



Stanford eCorner

Company Culture and Customer Care

William Perry, *Stanford University*

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William Perry, emeritus professor of management science and engineering at Stanford University, explains how employee ownership of his early startup, ESL, resulted in a positive workplace culture. "To succeed, the leadership of the company has to identify and associate themselves with the customers' problems," the former U.S. Secretary of Defense tells interviewer Steve Blank.



Transcript

- And when you built the company there was maybe Fairchild, Hewlett-Packard other technology companies as models. What did you decide to adopt and what did you decide to do different in building a culture? - I don't know that we made such a conscious decision of doing that. We ended up with a very different culture as you know. It was a Google like culture today but Google did it consciously with a reason. They thought this was a good way of bringing in and stimulating employees. We stumbled onto it. We stumbled onto it because we're a company owned by it's employees and so the employees have a lot to do and say about how the company was run and managed and that just let to an environment like a Google like environment. - And give a couple of examples of what was unique that was different. Do you remember? - It's hard to point to any one thing Steve but I would say it was most of the employees who worked there would say picked when I left they told me it was like a family working here. People felt a bond to each other.

- (inaudible) - I thought part of that bond and I think all of it went back to the idea that it was an employee owned company. It was their company. I had a navy captain who was my military aid when I was the Secretary of Defense and he later went on to command a ship and his way of commanding that ship which was quite un-military like was that anybody would come to him and say here's a problem what should I do with it? He said it's your ship, it's your ship do what you think would be best if you owned this ship. Well that was sort of the attitude in the company. It's your company, what's the right thing to do? It's your company do the thing which you think is best. - You had a view about customers. I remember you transmitted to your employees about how you treated customers and how you thought about them. It's maybe worth sharing with people today who think that customers exist to buy products. - Certainly for our company and I think probably for most companies to succeed the leadership of the company has to identify and associate them self with the customer's problems. You're there to solve their problems and if you believe that, if you act on that you end up with a very successful marketing program and a successful company.

But you have to believe it, it's not just about saying it you have to believe it and act on it. So for that reason we ended up with became very dedicated customers who understood that we took their problems very much to heart. - And they were incredibly loyal to you and vice versa - They were, yeah. they were doing things that were normally sometimes the providence of the customer and sitting side-by-side with them. - We were acting like the customer sometimes but in the customer's interest.