

URL: <https://stvp.stanford.edu/blog/videos/tailoring-products-for-different-consumer-groups>

Carol Bartz, chairman of the board, president and CEO of Autodesk, talks about the need to speak with customers to tailor a standard product for different customer groups. She uses the example of AutoCad and the way it has been tailored to specific customers to meet their requirements. She also says that the best way to make a product a standard is to get it to volume.



Transcript

The interesting concept when I got to the company was that we really didn't know who we were selling AutoCad 2.. We need architects, and there were drafters.. But drafters isn't a market.. Drafters are just people that draw lines on paper and they print out things.. And what do they draft? Then they could be drafting a huge mechanical assembly.. They could be doing a deck on your house.. They could be doing a commercial building.. They could be trying to design a bridge.. They could be designing a violin.. In fact, they do a lot of prosthesis..

They do all those things.. And so when I first asked the question--we were doing a new release--when I got there, I said, "What is an architect going to like in this release?" and they said, "Well, we're not sure." So I said, "Well, what is the manufacturing engineer going to like in this release?" They weren't sure.. So I went out and talked to the customers.. And I said, "What do you think of the company?" and they said, "We like the company.. I'm an architect.. I kind of like AutoCad, but it isn't designed for me.. It's designed for the manufacturing guy." So I go and talk to the manufacturing guy, and same thing.. He said, "Well, it's not designed for me.. It's designed for the architect." And everybody was saying, "It's not really a product.. I use it maybe because it's a standard..

I kind of have to and it kind of does the job.. But it works better for somebody else." Bzzt, problem.. Huge problem.. So, in a way, because it was such a huge problem, it was kind of a simple thing, which is saying, how do we actually start tailoring.... This is a base graphical engine.. How do we start tailoring it to very specific problems? What does the manufacturing engineer do versus what does an architect do versus what does a civil engineer do, etcetera? So the first phase that we went into is just that concept of, say, we are making a special product for you, the fact that the graphical engine underneath did drafting, but here's your special functions and here's a name, and it's for you.. It actually has many manufacturing kind of terms in it, it doesn't have architectural terms in it, blah blah blah.. And what happens is, anytime you are in a software company, you talk about standards.. We can talk about standards bodies, we talk a lot about interoperability.. The point of the matter is, the best way to make a standard is volume..

The best way to get your file format out and adopted is having a lot of people use it.. Now, we could do a three-hour seminar on how standards get set and all that, and that's not our purpose today.. But the whole idea on how to think about other products is, can you get other products to volume? Because the trick in a software company is once you get past covering your cost, profits fall pretty fast to the bottom because cost of goods is virtually nothing.. And so getting a product to volume, getting another AutoCad.. I mean, when you look at a company like Adobe, what is so great about them is they have three huge products.. And that is just profit, profit, profit.. You look at Microsoft, you look at Office, you look at DOS.. Profit, profit.. They could screw around in a lot of other areas because they've got those huge profit machines.. And that's what software actually gives you..

So, absolutely, every time you think about another product, you really think, 'Can I get a volume product out of this?'