

The **REWRITTEN** Rules of Management

by Tom Ehrenfeld |



By the time you read this, Bill Swanson's act of plagiarism will probably be forgotten.

And that would be a crime.

Not a felony, to be sure, but a crime almost as noteworthy as his misdeeds as CEO cum author. Let's recap. Over the past few years, a quaint managerial fable emerged about Raytheon CEO William H. Swanson's home-spun booklet, *The Unwritten Rules of Management*. As reported by various articles, the leader of this defense contractor listened carefully to mentors over the years and wrote down the choicest kernels of truth. In his introduction to the book, Swanson says, "I compiled these thoughts and one day found occasion to use them when I was asked to speak to a network of young engineers and scientists about management lessons I had learned."

Before long, and, seemingly without any push from Swanson or Raytheon, a groundswell of popular interest gravitated to this little gray book. Friends told friends, and last July, *Business 2.0* published a cover story on the book which generated a huge boost in interest. Enthusiastic endorsements by Warren Buffet and Jim Collins only stoked the flame. Individuals had merely to email Raytheon and ask for a free copy of this book. I did, and received mine in the mail soon thereafter. Me and a reported 300,000 others.

Turns out Swanson lied. Last month, Swanson's public visibility soared when an enterprising engineer named Carl Durrenberger revealed on his blog that Swanson cribbed extensively from *The Unwritten Rules of Engineering*, a 1944 book by engineer W.L. King. Seventeen of the rules are virtually identical. Well, Swanson did change a dash to a colon; and boldly

replaced “brisk” with “quick” (a change that, frankly, strikes some of us as a step backward by the way.) A subsequent article revealed he stole four more rules from Defense Secretary Donald Rumsfeld’s published work.

Swanson did take his licks: Raytheon’s board reportedly froze his 2006 salary at his 2005 rate of \$1.12 million, and reduced his restricted stock award by 20 percent, lightening his overall pay by about \$1 million. That still comes out to more than \$3 million, mind, a punitive salary that folks like me would be willing to accept.

A QUICK SIDE-BY-SIDE COMPARISON:

KING SAYS	SWANSON SAYS
“Do not get excited in engineering emergencies—keep your feet on the ground”	“Do not get excited in engineering emergencies: keep your feet on the ground.”
“Cultivate the habit of making brisk, clean-cut decisions.”	“Cultivate the habit of making quick, clean-cut decisions.”

Swanson has also taken some public criticism, particularly an excellent New York Times column by David Leonhardt clarifying the real sins contained in Swanson’s actions. “He [Swanson] runs an 80,000–employee company that holds the lives of American soldiers in his hands. His actions affect the reputation of Raytheon’s employees and chief executives generally. He is, in short, supposed to be a leader, and to quote a well-known management expert, ‘When things go wrong, true leaders take responsibility and rectify a mistake with speed and passion.’” Leonhardt shows that Swanson has failed to do so.

What gets my goat is the apologist backlash in my backyard. Since Raytheon is local to Boston, meaning Swanson plays for the home team, there's been a couple recent articles minimizing his actions. First, a dunder-headed *Boston Globe* column positing that because his sins aren't as great as those at Enron, say, people shouldn't be so outraged. That was followed by a second piece of propaganda in the *Globe*, implicitly excusing Swanson again by commenting that many CEOs don't actually write their "writing" because they assign this to ghostwriters and freelancers.

As John McLaughlin would say, "Wroo-oonng."

So. Let's examine some of the various issues that the story and the subsequent coverage uncovered. Without getting too cute, let's call this a few more rules that Swanson's rules have revealed.

STORIES COUNT.

Hand it to Seth Godin for this insight. Compile 33 laws of management and release them with a boring, technical cover, and you've got a historical footnote, a ghost-town of an Amazon page. Repackage the same material, sell it with a folksy story about a plain-speaking leader whose homilies have touched thousands, and you've got a new classic. As someone who's read the book, I would grade it about a "B." There are solid lessons there, and Swanson explains how to use them. But it owes its success to buzz far more than content.

The analogue to this is that platforms count. Like the other recent public plagiarist, Harvard freshman Kaavya Viswanathan, Swanson generated tremendous publicity because his identity as an author was so compelling a story. He was, in many ways, a gimmick: a CEO who wrote. Media reverence was partly fueled by the assumption that CEOs who can write are as rare

as dogs who can sing. Unfortunately, aside from rare individuals like Lou Gerstner and Bill George, Swanson has done his part in confirming this assumption.

AUTHENTICITY IS OVERRATED.

We've all heard quite a lot in the past few years about the importance of authentic leadership. In this *new* new economy, the role of corporate leaders like Bill Swanson is to create meaning, to tell the right stories to inspire the troops, and align their actions. If [Swanson] receives no more punishment than the slap on the pocketbook he's gotten...we can conclude that in practice, this claim [of the importance of authentic leadership] is bunk. Well, bottom line is this: if he receives no more punishment than the slap on the pocketbook he's gotten from the board, then we can conclude that in practice, this claim is bunk. The valuation of authenticity is clearly speculative at best, and is far more robust when the leader has successfully boosted profits and stock price.

WRONG IS WRONG.

Like so many folks caught in a fib, Swanson has compounded the damage to his character by failing to take responsibility. He followed up his response by blaming the person who compiled the material into a book, which is lame. He came up with a "new" rule explaining that "regarding the truisms of human behavior, there are no original rules."

Memo to CEO: when you are wrong, take full responsibility. Your name is on the book, and your name should be front and center on all actions redressing your behavior. You should be as willing to accept the blame as you were the fame.

NEVER OUTSOURCE YOUR AUTHORITY.

I've worked as a ghostwriter in the past, and no longer use the term. There's nothing ignoble about having a collaborator on a writing project. I believe that good writing is quite often far more of a collaborative process than people realize—the value of a good editor probably dates back to the time when some dude took the red pen to four of Moses's "14 Laws of Moral Living To Live By." For busy executives making big decisions, the value of leveraging time by having a collaborator tackle tasks the author lacks in time, experience, or key skills can be great. Carol Loomis of *Fortune* has helped shape virtually all of Warren Buffet's extremely personal essays, and Peter Petre of *Fortune* honed the voice of Thomas J. Watson Jr. in *Father, Son, & Co.*

But authors are by definition *authorities*. This comes down to a simple principle: write about what you know, and prove it beyond a shadow of a doubt by drawing from your own experience or research. If you're going to put your name on a book, then you better be the very source of the argument.

CORPORATE VALUES ARE MORE LIKE GUIDELINES THAN RULES.

Raytheon's corporate values count Integrity as one of the four biggies. Swanson's misappropriation of the matter, his complicitous silence while the book blockbusted, and his mealy-mouthing after the fact, are all big violations of what should be common practice at his company. The board's decision to do essentially nothing about the matter smacks of structural complicity. This has been a test, and Raytheon has failed.

PLAGIARISM IS THEFT, PURE AND SIMPLE.

Consider the values of Raytheon's military clients on this issue. What happens to plagiarists at West Point or any other institution with an honor code? They get thrown out. Why should different rules apply to Swanson?

DON'T LET YOUR LEADERSHIP MYTH EXPOSE THE COMPANY.

Swanson's actions damaged Raytheon, plain and simple. Let's consider the most obvious cost of this tale, which is, well, costs. It's been reported that Raytheon has published and distributed 300,000 copies of the book. I sent an email and received my free copy. I'd be surprised if the company spent less than 4 bucks to print and mail each of these books. Then you've got to consider the salary involved for the various parties to lay out the book, have it printed, and then manage the logistics of distribution. It's likely that the company has spent more than one million dollars promoting a vanity product of the CEO that turns out to be fraudulent. If I were a shareholder I'd want that money returned. Not only that, but Raytheon has put its corporate name on the front and back of the book, meaning that it's not just Swanson that lied—but the company as well, formally, technically.

So, on a deeper level, Swanson must reckon with the degree to which he's exposed the company to greater damages. What if, say, the intellectual property Swanson absconded with was a patented algorithm for redistributing the throw-weight on one of their newest missile systems? This would be an entirely different story, with far more dramatic consequences.

BUSINESS SUCCESS COMES DOWN TO VERY SIMPLE RULES.

One of the reasons that Swanson was able to achieve such popular acclaim with the very rules that earned W.L. King little traction is tied to the previous point: he was in a position to

remind people of the importance of basic work behaviors like communicating clearly, making quick decisions, and supporting your boss. Some of my favorite business books, such as *Execution*, excel by focusing on a few powerful principles for success.

And frankly, there's nothing wrong, nor disappointing, with this minor revelation. Some of the best and most powerful business books of the past few decades have succeeded because the author took a simple (not simplistic) point and found a brilliant way to package the ideas. At a time when much business thought has become almost a commodity, the high-profile thinkers often set themselves apart through brilliant branding of their ideas. How can you think of Jim Collin's powerful insights without reciting something about "Get the right people on the bus" or the hedgehog concept? (And don't get me wrong here—I love Jim Collin's work.) Give Ken Blanchard and Patrick Lencioni enormous props for writing simple stories that deliver powerful, focused, and action-able ideas to readers.

The great irony here is that Swanson's "packaging" conceit, whether intentional or not, *contradicted the very spirit of his rules*. A man who counsels integrity defies his espoused value in the act of communicating it.

DON'T BE AN IDIOT.

I don't know what possessed Swanson to repackage the sayings of others and fob them off as his own in the first place. Nor am I certain why he encouraged the promotion of his book to become a 300,000 copy success. Here's the question that does intrigue me. At what point do you think the guy realized that someone would find out what he'd done? If I recall correctly, Raytheon is one of the world's largest producer of missiles and weapons. Wouldn't the notion that hidden information on the web could someday return to haunt him, um, occur to him? If Swanson knew that the product was corrupt, why did he allow it to become so very big?

In a lengthy profile of Swanson in the February issue of *Business 2.0*, journalist Paul Kaihila wrote, “Another Swanson technique was, as he puts it, ‘stealing shamelessly.’” Man. I get a flashback to Gary Hart inviting the media to follow him around right before getting snapped with Donna Rice. Maybe there’s something here that I just don’t understand and never will....

A final thought. I guess what ticks me off about this whole affair is my basic belief that business, good business that is, has the power to keep us all honest. When smart and talented individuals apply the rules of business, companies can build the cars we drive and the computers we use, produce the medicine that keeps us healthy, publish the books we love, and even build the weapons we wish we never had to use. The rules are designed to maximize the power of business. Good business relies on proper boundaries (i.e. appropriate laws) AND honest individuals.

Business books are a small but emblematic artifact of this powerful culture. They give us small doses of insight and inspiration when done right. While many titles today are cynical, inauthentic, and unoriginal, the best of the batch provide leverage, guidance. When we accept leadership lies, we become complicit in a greater fib. So let’s demand that Swanson do more than shrug off his actions.

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Tom Ehrenfeld is a business writer and editor based in Cambridge, Mass. A former writer/editor with *Inc. Magazine* and *Harvard Business Review*, he is the author of *The Startup Garden: How Growing A Business Grows You* (McGraw-Hill.) He has helped write and edit many business books over the past eight years. His last project was editing the independently-published *The Gold Mine: A Novel of Lean Turnaround*. He writes frequently on business books for numerous outlets, and is a regular contributor to www.800ceoread.com/blog/.

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BORN ON DATE

This document was created on 25 May 2006 and is based on the best information available at that time. To check for updates, please click here to visit <http://changethis.com/23.RewrittenRules>

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