Dialog 7: Ashitaka and Chihiro

Employee Helps Boss / Initiates

Chihiro is the CEO of a software startup, and Ashitaka is head of marketing. Ashitaka wants Chihiro to stop pivoting from one market segment to the next, and instead allow enough time to explore possibilities and assess them fairly. He's planning to bring up the topic at their regularly scheduled weekly meeting.

Step 1: Permission

Inner Prep

Ashitaka is frustrated. He feels like his work is being wasted, and is anxious about their lack of success. He checks in about his positive needs and values. "I'm frustrated because I want us to succeed. And because I think of myself as competent, and a valuable contributor everywhere I go."

Next, he turns his attention to his friend and boss, Chihiro. They've worked together for years, at previous startups, and in a large corporation that bought their last company. He admires Chihiro's brilliance, passion, and work ethic. And Chihiro's frenetic impatience is driving him crazy. He considers Chihiro's positive intent: "He's rushing from market to market because he knows we don't have a lot of runway to gain traction. He doesn't want us to move so slowly and methodically that we run out of funding before we hit paydirt."

What's the joint positive outcome that Ashitaka wants for both of them? That they find and agree to a strategy that allows them to move quickly while assessing market segments carefully.

The Conversation

Ashitaka: So I'd like to talk about our marketing plan. I'm really struggling with it, and I'd like your help.

Chihiro: OK, what do you need?

Step 2: Outcome

Ashitaka: I'm concerned that we're pivoting from use case to use case too quickly to make a fair assessment of any of them. I understand why we're doing it, because we don't want to waste time or burn dollars chasing a market segment that will never pan out. At the same time, it's untenable to keep shifting before we're given a segment a fair trial. I want to find a strategy that allows us to both move quickly and assess carefully.

Chihiro: I want that too, but I'm worried that we haven't taken advantage of any market yet. I don't want to give up optionality.

Ashitaka: What do you mean?

Chihiro: We can't put all our eggs in one basket. We don't have the runway to do this serially. We have to be willing to chase multiple rabbits at once. Sorry for the mixed metaphor. If one use case doesn't pan out, I don't want to have to start from scratch to explore a new one. We can't pivot fast enough if we aren't casting a wide net. Darn, another animal-based metaphor. But I guess marketing is a bit like hunting, isn't it.

Ashitaka: That's actually a great metaphor, because it supports my point. There's a Russian proverb: "Chase two rabbits, and you'll catch neither."

Chihiro: Here's a Chinese proverb: "Choose your lodging before dark." It's getting late, and we're still in the wind. I'm not willing to cut off any options right now.

Ashitaka: We both want a strategy that will work, and doesn't miss any opportunities. Does that sound right? Don't make me pull out my Aesop's Fables.

Chihiro: Yes, I agree. Keep Aesop in your pocket, and I won't harangue you with my encyclopedic knowledge of Grateful Dead lyrics. I think it's hard because we're kind of

Asks for permission to discuss a company-wide issue, not Chihiro's behavior. Owns the problem: "I'm struggling with it." (chapter 11)

Empathy.

Ashitaka doesn't assume that he knows what Chihiro means by "optionality." So he asks. (chapter 16)

Recapping and checking for understanding (Bonus web chapter: Empathy).

facing a Catch-22. We decide to chase a particular market, and do research and run ads and create webinars and white papers for that industry, and don't get anywhere. So we find another rabbit — to use your proverb — and throw away all the work we've done trying to catch the first one. We keep climbing new hills, keep retooling, and never get anywhere.

Ashitaka: The outcome I would want is to pick a strategy that we could commit to for the duration so we can really get up and running. And I don't know the answer yet but I think it's worth solving for, so we can stay focused and align the team, so we can actually get traction on it.

By saying he doesn't know the answer, Ashitaka creates a comfortable environment for collaboration.

Chihiro: I'm all ears.

Step 3: Opportunity

What's happening now?

Ashitaka: So here's how I see where we are now: we have tons of opportunities, because our software is so universally useful and flexible, and can solve so many different problems. But we don't have data to know which is the smartest opportunity to go after first.

Chihiro: Are you sure it's a data problem? I'm worried that we aren't being strategic and big picture in our messaging. The software isn't just useful and flexible. It's also revolutionary. And I'm not saying that just because I created it. When I look at our website, I can't really see how we're different from 10 different entrenched competitors. We look like just another supply chain management tool, and why would anyone switch to us.

Ashitaka: I think you're right. We know all about our features, and we can talk about how we blow the competition out of the water in terms of advantages — all the stuff our feature set allows users to do. But since we aren't developing deep conversations in any market, we're unable to craft robust buyer personas. Which means we can't talk about true benefits, except theoretically in our own minds. And since we pivot so quickly, we aren't getting valid feedback on any of those theories.

What have we tried?

Chihiro: So what do we do about it? I'll own that I've been

pressuring you to find some market where we can make inroads; at least cut a few deals, and refine the product on someone else's dime. And I'm not going to stop suggesting new opportunities, because that's my job: I'm supposed to be the visionary, seeing the big picture.

I mean, when I first started sketching out this software, I was thinking of changing how schools give homework to students. I thought that AI and machine learning could reduce the amount of homework by 90% by focusing on areas of individual weakness. And then I discovered that the idea was way too far ahead of its time, so I started looking for other applications.

And when I mapped the need, supply chain seemed very similar. No one had solved for the dynamic balance between just-in-time efficiency and the kind of redundancy that provides resilience under shock. And then the pandemic hit and showed the world the risks in tipping the see-saw too far in the direction of efficiency.

But the big companies we can help are too tied into their current solutions to take the risk on us. So I keep casting around, looking for edge cases where we can start to prove the concept and get paid for it. There's got to be something! (frustrated)

Ashitaka: Wow, I've been here five months, and I never heard that story about the origins of the software. That's actually good stuff for marketing.

Chihiro: I've been thinking about NGOs that deliver agriculture tools to smallholder farmers in Central America. I think we can really help them. Also, parts for hand-crank wells in sub-Saharan Africa; apparently, the gears and shafts need replacing every so often, and if a well isn't operational for even a day or two —

Ashitaka: Stop, stop. (Laughing) This is the opposite of helping. You're just pointing out more rabbits.

Chihiro: Guilty. So you're saying I'm the problem, huh? I just keep getting excited by new ideas. Did I mention braille machines for schools for the blind, and PPE for Ebola response teams? Kidding, kidding... I mean, I'm not, those are great ideas, but I hear what you're saying. I need to focus, and slow down.

Finding the opportunity in the problem.

Ashitaka: Maybe not.

Chihiro: What, there's hope for me?

Ashitaka: Look, you know that I'm frustrated, right? And part of me wants to agree that you have to change for us to gain any traction. But I've also seen that what we're calling your greatest weakness — a wide ranging curiosity and creativity — is also your greatest strength. It's what allowed you to see the possibilities for balanced and flexible AI algorithms, and to pivot from high school math to auto parts to microchips to retail displays to Guatemalan farmers. I don't want to hamstring you. Your love of — what did you call it — "optionality" is one of this company's greatest assets. It just doesn't work with our current business model.

Chihiro: So we need to pivot to a different business model? That sounds worse than finding a new market.

Ashitaka: You may be right. But let's blue-sky a little bit.

Chihiro: Did you just use "blue sky" as a verb? You really did go to business school, didn't you?

Ashitaka: One thing I learned in business school is that problems are just opportunities in disguise, if you look at them right.

Chihiro: Did you just almost-quote the Grateful Dead?

Ashitaka: Been hanging around you long enough. Anyway — we're constantly getting excited about potential new use cases and don't want to give up on any of them in case one of them is the golden ticket. I mean, that's the problem, right? How can we turn that to our advantage?

Chihiro: I'll tell you another problem we have, related to that first one. I'm the bottleneck when it comes to adapting the software. Every time we decide to chase another use case, I spend nights and weekends adding functionality and tweaking the interface. So even if I do want to explore every use case, I can't churn out new code fast enough.

Ashitaka: So our software is like source code.

Chihiro: Exactly! Do you think Linus Torvalds has to code every single new application of Linux? It never would have taken off if he hadn't empowered other people.

Ashitaka: And he probably had no idea how it would end up being used. All the different applications for Linux that have been developed. It only happened because he gave up control.

FInding the opportunity in the problem (chapter 21).

Chihiro: Well, let's look at an even more profitable example: the App Store. Apple created the platform, and makes money off every app sale, but doesn't write the apps. Or even market the apps.

Ashitaka: Would that work for us?

Chihiro: What if we took our chunk of code, and made it available to developers for different industries and applications? We're now marketing to a single user base — developers — and at the same time marketing to the entire world.

Ashitaka: So we don't have to figure out which markets to sell into. We let the developers, who already have deep knowledge and relationships in their industries, take the lead. The ones who get excited, who see potential to serve clients and make money — they'll be our market feedback. We can even pay them, instead of blowing money on search engine marketing.

Step 4: Plan

Identify Options

Chihiro: So how could we try that out without turning it into another wild goose chase? Argh, another animal metaphor.

Ashitaka: Well, we'd have to develop a marketing message specifically for developers who'd be interested. Do you know any, so I could talk to them and find out what their needs and desires are, what keeps them up at night, what value they provide to their clients, that sort of thing. You know, Marketing 101. Gotta get my money's worth from that diploma, don't you know?

Chihiro: I can give you five names right off the top of my head.

Ashitaka: What else might we try?

Chihiro: Can you identify other companies with that business model, who aren't potential competitors of ours, and see how they got started?

Ashitaka: Do your five developers work with some of those companies?

Chihiro: I'm sure they do. Ask them. And find out which

companies are the best ones to work with, and why. And how they reached out initially. And how long it took to generate cash flow.

Ashitaka: Got it. What else might we try?

Chihiro: Isn't that enough for now?

Choose

Ashitaka: Fair enough. So out of those options, what should we do?

> *Choosing a path forward from the options on the table (chapter 25).*

Chihiro: All of them. I'll contact the developers first, and see if they think our software would be a good fit for this model. If that seems promising, I'll send them to you, and you can find out all the customer avatar stuff. Then you can work on messaging, and I'll start to develop the software into a platform they can work from.

Ashitaka: Got it. Are there any risks that we should anticipate and mitigate?

> *Stress testing the plan (chapter 25).*

Chihiro: Actually, not the way we've laid it out. Each step is a really low investment of time and money. If my developers don't think it's tenable, then I've spent a few hours and gotten a strong "no-go" message. If they do, then you'll get more market insight from talking with them than everything we know so far. I really like how we get to go wide and deep at exactly the same time.

Commit

Ashitaka: So let's talk timelines. How soon do you think we can do this?

> *Asking for deadlines to measure progress (chapter 26).*

Chihiro: I'll start reaching out right now. You start looking at other companies that use this model, and see what you can learn from them.

Ashitaka: How do we measure success? I mean, what if only one or two of them say it's a good idea? Should we decide in advance on a threshold to move forward?

Chihiro: Ordinarily I'd say yes to that concept, but I think we want to be more qualitative than quantitative at this early point. Let's see what they say, and we can meet and evaluate what the data are telling us. That OK with you?

Ashitaka: Yes, that makes sense. Do you have a metaphor for what we're doing now?

Chihiro: I think we're a fig tree, letting the birds feast on our fruit and getting them to spread our seeds.

Ashitaka: I'll be sure to include that image in the marketing to our new bird friends.

Chihiro: Better not. Hey, this is great. I'm really jazzed.

Ashitaka: Me too. Thanks for being so willing to experiment.

Chihiro: Well, like Robert Hunter sang, "If you're in a hurry, might have to find out slow. That it's one thing to try, another to fly. You get there quicker just a step at a time. It's one thing to bark and another to bite, The show ain't over til you pack up at night."

Lyrics from "One Thing to Try," by Robert Hunter. It's a great song.

Ashitaka: He also sang, "Just so many angles you can possibly see. Figure on those, let the other ones be."

Chihiro: I'm impressed! OK, let's get to work.