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# The Real Confessions of Tom Peters

## Did *In Search of Excellence* fake data? A magazine suggests it did

Oops! Again. Nearly two decades ago, the top-selling management book of all time made its debut. In *Search of Excellence*, by McKinsey & Co. consultants Tom Peters and Robert Waterman, immediately vaulted onto the best-seller list and ushered in an era of management gurus, management fads, and popular business books that endures to this day.

But now, the outspoken and flamboyant Peters, 59, shockingly admits that he and his co-author falsified the underlying data in that breakthrough book. In an article in the December issue of *Fast Company*, Peters writes: "This is pretty small beer, but for what it's worth, okay, I confess: We faked the data."

Peters may consider it small beer, but this confession is a doozy. In *Search* was the ultimate cult business book. It had a lock on the best-seller list for over three years and eventually sold more than 3 million copies. "Excellence" became a buzzword even after *BusinessWeek* debunked some of the hoopla in a 1984 cover story entitled "Oops!"

"GET OFF MY CASE." For years, many assumed that the authors employed rigorous research and stringent financial screens to identify "excellent" companies. Peters now maintains that he and Waterman simply asked their McKinsey colleagues and other "smart people" for the names of companies doing "cool work." Then, they screened that initial list of 62 organizations for financial performance over a 20-year period. That whittled the list to 43 companies, ranging from Johnson & Johnson ([JNJ](#)) to Intel Corp. ([INTC](#)).

Even more peculiar than Peters' confession of inventing data is the author's insistence that his published admission is actually untrue. "Get off my case," he grouses. "We didn't fake the data. It's called an aggressive headline."

That's one way of looking at it. The explanation the authors gave in the book of how they picked their role-model companies is almost exactly the same as the version Peters gave in the magazine. So why the "confession"?

The article resulted from a six-hour interview with Alan M. Webber, a founding editor of *Fast Company*. In the writing and editing of the story, says Peters, Webber inserted the line about faking the data. Peters, one of ten early investors in *Fast Company* who has since cashed out, was shown an advance copy of the article and didn't object to the addition. Then, Webber promoted the story on the magazine's cover with the tag line "The Confessions of Tom Peters: 'We faked the data.'"

Peters says he was "pissed" when he first saw the cover. "It was his [Webber's] damn word," he says. "I'm not going to take the heat for it."

For his part, Webber says: "Tom is being too generous in giving me credit. It was hyperbole. It's in service of a bigger point, which is to trust your gut. Anyone who takes this seriously should be tested for the disappearance of their sense of humor."

Relying on instinct was one of the book's important lessons. It was published at a time when Japan severely challenged Corporate America's dominance. Many believed entire industries were vulnerable to the Japanese onslaught. The book attacked the management-by-the-numbers mindset and sent a positive message that there were many American companies that had got it right. Peters and Waterman claimed the best ones shared eight attributes, such as being "close to the customer" and having organizational cultures that emphasized "autonomy and entrepreneurship."

From the start, there was controversy. Academics sniffed that the work was superficial and lacked rigor. And as *BusinessWeek* pointed out, many of the companies extolled as best fell on hard times soon after publication, including Amdahl and Data General.

The latest controversy has Waterman none too pleased. "It's Tom being Tom again," says Waterman, who remains friends with his old partner. "He loves to be outrageous. But I'm sad he did that because we got criticized after the book was published for being flippant."

Is Peters sorry he let Webber use the line? "If there is a firestorm, I'll regret it," he says. This is one case where following your instincts might not have been such a good idea.

By John A. Byrne in New York