

The Culture of Asymmetric Marketing: Enabling Marketing Management by Values (MMBV) through 'Culture Management Systems'

By Joseph E. Bentzel of Asymmetri Incorporated, 2003

Introduction: The 'Sandstorm' Economy

*In a desert sandstorm
it becomes difficult to see
very far in front of
one's own nose.*

*In a tech markets sand-
storm it becomes difficult
to gain forward
revenue visibility.*

*This is why forward
revenue guidance at a
wide cross-section
of tech companies
in many categories
continues to be
cautious and
uncertain.*

*"There's been such tremendous talk about how many firemen came to the WTC (World Trade Center) on their own and these did contribute to our fatalities because they themselves became fatalities. The answer is yes it's a shame and it's unfortunate that we didn't have better discipline within the department, where we would have assured they would have all reported to a staging area or a central location, but when you think about it, **it's part of our culture as firefighters to do exactly what they did.** That's why they did it. It's that mental attitude that enables a normal person, which is what a firefighter is, just a normal person, male or female, to go into a burning building. That's what keeps the fire department running, that mental attitude." Al Turi, Chief of Safety FDNY (Fire Department of New York)*

The organizational machinery of the Fire Department of New York came under the most severe attack in its history on September 11th, 2001. But the culture of the FDNY prevailed and the firefighters 'self-organized' to save lives, proving beyond a shadow of a doubt that organizational values are not abstract, but extremely tangible. In the face of calamity and command/control confusion, culture and shared values are what came to the fore creating an asymmetry of will that drove action. That's a powerful lesson that the frontline first responders of September 11th in the New York Fire Department, Police Department and other public service organizations can teach management and marketing professionals in the technology industry who want to build momentum-rich businesses in the ongoing IT uncertainty I call the 'sandstorm' economy.

In my essay, *'Asymmetric Marketing: Winning in the New Uncertainty'*, I describe the post-bubble, post-9.11, post-ethics scandal IT spending environment as a 'sandstorm' economy. I use the metaphor of the sandstorm to focus attention on the context of on-again/off-again, quarter-to-quarter marketing and sales uncertainty fac-



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

ing more than a few high technology companies. One moment, talking heads, analysts and pundits declare a new bull market in technology and renewed business demand for information technology. In the next moment, things may not be so rosy after all, especially for those companies whose sales and marketing organizations have not come to terms with the new reality of IT spending or learned how to detect emergent 'sandstorm opportunity'.

For sales and marketing professionals in the technology industry, the key characteristics of the sandstorm economy are:

Intense heat is being generated in the tech markets sandstorm as it is in a desert sandstorm. This heat comes from growing board and investor oversight of and intervention into the day-to-day operations of CEOs and senior marketing/sales executives.

Fuzzy Revenue Visibility: In a desert sandstorm it becomes difficult to see very far in front of one's own nose. In a tech markets sandstorm it becomes difficult to gain forward revenue visibility. This is why forward revenue guidance at a wide cross-section of tech companies in many categories continues to be cautious and uncertain. New ways of effectively coping with quarter-to-quarter market uncertainty are needed inside sales and marketing organizations in order to creatively drive locked in, predictable revenue growth in the low-visibility sandstorm. New management tools are also needed. In the early phases of the Iraq conflict, American soldiers, temporarily blinded by the desert storm, relied on GPS navigational systems to literally find their way around inside their own camps while preparing to leverage the low visibility of the storm to capture an asymmetric advantage over their opponents. Similarly, smart marketing and sales organizations should deploy and customize internet community or social software as **culture management systems (CMS)** to communicate and collaborate more effectively in the ongoing uncertainty of tech markets. Culture management systems can augment sales force automation (SFA) and customer relationship management (CRM) systems and capitalize on the significant investments tech companies have made in these technologies. While SFA/CRM systems provide a window into revenue visibility in many companies, they would be more formidable marketing weapons if they had the ammunition that comes from a mobilized and healthy marketing culture of performance that drives self-organized execution. I will go into the concept of CMS, or culture management systems throughout this essay.

Board and Investor 'Heat': Intense heat is being generated in the tech markets sandstorm as it is in a desert sandstorm. This heat comes from growing board and investor oversight of and intervention into the day-to-day operations of CEOs and senior marketing/sales executives. In the post-Enron environment this intervention will only intensify as regulatory agencies and new CGOs (chief governance officers)



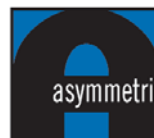
Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

It's been my practical experience that this sales and marketing culture gap is a primary reason for the absence of market momentum in many companies. A friend of mine refers to this culture gap between strategy and execution as a classic case of what Texans call 'Big Hat, No Cattle', i.e. grand marketing vision, with anemic performance and execution.

impose more and more transparency on management teams. For senior marketing and sales leadership, there is a danger of falling into the trap of the bubble, i.e. marketing for investor perception, which is often thinly disguised as managing for shareholder value. Marketing for investor perception dehydrates sales and marketing organizations and their cultures, taxes the resources of key sales and marketing managers and personnel and takes them away from their fundamental execution responsibility to improve marketing performance. While financial and operational transparency may be good for investors and regulators, it is bad for what I call 'stealth' marketing, one key element of any winner-take-all or asymmetric marketing strategy in the sandstorm economy. Cultural transformation inside marketing and sales departments will need to occur to simultaneously manage stakeholder transparency and stealth-advantaged marketing performance.

Broken Marketing & Sales Machinery Creates Culture Gap: In desert sandstorms modern complex machinery tends to break down frequently. So too in the tech markets sandstorm. Morale-reducing layoffs and frequent re-organizations have been the order of the day for more than a few technology marketing and sales organizations in the period since the bursting of the dot com bubble in early 2000. This has often created cultures of silence, fear, resentment, timid execution, blame, non-collaboration, risk aversion and paralyzing political correctness disguised as workforce diversity inside many tech marketing and sales organizations. Taken together, these symptoms of broken sales and marketing machinery are what I call the **sales and marketing culture gap**, i.e. the gap between marketing vision and a culture of non-execution through which both scarce marketing resources and precious customer prospects fall. It's been my practical experience that this sales and marketing culture gap is a primary reason for the absence of market momentum in many companies. A friend of mine refers to this culture gap between strategy and execution as a classic case of what Texans call 'Big Hat, No Cattle', i.e. grand marketing vision, with anemic performance and execution. Big Hat, No Cattle marketing organizations reached epidemic proportions in the bubble years, and many people who were exposed to this epidemic continue to serve today in more established tech companies bringing bubble values and 'bubbleboy' culture into their new jobs. I use the term bubbleboys to describe those companies whose marketing and sales cultures were created in a cash-rich VC-funded cocoon away from the harsh realities of the marketplace, i.e. the need for products, profitability and locked-in customers. Unfortunately, the cultural values of the bubbleboys seeped into the marketing and sales organizations of many surviving companies.



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

From my perspective as an advisor to technology marketers, I see the HBR-instigated debate as an early indicator of a healthy IT immune system reaction to the false or misleading value propositions of many bubble era tech marketers for whom every website widget was a strategic breakthrough. These challenges of evolving IT culture and tech industry desertification presented by the sandstorm economy require a fundamental rethinking of the culture of sales and marketing within technology companies.

Desertification of Technology Spending: While sandstorms are natural phenomena in arid regions, they are also magnified by human factors called desertification. Scientists describe desertification as the process whereby human beings systematically over-cultivate a given landscape making it even more arid, thus accelerating the onset of recurring sandstorms. I see tech industry desertification reflected in the thousands of new economy companies in emerging categories that have dried up and died in the 2000-2003 post-bubble period, and the corresponding contraction of the industry support infrastructure of venture capitalists and other investors.

Desertification is also expressed in the debate within IT circles over the current role of information technology as 'commoditized cost of business' or 'strategic competitive advantage'. This debate, initiated by Harvard Business Review editor Nicholas Carr (*IT Doesn't Matter*, May 2003 HBR) exposes a growing culture shift in how IT organizations have reacted to their management's imperative to control costs. Carr's analysis, in brief, is that the IT build-out of the 90's is nearer to the end than the beginning, and recommends that IT executives become slower to move, and more tight-fisted and creative in working with technology providers. In other words, Carr's outstanding analysis is a wake up call for IT management to become instinctively more resistant to vendor marketing hype. Carr's advice, to which smart tech marketer's should pay close attention, is to adopt defensive IT strategies around the potential risk of business interruption vs. chasing the next technology hype cycle that touts 'strategic advantage'. This view seems to be validated by a recent Forrester Brief (Oct. 2003) that surveyed a wide cross-section of CIOs and found that security and disaster recovery upgrades were perceived as 'job one' or top priorities for 2004. From my perspective as an advisor to technology marketers, I see the HBR-instigated debate as an early indicator of a healthy IT immune system reaction to the false or misleading value propositions of many bubble era tech marketers for whom every website widget was a strategic breakthrough. These challenges of evolving IT culture and tech industry desertification presented by the sandstorm economy require a fundamental rethinking of the culture of sales and marketing within technology companies. The insight provided by Carr's essay really points to an evolutionary culture change in IT that will demand that technology companies embed more rugged, traditional, 'bootstrap' or 'garage' entrepreneurial cultural values in their sales and marketing organizations in order to compete more honestly and effectively for the oases of new sandstorm opportunities that emerge from this culture shift in IT.



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

My experience as a marketing professional, illuminated by the best practices of tech category leaders, has taught me that a healthy marketing culture is the essential foundation for executing asymmetric marketing strategy and tactics.

Summing up, I see the technology industry sandstorm economy as the new cultural imperative of IT spending for large and medium corporations and the corresponding new reality of fuzzy revenue visibility and perpetual uncertainty for technology marketing professionals who own the challenge of selling into this environment.

In the essay that follows, I will present my views on what I call the culture of asymmetric marketing. My experience as a marketing professional, illuminated by the best practices of tech category leaders, has taught me that a healthy marketing culture is the essential foundation for executing asymmetric marketing strategy and tactics. Centuries ago, legendary Chinese strategist Sun Tzu wrote that ‘the Way’ (the Taoist philosophy and cultural values of his day) was the foundation for the victories of wise generals. The values of traditional tech bootstrapped garage entrepreneurship, as distinct from the intoxicated sales and marketing cultures of the tech bubble, constitute a way or positive cultural heritage for the challenges we face today as companies and as an industry.

The Sandstorm: An Industry Contraction with a Cultural Cause

According to respected Indian-American venture capitalist Promod Haque, ‘We’re in a massive contraction phase that’s unparalleled. Of course, the boom was an aberration too, so I’m glad the correction is taking place. We’re going back to the early 1990’s in the hi-tech sector.’”

By way of review, the ‘correction’ Promod Haque refers to include the following:

- * Close to 5000 VC or IPO funded businesses shut down or were gobbled up in the 3 years between 2000 and 2003 according to market research organization WebMergers;
- * The venture capital (VC) industry has contracted from 2500 firms to around 1000 in the same time frame;
- * Silicon Valley unemployment is among the highest in the nation with hundreds of thousands of marketing, service and engineering knowledge workers out of work according to BrassRing, a leading provider of recruitment services;
- * Despite cash settlements, hundreds of class action lawsuits continue to deflect management team attention at many public tech companies, while a leading investment banker of the tech and internet bubble remains under a cloud of suspicion, even after his prosecution ended in a mistrial.



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Many emerging category survivors of the period of the technology bubble still remain non-self-sufficient, money-losing, capital-dependent companies who continue to struggle with marketing and sales execution in the new uncertainty.

According to Ryan Mathews and Watts Wacker, authors of the Deviant's Advantage, How Fringe Ideas Create Mass Markets, "All business problems are really culture problems in more than one sense of the word." So when a prominent VC like Promod Haque talks about 'going back to the 90's', I translate that statement as meaning going back to the traditional entrepreneurial cultural values that made the U.S high tech industry second to none. My own strongly held view is that it was an erosion of traditional entrepreneurial tech culture that led to the contraction described above, and that the wreckage from this contraction was not confined to the now-departed WebVan, Kozmo.com, GovWorks and untold others. Many emerging category survivors of the period of the technology bubble still remain non-self-sufficient, money-losing, capital-dependent companies who continue to struggle with marketing and sales execution in the new uncertainty.

The role of culture as the foundation of execution is beginning to take on even more importance in the new uncertainty I call the sandstorm economy. According to sales performance research conducted in 2003 (Selling in Turbulent Times) by management consulting organization Accenture:

- * 56% of senior executives described the performance of their sales organizations as 'average, worse than normal, or catastrophic'. While the Accenture study covered a wide cross-section of industries, this finding alone should serve an execution wake up call for marketing and sales professionals in the tech industry.

Additional findings in the Accenture study point straight to the heart of sales and marketing organizational culture, and a seeming lack of cultural preparedness for coping with the new reality of on-again/off-again market uncertainty.

- * 58% surveyed said their sales organizations were 'stuck in the past';
- * 55% found it difficult to assess which leads were 'qualified';
- * 47% said sales leads often 'fell through the cracks'.

The Accenture findings are extremely relevant to technology companies whose sales and marketing organizations became soft during the artificial demand and bloated IT spending of the bubble. Sales and marketing organizations 'stuck in the past', who can't identify a 'qualified lead' or whose operating culture allows leads to 'fall through the cracks' in the middle of an economic contraction----these are execution



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

effects that are clear expressions of the absence of strong sales and marketing cultural values.

My own day-to-day experience validates these findings. I often come across sales and marketing leadership that will enthusiastically discuss a perceived market gap, while remaining absolutely silent about the ever-widening culture gap inside their own organizations.

My own day-to-day experience validates these findings. I often come across sales and marketing leadership that will enthusiastically discuss a perceived market gap, while remaining absolutely silent about the ever-widening culture gap inside their own organizations. These same leaders want to create customer communities and hold 'market conversations' without creating internal marketing communities and holding the candid, 'get real' internal conversations that always precede effective market conversation. They want to collaborate across enterprise boundaries with partners and customers but don't really know how to collaborate across departmental boundaries with each other. They want to reward the customer for buying but don't know how to reward the whole organization for selling. In other words, they are not culturally prepared for marketing warfare in the sandstorm economy.

I call it my sandstorm epiphany...the little everyday event in this new reality of geopolitical uncertainty that got me focused on thinking about the key elements of successful marketing cultures, and the importance of marketing and sales organizations migrating to a more values-based approach to marketing and sales strategy and execution. About one month after the 9.11 terrorist attacks, I was sitting in a business class seat on my now bankrupt favorite airline as the flight attendant delivered the meal service, you know, the good meal you get when you are lucky enough to upgrade to business class. As I looked down at the tray I saw the airline rubber chicken I had ordered like a good Atkins diet fanatic. Then I saw it...The totally out-of-context post 9.11 plastic airline knife sitting next to the metal fork and metal spoon. I thought to myself, OK, I can do this. I can cut this rubber airline chicken with this plastic airline knife. Chop, chop, chop, chop, nothing. I dented it a little and wished I had ordered the high carb, non-Atkins ravioli. Frustrated and hungry, I improvised. I picked up the chicken in my hands gaining a clear but unorthodox asymmetric advantage over my hunger. Trust me when I say that eating chicken in your hands is not business class behavior, and I saw a few passengers cringe as I did it.

As I ate the chicken with my hands and wallowed in my business class shame, I thought about the post-bubble high tech turnaround assignment I was on at that time and it suddenly occurred to me that the post-bubble marketing culture of my client was a lot like a little plastic out-of-context airline knife trying to cut through



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

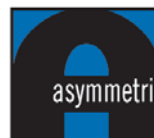
the tough, intractable rubber chicken of uncertain IT demand. A little denting, a little splatter on the shirt, a lot of regret about the ravioli, but very little protein gets consumed, unless you get your hands dirty, unless you approach things in an unconventional way. Translation. For high technology marketers in the context of the new uncertainty I call the sandstorm economy, the first and primary asymmetry you need to leverage is the asymmetry of will, of values, of culture. And you need to be prepared to 'go back to the 90's' to transform the 'business class' culture of your company in order to make that asymmetry of will a market reality.

Sandstorm Execution via Marketing Management by Values (MMBV)

When I use the terms culture or values, I am not referring to the often lofty, always politically correct, chronically abstract Corporate Values statements you often see pinned to cafeteria walls up and down the Silicon Valley. Effective marketing and sales organizational cultures are not based on this kind of 'values' statement.

When I use the terms culture or values, I am not referring to the often lofty, always politically correct, chronically abstract Corporate Values statements you often see pinned to cafeteria walls up and down the Silicon Valley. Effective marketing and sales organizational cultures are not based on this kind of 'values' statement. As the experience of the FDNY on September 11th indicates, there is nothing abstract about culture, or the concept of management by values (MBV) that sees culture as the principal driver of organizational behavior in times of uncertainty and threat, whether that threat is from terrorists, competitors, or a natural evolutionary change in the culture and buying patterns of IT organizations. Against the background of limited revenue visibility, broken organizational machinery, and investor heat, a values-based (MBV) orientation often works to transform culture and drive execution, while traditional MBO (management by objectives) or MBI (management by instruction) sometimes has the unintended effect of band-aiding over the broken cultural machinery. I think that when CEOs and senior management openly comment in the Accenture study that their sales organizations are 'stuck in the past', what they are really saying is that they are not equipped with the right execution values for successful sales and marketing programs at this point in history. Market leaders like Intuit and Yahoo, for example, have openly moved to embrace the concept of management by values. The Chief Marketing Officers of both companies led a discussion at the CMO Council event in San Francisco (September 2003) titled 'Branding from the Inside Out' focusing on how each company's core operating values were critical in their overall marketing performance. (For more on the CMO Council go to cmocouncil.org)

Building a rugged culture of asymmetric marketing requires what I call a Marketing Management by Values (MMBV) approach so that marketing and sales organiza-



Asymmetri Incorporated

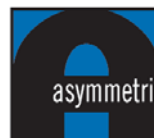
Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Why raise the issue of cultural sobriety in marketing and sales organizations? Because the bubble legacy, not traditional tech entrepreneurship, still remains the dominant culture inside many tech sales and marketing organizations.

tions can execute more effectively in the uncertainty of the sandstorm economy. In their popular book, 'Execution, The Discipline of Getting Things Done', authors Larry Bossidy and Ram Charan make the following powerful argument: "Most efforts at cultural change fail because they are not linked to improving the business's outcomes. The ideas and tools of cultural change are fuzzy and disconnected from strategic and operational realities. To change a business's culture, you need a set of processes---social operating mechanisms---that will change the beliefs and behavior of people in ways that are directly linked to bottom-line results." One approach to culture change for tech marketing and sales organizations is to translate Bossidy and Charan's important concept of social operating mechanisms into tangible **culture management systems** that can embed and reinforce traditional entrepreneurial process values in their organizations one day at a time. These process values (as distinct from higher order values like 'innovation', 'customer satisfaction', 'leadership', etc) can help organizations close the 'marketing and sales culture gap' through which falls new prospects, precious marketing resources and any chance of being a long-term category leader. To quote the Yankee Group, "The key processes to focus on to make sales successful involve the interplay of sales and marketing."

Over the course of my work I have isolated 4 basic underlying 'process values components' that often appear to be organically embedded in healthy sales and marketing cultures in the tech industry. In fact, these values components are basic cultural process building blocks in a Marketing Management by Values (MMBV) approach to executing effectively in the sandstorm economy. These values components of asymmetric marketing culture are

Sobriety: No I don't mean abstinence from alcohol. I mean business culture sobriety as in a non-dysfunctional approach to the challenge of marketing strategy and sales execution in the sandstorm. Why raise the issue of cultural sobriety in marketing and sales organizations? Because the bubble legacy, not traditional tech entrepreneurship, still remains the dominant culture inside many tech sales and marketing organizations. The bubble was all about 'non-sober' marketing culture and intoxicated marketing and sales cost structures that were a clear departure from the values of traditional tech entrepreneurship. My day-to-day working analysis of the effects of the dotcom bubble and the current cultural challenges of tech companies proceeds from the viewpoint that the bubble was essentially the largest single epidemic of mass gambling addiction and dysfunctional business behavior in modern history. While this observation may seem controversial, I use it because



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Marketing and sales cultures that focus on how to think vs. what to think foster the emergence of high reliability 'armies of one', i.e. responsible, experienced, hands-on marketing and sales warriors who can function effectively even in a no-huddle-offense environment.

there's a lot the addiction treatment industry and related recovery movement can teach marketers about common sense business 'process sobriety' and one-day-at-a-time execution. *Section I* of this essay describes the importance of a 'culture gap assessment' as the first step in fostering a 'sober' asymmetric marketing culture. The culture gap assessment creates a baseline culture requirements analysis, the starting point for a culture management system that can help keep your marketing and sales team 'process sober' in the ongoing uncertainty of the sandstorm.

'Get Real' Candor: The second values component of MMBV is what I call the 'get real' or candor component. In a get real culture of asymmetric marketing, you don't shoot the messenger for internally discussing your competitive vulnerability, silence them for that big idea that may be just a little outside the cultural box, or send them to an organizational gulag for pointing out that there may be a gigantic gap between strategy and execution in your marketing and sales organization. In an MMBV-driven organization that seeks asymmetric market dominance, you reward him or her for getting real. Getting real goes to the issue of How to think, not simply what to think. Much of conventional MBO-driven marketing culture is about what to think while unconventional or asymmetric marketing culture is about how to think. At Asymmetri Incorporated, while I and my associates may work with a client on marketing strategy or communications campaign, a new product or a new brand, a partner program or a business model, a sales event or trade show, an e-commerce or e-business website, we always strive to move the client beyond the 'what to think' phase of the project and quickly get to the 'how to think' phase. Marketing and sales cultures that focus on how to think vs. what to think foster the emergence of high reliability 'armies of one', i.e. responsible, experienced, hands-on marketing and sales warriors who can function effectively even in a no-huddle-offense environment. *Section II* of this essay describes the 'get real' component and the importance of using modern e-community and self-publishing technology and new classes of 'social software' to foster a get real culture and culture management system.

Self-Organizing: Asymmetric culture is what people in the military call a force multiplier. A true asymmetric force multiplier is created when culture drives individuals to 'swarm' on the problem, as did the FDNY on 9.11. Traditional organizational structures like sales, marketing, business development, etc. are often like having discrete and stovepiped 'armies, navies and air forces'. Stovepiped structures do not catalyze force multiplier organizations and are not sufficient for the marketing challenges of the new IT uncertainty. By contrast, modern asymmetric warfare often



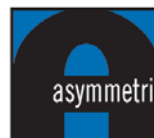
Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Marketing culture can become healthier if what you measure and compensate reinforces shared 'ownership' behaviors and values that produce positive momentum.

relies on special operations teams (Rangers, SEALs, Delta Force, etc.) that are empowered to 'self-organize' around a mission and practice joint war fighting in concert with the conventional military organizations. Similarly, marketing and sales organizations can foster leadership, self-organized team building, cross-stovepipe collaboration, and higher levels of organizational agility in demanding and uncertain market environments if the right values are in place. *Section III* of this essay describes the self-organizing component of an MMBV orientation and the importance of 'swarming' 'mobbing' or 'concentrating superior force' on sales and marketing problems by mobilizing the markets inside your company via collaborative workspace technologies and regular 'internal market management' rituals as part of your culture management system.

Ownership: In healthy marketing cultures, positive execution momentum is palpable. You can feel it in the air and it seems to be 'owned' by everybody. One thing all marketing and sales professionals agree on is that momentum is definitely not created and shared ownership is not in place when 'leads fall through the cracks' or confusion as to what constitutes a 'qualified prospect' is the general state of your sales and marketing culture, as the Accenture study uncovered. Marketing culture can become healthier if what you measure and compensate reinforces shared 'ownership' behaviors and values that produce positive momentum. Sales and marketing momentum and shared ownership as a process value often flow naturally from the cross-silo collaboration and unconventional team selling approaches that succeed in the sandstorm economy. These need to be rewarded appropriately and systematically. In all likelihood, a culture of shared ownership in an MMBV orientation will be rewarded much differently than traditional MBO-driven 'sales rep quota'-defined cultures and will need conscious management support to succeed, especially in an era where incentive stock option programs are changing at many companies. *Section IV* will describe the ownership rewards and incentives component of a culture management system that drives execution momentum. Shared ownership reward systems will also work to dynamically reinforce the 'sobriety', 'get real' and 'self-organizing' values you seek to embed in your new MMBV-driven marketing and sales organization.



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Culture Management Systems: Social Software-Based Artifacts & Rituals that Serve as Internal Market 'Attractors'

The systematic cultivation of these attractors inside an organization using a combination of social software and collaboration technology combined with professional culture gap assessment is the key to what I mean by enabling a Marketing Management by Values (MMBV) culture, a pre-condition for asymmetric marketing leadership in the ongoing sandstorm.

Cultural differentiation has always served as a key marketing 'attractor' for politicians, media personalities and companies. Bill Clinton playing his sax on MTV is one kind of political cultural attractor. George W. Bush landing a plane on the deck of an aircraft carrier is another kind of political cultural attractor. CNN's Larry King pitching softball questions to friendly Hollywood guests is one kind of media cultural attractor. Fox News' Bill O'Reilly confronting hostile guests in a 'no spin zone' is another kind of media cultural attractor. A well-funded Napster (not the 'new' one, the original) seeking to 'overthrow' the music industry is one kind of marketing cultural attractor. Akamai refusing to provide services to the Al Jazeera pro-terror propaganda machine is another kind of marketing cultural attractor. Akamai founder Daniel Lewin was murdered by terrorists on September 11th and as a result Akamai, at least in the case of Al Jazeera, has rejected cultural neutrality in their customer marketing approach.

Modern complexity (or chaos) theory is one of the key theoretical foundations of asymmetric marketing and serves as way to understand powerful internet processes, e.g. the unstoppable momentum of the self-organizing trading community called eBay. But it's also a powerful way to think about how culture and values get embedded in an organization. One of the most valuable concepts in complexity theory is the concept of 'attractors'. From the standpoint of culture, attractors are the seemingly invisible rituals, artifacts and mythmaking that serve to spontaneously catalyze cultural order and facilitate self-organized execution. The systematic cultivation of these attractors inside an organization using a combination of social software and collaboration technology combined with professional culture gap assessment is the key to what I mean by enabling a Marketing Management by Values (MMBV) culture, a pre-condition for asymmetric marketing leadership in the ongoing sandstorm.

Cultural artifacts and rituals are not just tangible, they're 'sticky' and tied directly on the high speed bus architecture of the brain to emotional reality, which is what gives them so much power and so much potential to drive self-organized action. As I write these words, I am wearing a rugby shirt with the slogan 'no huddle offense'. The shirt was a gift from a client, a CMO actively working to turn around a company facing asymmetric market attacks from a new, much larger indirect competitor and



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Asymmetric marketing culture can also be catalyzed by similar attractors, i.e. symbols, rituals, artifacts and social software-enabled processes that provide islands of cultural stability in the chaos of everyday marketing warfare.

former partner. The no huddle offense shirt is a highly visible cultural artifact that allows his team and the rest of the company to focus on the concept of a dynamic, self-organizing marketing and sales organization that can deal with uncertainty as the norm.

My own view of the power of cultural artifacts, rituals and mythmaking as internal market 'attractors' came from my family, specifically my father. He did not graduate from an Ivy League b-school, or any university for that matter. Instead he chose to drop out of North Catholic High School in Philadelphia at the age of 17 to enlist in the Army Air Corps during World War II and fight Nazis in Jimmy Doolittle's 8th Air Force. He served as a top turret gunner on a B17 bomber, the *Chow Hound*, which flew 30 combat missions over Germany, including the very first allied raid on Berlin itself. Through his simple storytelling and 'mythmaking' of those days, he imprinted on me a cultural heritage of what America is all about in times of quantum uncertainty like WW2.

The cultural artifacts displayed in our home, photos of the Chow Hound and it's crew, the picture of a young, straight-backed GI saluting and staring fierce-eyed as the Distinguished Flying Cross was pinned to his chest, the plastic models of American war planes (and the enemy planes that were shot down), all became a part of the collective unconscious and 'culture management system' of our family. These artifacts were attractors catalyzing the 'internal market' within our family that pulled me, organically and over time, into his culture. And there were regular rituals as well. I remember being the only 10 year old on the block who could sing the Air Force Anthem, *'Wild Blue Yonder'* on key, always remembering that the right ending (according to my father's ritual) was *'Nothing can stop the Army Air Corps'*, the real name of the U.S Air Force for those who had absorbed it's culture during WW2.

Like the values components I absorbed from my father, the 4 components of asymmetric marketing culture are not embedded overnight, or imposed on a marketing and sales organization with top-down management coercion or HR guideline. Asymmetric marketing culture can also be catalyzed by similar attractors, i.e. symbols, rituals, artifacts and **social software-enabled processes** that provide islands of cultural stability in the chaos of everyday marketing warfare. For this reason, asymmetric marketing organizations don't need abstract cultural values statements---they need powerful, tangible artifacts, rituals, mythmaking and systems that create a marketing culture of execution.



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Conducting and documenting a baseline sales and marketing culture assessment is the first step to systematically identifying the key cultural drivers of your sales and marketing teams and the 'culture gap' between strategy and execution in your organization.

What is an asymmetric marketing 'culture management system' (CMS)? In brief it is a set of knowledge and social software-enabled processes that embed the process values components described above into your organization one day at a time in order to close the marketing and sales culture gap. Let me repeat again that a CMS is not a mechanism designed to embed higher order values abstractions like 'innovation', 'competitiveness' or 'customer satisfaction'. It is designed to focus on the least common denominator 'process values' that are the real core values that need to be embedded in an operating culture to create an asymmetry of execution will. For example, how can a marketing organization concern itself with 'innovation' if its process culture is not one of candid dialogue? It can't, is the obvious answer. Hence the focus on core process values that constitute the 'common sense' immune system underlying higher values. At Asymmetri Incorporated we foster the adoption of culture management systems that include 4 basic modules as follows:

Baseline Culture Assessment: Conducting and documenting a baseline sales and marketing culture assessment is the first step to systematically identifying the key cultural drivers of your sales and marketing teams and the 'culture gap' between strategy and execution in your organization. The assessment creates a cultural snapshot of the full spectrum of critical marketing activities including sales, product marketing, partner development, messaging, etc., focusing on the values that are driving behavior in the context of the new uncertainty. For example, *'In our end-to-end marketing and sales organizations, what is preventing us from identifying a 'qualified prospect'? Or, "why are leads falling through the cracks?"* In a thorough assessment, it's important not to sweep the past under the rug in the name of sales and marketing optimism but to look at every symptom of the gap. False optimism, a common character defect of sales and marketing professionals imbued with the 'power of positive thinking', is the enemy of asymmetric marketers. It's also critical to look at the role of the 'dominant' dysfunctional industry culture, i.e. bubble-culture, in fostering what I call the 3Ds, i.e. dependence, denial and desperation in the perpetuation of non-sober marketing and sales activities. The cultural assessment, when completed and published on the CMS weblog for open discussion, also begins the process of embedding 'one day at a time' sober values and serves as an attractor for the marketing and sales teams you want to mobilize.

Marketing Community Management: To close the marketing and sales culture gap, the whole 'marketing community' inside your company must be mobilized to participate in everyday candid 'get real' dialog and healthy creative conflict. But in many



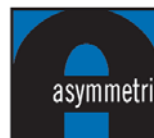
Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Marketing community enablement via social software technology can also help overcome the frequently negative cultural effects of email as a toxic weapon of corporate shunning and the building of divisive factions within the marketing and sales organization.

cases the marketing community is not a community at all, being locked up in functional stovepipes or 'silos' (sales, marketing, business development) where it is difficult to get real because of the political allegiances inside the silo, e.g. loyalty to a particular sales or marketing manager. SFA (sales force automation) and CRM systems need to be augmented with 'marketing community platforms', e.g. discussion boards, weblog self-publishing software, wiki document collaboration software (see SocialText.com for a discussion of wiki technology), etc. thereby creating a permanent community artifact where the best ideas and the best 'reputations' in the company can emerge and provide leadership. Marketing community enablement via social software technology can also help overcome the frequently negative cultural effects of email as a toxic weapon of corporate shunning and the building of divisive factions within the marketing and sales organization. I have seen more good ideas killed by email flaming than by any other means. As an antidote to negative or politically motivated email that reinforces departmental silos, digital marketing communities can serve as attractors for a get real culture of candor where creative conflict is the norm not the exception.

Collaboration & 'Internal Markets' Management: To foster a self-organizing collaborative environment, you need to make 'internal market management' a ritual of the marketing, sales and customer service organizations. Internal market management may take the form of 'dress rehearsals' or 'war games', i.e. collaborative pre-launch or pre-campaign rituals that test-market your products and programs internally and get everybody on the same page, surfacing objections and vulnerabilities, and showcasing the really good ideas that may be locked up inside departmental silos. This is a critical way to prepare the whole sales and marketing team for external programs while unifying the culture. In the regular ritual of the pre-launch or pre-campaign process, people learn how to think, not just what to think, and come to feel that their fingerprints are on the offering or program being launched. This produces more sales and marketing team members who collectively and collaboratively own the revenue forecast of the company. In this environment, it becomes easier to self-organize to address the new uncertainty, or to introduce new 'special ops' marketing functions that bridge departmental silos. Once again, emerging social software technologies like real time conferencing or virtual meeting room software can augment your core SFA and CRM systems to become artifacts of the new internal market management and collaboration rituals.



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Within the context of a culture management system it's critical to understand the process of momentum creation in your target category and disproportionately reward those roles in the organization responsible for creating that momentum. This may be different than reinforcing and rewarding only the traditional ownership roles within the discrete silos of your company.

Ownership Management: Sales execution and market momentum rarely occur without tangible and intangible compensation and reward models that foster them. Within the context of a culture management system it's critical to understand the process of momentum creation in your target category and disproportionately reward those roles in the organization responsible for creating that momentum. This may be different than reinforcing and rewarding only the traditional ownership roles within the discrete silos of your company. Momentum creation ownership metrics may differ from category to category, but once understood, can change the way you think about the sales and marketing process, e.g. what actually constitutes a 'qualified' prospect for your company's products and services. Next generation EIM (enterprise incentive management) technologies and a sense of 'higher mission' can be employed as part of your CMS to build team-based dynamic incentive programs that reinforce shared ownership and the values of dialog and collaboration that give you an asymmetric cultural advantage.

In the sections that follow I will go into more detail on the 4 process values of an asymmetric marketing (MMBV) culture that can provide an important execution foundation for carrying out successful marketing and sales programs in the sand-storm economy. These core values can be more easily embedded in your culture by means of the culture management system concepts and technologies I will also describe.

Core Embedded Process Values Drive Asymmetric Operating Culture

Operational Sobriety

- * Recovery from bubble values
- * Accelerated self-sufficiency
- * Bootstrapping startups
- * Identify organizational culture gaps and silos

'Get Real' Candor

- * How to think vs. what to think
- * Eliminate fearful, risk averse workforce, create 'armies of one'
- * Pre-empt 'whistleblowers', expand board visibility via candid dialogue
- * Even Microsoft admits mistakes

Self-Organizing

- * Foster cross-silo collaboration
- * Build special ops marketing organization
- * Tribal leadership model
- * Agility, culture-driven response to market challenges

Ownership

- * Revenue momentum owned by the entire marketing community
- * Reward systems reflect business model contribution
- * Eliminate 'falling through the cracks' leads, customers, partners



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

I. 'Sobriety' As a Values Component of MMBV

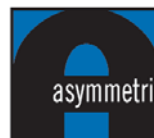
The Bubble and the Web of Wealth Entitlement

It is my view that during the period preceding the bursting of the tech bubble, an entire generation of sales and marketing professionals got marketing drunk and capital dependent by participating in a web-of-wealth entitlement that hooked the entire high tech industry in the United States and elsewhere.

What do I mean when I assert that sobriety is a necessary values component of an asymmetric marketing culture? Am I talking about outlawing the Friday night beer (or espresso) bash? Absolutely not. I'm talking about recovering from the negative consequences of the dominant tech industry culture of the bubble. In fact, anytime you attack the issue of corporate culture (or a particular corporate micro-culture, e.g. marketing and sales) it helps to begin with an assessment of the dominant culture of the industry in which you compete. If you begin from that perspective you can see that most tech companies (despite having elaborate HR programs tied to MBO and MBI) already operate in an MBV 'default mode'. In other words, when tough and uncertain times arrive, people revert to their core value sets and their core process values, e.g. to speak out and succeed or stay silent and protect one's job. During the bubble and its aftermath, many marketing and sales professionals have in fact been operating under a 'managed by values' approach. Unfortunately, the values managing them were highly dysfunctional and continue to undermine the cultural health of many technology businesses.

It is my view that during the period preceding the bursting of the tech bubble, an entire generation of sales and marketing professionals got marketing drunk and capital dependent by participating in a **web-of-wealth entitlement** that hooked the entire high tech industry in the United States and elsewhere. Speaking at the CMO Council conference, Bill Campbell, Intuit Chairman, connected the dots on the web-of-wealth entitlement by pointing out that he only gets personally involved in what he called 'product companies' which he distinguished from the 'market cap companies' of the bubble. Common sense marketing and sales people who dared to make this same observation at the height of the tech and internet bubble were unfortunately beaten down like female school teachers at a Taliban rally.

What do I mean by the 'web of wealth entitlement'? I use modern addiction treatment theory as a guide to explain this concept. If you study the decades-long experience of the U.S. treatment industry, you will find that all addicts (drug, alcohol, gambling, food, etc.) believe they are 'entitled' to their fix, i.e. their drug or addiction of choice. In the case of the tech bubble, the addicts felt they were entitled to



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Unfortunately, the tech industry has not come to terms with the idea that the bubble was a case of mass addiction and is in many respects still stuck in the blame game, rather than trying to draw the cultural lessons relevant to re-igniting tech entrepreneurship and technology sales and marketing momentum in a healthy way.

major financial returns just for participating in the 'new economy land grab' (both real and imagined). The co-addictive roles in this web-of-entitlement were played by:

Entrepreneurs: Many of whom should have never been funded or gone public to begin with. Having been funded, they became comfortably dependent on capital to support their very existence as they functioned in an atmosphere of speculative business models and spurious economic theory which they re-spun at will to gain new funding. This is why I use the metaphor of the 'bubbleboy' who lived in a germ-free cocoon and could not survive in the real world. This is the exact opposite of 'bootstrapped' high technology 'garage entrepreneurship' that is the cultural legacy of Silicon Valley.

VCs: The venture capital industry grew dependent on a steady stream of IPO's to recapture many times their original investments. Absent this steady stream of IPO's, the industry contracted. Today many VCs are more hands-on with their portfolio companies adding to the execution heat in the sandstorm economy of tech.

Investment Bankers: The bankers were dependent on the individual 'gambling addicts', i.e. the retail investors and day traders looking for rapid run-up of stock value for various tech and internet stocks. Without the gambling addicts in large numbers, it's hard to hold the web of entitlement together.

Remember what I said earlier about the desertification of the tech economy? At its roots this desertification was accelerated by the wholesale mass gambling addiction that over-cultivated any 'New Economy' business model that even appeared to be able to succeed.

Unfortunately, the tech industry has not come to terms with the idea that the bubble was a case of mass addiction and is in many respects still stuck in the blame game, rather than trying to draw the cultural lessons relevant to re-igniting tech entrepreneurship and technology sales and marketing momentum in a healthy way. Sure, people like indicted investment banker Frank Quattrone and others bear their full share of responsibility for their own actions. But how many CEOs and management teams said, 'we are not going to cash out on those options'. Not many. How many VCs said, 'No we are not ready to cash out on that IPO yet, that deal is not fully cooked'. Not many. And how many companies decided not to build a big cash war chest just in case their original business model and market opportunity were



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

dead on arrival. Say it with me... Not many. It's like the novel 'Murder on the Orient Express'---everybody on the tech train conspired to over-cultivate the tech industry landscape, and everybody on the train, not just discredited analysts and bankers, shares the responsibility for the desertification that has followed.

The 3Ds: A Starting Point for Baseline Cultural Sobriety Assessment

Let me continue down this line of thinking about the culture of the bubble as an episode of addiction. When an individual has an addiction problem and ends up someplace like the Betty Ford Clinic, or contemplates attendance at some '12 step' self-help recovery group, he or she usually is handed a list of Addiction Assessment Questions. For example:

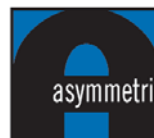
If you needed a song parody to sum up the marketing mentality of capital dependence that characterized the tech bubble its title would be "Money for nothing and your 'clicks' for free".

- * Do you find yourself becoming more and more dependent on the drinking, the drugging, the pint of Haagen Daaz, the gambling excursion to Vegas? Do you find yourself losing control, become intoxicated, or spending more time and money than you can afford pursuing your habit?
- * Do you lie to yourself, rationalize or justify or in any way engage in denial of the impact of these behaviors by thinking, "I'm in control, I can stop whenever I choose to stop. My behavior is normal, everybody does it".
- * Have you engaged in acts of desperation to maintain the addictive habit, e.g. lying, cheating, stealing, covering up or worse?

There are a lot more questions on your average assessment list, but these are just a few examples that shine the spotlight on the basic '3D's of addiction assessment—Dependence, Denial and Desperation. These 3Ds are the cultural legacy of the dominant tech culture of the bubble and marketing and sales organizations need to examine the impact of this dominant culture on their current marketing/sales culture as the first step in closing the marketing and sales culture gap.

The First 'D': Dependence: Strong Balance Sheet, Weak Marketing Culture?

If you needed a song parody to sum up the marketing mentality of capital dependence that characterized the tech bubble its title would be "Money for nothing and your 'clicks' for free". What other song title would be appropriate for a company



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

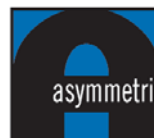
like WebVan, for example, that burned through over \$1 Billion of invested capital selling bags of groceries for \$1.00 that cost \$2.00 to produce. What kind of marketing culture thinks that's a sober idea? Lots of companies in the 'new economy' is the right answer.

In the beginning of all addictive processes there is the particular kind of 'drug of choice' on which the addict becomes completely dependent. So too with the tech companies of the bubble. The drug of choice was capital and the result was toxic dependence.

In the beginning of all addictive processes there is the particular kind of 'drug of choice' on which the addict becomes completely dependent. So too with the tech companies of the bubble. The drug of choice was capital and the result was toxic dependence. Dependence on capital is the opposite of a culture of sobriety or 'bootstrapped' self-sufficiency that is one of the traditions of technology garage entrepreneurship in the U.S. Many companies born during the bubble never really equated success with business self-sufficiency and continuous momentum, but with this essentially dependent relationship to capital, validated for them by an army of analyst 'enablers'. The now historic Barron's article in 2000 exposing the timeline around which many public internet companies were running out of cash blew the whistle on the epidemic of capital dependence and triggered the first wave of the sell-off of tech and internet stocks, and the virtual end of new IPO's. One major feature article in a major financial publication was all it took to blow the whistle on the web of wealth entitlement. But we're past that now....right?

Financial markets professional Arne Alsin doesn't think so. Arne Alsin is the founder and principal of Alsin Capital Management, portfolio manager of the Turnaround Fund, and a regular contributor to Real Money and TheStreet.com. In an article titled 'Time for Tech's Comeback? Not So Fast' (June 6, 2003 RealMoney.com) he makes some powerful observations that go to the underlying financial basis of the point I want to make about a culture of marketing dependency. In explaining why he feels that certain technology stocks may be overvalued, he points out that "Balance sheets are too strong. Though this is counterintuitive, too many well-financed companies are a negative for investors. A torrent of capital during the bubble years created excess capacity and provided companies with exceptional staying power. In a normal cyclical decline, a natural winnowing process purges weak companies, such as those laden with debt, from the competitive landscape. Instead, excess capital still dominates the scene, even in the face of reduced demand."

What these 'strong balance sheets' end up fostering is the kind of sales and marketing dependence on capital that runs counter to the basic business 'sobriety' of operating self-sufficiency. He goes on to write that "Free cash flow is low to nonexistent at most leading tech companies." In other words, 'self-sufficiency' or 'sobri-



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

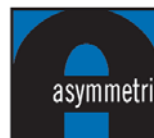
ety' as a values component of marketing and sales culture is not very high on management agendas. What capital dependence does is weaken the initiative of marketing and sales organizations in selling and marketing their way out of their problems. In my experience, a professionally conducted culture gap analysis focused on capital dependence and self-sufficiency issues will reveal many things, including a potentially expensive overlap in marketing and sales functions, duplication of effort due to non-collaboration, and wasteful or poorly targeted spending. Let me move on to the 2nd of our 3Ds.

In my experience, a professionally conducted culture gap analysis focused on capital dependence and self-sufficiency issues will reveal many things, including a potentially expensive overlap in marketing and sales functions, duplication of effort due to non-collaboration, and wasteful or poorly targeted spending.

Second D: Denial Justifies Dependence

On their own, addicts usually appear to be incapable of self-correcting their behaviors because of strong denial and rationalization systems that go hand in hand with dependence. The denial is often so pervasive and takes so many different forms that most addicts end up needing a recovery process grounded in simple reality-based values to get better. The pervasive marketing denial of the dominant culture of the bubble is still with us and continues to take 3 important forms that run counter to sober marketing and sales practices. These 3 forms of denial are as follows:

Denial of Best Practices: Embrace of New Economy/New Rules Belief Systems: The dominant marketing culture of the bubble justified capital dependence, intoxicated overspending on marketing and sales, and outright losing of money by advocating that we are operating according to the 'new rules of the new economy'. In retrospect we now know that many of the 'new rules' were actually created by a small army of now extinct e-strategy and media companies as self-serving theoretical justifications for spending millions with them on advertising, 'analyst validation', and marketing at 'internet speed'. It was brilliantly self-serving ploy for a while, until reality set in. This so-called thought leadership is still active inside many tech companies where the systematic study of proven best practices of dominant, winner-take-all players (asymmetric marketing) has fallen by the wayside. For example, in many companies a co-dependent interpretation of the 'customer economy' concept has replaced the 'new economy' concept in justifying weak, politically correct, 'relationship-first/customer later' selling approaches that are teaching sales and marketing professionals how not to close new business, how not to practice customer dominance, a key attribute of an asymmetric marketer. These 'build the relationship first' sales approaches also delay exposing real market vulnerability, e.g. a weak



Asymmetri Incorporated

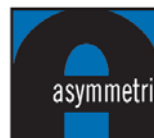
Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

product that would not succeed even if it was given away. Real best practices in high technology marketing revolve around the tactics of full spectrum market dominance, i.e. what needs to get executed to lock in the customer while locking out the competition at every phase of the category's evolution.

The culture of these companies prevents them from merging and creating a 'winner take all' scenario and instead opens the door to larger players to come in and cherry-pick the category to death.

Denial of Competitive Dynamics: Non-Existent Competitive Intelligence: When you re-write economic history, why stop there. Why not re-write the rules of competition. This was the case with those that advocated that 'brick and mortar' and the 'legacy tech' businesses were not competitive with the 'new economy' companies. This led to sloppy or non-existent competitive analysis all along the line that is still with us in the sandstorm economy. You can see this in many 'emerging categories' that have 4 or 5 companies with around equal revenue and no clear 'winner take all'. The culture of these companies prevents them from merging and creating a 'winner take all' scenario and instead opens the door to larger players to come in and cherry-pick the category to death. Asymmetric marketers are acutely aware of competitive dynamics and constantly infiltrate competitor ecosystems in order to detect opportunity, reduce vulnerability, and undertake consolidation activities that may lead to a winner-take-all 'pre-emptive' category leader. A-marketers understand that competitive dynamics also applies to today's 'partners' who may be tomorrow's competitors. In fact, this is the entire history of the tech industry.

Denial of Actual Demand: Non-Existent 'Market Opportunity': If you didn't see Wag the Dog with Robert Deniro and Dustin Hoffman you missed a 2 thumbs up flick. Funnyman Dennis Leary plays the role of the Fad King, a kind of folk marketing anti-hero who identifies emerging cultural trends that his clients can capitalize on. He then uses these cultural findings or fads to divert the nation's attention away from a potential presidential sex scandal by creating a phony war in Albania complete with phony heroes. In the short-lived micro-era of the dysfunctional dotcoms the marketing departments of many companies tended to be run by this kind of fad king wannabe. For example, many bubble-era companies hijacked Professor Brian Arthur's complexity-based concept of 'increasing returns' as a strategic fad to justify non-existent business models with no demand ('money for nothing, clicks for free'). When the chronic absence of demand became self-evident, fad king tech marketers abandoned increasing returns and instead made 'increasing u-turns', abandoning the model-du-jour looking for an even newer fad. I still get calls like, 'Enterprise software is out of style. Our investors want us to re-position ourselves (read re-spin) in order to gain new funding. We want to be an ASP, now...or maybe a 'web services' company'. Like the alcoholic who thinks his problem is whiskey,



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Taken together, denial of best practices, denial of competitive dynamics, and denial of real demand are a 'set up' to practice desperation behaviors that widen the gap between strategy and execution that I call the sales and marketing culture gap.

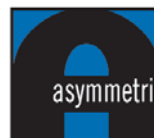
not vodka, many management teams switched poisons by 'morphing' and re-positioning, without getting to the root of the cultural problems of dependence and denial and the absence of demand for their offering. I laugh at the lengths to which the fad kings went to hide the fact that there was no actual demand for their products or services. Often times their denial of actual demand is disguised as 'we're in the chasm now'.....'once we get into the 'bowling alley' we will be OK.' Am I saying that tech companies don't end up in the 'chasm' or the 'bowling alley', two concepts created and popularized by technology marketing author and consultant Geoffrey Moore? Absolutely not. In fact what I'm saying is that chronic denial can even take the form of holding up legitimate tech industry marketing strategy (chasm theory) as a holy talisman, kind of like a frightened Transylvanian holds up a crucifix to a mythical vampire. It doesn't work and they never get out of the chasm.

The Third D: Desperation

Taken together, denial of best practices, denial of competitive dynamics, and denial of real demand are a 'set up' to practice desperation behaviors that widen the gap between strategy and execution that I call the sales and marketing culture gap. In extreme cases of capital dependence and denial, sales and marketing teams under pressure to perform will often do or say anything to deal with declining revenue, weak products, multiple competitors commoditizing the landscape and a host of other dysfunctional organizational behaviors. During and in the aftermath of the bubble, desperate behaviors have included:

- * Questionable revenue recognition practices that inflate revenue; Bartering or non-standard exchanges of technology that companies book as revenue;
- * Channel stuffing or the over-shipping product into your partner network while calling it revenue, knowing full well it may come back to you;
- * Pre-paid subscriptions or commerce transaction fees for users and user transactions that might never materialize in a million years (this was a nightmare for some B2B infrastructure and software providers, and for the whole m-business ASP crowd).

The new 'C' level title of 'Corporate Governance Officer' is being introduced at many companies to deal with these problems as ethics or legal problems. They should



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

first and foremost be seen as problems within the overall sales and marketing culture that need to be systematically addressed by embedding the core process value of 'sobriety', a state of marketing 'non-intoxication' created by the abstinence from various 3D behaviors described above.

Culture Management System Module 1: Culture Gap Assessment

Microsoft best practices in asymmetric marketing include a number of major category restructurings in which they moved against incumbent market share leaders from a position of relative weakness into a position of absolute strength.

In contrast to the 3Ds of dependence, denial and desperation, a marketing culture with 'sobriety' as an embedded process value is all about fostering the legacy tech industry practice of bootstrapped entrepreneurial self-sufficiency as a spontaneous behavior, and tying marketing spending to revenue uncertainty in a very real time way. A culture of marketing sobriety recoils from the kinds of desperation behaviors that characterized the bubble. Sobriety is also about detoxing from the various denial systems of the new economy thought leadership, the 'new rules' and 'no rules' in favor of a culture of best practices of market leaders. You say a culture of best practices is a no-brainer. Not so. For example, many companies that come up through the Silicon Valley VC scene seem to have a strong cultural bias against studying Microsoft's best practices. Microsoft best practices in asymmetric marketing include a number of major category restructurings in which they moved against incumbent market share leaders from a position of relative weakness into a position of absolute strength. By resenting and politicizing Microsoft marketing practices, instead of learning from Redmond's campaigns, high tech companies are leaving some of the industry's most valuable marketing experience on the table.

I've only scratched the surface with the 3Ds above. That's why it's important to go into this in depth in the Culture Gap Assessment phase of the creation of your culture management system. Embedding sobriety is a 'one day at a time' process, not a mental exercise. To borrow a phrase from the addiction and recovery industry 'You have to live yourself into a new way of thinking, you can't think yourself into a new way of living.' In other words, beginning anywhere is the way to tackle this subject. There is no wrong way to get started.

Here's a comparable. Readers knowledgeable about IT security practices may be familiar with the concept of 'vulnerability assessment', i.e. a continuous and ongoing scan of the entire network to detect areas that are undefended in a hostile attack by a hacker or insider. Culture gap analysis is like an ongoing vulnerability



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

assessment for your marketing and sales network focused on how values and beliefs impact strategy and execution.

You want to begin with a few simple questions, for example:

Do we place value on candor, getting real, self-organizing and shared ownership as cultural imperatives, or are we dialog-averse, and stovepiped with compensation and reward values that reinforce our past not our future?

- * What areas of our execution shortfall do we think are related to a sales and marketing culture gap?
- * Are we a culture of execution focused on best practices and where do we look for those best practices?
- * Are we a culture that is free to discuss our own vulnerability and the competitive dynamics of the category?
- * Are we a culture that pays attention to the stage of actual demand for our products and services, or to borrow a phrase from the Gartner Group, are we 'hype cycle' marketers?
- * Do we place value on candor, getting real, self-organizing and shared ownership as cultural imperatives, or are we dialog-averse, and stovepiped with compensation and reward values that reinforce our past not our future?

The time and resources you invest in your ongoing 'culture gap assessment' will pay for itself many times over by identifying the Big Hat No Cattle syndrome in your marketing and sales organization through which leads, resources and customers may be escaping, as documented in the Accenture study. The assessment will create a cultural baseline that tells your organization where you are now, what values are actually driving your current behavior, and where you probably need to focus in order to improve marketing and sales performance. A work in process, the first draft should immediately be published inside the organization as a first step in fostering the 2nd core process values component I will discuss next.



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

II. The ‘Get Real’ or Candor Values Component of MMBV

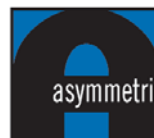
Having begun walking down the path to marketing sobriety and completed a first draft ‘Culture Gap Assessment’, perhaps in partnership with a trusted consulting organization, the second values attractor you want to embed in your sales and marketing culture is what I call the ‘Get Real’ or candor component. Getting real sounds like a no-brainer, but it’s not as simple as it seems. We have a business culture in the U.S. that puts whistleblowers on the cover of Time Magazine but doesn’t listen to them in time to fix the problems of the company.

We have a business culture in the U.S. that puts whistleblowers on the cover of Time Magazine but doesn’t listen to them in time to fix the problems of the company.

Learning from the Culture of HROs

Psychologist Karl E. Weick, a break-through thinker on the topic of organizational performance, points to high reliability organizations (HROs) as leading examples of what I call ‘get real’ cultures. HROs operate in market environments where Big Hat No Cattle execution is not considered an option, e.g. nuclear power plants, air traffic control systems, hospital emergency rooms, special operations units in the military (SEALs, Rangers, Delta Force, Green Berets, etc) and fire and first responder units like the FDNY. In an interview in the Harvard Business Review, Weick says, *“The big difference between HROs and other organizations is the sensitivity or mindfulness with which people in most HROs react to even very weak signs that some kind of change or danger is approaching.”* This concept of mindfulness of change or vulnerability is a core idea that asymmetric marketers need to embrace in the new uncertainty as a foundation for developing competitive strategy and fixing internal vulnerability, i.e. weak products, ineffective sales people, disaffected partners, poor reputation equity. It is what I mean by a ‘get real’ culture of sales and marketing.

Weick continues, *“Everyday problems escalate to disaster status very quickly when people don’t respond appropriately to signs of trouble. HROs distinguish themselves by being able to detect incredibly weak warning signs and then taking decisive action.”* Contrast this concept of pre-emptive mindfulness with many risk-averse cultures in the technology industry where market vulnerability and cultures of non-execution are not discussed internally because of the blame game. I call it the tiger inside/pussycat outside syndrome. It’s a syndrome where team members and even



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

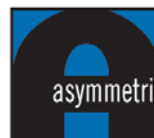
Asymmetric marketers foster marketing cultures that embrace candor and creative conflict, and organize themselves around behavioral rituals and cultural artifacts that serve as early warning signals.

management get aggressive with people who raise important cultural issues, while treating competitors with kid gloves and letting customers walk all over them. Asymmetric marketers foster marketing cultures that embrace candor and creative conflict, and organize themselves around behavioral rituals and cultural artifacts that serve as early warning signals. This is a characteristic of traditional high technology entrepreneurship and was best captured in a sound bite by retired Intel CEO Andrew S. Grove in his observation that ‘only the paranoid survive’. In the sandstorm economy, we must all be a lot more paranoid and ‘mindful’. ‘Execution’ authors Bossidy and Charan, mentioned above, also point to the need for ‘reality’ and ‘robust dialogue’ as a key element of a healthy operating culture.

Companies that are not paranoid or practice get real mindfulness or ‘robust dialogue’ tend to get competitively punished, even market leaders. I remember having a discussion over 10 years ago with a leading marketing executive at WordPerfect. I asked him if he had an OEM marketing program to counter Microsoft’s own desktop apps effort, which at that time of our discussion was just getting off the ground. He said ‘We don’t need that. We are the overwhelming market share leaders in word processing software, we have ‘top of mind’ brand equity, and we command premium prices. Why would we want to do that?’, he concluded. He could have used a little more paranoia.

If Microsoft Can Get Real, Anybody Can

Despite being the best capitalized and most dominant player in its category (a state that often lends itself to competitive denial), Microsoft practices its own flavor of a get real culture. You can’t practice asymmetric marketing for as long as they have without it. For example, one aspect of Microsoft’s asymmetric advantage is their proven ability to not just retain customers but to systematically migrate those customers to new revenue models by **locking them in**. In 2003, Microsoft introduced a new multi-year ‘subscription model’ licensing plan for enterprise server customers designed to improve their revenue visibility in the sandstorm economy. This was a key market initiative and will no doubt be imitated by many other software companies with enough asymmetric customer advantage to pull it off. But Microsoft initially met with stiff resistance from customers who perceived the new subscription model as a price increase. The Microsoft culture was ‘mindful’ of the potential competitive negatives of this customer resistance which according to the Yankee Group was as high as 60%. They got real and tweaked the licensing model,



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

throwing in new service and support capabilities for free, and changed the basis for counting licenses from the per processor approach (which is their historic cultural legacy) to one that customers felt was more fair. Bill Gates open dialog around Microsoft security vulnerabilities represents the same mindfulness of the market. If Microsoft can practice getting real and being mindful, smaller weaker players absolutely must practice it as a foundation for achieving an asymmetric market advantage.

Getting Real Helps Board Governance at NASDAQ ‘Publates’

If Microsoft can practice getting real and being mindful, smaller weaker players absolutely must practice it as a foundation for achieving an asymmetric market advantage.

In a perfect world, publicly traded corporations (and VC funded startups) have outside directors who should be fostering a get real culture as part of their oversight function. But in fact many publicly traded companies systematically ignore or suppress warning signs of trouble, even with the most well-intentioned outside directors. I call them *publates*. Publates is a word I created to describe a publicly traded corporation that is culturally managed by a particular CEO as a private company. Part ‘public’ part ‘private, hence *publate*. Here’s an anonymous portrait of Publate Company X, a 5 year old provider of e-business application software.

Company X is an established market share leader in its category, yet its revenue has declined to about half of where it was at the end of calendar 2000. It has seemingly cut costs, laying off almost half its workforce yet still has not returned to operating profitability, having lost money in the last 10 quarters. These losses are principally related to desperation overspending on marketing and sales under the mantra of ‘demand creation’, denial of best practices and competitive dynamics in its category, and a comfortable cultural dependence on its war chest of cash.

The company has lost pricing power with its customer base and its offerings, while still ‘mission critical’, are becoming commoditized. To replace its commoditized business, Company X launched a number of new lines of business over the last few years, none of which has yet gained any traction or amounted to significant replacement revenue for the company. It also created ongoing revenue model problems for itself, desperately substituting large pre-paid licenses to ‘make the number’ while robbing its future revenue upside and accelerating its downward spiral. The CEO has also done a number of major acquisitions, none of which have been effectively integrated, none of which have even begun to pay for themselves. Large amounts of cash were used in these acquisition deals triggering the sale of one



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

suddenly 'non-strategic' (yet surprisingly valuable) vertical software business asset to raise new capital. It's funny how parts of your business can become non-strategic when you've become capital dependent and non-self-sufficient.

Getting more desperate, the company has begun adopting a go-it-alone mentality mistakenly reading the competitive dynamics of the category and going head to head with its traditional ecosystem partners, alienating them, and driving them closer and closer to directly competing with the company. While these ecosystem partners have not totally turned on the company, they are now openly supporting smaller competitors of the company, including some startups that have arisen in response to the company's missteps. Company X has also strayed from its original high-value customization services model and has created new categories of channel partners who now receive the lion's share of revenues on deals the company sends them thus accelerating the revenue downturn. With the stock price down and with institutional investors abandoning the company and trading in the stock at record low volumes, the CEO has fallen into the trap of micro-managing everything (like a private company), and has not unleashed the dormant competitive mindfulness of his organization.

What I recommend to embed the 'get real' principle and reinforce it on an hour by hour basis is an internet 'marketing community system' for the marketing and sales organization.

Fortunately, many of the marketing and sales people in the middle of the company are instinctive asymmetric marketers with outstanding ideas who try to oppose the continuing revenue decline. But they don't have an easy way to showcase their ideas to the board or the CEO, grow their own bottoms-up leadership, expand their internal market reputation and build a critical mass of support for positive but 'get real' ideas that could potentially turn the company around. What they and the thousands of other Nasdaq OTC publates need is the 2nd module of a Culture Management System.

Culture Management System Module 2: Marketing Community/Dialog Manager

What I recommend to embed the 'get real' principle and reinforce it on an hour by hour basis is an internet 'marketing community system' for the marketing and sales organization. With social software and social networking websites really coming of age, including discussion board technology, weblog systems, new categories of 'bottom-up' social applications (wiki) and more traditional 'top down' ECM (enterprise content management) and BPM (business process management) systems,



Asymmetri Incorporated

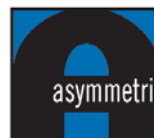
Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

In terms of fostering emergent leadership within the marketing and sales organization, culture management systems incorporating social software also build 'reputation' equity for the various contributors whose weblog entries, message board posts, and cumulative institutional memory are there for others to 'swarm' or 'mob' around.

cultural transformation inside corporate departments like the marketing/sales organization is at hand. You can deploy this technology on the marketing intranet or attach it to your SFA/CRM system to capture the creative conflict, informal conversation and mindfulness of your marketing, sales and business development knowledge workers while allowing them to grow their own 'reputation equity' and lead by example. At Asymmetri Incorporated, we provide consulting services to tailor these systems in ways that help foster real cultural transformation. These systems are especially helpful in cultures that seem to use email as a divisive tool of organizational factionalism. In extreme cases I've seen email become the digital version of the Pennsylvania Amish tradition of shunning. *'You've been bad. You went off the reservation at the product review meeting. Nobody will talk to you until you repent'.* Soon you're not copied on the email, and you're not part of the marketing 'in crowd'.

Social software systems hold the potential to serve as a more effective alternative to email in terms of fostering a persistent conversation that can uncover cultural issues and do double duty as an attractor for the asymmetric marketers to come to the fore. In many cases, a critical mass of discussion board comments, weblog postings, or collaborative wiki-advantaged knowledge staring you in the face can serve as a powerful cultural artifact to keep the business on track.

In terms of fostering emergent leadership within the marketing and sales organization, culture management systems incorporating social software also build 'reputation' equity for the various contributors whose weblog entries, message board posts, and cumulative institutional memory are there for others to 'swarm' or 'mob' around. These systems also provide visibility for public company board members or VCs into the day-to-day operations and mindfulness of the company as an alternative to canned or filtered management presentations and reports. This direct visibility into the marketing and sales culture can only improve board, investor and stakeholder governance.



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

III. Self Organizing as a Values Component of MMBV

Embedding and fostering an attitude 'self-organizing' as a values component is the best way to limit the negative effects of bureaucracy while preparing for the on-again/off-again market uncertainty and competitive challenges of the sandstorm.

Not surprisingly, many tech companies that have non-sober, capital-dependent marketing and sales organizations and cultures that have difficulty 'getting real' are also highly 'stovepiped' or 'siloed' and culturally dysfunctional relative to facilitating 'self-organizing' activity. In other words, they are bureaucratic, not run like a highly mindful, high reliability organization. Embedding and fostering an attitude 'self-organizing' as a values component is the best way to limit the negative effects of bureaucracy while preparing for the on-again/off-again market uncertainty and competitive challenges of the sandstorm.

Bureaucracy to Special Operations Teams

Remember the sophomoric but hilarious 80's comedy Stripes, starring Bill Murray and Harold Ramis. In the film, 2 cultural misfits join the army in order get some self-discipline. While undergoing basic training their platoon leader, the grizzly Sergeant Hulka, gets injured leaving them leaderless. But Bill Murray and buddy Harold Ramis end up actually saving the platoon by 'self-organizing' and training their unit for their final bootcamp graduation drill. They are then promoted to a secret special ops unit and end up rescuing their comrades from some Iron curtain era bad guys. The whole movie is basically about how the discipline of getting real transforms itself into the discipline of self-organizing under external threat.

Since the advent of the war on terror and it's high media visibility many ordinary citizens have become more aware of the concept of 'special operations' forces, i.e., teams of specialists from different branches of the military that come together to address the special conditions of modern asymmetric warfare against open societies like the U.S. and other western democracies. Marketing professionals serious about applying these lessons to the challenge of cultural transformation ought to visit specialoperations.com, a website that provides insight on the basic ideas of military special ops. In an essay on the website, General Peter Schoomaker outlines many of the basic concepts that should resonate with asymmetric marketers. Concepts like the 'warrior diplomat' (somebody who can both strategize and execute), 'joint interoperability' (busting up the silo monopoly with new 'task force' forms of organization), surprise (even in an atmosphere of congressional 'trans-



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Today, many technology companies are facing Weapons of Market Destruction from larger, stronger competitors and from the change in IT buying habits. Self-organizing cultures supported by culture management systems is one way to meet these challenges.

The leader as high reputation doer is the best cultural insurance policy against uncertainty an organization can have. It provides a role model artifact that is powerful and drives imitation of the best kind.

parency'), information warfare (both truth and disinformation), and psychological warfare or Psyops are all included in the special ops bag of tricks. One of the things Schoomaker writes that literally jumped off the page was: *"We must also have the intellectual agility to conceptualize creative, useful solutions to ambiguous problems and provide a coherent set of choices to the supported CinC (commander in chief) or joint force commander---more often like Sun Tzu, less like Clausewitz. This means training and educating people **how to think**, not just what to think."*

This same insight can be used to build special-ops-type asymmetric marketing culture at your company. Special ops culture has blossomed and come into it's own in the context of the post cold war period where asymmetric threats from Weapons of Mass Destruction, terrorists and rogue nations challenge the safety of free peoples. Today, many technology companies are facing Weapons of Market Destruction from larger, stronger competitors and from the change in IT buying habits. Self-organizing cultures supported by culture management systems is one way to meet these challenges.

4 Elements of Self-organizing Culture

To be effective in the ongoing uncertainty of the new IT reality, businesses need to function less and less in corporate bureaucratic models and more in what I call the self-organizing or special ops cultural model. In my consulting practice I have seen 4 key distinctions between traditional stovepiped sales and marketing culture and a culture that values self-organizing. They are:

- 1.** In the traditional corporate organizational model, a leader is primarily a manager, whereas self-organizing cultural leadership sees the leader as a 'doer' with rich reputation equity. Bill Gates organizational shift from his old role as COO to his current role as Chief Software Architect is an example of an organizational decision that re-enforces the asymmetric culture of doer leadership at Microsoft. Keep in mind that Gates decided to make this shift at a time when the company was betting the future on its Dot Net and web services initiatives, and was embroiled in the Department of Justice court actions. The leader as high reputation doer is the best cultural insurance policy against uncertainty an organization can have. It provides a role model artifact that is powerful and drives imitation of the best kind.



Asymmetri Incorporated

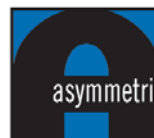
Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Much of the sandstorm-broken organizational machinery inside marketing and sales departments is based on the assumption that restructuring is restructuring and people are people. This belief has a high price attached to it.

2. Bureaucratic organizational forms assume that people can be reduced to interchangeable parts, a mechanical model, whereas self-organizing units practice a more organic model and have a higher percentage of non-interchangeable parts, i.e. key people with reputation equity who are relied on in both good times and bad to add value to the culture and provide direction. Much of the sandstorm-broken organizational machinery inside marketing and sales departments is based on the assumption that restructuring is restructuring and people are people. This belief has a high price attached to it. In my consulting practice, I've noticed that much of the overspending and duplication of efforts that widens the marketing and sales culture gap is directly related to the downsizing or elimination of individuals who were true non-interchangeable parts, i.e. culturally key people who may have been seen as outside the norm and were forced out during episodes of cost cutting.

3. In a culture of self-organizing, relevant experience matters more than title. This is something everyone should have become painfully aware of during the tech meltdown when hundreds upon hundreds of companies run by wet-behind-the-ear, just-out-of-b-school CEOs simply self-destructed while the CEOs continued their college education on the investors' nickel. And as anyone who has been around the tech industry for a long time knows, experience with failure is just as important (if not more so) as experience with success. Relevant experience with market downturns and periods of uncertainty is highly valuable and produces higher levels of market mindfulness inside a sales and marketing culture.

4. Corporations draw up abstract, committee-driven Values Statements whereas many self-organizing groups rely on cultural traditions passed down by word of mouth (mythmaking) over the course of the company's history. This allows an organization or company to become a self-organizing system that self-directs and self-corrects based on the traditions of prior campaigns and business victories/defeats, not abstraction or political correctness. The right traditions can keep groups of highly inexperienced people on track and serve as a 'constitution' or set of rules about how to make rules, to borrow a term from Clay Shirky, a long time observer of the group effects of social software-enabled self-organizing. This truth has been known to self-organizing groups for many decades. Look at the 12 Traditions of Alcoholics Anonymous as an example. They are 'group guidelines' that keep thousands of addicts and alcoholics culturally united in the face of constant personal obstacles to living a new life free from addiction.



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

In the sandstorm economy, crises can come out of nowhere. Cultural conditioning becomes the foundation for how quickly and effectively you respond to the crisis.

Organizational culture is the foundation for reputation in the marketplace. And reputation equity is becoming the key ingredient in brand equity.

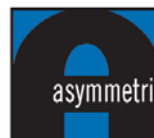
Here's an example of word-of-mouth tradition Microsoft style. Over 10 years ago, a mentor of mine, a CEO of the US branch of an Asian PC OEM told me this story. My mentor was a true sales and marketing warrior so to this day I don't know whether the story is true or was simply designed as mythmaking to motivate me. It goes like this. Long long ago in a PC industry far far away (i.e. before he became the most powerful software guy in the world) Bill Gates used to make regular visits to the office of the President of a major PC retail chain (who shall remain nameless) Apparently the retail chain guy, who resented the must-have, natural monopoly nature of Microsoft's operating system, used to schedule Mr. Gates in at 9AM and then make him wait in the reception area all day, until at least 5 PM. In the meantime, the CEOs of other PC software companies (Lotus, WordPerfect, Novell, Borland, Corel) would be ushered past Mr. Gates into the office of the retail president to conduct their business. This would go on all day long until the retail CEO thought he had made his point. According to my mentor, this systematic 'dissing' (disrespecting for the rest of us) had the exact opposite effect and helped to bestow on Mr. Gates an iron-willed competitive personality and a steely resolve to rise to the very top of the PC software business. The point here is that true or not true, traditions-based cultures produce this type of word-of-mouth legend.

Additional Benefits of Self-Organizing as a Cultural Value

There are also some not so obvious benefits to taking the time and effort, and following through on the commitment to building a marketing culture that fosters self-organizing. Here's a few.

Crisis Response: In the sandstorm economy, crises can come out of nowhere. Cultural conditioning becomes the foundation for how quickly and effectively you respond to the crisis. In the new uncertainty of the war on terror, crisis response is probably going to become a core competency of healthy marketing organizations as it is for IT organizations responsible for business continuity. Fostering a culture of self-organizing is like having a crisis 'immune system' that can automatically react to crises.

Strong Reputation Equity: Organizational culture is the foundation for reputation in the marketplace. And reputation equity is becoming the key ingredient in brand equity. Market leaders Intuit and Yahoo call it branding from the 'inside out'. For example, try to imagine eBay without its reputation management system for the



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Asymmetric marketing teams practice stealth relative to competitors and customers. With a strong and healthy culture you can do this. Without one, loose lips sink marketing ships.

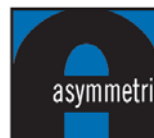
millions of participants who trade with each other having never met face-to-face. We've also seen the opposite, rapid loss of reputation equity tied to bureaucratic cultures that don't get real and don't foster self-organizing. The corporate accountability scandals rapidly imploded reputation equity at companies like Enron and Andersen resulting in a quantum loss of brand confidence and business failure. The cultures of those companies kept them from mounting countermeasures in time.

Stealth: Asymmetric marketing teams practice stealth relative to competitors and customers. With a strong and healthy culture you can do this. Without one, loose lips sink marketing ships. Stealth often comes to the fore in an acquisition or merger situation. With a self-organizing culture that fosters doer leadership, the breakdown of silos, and reliance on its key people with high reputation equity, acquisitions are easier to negotiate and integrate, and people are more likely to succeed in executing them with stealth and speed.

Culture Management System Module 3: Self-organized Collaboration Space

So far I've discussed the first 2 modules of what I call a CMS or culture management system. The first module is a professionally conducted sales and marketing culture gap assessment to begin embedding sobriety into your organization. The second module is a community dialog platform based on social software that fosters a critical mass of mindfulness, conversational candor, get real thinking that teaches people how to think, and contributor reputation equity across the whole sales and marketing organization.

The 3rd module of your CMS, designed to foster self-organizing behaviors, is the use of online conferencing and real time collaboration tools to facilitate the discipline of internal market management. One way to enable a culture of self-organizing is to internally launch all your products and programs in a dress rehearsal or war games setting that unifies your community, surfaces objections, fosters creative dialog, and prepares people to swarm or mob around the real market-based launch events. These conferencing tools (e.g. Webex, MS PlaceWare, SocialText Workspace) are commonly used for regular customer contact and sales presentations but can also serve to be very effective in embedding a culture of self-organizing into your organization while breaking down silo behaviors. While marketing community applications like weblogs serve to align thinking across sales, market-



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

ing, service, etc., collaboration technologies like online conferencing serve to align go-to-market action. In focusing this technology internally you can begin to reinforce what I described above as 4 properties of self-organizing teams, i.e. doer leadership, unique people (armies of one with reputation equity), relevant experience, and word-of-mouth cultural traditions. Addressing the ‘internal market’ through war games and go-to-market rehearsals can accelerate the closing of the culture gap in your company by facilitating the emergence of real self-organizing teams who see themselves as ‘owning’ the shared challenges of sales and marketing.

One way to enable a culture of self-organizing is to internally launch all your products and programs in a dress rehearsal or war games setting that unifies your community, surfaces objections, fosters creative dialog, and prepares people to swarm or mob around the real market-based launch events.

Asymmetric Culture Management System (CMS): Embed Process Values, Drive Execution

Culture Assessment

- * Identify 3Ds: dependence, denial, desperation in legacy operating culture, embed sobriety
- * Document culture gaps among marketing, sales, biz dev, service that negatively impact momentum
- * Compare with best practices of asymmetric market leaders
- * Publish internal report

Community Dialog Mgr.

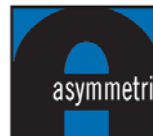
- * Deploy marketing weblog and advanced social software, foster participation across marketing, sales, biz dev--embed candor
- * Foster ‘mindfulness’ of opportunity and threat--create ‘high reliability organization’ (HRO)
- * Build internal ‘reputation equity’ of tribal leaders

Collaboration Mgr.

- * Internal marketing via conferencing software--embed self-organizing
- * Enable bottoms-up organizational collaboration across silos
- * Foster a ‘special operations’ go-to-market culture

Team Incentive Mgr.

- * Deploy EIM (enterprise incentive mgt.) software--embed ownership
- * Foster team incentive model for self-organized, special ops selling
- * Close culture gaps between sales, marketing, biz dev, service



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

IV. 'Ownership' as a Values Component of MMBV

What do I mean when I say that 'ownership' is a core values component of an MMBV approach to building a highly competitive marketing and sales culture? What I mean is that every individual in the organization will answer the question *"Who owns the challenge of creating revenue momentum"* with the same answer.... *"I do."* Not he does, or she does, or the sales guy with the fat rolodex who rarely comes into the office.

Shared ownership of revenue momentum creation, not complete reliance on your 'rolodex warriors' in the sales team is the surest path to asymmetric advantage in the new uncertainty of the sandstorm economy.

Working to embed the ownership values component is the best long term approach to eliminating 'leads falling through the cracks' or confusion over 'what constitutes a qualified prospect', two of the major culture gap symptoms uncovered in the Accenture study. Shared ownership of revenue momentum creation, not complete reliance on your 'rolodex warriors' in the sales team is the surest path to asymmetric advantage in the new uncertainty of the sandstorm economy. As Sun Tzu pointed out, *"Therefore good warriors seek effectiveness in battle from the force of momentum, not from individual people."* Translation. Creating sales momentum is not just the job of the sales organization, it's a challenge for the whole sales and marketing culture. This is not just a noble idea, but in fact the way things are actually getting sold to IT organizations in the sandstorm.

Sun Tzu describes it this way. *"Getting people to fight by letting the force of momentum work is like rolling logs and rocks. Logs and rocks are still when in a secure place, but roll on an incline; they remain stationary if square, they roll if round. Therefore when people are skillfully led into battle, the momentum is like that of round rocks rolling down a high mountain---this is force."* Creating momentum means fostering ownership best practices on the part of product marketing, partner marketing, field support, call center customer support, etc. that become the equivalent of the 'round rocks' on the 'incline' of sandstorm economy IT buying patterns.

How does this play out? In the new uncertainty, IT organizations considering new projects are increasingly demanding that technology sales and marketing organizations (both new and incumbent vendors) pre-prove ROI not simply to invest budget dollars but to invest the finite 'human bandwidth' of their staffs.



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Asymmetric marketers know that up-selling and locking in existing customers is the key to establishing revenue momentum and a long term asymmetric advantage relative to these customers.

Let's take the application or infrastructure software segment as an example where a 'qualified lead' does not even exist without shared ownership by:

Product Marketing: In order to pre-prove ROI, IT organizations expect software products to be highly evaluation-ready via either a downloadable trial version of the product, or a hosted instance of the software available as a subscription web service. Without this, the sales force is not really operating with the force of momentum, but as 'individuals' attempting to convince the customer prospect 'a priori' of their value proposition. I don't care how many 'relationships' your newly hired VP of sales has or how many names are in his rolodex. Without pre-proving ROI through the execution of best practices in software marketing (trialware editions), how can you ever really know if you have a qualified prospect? Product marketing organizations with a culture of shared ownership take pains to design evaluation readiness into products upfront and do not see it as an afterthought feature.

Partnering/Distribution: If our hypothetical software company markets the software product via a network of partners, it is expected by IT organizations that these partners will not simply have evaluation-ware, but have access to a standard version of the product deployed in their shop and available to run full customer pilot programs or extended trials that may involve customization by the partner. This is especially true in vertical market situations with highly specialized business logic.

Customer Service/Support: Asymmetric marketers know that up-selling and locking in existing customers is the key to establishing revenue momentum and a long term asymmetric advantage relative to these customers. Support and service organizations are critical in providing customer insight and competitive intelligence on how to make that happen and what product changes need to occur. Without embedding ownership values in the support organization, up-selling and emergent opportunity detection are less likely to happen.

To really drive momentum creation in the sandstorm, the traditional boundaries between sales, marketing, business development, field engineering support etc. must evolve into what the new military calls joint warfighting, unified command and control and a single view of the battlespace. And it's not enough to have a modern SFA or CRM system, there has to be cultural transformation.



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Let's re-wind a few pages to revisit the research compiled by Accenture on sales organization effectiveness.

* 58% of companies say that sales teams are 'stuck in the past'. One startling thing about this 'stuck in the past' observation is that most of the companies surveyed have more often than not installed enterprise Sales Force Automation (SFA) or Customer Relationship Management (CRM) systems from major vendors like Siebel or rely on web based systems like Salesforce.com or Upshot.com (now part of Siebel). With so much sales force automation, how can anybody be stuck in the past? Here's how.

More than a few installations of SFA and CRM systems fall into the trap of cargo cult marketing, doing what management thinks is needed (i.e. automate the sales force with new technology) but momentum does not occur without the cultural component being changed, without reward and incentive systems that foster momentum.

In my essay, 'Asymmetric Marketing: Winning in the New Uncertainty', I make reference to some powerful observations about cultural behaviors made by legendary physicist Richard Feynman. Let me repeat some of that here in a new context.

In 1974 Richard Feynman gave a commencement address at CalTech he called Cargo Cult Science. In his speech Feynman tells the story of a group of south sea islanders. *"During the war (WW2) they saw airplanes (landing on their island) with lots of good materials, and they want the same thing to happen now. So they've arranged to make things like runways, to put fires along the sides of the runways, to make a wooden hut for a man to sit in, with two wooden pieces on his head to headphones and bars of bamboo sticking out like antennas--he's the controller--and they wait for the airplanes to land. They're doing everything right. The form is perfect. It looks exactly the way it looked before. But it doesn't work. No airplanes land. So I call these things cargo cult science, because they follow all the apparent precepts and forms of scientific investigation, but they're missing something essential, because the planes don't land."*

More than a few installations of SFA and CRM systems fall into the trap of cargo cult marketing, doing what management thinks is needed (i.e. automate the sales force with new technology) but momentum does not occur without the cultural component being changed, without *reward and incentive systems that foster momentum*. In fact the SFA vendors have recognized this and the new features and capabilities that are being added to SFA and CRM systems are aimed at addressing this issue. For example, Salesforce S3 was updated to include cross-organization collaboration capabilities like 'team selling' and 'opportunity sharing', while incorporating a new web services API to extend the traditional SFA system functionality to partner



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

systems, internal marketing campaign management systems and miscellaneous customer facing systems (call center, ecommerce). Siebel is also getting into the culture game, having recently bought startup Motiva, to incorporate their capability to dynamically create cross-organization or cross-channel incentive programs. In other words, next generation shared reward and incentive systems referred to as EIM (enterprise incentive management) need to integrate with SFA functionality to foster the values component I call 'ownership'.

Many in the high tech industry have historically embraced a sense of higher mission to super-charge their cultures.

For example, the open source movement has a market power greater than the sum of its parts for this reason.

Organizations committed to not staying 'stuck in the past' work to deconstruct, reconstruct and incentivize the selling process with 'momentum' (not total dependence on a few sales heroes) as the outcome, and shared ownership as a core embedded value. But they go one step further and reward behaviors that extend the concept of community outside the company through a sense of higher mission.

Intangible Incentives---A Sense of 'Higher Mission'

Many in the high tech industry have historically embraced a sense of higher mission to super-charge their cultures. For example, the open source movement has a market power greater than the sum of its parts for this reason. Without the culture of collaboration as an embedded principle, the open source movement would not be successful. Many 'white hat hackers' in the security space also see it as their higher mission to expose software vulnerabilities through highly publicized system break-ins. And we may not like it but those of us in the marketing and sales community of tech have left that period of history where expert B-school panels on the new economy held interesting cocktail party discussions around concepts like 'creative destruction' and entered a time of focus on the extremely uncreative *real market destruction* that threatens the very existence of individuals and businesses, and the western way of life itself. Understanding this higher purpose is why Akamai denied service to the Al Jazeera network after its founder was murdered by terrorists on September 11th.

While the bubble and the 'web of entitlement' may have been all about rapid personal enrichment and anything it took to get there, a growing number of business and marketing leaders in the tech sandstorm economy are turning to higher mission or higher purpose as part of their reward systems, their intangible incentives in dealing with this threat of real destruction. For example, a number of asymmetric marketers are starting to see that one important aspect of their role in society is to



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Like the high tech industry in Israel, a nation that has dramatically grown its software exports during a 20 year terror-induced sandstorm of market uncertainty, conscious asymmetric marketers are part of what I call the 'eFront', i.e. the electronic front in the war on terror.

create and market technology products that foster homeland defense. Like the high tech industry in Israel, a nation that has dramatically grown its software exports during a 20 year terror-induced sandstorm of market uncertainty, conscious asymmetric marketers are part of what I call the 'eFront', i.e. the electronic front in the war on terror. One of the key reasons behind the growth in the Israeli technology industry, as well as its ability to pioneer in the creation of new categories of capability (security, instant messaging, electronic warfare, optical processors) is its relationship to the Israeli government and the IDF (Israeli Defense Forces). This has fostered a sense of shared ownership for national survival in the face of decades of terrorism. Like their counterparts in Israel, U.S. asymmetric marketers align with government IT initiatives, adopt new partnering models, and know intuitively that the September 11th terrorist attacks in New York and Washington altered the relationship of US tech companies to the US government for the foreseeable future.

Against this background, embedding a sense of higher mission in your marketing and sales organization may best be accomplished not simply by fostering community volunteerism in general but by turning your 'government marketing' team into a values attractor, an engine of self-organizing activity and a hotbed of rich dialog within the organization as a whole. Here are some examples of what I mean by 'higher mission statements' focused on the government marketing team:

* Vertical SW Provider Higher Mission: 'We provide business intelligence and analytic software to target Al Qaeda funds. Part of our reward system is living in a terror-free world and we want to play our part.'

* E-security Managed Services Provider: 'Our company is proud to defend corporate networks and critical infrastructure against cyberterrorism. Part of our reward system is in knowing that despite uncertainty outside our control, we can help to foster business continuity.'

* Mobile Services Network Provider: 'This organization is dedicated to provide mobile technology and connectivity to first responders who are on the frontlines of homeland security. No fire or rescue professional need suffer additional risks for lack of robust mobile communication.'



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Culture Management System Module 4: Team Incentive Management

The 4th module of an asymmetric marketing CMS should incorporate EIM (enterprise incentive management) technology both to reinforce your 'ownership' values component across the organization and reward a sense of higher mission. EIM will allow you to implement 'pay for team performance' strategies that can reward teams and individuals and be managed directly by the responsible business managers. With EIM as a component of your CMS, you can design sales and marketing compensation models that reinforce the 'sobriety', 'get real' and 'self-organizing' values components described above and simultaneously facilitate market momentum. With EIM you can reverse engineer your best practices and reward only those that create momentum while eliminating barriers to collaboration or compensation programs that reinforce your silos.

The 4th module of an asymmetric marketing CMS should incorporate EIM (enterprise incentive management) technology both to reinforce your 'ownership' values component across the organization and reward a sense of higher mission.

As I mentioned above, both Siebel and Salesforce.com are incorporating EIM technology into their SFA platforms. In addition, stand-alone EIM vendors like Synygy and Callidus can also be considered as providing support for the embedding of ownership values in the sales and marketing organization by enabling dynamic compensation models for self-organizing teams.



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

Conclusion

Culture is what drives people to execute creatively across organizational boundaries, or dysfunctionally engage in regular turf wars between and among sales, marketing, engineering, service, finance, legal, etc.

Culture facilitates execution, for better or worse. Culture releases behaviors that create positive or negative momentum. A healthy marketing and sales culture is not based on canned HR department Corporate Values statements but is about strong traditions passed down by word of mouth, and repeatedly embedded by reputation-rich doer leaders in day-to-day processes in which everyone participates, e.g. conflict-rich weblog-based dialog, cross-organizational collaboration and shared momentum creation. Culture is what drives people to execute creatively across organizational boundaries, or dysfunctionally engage in regular turf wars between and among sales, marketing, engineering, service, finance, legal, etc.

The culture of asymmetric marketing in the new uncertainty is about capturing asymmetric market advantage based on the strength and flexibility of your core embedded values systems and the cultural artifacts and self-organizing processes that take shape around those embedded values. When a new, post-bubble generation of startups and emerging category leaders create an internal marketing environment focused on 'bootstrapping' their business without venture capital in the tradition of garage entrepreneurship, that's the culture of asymmetric marketing. When market share leaders get real about their vulnerability and don't shoot the messenger for blowing the whistle in advance of a meltdown, that's the culture of asymmetric marketing. When even Microsoft, the mother of all market gorillas, takes in negative customer feedback and adjusts its strategy and licensing model in real time to gain an asymmetric customer advantage, that's the culture of asymmetric marketing.

As you have seen throughout this essay, my own views on healthy marketing culture are drawn from many sources, but principally from the Spartan, pre-bubble cultural legacy of high technology entrepreneurship in the United States. I also draw upon 'recovery theory' as practiced by the professional addiction treatment industry and related self-help groups as a way to understand the mass phenomena of business dysfunction called the tech bubble and the toxic values passed down from that period to today's marketers. I also integrate complexity theory into my approach particularly in terms of understanding why some organizational cultures are dynamic and can cope with uncertainty, and others are static and paralyzed in the face of uncertainty. My advocacy of social software technologies inside organizations as a key element of Marketing Management by Values and Culture Management Systems



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com

is also based on understanding the power of self-organizing processes and the infrastructure or catalysts that enables those self-organizing complexity-driven processes to take place. Finally, my discussion of higher mission in the context of the war-on-terror, while perhaps controversial to some, is simply practical for today's marketing warriors because to win this prolonged conflict the U.S. high technology industry must remain '2nd to none'. This will most definitely not happen if the dysfunctional marketing values of the bubble are not replaced with the core process values of a culture of asymmetric marketing.

When a new, post-bubble generation of startups and emerging category leaders create an internal marketing environment focused on 'bootstrapping' their business without venture capital in the tradition of garage entrepreneurship, that's the culture of asymmetric marketing.

About the Author: Joseph E. Bentzel is President of Asymmetri Incorporated, a marketing consultancy providing 'asymmetric marketing' services to high technology companies in the U.S. and around the world.

Copyright 2003, Joseph E. Bentzel. All Rights Reserved. Reproduction with Author's Permission.



Asymmetri Incorporated

Corporate Commons, 6200 Stoneridge Mall Road, 3rd Floor Pleasanton, CA 94588
(925)-862-0971 info@asymmetri.com