

MEMORANDUM

TO: International Logistics Class

FROM: Dr. Abbott Weiss

DATE: March 17, 2002

SUBJECT: Collected Learnings

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I save things. Much to my wife's consternation, I collect stuff of all kinds, but especially things from which I have learned or gained insights. This packet is a collection of some of those items which I want to share with you.

Much of this was gathered before PCs and scanners existed, so it's made up of yellowed originals and Xerox copies. To assemble this note, I have scanned the documents, and in some cases OCR-interpreted the results. The resulting file is larger than I would like, but it's the only way I know how to do it.

Adlai Stevenson once said, "An editor is one who separates the wheat from the chaff....and then prints the chaff."

Enjoy the chaff!

Abbott

My Values  
Working in an Organization

- ❖ Set high standards of excellence
  - ◇ Do the homework
  - ◇ Know our business inside and out
  - ◇ Don't tolerate sloppy work
  
- ❖ Build a Team
  - ◇ Maintain strong collaborative values
  
- ❖ Be human
  - ◇ Have fun
  - ◇ Develop relationships which endure
  - ◇ Keep a balance on work and family and self
  - ◇ Admit mistakes and learn from them
  
- ❖ Strong staff in place
  - ◇ Expect them to take initiative, be responsible, deliver results
  - ◇ Communicate proactively and effectively
  - ◇ Make decisions for the good of the whole company



**Life is like a  
ten-speed bicycle.  
Most of us have  
gears we never use.**

# Wisdom on Organizational Behavior

## Miles' Law

"The responsibility of every manager exceeds his authority, and if he tries to increase his authority to equal his responsibility, he is likely to diminish both."

"Serving more than one master is neither improper nor unusually difficult if the servant can get a prompt resolution when the masters disagree."

"Since managers are usually better talkers than listeners, subordinates need courage and tenacity to make their bosses hear what they do not want to hear."

"Dissatisfaction with services tends to rise rapidly when the provider of the services becomes bureaucratically bigger, more remote, and less flexible, even if costs are somewhat lower."

*Source: Rufus E. Miles, Jr., "The Origin and Meaning of Miles' Law". Public Administration Review, September – October 1978.*

## Gray's Law of Bilateral Assymetry in Networks.

Information flows efficiently through networks, except that bad news encounters high impedance in flowing upward.

*i.e. "...people at the top make decisions as though times were good when people at the bottom know the organization is collapsing."*

## Reorganizing

We trained hard . . . But it seemed that every time we were beginning to form up into teams we would be reorganized . . . I was to learn later in life that we tend to meet any new situation by reorganizing, and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency, and demoralization.

- GAIUS PETRONIUS (ARBITER) 100 AD

If you understand what you're doing structure is irrelevant.

- ROD SCHMIDT 1988 AD

## Forecasting

**In New York State, Section 899 of the Code of Criminal Procedure provides that persons “Pretending to Forecast the Future” shall be considered disorderly under the subdivision 3, Section 901 of the Code and liable to a fine of \$250 and/or six months in prison.**

## Cardinal Rules for Forecasters

- ❖ *Rule 1:* Don't forecast!
- ❖ *Rule 2:* If you must forecast, collect your paycheck before you forecast.
- ❖ *Rule 3:* If you can't comply with either Rule 1 or Rule 2, then

**DON'T PUT DATES ON THE HORIZONTAL AXIS.**

*You will often have a chance to develop or evaluate business propositions. If you do nothing else, at least cover these elements.*

## **Presenting Business Opportunities**

Document Simply and Clearly

### **Customer Need**

What unmet customer need exists that you are addressing? Which customers? What are the characteristics of the need and those customers?

### **Proposed Solution**

How do you plan to fulfill the need described? What alternatives are available (or could be) to the customers, and why is your solution preferred? How is our solution better than the competition? What are the key elements of the solution proposed? How do you plan to implement? When?

### **Costs**

What are the major costs and assets of delivering this solution? Provide enough detail so we understand them well.

### **Price and Profit**

What do we plan to charge the customer? What are their expectations? What are the margins and the net profits?

### **Risks**

What are the important things that could go wrong? What are our plans to minimize the occurrence or the cost of those risks?

*The value of commitment is not to be underestimated...*

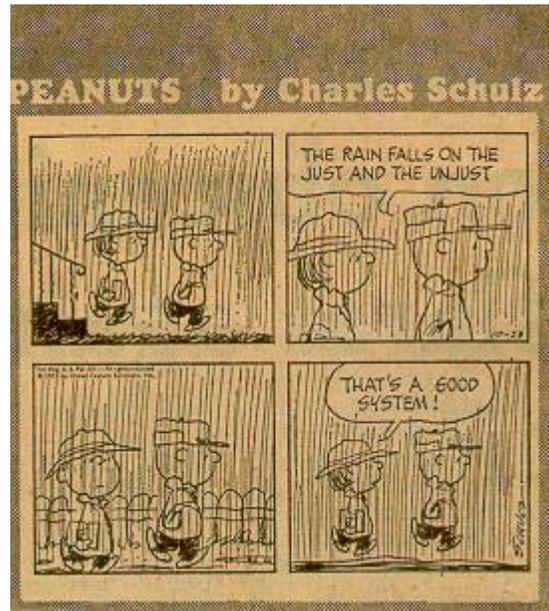
Until one is committed  
there is hesitancy, the chance to draw back,  
always ineffectiveness.  
Concerning all acts of initiative (and creation),  
there is one elementary truth,  
the ignorance of which kills countless ideas  
and splendid plans:  
that the moment one definitely commits oneself,  
then Providence moves too.  
All sorts of things occur to help one  
that would never otherwise have occurred.  
A whole stream of events issues from the decision,  
raising in one's favour all manner  
of unforeseen incidents and ——meetings  
and material assistance,  
which no man could have dreamt—  
would have come his way.  
I have learned a deep respect for one of Goethe's couplets:

"Whatever you can do, or dream you can, begin to.  
Boldness has genius, power, and magic in it."

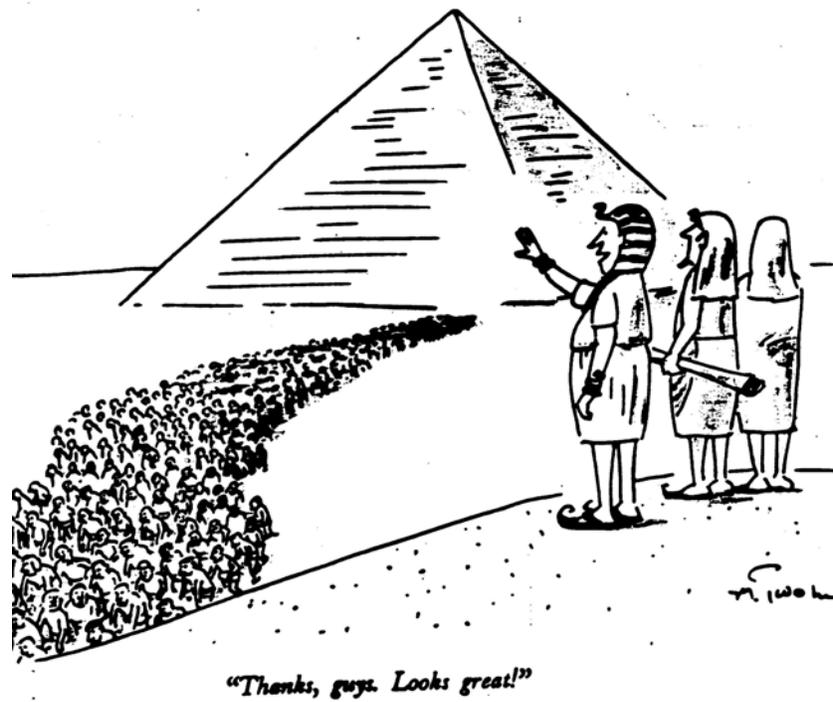
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by W. H. Murray

published by J. N. Dent & Sons Ltd., 1951

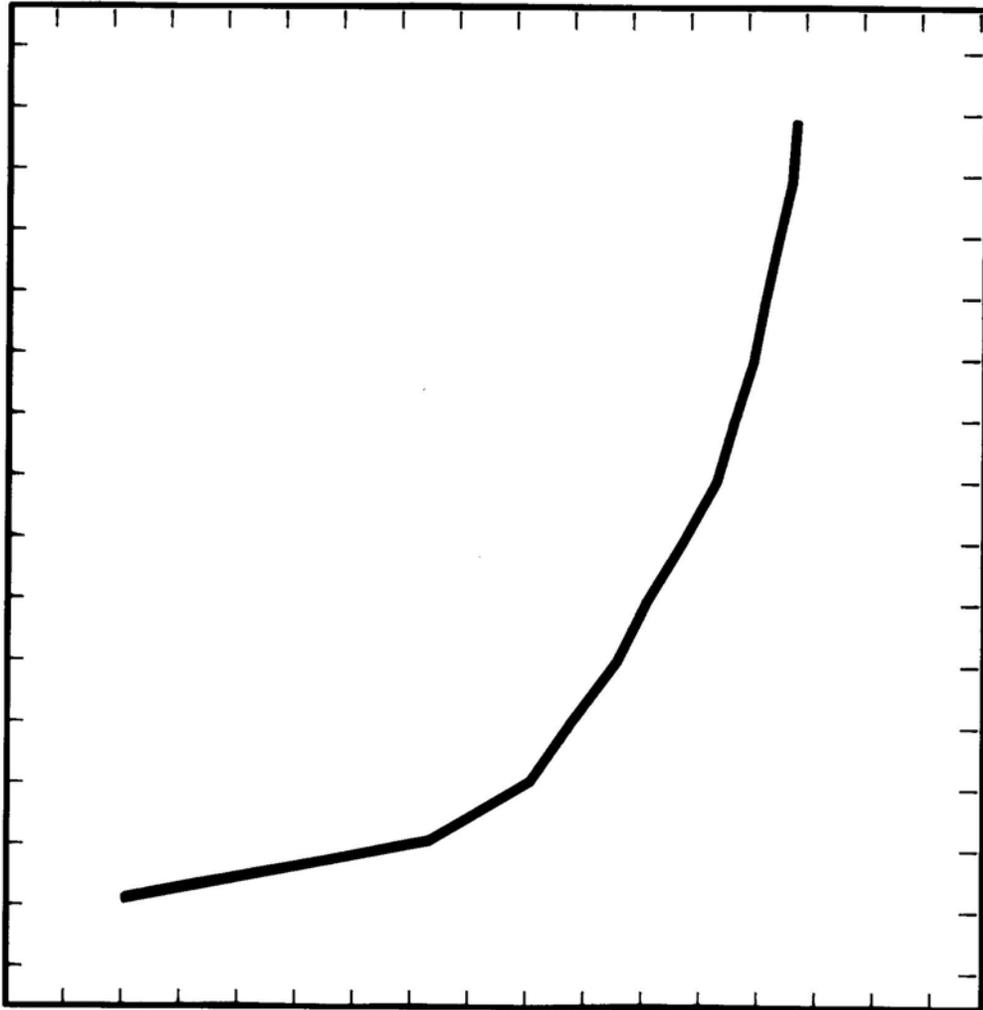
*Keep your perspective...*



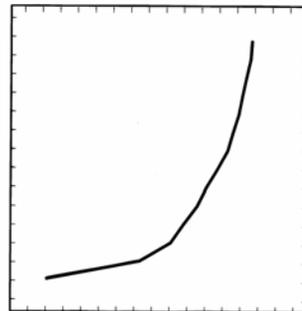
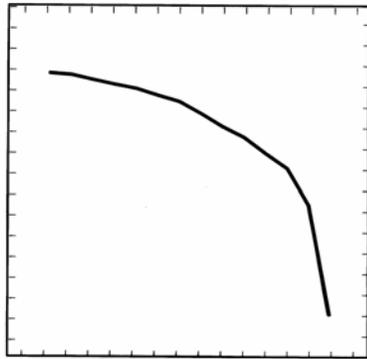
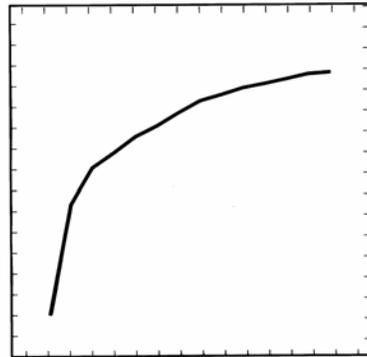
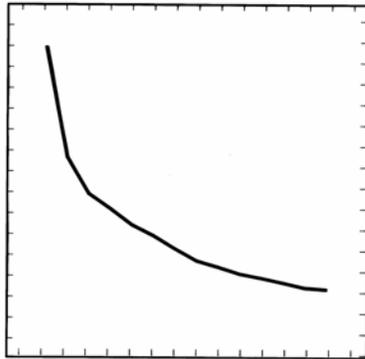
*And praise good work...*



*The All-Purpose Slide:  
Make a transparency and use this slide in different orientations to make any  
point you wish.*



*The All-Purpose Slide in Action:*



*It really works...just add verbiage and scale as needed.*

*Original work by Harry Collias, Digital Equipment, 1983.*

## *Customers*

### So Wrapped Up in Business, We Forget the Customer

To be successful in business, all you need is a customer. You don't need any of those tight little academic concepts of how to manage. You don't even need to solve all your problems or to be efficient. All you need is to find out what you do right for the customers you've already got, and do more of it.

Technology, buildings, balance sheets and all the elements we think of as making up the essentials of business must support the central theme of doing something for someone. When that someone no longer pays for what we do, we are out of business. All the MBA's, all the venture capital, all the technological advances in the world aren't going to help you if you don't have someone who wants to pay for your product or service.

You can't do enough for customers. The rule is that you get paid for everything you do for customers. Sometimes you just don't know when, but by word of mouth, referrals, future business, loyalty in tough times, you almost always get paid. ,

How much do you know about your customers? Why do they buy from you? Do you know? In depth? In detail? -

Does your company use sales meetings as one-way multi-media events? Or is it an opportunity for management to find out from its field people what is going on in the marketplace?

Every manager should meet real live customers on a regular basis. Either he or she should go out and visit them face to face, or the customers should be brought in to see what the manager is doing for them to the plant **or** office.

Customer dissatisfaction Is a part of every business. Everyone can't be pleased all of the time. Do you know what displeases your customers? Do you know how many customers are being lost by your business and why?

On the positive side, who in your organization does most for your customers? This information isn't likely to show up on your cathode ray tube. You will have to go find out. Try asking a customer. You will be amazed by what you learn. It takes so much effort and expense to develop a good customer, it's almost criminal how some businesses treat the ones they acquire.

Attracted by TV advertising, a customer walked into an air freight office to ship a film overnight to Chicago. He was willing to pay the price for air shipment because he had accidentally let the planned shipping date slip past. Absolutely, positively, in spite of many next-day phone calls, relay of numbers etc., the film didn't get there. Well, no one's perfect. Two days later, the film was found and shipped back.

An invoice then arrived for the cost of shipment both ways. The customer wrote a letter explaining the failure to perform and the resultant loss of business and asked that the invoice be canceled.

Unfortunately, the customer was no longer a customer but an accounts receivable credit number. The credit people promptly proceeded to turn that account into a customer for the competition by sending multiple dunning notices and eventually having an outside collection agency further harass the already Injured shipper.

It wouldn't have taken a genius to say that each time we miss a delivery we should not only apologize to the customer but give him a free next shipment, thus retaining the person who provides the income from which we run our business. Banks are just beginning to realize that tellers (heaven help them) are sales representatives. Is it logical to make this vital position not only entry level but the lowest paying? Or to require customers to do business with machines?

Switchboard operators in every company should report to the sales department. Everyone who picks up a phone must answer it as if his job depended on the person on the other end. Not only his job, but the job of everyone in the organization often depends on how well the person on the other end of the line is treated.

Delivery, service, even credit people must receive sales indoctrination. If the hassles in these functions are too great for employees to tolerate, reduce the work load. Increase personnel, reduce duty hours, but under no circumstances allow customers to be abused.

Little companies almost always take better care of customers than big companies. They have to or they go out of business. Big customer bases provide the volume that allows for poor treatment of customers. It catches up eventually, but what a needless waste of a high-value asset.

Maybe one of these days even business schools will start teaching what business is about. Most business education now is focused on solving organizational problems, not customer problems. The case-study method is a classic in misdirection. It is 180 degrees out of phase with essential practice.

If case studies in business were focused on discovering what was being done right by successful enterprises instead of trying to come up with academic solutions to problems, perhaps the graduates would have a stronger sense of reality when they entered the business world.

**Mr. Falvey, a Londonderry, N.H., consultant, makes training films.**

***Manager's Journal, Wall Street Journal, 1983.***

## *Efficiency*

### **HOW TO BE EFFICIENT WITH FEWER VIOLINS**

*(This classic piece arrived via the grapevine. It is a pity that the original author's name has been lost. He or she should receive credit. If anyone happens to know the source, please let the editor know.)*

### **OR—How a liberal-Minded Industrial Engineer Reported on a Symphony Concert.**

"For considerable periods the four oboe players had nothing to do. The number should be reduced and the work spread more evenly over the whole concert, thus eliminating peaks and valleys of activity.

"All the twelve violins were playing identical notes; this seems unnecessary duplication. The staff of this section should be drastically cut. If a larger volume of sound is required it could be obtained by means of electronic apparatus.

"Much effort was absorbed in the playing of demi-semi-quavers; this seems to be an unnecessary refinement. It is recommended that all notes be rounded up to the nearest semiquaver. If this were done, it would be possible to use trainees and lower-grade operatives more extensively.

"There seems to be too much repetition of some musical passages. Scores should be drastically pruned. No useful purpose is derived by repeating on the horns something which has already been handled by the strings. It is estimated that if all redundant passages were eliminated the whole concert time of two hours could be reduced twenty minutes and there would be no need for an Intermission.

"In many cases the operators were using one hand for holding the instrument whereas the introduction of a fixture would have rendered the idle hand available for other work. Also, it was noted that excessive effort was being used occasionally by the players of wind instruments, whereas one compressor could supply adequate air for all instruments under more accurately controlled conditions.

"Finally, obsolescence of equipment is another matter into which it is suggested further investigation could be made, as it was reported in the program that the leading violinist's instrument was already several hundred years old. If normal depreciation schedules had been applied, the value of this instrument would have been reduced to zero and purchase of more modern equipment could then have been considered."

Of course, pay your taxes:

**Simplified 1040**

LIVED  
NOV 5 1987  
WILSON

Latest Revision for:  
**1040** Federal Income Tax Form **1987**  
Department of the Internal Revenue Service 07

	Your Social Security Number
<b>Part 1: Income</b>	
1. How much money did you make last year? .....	▶
2. Send it in .....	▶

Complete this if

*And here's the final exam:*

MTI 45-801  
Quiz 1A  
April 20, 1972

1. You have been provided with a razor blade, a piece of gauze, and a bottle of Scotch. Remove your own appendix. Do not suture until your work has been inspected. You have 15 minutes.
2. 2500 riot-crazed aborigines are storming the classroom. Calm them. You may use any ancient language except Latin or Greek.
3. Write a piano concerto. Orchestrate it and perform it with flute and drum. You will find a piano under your seat.
4. Estimate the sociological problems which might accompany the end of the world. Construct an experiment to test your theory.
5. There is a red telephone on the desk beside you. Start World War III. Report at length on its sociopolitical effects, if any.
6. Take a position for or against the truth. Prove the validity of your position.
7. Extra credit. Define the universe. Give three examples.