



# THE OPEN-BOOK MANAGEMENT FIELD BOOK

“Open-Book Management will prove to be one of the twentieth century’s most important economic revolutions.”

—**Jim Kouzes**, coauthor  
*The Leadership Challenge and Credibility*  
Chairman  
The Tom Peter’s Group/Learning Systems

**JOHN P. SCHUSTER, JILL CARPENTER AND M. PATRICIA KANE**

# **THE OPEN-BOOK MANAGEMENT FIELD BOOK**

**John P. Schuster  
Jill Carpenter  
M. Patricia Kane**



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# *Acknowledgments*

As we developed the concept for a field book on open-book management, and as it grew through the prompting of our editor at John Wiley & Sons, Jeanne Glasser, we became very aware of a central fact: This book is, in large measure, a creation of the people practicing open-book management. In the summer of 1996, we put out a call to our friends, clients, open-book veterans, and newcomers to give us the specifics of their stories.

And they did. For several months, our fax machines and E-mail in-box filled with the stories—the forms and thoughts that comprise most of the examples in this book. To all these contributors, we owe a debt of gratitude:

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# Introduction

In 1993, during what was perhaps the heyday of the Total Quality movement, we asked a question of the attendees at a metal parts manufacturer's conference in Tucson: "How many of you have a quality process in place at your company?" Impressively, over 95 percent of the hands went up. Then we asked: "How many of you are *deeply* into quality?" The number of raised hands dwindled to about 5 percent.

Total Quality had been a major movement in American management and yet it seemed to have made barely a dent in the corporate psyche. What had happened? In the words of one of our consultant colleagues: "Many organizations caught a mild form of quality and are now immune to the real thing." Something great that might have been was lost, replaced by a shadow of itself.

Unfortunately many new management tools, methods, and philosophies—re-engineering, for example—meet the same fate. They are introduced to great acclaim, only to fall rapidly into disuse, misuse, or underuse. We have all seen organizations take a sound set of principles, and through misapplication, do more harm than good. Many a promising process has fallen on the dung heap of discredited programs, leaving managers and employees ticked-off, disillusioned, and a little more cynical.



## WHY THIS FIELD BOOK?

Our fervent hope and goal is to prevent open-book management (OBM) from meeting the same fate. To help the business community bridge that sometimes cavernous gap between promising theory and effective practice, we are extremely excited to be offering this field book. Many people—clients, consultants, and academics—felt that our first book, *The Power of Open-Book Management: Releasing the True Potential of People's Minds, Hearts, and Hands* (John Wiley, 1996), filled a real need, capturing both the fundamentals and complexity of the subject. But during the 18 months since we completed the book, we've noticed definite, disturbing parallels between the current popularity of open-book management and many organizations' former fascination with total quality or re-engineering.

In our consulting travels, describing the systems of open-book management and helping companies institute practices, a couple of things became crystal clear. First, the change that open-book management requires is deep and, for many, enormously challenging. Open-book management practices fly in the face of old and firmly rooted divisions between workers and managers. And second, the rewards that OBM practices can produce are, at times, nothing short of miraculous. Every day, ordinary people are turning their companies into fun, financially vibrant businesses.

As we worked with and continued to hear from open-book management practitioners, we gained respect for the fact that open-book management is a work in progress, and much of that progress is taking place in the field, at companies like yours. That was the inspiration for this book: to offer a compendium of applied theory and real-life experience that shows the state of the OBM art, how it's being practiced and adapted,

what results it is achieving and, most of all, how you can apply it successfully in your own company.

We want to encourage managers and company owners not to stop with the milder forms of open-book philosophy—which can be potent in their own right—but instead push business literacy to its full potential, realizing the deepest gains possible from creating a company of business thinkers.

## HOW TO READ THIS BOOK

This book can stand on its own as a primer for newcomers to or veterans of open-book management. Or it can be read as a companion to our first book on the subject, *The Power of Open-Book Management*. As a field book, it provides less theory and more examples, less overview and more detail than its predecessor.

The book is divided into two sections. Section One contains a summary of the theory and principles of open-book management as we have defined them. It delineates the four key dimensions of our open-book model, addresses the importance and payoffs of the open-book concept in the context of the emerging worldwide economy, and tells you how to gauge and enhance your company's preparedness to go open-book. This acts as a basis for our extensive discussions in Section Two, where each chapter is devoted to the practical application of one of our key OBM dimensions (Critical Numbers Know-How, The Intensive Huddle System, No-Kidding Ownership, and Player-Coach Leadership). Section Two is where you get to see what is really working in the field and how you can make it work similarly at your company.

Although it is generally most useful to read this book from Chapter 1 through Chapter 8, each chapter

has an internal logic and can be approached individually. Additionally, there are a number of recurring themes and devices that will allow you to use this book in a number of ways and give it the feel of a living document:

**The Icons.** In Section Two, three icons are used to call your attention to certain types of information:



FIELD NOTES

**Field Notes.** This icon appears when we are using a real-life example to illustrate how an open-book principle is being put into practice.



VOICES

**Voices.** This icon indicates a verbatim quotation from an open-book practitioner providing an insight or lesson learned from implementing OBM.



HANDS-ON  
LESSONS

**Hands-On Lessons.** This icon appears when we describe exercises readers can use with their teams to develop open-book systems and measure their progress.



**The Survey.** To shed some statistical light on the theories and anecdotal evidence we present to make the open-book case, we surveyed more than 80 companies of all sizes and got responses from 101 different managers. The biggest companies are Fortune 1000 entries that we know well because they are clients, and the great majority of the smaller companies (with fewer than 500 employees) are members of San Diego-based The Executive Committee (TEC) which has 3,500 CEO-members in the United States. We wanted to find out what they were doing and *how* they were doing with open-book management.

The results appear throughout the book to bolster the points being made in each chapter. (The complete survey results can be found in Appendix II.)

- **The People.** If there are protagonists in this book, they are Rob Zicaro and Steve Sheppard. They are the book's two most prominent and prolific contributors. Rob is a machine operator at Web Converting in Framingham, Massachusetts. Steve is CEO of Foldcraft, makers of furniture for large institutions and restaurants, located in Kenyon, Minnesota. We refer to both men as "philosophers" and "conscious competents," meaning that they are deep and reflective thinkers, able to make sense of and articulate the processes and benefits of open-book management at their companies, both of which have been open-book for many years. Their voices are the wise and witty Greek chorus of our book.

But there are many other voices in this book: four of the 3,500 employees who successfully embraced the business literacy process at Syncrude Canada, Ltd., the oil company that mines the oil sands in northern Alberta, Canada; and employees of small consulting firms, a community newspaper, a large utility, a telecommunications firm, and a host of other companies that had valuable experiences to share.

These companies and their open-book leaders make the ideas and theory of business literacy and open-book management snap, crackle, and pop into three-dimensional business excitement and learning. From the nitty-gritty measures of machine operators to the leadership musings of executives, open-book management kaleidoscopes itself into view through these very committed and very human individuals trying to make a living and a livelihood worthwhile for themselves and their customers and coworkers.

We hope you enjoy this book and find it useful. We invite you to interact with us about the book or your learning experiences with open-book management. Phone us, send us an E-mail, or check out our website, [www.capital-connections.com](http://www.capital-connections.com). Good luck!

*John, Jill, Patricia, and the Capital Connections team*

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# Contents

<b>INTRODUCTION</b>	<b>xiii</b>
<b>SECTION ONE:</b>	
<b>PRINCIPLES AND PREPARATION</b>	<b>1</b>
CHAPTER 1: THE OPEN-BOOK FUTURE	
<i>Why OBM Is Important and How It Pays Off</i>	3
CHAPTER 2: THE BUSINESS CONTEXT FOR OBM	
<i>OBM: The Key Operating Principles</i>	23
CHAPTER 3: CREATING THE OBM CLIMATE	
<i>How to Assess Your Company's Readiness and Prepare to Go Open-Book</i>	33
CHAPTER 4: PITFALLS AND PARADOXES	
<i>Common OBM Sticking Points and How to Negotiate Them</i>	49
<b>SECTION TWO: IMPLEMENTATION AND RESULTS IN THE FIELD</b>	<b>65</b>
CHAPTER 5: CRITICAL NUMBERS KNOW-HOW	
<i>Developing the Ability to Think in the Common Language of Business</i>	67
CHAPTER 6: THE INTENSIVE HUDDLE SYSTEM	
<i>Utilizing Your Organization's Intelligence</i>	105
CHAPTER 7: NO-KIDDING OWNERSHIP	
<i>Leveraging the Motivational Multiplier</i>	137

CHAPTER 8: PLAYER-COACH LEADERSHIP	
<i>Learning Executive Skills for an Open-Book World</i>	167
<b>EPILOGUE</b>	<b>191</b>
<b>APPENDIXES</b>	
APPENDIX I	193
APPENDIX II	205
APPENDIX III	225
APPENDIX IV	231
<b>INDEX</b>	<b>233</b>

*Section One*

PRINCIPLES  
AND  
PREPARATION



