

PictureBUSINESS

STRATEGY FOR TODAY'S IMAGING RETAILER

Battle for
the Family
Photographer

JANUARY 2007

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GAZING INTO
THE IMAGING

**INDUSTRY'S
FUTURE**

An Interview with Guy Kawasaki

Make Meaning & Change in All You Do

Editor's Note: Guy Kawasaki is a managing director of Garage Technology Ventures, an early-stage venture capital firm. Previously, he was an Apple Fellow at Apple Computer, Inc. Guy is the author of eight books including The Art of the Start, Rules for Revolutionaries, How to Drive Your Competition Crazy, Selling the Dream, and The Macintosh Way. He has a BA from Stanford University and an MBA from UCLA as well as an honorary doctorate from Babson College. Our Laura Oles recently sat down with Guy and chatted about the Picture Business.

Guy Kawasaki has some advice for those of us in the picture business. In short, we'd better get with it.

As a PMA keynote speaker at last year's show, Kawasaki provided a plethora of views on what it takes to be a successful company in today's marketplace. In his characteristic style, he delivered his presentation in a 'Top 10 Format' he says, "so that if I'm going to suck, you'll at least know how much longer I'll suck. Just subtract where I am from ten."

It's safe to say that most people who have heard the veteran evangelist speak in person have found

him to be funny, thought-provoking and refreshingly candid. Not a single sucking sound was heard in the Orlando auditorium.

Below are a few key kernels Kawasaki offered in his presentation as well as in a recent telephone interview.

Finding your passion

Kawasaki's reputation in the technology industry is well-known; he was an Apple fellow at Apple computer, has written eight books (including his most recent *The Art of the Start*), and is the Managing Director and Chairman of Garage Technology Ventures, an early stage venture capital fund. Looking at the past twenty years of his life, one might imagine a young Kawasaki fiddling in a garage with electronics or experimenting with rudimentary computer technology. In reality, his early career was quite different. He was in the jewelry business.

Yes, that's right. This ultra-connected, techno lover had an early career in an industry not known for its technical prowess. His father was a successful Hawaiian politician and avid amateur photographer. On the surface, one might think he was a world away from the technology industry.

Still, once he bought his first computer and then joined a friend who worked at Apple computer (after holding a job at a small software company), Kawasaki had "been bitten by the computer bug" and found his calling.

Like Kawasaki, many of us have followed a passion - for us, photography - and converted it into a career. But others have found their passion dampened by cutthroat competition, changing customer expectations and



a litany of other experiences we can't control or avoid. Kawasaki counsels us to connect with our passion and use that energy to fuel finding better ways of doing business. While it's easy to let the daily drudgery of running a retail operation deplete our energy, it's also a recipe for failure.

After all, we earn a living by helping people with some of their most treasured possessions - items that they would often run into a burning house to rescue. Few people are entrusted with articles of such extreme emotional importance, and remembering that honor might help us reconnect with that passion.

Make meaning

Kawasaki speaks about making meaning in terms of innovation, but this holds equally true in many aspects of the retail industry. He compels us to "make meaning and change the world" and that driving force will end up making money. "If you focus solely on making money, you'll likely fail," he says. "We may not think that we can change the world with a retail store or through the design of a new digital camera, but we can. We are in the business of helping people share, relive and preserve their most important life stories. What a remarkable calling! And if we do it well, we get to make a nice living, too."

ARGRAPH SHOWCASE

Jump to the next curve

This piece of Kawasaki advice is particularly timely when many of us find ourselves trying to take digital photography behavior and bend them to fit old film-model consumer conduct. Rather, what we should be doing is taking a hard look at what our customers are doing now and work to find ways to better serve them. We need to make a quantum leap in our customer service offerings, which may mean completely dismantling some old models and building new ones from scratch with the customer needs serving as the compass.

In his PMA presentation, Kawasaki stated that few companies are capable of jumping curves. "Western Union should have become PayPal," he states. In our industry, staying too tied to old structures can mean mediocrity, or worse, ultimate demise.

For example, many industry folks are (rightfully) concerned about the future of photo printing. Part of what fueled the growth of one-hour photo printing was that almost-instant gratification provided in being able to see one's pictures just sixty short minutes after dropping the roll off at the film counter.

Those days are long gone, and Kawasaki explains that we should be content to leave them behind. "While some may lament the entry of the consumer electronics industry into what we call 'traditional photo,' this change should be welcomed, not fought. These companies are not tied to legacy photo history; they are coming from a completely different place. We should learn from them and then use our intimate knowledge of photo consumers to provide a completely new level of products and services - ones that solve existing problems and make the process more seamless," he says.

Kawasaki's own Garage Technology Ventures recently invested in FilmLoop, a free photocasting network. Kawasaki's team identified FilmLoop (see FilmLoop sidebar) as a company that approached digital photography's sharing and communication from a completely new angle.

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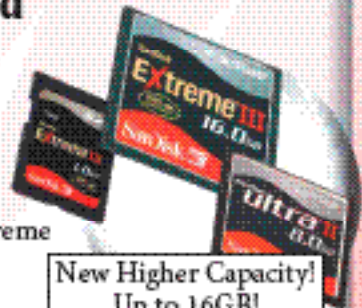


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(Kawasaki ...continued from page 33)

"I've built many an online album and saw this as a much better way to share photos," Kawasaki told me. "Instead of waiting for 45 minutes for my files to upload and having the albums be static, I saw FilmLoop as more collaborative and dynamic. There were a lot of little speed bumps in the photo sharing space, and we saw that FilmLoop removed most of those speed bumps," he explained.

For those of us in the photo industry, it's important to come to our customers from a completely new place. We may find that some of the best lessons come from the most unlikely sources—like that cut-throat competition that keeps us up at night.

"What we cannot change, embrace" the Chinese proverb advises. We need to not only quit fighting the existing wave but have the courage and the faith to jump to the next one.

Be a mensch

Kawasaki speaks of this often, referring to finding ways to give back to others and being of value to society. For his own part, he does this in many ways by sharing his experience through books, conferences and presentations. He gives much of this information freely because his own mantra,

"empowering entrepreneurs," involves inspiring people to think on a grander scale and take action accordingly. It is clear he admonishes mediocrity and hopes we will, too.

We have countless opportunities to be of service to our community, to our employees and to our customers. We can take small steps or giant leaps, but it is important to begin down that road. By giving to others, we expand opportunities for all involved, including ourselves.

Kawasaki's most recent effort of being a mensch is his blog (blog.guykawasaki.com). You could spend hours reading this blog because Kawasaki understands the importance of providing value. "The blog is one way I give back. I sure don't do it for the money," he jokes.

One will find many valuable business lessons in Kawasaki's blog. "I don't post every day because it takes me two to three hours to write a piece," he explains. The effort he invests comes across in his posts.

When one reads Kawasaki's book, his blog or listens to one of his presentations such as his PMA keynote, it is clear that he requires more of us than we may be willing to give right now. But the successful among us will heed that call. ■

FilmLoop— What it is and Why it Matters

FilmLoop describes itself as a free photocasting network. After I spent a bit of time exploring the product, it struck me as a dynamic digital scrapbook. Unlike sending photos as e-mail attachments or uploading them to online photo albums, FilmLoop gives pictures in a "Loop" that resides on a person's desktop.

The two words that Kawasaki uses to describe FilmLoop are "dynamic" and "collaborative." FilmLoop invites, and encourages, others to add photos to a loop and to add captions as well. Rather than a static, linear photo story, it is an organic and evolving photocast.

While many people recognize the value of the photo sharing component, Kawasaki states the vision extends beyond the traditional model. "Think about the ability for companies to broadcast to thousands of people at a time," he tells me, "so that, for example, Purina can promote a new contest and can push the content. It is a big change in advertising."

FilmLoop's entry into the industry is one for us to watch. Digital photography is changing more than just our industry; the image as a communication vehicle will only become more influential now that it is in digital form.



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