Alternative Technologies

THE
ZERO MANAGEMENT INITIATIVE
FREQUENTLY ASKED QUESTIONS

What is the Zero Management Initiative?

The Zero Management Initiative is an effort by a growing group of business and technology leaders to promote and enable the concepts of Zero Management which address both business and technology problems in a unique way. The group (which is currently referred to as the Zero Management Council of Advisors) hopes to educate business and technology managers about new management techniques, and to foster the development of Zero Management methodologies, technologies, and practices. The effort is expected to help address many business and technological problems, perhaps even completely resolving some of them. In addition, Zero Management is expected to create enormous new markets for business management consulting, and both software and hardware technologies and consulting, while enabling many emerging business-to-business and business-to-consumer markets such as e-commerce.

How did the Zero Management Initiative develop?

The Zero Management Initiative was established by the developer of the Zero Management Business Theory and I.T. Framework, David McGoveran. In 1995, Mr. McGoveran noticed a number of disturbing trends in business and technology. These trends not only suggested that traditional theories of management were becoming increasingly inadequate, but that they would actually become serious impediments to solving the most crucial business and technological problems of the coming years. Mr. McGoveran devoted considerable effort to an analysis of trends and forecasts, business objectives, and technological developments. He became convinced that there was _an ever-broadening gap_ between business (and social) requirements, and the managerial and technological means for addressing those requirements. He then applied modeling techniques to develop a set of solutions to the problem, and integrated those solutions into a new business management theory called Zero Management.

What is the evidence for "an ever-broadening gap" between requirements and means?

Although the argument is too extensive and comprehensive to present in this format, there are many now familiar examples of this gap. Among other manifestations of this widening gap are:

➢ information overload

➢ misalignment of I.T. and business objectives

➢ lack of "good" business performance metrics

➢ the decreased effectiveness of strategic analysis and planning

➢ an increased dependence on chaos and "breaking the rules"

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> ➢ unpredictably high (or low) stock valuations

> ➢ using "empowerment" to avoid direct management

> ➢ decline in importance of experiential knowledge such as work experience

> ➢ attempts to capture (and "leverage") knowledge assets

> ➢ increased specialization

Each of these can be understood as evidence that the rate of change (and especially change that affects decision-makers) in the world is increasing more rapidly than we can accommodate using traditional methods of adaptation.

What is the Zero Management Business Theory?

Traditional business management theories do not address rapidly changing requirements, resources, and opportunities, nor do they adequately address non-physical assets, resources, and organizations. For the greater part, the many scholarly and popular writings that have been concerned with such issues over the past fifteen years have only identified the problem and encouraged the abandonment of traditional approaches to business analysis, planning, and management. Although they have been quick to point out that the assumptions of a stable business environment, the validity of planning based on trend analysis, and measures of business performance such as ROI are no longer viable, they have not investigated the impact on classical business management theories.

Zero Management Business Theory not only addresses rapidly changing requirements, resources, and opportunities, but does so in a manner that applies equally well to physical or non-physical assets, resources, and organizations. Based on an analysis of the fundamental or archetypal process of business management, it is intended to support the transition from a traditional economy to an information-based economy. Much can and will be said about the details of the theory elsewhere. In overview, however, Zero Management Business Theory teaches:

> ➢ why there exists a broadening gap between requirements and means, and the visible effects of this gap

> ➢ why an overemphasis on accuracy often leads to costly latencies, defeating the goal of effective action

> ➢ why an overemphasis on removing latencies often leads to rigidity

> ➢ that agility and accuracy must be balanced

> ➢ that risk and opportunity must be balanced, an important objective called _opportunity management_ achieved through _opportunity valuation_

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- that *opportunity acquisition* is the primary enabler of *value creation*

- that everyone who makes decisions, or enables the decisions of others, must treat their task of one of "management"

- that managers must stop making decisions and focus on structured, goal-oriented decision enablement

- how to enable decisions through scenario recognition and response

- that risk is minimized and agility is maximized through fine-grained scenarios

- how to coordinate fine-grained scenarios into goal-consistent scenario models through constraints (a.k.a. compliance rules)

- how to modify scenario models quickly and efficiently

- how to measure and continuously improve upon accuracy (perceived as success) through integrated performance metrics

- how to identify, and take advantage of, short windows of opportunity

- how to implement the theory with minimal disruption to existing policies and practices

- how to empower individuals without fragmenting group direction

- how to handle mergers, acquisitions, diversification, globalization, deregulation, regional regulation, new technologies, and many other forms of rapid change

What is the Zero Management I.T. Framework?

Information technologies are simultaneously (1) fueling rapid changes in the global economy and in business processes, and (2) being recognized as impediments to rapid change. As e-commerce, supply chain integration, and business-to-business become increasingly important, I.T. can no longer restrict its focus to information systems owned by the enterprise. Traditional I.T. frameworks have several weaknesses:

- they are restricted to the enterprise, resulting at best in technical "enterprise architectures"

- they are driven by technological opportunities rather than business opportunities

- they do not associate key technological functions with business functions

➢ business managers have difficulty relating technological investments to business advantage and value

➢ business managers have difficulty identifying which I.T. changes to support

By contrast, The Zero Management I.T. Framework organizes technologies according to the business functions which they deliver. It does so by mirroring the fundamental process of business management. As such, the Zero Management I.T. Framework not only addresses rapidly changing technological requirements, resources, and opportunities, but does so in a manner that is consistent with, driven by, and automatically aligned with business requirements and objectives. The Framework can be mapped to more traditional technical architectures. It is intended to support coordinated rapid change of both business objectives and I.T. technologies while maintaining their relative independence for maximum agility. Again, a complete explanation of the details of the theory is not possible in this format. However, Zero Management I.T. Framework teaches:

➢ how to keep I.T. aligned with business goals

➢ enable business managers to drive I.T. change

➢ how to integrate largely incompatible technologies

➢ how to replace old technologies while minimizing disruption of business processes

➢ how to change business processes with minimal impact on supporting technologies

➢ how to use technology to enable rapid changes of business processes

➢ how to use technology to enable rapid implementation of business decisions

What is the relationship of Zero Management to Enterprise Integration (a.k.a. Enterprise Application Integration)?

The Zero Management I.T. Framework makes it clear that information technology can be used to enhance significantly the value of Zero Management Business Theory. Among the objectives identified by the Zero Management I.T. Framework, Enterprise Integration is one of the most important. Zero Management specifies key characteristics of software that enable Enterprise Integration and it's many benefits.

The Zero Management Council of Advisors (see below) is taking an active role in advancing the business practices, methodologies, and technologies necessary for Enterprise Integration success. A subsidiary group has been formed to focus on this agenda, the Enterprise Integration Standards Council. Interested members of the Zero

Management Council of Advisors are automatically members of the Enterprise Integration Standards Council and all members of the Enterprise Integration Standards Council are at least Supporting Members of the Zero Management Council of Advisors. For more information on the Enterprise Integration Standards Council's activities and how to join, please see the Enterprise Integration Standards Council Frequently Asked Questions or contact us directly. If you write, be sure to address your letters: Attn: Enterprise Integration Standards Council.

What is the status of the Zero Management Initiative?

During the course of its development, Zero Management Theory has been the subject of numerous discussions with business executives and managers, business management and marketing consultants, advertising and public relations firms, I.T. managers, systems integrators, software vendors, and academic leaders. Zero Management Theory was first introduced publicly in November 1998. As such, the Zero Management Initiative is still in the early stages of deployment.

At this time, executives, software vendors, advertising and public relations firms, venture capitalists, and consulting firms have committed to support the Zero Management Initiative. The numbers of supporters are increasing rapidly. The primary means of exposure has been through presentations to small influential groups. A formal announcement of the Initiative and those supporting it is anticipated in early 1999.

How will the Zero Management Initiative be publicized?

We anticipate announcing the Zero Management Initiative by coordinating the issuance of press releases by each of the early participants and supporters. As developments proceed, spokespersons will provide press interviews and keynote addresses at business and technology conferences. The developer of the Zero Management Theory anticipates publication a book on the subject in 1999. A monthly newsletter is being developed, with publication to begin in March 1999. Other activities will evolve in conjunction with the Zero Management Council of Advisors, discussed below. We hope to incorporate the Council as a not-for-profit organization in 1999.

For the time-being, Zero Management (tm) is a trademark of Alternative Technologies. Likewise, presentations and other publications are copyrighted by Alternative Technologies. This protection of intellectual property allows us to establish and protect the definition of the theory while organizational efforts are in formative stages. It is our hope that the trademark can be transferred to the Council and eventually become a term of art in the public domain (as are the names of most other management theories).

How can I learn more about Zero Management?

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General information on Zero Management and supporting organizations or individuals will be posted on a web site (initially www.AlternativeTech.com). Specific information will eventually include:

➢ how to subscribe to the Zero Management Newsletter

➢ conference keynotes

➢ conference, seminar, workshop events

➢ list of publications

➢ how to obtain onsite training

➢ how to join the Zero Management Council of Advisors

➢ promotional activities of the Council

➢ definitions of key Zero Management terms

➢ automated emailing of information

Who can participate in the Zero Management Initiative?

Anyone! Learn everything you can about Zero Management and spread the word. Although our resources are currently limited and strong self-motivation is necessary, we will do everything possible to make information available. Moreover, by focusing on key influencers, we expect to leverage existing resources for rapid growth. We are particularly interested in educating political and government leaders about Zero Management. Your involvement and volunteer efforts are greatly appreciated.

How can my company and I participate in the Zero Management Initiative?

Join the Council as a business or technology advisor. If you are an interested individual, we welcome volunteered services. There are multiple levels of participation. The Council is still in development and any company that joins prior to March 1, 1999 will be a Charter Member. You and your company will be positioned among the international leaders of this important initiative. There are five levels of participation:

➢ *Non-member Supporters* who are willing to sign a letter of support are always welcome. For validation of our records, we request that contact, a description of employment position or expertise, and affiliation information be provided by supporters.

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➢ **Volunteer Members** provide active help with organizing and promotional efforts. Interested individuals will be asked to fill out an application and commit to specific duties in exchange for membership status. The available number of Volunteer Memberships is limited by Council resources and unfulfilled duties.

➢ **Supporting Members** simply sign a letter of support, and commit to (a) help promote the principles and terminology of Zero Management, (b) refer to Zero Management in PR opportunities (see below), (c) identify relevant case studies from clients and customers, (d) incorporate Zero Management in training, marketing, and sales efforts, (e) actively pursue recruitment of additional members, and (f) Zero Management enable technology products. The fee is $500.00 and includes a subscription to the Zero Management Newsletter.

Supporting Members commit to active promotion of Zero Management by via the following public relations activities:

⇒ publicizing Zero Management affiliation on product packaging, press releases, and advertisements documents

⇒ providing a link from your Web site to the Zero Management Web site

⇒ mentioning Zero Management principles and affiliation in public speaking events

⇒ using Zero Management terminology

⇒ sponsor Zero Management keynotes at customer, user, and client conferences

Supporting Members sponsors of CEO breakfasts, and commit to the collection and publication of user case studies which demonstrate the value of Zero Management principles

➢ **Council Members** actively participate in developmental activities, provide financial support, and help shape policy. Their involvement is advertised in all Council sponsored activities or publications. The corporate fee is $30,000.00 annually and for professional individuals is $2,000.00 annually.

➢ **Honorary Members** perform the same functions and enjoy the same benefits as Council Members, but are limited to outstanding individuals whose knowledge of and contributions to business and technology demonstrate the value of their association with Zero Management. Membership is by invitation only and there is no fee. Honorary Members commit to write and publish on Zero Management

➢ **Affiliates** are professional organizations that have goals that are complementary to those of the Zero Management Council. We hope to offer membership

discounts to members of such organizations based on cooperative marketing and promotional efforts.

The Council's anticipated program developmental activities will also include:

➢ sponsorship of educational activities (seminars, conferences, and workshops) including an annual conference

➢ establishment of a testing laboratory for multi-vendor technology integration

➢ establishment of a scholarship for the study of Zero Management

➢ establishment of an annual award for most outstanding user case study demonstrating the value of Zero Management principles

➢ establishment of an annual award for the most valuable contribution to Zero Management

➢ establishment of an annual award for best new supporting technology

➢ establishment of technology standards beginning with establishment of the Enterprise Integration Standards Council (see the Enterprise Integration Standards Council FAQ for additional information)

➢ establishment of Zero Management deployment methodologies for both business and technology

To join, send us a signed letter stating your support for the Zero Management Initiative, specifying the type of membership you desire, and giving us permission to use your name and affiliation in our promotional efforts. Include your complete contact information (name, mailing address, telephone, and email address) and first year membership check for the appropriate amount made payable to "David McGoveran / Zero Management Initiative." If you represent your organizational affiliation, be sure to write the letter on letterhead. We will contact you as quickly as possible, and include you on the Newsletter mailing list.

How can my company and I benefit from joining the Council?

The Zero Management Council of Advisors will be instrumental in establishing a new approach to business management. By joining the council, you obtain numerous benefits in addition to the obvious publics relations value:

➢ establish a leadership position in Zero Management

➢ influence the future and direction of business

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➢ share knowledge with colleagues and experts on techniques for thriving in a business environment of rapid change

➢ learn how to use Zero Management techniques within your own companies, thereby becoming more agile and enhancing profitability

➢ gain an early understanding of the key trends that will shape tomorrow's opportunities

➢ help create and then reap the rewards of a greatly enhanced market

➢ obtain access to training on Zero Management before it becomes publicly available

➢ have reserved space to attend conferences and seminars sponsored by the Zero Management Council of Advisors, with priority access to presentation opportunities

If your company provides business management consulting, technology consulting, systems integration, or software products, your products and services can be seen as key elements to success. As an individual, membership in the Council will enhance your value to employers and your professional opportunities.

How can you be contacted?

Send us email, voicemail, or a letter. We will respond as quickly as possible. Contact information is:

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Zero Management Initiative
in care of
Alternative Technologies
13150 Highway 9, Suite 123
Boulder Creek, California 95006

Telephone: 831/338-4621 Fax: 831/338-3113
Email: info@AlternativeTech.com
Website: www.AlternativeTech.com

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