BOTTOM LINE

FEVER

A Corporate Home Companion

By Julie Jocasta and Bob Davenport

An
Official
Vice Presidents Anonymous

VICE PRESIDENTS
5:00
9:00
ANONYMOUS

Publication

Visit our website at www.StillwaterPress.com for more information.

First Stillwater River Publications Edition

Library of Congress Control Number: 2018943239

ISBN-13:978-1-946-30055-3
ISBN-10: 1-946-30055-1

1 2 3 4 5 6 7 8 9 10

Written by Julie Jocasta and Bob Davenport
Published by Stillwater River Publications, Pawtucket, RI, USA

Publisher's Cataloging-In-Publication Data
(Prepared by The Donohue Group, Inc.)

Names: Jocasta, Julie. | Davenport, Robert, 1953-
Title: Bottom line fever: a corporate home companion / by Julie Jocasta and Robert Davenport.
Description: First Stillwater River Publications edition. | Pawtucket, RI, USA : Stillwater River Publications, [2018] | "An Official Vice Presidents Anonymous Publication."
Identifiers: ISBN 9781946300553 | ISBN 1946300551
Subjects: LCSH: Corporations--United States--Finance--Humor. | Profit--United States--Humor. | Industrial management--United States--Humor. | Executives--United States--Humor. | Satire, American. | LCGFT: Humor.
Classification: LCC PN6231.F47 F73 2018 | DDC 818.602--dc23

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FOREWORD

Remember the Titanic?

The Top Brass wanted to see how fast she could go in the dark.

Result: By the time the ship rammed the iceberg, she had broken all the maritime records for speed.

Why is this story so gripping?

Because every month, another big boat steams into another big iceberg. Just like the Titanic. Only, these boats are companies—big, household-name, Fortune 500-type companies.

They go down for the same reason: The Top Brass is nuts.

What makes them nuts? Bottom Line Fever.

There's a raging epidemic of Bottom Line Fever going around, and it's lethal.

Each time a company rams an iceberg, thousands of people get swept overboard. Any day of the week, you can see them bobbing around out there—treading water, turning blue, giving up, and slipping under the ice. Some of them are people we know.

We are all steaming ahead at breakneck speed, trying to get the job done.

And we all know that there's something sharp and gigantic out there, just waiting for us in the dark.

Blowing the whistle is useless. By the time help is on the way, it's over. You get camera crews. You get lawyers. You get personal-interest stories, screenplays, and out-of-court settlements. But the boat still breaks up and goes under.

If you want to survive Bottom Line Fever, the disease must be diagnosed early, and the cure must be administered at once.

This book shows how.

My colleague and I have each been in corporate management for more than 30 years. We've seen a lot. But we weren't ready for Bottom Line

Fever. When we finally realized *our* Top Brass was nuts, we didn't know what to do. We didn't know where to go. There were no guides, no books, no articles. There were no charts or buoys to mark the channel. No advice on how to survive the disease. There was nothing.

There's still nothing. In the last 30 years, a million corporate professionals have slipped under the ice, victims of Bottom Line Fever. Maybe more than a million. And with them went house payments, car payments, college tuitions, vacations, wedding receptions, spouses, kids, retirement, the Dream.

But nobody's talking. Clearly, we're all at risk of getting washed overboard. So who wants to make waves?

Well, that's about to change.

This book is the inside guide to Bottom Line Fever. What we have seen can help you get the job done, and get it done right—no matter what Top Brass does to wreck the business.

This is the story of what goes on inside one corporation, General Refining, Finance and Manufacturing. The corporation's name and the names of the people depicted are fictional. But we have seen these things. These things really happened. People really said these things. We've seen it with our own eyes and heard it with our own ears.

My colleague and I are still executives. We have subordinates, space in the org chart, a company smartphone, network access, and business cards with a corporate logo. Our pensions and healthcare benefits are still intact (at least, at this writing). We are still out there on deck—getting the job done.

That's why we are anonymous. We can't afford to be found out. You won't be hearing from us again.

Bon Voyage!

INTRODUCTION

Let’s not waste your time.

There are thousands of books and articles about how managers should cope in large corporations. There are many great TV shows and even some movies that show what it’s like. Many of the conflicts they portray are perfectly familiar, if not deeply personal. There is stress, fear, joy, shock, humor, indignation, anger, bewilderment, failure, triumph, collegiality, and relief. In the end, life goes on and so does the corporation. Much can be learned from these efforts, and some of it is pretty amusing.

This is not about that. Yes, we report on the daily conflicts and the stress, fear, joy, shock, and humor, etc. And, yes, you will find these familiar and personal. But we know—and you know—that it’s not at all like the old days anymore. Things don’t always end up in one piece. Nowadays any one of the daily office conflicts can blow up into something lethal, not just for you, but for the whole enterprise.

There’s a reason things have gotten so dangerous and volatile: Over the past several decades, the objectives in the executive suite have been completely coopted.

It used to be that the job of the CEO was to build the business.

Not anymore.

Today, the job of the CEO is to build the Bottom Line. Building the Bottom Line means making higher profits each quarter—every 90 days—so that the price of the stock will go up and make investors happy.

Building the Bottom Line is not the same as building the business.

Building the business means getting more customers. Customers want one thing: the best quality for the lowest price. The best quality means spending money on things like plant, equipment, labor, research, sales, customer service, and talent. The lowest price means charging less for it all than your competitor.

The best quality for the lowest price can make the Bottom Line go down. That’s why Wall Street hires a CEO who can build the Bottom Line without customers.

How does the CEO build the Bottom Line without customers?

He buys companies, sells companies, buys accountants, fires accountants, hires consultants, reorganizes, buys media, buys lawyers, goes private, hires consultants, reorganizes, buys media, goes public, hires consultants, and reorganizes.

With these strategies, the CEO can build the Bottom Line without doing any business at all. Wall Street calls these strategies *Enhancing Shareholder Value.*

Enhancing Shareholder Value doesn't always work, of course. Which is why the new CEO comes on board with a high-priced golden parachute. To be sure, the golden parachute may reduce the investors' Bottom Line, but not right away. It might take 3 years for investors to conclude he hasn't Enhanced Shareholder Value. For them, 3 years is like Kingdom Come.

What does it mean for you?

When the CEO goes about Enhancing Shareholder Value, the first thing he does is realign the company's "Vision of the Future" to suit investors' "Vision of the Future." So the future goes down from 20 years to 90 days.

When that happens, the stakes in all those daily office conflicts go up exponentially. You thought the stress, fear, shock, indignation, anger, bewilderment, and failure were bad before? When the CEO goes full steam on Enhancing Shareholder Value, the worst outweigh the best, the failures outweigh the triumphs, and there is never ever any relief in sight. Your corporation, once a juggernaut of value encompassing the working lives of tens of thousands of professionals in hundreds of cities, breaks up in a flurry of flotsam and jetsam. In the end, there's no corporation left.

When you see **Enhancing Shareholder Value** emblazoned across the Annual Report, it's time to enhance *your* value. It's time to jump ship. Forget your career, your customers, your colleagues, your corporate commitments. When the CEO starts Enhancing Shareholder Value, the day-to-day working environment implodes. It's every man for himself.

BOTTOM LINE

FEVER

BUNKMATES

One of Clara Barton's colleagues, CJ Carp, passes her in the lobby and asks: "You coming to the budget team meeting?"

Clara answers: "No. Scheduling conflict."

"Oh. Oh, that's right. Of COURSE, sorry."

Clara stops short: What exactly did he mean by "of course, sorry"? How would Carp know why she's not going to the budget team meeting? Does he know something she doesn't know—something the boss has told him? Something nasty? Something that he's already broadcast to the rest of the division?

But Clara can't ask Carp what he means. Asking him would show she's worried. If she's worried, Carp will conclude that the rumor he's heard, or made up, is true.

On the other hand, she can't afford *not* to ask. Not to ask means she *knows* what Carp's referring to. This will *also* lead Carp to conclude that the rumor is true. Win-win.

How does Carp get away with it?

He gets away with it because the only thing secret about secrets—whether they are rumors, or falsehoods, or the occasional truth—is where they come from. If you don't know the source, you can't question the story. If you can't question the story, then whatever you hear is true. So, everything you hear is true. Or not.

Clara decides to say nothing. Worrying what people think about her missing the budget team meeting wrecks the rest of her week.

Which is exactly what Carp was trying to accomplish.

Corporate Principle

Keeping a secret means never revealing the source.

CHIEF PETTY OFFICER

George Bailey, Vice President (VP), has a boss, Dick Dujour, Senior Vice President (SVP). Dick takes to command like a knife to paté:

> "I want the Softshell deal inked this week. If it doesn't close, we miss fourth-quarter budget. You don't make budget? I'll get someone who can! Like my $#@!!#% dog!"

George is relieved. This is the first command this week that has something to do with the business. George records and files each command that Dick makes during the week. Year-to-date, the top five commands are:

> "Tell me what this means!
>
> "Delete those emails! Now!"
>
> "That telephone bill? Find it."
>
> "I need you to sign my expenses."
>
> "When you go downstairs, take these around the block to the dry cleaners."

Dick Dujour is a hands-on manager.

Two principles govern Dick's daily priorities:

<u>Corporate Principles</u>

Every task is of equal importance.

Whatever the boss puts on the desk last must get done first.

George calls Dick's tasks "RPs" for Random Priorities. Random Priorities consist of things that Dick has to do on any given day that Dick doesn't want to do and isn't going to do. Dick can generate 12 hours of RPs in the space of 10 minutes. Fortunately, he can't remember them all.

To get time to do his own job, George must first manage Dick's daily raft of RPs.

George has a spreadsheet that helps him set priorities for Dick's RPs. The spreadsheet is simple; it scores each RP's relevance to the business and relates it to the risk if George doesn't do it:

Random Priority Risk Analysis	I don't lose	I might lose	I will lose
	my job	my job	my job
Important to the Business			
Some Importance to the Business			
No Importance to the Business			

George first identifies which commands Dick is most likely to forget. Those go in the left-hand column: "I don't lose my job." There aren't many RPs in that column, because it's hard to predict which RPs Dick will forget. Most of Dick's RPs fit into the middle and right-hand columns: "I might lose my job," and "I will lose my job."

Next, George identifies which commands are most important to the business. The commands that are most important to the business go in the top row. Most of Dick's RPs go in the bottom row: "no importance to the business." That's because Dick wants to be CEO, and the CEO does not prioritize building the business.

Dick's latest command, to "ink the Softshell deal," goes in the top row because it is, in fact, important to the business. The Softshell RP will also go in the right-hand column, "I will lose my job." If it doesn't get done, George won't make budget. Not making budget gets you fired.

So, for today, inking the Softshell deal is the top priority.