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# DARE TO DISRUPT



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# INTRODUCTION

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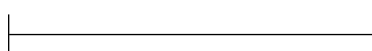
**D**isruption is an integral part of the WIRED DNA. For 20 years we've been covering the movers, shakers, and upstarts who are out to transform the world. The digital revolution has kicked up the pace of innovation to warp speed, creating new markets, business models, and entrepreneurial opportunities every day. Businesses have to adapt, or be left behind.

For the fourth year, WIRED celebrated the creative power of new ideas at its Disruptive by Design business conference. More than 425 executives and professionals gathered in New York City to hear leaders in technology discuss how disruption fuels innovation and powers the economy forward.

This year, one of the recurring themes was failure and its role as a precondition for success. If you're unwilling to take a chance on failure—indeed, if you don't plan for failure—you can't hope to achieve greatness.

## SOME HIGHLIGHTS OF THE DAY:

- **Marc Andreessen** on whether we're in a new tech bubble and what's needed to create new versions of Silicon Valley around the world
- **Dick Costolo** on the state of business at Twitter and how the 140-character social network is bringing the world closer together
- **James Dyson** on how lean engineering and good design result in products that solve problems
- **Alan Mulally** on what it took to bring Ford back from the brink, the company's expansion to more eco-conscious vehicles, and the connected-car revolution



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# HOW TO SPOT THE FUTURE



## THOMAS GOETZ

Executive Editor, WIRED

Thomas Goetz oversees WIRED magazine's editorial operations. He is the author of the book *The Decision Tree: Taking Control of Your Health in the New Era of Personalized Medicine*, and his cover stories for WIRED on the confluence of medicine and technology have been included in *The Best American Science Writing* and *The Best Technology Writing* anthologies. Before joining WIRED in 2001, he was a reporter at *The Wall Street Journal* and *The Village Voice*.

**WIRED** began as a “burst of fresh air from a distant planet, a postcard from the future.” For 20 years WIRED journalists have reported on the future of technology, keeping readers ahead of the curve. For the first time, executive editor Thomas Goetz talked about the seven rules WIRED uses to spot the future.

### 1. LOOK FOR CROSS-POLLINATORS

Pay attention to people who are finding insights in one world and bringing them into another—that’s where the future happens.

### 2. SURF THE EXPONENTIALS

With Moore’s Law and exponential increase in bandwidth, some of us are building progress while others are busy deploying it. “Real innovators don’t just spot where tech is, but where it’s going,” Goetz said.

### 3. FAVOR THE LIBERATORS

“We want to spot innovators that exploit things and let them loose,” said Goetz, “People who bring commodity liquidity to markets.” Two examples: the MP3, which freed music fans from the record industry’s album model, and torrents, which are disrupting the film industry.

### 4. RESPECT AUDACITY

Aim way beyond what everyone says is feasible. When you set out to accomplish a completely audacious goal, you end up solving smaller problems along the way.

### 5. BANK ON OPENNESS

Organizations that choose open source over proprietary approaches and shun hierarchies will be agile and flexible—and poised to leap into whatever opportunity arises.



**Real innovators don’t just spot where tech is, but where it’s going.”**

— THOMAS GOETZ

### 6. DEMAND DEEP DESIGN

Deep design strips down and simplifies the barrage of information we encounter every day. A good user interface helps us organize our lives and make sense of complex, sometimes conflicting information. Facebook does this with each tweak it makes to its UI. Likewise, Pinterest is a model of deep design.

### 7. SPEND TIME WITH TIME WASTERS

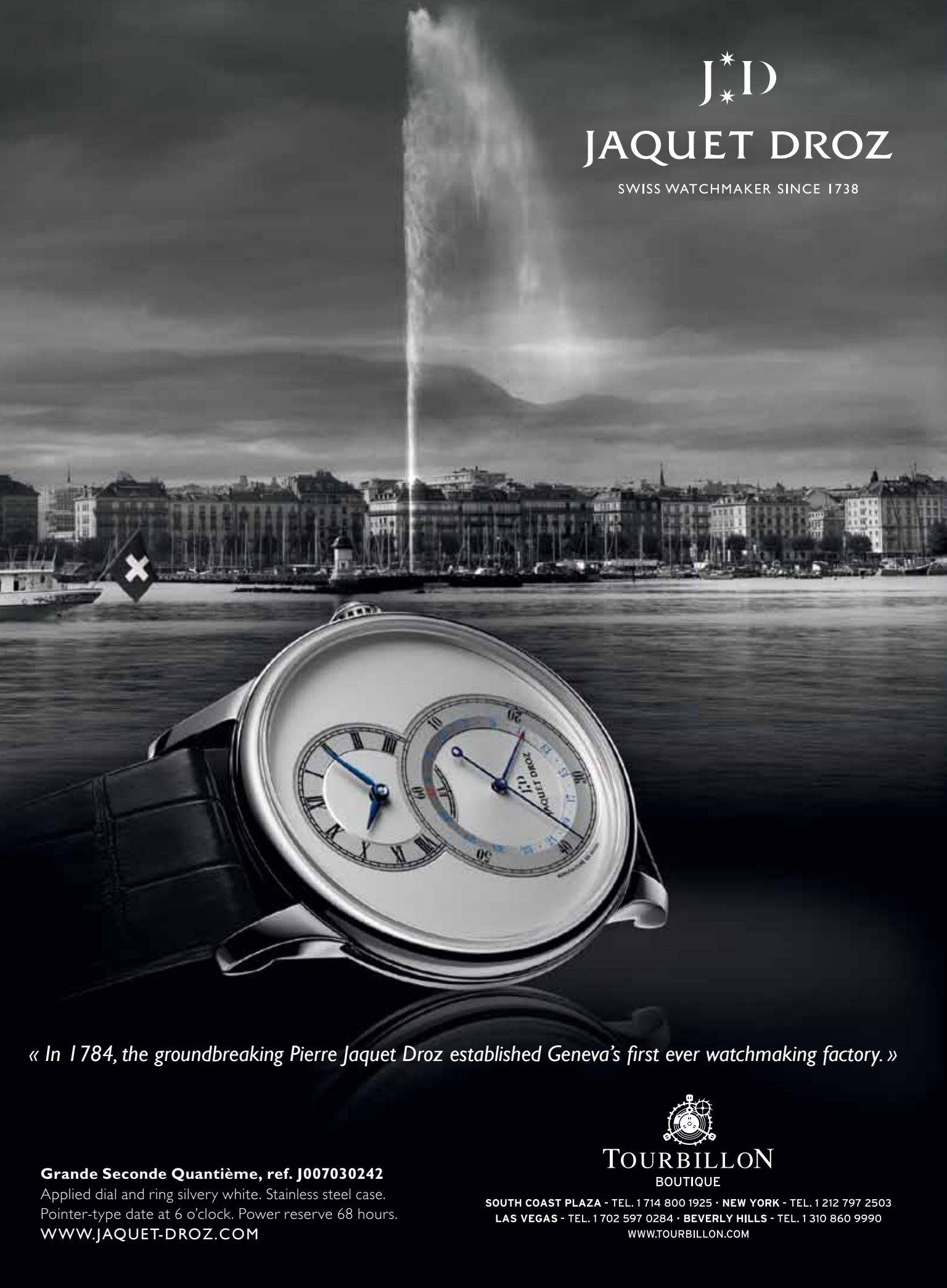
Time wasting is a really productive undertaking, and some of the most innovative ideas come out of organized time wasting. Things like hackathons or Google’s 20 Percent Time give engineers the opportunity to “waste time” in a productive way.



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# THE FUTURE OF THE INTERNET—AND EVERYTHING ELSE



## MARC ANDREESSEN

Founder & General Partner,  
Andreessen Horowitz

Marc Andreessen is an innovator and creator, one of the few to pioneer a software category used by more than a billion people and one of the few to establish multiple billion-dollar companies. Andreessen co-created the highly influential Mosaic Internet browser and cofounded Netscape, which later sold to AOL for \$4.2 billion. He also cofounded Loudcloud, which as Opsware sold to Hewlett-Packard for \$16 billion. He is now a founder and general partner of Andreessen Horowitz, a stage-agnostic venture capital firm that provides seed, venture, and growth-stage funding to technology companies. Andreessen Horowitz has \$2.7 billion under management across three funds, with portfolio holdings that include Box, Facebook, Pinterest, Twitter, Tidemark, and Zynga. Andreessen serves on the boards of Bump, eBay, Facebook, Glam Media, Hewlett-Packard, Kno, Mixed Media Labs, RockMelt, Skype, Stanford Hospital, and TinyCo.

**M**arc Andreessen—who is on the cover of WIRED's May issue—is a founder and general partner of VC firm Andreessen Horowitz. He became a poster child of the Web 1.0 after cofounding and selling Netscape. With almost two decades of Silicon Valley experience under his belt, he's arguably the best person in the world to answer the question "Are we in another bubble?"

"I'm invested in a lot of these companies because I don't think we're in a bubble," Andreessen said. Billion-dollar valuations on companies like Instagram aren't the result of a bubble, but rather an indication of how much these startups are worth to the Facebooks and Googles that buy them. For large companies an acquisition is often more efficient and less risky than developing the technology from scratch or growing the user base themselves. Companies like Kodak, RIM, and Nokia would be in completely different situations today had they spent even one percent of their market cap buying potential insurgents.

Andreessen thinks the smartphone revolution is actually under-hyped. Even though the devices are manufactured overseas, the advent of the iPhone has created a vast amount of intellectual property and economic value in the United States.

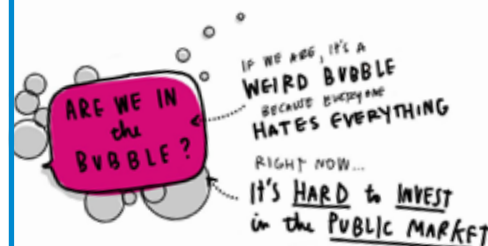
Despite this, and the fact that the number of tech companies being publicly traded on the stock market is half what it was 10 years ago, market performance continues to be poor—an indication that we're not in a bubble. "If we're in a bubble, it's the weirdest bubble I've ever seen," Andreessen said. Most of the action has shifted to private markets, but Andreessen hopes we'll start seeing more IPOs.



**I'm invested in a lot of these companies because I don't think we're in a bubble."**

— MARC ANDREESSEN

He also hopes we'll start to see more Silicon Valleys cropping up across the globe. Andreessen said that four basic elements are required to foster a Valley-style startup culture: outstanding research institutions, a culture with an appetite for risk, capital markets that aren't impeded by corruption, and a respect for the rule of law. Unfortunately, those four things are extremely hard to come by in a single locale.



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# THE CREATION ECONOMY



## YANCEY STRICKLER

Cofounder, Kickstarter

Yancey Strickler is a cofounder of Kickstarter, the world's largest funding platform for creative projects. Every week, tens of thousands of people pledge millions of dollars across the site to projects in music, film, art, technology, design, games, fashion, food, publishing, and other creative fields. Since its launch in April 2009, the site has channeled more than \$150 million in funding to creators who maintain full ownership and creative control of their work. Prior to Kickstarter, Strickler was a music journalist. His writing has appeared in *New York Magazine*, *Pitchfork*, *Spin*, and *The Village Voice*, among other publications. He has personally backed more than 550 Kickstarter projects.

**K**ickstarter, the online platform for funding creative projects, just celebrated its third birthday. That milestone has been marked by a string of recent achievements: 22,000 total projects funded by two million individual users, and multiple campaigns like Double Fine and Pebble that have raised over

And the public is quite discerning: 56 percent of projects never meet their funding goal, which means they don't get any money from the users.

Kickstarter has infiltrated industries ranging from tech hardware to restaurants to videogames. The film industry has been one of the company's latest success stories: 12 percent of the films at the top three film festivals in the world were funded by Kickstarter users this year.

Kickstarter challenges the gotta-have-it-now, immediate-gratification mindset that's come to dominate e-commerce. The projects that do get funding on the platform have a creator, and it takes time for the projects to come to fruition. Backers have to understand they're supporting something that doesn't exist yet—a pretty novel idea.

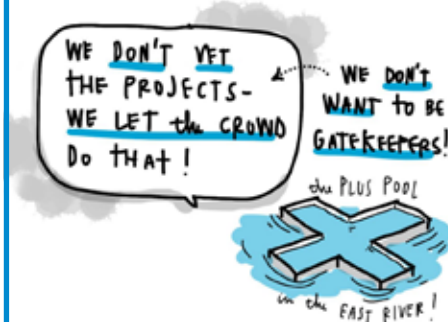
Three years from now, Strickler hopes Kickstarter's mission and momentum will still be going strong. "Kickstarter is not your VC, it's your community," he said. "Every project is us, and that's exciting."

“

**We like the idea of creating a space where things can happen simply because people want them to.”**

— YANCEY STRICKLER

\$1 million each. “We like the idea of creating a space where things can happen simply because people want them to,” Yancey Strickler said. The Kickstarter model is stunningly simple. After projects meet a few basic guidelines, it's up to the investing public to back a project or not.



HP recommends Windows® 7.



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# TESTING YOUR LIMITS



## STEFAN OLANDER

VP, Digital Sport, Nike

Stefan Olander has led many of Nike's trailblazing digital marketing initiatives over the past decade. As global director of digital and content from 2005 to 2007, he helped launch Nike+, the blockbuster performance-tracking platform that has changed the sport of running. The program has enabled Nike to forge an enviably close relationship with customers, engaging 5 million runners in its associated online community. In 2010 he spearheaded the creation of Nike Digital Sport, a new corporate division that aims to carry the digital revolution to all sports. Before that, Olander served as global director of brand connections from 2007 to 2010, overseeing all of Nike's advertising, digital marketing, and media content. He was also instrumental in creating widely recognized media and social campaigns around the 2002 and 2006 World Cup soccer tournaments.

**S**tefan Olander, VP of Nike Digital Sport and co-author of the recently released book *Velocity*, knows what makes athletes tick. Olander is the software guy at what we've come to know as a hardware company. But the stats and technology behind

is that they have access to all this information, how it helps them excel. We said, why don't we take all this knowledge and give it to every consumer in the world."

It's been proven again and again that individuals improve their performance when they're being measured, a phenomenon known as the Hawthorne Effect. Nike is trying to understand what motivates and propels people, Olander said, through products like the Nike+ FuelBand, a fitness monitor that delivers a useful but not overwhelming amount of information in a stylish, unobtrusive wearable device. The FuelBand tracks calories and steps while measuring general activity using a metric that Nike calls Fuel points. By tracking and sharing daily FuelBand data, users get a simple, social measure of how active they have been on any given day. "We're driven by recognition as humans, and when you start getting that, it's incredibly powerful," Olander said.

Although NikeFuel points is a proprietary metric, Nike does not intend to hoard the technology that underlies it. In the near future, the company will open up the FuelBand platform to third-party developers.

“

**You can't improve what you can't measure.”**

— STEFAN OLANDER

software offerings like Nike+ have been powering the company's innovations since the beginning, and now consumers are reaping the benefits themselves.

"You can't improve what you can't measure," Olander said. Nike has been working with pro athletes for four decades, bringing them into their labs to measure their bodies and vitals to create better shoes, apparel, and performance. A few years ago, "we realized what a benefit it



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# HOW TABLETS TRANSFORM DESIGN AND MEDIA



## SHANTANU NARAYEN

President & CEO, Adobe

Shantanu Narayen joined Adobe in 1998 as a senior executive overseeing technology and product development. In 2005 he was promoted to president and COO, responsible for global operations. That same year he helped lead the \$3.4 billion acquisition of rival software developer Macromedia, enabling Adobe to extend its reach in growth markets like mobile devices and multimedia publishing. He was named CEO in 2007. Prior to Adobe, Narayen cofounded Pictra, an early pioneer of digital photo sharing over the Internet. Before that he served as director of desktop and collaboration products at Silicon Graphics and held a variety of senior management positions at Apple. He is a member of the President's Management Advisory Board, which advises the White House on implementing best business practices, including the application of technology, in federal agencies. He also serves on the board of Dell and the advisory board of UC Berkeley's Haas School of Business.

**T**he Adobe Creative Suite, which includes Photoshop and InDesign, has been the go-to toolbox for designers, photographers, and graphics pros for a generation. "Creation today is tethered to a PC," said Adobe president & CEO Shantanu Narayen.

“

**The entire creative process will no longer be tethered as we take advantage of tablets as creation and consumption devices.”**

— SHANTANU NARAYEN

Not for long. Narayen and his colleagues are transforming the Creative Suite into a lighter-weight, more flexible tool that can be used by almost anyone.

The change starts in the cloud. Adobe's new Creative Cloud digital hub gives users access to their work on any device using cloud storage and syncing. Tablets are included, thanks to new mobile apps. Creative Cloud is designed to make it easier to create or manage a project wherever the mood strikes, instead of waiting until you're at your PC. Creative Cloud users can also subscribe to get updated features as they become available rather than just on a 12- or 18-month schedule—a significant shift in the Adobe business model.

Narayen discussed Adobe's famously tempestuous relationship with Apple, which continues to be a mix of competition and collaboration. "We agree to disagree on certain things," he said. Adobe's embrace of the Apple tablet platform has paid off handsomely in the near term: Photoshop Touch, designed for use on the iPad, is the top-grossing app in the iTunes Store photo and imaging category.



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# THE INTELLIGENCE REVOLUTION



## SEBASTIAN THRUN

Google, Stanford, Udacity

As director of Stanford's Artificial Intelligence Laboratory, Sebastian Thrun led the development of the robotic vehicle that won the DARPA Grand Challenge in 2005. Currently the head of Google's self-driving car project, he's among the youngest people ever elected to the National Academy of Engineering and the German Academy of Sciences. Thrun began teaching at Carnegie Mellon in 1995, where he developed the graduate program in machine learning, and joined the Stanford faculty in 2003. Passionate about democratizing higher education, he relinquished his tenure at Stanford last year (though he remains a part-time research professor) and cofounded Udacity, a company that offers free online education in computer science; a first class in AI reached 160,000 students worldwide. In 2011, Thrun received the prestigious Max Planck Research Award and the inaugural AAAI Ed Feigenbaum Prize.

**S**ebastian Thrun has his hands in three groundbreaking projects aimed at making our lives better, our roads and highways safer, and university education available to anyone with a computer and an Internet connection. Formerly a tenured Stanford professor, Thrun heads the secretive Google X laboratory group and is a cofounder of online education upstart Udacity.

35,000 people a year die because of cars, and they are the number one killer for young people. It shouldn't be that way, Thrun said. He's trying to move driving responsibility from flawed people to really, really, good computers.

"The biggest challenge is technological," Thrun said. "We can drive a thousand miles without a person taking over. But we can't drive a million miles without a person taking over. That's a problem."

The talk then shifted to today's educational field. It's organized the way the stage play was a hundred years ago, before movies provided scale, Thrun said. So we have tens of thousands of professors teaching the same classes and lectures. Going digital can bring scale, provide a high quality, individualized education experience, and drop the price of a university education to a fraction of today's costs. Learning becomes a lifelong endeavor.

Thrun also led the Google X team to create Project Glass, a heads-up display concept embedded in a pair of glasses. Thrun wanted to create a liberating piece of technology that's there when you need it, all the time, but distraction free—a shakeup to the current smartphone model, where the technology is separate from you and performing an action like taking a picture can be cumbersome when you're in a hurry.

“  
**Large companies  
have a hard time  
executing disruption  
because everybody  
has an opinion. I try  
to shield my team  
from those opinions.”**

— SEBASTIAN THRUN

And how does Thrun manage to create such disruptive technology from within the bowels of a huge corporation? "Large companies have a hard time executing disruption because everybody has an opinion," Thrun said. "I try to shield my team from those opinions."





# TAKING THE PULSE OF THE PLANET



## DICK COSTOLO

CEO, Twitter

Dick Costolo has been CEO of Twitter since October 2010, having joined the company as COO the preceding year. Before that he cofounded and ran several tech companies in Chicago, beginning in the 1990s with Burning Door Networked Media, a web design and development firm, and the web-page monitoring service SpyOnIt. In 2004 he cofounded the blog syndication platform FeedBurner, which was acquired by Google in 2007. Costolo remained at Google for two years, serving as a group product manager responsible for social media ads. Earlier in his career, he was a senior manager at Andersen Consulting as well as an improv performer with Chicago's acclaimed Annoyance Theater. He is @dickc on Twitter.

**T**witter CEO Dick Costolo wants everyone to quit worrying about the business model, revenue, and overall financial health of his fast-growing social network. "I appreciate the concern for our business, but it's working phenomenally well," he said.

Fair enough. Twitter has rolled out its first ads and promoted tweets and is on track to hit a quarter billion dollars in revenue this year, according to projections. Costolo concedes that company managers wrestled with exactly how to build a business model until they realized that the tweet was the basic unit of everything at Twitter. Hence sponsored tweets, and even an ad model built on content that often begins as tweets to a company's followers.

Costolo is confident they've built a solid business model and said he'll never optimize for short-term revenue at the expense of user experience or the platform. "Users can think we're being too cautious—I don't care," he said. Twitter's not planning to IPO anytime soon, according to Costolo.

Twitter will always allow pseudonyms, so users in speech-restricted areas like Iran can get their voice heard. "We want to shrink the world and allow everybody to see each other," Costolo said.



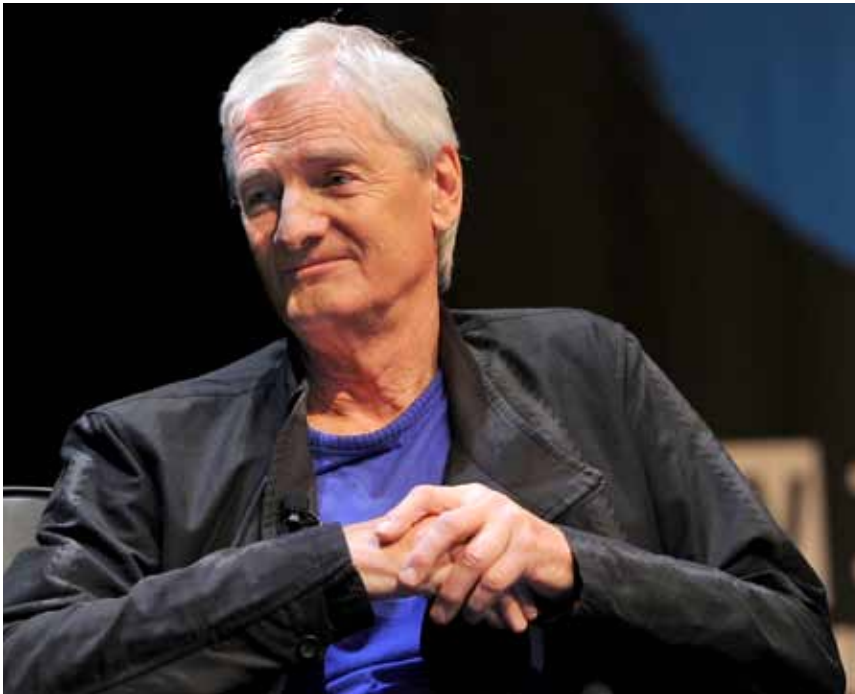
**I appreciate everyone's concern for our business, but it's working phenomenally well."**

— DICK COSTOLO

And with the myriad uses of the social platform, from organizing street protests to allowing fans to follow their personal heroes, Costolo's vision for the company has become "Twitter brings you closer." Closer to what? "We left the end of the sentence open because Twitter users always finish our sentences for us," he said.



# INVENTING SUCKS



**S**ir James Dyson is a man who looks for solutions. But not just any solutions. “I’m a designer and engineer,” Dyson said. “I get angry about things that don’t work.”



**A designer not only makes things look good and last a long time but makes them work better.”**

— JAMES DYSON

Twenty years ago Dyson created his first cyclonic bagless vacuum cleaner. After initially being dismissed by retailers and competitors, his designs completely disrupted the home

vacuum industry. More recently, Dyson took on commercial hand dryers, hoping to put an end to the era of soggy paper towels and bathroom hand dryers that don’t work. The Dyson Airblade employs a 110,000 rpm motor to shoot air through a .3 mm slot, shearing water off wet hands like a windshield wiper. “A designer not only makes things look good and last a long time but makes them work better,” Dyson said. The company practices lean engineering, using less plastic and power. The Dyson Airblade, for instance, uses one-sixth of the energy of a conventional bathroom hand dryer.

Dyson stocks his team of consumer product innovators with newly minted engineers and designers. “I want people who haven’t done something before and will find a new way of doing it,” Dyson said. “People that aren’t afraid of failure. If you always succeed, you’re learning nothing.”



## JAMES DYSON

Inventor & Chief Engineer, Dyson

A graduate of London’s Royal College of Art, James Dyson was drawn to engineering principles from an early age. The company he founded in 1993 creates products—like bagless vacuum cleaners, bladeless fans, and high-speed hand dryers—that work in completely new ways. Dyson now employs 3,600 people and has sales of over \$1.5 billion. James Dyson, whose first invention was a high-speed landing craft, describes his process as “Edisonian.” In 1979, during a visit to a local sawmill, he noticed how large cyclones removed sawdust from the air. Frustrated with his vacuum cleaner’s habit of losing suction as the bag filled, he went home and rigged it with a crude cardboard cyclone. Over 5,000 prototypes later, the Dyson DC01 vacuum cleaner was launched and became a sensation. Today, Dyson is the market leader in the US, UK, Canada, and Australia. James Dyson continues to work alongside his team of engineers and scientists, developing new technologies to solve everyday problems.

# DRONES, TRACTORS, AND BEYOND: THERE'S A ROBOT IN YOUR FUTURE



## MARY "MISSY" CUMMINGS

Professor, Massachusetts Institute of Technology

Missy Cummings is an associate professor in the Department of Aeronautics and Astronautics at MIT. In 2004 she founded the Humans and Automation Lab (HAL), devoted to researching and improving the interaction between humans and complex autonomous systems. A graduate of the US Naval Academy, Cummings spent a decade in the military, becoming one of the Navy's first female fighter pilots. After earning a PhD in systems engineering from the University of Virginia, she joined MIT, where, among other things, she's working to design better supervisory control systems for autonomous aircraft. In addition to teaching in the Aeronautics and Astronautics Department, Cummings also holds appointments in MIT's Engineering Systems Division and the Computer Science and Artificial Intelligence Laboratory.

**M**ary "Missy" Cummings first saw industry-changing disruption during her career as a fighter pilot. "The computer was taking off better than I could, landing the plane better than I could, and doing the mission better than I ever could," Cummings said. "It was really humiliating."

Cummings is now an aeronautics professor at MIT and a leading authority on autonomous robots and drones.

In today's commercial flights, the plane can basically fly itself. The pilot's role is really just to be there if something goes wrong. Technology has become so advanced that planes can take off, fly, and land without human intervention. This can be problematic though, since pilots are still human: With nothing to do, they can get bored, distracted, or even fall asleep. Although unmanned drones may soon control fleets of cargo planes, Cummings said that commercial aircraft will never be truly autonomous. "You'll always need someone onboard to take care of unruly drunk passengers," she said with a laugh.

While we look to the skies for our drone overlords, they'll also be taking to the ground

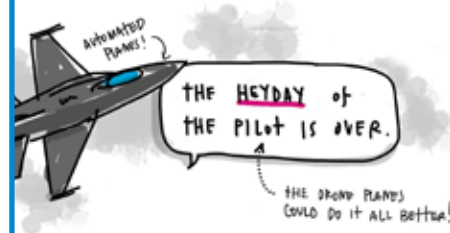
in the agriculture industry. "We have a real problem: There's not enough manpower to do the farming we need," Cummings said.



**We have a real problem: There's not enough manpower to do the farming we need."**

— MARY "MISSY" CUMMINGS

We already rely on unmanned aerial vehicles for dangerous overseas missions, but they can be used right here at home in dealing with crop-dusting and pesticides. Within the next one to three years, UAVs will be deployed in almost every area of agriculture. Cummings said that there are already John Deere tractors that basically act like a "fancy Roomba" on the fields.



# 23 ARTISTS, 2 PHYSICISTS, AND 1 FROG: A LESSON IN INNOVATION



**D**aniel Pink, author of the books *Drive* and *A Whole New Mind*, has identified a key factor in the creation of disruptive innovation: free time to experiment and fail.

"Inside of organizations we detest failure. But you know what? Failure is integrally linked to disruption. You cannot have success without failure," Pink said.

To come up with game-changing, industry-altering inventions like the iPad or the web browser, employees need regular, dedicated time to let their minds explore and to build and test the ideas they come up with. "The way to allow failure is to carve out a sacred space for them in non-commissioned work," Pink said.

Two examples: To study what motivates artists, Harvard professor Teresa Amabile selected 23 artists and asked them to exhibit 10 commissioned and 10 non-commissioned works. A group of experts evaluated the art. The results were startling: Although there was no difference in the technical quality of the pieces, the commissioned works were judged significantly less creative. When the artists had no incentive to create, they did more creative work. (Plus, commissioned pieces tend to come with many constraints, which

means there's little hope that a piece will be great or disruptive.)

Or consider Andre Geim and Konstantin Novoselov, who won the Nobel Prize in Physics 18 months ago for isolating grapheme, a super-conductive, super-strong "miracle material" that could replace silicon. They did it in scheduled



**The way to allow failure is to carve out a sacred space for them in non-commissioned work."**

— DANIEL PINK

free time during "Friday Evening Experiments" at University of Manchester. Other companies including Google and Atlassian employ their own versions of Friday Evening Experiments, allowing employees to work on their own projects. Although 90 percent of the projects may end in failure, something in that 10 percent just might change the world.

## DANIEL PINK

Author, *Drive* and *A Whole New Mind*

Daniel Pink is the author of four best-selling books on the changing world of work. His most recent is *Drive: The Surprising Truth About What Motivates Us*, which draws on behavioral research to challenge conventional thinking on how companies can get the best out of their employees. Others include *A Whole New Mind: Why Right-Brainers Will Rule the Future*, *The Adventures of Johnny Bunko: The Last Career Guide You'll Ever Need*, and *Free Agent Nation: The Future of Working for Yourself*. A free agent himself, Pink held his last real job in the White House, where he served from 1995 to 1997 as chief speechwriter to Vice President Al Gore. He also worked as an aide to Labor Secretary Robert Reich. Pink is a contributing editor for WIRED.



# THE LEAN STARTUP



**T**he theme of failure as a critical ingredient of success continued as entrepreneur Eric Ries discussed his book *The Lean Startup*.

“Almost every single product I’ve ever built or created in my entire career has been a colossal failure,” Ries said. “There’s no way I could be doing what I’m doing if those products had been successful.”

Ries said the early days of his startup career were a lot like the first half of the film *The Social Network*. After he’d been diligently working on an idea for, yes, a social network, many of Ries’ friends told him it wouldn’t work. Unlike Mark Zuckerberg, he ended up having to go back and tell his friends they were correct.

But all this talk about creating a sacred space to fail raises one big question: Are we rewarding failure too much?

“We’re not rewarding failure *enough*,” Ries said. It’s important however, for those failures to be productive—for the failed engineer or entrepreneur to learn something in the process. “The lean startup method is to engineer more productive fails faster.”

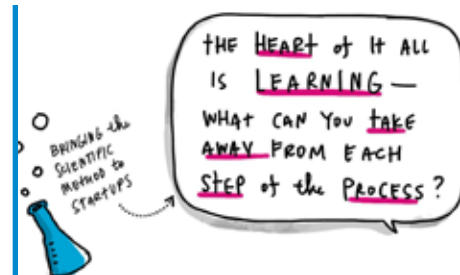
Ries thinks the problem with large companies is that they’re drowning in good ideas, and too often an engineer has to quit and strike

out on their own to get to work on one of those ideas. By carving out budget for internal entrepreneurs, companies can take advantage of that talent and those ideas. Intuit, the makers of TurboTax, did this with its smaller mobile in-house competitor SnapTax.

“**Almost every single product I’ve ever built or created in my entire career has been a colossal failure.**”  
— ERIC RIES

Although it’s too early yet to see if startups are succeeding using Ries’ lean startup methods, he’s tested a number of the concepts on his own. For the book itself, Ries set up a PayPal pre-order page as a minimum viable product (MVP). It worked: He had sold 10,000 units before *The Lean Startup* hit store shelves.

“There’s an incredible hunger in the world for good entrepreneurship,” Ries said. “The attractiveness of a traditional career path versus entrepreneurship has really changed.”



## ERIC RIES

Entrepreneur & Author,  
*The Lean Startup*

Eric Ries is an entrepreneur and author of the popular blog Startup Lessons Learned. His book *The Lean Startup*, published last fall, is a *New York Times* and *Wall Street Journal* best seller. Ries has himself started three companies, including the 3D social network IMVU, where he served as chief technical officer. He is an entrepreneur-in-residence at Harvard Business School and has advised startups, large companies, and venture capital firms on business and product strategy.

# THE MYTHS OF SOCIAL MEDIA



## CURTIS HOUGLAND CEO, Attention

Curtis Houglan founded the PR agency Attention in 2006, transforming the traditional top-down model of business communications and marketing through the use of participatory social media. Attention's clients include Verizon, Mattel, Novartis, Blackstone, and CNN. A pioneer in online marketing, Houglan created his first agency in 1993, helping clients reach consumers through nascent bulletin boards, online forums, and ISPs. He established the new-media practice at Ruder Finn and was one of the PR industry's first creative directors at Middleberg, which he grew into a highly successful consumer technology agency before its sale to Euro RSCG in 2000. He also cofounded Film Movement (sold to Blockbuster in 2006), the first company to release films simultaneously in theater and on DVD.

**S**ocial media has upended the world of marketing. That said, much of the new conventional wisdom about social media marketing is wrong. Curtis Houglan, CEO of Attention, a social marketing firm, tackled seven social media misconceptions.

### MYTH 1: SOCIAL MEDIA IS TECHNOLOGY

Wrong: "Social media is biology and consumer behavior," Houglan said. When we obsessively check our texts, tweets, and Facebook, dopamine is released in the brain. Addicts get more or less the same jolt when they get high.

### MYTH 2: SOCIAL MEDIA IS A BUBBLE

Media doesn't drive consumer behavior—it reflects consumer behavior. Social behavior will affect the marketing landscape for the next 50 years.

### MYTH 3: SOCIAL MEDIA MAKES MARKETING MORE DIFFICULT

Consumers are actually spending more time consuming media, but for shorter periods of time. To disrupt a marketplace, a marketer has to satisfy a need, providing utility, entertainment, value, or reciprocity.

### MYTH 4: BRAND MATTERS MORE

Social media actually dilutes brands. If you're sharing a WIRED link online, in that social exchange your brand as the sharer actually means more than the WIRED brand.

### MYTH 5: THE PRIMARY BENEFIT OF SOCIAL MEDIA IS BUZZ

Houglan believes the marketing funnel has transformed into a loop, and creating new relationships grows the loop. Linking is the most critical part of that loop, since it's become the most dominant form of digital word of mouth.

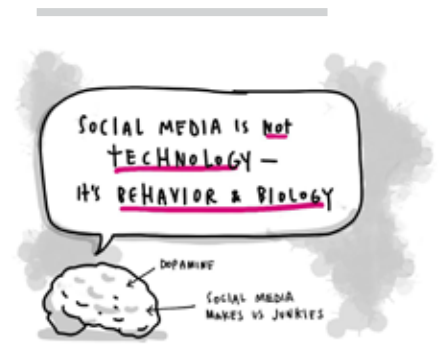
“  
**Social media is biology  
 and consumer behavior.**  
 — CURTIS HOUGLAND

### MYTH 6: THE WEBSITE IS THE CENTER OF THE CUSTOMER JOURNEY

The customer journey is nonlinear. Thus, you want to socialize every step of the journey because you don't know where the "zero moment" is, the part of the journey where you drew the customer in.

### MYTH 7: GREAT CREATIVE DRIVES DISRUPTION

Now that you can measure campaigns using real-time social data, science and math are trumping art, Houglan said. The days of Don Draper are over. Word of mouth drives great creative.





# HACKING OUR WAY TO A BETTER GOVERNMENT



**Jennifer Pahlka is founder and executive director of Code for America, a two-year-old nonprofit that awards fellowships to young engineers and entrepreneurs who want to make local government more efficient. Stating the obvious, Pahlka said that the US is**

“

**We've got to fix the operating system underneath the politics.”**

— JENNIFER PAHLKA

at a moment of huge frustration with politics and politicians, particularly at a local level. Unfortunately, elected officials are only a tiny part of what's really wrong with government. “We've got to fix the operating system

underneath the politics,” Pahlka said. “Until we get bureaucratically active, nothing is going to change.” Government, she said, is a “\$172 billion market, which is far bigger than it needs to be. It's ripe for disruption, an enormous opportunity.”

Each year, eight cities compete to host a team from the annual class of 26 Code for America fellows. The teams use startup business tactics to fast-track solutions for a particular problem, such as streamlining business permitting. They present strategies and tools for fixing the problem—but it's up to the cities to implement and institutionalize the changes. The Silicon Valley model, which prizes open-source development and rapid prototyping, sometimes clashes with entrenched local interests. Pahlka said the most successful local clients change their structure or culture by hiring civic hackers or creating new job titles to deliver and sustain the Code for America projects.



WE COME FOR A YEAR  
AND THEN LEAVE —  
WE SHOW WHAT'S  
POSSIBLE, SO THE  
GOVERNMENTS CAN  
LEARN & GROW

## JENNIFER PAHLKA

Founder & Executive Director,  
Code for America


Jennifer Pahlka is the founder, executive director, and board chair of Code for America, a nonprofit organization that brings the vitality and creativity of the tech community to local governments. Before starting Code for America in 2009, she spent eight years at CMP Media, where she ran the Game Developers Conference, *Game Developer* magazine, *Gamasutra.com*, and the Independent Games Festival. Before that, she ran the Web 2.0 and Gov 2.0 events for TechWeb, in conjunction with O'Reilly Media, and co-chaired the successful Web 2.0 Expo. In 2011, Pahlka was named one of the top 25 Doers, Dreamers, and Drivers in Public Sector Innovation by *Government Technology* magazine and the leading Game Changer in Business and Technology by the Huffington Post. She spent her early career in the nonprofit sector.




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# THE CAR AS THE ULTIMATE MOBILE APP



## ALAN MULALLY

President & CEO,  
Ford Motor Company

A 37-year veteran of the aerospace industry, Alan Mulally was named president and CEO of Ford Motor Company in 2006. He has been hailed for transforming the venerable carmaker into a technology leader, returning it to profitability, and steering the company successfully through the recent economic turmoil. Among his many honors, he was named Person of the Year by the *Financial Times* and CEO of the Year by *Chief Executive* magazine in 2011. A native of Kansas, Mulally began his career as an engineer with Boeing in 1969 and rose to become executive vice president of the Boeing Company and president and CEO of Boeing Commercial Airplanes, where he is credited with leading the company's resurgence in its rivalry with Airbus. He is a past president of the American Institute of Aeronautics and Astronautics and has served on the advisory boards of NASA and MIT. Mulally is a member of President Obama's Export Council.

**P**resident and CEO Alan Mulally has rejuvenated Ford by focusing on building high-efficiency vehicles and rapidly deploying the ideas and technologies of the smartphone revolution.

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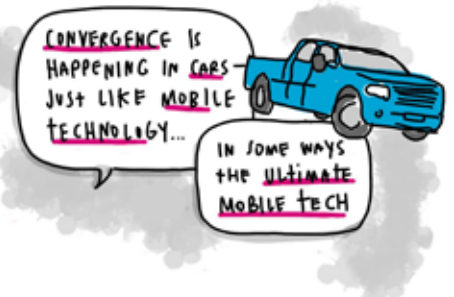
**It was clear to us that a consumer would not want to have a disconnected life. They want to be connected inside and outside the vehicle.”**

— ALAN MULALLY

Mulally, a 37-year veteran of Boeing, led Ford through the worst of the recession, watching as his US competitors declared bankruptcy, allowing them to reorganize and strike more favorable agreements with creditors and

unions. Ford stayed focused on making better cars. The company has invested in and expanded a full family of vehicles that includes hybrid, plug-in hybrid, clean diesel, high-efficiency gas, and all-electric models. “The point of view we have is that we are all going to be paying more for energy worldwide,” Mulally said. “We don’t know what is going to be the preferred long-term solution.”

Ford also developed solutions with Microsoft so that car buyers could manage their lives through their smartphones and voice commands. “It was clear to us that a consumer would not want to have a disconnected life,” Mulally said. “They want to be connected inside and outside the vehicle.” Ford SYNC-equipped automobiles can handle 10,000 different voice commands such as “What can I eat?” and “Directions home.” Mulally also hopes to bring health-focused apps to the driving experience, so the car would recognize when it’s time for the driver to take a break or even stop for food.



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# SOCIAL BUSINESS DISRUPTION



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SOCIAL BUSINESS DISRUPTION

**CHRIS MORACE**

Chief Strategy Officer, Jive

“  
**Technology is supposed to enable you. It’s not something you should have to learn so you can do your job.”**

— CHRIS MORACE

**I**f you’ve ever worked at a big corporation the problem is probably familiar: The technology used to run the business was invented 10 or 20 years before. The corporate culture, style, and processes have morphed around the inefficiencies established by antiquated enterprise tech. “Technology is supposed to enable you,” said Chris Morace, chief strategy officer at Jive. “It’s not something you should have to learn so you can do your job.”

Jive is social business software that combines social networking and collaboration with enterprise-level privacy and security. The social media tools include profiles, messaging,

and favoriting, much like Facebook. Jive helps users cut through the jumble of email and memos, making interactions between employees open and searchable. It helps sort and organize internal communications to provide workers with just the right information and contacts. Traditionally, Morace said, “you spend so much time repeating what’s already been done because you can’t find it.” Jive can also learn an employee’s needs and habits, which makes the platform more useful over time. Some companies that adopt Jive have seen a 60 percent decrease in email traffic, Morace said. “When the tech gets out of the way, that’s where people are happy.”



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# PRESS HIGHLIGHTS

On May 1, 2012, WIRED hosted more than 425 attendees and 30 top-tier media outlets at the sold-out WIRED Business Conference. More than 21,000 people watched online, and over 4,000 tweets were posted using #WIREDBizCon.

## PRESS HIGHLIGHTS

### OVER 200 MILLION IMPRESSIONS

#### The New York Times

"At the WIRED Business Conference in New York on Monday, Dick Costolo, Twitter's chief executive, said the Discovery update was meant to organize the flood of content flowing into Twitter as more people sign up for the service."



"Yancey Strickler, the cofounder of Kickstarter, has announced at the WIRED Business Conference that Kickstarter hit 2 million backers, 22,000 projects funded and \$200 million pledged."

#### D | All Things Digital.

"Marc Andreessen, Silicon Valley's most prominent investor, does not think we're in a bubble...[he said] at WIRED's business conference this morning."

#### AdvertisingAge

"There's only one word that's banned at our company: *brand*. We're only as good as our latest product. I don't believe in brand at all," James Dyson said, speaking at Disruptive by Design, a conference put on by WIRED."

## EXCLUSIVE BROADCAST PARTNER CNBC

Exclusive broadcast partner CNBC broadcast throughout the day, airing five segments that included interviews with **Chris Anderson**, **James Dyson**, and **Marc Andreessen**, as well as comprehensive coverage through their social media assets and CNBC.com.

## PRESS IN ATTENDANCE

The New York Times

FORTUNE

WALL STREET JOURNAL

D | All Things Digital.

Bloomberg

Mashable

TPM

brain pickings

AdvertisingAge

Inc.

BUSINESS INSIDER

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