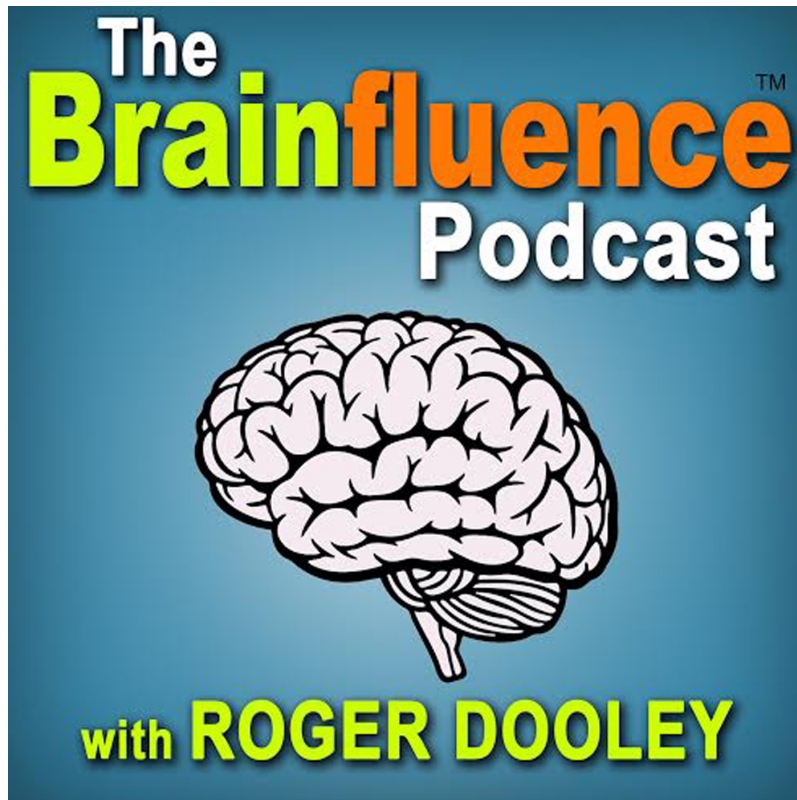


Ep #184: Get to Aha! With Andy Cunningham



Full Episode Transcript

With Your Host



Roger Dooley

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Welcome to the Brainfluence Podcast with Roger Dooley, author, speaker and educator on neuromarketing and the psychology of persuasion. Every week, we talk with thought leaders that will help you improve your influence with factual evidence and concrete research. Introducing your host, Roger Dooley.

Roger: Welcome to The Brainfluence Podcast, I'm Roger Dooley. We've had some guests with interesting resumes on the show before. We've had authors that wrote not only best sellers, but million sellers. We've had a Nobel Prize winner. We've had scientists that define concepts that we all use every day now. Today's guest has an amazing resume too. Andy Cunningham is a marketer and entrepreneur, who's played a key role in the launch of entirely new product categories that include video games, personal computers, desktop publishing, visual imaging, software as a service, and even very light jets. Andy's history in Silicon Valley dates back to 1983, which, coincidentally, was the same year that I left the world of corporate strategy and co-founded my own personal computer focus business. I stayed planted in Indiana, though. But Andy with, somewhat, clearer vision moved to Silicon Valley to work for Regis McKenna and helped Steve Jobs launch the original Macintosh. Her PR firm, Cunningham Communications represented Jobs' other ventures, NeXT and Pixar. Today, Andy is the founder and president of Cunningham Collective, a brand strategy firm focused on innovation. Having been directly involved in innovation for so long, it's good news that Andy has decided to share of what she's learned in her upcoming book, "Get to Aha! Discover Your Positioning DNA and Dominate Your Competition." Welcome to the show, Andy!

Andy: Thanks Roger! It's great to be here.

Roger: Great! You got your start in the trucking industry, right, Andy? That's ...

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Andy: I did. Boy, that was a long time ago, but I was a writer, what we used to call a back of the book writer, which meant that I took press releases and rewrote them and made them fit in the back of the book. But I do have to say, the biggest lesson that I learned in the trucking industry, and I always try to take a lesson away from an industry that I work with, that was that if you lubricate it, it will work. I wrote hundreds of articles about lubrication.

Roger: Wow. So was it your work with Atari that got you into technology?

Andy: Sort of, yes, but actually, my very first technology client was a company called Bell and Howell, which people might remember from the old school projectors, if you're in our age group.

Roger: Mm-hmm (affirmative), sure. Yeah, actually, somewhere deeply buried in a closet, I think I've got a Bell and Howell eight-millimeter projector.

Andy: Oh, wow. That's a museum piece.

Roger: The older you get, the more museum pieces you collect, I find.

Andy: That is true.

Roger: People see something and say, "Wow! I didn't know those still existed."

Andy: Yeah, exactly. Well, kids today don't even know what that is. But anyway, Bell and Howell actually had the only contract ever to license the Apple II. So they license the Apple II computer from Apple, and they took the beige cover off of it, and they put a black cover on it, and it was referred to in the industry as "the black Apple." So it was the first educational computer licensed by Apple to Bell and Howell, and it was my client -- I was

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working at an agency called Burson-Marsteller, and Bell and Howell was a great company. They actually gave me a black Apple to take back to the office and play with and experiment with, and I brought it to our librarian, and she and I basically became addicted to this Apple II over the course of the next several months, and tried to figure out, "What could you do with it? How amazing was it?" I got to do a whole bunch of stories of kids using it; it was just a magical experience, and that is what got me hooked on technology.

Roger: Interesting. I've got an advanced copy of the book, and I see there's a brief forward written by Guy Kawasaki. He's been on the podcast, and been a friend of mine for quite a few years. How far back do you and Guy go?

Andy: Guy and I worked together in 1983 and 1984 at Apple; so Apple was my account, as you mentioned, when I was working at Regis McKenna. But we were embedded at Apple, so I spent every day at Apple, and Guy was Head of Evangelism, and we worked closely together, because as I think it says in the forward there, or in the preface somewhere, it was his job to get people to use the Macintosh technology, and it was my job to make it credible for them.

Roger: So I understand that at one point, your business card just said "Andy." Now that reflected how well-known you had become at that point, but I also have to think there was a positioning statement there too, right?

Andy: Well, there's that, but there was also an inside joke. So Regis and I were both Irish, and the man, the patriarch of an Irish family, is commonly referred to in Ireland as "himself." And Regis' business card said "himself" on it, so I thought it would be funny to make a business card, when I did my own

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business, to say just "Andy." I could've done "herself," but I decided, "Nah, I'll just do Andy."

Roger: Right, that's interesting. I'm Irish, maybe I should try that, except it's already been done. It wouldn't be original anymore.

Andy: Yeah.

Roger: I think Steve Jobs is endless fascinating for marketers. A few years ago, I wrote an article that said one of his key insights was psychology-based, either intuitively if not actually based on that particular strategy. He created a social identity for Mac owners, and employed an "us and them" strategy in a lot of his marketing. The Mac person was young, cool, creative, and the people who used competing technology were, at best, boring and nerdy, and at worst, mindless lemmings walking off a cliff. That theme continued with the "I'm a Mac" campaign that was really a brilliant campaign too. A little bit softer than the lemmings commercial, but that tribal grouping caused people to make Mac part of their personal identity, and they became really quite religious in their defense of the brand. Since you had a seat at the table, was creating that identity a specific strategy, or did it just evolve?

Andy: No, you know, it just evolved. But it started with the fact that Steve put a personality into the Macintosh; even before we launched it, it had a personality. It would send you messages and talk to you, and it would tell you if it was crashing -- and this happened all before we shipped it, it didn't do this once we shipped it. But all of us built a relationship with it, but the intent was never to build that cult following. The intent was actually to do exactly the same opposite. Steve wanted that computer to be the business computer, he wanted it to take over what was out there in the market place already and be the business computer of choice for businesses everywhere. What

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happened, though, is when he launched it, the little personality that it had become attractive to a certain type of person, and that type of person started coalescing around the Macintosh, and it built a cult following. And once he saw that there was a cult following, then he leveraged it and realized what a gift that was, and took that to the nth degree to make Macintosh what it is today.

Roger: Great, I might have to go back and revise that blog post. I remember even the tiny little icons on the first ... I think the first one I used was a Mac plus, and the little incy smiley icons. But then there was that bomb icon that I really hated to see.

Andy: Yes.

Roger: That was always bad news.

Andy: We all did.

Roger: Go ahead.

Andy: I was just going to add when, again, before we shipped it, there was a little message that would come on with Steve Jobs' face icon-ized, and it would say, "Steve Sez!" And it tells you what to do. Steve was talking to all of us through the Macintosh every single day.

Roger: But that got removed when it went into production, huh?

Andy: Yes, yes.

Roger: Too bad. Now that would've perhaps made the cult more.

Andy: You're right.

Roger: So let's talk about "Get to Aha!" The book is about positioning; in fact, one of your blurbs is from Al Ries, who co-authored the

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original book about positioning. Why don't you explain the classic concept of positioning, Andy, then how your approach builds on that?

Andy: Sure, so I have great admiration for Al Ries, and also Jack Trout, who wrote that seminal book, which really defined this concept that what you're really trying to do when you're creating a brand is own a place in a customer's mind, or prospect's mind. And how do you do that? That's the psychology, and that's the beauty of psychology in marketing, is that you're really trying to capture a position in a person's mind, and that's what that book was all about. Lots has happened since the 70's, when that book was written, and we're now in a whole different age, and capturing a presence in a person's mind involves a lot more than just advertising, which is really what that book was primarily dealing with. Now we have, as you know, everything that the Internet has brought to us, and all different channels to express our own thing. So it's harder today, and what my particular methodology builds on that is it's still about creating a position in a customer's or a prospect's mind. But now what I really want people to do is realize that if they look at their own DNA and who they are as a company, they can be a better company. They can leverage the authenticity of who they are in the marketplace, and into today's digital world, authenticity is everything. So it's really important to do that today.

Roger: You talk about a position in a customer's mind. How does that differ from a product position? Other words, you survey the products out there and find that there's a really expensive one that has all kinds of features, and then a really cheap one that isn't very functional, which may leave a gap in the middle to position a product. But that's more of a physical positioning, if you will. Are those two related, or are they just different topics?

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Andy: I think they're different topics. I think positioning is a very, very complex thing to do. It involves the competition; we call them the six C's of positioning, and it starts with, as I said a second ago, your core DNA. So first you got to know what you are, and in my world, I've got three kinds of companies: there are mother companies, which are customer-oriented companies, there are mechanics, which are product-oriented companies, and then there are concept-oriented companies, which I call missionary. So in my world, there are mothers, mechanics, and missionary types of companies, and once you know what kind of company you are, you're much better able to express yourself authentically in any of your marketing materials, and there are certain choices that you can make, and you will make, as that type of company. So for example, Oracle, Microsoft, these are companies that are what I call mechanics -- they're very product-oriented, they care about features, they care about value. If you're Lyft, let's say, or Nordstrom, or Zappos, which has been acquired by Amazon, you're a mother, you care about customers more than anything else. You care about their experience and you care about who they are. And if you're Steve Jobs or you're Tesla, or you are FedEx in the earlier days, you are a missionary, you're trying to change behavior in a fundamental way in the marketplace.

So the first thing you got to do with positioning is understand what your core DNA is so you can be authentic. And then there are five other things that we also address; we address the category that you're playing in, we address the competition that you're up against, we address the community that you have to face in the whole entire thing, the context in which you are playing this game, and then finally, the criteria that you want to hit to get the right positioning statement. So it's a heck of a lot more complicated today, and then once you figure out your ultimate positioning statement, we help you put it into a

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message architecture, and the book tells you how to do this, and then that message architecture becomes a narrative that then we try to spread like a virus to all of our owned, earned, and paid channels of distribution that we have available to us today. That was a long answer, but that's what it is.

Roger: You know, I mentioned Jack Trout, who was the other author on "Positioning," and he wrote a book called "Differentiate or Die." And I enjoyed that book, and I particularly loved the title, it really emphasizes that you can't develop your brand in a vacuum. You got to be sure that you're doing something different than your competition, but I see companies all the time that are focused more on imitating their competition. Why do you think that is?

Andy: Well, because I think people look at something that's successful and they want to copy it. But what they're not often paying attention to is are they capable of copying it, and then doing better at it? And if they're not, they need to look at what it is that is different about them. I love that book too, "Differentiate or Die," that's a great book. I like to think of this whole positioning thing the way, in today's era, what I call Positioning 2.0, paying homage to those guys who wrote the first book, but if you think about an athlete who's an incredibly great basketball player, like we have Steph Curry out here in our neck of the woods. And he's an incredibly great basketball player, he's a strategist on the field, he can do all these things because he's working with his own DNA. He's not trying to be a pianist, right? Or a dancer, or something else; he's found out what his DNA offers to him, and now he is leveraging and maximizing it to the advantage of not only himself, but the game and his fans and everyone else. And that's the same thing with your corporate DNA -- once you know what your corporate DNA is, you can leverage it for your own benefit, but also the benefit of the market, and you can be a better you.

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Roger: Do you think that many companies or businesses have muddled DNA? In other words, there isn't a real quick answer to what they are? Or you find that you can almost always get to the root of which of the three categories a company falls into, or brand?

Andy: You know, some companies do have a muddled DNA, and it's because they don't know who they are their core. And what happens is they're not aligned; so when you have a muddled DNA, what it really means is you're not aligned as a management team across the company. So it's really important to go through this exercise as a management team so that you can all become aligned.

I apply what I call "the Hector Reyes" principal. So Hector, also from Austin, Texas, ran the Semi-Conductor Sector at Motorola for many years, and then he went on the lead AMD as the CEO. And I worked quite a bit with Hector, and he had this principal where he said, "With my management team, it's 60% agreement, 100% buy-in." So as soon as 60% of people on the team agree with something, everybody has to buy-into it, and the same is true with positioning. If 60% of the leadership team sees the company as a customer-oriented mother, as I like to call it, then that's what the whole team has to buy into. And now, what that means, is now you got to change your behavior -- you have to start behaving like a customer-oriented company. And it has everything to do with how you structure your company, how you hire people, how you compensate them, how you measure success. All those things are reflections of the DNA of either a mother or mechanic, or a missionary, and it all has to align, or the company won't be successful.

Roger: So really what you're doing is your identifying it and then doubling down on that, making sure that it's pervasive. You had a metaphor in the book that I liked about a battleship, which

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from the outside, looks pretty unified and fearsome and directed. But when you go below deck, it's a bunch of people pedaling canoes in different directions, and I think that probably does characterize a lot of companies. I guess the leadership would be the beginning of that process, and then getting that narrative, pushing that narrative down throughout the entire organization, to get the canoes aligned a little bit more, is what comes next.

Andy: So true, and you have to be relentless about that narrative too, by the way. And that's one of the great things about Steve Jobs; once there was a narrative, he was relentless about pushing it not only through his organization, but also the influencers of his organization, and then the market in general. Just relentless, and it's that relentlessness that enables you to take a pure thing, a pure position, and make it real in the world, because once it starts dissipating in the market, which they will do if you're not relentless about it, then you lose that focus and then you lose that position.

Roger: DNA evolves, I guess, because you mentioned FedEx was initially a missionary. Now I would guess they're probably more of a mechanical ... or they're pretty customer-focused too. And Apple is kind of in danger of losing its missionary focus if they don't really come up with a big innovation soon.

Andy: Yep, I would agree.

Roger: What about a company like Uber? In the last couple of years, they've dominated the news for all kinds of good reasons and bad reasons. They've been incredibly successful as a business, and their customers love them, but they've had all this terrible internal news about bad behavior of various kinds. What is their corporate DNA, what do you think they are, or what should they be doing?

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Andy: They are absolutely a mechanic. They're all about the product, they are all about the value of the product, which is great, and we all value Uber, many of us. I still use Uber every day, despite all of the other chaos swirling around them, so they are that. But I think they are not doing is they're not leveraging and maximizing that DNA to the marketplace; they've actually lost their way with a few issues that they've had. So what's happened is they've been distracted from their core to deal with these other problems, and let's see if the new leader can turn that around. That would be awesome, but they are very much a product-oriented company.

Roger: Yep, that makes a huge amount of sense. What about Amazon? I'm guessing mother for them?

Andy: Yes, so Amazon actually started off as a missionary, as many companies do in the tech industry. And Apple, you mentioned Apple a minute ago -- absolutely, under Steve Jobs' leadership, they were absolutely a missionary. They were trying to fundamentally change behavior in the market, but with Steve's death, unfortunately, Tim Cook has been an amazing steward of Apple's assets, for sure, and grown the company. But he has not been able to continue on with that missionary status, so the company is moving to be much more of a product-oriented company today.

And so Amazon started off very much like Apple, as a missionary; if you read their very early stuff that they put out, they alluded to the fact that they were basically going to eat the universe. But they started off positioning themselves as an online bookseller, because they knew that was credible and that was understood in the market. So they didn't talk a lot about the mission that they were on to change the world, but they just talked about the online book selling. But once they captured that, then they rippled it out, moved the ripple to the

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next level out, and out, and out, and out. So they were really a missionary, and what they've done with the acquisition of Zappos is I think they've consciously made the decision to change their DNA from missionary to mother, because now they're really big and powerful, and changing behavior in a fundamental way gets harder and harder as you get bigger. And I think what they've decided to do is focus on customers, and Zappos was a perfect acquisition to begin to change that DNA inside the company to be much more customer-focused.

Roger: So do you have any examples of a company that dramatically shifted, like intentionally? Companies evolve from one status to another over time, but where a company was either confused about its DNA, but then was able to either change or coalesce on one role.

Andy: Well, I think about this changing your DNA almost on the same level of having a sex change operation. It requires an enormous amount of thought, an enormous amount of effort, it's not something that just happens in an overnight situation. And that's why I look at Amazon as a great example of a company who I think consciously made a decision very thoughtfully, went out and found the company that was going to help them shift their DNA, brought it in, started infusing that motherhood, if you will, and apple-pie customer delight process throughout the entire company. And it's taken a while for them to get to that stage, but they are now there, so I think it's very possible for companies to change their DNA. It just takes a lot of thought, a lot of money. The whole thing about this DNA is it's not just about your marketing materials -- those are easy to change. It's about how you structure the company and how you measure success and how you hire people, how you fire people, it's about how you do every single thing that you do. So when you make a decision that you're going to shift, you have to completely shift how you're actually structuring your company,

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and how you're going to market. It's a huge change, so it's a six, seven year process, no matter how quickly you want to try and make it.

Sometimes the market will do it for you. FedEx is a good example of that. FedEx is a company that I think started as a missionary, has moved into product, because now they're much more of a commodity. In the early days, they were not so much of a commodity; they were really bringing something special to the world, and they were changing behavior, as I said. But what has happened over time is competitors have come in, they've attacked their space, now we all have many choices. FedEx is no longer really about changing behavior, now it's about just trying to be as good as they can at delivering packages on time.

Roger: Yeah, so Andy, let's talk about Spock versus Kirk. I was part of a South by Southwest panel a few years ago that used that contrast to talk about rational advertising focused on product features and the like, versus emotional advertising that communicated with the customers non-conscious mind. So how do you use that metaphor in the book?

Andy: Oh, I love the metaphor because I am such a Trekie. I just love every single one of the Star Trek movies and every single one of the Star Trek TV series, and the beauty of the early Star Trek is that you had the yin and the yang of a human represented by James T. Kirk and Spock. And I believe that humans, they have two parts to them -- they have a rational side and they have an emotional side. And Kirk represented the emotional side, and Spock represented the rational side, and when you put those two together, you get a beautiful whole that makes for, in the case of Star Trek, a really great story, because the tensions that exist between those two things are so clearly displayed with the two characters.

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But when you're doing marketing for a company, it's the same thing; there's a yin and there's a yang. The yin is the rational side of a company, and the yang is the emotional side, so once you understand what the rational side of a company is, what its clear and concise positioning statement is, how you describe its role and relevance in the market, then, you can begin to reflect that with some emotional expression, which is probably the South by Southwest thing that you talked about, the emotional part of the advertising. So yeah, the two together make a beautiful whole, and you need both of them. So I call the first one positioning, and I call the second one branding.

Roger: Okay, and I think Star Trek is a show that just keeps on giving. I saw another analysis of, in this case, they brought not just Spock and Kirk, but Scottie and Dr. McCoy into the picture and did a Myers-Briggs analysis, and felt that there was one character from each of the four quadrants, and that's why the show works so well.

Andy: I think that's true, I totally agree with that. Yep, that was a great exercise.

Roger: So you worked on digital imaging with Kodak, and they're really a cautionary tale. Was there a problem positioning, or something else?

Andy: Well, what I like to say about Kodak is ... remember the phrase "a Kodak moment?" It has come to mean something entirely different; what it means today is now you've completely disrupted yourself and you're out of business. So it's unfortunate, but anyway, was that a positioning issue? It was an issue of guts, in my opinion. Kodak developed the digital camera, it was their technology, they came out with it. But they were a public company, and they were making so much money on film, and it was just too challenging for them to stop making

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film and start and move over, because they would've gone through several quarters of reduced revenue. And whenever you do that, markets kill you, and it was tough.

So I want to make an example of a company that did that really well, had the same issue, and that's Netflix; Netflix had the exact same issue that Kodak did. They did what I call "the red envelope business," which was all about the US Postal Service, and then Reed Hastings saw that the future was really going to be about streaming. And he was right, but he was early, but he was right about that, and what he did was he just ripped off the bandaid and said, "This is what we're doing. We're moving over, we are moving over to streaming." And for a brief moment of about sixty days, he had this concept that he was going to do both businesses, the red envelope business over here, which he renamed "Quickster," and then the streaming business over here. But literally, within a short amount of time, he just said, "Nope, we're just going to get rid of the red envelope business and we are only going to do streaming." And markets killed him, they killed him! In fact, a friend of mine worked there, and she called me up one day and she said, "I think he's crazy, I think he has a brain tumor." But the fact of the matter is he did it and made it work, and look where they are today. And Kodak never had the guts to do that, which is unfortunate.

Roger: Yeah, my Netflix story is my failure to buy their stock very early on. I was a red envelope customer, and I really liked the service, and one time I was dropping some stuff off for the post office, and the lady behind the desk counter says, "What are these things? I see so many of them!" And that should have been my cue that, "Wow, there's a major thing going on here."

Andy: There's an opportunity there, yeah.

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Roger: I failed to listen to that message. And then of course, after that, the stock was always overpriced, because it always seems like it's such a high multiple that it can't go higher. But of course, it always does, it always did.

Andy: It always does, I know. And I just have so much admiration for Reed's intestinal fortitude that it took to get through that period of time when the markets were killing him, even as a public company. And that's really what Kodak never could do; I worked with Kodak under three different CEO's, who each one of them knew that the future was digital imaging. And each one of them knew they had to capture that, and they just couldn't get to that spot because they're a public company, and they didn't want to injure their stock price and hurt their shareholders.

Roger: And also, their own bonuses and their tenure. I mean, you might make the difficult decision that drops earnings and suddenly find out that you've been replaced in the corporate world.

Andy: Exactly!

Roger: So one last question about the book. You work with a lot of big brands, but I'm sure there are a lot of entrepreneurs and solo-preneurs out there listening to us. For somebody who really doesn't have a big team or a lot of resources, is there a positioning-lite strategy that you could suggest for them?

Andy: Absolutely, read the book! If you read the book, you'll have all the pieces necessary to do this on your own, with your own team. I forgot the price of the book, but it's less than \$30, so that's very lite, but yes.

Roger: One last question, Andy. Putting on your futurist hat, what is the next big thing?

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Andy: Wow, that is a big question. So I think right now, what the next big thing is, it's the next evolution of cloud computing. So cloud, as I think we all know right now, it's the big thing. But it's also just a delivery vehicle. When it actually delivers the power of the technology that can be delivered from the cloud, we're going to be able to interact with things much simpler. You won't have these devices that you have to deal with; if you're an IT person at a company, you'll be able to walk into your programming group and just tell the computer what you want to have the product do, and it will start doing that. This is not today, of course, but that's the promise of the future, so the cloud is really a magical technology that's going to eliminate devices from our lives, whether you're in IT or whether you're a consumer. So 20 years from now, 30 years from now, we're going to have a very different interface with our stuff because of the cloud. So I'm very excited about what's going on there.

Roger: Great, well, let me remind our listeners that our guest today is Andy Cunningham, an entrepreneur and PR expert who's played a role in the birth of multiple innovative industries. Andy's upcoming book is "Get to Aha! Discover Your Positioning DNA and Dominate Your Competition." Andy, where can our listeners find you and your ideas online?

Andy: So our website is get2aha.com. And then I'm [AndyCunningham4](https://twitter.com/AndyCunningham4) on Twitter, so please reach out, and you can always get the book at any of your favorite bookstores starting October 13th.

Roger: Great, and we will, of course, link to those places and to any other resources we mentioned on the show notes page at rogerdooley.com/podcast. And we'll have a text version of our conversation there too. Andy, thanks for being on the show, and good luck with the book.

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Andy: Thank you, Roger, it was a real pleasure. Great to meet you.

Thank you for joining me for this episode of the Brainfluence Podcast. To continue the discussion and to find your own path to brainy success, please visit us at RogerDooley.com.