College of Business book Review by Sanjay Rajagopal.

Title: "Zilch: The Power of Zero in Business"

Author: Nancy Lublin

Publisher: Portfolio

Length: 246 pages

Price: $25.95 (hardcover)

Reading time: 5 hours

Reading rating: 8 (1 = very difficult; 10 = very easy)

Overall rating: 3 (1 = average; 4 = outstanding)

In “Zilch: The Power of Zero in Business”, Nancy Lublin has given us a book that is relevant to the difficult times businesses face today. The author contends that just as not-for-profit entities seek to adopt best practices from the corporate world, the latter can stand to learn a few lessons from the not-for-profit realm, in which organizations are accustomed to doing more with less. Many of these organizations continually face crises stemming from scarce, restricted, and inconsistent funding. The fiscal responsibility many of them have thus learnt can be an example for the corporate world to emulate. In a chapter devoted to the question of financial management, Lublin provides valuable tips on effecting cost control and disciplined budgeting. Not surprisingly, the path to these virtues entails sacrifices and careful management-such as defining, measuring, and monitoring “waste”, creating a culture of thrift, eliminating turf-battles over budget allocations, and introducing greater financial transparency. Some of the strategies Lublin suggests are not new, but the value of her contribution lies in the fact that she draws on her experience in the not-for-profit world to suggest practical methods of implementing those strategies.

Lublin’s treatise is quite comprehensive; in addition to the treatment of finance, its eleven chapters describe the ways in which the better not-for-profits develop, strengthen and leverage their brands, build lasting relationships with customers, assemble an effective board of directors, motivate employees to excel, and spur innovation-all on extremely lean budgets. On all these topics, Lublin speaks convincingly, and the examples she uses from her personal experience running not-for-profit entities illustrate her points well. Her treatment of the subject also reflects her business acumen that has enabled her to convert a $5,000 inheritance into a significant vehicle for social change through Dress for Success, an organization she founded in 1995. Lublin now oversees the growth of DoSomething.org, “the largest organization in America for teens and social change”.

Not everyone will agree with her views, but Lublin’s stature demands that we mull them over. For instance, she suggests that board members not be compensated; that businesses provide greater financial transparency than legally required; that businesses try shelving annual budgets in favor of multi-year budgets; that CEOs not have a vote on board meetings; and that firms try slashing team budgets to spur innovation. She also calls into question the logic of innovation events such as retreats and brainstorming sessions, and the usefulness of overly formal mission statements. Many of Lublin’s suggestions appear to be calculated to jolt conventional thinkers out of a stupor-though most of her assertions are backed by sound reasoning-and this keeps the reader’s interest piqued.

Each of the eleven chapters in “Zilch” ends with a list of eleven questions or suggestions that are designed to lead the manager to reflect on how the not-for-profits’ best practices might be implemented in the for-profit corporation. Lublin’s fascination with the numbers zero and eleven reflects her determination to take what not-for-profits have-which is, relatively speaking, zilch-and achieve a score above the one-to-ten scale to which all others aspire. Her own achievements (including the stirring account of the genesis of her organization), and her well-argued case for rethinking the way many for-profit corporations are run, will likely inspire some to excel. Those will be the ones who experimented with Lublin’s ideas and took to heart her eleventh suggestion of the eleventh chapter: “Learn the word Chutzpah and love it.”

Sanjay Rajagopal is a professor of Finance in the College of Business at Western Carolina University. His current interests include corporate finance and financial market issues in emerging economies. For previously reviewed books, visit us at our website at www.wcu.edu/cob/.