

Q&A with Doug Hall

CEO and founder of the Eureka! Ranch innovation think tank, Judge on the TV show, 'American Inventor'

IBJ: We understand that you are the keynote speaker at the Illinois Manufacturing Extension Center's 2007 "Manufacturing Matters!" conference on May 8-9 in Peoria. What will you be talking about?

Hall: I'm coming in to help small to mid-size manufacturing companies discover new choices for growth. It's tough in the business world for any business, and you need to be able to grow sales as well as control costs. I'm going to show them the new research that we have and techniques to help them grow their top-line sales.

IBJ: Hasn't manufacturing been declining in America for many years?

Hall: The noise about that is far more exaggerated than the reality. It's become a whipping boy for politicians and others. The fact of the matter is that manufacturing is alive and well in this country. Small and mid-size companies have been responsible for 85 percent of all of the major breakthroughs in this country since World War II, and they employ half the folks. They are the soul of this country. Yes, the old days where we could manufacture and we didn't have competition are gone, but the new world is that we end up with creating proprietary technology, proprietary products and breakthrough



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ideas. Companies that are really focused on innovation and growth are very healthy and are doing extremely well. They've invented more powerful ideas, proprietary ideas and they're selling on the global stage; they're not just selling in the local neighborhood. It's changed, but you can survive and thrive - if you use your head.

IBJ: It sounds easy, but it sounds hard at the same time. A person's running a manufacturing facility and he's just trying to get the product in the door and out the door and make sure everything runs smoothly. How does he have time to think about new things?

Hall: What you've just described is any business. It's not just a manufacturing challenge. Entrepreneurs and business owners have to work on their business, not just in their business. For 21 years I've been helping the Nikes, the Disneys, the American Expresses, the Procter & Gambles and now I'm very fortunate in that I have the opportunity to bring to the small and mid-size markets the science of how to increase their success.

We focus on three areas called the three pillars of growth. The first is marketing effectiveness. A lot of times they don't tell their story very well. It's hard to buy from a lot of these people because they are not overt about their benefits - and there are dramatic differences. Second is getting into new markets and finding new customers. Third is that you have to develop new and improved products and business models. If all you had to do was work harder, we'd all be rich. The fact is that we have to work smarter.

IBJ: American companies have a real challenge competing against foreign manufacturers relative to price, don't they?

Hall: Yes, if that's their only commodity, but my mission is to help them get out of the commodity business. If they're in commodities, they have problems with price against everybody - whether they are in the next state over or the next country. If you're selling the same old stuff as everyone else, then shame on you. That's not what made this country great. What made this country great is thinking smarter - the spirit of ingenuity.

IBJ: It sounds like what you're saying is that you really have to sell value, not price.

Hall: You have to sell something dramatically different that does something meaningful for customers that they can't get anywhere else. If you want to make money, it's really simple. It's called dramatic difference. When you have a meaningful difference, people pay you for it. If you're selling the same old stuff, then people are not going to pay you. That's just Business 101.

IBJ: It seems fundamental that you really have to understand your customer.

Hall: Yes and no. If you just listen to the voice of the customer, you just become a job shop. I worked with a company in Oklahoma. They asked their customers what they wanted and their customers told them. The problem was that their

competitors did the same thing. The next thing you know, the company bid them against their competitor. Ideas that anticipate the future are 10 times more predictive of success. You have to have the courage to break new ground. Listening to your customers isn't good enough in today's world. We need to anticipate the future. Nobody asked for an iPod. Nobody asked for a fax machine. Somebody had the vision to create it. The rebel spirit is critical.

IBJ: How important is it to this country that we cultivate that spirit?

Hall: If we don't have it, then we're done. This is a crisis in this country.

IBJ: What should we be doing to encourage it?

Hall: The first thing we should do is cut off all incentives to large companies. All money given to build new plants, etc. should go away. Large companies are stealing from us. They are going to just get fewer and fewer employees. We should put all of that money, tax credits, etc. toward small and mid-size companies to help them make the transition from the old world economy to a new world economy. That means educational programs and programs to help these small companies compete on the world stage. That's what we do at Eureka! Ranch. Our mission is to help corporate leaders and real-world entrepreneurs discover and develop measurably smarter choices for growth. What makes us unique is data. We're very focused on putting science under this crazed world of ideas.