THE REAL "BEST" PRACTICE IN THE NEW ECONOMY

BY

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"Still beating your kids?"

We all know that this diabolical question is impossible to answer. Ironically, the same concept is presented by *Best Practices*, a ubiquitous business buzzword. The beauty of Best Practices is the name itself. Its inherent meaning is impossible to oppose without convicting oneself as stupid or belligerent.

Who would argue against using the "best" practice available? That is the term's treachery. The notion and use of the Best Practices description is a high-jacking of language for (mostly consultants') commercial gain. It's time to think about being clear and doing the right things instead of the best things.

The consensus meaning of a "best" practice is: a "tried and true" business-wide or industry-specific concept or process. If applied properly it should bring a known and desired result. In the world of science this would be classified as a "law." Heating water to 100°c at sea level brings about a known and desired result every time. Because we tend to revere scientific method, Best Practices, which implies similar assurances, naturally resonates with business people. While that's not entirely without merit, in today's dynamic, globalizing business environment, it is a slippery part of the competitive slope that best be traversed carefully.

First, how far into daily business functioning should Best Practices be applied? Obviously, fundamentals and non-competitive processes can be lifted from elsewhere and applied readily to good effect: manufacturing processes, travel policies, reporting systems, and so forth. It makes no sense to follow outmoded, or sub-optimal approaches when others work better. But, at what point are competitive methodologies compromised?

How do you know if a practice is "best" for a situation when so many cultural and other factors are affected by change? These soft effects don't appear in the mathematically-driven models and assessments. They are the problems discovered when a change goes awry. If a Best Practice is more efficient at its specific purpose but negatively affects other aspects of the host company's business environment, is it still the best practice?

Let's even assume the many subjective (cultural) problems are overcome while implementing Best Practices. If these methods—superior as they may be—are widely copied and shared, at what point does uniqueness and corresponding competitive advantage disappear? For example, companies attract the right employees—arguably the key to any business—because of differences in work environment, among other things. Each company provides a place where people can identify with the culture and approach to business (i.e., they fit). But conceptually, Best Practices homogenizes: at its natural conclusion, ultimately every business will be the same. How then does the business attract and keep people? Or do we presume that the right people are not the key part of every business, and the question irrelevant?

Best Practices presumes that commercial evolution is slow and the best methods can be discovered in one place, codified, and applied by others while still relevant and timely. One may or may not believe that, depending on one's feelings toward the new economy world of technology. Regardless, by implication a best practice ossifies because businesses invest in significant policy, process, and organizational changes with a payback expectation. Payback that may require the investment to provide return for some time, not turned over in 90 days when a *better* practice comes along.

Thus the petrifying undercurrent of Best Practices runs counter to a core truism of the high-tech world: Moore's Law, which says that computing power doubles every 18 – 24 months while the price halves. Moreover, Josef Schumpeter's oft-invoked argument that capitalism is the perpetual cycle of destroying old and less efficient products, services, and processes for new, more efficient ones ("creative destruction") is obviously unworkable in the Best Practices context.

If one accepts the importance and pace of change in the new economy, then *ebusiness* Best Practices have value mostly to the manufacturers and old-line businesses not innovating. Not exactly the standard bearers for a future in the new economy. Implementation of a best practice in the innovation-based new economy sounds like going to where the puck's been, not where it's going. The search for a "better way" has always been fundamental to development and growth; codifying and implementing the *best* or *only* way is not.

A dynamic business must fear petrification by Best Practices. Particularly in a knowledge economy, the thought that there is a *best* practice should be eliminated. There are only the currently effective approaches, and their value is limited by their circumstance. Fad-driven change must be resisted at all cost. Remember, it is very possible for a Best Practice to turn out for the worst. More sensible would be to use the *right* practices.

Has the Best Practices mentality bled your business of creativity and dynamism yet? Be careful how you answer; your career could depend on it.

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