# Perfecting the Irrelevant

**November 1, 2006**

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**Wayne Hodgins, strategic futurist and "corporate evangelist" at Autodesk, brings his keen foresight and thought-provoking perspectives to his podcast series Off Course – On Target. In this podcast, Wayne challenges you to think about whether you are so focused your everyday activities that you are missing the company's value proposition—delivering what the customer really needs.**

**WAYNE HODGINS:** Hello and welcome to this session of "Off Course, On Target." My name is Wayne Hodgins. I'll be your host for today and our topic is going to be "Perfecting the Irrelevant." This is an issue that we'll explain in more detail throughout this session, but it's an area that I'm particularly concerned about and have been for quite some time...one I think that most of you will be able to both reflect upon and see examples of in your own life, experiences and roles in your professional life, as well as an area that deserves both some discussion and some attention on our part to see what we can do about not perfecting the irrelevant.

Let's start with a story. The one I'm most familiar with telling relative to this topic of perfecting the irrelevant is a story that's apparently a fairly true one...at least, most of the parts of it are supposed to be. It relates to a company called Smith Corona. For those of you who aren't familiar with the company Smith Corona, they were a very well respected company, and they were around for a very long time. They started manufacturing in 1886 and stopped in 1997. Compared to most companies, they went for a very long time. They were essentially in the typewriter business, and if you were to ask most people, they made some of the best typewriters at the time. They were quite innovative, introducing electric typewriters in 1955 for instance. But in spite of all of this, as I just indicated, they stopped manufacturing in 1997.

The story goes that the CEO at the time, when he was in this unfortunate position of needing to shut down the plant and close the company in this regard, gathered all of the employees together on their last day and brought out onto the podium with him the last typewriter that came off the assembly line. He said to everyone who was gathered, "I want you to go home -++-today with two things very clearly in your mind. Number one: I want you to go home extraordinarily proud of the part you played in producing this typewriter because this is the greatest typewriter that Smith Corona has ever produced."

Now mind you, this wasn't just bravado on his part, or trying to make the employees feel better. This was actually true. There was a great deal of customer input to suggest exactly the same thing...that as far as they felt (and many of them as you can guess were long standing customers), it was the best one Smith Corona had ever designed.

The Malcolm Baldridge Award wasn't around at the time, but if it were, I'm reasonably sure they would have been in the running or possibly have won that award. They had industry accolades, so it wasn't because of any problem with the typewriter, and that brought him to his second point.

He said he thought it was very important that they leave with the lesson that was learned here, painful as it was, that in his opinion, what they'd ended up doing was perfecting the irrelevant.

If you reflect on the time frame, 1997 was when he was giving this presentation and closing the plant. The closure was probably due to the advent of not so much just the personal computer, but in fact, word processing in general. It's a fairly startling thing. You would have thought that they would have just naturally evolved into this, but they didn't. This will be the subject of something we talk about at length in another session, but let's talk about it a little bit right now.

Fundamentally I think it's because of a common confusion. In fact, it's a trait that I've traced to be almost a cause of every demise of every company and organization that I've looked at that's suffered similar kinds of consequences. That is, a fundamental lack of distinguishing between what I term the organization's "value proposition" and its activities.

By activities, I'm referring to the things you literally do. For example, if I was to have asked the people at Smith Corona or even their customers, "What does Smith Corona do? What business is it in," they would look at me like I was an idiot, and say "Well, the typewriter business, Buddy. You can't figure this out? It's pretty obvious."

The point I would want to make is that I would certainly agree that it is what their activity was at the time, but this was *not* their value proposition, which of course, was proven quite startlingly so by the fact that all their customers (who again were extraordinarily happy customers) felt this was the greatest typewriter they had ever produced, yet for some reason they went away and chose to buy something else. We know now what that was varying forms of word processing, even though it was the early days of that technology.

The point is, the customers understood, even though they probably didn't articulate it at the time and even though they told Smith Corona "You're doing perfect, you're doing just what we want, you're giving us a great typewriter", that they in fact went out of business because, in the end, the customers knew what they really wanted was something else—a facility to be better at producing documents or getting words and ideas out of their heads, capturing them, expressing them, being able to share them, modify them, edit them, and publish them in various forms, whether it be on paper, electronically, or otherwise.

So the point is, the value proposition is understood. It's known, but it's not one that is typically seen and articulated well. But, if you misunderstand and you think that you're based on your activity as opposed to your value proposition, I will posit that you will fall into the same fate as befell Smith Corona. You will go away.

It appears, therefore, that even if you're doing everything correct, your survival is far from guaranteed. I think...again, I want to stress this point of lacking the distinction that we make between value proposition and activities. I'll make that the subject of another discussion and session we'll do here, so we can go into that in more detail. But, just hold on to that thought for now as we explore this value proposition thing and this perfecting the irrelevant a little bit further.

Let me, for example, not shy away from this. I'm not trying to just wag my finger at you, or suggest that all of you need to be concerned, or that you have a problem. So, let me make this somewhat personal and closer. If I look at my own company, Autodesk, as most of you would know, we're in the so-called software business. We focus on computer-aided design as well as design and visualization software and services for the overall design market.

But that's kind of my point. We too could very easily get caught up in this notion that we're a software company, like a lot of others. Or, we're a design company. We could get equally more

focused on this notion that we're in the business of doing what we describe as our activity—producing software—and forget that we have a value proposition, which is, that we assist our customers with their productivity, and that we improve their design and their capacity to do design.

Think about “design” as a verb and not as a noun. Here’s how we can understand the difference. Anything and everything we can do to help those customers and those users and our partners to be more efficient and more productive in their pursuit of design is going to be something that is seen as a value. Whereas, if we focus uniquely on the software aspect of it, or even just any of our activities, we'll probably miss the point, I predict that if we see ourselves as a software company as opposed to this design company adding value to the customer’s productivity, we'll likely follow the same sort of fate as Smith Corona.

Now let me pick an example that's even more relevant. I've been watching and monitoring this one for some time. I am actually sort of in the cheering section here and have been for about ten or 15 years hoping that this company will be an exception to what is otherwise a very scary norm for companies and organizations because, I might add, this is not a fate that is only unique to businesses. So, if you're listening and you're not in business, but rather you're in academia or you're in a non-for-profit organization or something else, don't think that this is something that you don't have to be worried about.

This is equally relevant in my experience for any kind of organization because value proposition can be defined simply as the value you're trying to deliver to whomever you're trying to serve. Whether that's in a for-profit business model, whether it’s in an academic, or a teaching, or a training scenario, whether it's in any industry, the value proposition versus the activity and the issue of perfecting the irrelevant is one that I think we all need to be deeply concerned about.

Let me get back to the other example that's currently going on. You can keep an eye on it along with me, and that's the Kodak Company, which I was referring to earlier. Now Kodak is a great example for me for a couple of reasons. One is ongoing and I think, frankly, the jury is still out as to whether they're going to survive in the long term and avoid this fate of perfecting the irrelevant.

I like to pick on Kodak because they actually had this great, great thing where they really did nail their value proposition, or at least some bright people in their marketing department did, and many of you may recall that for a long, long time, still repeated quite often actually, is a marketing slogan from Kodak called "capturing Kodak moments."

Now think about that. Doesn't that do just a great job of encapsulating what it is you want from Kodak, or anybody that's doing a similar thing. We want to capture moments: moments of life whether they be professional, personal or whatever.

Now think about the difference between their activity and their value proposition. For example, I happen to know, and you could see in their practices, that they confused their value proposition with their activity. For example, for many years they viewed digital photography as competition. Now think about that. If you were truly in the business of capturing moments, how could you see digital photography as competition? How could you not see it as anything other than great news over time, from when it was first introduced and had to be improved, of course, but certainly now in hindsight, you should have been able to see at the time that this was yet another way to capture moments.

Does this mean that you stop producing all of your film of a typical historical variety? Of course not, that natural evolution of one ending and another beginning crosses over and the market will decide how soon they want it to go, we've all witnessed that. It's not that long ago, for many of us,

that we were still using film. Some professionals still want to hang onto it, but certainly in a relatively short period of time we've seen digital photography take over completely.

Yet, here's this company, Kodak, that for many people, epitomized pictures, film and things of that nature. They did a great job of being a market leader, but they came dangerously close to perfecting the irrelevant through their myopic focus on thinking that somehow they were say, a silver halide business or something. They thought their only business was in film-based photography. Whereas, if they really had understood this value proposition of capturing Kodak moments, then I think they would have been able to move on and follow up with research and development, escalating them into the digital market.

Now, as we speak today, they've very clearly come to that conclusion, and they have started to invest and develop lots of things. Who knows, let's hope, for them at least, that they do survive and actually thrive and become a leader again. But think about it, does Kodak come to mind right now when you think about digital photography or buying a new camera? Somewhat. They're here and they're competitive, but they're not the leader. They're probably not, for most of us, who's going to come out on top if you just think about it or if you ask somebody on the street and that's my point. So, let's keep an eye on them and see what develops.

As you can see then, this is a very frightening thing because you can be very busy, very active, you can be doing the right things, you can be keeping your customers very happy, and yet even though you're doing all of this, you could end up perfecting the irrelevant. Of course, that leaves us with the real key question, doesn't it? How do we know the difference between what's relevant and what's irrelevant? We'll spend some more time talking about that in another session.

What I'll leave you with today is just ask yourself, and by the way I think this is a question that you can ask yourself, literally and personally, but equally about your organization, your department, and your entire corporation if you're a part of a business. Heck, this could be played out at a national level to some extent.

In any case, take away from this session, at least for today, this question of how much are you actively, daily or at least frequently, in fact, perfecting the irrelevant. How are you going to stop doing that? And what is it that you're going to start doing and start focusing on instead that gets at this true value proposition that we all have, all of our organizations and each of us as individuals to deliver to whomever we're trying to serve.

So, with that I'll close out this session. Thank you very much for joining me here at "Off Course On Target." I'm your host Wayne Hodgins. I hope you'll come back and join us again real soon.

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