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The Myth of Best Practices

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5 March 2008

Online at <https://mpra.ub.uni-muenchen.de/8973/>
MPRA Paper No. 8973, posted 06 Jun 2008 08:54 UTC

The Myth of Best Practices

Please consider the following question – How many of you work for organizations that aspire to be their industry’s preeminent leader? Presumably, none of you answered that question with a yes (hopefully). And the reason for this is that there is no such thing as a world-class follower. And people and organizations know this (or at least they should). Although leadership maybe defined differently amongst organizations, being a “leading follower” is not a viable strategy for an organization looking to succeed and remain independent over the long-term.

Although people and organizations know that world-class followership is not a means to achieving glory, surprisingly, many organizations and managers seem content to follow the lead of others when it comes to making key organizational decisions. One of the most pervasive and damaging follower afflictions which has increasingly infested corporate psychology and behavior is a disease known as *Best Practicism*.

Let’s begin by understanding this disease a bit more.

Best Practicism is the errant belief that there are certain practices that are truly “best” and that replicating another organization’s processes, strategies and ideas within your organization will somehow miraculously yield a better reality or even leadership status. Best practices are not all bad, and some may actually exist, but when best practices become a crutch that replaces independent critical thought and innovation, it can have deleterious impacts on an organization. Best practicism is a follower’s disease and is often found in organizations who are risk-averse and unimaginative and who have lost the ability to be bold. Ironically, many organizations suffering from best practicism once were bold and risk-taking but over time, somehow that former competitive edge has been dulled.

Best practiciness generally surfaces when people and organizations errantly believe that management and organizational performance are a science. The truth, however, is that there is no formula that guarantees corporate leadership or outperformance. Although obvious, organizations and managers enamored with best practices seem to have forgotten this. Phil Rosenzweig commented on this in his outstanding book, **The Halo Effect**, when he writes about the social science research done on company performance and states, “It’s just not very appealing to read that a given action has a measurable but small impact on company success. Managers don’t usually care to wade through discussions about data validity and methodology and statistical models and probabilities. We prefer explanations that are definitive and offer clear implications for action.”

It is this desire that is symptomatic of Best Practiciness and which drives its prevalence.

How Widespread is Best Practiciness?

You’ll quickly be overwhelmed by all the best practicing organizations are doing if you do some investigating. As is often the case, Google can be a good barometer for the pervasiveness of a trend so simply Googling the term “best practices” is interesting as it yields over 40 million results. Many of these are paid search links which of course means that people are willing to pay for this because best practices are a big industry. There are institutes, roundtables and councils dedicated to best practices. And there are best practices for every part of the organization whether it is sales, marketing, IT, finance, strategy, supply chain, procurement, etc. No matter what issue your organization or you is grappling with, there is a best practice out there which someone is probably ready to sell you.

Of course, not all of these best practices are targeted at organizations as some are on topics such as eBay sales best practices, but a large majority are targeted at companies and the decision-makers within them. So with literally millions of best practices, it is a wonder that

organizations still face any issues at all? It would seem the best practice for virtually any issue whether it is about risk management, retaining customers, recruiting employees, product development, understanding the value of IT, etc would have been answered by now, right? However, despite or perhaps in spite of the best practices, companies still grapple with how they should manage themselves and achieve the best performance.

Another great way to see and hear the talk of best practices is at industry conferences. Conferences are in fact a wonderful Petri dish for best practiciness. Virtually, few if any presentations go by without a mention of a best practice or a 'best-in-class' discipline adopted by an organization(s). Oftentimes, the presenter who happens to be a consultant or software vendor is coincidentally selling a solution or idea which yields this miraculous benefit. How interesting.

More perplexing is that over the course of a day or two at a conference, you will hear people who often contradict each other in parts or in whole with both calling what they do a best practice. Unfortunately, the logic here doesn't quite hold up. Being the best at something implies being #1 – aka the best. And so there cannot be multiple best practices on the exact same topic. This either means one of the practices is likely an "okay practice" masquerading as a best practice or more likely that both of the speakers are "selling this practice" and labeling it a best practice because that helps sell it.

What Causes Best Practiciness?

The widespread emergence of best practiciness has been caused by a confluence of numerous factors. Some of the observed causes of best practiciness include the following:

Belief: In today's complex, uncertain world, best practices help us make decisions quickly

Organizations and the managers within them, both middle- and senior-managers, are dealing with ever-increasing change and complexity. Organizations are increasingly "matrixed" leading to difficult or uncertain relationships within the organization and even greater complexity. In parallel,

the world outside of the business is changing at a breakneck pace with the introduction of new technologies, globalization, etc. With all of the stimuli for change, it is difficult for an individual or a group of individuals to see and understand everything and so the search for best practices can often help make things more efficient and allow for decisions to be made quicker based on the experiences of other organizations.

Belief: Best practices are easier & less risky

Related to the complexity and uncertainty elements, best practices are also prevalent because they offer organizations an easy and less risky alternative to developing something on one's own because they are vetted and proven. As a result, the "time to market" and costs are lesser.

Belief: Senior management wants to understand what other organizations are doing

Organizations generally admire certain organizations whether within their industry or outside of it. For many, it maybe GE or P&G or Google, but if a best practice can be shown to senior management as something that has been adopted by organizations that your organization admires, it often gets significant and quick interest.

Belief: There are experts who talk about the best practice so there must be some value

When a trend or idea becomes hot, many experts and luminaries emerge with their best practices (usually some assortment of frameworks, software tools and slick PowerPoint presentations) to help solve the problem. In most instances, the market is efficient from the perspective that if a lot of consultants and vendors have crowded into an area, that probably is indicative of the fact that there is a real organizational issue they are trying to solve.

Belief: Best practices can be transformational

By utilizing the knowledge and experience of other companies, we are better equipped to transform elements of our organization which may not be performing at an acceptable level.

The Problems with Best Practicism?

Now that we've understood the reasons why people and organizations adopt best practices, it is worth understanding why some of these beliefs are errant at least in part or in whole.

Belief: In today's complex uncertain world, best practices help us make decisions quickly

There is some validity to this belief. Trying to come up with everything on one's own would be foolish especially given the successes and failures of others which can be learned from. The key is in understanding which best practices are worth following and which are not. This requires turning a critical eye towards any purported best practice to ensure it can deliver on its often lofty claims. There are, in fact, many mediocre or even harmful practices being dressed up as best practices and so it pays to be careful and diligent.

Belief: Best practices are easier & less risky

Yes, it seems easier to copy someone else or believe the research of a supposedly objective consultant or vendor than to innovate on one's own. Exacerbating the issue is that promoting a new idea you'd developed could be much riskier as its success will all rest on your shoulders. But are best practices really less risky and easier? The claim that it is easier often means that the organization can achieve the results quicker, but if the best practice is really not 'best', does getting to the wrong place quicker really benefit anyone? All too often, organizations move forward to adopt a best practice without knowing its value and the measurable end result and so they unknowingly mistake activity for progress. In terms of best practices being less risky, doesn't the expenditure of time, money and effort to potentially get to the wrong place open the organization up to increased risk?

Also, there are often many cooks in the proverbial kitchen when it comes to deploying a best practice and this adds to the complexity of the effort impairing the ease and increasing the risk of the effort.

Belief: Senior management wants to understand what other organizations are doing

The idea that something that has worked at GE, Google, Apple, etc will work in another organization is flawed on multiple levels.

1. *We live in a multi-dimensional world* – Oftentimes, people will point to the fact that when they adopted some best practice, their share price or revenue or profit performance went up afterwards. While there maybe some correlation between the best practice and performance metric, it doesn't mean there is a causal relationship between the two. Oftentimes, people mistake correlation for causation, and of course, promoters of such discipline want you to make this mistake. The other problem is that organizations are not controlled experiments like those done in a lab. You cannot hold the rest of the business static while you implement a best practice and then measure its impact independent of any other changes. In reality, the organization was likely making changes to products, pricing, marketing and other dimensions along with implementing the best practice. And so ultimately, it is difficult if not impossible to know which one of these actions led to the outperformance with any certainty.
2. *Don't be fooled by the power of story* – The best strategies are written after the fact so that a practice that worked at another organization often becomes part of 'corporate legend' because stories work well within organizations to convey ideas. It is dangerous to mistake a good story for science. There maybe useful lessons which emerge, but your organization's circumstances are undoubtedly different and so copying what they have done is not advisable.
3. *Practices are organization-specific* – The thought that an organization can take elements from another organization is also flawed because this often fails to understand the cultural, process and systems elements that may have existed within that other organization which enabled success along with macro factors such as the economy, competitive dynamics, industry trends, etc that were in play at that time.
4. *If you catch up on the best practice, the leader has already moved on* – Even if adopting the practice of an admired company works, you are always playing a game of catch up as leading admired companies are continuing the push further ahead. An article that appeared

in an issue of the Wall Street Journal in February 2008 described this phenomenon, “*Inditex (the parent company of Zara) is responding to a predicament shared by other companies that come up with game-changing formulas: Eventually competitors catch up, forcing the pioneers to do even better to keep their edge. Low-cost carrier Southwest Airlines Co. is making big changes to fend off rivals that have copied its efficient operating model. Inventory-control methods at Wal-Mart Stores Inc. are being mimicked around the world, and Google Inc. is updating its search engine to keep users loyal.*” Ultimately, while you are copying another’s best practices, they are continuing to move further ahead and likely expanding the gap between you and them.

Belief: There are experts who talk about the best practice so there must be some value

The problem here lies in determining which of the numerous experts really knows something to help you solve the problem-at-hand and which experts are idiots. There tends to be a lot of sizzle and not a lot of steak on certain topics as it is easy to hang one’s shingle out there claiming to offer expertise in whichever area is hot. It is also easy to give people lofty titles such as Chief Product Evangelist and have them issue research whitepapers to give them an air of credibility and legitimacy, but these are marketing tactics – not demonstrations of expertise. In fact, there are entire companies built on this idea of chasing trends so that when a customer asks for anything, they can be there even though their expertise is dubious at best. In some instances, there are experts who actually actively misguide you.

Belief: Best practices can be transformational

So you’ve come across a best practice which advocates major changes to a company strategy, process or practice, and you’re developing the case and vision for why the company should adopt it. Armed with evidence from research organizations, consultants, academics and other ecosystem players, you’ve created a wonderfully compelling case for why the organization should transform its existing way of doing things and the resulting benefits you expect. If you can get

approval for this initiative, this could be a significant step in distinguishing yourself and getting visibility amongst senior managers. If there is a technology component to the best practice, that may, in some instances, look even better since being associated with a technology initiative can make one seem even more progressive. Ultimately, all of these good things can lead to increased responsibilities, promotions, etc.

This occurs quite often, and it is not all bad. Even attempting to follow a best practice requires taking some personal initiative and so the people who propose such initiatives are ambitious and entrepreneurial and should be encouraged. But their vision and business case should be tested because they are working towards something where they have an “enlightened self-interest”. It is important to feel comfortable that their individual self-interest closely mirrors the interests of the organization as well. This is not always the case.

The Skeptics Guide to Best Practices

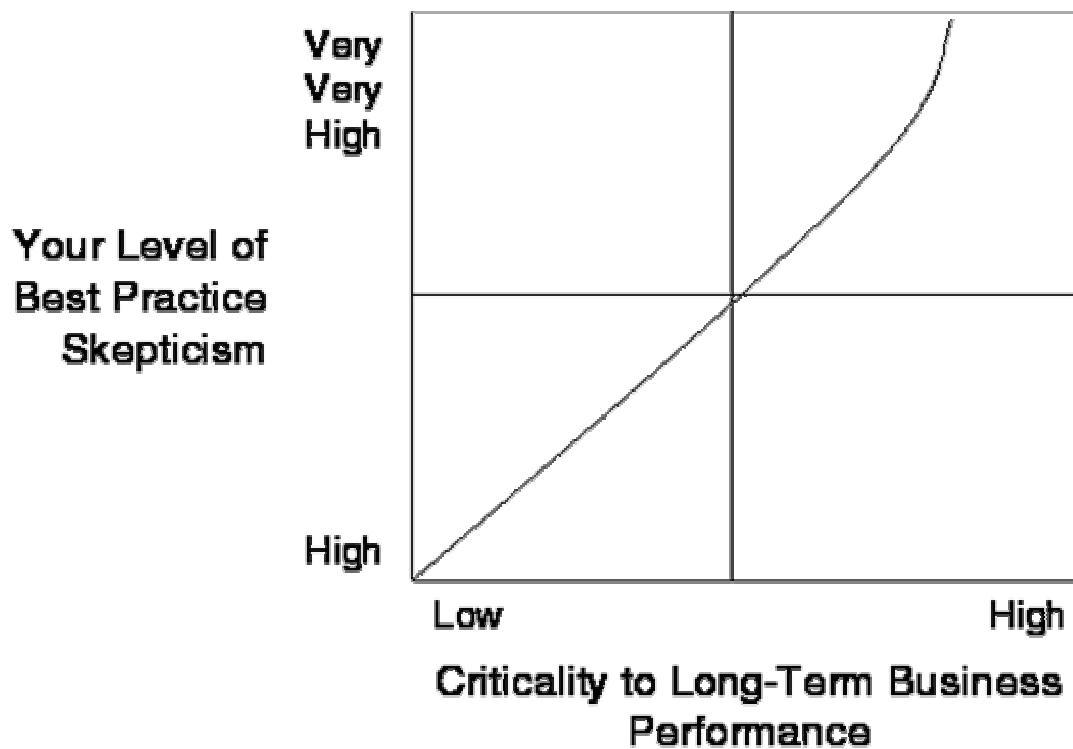
Despite all you've just read, best practices are not all bad all of the time. Some do actually exist which are useful if for nothing else but to expand your worldview and make you a more informed businessperson. The key is to have a framework to evaluate which best practices are worth considering.

Utilizing a simple framework (see graphic), you can evaluate best practices that your organization maybe considering. In essence, the framework advocates that the more important or critical some issue is to your organization's long-term performance, the more skeptical you should be of anyone who offers you a best practice in that arena.

Let's use a simple example. You are looking at better ways to manage your accounts payable function. While AP is important to the organization, it is unlikely that that the accounts payable function of your organization is going to be the driver of revenue, profit and/or share price

appreciation. As a result, this area would be low on the criticality to long-term business performance and your level of best practice skepticism should be just high. It is worth noting that your skepticism of best practices even at its lowest levels should be high.

Now let's take an example of innovation or how to grow organically. Organic growth and innovation are two very fundamental and important levers for an organization's long-term viability and health. As a result, any best practices in this area should be reviewed with a very very high degree of skepticism.



Evaluating Best Practices

Now that you've understood how to quickly determine the level of skepticism by which you should evaluate best practices, the question turns to actually evaluating the best practice. You should run through the following checklist when evaluating a potential best practice. (see table 1)

Table 1 **Key Considerations/Questions When Evaluating a Best Practice**

	1. Who is the messenger or advocate, and what is in it for them?
	2. Is it a well-constructed multi-dimensional best practice or one-dimensional silver bullet?
	3. What is the detailed ROI of the effort and is it reasonable?
	4. Is the opportunity compelling even when I discount the benefits significantly?
	5. Is the best practice based on a practitioner or a consultant's view of the world?
	6. In other organizations who've adopted the best practice, who is talking about it?
	7. How long have other organizations been doing it and what have the results been? Are the results believable?
	8. Can you keep the employees who may lead this effort working on it for the life of the initiative?

1. Who is the messenger or advocate, and what is in it for them?

This is an extremely important question and one which surprisingly often goes unasked. The messenger or advocate for a best practice is usually an employee or a vendor/consultant or some combination of the two.

When it is an employee advocating for the adoption of the best practice, it is important to not discourage this type of thinking because people who are willing to be bold and propose ideas should actually be celebrated. However, it is important to let employees know the basis upon which the decision will be made and that you expect he or she to be diligent and objective in their evaluation of this effort. And make sure that they know that you will be viewing vendors who maybe helping them with a skeptical eye so they should pay attention to this on their own. Let employees know that you are going to ask hard questions and as will be discussed later on, ensure their belief in the project by committing them to the initiative until its completion.

When dealing with a vendor or consultant, skepticism pays. If they come to you with case studies or 'proof' of why undertaking this best practice will yield better results, you must remember that they are selling something. There are numerous examples of software and consulting companies doing research that looks harmless and objective with headlines that read "Transforming Innovation Using Technology" or something equally banal. The research report then demonstrates how companies that use technology in the way prescribed outperform their peers. In another strange coincidence, the firm happens to have a solution that does just what the research suggests. Or there are consulting companies whose focus is on governance, for example, who offer fancy, sophisticated analyses that show governance yields better performance.

The question that should immediately hit you is "What would happen to these vendors if the opposite recommendation was true?" In the case of the innovation technology company, a research headline that says "Transforming Innovation Using Technology Doesn't Work" would surely be bad for business. Or what if the corporate governance consulting company coming out and saying "While we thought it was important, our research reveals that corporate governance actually doesn't have a direct causal relationship with outperformance." They would never say these things because they are bad for business and directly conflict with their business model. As a result, their research is not really research but disguised sales pitches which are obviously and inherently biased.

What this means is that you should be skeptical of their claims and in some instances, you should believe them at all. Ask lots of questions, ask for the source data underlying an analysis and push the vendor on their claims and question the inherent biases that exist. Even if you move forward with the vendor, it will help establish that you are not a blind believer in all they pitch.

The most insidious form of outside expertise often comes from self-anointed research organizations who under a veil of objectivity churn out reams of analyst reports and projections of little to no value. The most recent publicly cited example came from Aberdeen, an IT research outfit, which the Wall Street Journal panned for its sponsored research practices.

Basically, sponsored research lets firms pay ~\$30,000 to Aberdeen who then conduct surveys with technology users. The sponsors per the Wall Street Journal like to sponsor a report because it provides a *"chance to rise above the noise of the marketplace by being associated with something customers consider "research".*" Basically, sponsors know the research is of dubious value, but they see Aberdeen's research as giving them an air of credibility.

The Journal goes on to describe the conflicts which are clear. Aberdeen did 212 reports last year with 4-5 sponsors each. The Journal article states, *"But if much of your top line is dependent on getting tech companies to sponsor your research reports, you've got quite an incentive to design questionnaires that will yield the kind of reports tech vendors will want to sponsor."*

"In that regard," Lee Gomes, the author's article, writes, *"Aberdeen delivers. The reports seem to invariably discover that "best in class" companies use, or are thinking about using, or somehow embody, whatever technology the report happens to be discussing."*

This practice is more pervasive than just Aberdeen and just the IT research space (which is notorious for these things). In essence, a healthy degree of skepticism is warranted even when the party appears to be objective. If the research is sponsored, that is red flag number one. No matter who is delivering the recommendation or idea, remember that oftentimes, the economic interest of the best practice advocate is different than yours.

Beyond their dubious research, there is another noteworthy aspect to many of these research outfits which is unnerving and makes them even less valuable as purveyors of knowledge and best practices. Many have been around for many years striving during virtually that entire time to answer one or a handful of primary questions. For example, again, there are many in the IT space whose ambition is to help understand the business value of IT (or something equally nebulous). If you've been working on answering the same management or business questions for 10 or 20 years and have yet to come up with an answer, why is it that anyone still believes these organizations are the authority on anything? Best practices are about more than ideas, 2 x 2 frameworks and esoteric maturity models which look sophisticated and which appear well-researched. A best practice should actually propose a real solution to a real business problem and should be tested and really shown to work. It should not just offer theoretical platitudes by research analysts who've never been lived with any of their proposed ideas. If the best practice is based on a theoretical view of the world, understand it for what it is which is a nice looking document or presentation or model which maybe intellectually interesting but which is not a proven practice.

2. Is it a well-constructed multi-dimensional best practice or one-dimensional silver bullet?

Major organizational issues and challenges are never one-dimensional in their causes and so the solutions cannot be one-dimensional either. It is a fallacy to believe that complex problems can be solved with simple solutions. This doesn't mean the solution needs to be complicated to understand, but it should mean that the solution is robust and holistic.

McKinsey who are notorious proponents of numerous best practices actually hit the nail on the head in their McKinsey quarterly when they wrote, *"Executives should eschew simplistic organizational solutions. Popular techniques such as management incentives and key performance indicators (KPIs) are strikingly ineffective. Advice from experts on organizational performance often falls into either of two traps. Some of these authorities fail to give the full picture because they assume that companies already have a number of*

complementary building blocks in place and therefore systematically overestimate the impact of a single practice. Others have a preference for one big, visible intervention they regard as more effective than a combination of less dramatic initiatives.”

Implementing a best practice or idea of any kind requires change and so there are three dimensions that are important to consider when making change happen:

- Organizational culture & behavior
- Organizational processes
- Organizational systems

Many best practices are unfortunately very one-dimensional. If it is a software solution, there is a focus on the systems dimension. If it's a strategy framework, it tends to be all about the process dimension and getting the data and analysis completed to demonstrate the framework.

But focusing on only one or even two dimensions of the effort demonstrates a naiveté which is inexcusable and creates risks for the project. As the CIO of Medtronic, H. James Dallas, has eloquently and succinctly stated, “Culture eats strategy for lunch!”

In essence, if a best practice only talks about the ideas, processes or systems elements but fails to consider all of them along with culture and behavior, it is bound to fail. The best ideas will not work unless people understand why they're doing them and why it will benefit them, the organization, etc. Many vendors openly acknowledge this when asked about these other dimensions by offering platitudes such as “Yes, obviously the people and/or the process are key to this whole effort”. Beyond the platitude, however, most don't have much to offer.

When talking with someone about a best practice of any kind, ensure they have taken a complete view which covers all the dimensions required to make the best practice successful in reality. If they merely focus on 1 or 2 dimensions and cannot offer wisdom on all elements, you should look elsewhere.

3. What is the detailed ROI of the effort and is it reasonable?

The beauty and curse of a financial model is that it can say anything you want. Just change a few dimensions or assumptions and things can go from very promising to very paltry. It is still, however, important to push advocates of a best practice to put together the detailed costs and benefits of the effort.

The costs should be well-detailed and should consider ongoing maintenance costs (for software), training & education, etc in addition to the upfront costs. Just including the upfront costs is a mistake as it understates the effort and true cost of the initiative which happens quite often. Although all future costs may not be known with precision, they should be considered and included using the best information available.

The benefits should also be quantified. Nebulous claims of increased transparency, agility, customer retention, etc are not sufficient as these vague claims are impossible to measure and hold people accountable to. To the extent possible, the cost savings and/or revenue benefits should be sized with the assumptions underlying these calculations properly detailed. This forces people to think about the specific economic reason they're undertaking the best practice and also lets those reviewing the effort modify assumptions on their own to understand the sensitivity of these results to certain factors.

4. Is the opportunity compelling even when I discount the benefits significantly?

Even with an ROI in hand, it is often useful to discount the benefits and increase the costs to be conservative and see if the results still are compelling. Failure rates for multi-year projects are quite high especially those which may involve software or technology and so it is prudent to do this with any case in support of a best practice. If a business case is predicated on an ROI which results from a 10% improvement in a particular process, discount that to a 1% improvement and see if it is still compelling. Oftentimes, it may not be, but if it is still interesting even at a small improvement, it may actually reinforce your resolve for a particular best practice.

5. Is the best practice based on a practitioner or a consultant's view of the world?

In essence, was this best practice created by a consultant or programmer dreaming up ideas in their office or cube because they thought companies needed the best practice? Or was it based on the work of a practitioner who actually built the discipline and understands the organizational complexities of making real change happen? While many vendors may be excellent dream weavers, they ultimately have not had to live with the recommendations they make. If you can work with someone who has actually been "in the trenches" and understands real organizational challenges and comes at issues with a practitioner's sensibility and perspective, you will likely get more than sanitized pretty PowerPoint slides to show for your effort.

6. In other organizations who've adopted the best practice, who is talking about it?

Usually when evaluating a best practice, a vendor will point you to quotes or references from people in other organizations who've utilized the best practice. The problem is that you often don't know who these people are, what level they are, etc. More problematic is that vendors are cherry-picking (as they should) who you talk to.

If you want to understand the power of a best practice, look to see if senior management is talking about it. Because if they are talking about it, you know the effort has gained some

momentum and gone beyond a single organization or individual who may like the recognition and plaudits the vendor maybe showering on them.

7. How long have other organizations been doing it and what have the results been? Are the results believable?

Ask questions about the results that are offered for best practices. What time period are these results over? Make sure that they are not indicating that results manifested themselves in 3 or 6 months as change takes some time to materialize in organizations. Understand the methodology they are using to make the claims about performance and aim to understand what may have been going on at the organizations being cited beyond the best practice which may have resulted in the performance. Recall that there are numerous other things going on within an organization at the same which may impact performance.

If a best practice is said to improve share price, revenue, or profits, ask for tangible examples of how this was achieved. It is often easy to hide behind nice-sounding phrases about agility, better performance and best-in-class results, but ask for specifics. When they do show you the results, make sure they are believable, e.g., does the causality they claim make sense?

If someone says that a scorecard or business intelligence application resulted in better share price appreciation or valuation benefits, ask them how they can support their claim. If that is truly the case, it is likely that the company's senior management talked about it and so there should be evidence of this. Most of the time, claims like this are exaggerations. If the business rationale for a particular business case is built upon illusory or unsubstantiated promises, it is best to discern this upfront and then run the other way.

8. Can you keep the employees who may lead this effort working on it for the life of the initiative?

Many best practices require multiple years of effort to realize the benefit. Oftentimes, people who begin the projects get credit for selling the vision internally and starting the project and

then they move on. Ultimately, if the benefits are not realized or the costs spiral upwards, the original person is not accountable as they can somewhat rightfully claim that they were no longer involved.

For best practice efforts, this dynamic is suboptimal and so keeping someone who is proposing a move towards a best practice married to it until the benefits are realized and the effort is completed is good for many reasons:

- It ensures they are committed to the idea and believe in the results – If moving off the project is always a possibility, the belief in the idea and the outcomes doesn't need to be as resolute. However, if you are committing many years of your own effort to the project and the results, it forces you to really critically examine the pros and cons of the best practice. Ultimately, this forces accountability because people realize their own bonuses, raises and promotions will be tied to this best practice's success. It ensures that people are not rewarded merely for ideas but for their execution capabilities. For people who management may be viewing as eventual senior leadership material, this is an excellent way to vet people on both their strategy and execution skills which are important for many management roles.
- It keeps the visionary affiliated with the project – Oftentimes, the person who was the visionary behind an effort leaves it only to have the successor pick it up and either not understand it or not be interested in it or some combination of the two. Keeping the internal advocate for the project committed to it ensures the push for the best practice continues and that the effort doesn't stall because of a new manager who is less passionate or knowledgeable about the effort.

Separating the Fluff from the Stuff

If you feel your organization is suffering from a mild or even severe case of best practiciness, do not despair as you now have a prescription to treat it. If you are not suffering from best practiciness, you now know the symptoms to be on the lookout for. Ultimately, organizations are not predisposed to the disease and it is very possible to avoid or treat it.

The allure of best practices is actually quite easy to understand. Best practices seemingly offer clear, crisp, logical and actionable ideas on how to deal with inherently uncertain questions and issues within organizations and business. And in some instances, there can be value in discussions of best practices and even in adopting certain ones very selectively. Ultimately, the decision to adopt a best practice requires using a critical and skeptical eye to determine which are credible. When a manager wonders, "If another organization adopted this best practice, and it proved successful in yielding good results, wouldn't it also work in our organization?" they are often suspending their own critical faculties because it is reassuring to believe that a solution implemented somewhere else can be replicated with the same result in their own organization. In its best form, this is naïve, wishful thinking that passes. At its worst, it is counterproductive and a waste of time, money and effort.

When you think about all the factors that drive a business to be a success or failure: industry, management, talent, market conditions, competition, innovation, customers, vendors, strategy, luck, geographical focus, it is amazing to think that smart people in organizations actually would believe that plucking an idea from one company and putting it into theirs would actually work. But it happens all the time because of the structure and sanity that best practices seem to provide in an increasingly complex, fast-paced and sometimes insane business world.

However, with the uncertain benefit of best practices, organizations that find a new path instead of following the existing path are the ones that often become leaders in their space and are rewarded for their effort. The well-traveled existing path is often littered with discarded, useless best practices and the organizations that have fallen victim to them. For long-term viability and

health, organizations would be better served if they aspire to become the leading practice and push things ahead of others. And then they can watch and take satisfaction in watching others follow the best practices they have developed.

Author Bio

Anand Sanwal is a Managing Director at Brilliant – a firm specializing in corporate portfolio management, innovation and reengineering. He is the former Vice President, Corporate Portfolio Management and Strategic Business Analysis at American Express where he led the company's corporate portfolio management effort – widely recognized as the most ambitious corporate portfolio management undertaking to date. In this role, he also oversaw the CFO's strategic business analysis group and setup and managed the company's inaugural Chairman's Innovation Fund. He is the author of the book *Optimizing Corporate Portfolio Management: Aligning Investment Proposals with Organizational Strategy* and is a recognized thought leader on corporate portfolio management and innovation speaking frequently to a variety of companies and research organizations. He can be reached at asanwal@brilliant.com.