

JUNE 2006

WHAT THE CLASSICS CAN TEACH AN ENTREPRENEUR

Rich Barton Cites Ovid, The Wizard of Oz and Caddyshack?

You've all heard the phrase, "When E.F. Hutton speaks...." Although he may not quite be to that level of recognition, at least in Seattle, when Rich Barton talks, people listen. Barton was the force behind Expedia. Incubating his grand plan for Internet-based travel in the early days of the web while at Microsoft, Barton went on to build Expedia into the leading Internet-based travel company. Barton thinks big. He fully expects Expedia to become the largest travel company, period. On the heels of that success he is once again leveraging an "industrial transformation" on the Internet, this time in the real estate sector with recently launched Zillow. As Barton says, "people love revolutions and taking on the man". He sees Zillow as a tool that will empower consumers with knowledge to make even wiser real estate investments.

At a recent Northwest Entrepreneur Network (NWEN) breakfast Barton spoke about his formula for success. Many listened, but Barton didn't give it up that easily. The secret he said, "Requires a deep understanding of three things: Ovid's Pygmalion, The Wizard of Oz and Caddyshack."

Okay. We got it. Just follow the yellow brick road, bring a copy of Ovid's Pygmalion to read and channel Chevy Chase? Huh? Maybe it's time to listen to Barton as he explained.

Your B-HAG and the Pygmalion Effect

For those not familiar with the lingo, B-HAG stands for Big-Hairy-Audacious-Goal. Ovid's story of Pygmalion is based on a B-HAG. In short, Pygmalion sought to sculpt the perfect woman. He fell in love with his idea and believed that if he

achieved his goal of perfection she would come to life and marry him (his B-HAG). This story has been replayed throughout history and in Hollywood. Sociologists have studied this idea of self fulfilling prophecy, or what is commonly known as the "Pygmalion effect". The idea is simple. If you believe strongly enough in

Executive Insights



Cheryl Isen

something, you unwittingly set high expectations and people step up to your vision. It becomes transformational and through this power of will and persuasion, your B-HAG is realized.

Barton's message, "In business don't be afraid to dream big, aim high and communicate your B-HAG to others". He adds, "People will either rise or sink based on the expectations you place before them." Barton did this relentlessly while at Microsoft as he built and infused the team with his grand plan for what would one day become Expedia. But that was only step one. He explained, "Bill and Steve don't sell companies and I needed to convince them that to be number one in travel we needed to be independent." Barton relentlessly sought to convince them and ultimately succeeded. The rest is history.

Ideas are Cheap it's All About Execution

B-HAG in hand, surrounded by believers, you're ready to fly. Not quite. All that hard work is just the beginning. Real success comes from execution. Here

too we can count on Barton to bring a novel perspective. Barton's love of the classics is clear. He says the Wizard of Oz offers a perfect analogy for winning execution. According to Barton, "great leaders need three key attributes to successfully execute—brains, courage and heart."

In the Wizard of OZ the Scarecrow brings the all important intellectual property (IP) to the journey. All company's need smart people at the foundation. Barton says, "It's key to hire the best and sharpest folks in the beginning so that you can build an organizationally wise company". For example, at Zillow some of Barton's first hires were "the big brain guys that developed the artificial intelligence-type algorithms that fuel the Company's real estate Zestimate™". To ensure that Zillow can execute, Barton is working to ensure that this human IP is in place across every part of the organization.

Courage is also critical to execution. Like the Lion in Oz, great leaders have to overcome their own fears and learn to lead in spite of them. According to Barton a wise friend once told him, "You don't hunker down to greatness, you hunker down to getting by. Greatness requires stepping up." At Expedia Barton found himself living this first hand. He was in a game of chicken with the airlines that required a showdown to ensure the success of the business model. He said, "Taking out the bat takes courage." Without a crystal ball you don't know the outcome, but you have to have the courage to step up.

Companies that succeed have a great leader at the helm. Barton cites two flavors of leadership—empirical, and

those that lead with a heart. Empirical leaders use fear to force execution. They're random and they aren't fun to work for. Like the Tin Man without a heart, empirical leaders are just an empty shell. Barton's view, "People are attracted to leaders who care and believe. If you lead with your heart you can inspire the team to achieve more than what they thought was possible. It's all about communicating, acting and believing."

Believe in Your Instincts

Barton's parting words are to remember the great advice Chevy Chase in

Caddyshack gave to Danny on the golf course, "Be the ball, be the ball, just be the ball Danny." Barton says, "You have to go with your instinct; people won't work for you without it. Your first thought is probably the right one so act decisively, quickly, on instinct and surround yourself with people that reinforce that."

The bottom line? Dream big. Get smart people excited about your big idea. Be a courageous leader with heart, and if all else fails—trust your instincts.

These "Executive Insights" are based on monthly presentations provided by leading entrepreneurs at the Northwest Entrepreneur Network (NWEN.org), a non-profit organization dedicated to helping entrepreneurs succeed. The column is written by Cheryl Isen, founder of Isen & Company, a strategic marketing and public relations firm that helps emerging companies increase corporate visibility and brand awareness. Contact Cheryl at (425) 222-0779, Cheryl@IsenandCo.com or on the web at www.IsenandCo.com.