

URL: <https://stvp.stanford.edu/blog/videos/chew-on-this-an-unexpected-product-launch>

Anand Chandrasekaran, Producer of Tapestries of Hope, tells the tale of a small soap maker who realized that the gum they were giving away as a promotional item began to outshine their core product. The company had to make a bold decision to focus on what's selling, rather than what they deemed their core competency, and the rest is entrepreneurial history. Chandrasekaran's lesson is that we should keep ourselves receptive to new ideas and new opportunities, even if they seem out of scope.



Transcript

In late 2001 and 2002 when I just walked to a lot of people and said, "Hey, I'm leaving Stanford and I'm starting a company," I didn't exactly get, you know, the kind of response that I wanted.. A lot of people were, like, you're doing it either because you couldn't get a job or you know - it was difficult to get a job because you couldn't get the job you wanted or because you're just crazy or you know someone's brainwashed you into this.. And so what I wanted to do was a little bit later, I wanted to show you what sort of shaped my thinking in the face of a lot of very unpleasant reaction and responses.. So I wanted to share the story before I did of this company that a lot of you know and I'm a very regular customer of.. But it's this whole idea of keeping your mind open to new possibilities and new ideas even if you're already busy doing something.. And so the story goes that there was this company making washing powder, right.. They were a market share leader in several states making washing powder and they did reasonably well.. They were still a private company and they were family owned and the family treated all these employees really well.. And at some point, this marketing guy came up with the idea to give this promotional item if people bought two packs of washing powder, right? So this marketing guy said, "Well, there's this new nifty thing called chewing gum, right, and people can just eat it and if they don't like it they can spit out.. I don't know what you really do with it, it's not candy, but we could give it away for free, right..

And maybe it would make people buy washing powder." And so that's what they did.. And it turned out that people bought washing powder because they wanted the chewing gum, and suddenly people realized there's something going on here, you know, people who wouldn't normally buy washing powder are coming and buying powder because they want the gum.. And so they said, well, maybe we should ask them to pay money for the gum and they wouldn't buy that much washing powder because we can't make that much washing powder.. And that way, they would go away and we will be able to sell as much washing powder we can make.. And then it turns out that people paid money to buy chewing gum and then they didn't buy washing powder anymore.. And then the company said maybe we should sell chewing gum and then that company we know as Wrigley's chewing gum today.. And so I wanted to talk about how - even if you're already doing something, it's a little bit important to just keep an open mind and not look at something and go, yeah, that's interesting, but it's not for me because I'm an investment banker and you know, I don't make money from this in the next three months.. And a lot of what I got involved with is largely because, you know, even though it wasn't bread and butter stuff for me, in the short term I just kind of remember what it was like to be Wrigley's chewing gum back in the day.. And maybe there's a similarity in my life and a lot of people here...