

Popularity Versus Productivity

Leadership Wired: a John Maxwell

Popularity and productivity sound like fraternal twins, but in reality they can look as different as Paris Hilton and Warren Buffet. If productivity is a Honda Civic, then popularity is a Lamborghini Diablo with a bad transmission. In leadership, substance trumps style—every time.

A Popular Flop

Among the litany of dotcom flameouts, Pets.com is notable for the mass popularity it achieved, and infamous for its failure to generate even a cent of profit. As a 1998 startup, Pets.com was founded upon the idea of selling pet supplies to online shoppers. The darling of venture capitalists, Pets.com raised a spectacular \$82.5 million of capital during its initial public offering in 2000. Shortly thereafter, Pets.com poured \$1.2 million into a Super Bowl commercial. Featuring the company mascot, a sock puppet dog, the advertisement was a smash hit and was voted the best Super Bowl ad by *USA Today*. The business' catchy slogan "Because Pets Can't Drive!" announced its arrival to the American market, and consumers flocked to the company's website. Fellow dotcom, Amazon, even bought into the craze—literally—purchasing 50% ownership of Pets.com.

Unfortunately for Pets.com (and fans of their sock puppet mascot), they never garnered enough business to offset massive startup costs sunk into warehousing and marketing. The dotcom bubble burst and financing dried up. Only nine months after going public, Pets.com went out of business. In short, Pets.com lacked a productive business model which could translate popularity into profits.

Lovable Losers

The Chicago Cubs epitomize the concept of the popular, but ineffective franchise. Nicknamed, "The Lovable Losers" by their fans, the Cubs consistently play their way to the bottom of the standings, despite having one of the higher payrolls in Major League Baseball. Although the Cubs have endeared themselves to Chicagoans, who pack Wrigley Field for every game, the team cannot seem to deliver results. With each passing year of futility, the Cubs prove how disconnected popularity can be from performance.

Leadership Application

What can leaders learn from Pets.com and the Chicago Cubs? Well, a couple of simple lessons.

First, as the proverb says, "You can't judge a book by its cover." A prudent leader looks past appearances to discern the heart of a matter. Perhaps it's the potential hire with the glittering resume, who, upon further review, falsified his achievements. Or maybe it's a potential partner with the captivating sales pitch, who after being researched, turns out to have a track record of unethical behavior. Or possibly it's a sparkling business opportunity that promises growth and brand recognition, but, after being reviewed, would clearly steer the company away from its mission.

Second, leaders build margins not image. A leader may be forced to take unpopular stands for the good of the company. Popularity isn't bad, but decisions made solely on the basis of popular opinion can be devastating. Leaving a plush corporate campus for smaller, more functional office space doesn't earn a leader a pat on the back, but it may protect the company from financial doom. Layoffs are agonizingly unpopular, but they may be the only solution to a downturn in the economy. Leaders are willing to endure the criticism of making tough calls that fly in the face of popular opinion.