

URL: <https://stvp.stanford.edu/clips/a-great-business-needs-more-than-great-tech>

Cloudflare co-founder, president, and COO Michelle Zatlyn explains that, while technical founders are often most interested in their startup's technology, it's equally important to focus on building a great business and team around that technology. Even highly technical founders, she advises, shouldn't think of nuts-and-bolts business strategy and execution as somehow "beneath them."



Transcript

- We are a very technical company, 00:00:04,010 Cloudflare builds infrastructure for the internet.. We move a lot of bites around the internet for a lot of like over 25 million internet properties.. It's a lot, we have a huge responsibility.. We are super technical and super geeky, like we're optimizing very low level code.. Everyone at Cloudflare is very technical, just inherently in what we do.. And what I would say is early on, like we loved the tech.. We love that we had came up with this differentiated technology and we were celebrated for that.. And I think I see that a lot in Silicon valley where technical founders, where you're celebrated for the tech and we loved that.. And it was amazing.. We still have that today..

What I think that we discounted early on and you described it as operations that would even make it broader than that, What is really cool.. And I don't think it's spoken enough about is when you have built the amazing tech is how do you build a great business to partner with it, that doesn't just happen by accident it's just like good technology doesn't just happen by accident, you need to like be thoughtful and the architecture and decisions matter.. And you don't have to grind out bottlenecks and capacity constraints, like all those sorts of things.. The same thing is on the business side where I think some technical folks that I've seen early on, or even technical founders, they almost outsource the business building to other people.. And they are almost bored by that.. And I think that one of the things that I've realized along the way, and now we realize it, but I wish we'd realized it even earlier is what is really magical is if you have amazing technology with a great business and an awesome team.. And then, what I think is icing on the cake is a great impact in the world.. That is how you build something truly magical.. And I don't think that gets spoken about enough.. The business building I think people kind of see that as almost beneath them..

And actually that's what makes magic, It's an important piece of the magic cause that's how, and just maybe why I would say is eventually you get measured on your financial metrics compared to others.. It's very hard to measure technical differentiation.. You know, you know it, you can't see it in numbers, but you can very much compare how has your revenue compared to somebody else? What's your gross margin? How fast you're growing.. These are the sorts of things that early on no one's thinking about but you know, 10 years later, that's what the expectation is.. And you want metrics that look even better than somebody else, because your technology is so good.. And so I think more appreciation for the business building would go a long way for some of those technical founders..