

Do You Compete With or Compete Against?

Are your competitors valuable resources or enemies?

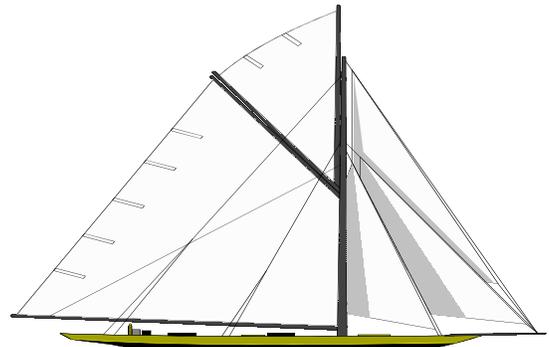
Some years ago I went to a wine festival luncheon in Monterey and heard a leading wine maker give a remarkable talk about competition. He began by saying that he thought there were two Renaissance industries in California: electronics and wine making. He didn't venture any guesses about electronics...but he suggested that the rapid growth and improvements in wine making were because the wine makers were *competing with* each other rather than *competing against* each other.

He went on to say that wine makers compete vigorously in the marketplace with their personal ideas about how to make wine and how it should taste. However, they use each other as resources in two ways: First they see whose ideas gain public acceptance and then adapt those ideas to improve their own wine making. In fact, they actively share ideas about how to make better wines. There is little secrecy. They applaud a competitor's successes. They don't seek his failure. Second, whenever any wine-maker has serious operating problems with picking, bottling, etc. his competitors gladly help him overcome those problems with their time, talents, and equipment.

When you stop to think about it, the great athletes and athletic teams also *compete with* each other. They agree on the rules of competition, learn from each other, and then vigorously compete in their events. World class athletes know that they need each other to develop and sustain their best performances. They also need each other to generate and sustain public interest.

When we *compete with* others, we recognize that they are valuable resources, essential to our own rapid progress, optimum achievement, and long term health. Because we respect them, we respect what they accomplish and learn from them. We sustain vigorous competition in one area by cooperating in a host of other areas. We share an element of playfulness and a strong sense of *us*!

When we *compete against* others, we treat them as obstacles to our success and enemies to be conquered. We close our minds to learning from



*Fig. 1: **Competing with** takes speed and skill. The schooner's massive sails and sleek design enabled its crews to outrun pirate ships. It carried no armaments to slow it down.*

them. We fail to cooperate for the common good (which necessarily includes the good of our customers). We operate in fear and a strong sense of **not us**.

"Competing with" is win-win for business

The principle of *competing with* is as valuable and necessary in electronics as it is in wine making or sports. We have advanced rapidly in the hardware side of electronics because engineers share their ideas in papers and conferences and leverage new achievements from the ideas of others. Competing engineers have created a diversity of options for their customers and they constantly improve choices by responding to customer preferences. It is no coincidence that engineers get a minimum of government protection in the form of patents. In return for full public disclosure of their design (so that others may try to outdo them) and proof of uniqueness, a patent grants limited protection for seventeen years. Otherwise, the design is in the public domain.

Open standards are one result of *competing with*. These technical standards, for example the ISA Bus or Intel's new PCI Bus, were developed by one company and then put in the public domain for everyone to use.

Hewlett Packard was probably the first, and is

Competing with advances the common good... it is win-win!

**Competing
against
stymies
progress...
strategically,
it is
lose-lose!**

certainly the most consistent, company to contribute to open standards in electronics. It is no coincidence that it has an unparalleled 50 year+ history of growth and profits, has sustained its innovative spirit, and continues to attract and retain some of the finest people in our industry.

“Competing against” stymies progress

Examples of *competing against* include Apple's retention of proprietary control of its Macintosh hardware and software standards, IBM's proprietary control of Microchannel, and Microsoft's proprietary control of everything it touches.

Competing against fosters secrecy and a control mentality within a company and between a company and its customers. Progress is slow and painful. Technologists in different departments withhold information from one another to protect their turf. Competitors use patents, copyrights and trade secrets to plant “minefields” (that's “mine”) for one another and for their customers. They stifle progress: their own, their customers,' and their competitors.'

Copyrights, in particular, overprotect software by granting 75 years of government protection without requiring design uniqueness or public disclosures. Consequently, the software industry has progressed fairly slowly and is rampant with hidden “mine-fields.” Overprotection, like other forms of government welfare, entices and rewards the very selfishness which slows progress. (Ironically the sole constitutional basis for protection of Intellectual property is: “the advancement of the *common good* in arts and sciences.”)

In 1960, engineers designed computers using 10 cent resistors, \$3 transistors, and \$25 per bit



Fig. 2: ***Competing against*** sacrifices speed and maneuverability for weapons. Spanish galleons wallowed across the ocean brimming with cannons. They relied on armaments to protect loot their government had authorized them to steal from the new (third) world.

flip-flop memories. At the same time the software people designed multi-tasking, multi-user operating systems and wrote their programs in COBOL and ALGOL.....a few lines of code per person per day.

Today, engineers use \$3 integrated circuits that do more and include more circuits than the computers designed in 1960. However, the software industry is still working on multi-user, multi-tasking operating systems, and still writes a few lines of code per person per day. The only significant change is in the languages of choice.

Conclusion

Competing with would give the software industry a much needed enema.

Competing with would have helped Apple.

Competing with improves corporate health, stimulates performance, attracts better people, and improves job satisfaction.

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