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Context to the conversation

Bill speaks about how Jeff Bezos made the distinction between “what” decisions and “who” decisions. He takes us back to 2004 when the whole media world was transitioning from physical to digital. Bill lays out how Jeff thought about the decision and first focused on deploying the most prized resources (the who) in the company to go after the opportunity, who put in place a set of processes (the how) to explore new opportunities that eventually led to them going after the opportunity (the what).

Transcription

Deepak Jayaraman (DJ): I want to go back to the discussion we were having about decision making Bill, and in one of the sections in the book in page 166 you talk about Jeff’s approach towards the opportunity in digital media, you go on to say that his first action was not a what decision but a who and a how decision. I found that quite thought provoking in terms of how leaders should think about pursuing opportunities, you know, do see it as a what decision or as a who decision. Do you want to talk a little bit about that?

Bill Carr (BC): Yeah, so this has some context the day, it’s January 2004 and in 2003, as I mentioned earlier, Amazon exited the fiscal year having \$5.7 billion of revenue of which 77% were media products but 100% of those media products were physical: books, CDs, DVDs. However, in the marketplace it’s very clear that media is going from physical to digital, there are now more than a million iPods out there, there are countless millions or tens of millions of people using Napster to share songs, photography has already gone from being from you know physical film photo processing to digital. So, it’s very clear that it’s just a matter of time before people are going to be reading their books digitally, watching listening to music digitally and that these physical businesses would go away. So, what would most companies, you know, when presented with all this situation or presented with that the current product leader in the digital media space the hot item is the iPod and iTunes, nine out of 10 CEOs would probably call an emergency meeting of their leaders and say we have got to come up with our own iPod and iTunes, we have got to fight back and would scramble some team to go focus on that and focus on getting some clone or copy of iTunes and iPod out as fast as possible. This is a bit of a generalization but I think those of us that have been around would know that that is often the way that a CEO would think about it. So that’s not what Jeff did. Instead, Jeff said, the first thing I am going to do is going to take the head of our largest business, the Media business, Steve Kessel and then his lieutenant Bill Carr and I am going to ask them to stop working on that largest business and start focusing exclusively on Digital Media. That is also unconventional; what probably would have typically happened is he would have asked Steve and I to sort of start working on Digital Media as part of the Physical Media business because by the way it feels like a demotion to people running the biggest business in the company to now work on

something that has no revenue and might not work at all. But if we had done that it would have been a part-time thing and the existing business would have always taken a majority of our time and bandwidth. So, instead by spinning us off now we had no choice but to focus on digital media fully. And then the second thing we did is to take a step back and say okay, our Media business is books, music and movie and TV shows, Apple's already got this product, what should we go and build that's going to matter and will be meaningful and it wasn't to go build an iTunes iPod competitor, it was instead to say let's brainstorm and spend weeks and months iterating and coming up with different ideas to come up with like what we think we should do which is what we did and then eventually we decided on a what. So, the first step was who, it was Steve and I and then we brought some other people on to the team and then how we were going to actually brainstorm and eventually we came up with this method for how to think about and conceive new products which was called the PR-FAQ process which we describe in the book where you start with the customer and write a press release and you work backwards from there, which is why we call the book Working Backwards. And so, and then finally the last thing we do is focus on what, we used the who and the how to get to like what and the first what we came up with was Kindle and that what would be something that where we would create real value for customers. There's was nothing alike the Kindle, there was no viable e-book business and we envisioned a way to bring that to life with a combination of a bespoke reading device, an e-book service that required us to build and innovate in a number of ways to bring that to life. So that's the difference in terms of the focusing on the who and the how and the what versus just focusing jumping right to the what.

Reflections from Deepak Jayaraman

DJ: Thank you for listening. If this topic is of interest, do visit playtopotential.com and look up the playlist – Context based leadership in the Curated Playlists section.

End of transcription

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Bill Carr - Nuggets

- 72.00 Bill Carr - The Full Conversation
- 72.01 Bill Carr - Learnable elements from Jeff Bezos's leadership
- 72.02 Bill Carr - Bringing 14 leadership principles to life
- 72.03 Bill Carr - Raising the bar on recruitment
- 72.04 Bill Carr - Recognizing and developing good judgment
- 72.05 Bill Carr - Disagree yet commit - bringing it to life
- 72.06 Bill Carr - Written communication - a competitive advantage
- 72.07 Bill Carr - Building a culture of learning from failure
- 72.08 Bill Carr - "What" decisions versus "Who" decisions

About Deepak Jayaraman

Deepak seeks to unlock the human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work [here](#).

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