

“Adobe Book” Proposal

February 6, 2002

Working Title: “On the Carousel: The Inside Story of Adobe Acrobat”
Author: Mike Pell

Foreword: John Warnock, Chairman and Founder of Adobe Systems

1. Summary

An insightful and entertaining look behind-the-scenes at one of the most respected and quietly successful companies in US history. Features insider accounts of the vision, leadership, and disruptive innovation that catapulted Adobe to its leadership position.

2. Abstract

The key to Adobe Systems consistent success in the marketplace and on Wall Street is possibly the best kept secret in the business world. Second only to Microsoft in PC software revenue, Adobe has leveraged its dominance in the graphics industry to conquer the business world by making it possible for us to easily exchange any type of document between disparate types of computers using its Acrobat software (.PDF files).

Still vilified by some, but praised to no end by the publishing industry, Acrobat is arguably one of the most significant business achievements of the last decade. Why? Adobe not only correctly identified the need and nascent market for online document sharing in the early 1990’s, but continues to define and dominate that market to this day despite continued attempts by Microsoft and others to displace them.

Until now, only a few insiders knew the real story of how Adobe’s visionary founder and CEO had to secretly unleash a band of entrepreneurial rebels to defy its own corporate rules to deliver a product that boxed out both Microsoft and Netscape, and ultimately changed global business. The book and companion website will be filled with actual internal documents, screenshots and e-mails, which make the account a true eye-opener.

Mike Pell, an Adobe insider, takes you behind the scenes and into the cubicles to see how a startup-like feat was accomplished within this large corporation, and explain why Adobe is so consistently successful with customers, employees and investors.

3. Core Ideas and Insights

- 3.1 The story is told on multiple levels to offer insights into the primary drivers of Adobe's success: the **innovative corporation** (Adobe), the **visionary leader** (Warnock) and the **turnaround product** (Acrobat). All three will be fully explored to offer valuable lessons on the successful coordination of these key ingredients for success.
- 3.2 Today's job market is still flooded with dot com castoffs looking to return to larger corporations. This is a **timely account** of how large corporations can bring in entrepreneurs to innovate within staid or academic corporate cultures to get an edge on identifying, and ultimately driving, new markets.
- 3.3 It's the story of how a **larger-than-life cast of characters** – John Warnock (Adobe), Bill Gates (Microsoft), Steve Jobs (Apple) and Marc Andreessen (Netscape), battled for control of business communications.
- 3.4 Adobe is the 2nd largest PC software company in the US, behind only Microsoft, with a **sterling reputation** both in the industry and with investors. But, the inside story of what makes them one of the most consistently successful tech companies ever in US history **hasn't been told yet**.
- 3.5 Warnock's unique vision for Acrobat not only made the idea of the “paperless office” real (much like Netscape did with *Navigator* for the Web), but more importantly, **he beat Bill Gates at his own game**, which has now resulted in a complete transformation of Adobe's business direction and focus around PDF.
- 3.6 The book's central character, John Warnock, is a living legend in the software industry. Even Steve Jobs looks up to him as a father figure. But there is practically **nothing written about what makes Warnock so remarkable**. This would be the first inside account of how his genius and compassion built a great high tech company based on integrity and respect.
- 3.7 It provides today's executives with an **in-depth look behind the curtain** at how one of America's most continually successful companies is run.
- 3.8 This is **the right time** for this book. Adobe was just voted one of the *Fortune* 100 Best Companies To Work For (one spot ahead of Microsoft), and has also just received the *PC Magazine* Best of 2001 award for Acrobat. You can also find prominent Adobe Acrobat advertisements in *BusinessWeek* regularly.

4. Take Away Lessons

Through its narrative style, the book will clearly convey some timely business lessons in each section from the following categories:

4.1 The Innovative Corporation

Adobe is one of the best examples of a company that is highly respected by its customers, employees, investors and industry. The primary reason for this is a core set of values and beliefs that have been ingrained in every employee from day one.

- 4.1.1 Building integrity and respect into the heart of the corporate culture.
- 4.1.2 Cultivating an “open culture” of direct communications.
- 4.1.3 How to effectively use entrepreneurs and dotcom experience to foster startup-like innovation in an established corporate culture.
- 4.1.4 When and how to use corporate veterans to shore-up fledgling projects.

4.2 The Visionary Leader

John Warnock is largely unknown in American business, but is the man behind the incredible dominance of Adobe in the graphics and publishing industries. A textbook example entrepreneurial success, Warnock turned his vision into business reality through a set of unique leadership skills.

- 4.2.1 Understanding the people part of the equation; how to motivate and manage corporate rebels as catalysts.
- 4.2.2 How to sell visions internally without derailing people and projects.
- 4.2.3 Asking customers to change the way they do business.
- 4.2.4 Knowing when its time to look for outside help.

4.3 The Turnaround Product.

Acrobat and PDF are a runaway success today, but they practically died in the marketplace shortly after their initial release. Some key decisions were made in the areas of focus, functionality, and positioning that enabled the turnaround.

- 4.3.1 How to find the real market for your product after release.
- 4.3.2 Why a second wave of innovation, not refinement, is necessary to catapult products forward.
- 4.3.3 Leveraging your competitor’s strengths to gain marketshare.

5. Chapter Outline

Part 1 – “On the Carousel”

Chapter 1 **The Emerald City**

- Sets the stage by transporting the reader back to the golden age of software innovation in the early 1990's. Includes background on the beginnings of Adobe, Warnock and Acrobat. Examines how Adobe's corporate culture was already very progressive for the time. And Adobe acquires a tiny startup for its technology, but it turns out the people were the real prize.
- Insights: What it was like inside Adobe and around Silicon Valley before the Internet hit. There was something unique about Adobe's culture – integrity.
- Lessons: How Adobe built an open culture of communication that prepared it for the rapid change in direction and disruptive innovation to come. (lesson 4.1.2)
- Title Ref: A reference to the *Wizard of Oz*, depicting Warnock as the unseen “man behind the curtain” at Adobe. Also a pun – the key members of the Acrobat team came from *Emerald City Software*, a tiny startup that Adobe acquired.

Chapter 2 **Band of Rebels**

- Warnock hand-picks a team of corporate rebels from his recent startup acquisition to secretly begin work on his grand vision for the “paperless office” made real. These scruffy infidels nail an important demo (now codenamed “*Carousel*”), but it causes widespread backlash throughout the company. Despite the team being broken up, the CEO's enthusiasm and interest provokes fear and internal fighting among managers of competing groups. Things get ugly fast.
- Insights: What it's like to work on a small team developing a groundbreaking software product. Also, why a CEO chose to smash his own rules in an attempt to foster true innovation. And how executive pet projects can be handled well.
- Lessons: How to foster startup-like innovation within a staid corporate culture (lesson 4.1.3). And how to bond with and motivate rebels (lesson 4.2.1)
- Title Ref: The team that Warnock picked to invent the future were seen as outcasts by many in the company because of their startup mentality.

Chapter 3 **Living in Camelot**

- A critical period for the fledgling project and company is explored. At this point, executive interest in *Carousel* is rising, but the rest of the company needs to see why it deserves the resources and attention it is getting. Also during this period, Warnock's best friend and business partner Chuck Geschke is kidnapped at gunpoint from the Adobe parking lot and held for ransom. While Warnock tried to keep the FBI manhunt secret, Geschke managed to escape after several days.
- Insights: What it took for an understaffed project with aggressive goals to gain the support of the entire company. Also, what it was like for Warnock, Geschke,

and their families to be dealing with the abduction and shattered sense of security.

- Lessons: How to prepare a killer demo from a marginal software prototype (lesson 4.2.2), and gracefully dealing with extreme stress (lesson 4.1.1).
- Title Ref: Warnock wrote a seminal white paper on his vision for the paperless office he called “Camelot”. That term referred to a mythical time when the transfer of electronic information in corporate America became seamless.

Chapter 4 **Getting Real**

- Shaking off the incredibly distracting events and media circus, the team needs to focus on shipping a solid product before competitors steal their thunder. Details how Adobe puts together its product development teams and testing efforts to deliver world-class software products. Part of Adobe’s sterling reputation is due to the consistently high quality of their first generation products.
- Insights: What it’s like to manage and work in Adobe’s product development environment, and how risk is managed during the push to shipping a product.
- Lessons: How to ship great products on incredibly aggressive schedules (lesson 4.1.4), and how to use the media to your advantage during the early product development cycle (lesson 4.2.3).
- Title Ref: It’s incredibly difficult to ship a high quality product in the software industry. The term “death march” is used to describe the end of a product cycle.

Part 2 – “The Web Rises, Acrobat Falls”

Chapter 5 **Bright Lights, Big Lesson**

- After an incredible push to product launch, the newly named Acrobat goes under intense industry and media scrutiny following a giant marketing hype push. This is also where Steve Jobs and his company NeXT enter the story. Jobs loves Acrobat, but porting the software to his computer causes some major infighting at Adobe. Plus a bitterly disappointing reality is starting to set in – Acrobat is clearly a breakthrough, but no one is buying.
- Insights: What it’s like to have a runaway product success without any customers. How Steve Jobs focused his “reality distortion” field on Adobe.
- Lessons: How to mitigate media hype and convey the real value of a breakthrough product (lesson 4.2.3) Asking anyone to change their business processes and work habits is certain to fail (lesson 4.1.2).
- Title Ref: This is Acrobat’s time in the intense media spotlight, but Adobe and Warnock are taken to school by the marketplace.

Chapter 6 **World Wide What?**

- The meteoric rise and unprecedented popularity of the World Wide Web is an ominous sign for Acrobat. This is where Marc Andreessen and Netscape enter the picture as strong competitors. Netscape Navigator displaces Adobe as media darling while Acrobat sales are non-existent. Discussion of how Adobe deals with unforeseen competition, and how their competitive response process works.
- Insights: Adobe missed the significance of the Internet, just as Microsoft did.
- Lessons: How Adobe deals with unforeseen competitive threats.
- Title Ref: Most people were confused about what the Web represented.

Chapter 7 **Plan B**

- The low point in Adobe and Acrobat's story. Faced with mounting technical problems and media apathy, the Acrobat team regroups and thinks about how to save the product from death in the market. This is where famed Silicon Valley business consultant Geoffrey Moore enters the story.
- Insights: Adobe had enough sense to get serious outside help to analyze the market and identify the correct "headpin" to focus their marketing efforts on.
- Lessons: How to step back from the battle and get help (lesson 4.2.4), and how Warnock knew to persist and invest during this difficult market cycle.
- Title Ref: The backup plan is often referred to as Plan B.

Chapter 8 **Player Substitutions**

- Beginnings of a comeback for Adobe. Several original Acrobat team members leave, but new blood is brought in to both manage the product and begin a second round of technology innovation.
- Insights: When the right time is to replace founding team members.
- Lessons: How to use corporate depth to assist maturing products.
- Title Ref: Sports teams often use this approach to get "fresh legs" into the game.

Part 3 – "Serendipity and Redemption"

Chapter 9 **You Can Do That?**

- Defining moment of recovery. Warnock has another flash of brilliance in the form of leveraging the Internet, not competing with it. Stunning new features are added by some young engineers to give the team a fighting chance against Netscape. PDF files can now be opened a little at a time instead of waiting for the entire document to download. The stars align.

- Insights: Examining how Adobe weighs the cost/benefit of unplanned innovation on a product schedule.
- Lessons: How a second wave of innovation can catapult a product forward (lesson 4.3.2).
- Title Ref: As people added graphics to web pages, everything slowed down.

Chapter 10 **Through the Gates**

- A major confrontation is brewing between Microsoft and Adobe. The Web is clearly the big prize for everyone, but Microsoft doesn't want to let Acrobat work inside of its Internet Explorer. This is the introduction of Bill Gates and Adobe's nemesis Microsoft to the story, and provides an interesting climax with a fierce industry battle playing out on the Web.
- Insights: The insanely competitive nature of the software industry.
- Lessons: How to outsmart a dominant force in the marketplace.
- Title Ref: Getting Acrobat to work seamlessly through Microsoft's web browser is key, but Gates has other ideas for Microsoft controlling the Web experience.

Chapter 11 **Riding Into Camelot**

- Triumphant return for Adobe and storybook ending to a classic business battle. The launch of Acrobat version 2 with a new pricing strategy and feature set provides the key changes needed to gain marketshare and acceptance as a natural complement to HTML web pages. Acrobat begins to dominate its market and becomes more popular than ever by leveraging its one-time nemesis – the Web.
- Insights: How Warnock turned Adobe's entire business strategy around to focus on making Acrobat and PDF successful in the marketplace, just as Gates forced Microsoft to embrace the Internet in every facet of the business.
- Lessons: How to relaunch an existing product successfully.
- Title Ref: Warnock's original vision of Camelot came to pass, and he sees his initial vision fulfilled as Adobe's destiny. He rides off into retirement, but leaves behind an incredible legacy that has sustained the company to this day.

Epilogue

Glossary

6. Writing Sample

His voice shaking, a heartfelt “We’re going to take over the world.” was only thing John Warnock could manage to say after seeing that first smoke and mirrors demo of what would eventually become Adobe Acrobat. And that’s when I first saw that sly look on his face – a prospector’s glimmer in his eye and the beaming smile of man who just discovered a gold nugget in the dirt.

“Wow... he’s actually going to fund this.” was my first thought while I sat there watching John shake his head back and forth. He couldn’t believe it. Already an industry icon, Warnock had accomplished more in the last few years than most do in a lifetime. But he had just seen his own vision for the future of computing come to life. And in that glorious instant, a software giant’s destiny was set.

7. About the Author

Mike Pell is twenty year veteran of the software industry, and a key member of the original skunkworks team that designed and created version 1.0 of Adobe Acrobat in 1990. Pell was the first software engineer assigned to the Acrobat project (codenamed “*Carousel*”) upon being green-lighted by Adobe’s original CEO, John Warnock.

During his six years at Adobe Systems, Pell designed and delivered several of the new-to-world features of this breakthrough product, and had the opportunity to work closely with Warnock for many years, giving him the sharp insights into both the business and human aspects conveyed in this book.

After Acrobat 2.0 shipped in 1996, Pell went on to work for several other Silicon Valley startups, and later founded his second software company Futuristic Design. Widely regarded as a visionary interface designer, Pell currently runs the user experience team for mobile information and communication services for Microsoft Corporation in Redmond, WA.

8. Intended Audience

- 7.1 **Senior Managers** will take away winning ideas on marketing, product development, strategy and innovation.
- 7.2 **Entrepreneurs** and **Executives** will be inspired by Warnocks's dogged pursuit of his vision, and his instinct to let the highly creative people within the company take risks as if they were running their own start-up.
- 7.3 **Technologists** will appreciate the backstory of how a product that was clearly ahead of its time was recast to be relevant through a clever engineering effort.

9. Similar Books

- 8.1 *The New New Thing* by Michael Lewis
 - Penguin Books (*New York Times* best seller)
 - written in a narrative style; about Jim Clark and Silicon Valley
- 8.2 *Renegades of the Empire* by Michael Drummond
 - Crown / Random House
 - written in a narrative style; inside look at Microsoft

10. Author Support of the Book

7.1 Companion Website

An extensive website including a PDF preview of the book, internal Adobe documents, images and photographs, along with reader comments would be put up at the time of publication.

7.2 Guerilla Marketing

Being in the software industry and having a major network of contacts, both the author and persons portrayed in the book can call on many friends and associates to start a word-over-the-web campaign to raise awareness of the book.

11. Contact Information

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