

Adobe's Culture

The principles that define our behavior as an organization

Charles M. Geschke
August, 1998

The word *culture* is defined as the “refinement of thought, emotion, manners, taste, etc.” This short essay is intended to describe how we, the employees of Adobe, should think, feel, behave, and represent this corporation. The last section of the piece is a reprint of a document first published nearly ten years ago describing the core values of Adobe that applies as well today as it did a decade ago. Many fine books have been written about how organizations can grow and operate effectively. This essay makes no pretense to subsume or replace those excellent materials nor does it attempt to define the entire corpus of principles and attributes that should underlie Adobe's business culture. The topics discussed herein are primarily those that seem most important for us to focus upon today.

A business built with intellectual capital

The raw material from which our business is formed is the inventive ideas and creative talent of our employees. Adobe's strong financial balance sheet is not based upon assets such as factories, warehouses, storefronts, or mining and mineral rights. The capital assets of our corporation are our people — skilled in sales, marketing, engineering, and administration. Therefore, how we behave and operate, i.e. our culture, as an organization has direct impact on the financial success of our business.

The following paragraphs discuss specific activities in which we engage during the course of our business as well as selected behavioral characteristics that critically affect our ability to perform well as an organization. The topics are not presented in any particular order.

Meetings:

The person who calls a meeting should clearly understand the necessity for convening it and be able to clearly articulate the purpose of the meeting to all those invited to attend. Meetings generally fall into two classes: communication meetings & decision making meetings. Meetings can easily be non-productive when it is not clear in the mind of the convener and attendees exactly in which kind of meeting they are participating. Whenever possible, the presentation materials should be distributed to the attendees 24 hours before the meeting is held.

Decision making meetings: Meetings that fall into this class should typically have no more than ten participants (preferably fewer). Someone should be appointed to take summary notes of the meeting and clearly record the

decisions made and the follow-up actions that result from the meeting. These notes should be distributed to all attendees as soon after the meeting as possible. The convener (or designee) is responsible for (1) communicating all decisions to those who need to know the decisions made at the meeting (and were not in attendance), and (2) ensuring that follow-up actions are assigned to specific individuals and checking that those actions are completed.

Communication meetings: Care should be taken to convene these meetings only when written communication cannot effectively convey the required information to the attendees or when the opportunity to provide a forum for interactive communication and discussion of ideas is the primary purpose of the meeting.

As a global company, we have continuing needs to make and communicate decisions that involve participants from several locations around the world. Clearly, travel expenses for face-to-face meetings contribute significantly to our expense budget. But there are other hidden costs including absence by the traveling participants from their local offices as well the negative impact on the quality of home and family life that results from extensive travel. Care should be taken by conveners of these meetings in deciding that face-to-face interaction is critical. We will continue to invest in infrastructure (broad band networks, teleconferencing, etc.) to provide alternatives to face-to-face meetings.

Decisions:

If we are clear in defining who has the authority for making a decision after those who are responsible for providing input have had an opportunity to participate in the decision making process, then that decision should not be re-opened for consideration except in extraordinary circumstances. As an organization, we have a habit of frequently re-considering a decision that has already been made. This habit creates confusion and causes us to delay effective implementation of decisions that many members of the organization believe have already been made. The Pathfinder project tried to provide a framework (the RAID matrix) for eliminating this indecisiveness. If this framework does not work, then let's work to find an alternative. However, the habit of continuously re-evaluating decisions makes us an inefficient organization.

Expenses:

Going forward, we must adjust our spending levels to match our expectations for revenue growth. While the current economic crisis in Asia accentuates the issue, it is not the sole cause of our drop in profitability. Effective control of spending requires constant vigilance. Failure to control expenses has a direct impact on our earnings growth, stock price, and profit sharing. Each employee has a role to play in controlling our costs. We must apply the same careful thought to each dollar that we spend from Adobe's budget as we do to our own finances.

Teamwork:

A successful business organization must operate as a team, not as a loosely knit federation of individuals. Our corporate goal is to attract and hire the highest quality employees. While each employee's individual expertise and experience is a critical criterion in the hiring decision, the overall effectiveness of Adobe can only be maximized when these individuals come together as a cohesive unit. This coming together can only occur when each individual contributes to the overall objectives of the company by (1) understanding his/her role, (2) applying maximum effort to excel in performing his/her job functions, and (3) believing that each of his/her colleagues is performing at the same level of effort. It follows from this observation that managers must (1) set clear direction and define each individual's role, (2) monitor team performance, and (3) provide constructive feedback when individuals do not perform up to expected levels.

Leadership:

A successful manager must first be a leader. One leads by communicating a compelling vision, engaging the group in pursuing that vision, and providing the resources and support to successfully complete the pursuit. Our goal should be to hire employees who are self-starters. As such, a manager should focus primarily on leading and not directing. A manager should work with his/her employees to set goals and objectives, measure progress, and evaluate performance. A manager has the responsibility for assuring that his/her group operates in synchrony with the rest of the organization. Hence, the manager is responsible for communicating the group's direction and progress both horizontally and vertically within the organizational structure. I ran across a quote from Ralph Nader: "The function of leadership is to produce more leaders, not more followers." This quote parallels an Adobe principle often stated but not always followed that each manager fire him/herself. The implication is that to succeed in management you should mentor your employees so that they can do your job better than you can. Effectively replacing yourself is the most direct career path to a more senior management position in the company.

Global markets:

Adobe is a global company with an expectation that the majority of its revenue comes from outside the United States. Hence, while we may operate locally, we must think globally. Business decisions that make sense in one geography may be completely inappropriate in another region of the world. Each functional unit in the company must understand its relationship with these global markets and take care to keep a worldwide perspective as the unit pursues its specific responsibilities. The global nature of our business places an even higher premium on effective horizontal communication throughout the organization.

Trust:

Without trust, the earlier comments on teamwork and leadership are worthless. In order to trust someone you must know them. I have observed an insidious habit recently where groups or individuals are criticized by others who have not taken the care to investigate the facts that are used to support the criticism. This behavior erodes trust, which in turn disables teamwork. Unless we improve corporate-wide communication to provide the necessary information upon which accurate assessments can be made, we will not be able to build the level of trust required to effectively operate our business.

Honesty:

The most important virtue of Adobe's corporate culture is honesty. The only sure-fired way to be asked to leave this organization is to knowingly fail to tell the truth. This attribute of our culture requires no further explanation.

On more than one occasion, an Adobe employee has remarked to me that our company stands out from the ordinary because it has a culture that transcends the purely economic engines that characterize many other businesses. While that observation is heartwarming, let us be perfectly clear — Adobe is a business. Maintaining a warm, supportive, caring culture is not the primary mission of this organization. To maintain the important components of our culture, we must commit to excellent, predictable financial performance as a business. Over the past sixteen years, we have demonstrated a unique ability to achieve both goals. While our financial performance has weakened in recent quarters, with your help and commitment we can and will correct our course while maintaining the cultural heritage that defines our company, Adobe.

Adobe's Core Values and Beliefs

Adobe was founded with a set of core beliefs and values. As we grow, maintaining these values is critical to our continued success. When we were small, it was possible to communicate these values in person. The time has come to write them down for all of us to share.

- Thrive on innovation — invent new technologies, define new markets, and build products that dominate.
- Treat each individual with whom you interact as you would like to be treated. This fundamental principle applies to customers, vendors, and fellow employees.
- For our customers:
 - deliver the best and most innovative products;
 - license technology on a fair and impartial basis;
 - maintain total confidentiality about each customer's business;
 - provide the highest possible level of service.
- For our employees:
 - hire the best;
 - treat them well;
 - provide a first class environment in which to work;
 - offer the opportunity to participate in the ownership and economic success of the company.
- For our shareholders:
 - provide a fair return through predictable growth and careful husbanding of our resources.
- For our community:
 - support charitable causes and public-benefit programs;
 - provide a good example of progressive employment and business practices.

The following pages illustrate these core beliefs as they apply to Adobe's customers, vendors, managers, and employees. I encourage you to discuss them with one another and give me your thoughts on how to better communicate these ideals in the future.

Customers

- Treat the customer, as you would like to be treated
- Make the customer an ally not an adversary
- Evaluate issues from the customer's point of view
- Your performance may have a major impact on the survival of the customer's business
- Make the customer feel that we need his business
- Thank the customer frequently for his business
- "Reserve the right to be reasonable"

Vendors

- Treat the vendor, as you would like to be treated
- Make the vendor an ally not an adversary
- Evaluate issues from the vendor's point of view
- Do not exploit Adobe's power to force the vendor into an untenable position
- Thank the vendor frequently for his support

Managers

- Treat your report, as you would like to be treated
- Criticize in private, praise in public
- Hire people smarter than yourself
- Facilitate effective, efficient communication
- Decision-making meetings should be small
- Devote time to mentor your employees
- Answer your phone in person whenever possible
- Keep your door and your mind open
- It is better to "coordinate" than "direct"
- "A manager is responsible for working herself out of her job"

Employees

- Treat your fellow employee, as you would like to be treated
- The major barrier to your career growth is yourself not your colleague
- Be a self-starter
- Whenever possible work smart, not long
- Answer your phone in person whenever possible
- At Adobe, everyone sweeps the floor
- Use the "open" door
- "People more frequently need to be reminded than informed"