



FUNNY

BUSINESS

Scott Adams views the world of business through the lens of the absurd in his syndicated comic "Dilbert." In a world where foolishness flourishes and thickheadedness thrives, says Adams, success comes down to a little perseverance and a whole lot of luck.

It could be argued that there has not been a corporate foible, laughable corporate policy, or doomed corporate idea that hasn't found its way into a "Dilbert" cartoon. After all, Scott Adams, its creator, gets his ideas straight from the front lines. Thousands of readers send him their stories of managerial blunders, oversights, and just plain weird behavior.

After more than a decade of drawing "Dilbert," Adams has heard many stories that prove that business can, indeed, be weirder than fiction. Like the one about the company that purchased laptop computers so that its employees could work more easily while on business trips. Management then had the laptops permanently mounted to employees' desks to prevent theft. Or the one about the company that routinely ignored employees' suggestions for improving operations. Instead, the president hired a troubleshooting consultant, who asked the employees for their suggestions. The consultant then gave those suggestions to the president, who then promptly put them into practice. It's the kind of stuff you just can't make up, Adams says.

Until he left his job to work on "Dilbert" full-time, Adams, too, was on a corporate track. After earning his bachelor's degree in economics from Hartwick College in New York in 1979, he went to work for Crocker National Bank in San Francisco from 1979 to 1986, and for Pacific Bell in San Ramon, California, from 1989 to 1995. He earned his MBA, via evening classes, from University of California-Berkeley in 1986, with the full intention of climbing the corporate ladder.

But a strange thing happened on his way to a promotion. In the late 1980s, Adams imagined a rather dorky-but-intelligent engineer named Dilbert, who was trapped in a cubicle working for an unnamed tech company. Dilbert and his coterie of co-workers are tormented by the bottom-line blindness of accounting, the cruelty of human resources, the vacuity of marketing, and, above all, the clueless whims of management, personified by a nameless "pointy-haired" boss.

With such an unflattering view of business, Adams is often deemed an "anti-management guru." But he has struck a powerful chord in the business world. Since the strip began in 1989, its popularity has exploded. "Dilbert" now runs in more than 2,000 newspapers worldwide.

The "anti-management guru" label is a misnomer, Adams believes. As co-owner of two restaurants in the California area (Stacey's Cafe in Pleasanton, California, and Stacey's at Waterford in Dublin) and the CEO of Scott Adams Foods, manufacturer of a nutrition-packed burrito, Adams is a businessman himself. But the absurdity is out there, he says, not-

ing that "Dilbert" simply reflects the often laughable exchanges that occur between managers and their employees. In such a world, Adams has found that the trick to succeeding in business often comes down to persistence and plain dumb luck. Once managers realize that, he says, they're in the position to achieve anything.

You were in corporate America for quite a few years before you entered the MBA program at UC-Berkeley. What made you decide to get your MBA?

Well, at the time I was still at Crocker Bank and had no thought of cartooning. I made the observation that people who had MBAs from good schools got ahead, people who didn't have them got ahead much more slowly. I thought I was going to become a captain of industry, so I decided it would be good for my career.

What did you take from the experience?

Getting my MBA was probably the hardest, most rewarding, and most useful thing I've ever done—and I'm not saying that just because I think you might like to hear it! But I found myself in accounting classes, for example, with people who already were CPAs. Needless to say, I was not the head of the class.

In my first quarter, I distinctly remember sitting in my accounting class after we had taken a test. Before the professor handed out our tests, he put the distribution of grades up on the board, so he showed how many people got As, how many people got Bs. There was one person who had the lowest grade. I remember sitting there thinking, wow, that poor bastard, how embarrassing to be that one guy at the bottom! There weren't even two people at the bottom, just one! Well, he handed the tests back, and I was that guy. And I remained at the bottom of that list until I figured out just how much work was required to get an MBA and I started doing it.

I know that I came out of the MBA program much, much better prepared to do anything. And when I encounter people who have not had a similar educational experience, the thing I'm amazed at is that they don't know what they don't know. So they don't know they're missing anything. That's the scary thing. I didn't know that I was missing anything. And frankly, I didn't go to school to learn; I went to school to get a degree so that people would think I was smart, but I wouldn't actually have to be smart. My biggest surprise was that I actually took away from that experience skills so valuable that, for me, they made the difference between success and not success.

In fact, if you ask the right question, I'll tell you why the MBA is the only reason that "Dilbert" has been successful.

by Tricia Bisoux

photo by Timothy Archibald



I wrote *The Dilbert Principle* around the concept that in many cases the least competent, least smart people are promoted, simply because they're the ones you don't want doing actual work. You want them ordering the doughnuts and yelling at people for not doing their assignments—you know, the easy work.

OK, I'll ask—why was the MBA the only reason that “Dilbert” has been so successful?

Well, most cartoonists follow a process where they create a cartoon, and they send it to the syndicate. Then, the syndicate figures out which newspapers are actually going to print it, and then a newspaper prints it and sends it to the guy who reads it and decides if it's funny. The cartoonist never knows whether the reader laughs or doesn't laugh. It's a one-way path.

In business school, you learn to build channels to let customers tell you what they're thinking. That's not obvious to a lot of cartoonists. In fact, it's not obvious to a lot of businesses—many businesses still think they have to guess what the customer wants.

In 1993, I put my e-mail address in the strip. I was also one of the first to put my strip online. That was a direct response to the fact that I saw a gaping hole in the cartoonist's business model. With my e-mail address, people were able to write back to me and let me know what they liked and didn't like. At that time, Dilbert wasn't in the office very much in the strip. He was at home or out doing abstract stuff. Readers told me they liked it more when Dilbert was in the office, so I changed it. Or, when the character of Catbert was first introduced, he was originally just a cat Dilbert met on the sidewalk. People loved him so much that I had to keep him. But I also had to put him in the office, so I made him the director of human resources.

I also learned that I could get people to do my marketing for me through the simple trick of mentioning different occupations in the strip. For example, it turns out that everyone knows an accountant—either they are one, they used to be one, they have a friend who's one, or they're related to one. So I'd put an accountant in a strip, and people would cut it out and send a copy to all the accountants they knew. I kept using that technique, including each of the professions, until everyone on earth had been sent a “Dilbert” cartoon. It was a systematic approach to building the market.

Something happened to make you leave the corporate arena—you were working at Pacific Bell even after “Dilbert” was a huge success. Why did you quit?

I'm actually going to tell you the truth. I left one position because, literally, “white men couldn't get promoted.” That's not my paranoia—I was told that directly by my managers on a number of occasions. They told me to forget it because they had a terrible imbalance of white men at the top, and they were in a long process to correct it. Then, I moved to another company at exactly the same time they discovered they had the same problem. If you had a Harvard MBA you could still

do it, but if you had a Berkeley MBA, you were going up against women and minorities who had similar or better credentials. You didn't really have a chance.

The push for diversity was a big issue for corporations in the 1980s, and still is today. Do you view that decision by management as unfair, or one that was simply a necessity?

They really had to choose between two unfair solutions. One was a good choice and one was a bad choice, for them and for society. At the time, the only person it hurt was me. But here's the important part: I'm not arguing that I was qualified and the other people weren't. There were a lot of equally qualified people, and among them I had no chance because of what the company needed to do at the time. It was like trying to park in San Francisco when all the parking spots are taken. Most of the time, if you circle the block long enough, one of those parking spots will open up for you. Well, that wasn't going to happen for me because I happened to be driving a bus. I simply wasn't going to fit.

But it was better off for society in the long run. And maybe it did help me—I'm certainly better off now than I was then!

You say that the MBA gave you something valuable, yet you created a comic strip that often depicts business—specifically managers—as at best naïve, and at worst oblivious. In fact, in your book *The Dilbert Principle*, you note that the least qualified people are often promoted to the highest positions. Where does business go wrong?

Well, you know, when I originally started drawing Dilbert, I was just writing a funny little comic about a guy who had a job that was a lot like mine. People read into it that workers were brilliant and bosses were stupid. But that's only half true—what I really thought was that everybody was stupid, including me. But it was far more commercial to go with what people wanted. This is where the MBA helps out. I just did the math: For every boss there are about ten employees. Do you want to sell a product to one boss or to ten employees? I had to go with the ten-to-one advantage.

Even so, I wrote *The Dilbert Principle* around the concept that in many cases the least competent, least smart people are promoted, simply because they're the ones you don't want doing actual work. You want them ordering the doughnuts and yelling at people for not doing their assignments—you know, the easy work. Your heart surgeons and your computer programmers—your smart people—aren't in management. That principle was literally happening everywhere.

If it's true that the least competent people are promoted to management, do you find it ironic that business schools are in the business of teaching people to become managers? Does a formal business education negate the "Dilbert Principle" at all?

Well, I wouldn't say that business school teaches you how to manage. Do business schools make that claim?

Yes, they're in the business of management education!

Well, business schools may tell you how to manage a business, but they don't tell you how manage people. A business education makes you a lot smarter, it makes you understand all the issues, it teaches you about the cost of doing business, and it teaches you about marketing and customers and that kind of stuff. But what it often doesn't tell you is how to deal with a disgruntled employee, for example. At least, I didn't take any classes like that.

If you ran a business school, then, what types of classes would you make absolutely mandatory to prepare students for that aspect of management?

This might surprise you: hypnosis. I became a licensed hypnotist in 1981, and it was the most important skill I ever learned, outside of business. It was the best single course I ever took, because although you hardly ever put anybody in a trance, per se, hypnosis tells you so much about how the mind works. It changes your way of looking at everything.

In what ways?

Hypnosis is just a stronger version of what you do in business all the time: using the power of persuasion. Selling is persuasion. Marketing is persuasion. Every business meeting is based on persuasion. You can take separate courses in all of those things, but they're teaching you the art of persuasion in its weaker form. It's like learning self-defense by taking a Tae-Bo class and learning how to kick the air versus becoming a black belt in karate.

Hypnosis is the macro-skill that covers all of those things. You can do all of them better if you understand how the mind works, how people think.

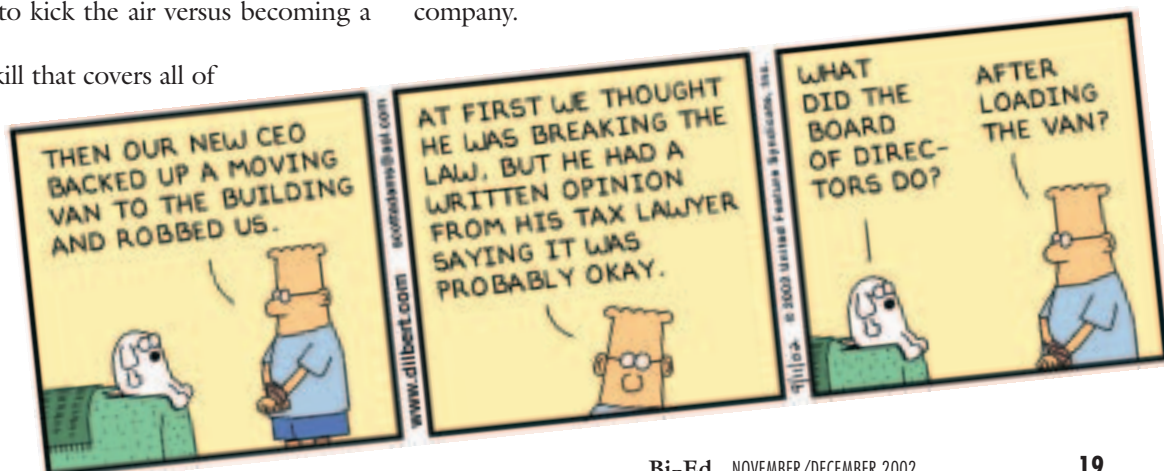
Are there other courses that your business education was lacking, which you believe should be mandatory?

Business schools should definitely offer more courses in communications, like speaking and writing, neither of which I had. And, this might surprise you—business schools should also offer courses in design. Everything I do in my non-Dilbert-related business involves some form of design. Just yesterday, I had to have a sign designed for a restaurant I'm opening. I'm always looking at packaging, I'm always looking at Web sites, I'm always looking at documents. Everything is designed. It used to be that you could just farm out your design to somebody, but that's no longer the case. It's all part of communications.

With the recent scandals in the news, business ethics has become a huge topic for business schools right now. In "Dilbert," you often depict a company trying to sell consumers an underdeveloped product for an over-inflated price, clearly a breach in ethics. Do you think the fact that "Dilbert" draws attention to such practices makes management more likely to try to avoid such improprieties?

Apparently not! Certainly the evidence does not bear out the cause and effect, especially where the large stuff is concerned. But the strip definitely has an effect on the small stuff that companies do every day. By that, I mean that I get a lot of reports from people who say, "My manager was going to roll out this stupid program. Then I showed him a 'Dilbert' cartoon that showed exactly how stupid that same program was and he canceled the whole thing."

There is a dampening effect for stupidity. Most people will instinctively stay away from anything that will cause additional ridicule because we all have enough of that already. "Dilbert" is like this little beacon that says, "These areas are landmines, and if you step on one of these, you will be ridiculed." But "Dilbert" won't stop anybody from cheating on his accounting and siphoning off billions of dollars from a company.



Do you think having business school courses in “Dilbert” might do the trick?

The Dilbert Principle is actually required reading in a number of business schools, but whether it’s helping or not, I don’t know. In fact, I often hear from college kids who say, “I love ‘Dilbert,’ but I don’t like any of the stuff when he’s in the office. I like it when he’s at home.” But when they leave school and go to the corporate world, they say, “I love it when he’s at the office. I now work in a cubicle, and you are my god!” So clearly, these students are entering the workforce without being aware of just how bad it is, how silly it is, what issues real people are dealing with, what they’re actually thinking when they’re sitting in their little boxes. It might be useful for business schools to make people more aware of that before they get there.

In your comic strip and books, managers are the ones making the gaffes. Do you believe it’s possible for someone to be a good manager and avoid the kind of pitfalls that “Dilbert” so often depicts?

Well, managing is basically an offshoot of evil. By “evil,” I mean when people must do things that are good for them at the expense of other people. That’s the essence of management. The whole point of leading is to get people to do things that they don’t want to do on their own. Managers must work for the benefit of themselves and for interested third parties, like stockholders. Therefore, employees don’t necessarily view management as working for their best interests, so all leadership, in a sense, is making people unhappy. So you can’t be a manager and be effective, and not be evil.

There are times when it looks like managers aren’t evil. If you’re a manager, you can get that illusion during a booming market. You find yourself the head of Cisco or Apple Computers during their heydays, and suddenly it looks like you’re brilliant *and* kind. You’re treating your

employees well and making money, so it must be that you *can* do both! But that’s an illusion that disappears with a market downturn. It has everything to do with the industry, with being in the right place at the right time. It has nothing to do with your management skill.

In addition to being a cartoonist, you’re also a restaurateur and an entrepreneur. It seems like two different worlds. What made you decide to go in this direction?

The restaurants have more to do with wanting to be part of the community, wanting to have something that was physical, and wanting to be diversified, even though most of my money was in the stock market, unfortunately. I kind of knew that I needed my money in actual businesses, at least a portion of it.

One could argue that I’m more qualified to be a food entrepreneur than an artist! It’s what I was trained for. You come out of business school and you should be able to start a business that you’re not that familiar with. The idea for Scott Adams Foods started when “Dilbert” was at its very peak. I was literally running everywhere trying to get everything done, getting no sleep and trying to eat as efficiently as possible. I wanted the best nutrition I could get with the least amount of effort. So, I started looking at labels and realized that there was almost no nutrition in any single food you can buy, even in foods like broccoli and carrots. You’d have to eat a wheelbarrow-full a day to get even the minimum amount of nutrition you need.

My thinking was this: There are six billion people in the world, and they’d all like to eat two or three times a day if they could, and, all things being equal, they’d all prefer their meals to taste good, be inexpensive, and have good nutrition. I realized that there was possibly the biggest market opportunity since the Internet. I mean that literally, because not everyone will use the Internet, but everyone will eat. The multiplier is gigantic. Again, it’s just doing the math.

So we set out to build what I call the “blue jeans” of food.

If you look at blue jeans, basically everyone on earth wants to wear them some of the time. Not for everything, but some of the time. You don’t have to iron them, they always make your ass look good, they don’t cost too much, they last forever. What makes blue jeans unique is that they almost work on every



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level. I thought, "What if we built a food that works on every level, except for maybe formal state dinners?"

So we worked for two years, and we came up with the Dilberito, forming a company around it. It comes down to the fact that I think the things you do are the things you can't prevent yourself from doing. Sometimes a thing seems like a good idea, but you just don't get up and do it because you don't care. There are some things that you just can't prevent yourself from doing. For me, this was one of them.

What would be your best advice to business schools operating today? Are there lessons to be learned so that people can operate as effectively and honorably as possible?

I think that everything that causes pain and frustration in business is caused by the same problem, which is expecting bad people to change. So many managers think, "Well, he screwed me 25 times in a row, but this 26th time, I'm feeling lucky!" I've noticed when something works, it's because, by sheer coincidence, a group got together that didn't have an idiot among them to stop everything, or it's because the group had one and got rid of him.

So, that kind of social engineering is really important to learn. For example, if you look at Steve Jobs' success, I'd bet you'd find out that when he puts together his groups, he viciously gets rid of the bad people. Once you've done that, you have a tremendous ability to do things wrong, but still make things come out okay.

How would you like to see the business world change?

Really, the current "employer-employee" model is the problem. It invariably forces some people to be unhappy. The only things that seem to make anything better are related to employee incentives and free agency. First, businesses that structure themselves so that employees have a percentage of the profits create more productive employees. That's the way I run my company. I have one employee who has an equity interest in the company, so I never have to wonder whether he's doing things right, because if he's capable (and he is), he's obviously going to be doing things that are good for both of us.

Second, free agency, the so-called "free agent nation," gives people choices. People are happy when they have choices, and everyone is going to make a different choice. In any office, not everyone is unhappy, only about half. If that half could work somewhere else, so they wouldn't always have to be in the office, they would enjoy their work much more. A free agent nation gives people options. I think those will be the innovations that make a difference.

Is there any one manager that you can point to and say, "He or she does it right"?

I could only say he or she "does it effectively." There are people who are generous and kind, who aren't effective, and then there are the Jack Welches, who are not generous and kind but are very effective. Or, it's also possible that someone like Jack Welch simply got lucky.

There's a great book that I often recommend called *Fooled by Randomness: The Hidden Role of Chance in the Markets and in Life* by Nassim Nicholas Taleb. It's very instructive. For instance, many people believe that some people are more gifted in business and some people are less gifted, when it really might all come down to luck. Pure statistics support the idea that with so many businesses operating at one time, somebody's going to be lucky 100 times in a row. So every time that person opens a new business and it succeeds, it looks like he's the only one who can consistently do things right.

Here's an example: My favorite strip is probably the one where Wally, one of the engineers, is getting his performance review. He explains to the boss that, in the past year, all of his co-workers have embarked on big projects, and they've all failed and cost the company millions of dollars. On the other hand, Wally has done absolutely nothing, and so, based on economics, he's been the most profitable employee for the company. He takes a sip of his coffee and says to the boss, "Watch and learn."

That kind of luck is such an overwhelming factor in management. It's kind of like asking, "Who is better at picking lottery numbers than anyone else?" Well, you might say the people who've won! But that would be kind of absurd. Likewise, is Jack Welch a genius, or is he just lucky? Now, it's possible that both are true, but I wouldn't bet on it.

Doesn't that send a disheartening message to entrepreneurs and business students who believe that hard work and talent can lead to success?

No, I don't think it does. That's the beauty of the capitalist system. Most people think life and business are like Las Vegas, that if you go there and keep gambling, you'll simply leave with no money. But that's not true. Life and business actually work the other way, because they involve your time and hopes. The capitalist system allows nine failures for every winner, so you're either one of the people who will fail a few times and quit, or you're one of the few people who will keep trying and win. If all the people who quit had kept going, they would have been as successful as I have been with "Dilbert." But they didn't. If I could pick one thing that contributed to my success, it was that I tried many things and I didn't quit. 