

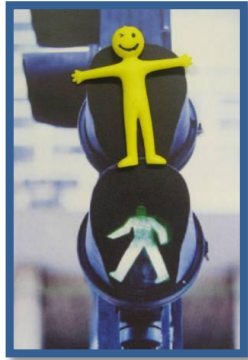
YES! AND... CREATIVE GORILLA # 88

If we set up too many rules and measures, people start to focus more on the rules and measures and less on what is really important ...

Have Fewer Rules and Innovate? ...

"We started off trying to set up a small anarchist community, but people wouldn't obey the rules."

Alan Bennett, Playwright in "Getting On"



"Signals"

Do more rules and laws really help?

Do you know that scientists predicted that high mounted brake lights would reduce rear end car collisions by 50% and that studies reveal it is in reality 4.3%? Are you aware that anti lock braking systems have had a negligible effect on accident reduction because drivers with ABS drive faster and closer to other cars?

I found these facts in an extract from Tom Vanderbilt's book "Traffic: Why We Drive the Way We Do". I noticed the article because he mentioned that in Kensington High Street, London, where I (and several Gorilla readers) used to work, fatal, serious and minor traffic injuries dropped by 60% in one year.

"Wow," you might think, "What miraculous road safety improvements did they install?"

In fact, they removed the bulk of the previously installed road safety improvements, including 95% of the traffic signs and the guardrails along the pavement (sidewalk). Drivers are less distracted and so pay more attention to other road users whilst pedestrians are more cautious.

How can we relate this to business? In 2002 the US Government introduced the Sarbanes Oxley Act, improving financial reporting to protect investors from the actions of a few criminals who had falsely reported company revenues and profits.

Speaking with someone who has recently introduced the Sarbanes Oxley rules in to their company, it is clear that these rules have a significant impact on resources, divert management focus and increase bureaucracy. Supporters will argue that they reduce the likelihood of investors losing money.

However, here we are in an environment where millions of investors face losses and smaller pension funds, the result it appears of dubious reporting and complex products.

Supporters of legislation argue that this was a different set of risks from the previous crisis and

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are calling for further regulation; however, different crisis, same result.

If you are killed in a traffic accident, it has little relevance whether it was a bus, a car or a speeding bicycle that hit you.

You might contemplate therefore, whether extra legislation and rule enforcers actually have any real impact or are they the equivalent of well meant road safety initiatives, distracting the drivers (managers and regulators) and leading them and pedestrians (investors) to a false sense of security.

SO

Risks abound in business just as they do on the road, whether they are financial, environmental, operational et al. Should we accept the fact that risks exist and along with some basic controls, let people use their common sense, their experience and their intuition to counter those risks? As one Chairman of a bank said, "I didn't understand the products, so we didn't invest in them".

I don't suggest we should take out all of the "traffic lights" in business (although experience in some towns has shown that this results in safer driving), but perhaps like the traffic engineers in Kensington High Street, we might consider reducing, not increasing "business safety" initiatives.

ACTION

Unless you are a legislator, this is more a topic for discussion with colleagues. Whilst the principle of less legislation is here applied to a

global issue, perhaps your organisation might benefit from fewer rules?

TO CLOSE

In his article, Tom Vanderbilt mentions Hans Monderman, a Dutch traffic engineer who was famous for his hatred of traffic signs. Referring to a traffic sign that indicated a bridge, Monderman asked why it was needed, "...When you treat people like idiots, they'll behave like that," he said.

Are we in danger of legislation reducing people to idiots?

Have an anarchic week...

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