And, it must be said, a program like CompanyCommand is designed to meet individual development needs rather than institutional objectives. But by creating a place where soldiers can freely and in their own way develop leadership skills, the Army is enhancing the quality of today's and tomorrow's leaders – certainly a primary goal of any organization.

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Challenge to Retail Design

Unstick Your Customers

Paco Underhill's acclaimed 1999 book, *Why We Buy*, exposes how merchandisers get us to pile our shopping carts with items not on our lists. The most popular products are placed at the back of the store, and retailers fill the intervening space with tempting goods. Customers must walk by displays to get from the top of one escalator to the bottom of the next. The most appealing offers are positioned at eye level.

Physical space in stores is "sticky" – people *must* pass through it to get where they're going. The Web, by contrast, lacks natural stickiness. A profusion of links encourages users to leap from one "lily pad" to another, and it's as easy to leap from pad A to pad Z[10] as from pad A to pad B.

The ease of Web shopping is creating higher expectations among consumers. So imagine that you designed a physical store that mirrored the Web's best practices for getting customers to make purchases. Customers would get out quickly with exactly what they need, never forced to double back for forgotten items. The result would be increased loyalty and lifetime expenditures.

Creating a real-world version of an online organization means treating retail space as though it were information space. The first principle of Web design is that signage be clear, visible, and well thought-out, with logical and consistent naming and arrangement of product categories. So the same must be true of the signage in your physical environment.

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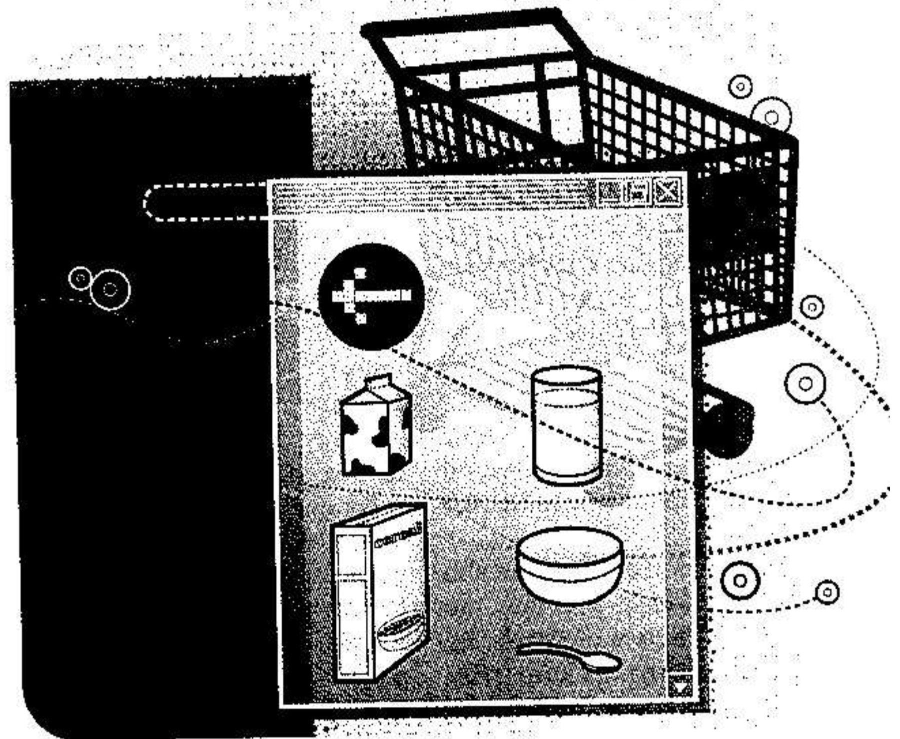

Second, the Web makes it easy for shoppers to get as much product information as they want. Real-world stores can do something similar by, for example, placing detailed catalogs in the appropriate aisles, putting cards that highlight distinctive features on shelves, and positioning knowledgeable sales attendants around the floor. As on a well-designed Web site, however, all that information should never get in the way of customers who just want to come in, grab that DVD of *Look Who's Talking Too*, and get out.

Third, e-commerce sites serve both their own interests and their customers' by suggesting appropriate add-ons. A real-world store can do that by, for example, grouping stereo receivers with the corresponding set of cables, or using signage to indicate everything the consumer will need to use the product and exactly where to find it, even if that means pointing him to another store. For years, supermarkets have positioned the pasta sauce next to the noodles; an appropriate add-on here might be a lasagna recipe on the shelf along with the aisle number for ground beef and the address of a nearby wine merchant where customers can buy a nice bottle of Chianti.

Finally, Web sites draw on customers' past purchasing behavior to present clusters of products they buy frequently. Real-world stores can't customize offerings for each customer, but they can make it easier to find the most sought-after goods overall. Move the milk to the front.

Some of these practices are being tested at the Staples Prototype Lab, located down the street from the company's headquarters in Framingham, Massachusetts. Every day, vice president of visual merchandising Bob Madill and his staff work to overcome the limitations of atoms and space so customers can navigate a Staples store as if it were pure information.

As a result of the lab's research, Staples stores are laid out in arcs composed of "destination categories" – the classes of items most in demand – in the manner of home pages that present top-level categories for visitors to explore. Large signs hang over each area; smaller signs below designate subcategories. Staples used to disrupt the informational mapping of stores with signs announcing unrelated special offers. Those "focals" might have moved more of a specific product, but they're the real-world equivalent of pop-up ads, so Staples dropped them.

Customers' informational needs also determine shelf height and, thus, the number of items a store can stock. "By having a store that's mostly low, it's easily scannable" by human eyes, Madill says. Higher shelves would accommodate more items, but customers wouldn't be able to see the signs.

And Staples has responded to customers' desire for product information by, for example, breaking up the single, unified listing of printer inks, formerly kept at the corner of that destination category. The company now distributes information about inks in smaller catalogs kept next to the specific brands they cover. In-store catalog use has risen from 7% to 20%, increasing customer satisfaction and decreasing the need for intervention by store assistants.

Shaping space around information is becoming a priority for every business trying to meet customer expectations in a physical setting. The Web has made customers the masters of their own attention. Try making them stick, and they won't stick around.

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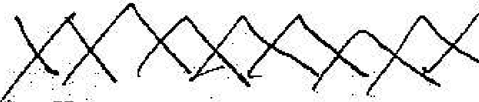

Follow the Leader

New leaders galvanize companies with inspiring themes and ambitious plans, but they also influence corporate culture in simpler ways. All have their own personal "heuristics" – rules of thumb – that they develop, often unconsciously, to help them make quick decisions. While leaders may not intentionally impose their heuristics on the workplace, these rules are nonetheless noted and followed by most employees. Soon, the heuristics are absorbed into the organization, where they may linger long after the leader has moved on.

For example, if an executive makes it clear that excessive e-mail irritates her, employees – unsure whether to include her in a message – will simply opt not to. A leader who appears suspicious of employee absences discourages people from even thinking about conferences or outside educational opportunities. Employees may be grateful that such conditions help them avoid protracted internal debate over whether or not to take a particular course of action. But as everyone adopts the same heuristics, the culture shifts, becoming more or less open, more or less inclusive, more or less formal. Because such behavior is difficult to change, leaders should think carefully about what values their rules communicate. They may even want to create new rules to shape the organization to their liking.

That's what I did ten years ago when the Max Planck Society hired me as a director to found my own research group at the Institute. Each new director gets to build his staff from scratch, and I wanted to create an interdisciplinary group whose members actually talked to one another and worked and published together (a difficult thing to do because researchers tend to look down on those in other fields). First I considered the question of what values should inform researchers' day-to-day decisions. Then I came up with a set of rules – not verbalized but acted upon – that would create the kind of culture I desired:

It is right to interact as equals. Clearly, issues of performance, role, and circumstance make total equality impossible. But to ensure a level playing field at the beginning, I hired all the researchers at once and had them start simultaneously. That way, no one knew more than anyone else, and no one was patronized as a younger sibling.

It is right to interact often. Research shows that employees who work on different floors interact 50% less than those who work on the same floor, and the difference is even greater for those working in different buildings. So when my growing group needed an additional 2,000 square feet, I vetoed the architect's proposal that we construct a new building and instead extended our existing offices horizontally.

As everyone adopts the same rules of thumb, the culture shifts, becoming more or less open, more or less inclusive, more or less formal.