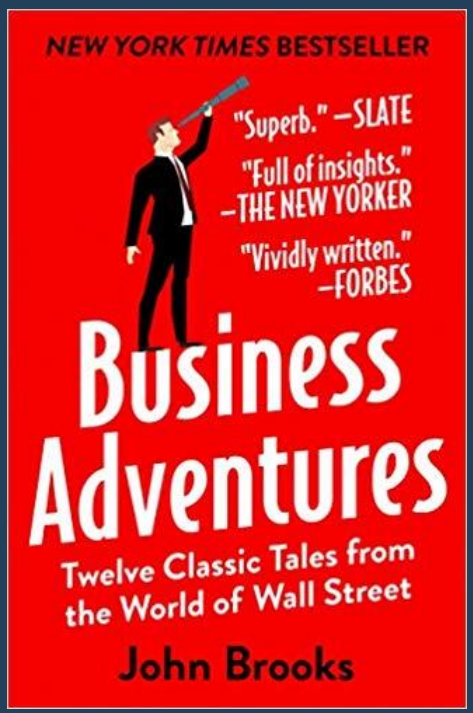

Business Adventures

Year of publication: 2014
Author: John Brooks
464 pages
Link for purchase: https://amzn.to/2GmCclO

Originally published in 1969, Business Adventures presents in its 12 chapters, successful and failure stories of big companies and small entrepreneurs.
In its 573 pages, we can understand what contributed to the failure of these companies, what people did to develop successful companies, and how this book conquered Bill Gates with its teachings.

Score

8

7 Aplicability
10 Inspiration
8 Innovation
7 Impact on results
9 Structure

Main ideias of the book

- Planning and execution mistakes made Ford one of the biggest losers in the automotive industry;
- The groundbreaking vision has launched Xerox for the top tier of large US companies;
- Investors act according to their emotions when they should act with reason;

For whom is this book suitable?

So, if you are an entrepreneur, a businessman, a manager, a consultant, a leader, or deal with the business world in any way, this book is for you. We will see how large companies dealt with challenges and faced the market in search of success.
And the lessons learned range from marketing to innovation and investor characteristics, thus delivering a broad overview of the corporate world.

Overview of the book

The Edsel's Destiny

The first adventure that I will tell you is how Ford invested millions in launching a new car, but because problems of planning and execution, he generated a loss of approximately $ 350 million.
Ford has always been a benchmark in the automotive world, and in 1955 they started developing a new car to dominate the market. This project required a great investment and the involvement of many people, both in the conception of the idea and in the construction of the product.
Thus, with great expectations, in 1957 the Ford Edsel was launched. Because of its large investment, Ford needed to sell 200,000 Edsels a year to make a profit.
Expectations were even higher when, on the first day, there were 6500 orders for the new car.

I don't think money makes much difference, as long as you have enough

But the good prospects lasted only a short time. The interest by the car fell, and after two years, Ford had accumulated a total sales of only about 109,000 Edsels. Thus, the model was discontinued and became known as one of Ford's biggest failures.
Now that we understand the story, we need to understand the problems that led to the failure of the Ford Edsel.
1st problem: The car took two years to be develop, between 1955 and 1957. Because of this, developers had to guess what the public's preference would be in the future.
And, as we can see from the analysis of the sales results of the vehicle, this prediction was made wrong. The Ford Edsel was a big car with a medium price range, however, consumers were starting to look for cheaper, more compact cars. This negatively affected the results.
2nd problem: Although it had a high demand in the beginning of the sales, the Edsel lost the interest of the clients with the time. This is mainly due to the fact that the first lots of the car presented problems like oil leakage and trunk that did not close. Consequently, these problems have generated bad specialist criticism, knocked down consumer confidence and demand for the vehicle.
3rd problem: The third problem is at least curious, as it is based on the stubbornness of Ford executives in choosing the car's name.
There was a big question about which name to give the car. For this, an extensive research was done on names that would receive good acceptance from the public. It was hired a specialized consultancy that suggested thousands of names that would have a good perception in the market.
However, after analyzing all the proposed names, the executives did not want to adopt any of them and so they decided to christen the car with the name of the son of Henry Ford: Edsel, a name that had no acceptance by the public, further damaging the performance of product.

The Case of Xerox

Making a copy of texts and documents was a very studied objective to make this challenge possible. And after talking about the history of the Ford Edsel failure, let's turn it around and talk about a success story and how Xerox came to dominate the photocopying market in the past decades.
In the 1930s, copies were made mostly by mimeographs, so Chester Carlson, a New York inventor, set up a laboratory in his kitchen and created a new form of copying called xerography, or as we know, photocopies.
With the developed technology, Carlson spent five years trying to sell his technology but with no avail. Until he found a company willing to invest in this new business.
Together, Carlson and the company spent 13 years improving the idea and in 1959 launched the first office copier machine. That was how the Xerox domain was born, which in 1966 was earning $ 500 million and spreading its machine to several offices in the United States.
The company's stock jumped and Carlson became one of the richest men in the country.
And when we look at this story, we can extract some learning, as we shall see now.
1st learning: the first point we can highlight is the opportunity for innovation. Chester Carlson realized that there was room to innovate in the copy business, because the existing tools, although functional, could have better quality and faster.
In these cases, having an mindset innovative is crucial to realize these opportunities and come up with ideas that will deliver results.
2nd learning: you must know the right time to innovate. Carlson had an innovative idea, but it was too early for the market, with the support of the company, which would later become Xerox, they could make the idea even better and offer something the market would accept and buy.
In this way, it was possible to adapt the idea to the market, promoting the best results and launched the Xerox name to the world.

The 1962 Collapse

Our next business venture tells of a brief crisis that struck the American stock market in 1962.
Until now, the exact reason is not known, but on May 28, 1962, the stock exchange began its work and, with the large stock movement, there was a delay to update the stock value, which was done manually.
With the stock drop, investors were desperate about losing money because they did not have a quick update of the value. Thus, they began selling their shares for very low prices to avoid further losses.
Collective panic only worsened the situation, where the reports were not reliable, and the stock market fell further. The situation was only alleviated after 3 days, thanks to the people who remained calm and could manage their actions without further destabilizing the market.
At this point, we see how the behavior of Wall Street executives can be strange and unstable, so we can come to the following conclusion:

> *Why should I want to have a lot of copies of this and that lying around? Nothing but clutter in the office, a temptation to prying eyes, and a waste of good paper*

> *We may see another speculative buildup followed by another crash, and so on until God makes people less greedy*

Conclusion: the stock market is unpredictable. With high risk and great volatility of values. And allied to this, investors are driven by emotion rather than reason.
In the case of the crisis, if people had stayed calm and acted rationally, the problem would not have escalated so much.
Therefore, not only in the stock market, but also in professional and personal life, we must always be alert and act with rationality, because the emotion hinders the moment of decision making, as well as hindered the operation of the stock exchange in 1962 .

Other adventures

These were some of the adventures that John Brooks tells us in his book, but we can not forget other stories. So, let's go through his teachings quickly. Ready?

- In the business world one must act with honesty, ethics and good intentions;
- You can use your entrepreneurial spirit to generate profit, but also to improve society, the environment, and the lives of others through sustainable business;
- Greed can dominate your business, so beware, as this can create problems in the future.

These teachings come from famous stories told by the author ranging from insider trading to the development of foundations for the development of the region and aiming to change the world.

What other authors say about it?

In their research, authors of the book Built to Last, Jim Collins and Jerry Porras, found that most visionary companies did not start with a revolutionary idea that made them succeed right at the beginning. In fact, they had a slow start and, over time, managed to dominate their markets. By following this thought, you can grow and live your own business adventures.

Remember the Xerox case? This story is very much in line with the book The Blue Ocean Strategy, which brings a new concept in strategy to gain prominence in the market. This innovation is based on exploring market opportunities in which there are as yet no competitors named by the author of "blue oceans." In this way, there is a separation of opponents and a differentiated form of growth.

Okay, but how can I apply this in my life?

Are you ready to live your own business adventures? Then follow the topics below!

- Have an innovative vision;
- Work ethically and honestly;
- Do not care about greed;
- Seek to solve consumer and society problems;
- Work out your strategy and align planning and execution.

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