

URL: <https://stvp.stanford.edu/blog/videos/case-studies-of-failure>

After designing about a dozen computer products, Numenta's Jeff Hawkins recalls that two - among them the Palm Pilot - were very successful, half were good, and the remaining were market failures. Here, Hawkins discusses his thinking behind some of his product flops. He also tells the story of a fulfillment disaster that occurred with the launch of the Handspring Visor. After the online ordering system failed, every one of the product's tens of thousands of customers had to be called individually and asked if they'd received their order.



Transcript

I've probably designed like a dozen computing products and I would say two are really successful, and maybe six were might reasonably successful, and a bunch of duds.. I'll tell you my first failure; my first failing product was interesting.. I was at GRiD, we had done the tablet computer, right? Which was a stylus phase and we're selling it to commercial like people - insurance adjusters, and things like that.. And then Microsoft decided that this is a new area, they've created Windows for Pen Computing.. Whenever that Microsoft saw a new area they just would say Windows for that area and that would be it.. They still do that to this day, I hope you notice that.. So they were creating all these kind fud, fear, uncertainty and doubt and these all kinds of noise and so I have this idea.. So, look, I have a great idea.. I'll create a convertible notebook type - it was a laptop, it was like a convertible laptop, which is what we see today.. It was the very first one it was actually a very nice design..

It was called the "Good Convertible" actually and came out like 1990 or maybe something like that, maybe '91.. And it had this display, like a laptop with the display kind of was facing up and it had this double hinge, it's a really cool action.. And it had a keyboard and you could adjust the size of the keyboard.. And so it was a regular laptop plus a tablet computer.. So we could sell it to our tablet customers and they didn't have to worry about Microsoft and all that kind of stuff.. Well, it was a well-executed product.. It was beautifully designed and I thought it was a great idea, and it was a failure.. And the reason we learned it was a failure - it had to do with the fact that in the laptop market, people didn't want any compromises.. And so, basically, when you pick a laptop some people say, "I want it thin, I want it this.. I want this and this and this," And we were offering just one product, and it didn't fit for everybody, and it was a little bit thicker and they just didn't want that combination..

So years later, when Microsoft and apparently Bill Gates got it so excited about doing this tablet computers, I'm saying to myself, this is never going to be a big business, because I knew it isn't.. Now, they did introduce them and they've sold a bunch but they haven't really taken off.. The convertible laptops had not been a big market.. This incredible amount of money and effort put into it, but very few people have one.. Does anyone in the room have one? A convertible laptop? No.. So when they made this launch of the Microsoft made launched a whole new convertible stuff a few years ago, I said this is going to fail.. I've been there, I've done that.. I'll give you another failure.. The Zoomer I mentioned that was the first product at Palm was a failure.. The first product we did at Handspring was the interesting failure and success; two failures and a success..

I'll tell you why.. This was the Handspring Visor, and the Visor was a low end, fun, colorful PDA.. And it has a feature called an expansion slot at the back, called the springboard expansion slot.. So you can plug in radios and all kinds of cool widgets you plug into that so the Visor was a huge success.. We sold millions right off the shoot.. We had two failures with it.. The first failure we were a pioneer in online retailing.. We said we're going to do this online retailing stuff, right? So we created an online retailing website, and we designed all things and we got a gazillion orders literally the first day.. We announced this Visor and we were taking in tens of thousands an hour of orders.. Now the system kept up with it but the system got confused and it mixed up all the orders..

And we started shipping wrong products to people.. People who paid us we didn't ship many products.. People bought one product they'd get three.. And this was a disaster; it was a total disaster.. I could use some less kind words on it but will just leave it that way, right.. So what do you do? Like launching a company, launching a product, everything is falling apart..

You've got customers who paid you money getting charged over and over again.. You haven't got any product.. People get the wrong product.. People thank you for sending me three, but I only wanted one..

What we did is took everyone in the company - including myself, everybody - and we took a list of everybody who ever bought a product, who ordered, and we called up everyone individually.. We said, "Did you get the product you wanted?" And they said, "No, I got three." I said, "Are you happy?" "Yes, keep them." I said, "Did you get the product you want?" "No, I'm furious! I haven't gotten any." "What would you want?" I said, "I'll send it to you tomorrow." And we did that to every single customer and call everyone up and we got through that.. That was a big mistake.. And then the other thing was when you start a company, as I mentioned earlier, always have that "crap hits the fan".... When we started Handspring I said something is going to happen.. I know it.. Something bad is going to happen.. We didn't anticipate that was it, but that was it.. All right, something happened.. Then the other thing was interesting theory about the Visor was the springboard expansion slot..

We promoted it, we've got people to build these things to plug into it was very cool.. We had people with pedometers, various types of radios and pagers and so on.. It was very successful.. All these companies built these springboard expansion modules.. However, they didn't sell any.. People just didn't want to buy the expansion modules, they just bought the Visor.. People like the idea of expansions and really love the expansion slot.. And we said did you buy any expansion slot? No, I like the idea! So that was a failure and at some point we sit back and say we're going to abandon that even though we promoted it as this big thing, and we had to say, "Give up on that." So that was a bit difficulty...