around, some radical, free-thinking biz-kid is upsetting a Fortune 500 company by operating on anything but conventional B-school wisdom. Even more unsettling, the new or sometimes reinvented entities spawned by these unconventional CEOs appear seemingly out of nowhere, disrupting industries across the board.

Fortunately, *Mavericks at Work: Why the Most Original Minds in Business Win* makes sense of this new corporate chaos theory — but buckle your seat belt because you're in for a ride. Within the first chapter, *Fast Company* magazine co-founder and founding editor William C. Taylor and former senior editor Polly LaBarre catapult you into a world of companies masterminded by CEOs operating on a decidedly different plane.

In only a few pages, it becomes obvious that to survive in this strange new dimension you will have to forget everything you've ever learned about how to create or run a company. In the view of the authors, the only way to succeed going forward will be to rethink the whole logic of how your business gets done — from strategy, to marketing, to human resources, to the workplace environment. The more unorthodox your approach, the better.

Take, for example, the time-honored adage about the fallacy of being different for difference's sake. It turns out that for the companies profiled in the book, being different — as in *far out* — has made all the difference in the world.

As for adherence to P.T. Barnum's sales philosophy that there's a sucker born every minute, maverick CEOs don't buy that attitude; they operate on the heretical principle that the company with the

*smartest* customers wins.

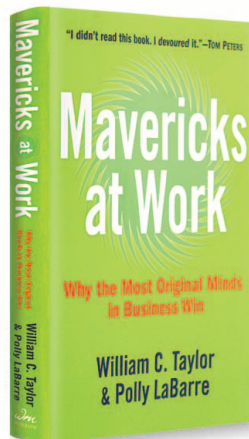
To give credence to their argument, the authors rocket through an eclectic group of upstart companies they view as hotbeds of original leadership thinking. Cases in point include an animation studio, an ad agency, a teddy bear manufacturer, an airline, a sandwich-shop chain, two banks, a circus, a fashion store, a construction company, a TV network and even a gold-mining enterprise. To add to the rush, the authors spike each chapter with jolts of unorthodox and winning concepts from newbie brand names like Starbucks and The Apple Store.

No one would argue that the reason so many companies are falling victim to disruptive technology and concepts is a myopic "me-too" mentality in which their strategy is based solely on their current competition. In today's suddenly-without-warning world, however, the player most likely to steal your business will be outside your known circle, and in some cases, outside your industry.

### Rethinking Your Competition

The authors explain that you must turn your company into a cause. In effect, think of your strategy as advocacy. Become a crusader, and even a consumer activist, with a big idea your company can stand for. For Southwest Airlines, that idea was to democratize the skies — a low-cost, minimalist but tons-of-fun-onboard concept that upended the entire airline industry.

Taylor and LaBarre are also enamored with Arkadi Kuhlmann, president and CEO of ING Direct USA. A traditional banker by training, Kuhlmann revolted against the establishment by playing off the anger



### MAVERICKS AT WORK

by William C. Taylor and Polly LaBarre

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*“His upside-down solution is an Internet-style bank. Instead of encouraging spending and debt, ING Direct USA encourages people to put money away, ‘to lead Americans back to saving.’”*

people feel toward credit card companies and banks that rip them off (or at least think they do). His upside-down solution is an Internet-style bank. Instead of encouraging spending and debt, ING Direct USA encourages people to put money away, “to lead Americans back to saving.”

The offering appeals to the mass market because it has a simple menu of basic savings products with no fees and little paper. The absence of bricks and mortar also enables ING Direct USA to guarantee higher interest rates to depositors.

On the surface, the notion of defining — or redefining — your company as a cause may sound revolutionary. But what about Merck? Or GE? Or United Airlines? Were not the founders of some of these blue chips on a mission to benefit humankind, whether it was to eradicate disease, illuminate the world or circle the globe? The trouble may be that over the years, these giants either lost sight of their calling or failed to reinforce their sense of purpose with the public and, as a consequence, became vulnerable to challenge.

The advice from the authors, though, isn't for your company to have an undeniable sense of purpose so much as “a sense of purpose that provokes: a strategy that tends to be as edgy as it is enduring, as disruptive as it is distinctive, as timely as it is timeless.” In other words, you have to become an industry bad boy — the exact term Kuhlmann applies to himself.

Before you charge ahead in the competition with your rivals, you need to ask the following:

**Do you have a distinctive and disruptive sense of purpose that sets you apart from your rivals?** Never confuse high ideals with modest ambitions. This is war, and despite high-minded mis-

sions, companies run by maverick CEOs tend to be the most aggressive around.

**Do you have a vocabulary of competition unique to your industry and compelling to your employees and customers?**

Commerce Bank publishes its own dictionary of “Commerce Lingo,” which defines internal talk like their “One to Say Yes, Two to Say No” rule. (Any employee can say yes to a customer, but must check with a boss before saying no).

**Are you prepared to reject opportunities that offer short-term benefits but distract your organization from its long-term mission?**

Scott Bedbury, a marketing guru behind Nike and Starbucks, developed his “Spandex Rule of Branding,” i.e. sometimes you have to turn down customers who could pay the bill but don't fit the strategy.

**Can you be provocative without provoking a backlash?** In a rare red flag, the authors warn about the perils inherent to corporate whippersnappers getting in the face of a fat-cat competitor. Lesson in point: Marc Andreessen and Mike McCue, founders of Netscape Communications, double-dared Microsoft in the PC business. The ferocious counterattack forced them to flee into the arms of America Online.

**If your company went out of business tomorrow, who would really miss you and why?** Credited to strategy guru Jim Collins, this question forces you to be honest about whether you provide a product or service, a fantastic workplace or an emotional bond with customers that absolutely no one else can match.

## **Walking in Stupid Every Day**

Creating a killer strategy is just the start. Next you've got to reinvent innovation. Although the strategy behind open-source deals has been amply covered by leading thinkers such as Clayton Christensen and Henry Chesbrough, the



benefit of *Mavericks*' take on this subject is that the book reports practical applications of open innovation in unexpected places, such as the gold mining industry.

As Taylor and LaBarre tell it, Rob McEwen, former chairman and CEO of Goldcorp, Inc., went out on a limb by going open-source to win a long standing gamble the company had made on a mine in Ontario, Canada. He and his team of geologists were confident that rich ore deposits lay below the surface but couldn't find the key to unlock them. So this maverick CEO took the step of posting all the company's internal data and software relating to the potential find on the Internet, and then offered a \$500,000 reward to be divided among 24 semifinalists and three finalists who could help the company find its next six million ounces of gold.

The concentrated power released by this challenge staggered McEwen and the entire industry. More than half the targets submitted were new to the company — and many have proved profitable — while the first-place winner delivered a software graphic depiction of the ore body so innovative that it blew everyone away.

After relating this provocative example, the authors follow more grassroots approaches to innovation, pointing to companies like Maxis, which turned the fanatical enthusiasts of its best-selling computer game, *The Sims*, into a product-development team. The big idea is that top-down development is out; bottom-up, distributed community involvement is the way to innovate your products and marketing concepts.

All this participation by the public sounds great in theory. But is it possible to make a profit if your products are in a perpetual beta state driven by the whims of the consumer moment? Where does the politically charged issue of outsourcing fit into the grassroots movement? Taylor and LaBarre don't provide an answer for those dilemmas.

Their mantra might as well be, "Just get over it." The ultimate decentralization of companies is here to stay and already dramatically altering the leader-

ship landscape. One insightful example they quote is Dan Wieden, co-founder of ad agency Wieden + Kennedy and the genius behind Nike's hallmark slogan, "Just Do It." Although Wieden oversees 600 people, his attitude is that he is anything but the smartest guy in the room. As he sees it, his job is "to walk in stupid every day," a mind-set that ensures he and his entire staff stay attuned to innovative and unexpected creative solutions.

## Getting Down With Your Customers

Taylor and LaBarre get to the heart of how companies run by maverick CEOs are making big bucks by forming connections with customers in ways never thought imaginable. In short, it's about the emotions. You have to make customers feel passionate about your product or service. To do that you have to understand where your customers are coming from.

Winning examples of memorable bonding techniques include Apple Store's "Genius Bars," which offer free, in-person tech support for customers willing to wait, and Commerce Bank's "Penny Arcade," a place in each lobby where customers can get coins in their piggy bank or glass jar counted, free of charge.

Another fascinating history the authors cover is that of Vermont Teddy Bear, which, under the inventive leadership of CEO Elizabeth Robert, transformed a staid, unprofitable business selling traditional teddy bear merchandise in expensive stores into a direct-marketing and online mammoth. Her off-the-wall strategy? Advertise on Howard Stern to sell \$85 teddy bears in the weeks before Valentine's Day to men

***"The big idea here is that top-down development is out; bottom-up, distributed community involvement is the way to innovate your products and marketing concepts."***



the company cheekily calls “Late Jacks.”

Robert also turned the tables on customer service by providing real people in 1-800 call centers. These “bear counselors” spend 2.5 million minutes a year advising buyers on every detail of the purchase decision, right down to the wording on the enclosed card.

Developing a cult following and a sense of community are similarly critical in driving the success of brash new brands like Jones Soda, which initially distributed its product through such unlikely alternative points as tattoo parlors, skateboard and snowboard outlets and comic-book stores.

To boost the buzz, the company launched a Web site where bands that appeal to this crowd can post their songs and customers can download the music for free. Every month the photos and Web sites of 20 bands are chosen to appear on soda bottle labels, a shrewd, real-time marketing strategy that Jones Soda CEO Peter van Stolk insists keeps the company brand “relevant.”

To be sure your brands can compete in this free-for-all marketing environment, you need to know whether you’ve mastered the building blocks:

- **There’s always a demand for something distinctive.** Who would have thought there was room for another soda?
- **Not all customers are created equal.** Vermont Teddy Bear tailors its second big line, PajamaGrams, to customers who are predominantly women, known as “Early Jill’s.”
- **Brand is culture, culture is brand.** There’s a correlation between a company’s identity in the marketplace (how it relates to customers) and its workplace performance (how it relates to employees).
- **Advertising to customers is not the same as connecting with customers.** Big-bucks advertising programs are definitely out with maverick CEOs. They prefer to bond with customers. When it comes to creating brand value, dollars-and-cents thinking doesn’t always make sense. You can’t place a dollar value on the goodwill created by “Genius Bars” or “Penny Arcades.”

## Factoring in the People Equation

This is where the rubber meets the road in original thinking, where for all the pizzazz companies such as Google and Cranium generate, the people they employ either make or break them — in a nanosecond.

So how do you find and retain people that fit your maverick culture?

According to the authors, you do this by adopting nonconformist recruiting, orientation, training and reward systems that speak to this generation. We’re talking about employees and upper management becoming performance artists. In a media-addicted society, all the world’s a stage. This includes your headquarters, storefronts, branches and, as Southwest Airlines has ably demonstrated, even a plane 30,000 feet in the air. In effect, your whole business becomes a reality show.

Look at Commerce Bank, which stages a fully scripted Broadway stage production of its company “Oscars” each year starring top employees, who look forward to the event every year. Or, how about Pixar Entertainment? This company adopted Walt Disney’s idea of developing an in-house curriculum of 110 courses, including filmmaking, sculpting, creative writing and even belly dancing, to encourage the muse, professionally and personally.

*Mavericks at Work* is chock full of inventive, if not zany, ideas like these. They come from upstart companies that have devised them to lure and motivate the people they need to inspire with a consuming passion for their product or service.

The book’s only weakness is the authors’ tendency to sometimes come off like dot-com bubble-gummers gushing over every New Age, West Coast concept or company that appeals to anyone under the age of 30 with body piercings. But, taken as a whole, *Mavericks at Work* is a valuable read for those in marketing, as well as aspiring entrepreneurs and CEOs desperately seeking to reinvent their company. Like it or not, this is where business is. ■

**The authors:** William C. Taylor is a co-founder and founding editor of *Fast Company* magazine. He writes the “Under New Management” column for *The New York Times* and has published essays and interviews with CEOs in the *Harvard Business Review*.

Polly LaBarre was a senior editor of *Fast Company* for eight years, where she wrote articles on creativity, personal success and strategy, as well as co-hosted the magazine’s Real Time conferences.

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