

# PUGET SOUND Business Journal

Business Leaders Get It.

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## “Nothing is More Damaging to a New Truth than an Old Error”

Goethe 1749-1834

To know 180 Solutions is to have an opinion. Many view 180 Solutions as either the reckless, media-maligned spy ware company causing all those highly invasive pop ups, or as a trailblazing internet visionary creating the new “content economy.” Ken Smith, 180 Solution’s CEO hopes you’ll view it as the latter and said as much at a recent Northwest Entrepreneur Network presentation. He explained how the firm’s rapid growth led him and his senior managers to shrug off warning signs of a looming integrity crisis. “We had a problem,” he said, referring to the botnets and worms that appeared within their Zango software. “We screwed up and have worked hard to fix it.” 180 Solutions is now working to communicate the results of the firm’s “naiveté” through an aggressive public relations campaign championed by the non other than Winston Churchill.

So what is this new “content economy”? The premise is simple when compared to something we’re all familiar with—the tradeoff of free TV for commercial advertising. For example, the cost of a new episode of *Desperate Housewives* each week is the inconvenience of the commercial breaks. If we don’t like commercials we can opt for premium pay channels. In the new content economy, Smith says, in exchange for highly desired internet content, such as an online game, we can agree to advertising. On the internet this translates into what 180 Solutions calls “time shifted” pop up ads that display when you’re searching for information. As with TV, internet consumers have options too. If you don’t want to trade free content for pop up advertising, you can pay for content.

### A World of Internet Piracy and Identity Theft

According to Smith, when 180 Solutions began using Zango to make internet content free to consumers, they worked with thousands of different partners—many two or three steps removed. Even

though contracts explicitly required that

### Executive Insights



Cheryl Isen

consumers’ be provided ‘notice and consent’ of the content for a advertising tradeoff, the company had difficulty policing the policy. This created an exposure point. Some of these partners took advantage of the company’s technology and began installing software on PCs without consumer notice or consent. The problem exasperated when other “creative people” took advantage of security flaws by placing botnets, worms, and other software on these PCs. To consumers it appeared that a rogue company called 180 Solutions had put their own software recklessly on their PC. Smith confirms, “This caused 180 an immense amount of pain.” It also explains the company’s current perception issues.

### Live and Learn

So if this is 180 Solutions “new truth,” what is its “old error” at the root of the perception issues? Upon reflection, Smith says 180 Solutions made four key errors that every entrepreneur would be wise to avoid. Specifically, the company was:

Far too naïve—“We were offering cool technology and naively thought it would only be used for good; we should have been smarter about that.”

Didn’t react (to the problem) fast enough—“Like every entrepreneurial company we had a lot going on and we let those things get in the ways of paying attention to the issues sooner.”

Didn’t react severely enough—“We should have marshaled our efforts and focus sooner because once we did it really helped.”

Public Relations trailed (vs. led) the effort—“As we started doing a lot of good to

resolve this issue we failed to tell others what we were doing which didn’t help us change the wrong perceptions.”

A key lesson is to understand the power of public perceptions. In a world of sound bytes and instant opinion polls, perceptions can be created, but keen marketers know truth guides every powerful message. And now 180 Solutions knows it, too. Winston Churchill, a leader in both combat and strategy once said, “In war you can only be killed once, but in politics, many times.” So too in arena of public relations. In fact, 180 Solutions now follows a PR mantra inspired by Churchill:

Accept zealots for what they are—“A fanatic is one who can’t change his mind and won’t change the subject.”

Prevent defense is a losing strategy—“An appeaser is one who feeds a crocodile and hopes it will eat him last.”

Speak to the right audience—“Never hold discussions with the monkey when the organ grinder is in the room.”

Zealots will eventually lose steam—“Nothing in life is so exhilarating as to be shot at without result.”

Be proactive/ play offense—“History will be kind to me for I intend to write it.”

Today 180 Solutions is writing part of the “new economy” history. And, for other entrepreneurs, learning from this firm’s pitfalls could be a key to your success.

These “Executive Insights” are based on monthly presentations provided by leading entrepreneurs at the Northwest Entrepreneur Network (NWN.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.