

One studies business to get a job OR because one is practical OR because everyone else is doing it OR because your parents suggest it OR because you really want to learn what business is and how it operates – many reasons, some valid, some not.

WHY STUDY BUSINESS!

- **TO GET PROMOTED**
- **YOU NEED A CREDENTIAL**
- **YOU WANT INFORMATION/ SKILLS TO DO A BETTERJOB**



BUT WHAT IS BUSINESS?

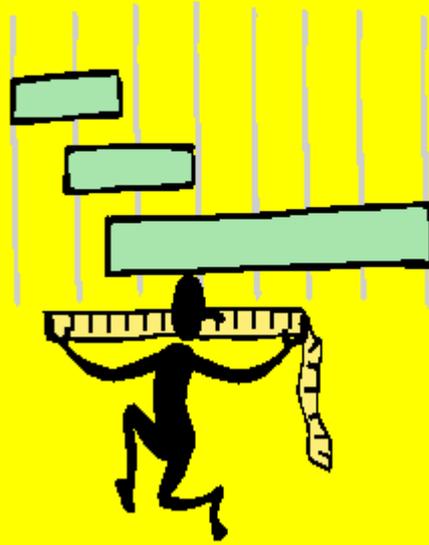


- **BUSINESS SCHOOLS ARE NOT RUN BY BUSINESS PEOPLE**
- **BUT BY ACADEMICS**
- **INTERESTED IN THEORY**
- **WHO TEACH “MATH” AND CALL IT “BUSINESS”**

And this is the problem, math = management; academics without business experience control what you learn.

IS THIS BUSINESS?

- ACCOUNTING
- ECONOMICS
- FINANCE
- MARKETING
- STATISTICS
- ORG BEHAVIOR



BUSINESS MEANS:

- TO CREATE A CUSTOMER
- SOMEONE WHO WILL PAY FOR YOUR PRODUCT OR SERVICE
- BECAUSE OF WHAT IT PROVIDES HIM/HER



A lot of business people, sadly, do not understand this!

BUSINESS MEANS:



TO
MAKE
RESOURCES
PRODUCTIVE

Resources become productive when organized.

QUANDRY:

- YOU MUST KNOW
THE LANGUAGE OF
BUSINESS AND
HOW IT IS USED
 - IT IS POSSIBLE TO
KNOW THIS
LANGUAGE AND
YET NOT KNOW ITS
MEANING
- BUT



QUANDRY:

- BUSINESS IS A SOCIAL INVENTION WHICH DIFFERS BASED ON CULTURE, HISTORY, AND POWER STRUCTURE OF THE TIME



EXAMPLES:



Do you recognize these people?

EXAMPLES:



How about these?

EXAMPLES:



Getting warmer!

EXAMPLES:



At least three to continue. Bonus for all six.

CONCLUSION:

- **BUSINESS TAKES PLACE WITHIN A CONTEXT:**
- **TIME**
- **PLACE**
- **CULTURE**
- **TECHNOLOGY**
- **SUCCESS IS BASED AS MUCH ON THESE CONDITIONS AS IT IS ON THE INTELLIGENCE OR TALENT OR PERSONALITY OF THE MANAGER**

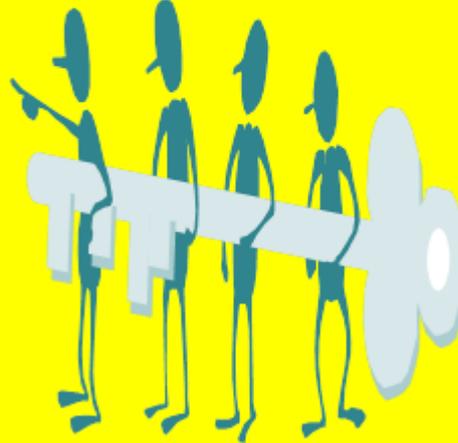
Henry Ford could not run GE; Jack Welch could not run Google; Larry Page could not run Ford – the context is key.

TWO MGT. STYLES:

- **COMMAND & CONTROL**



- **WEST COAST MGT.**



West Coast Management is a phrase I coined to explain what happens at Google, Facebook, Apple, Intel, Twitter, etc. It is totally different than command n control

BOTH WORK:

- **COMMAND N CONTROL**
- **GOVT AGENCIES**
- **BIG CONGLOMERATES**
- **TRADITIONAL COMPANIES**
- **POWER DISTANCE CULTURES**
- **WEST COAST MGT**
- **WITH EDUCATED PEOPLE**
- **WITH HI-TECH PEOPLE**
- **STARTUPS**
- **SILICON VALLEY**
- **WHERE INNOVATION IS KEY**

Yes, both work, but in different context's with different people.

BUT MOST PEOPLE:

- **ASSUME THAT COMMAND N CONTROL IS THE WAY TO MANAGE**



The love of power is a pursuit in and of itself.

BECAUSE

Three Categories of Bad Boss

"A bad boss. Me? You really think so?"



Doesn't know he's bad.

"I could do better. I just wish I knew how!"



Knows he's bad. Wants to improve.

"It's my way or the highway!"



Doesn't care either way.

- **THAT IS WHAT THEY SEE**
- **THAT IS WHO GETS "PROMOTED"**
- **PEOPLE COPY WHAT IS AROUND THEM**

And you are?

COMMAND N CONTROL

- EMPLOYEES NOT TO BE TRUSTED
- “HIRED HANDS”
- SET CONTROLS IN PLACE
- FOCUS IS “UPWARD”, WHAT THE BOSS WANTS
- MAKE SELF “LOOK GOOD”



And then you get to run for President!

WEST COAST MGT:

- Minicomputer phase
- 2nd to IBM in profitability
- Management by teams
- Low hierarchy
- Engineering culture
- Olsen created a ‘culture of innovation’ that empowered employees and was characterized by expressly stated values such as ‘Do the right thing.’
- STARTED WITH DIGITAL EQUIPMENT IN BOSTON



WEST COAST MGT:



Courtesy of Special Collections, Stanford University Libraries

- Fairchild Semiconductor gave birth to Silicon Valley and the ideas behind West Coast Mgt –
- Task challenge
- Low hierarchy
- Team spirit
- Rewards/Stock Options

Silicon Valley did not begin with Twitter, or Facebook, or Google, or Stanford, or Intel....this is where it all began – the “outlaw eight” who founded Fairchild Semiconductor.

FAIRCHILD SEMICONDUCTOR

- Bell Labs
- Shockley
- Nobel Prize
- Mistreats the 8
- They go on in search for another company
- Stanley Fairchild
- The Outlaw 8



Shockley worked at Bell Labs, moved to Palo Alto because that is where his mother lived, started a company by hiring 8 very bright guys, then won the Nobel Prize, and mistreated all the people he hired. They shopped around for another company to hire them as a team, none would, Stanley Fairchild of Fairchild Camera's put up the \$1.2 million but insisted on control, and they started Fairchild Semiconductor – and were, in the 50's, known as the “outlaw 8” for quitting their company.

SHOCKLEY

Shockley initially tried to hire former colleagues to join his crusade, but, quite simply, no one who knew him wanted to work with him. So he opted for a collection of young, bright engineers fresh out of school, eventually assembling a cracker jack staff that included several future Silicon Valley captains of industry—including eventual Intel boss Gordon Moore.

The arrangement lasted all of one year, when eight of the engineers—now known as The Traitorous Eight—quit en masse. Accounts of Shockley's growing paranoia abounded. In one incident, he forced employees to take lie detector tests. In another, he accused his staff of placing sharp objects where people could cut themselves. He withheld information from team members so they rarely knew what they were working on.

FAIRCHILD SEMICONDUCTOR



- **Fairchild, ½ owner of IBM puts up \$1,2m to fund startup**
- **Buts, in the contract, wanted all the profits for himself**
- **1st venture capital in the valley**

STOCK OPTIONS

- Fairchild was providing 90% of profits to parent
- Company split up because Fairchild would not give stock options
- Thus, Intel was born



A key NEW idea, share the wealth of the folks who create the wealth will leave as they did

BOB NOYCE

The relaxed culture that Noyce brought to Intel was a carry-over from his style at Fairchild Semiconductor. He treated employees as family, rewarding and encouraging teamwork. His follow-your-bliss management style set the tone for many Valley success stories. Noyce's management style could be called a "roll up your sleeves" style. He shunned fancy corporate cars, reserved parking spaces, private jets, offices, and furnishings in favor of a less-structured, relaxed working environment in which everyone contributed and no one received lavish benefits. By declining the usual executive perks he stood as a model for future generations of Intel CEOs. At Intel, he oversaw Ted Hoff's invention of the microprocessor, which was his second revolution.



Bob Noyce, Gordon Moore, Andy Grove – Intel's founders.

FAIRCHILD'S LESSONS

- TAKE A RISK
- YOU CAN ALWAYS GET CAPITAL
- SET UP AN INNOVATIVE CULTURE
- SHARE THE REWARDS
- OR ELSE



It is not one person [Shockley]; it is a team of people working together, drawing on each other's talent and experience WITH AN IDEA THEY ARE PASSIONATE ABOUT and 1) the money will follow and 2) if you do not share the profit the horizon beckons.

FAIRCHILD'S LESSONS:

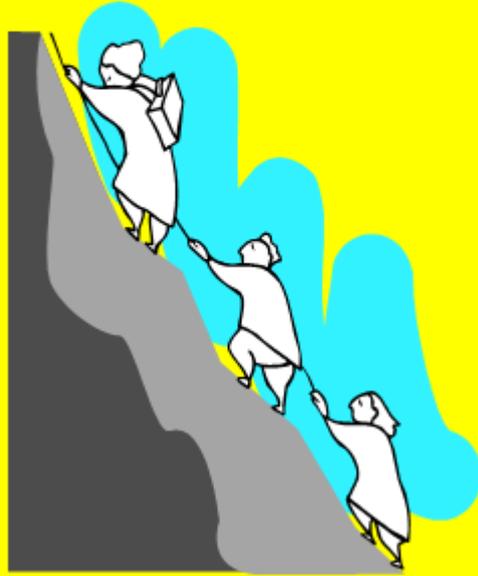


- WHO CHANGED THE WORLD?
- THE ENGINEERS CREATED BOTH SILICON VALLEY AS WELL AS THE COMPUTER/INTERNET/SMARTPHONE CULTURE – THE MODERN WORLD

In the media it is Berkeley radicals and the movements that make the news and changed the world.
OH, REALLY!

WEST COAST MGT:

- THE MOTIVATING FACTOR IS THE CHALLENGE THE BUSINESS/TEAM FACES.
- NOT OBEDIENCE BUT A CHALLENGE



WEST COAST MGT:



- PROBLEM SOLVING;
- TWO PARTS
- THE BIG IDEA[N]
- AND
- THE DETAILS[S]

You need both! Always!

WEST COAST MGT:

- **COMMUNICATON:**
 - TALKING**
 - LISTENING**
 - WATCHING**



People watch and copy so what you want to happen must be made visible and rewarded.

WEST COAST MGT:

- **DECISION MAKING**
- **TEAM INVOLVEMENT**
- **SURFACE DIFFERENCES**
- **TEST**
- **DECIDE**



Conflict is not avoided but surfaced for better decision making.

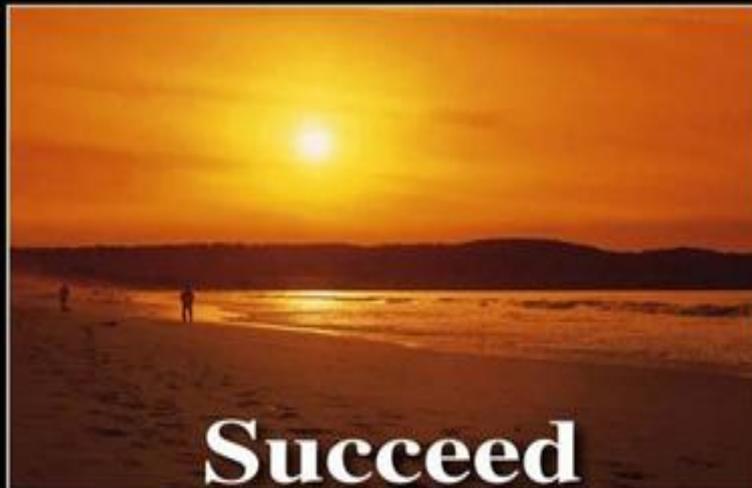
**WEST COAST MANAGEMENT:
PRACTICE TIL YOU GET IT RIGHT**



**TRIAL N ERROR:
IF YOU DO NOT TRY,**

WEST COAST MGT:

- **SUCCESS WHEN EVERYONE KNOWS THEIR PART AND DOES IT AND IT WORKS**



In order to succeed, you must know
what you are doing, like what you are
doing, and believe in what you are doing.

--Will Rogers

WEST COAST MGT:

- **REWARDS**
- **MUST BE IMMEDIATE TO HAVE DESIRED AFFECT**
- **RECOGNITION**
- **PROMOTION**
- **\$\$\$\$\$\$\$\$**
- **STOCK**



In Command N Control, only the top get the rewards [CEO pay for example] but in West Coast Management the Jerry McGuire principal [SHOW ME THE MONEY].

WEST COAST MGT:



- **A TOTAL PACKAGE**
- **A WAY TO GET RESULTS**
- **A WAY TO ACHIEVE MOTIVATION**
- **A WAY TO MANAGE**
- **AND, IT WORKS**

It is not free food, or car detailing, or free laundry, or bringing your dog to work, or sitting on an exercise ball, or free snacks – those are the details...necessary but not the KEY!

WEST COAST MGT:

- IT IS NOT “TEAMWORK”
- IT IS NOT “LIKING”
- IT IS NOT SYNTHESIS
- IT IS RATIONAL:
- THE GROUP BRAIN

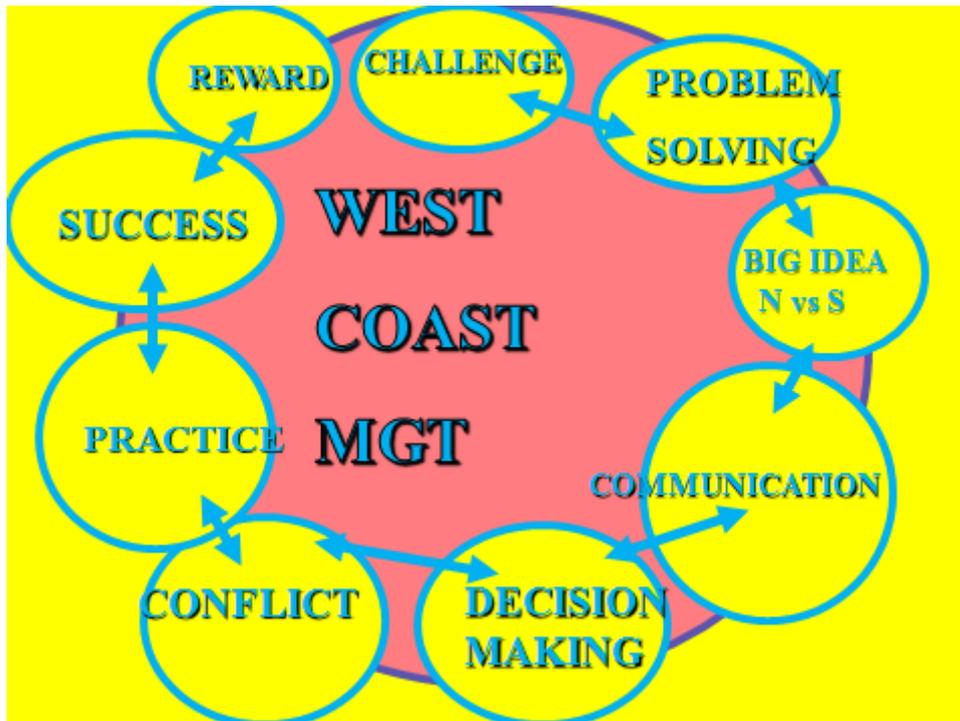


A rational phenomenon, not a feeling phenomenon.

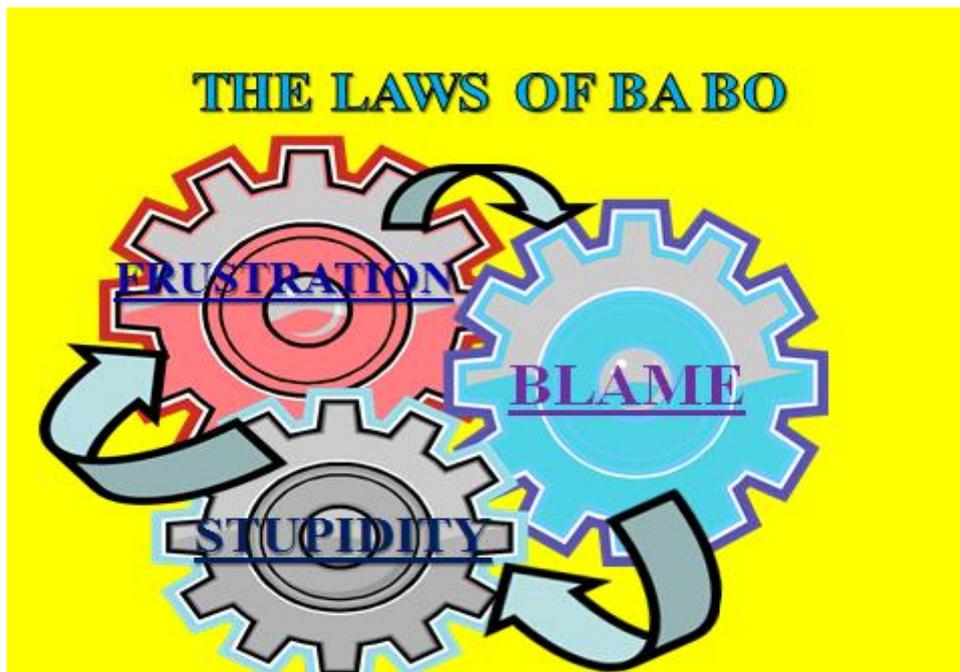
WEST COAST MGT:

- YOU SEE IT AT APPLE, GOOGLE, FACEBOOK
- IT IS NOT PERKS OR FREE FOOD
- IT IS THE COMPANY CULTURE





This is the framework laid out conceptually.



This is what has to be managed while moving to a West Coast Management style; people want quick answers, they think their ideas are superior to others, they do not want to listen, they shoot others down, they appeal to the boss to decide my way – all gets in the way of the creation of the group brain, team based leadership,