

URL: <https://stvp.stanford.edu/clips/being-capital-efficient>

Roblox Founder and CEO David Baszucki talks about being disciplined with startup funding in the beginning. Besides only having half a million in angel investment to start with, Baszucki says other factors that controlled burn rate were that Roblox was making money early on and that, at times, additional capital was scarce. That forced his team to hire only the best people, he adds.



Transcript

- Being capital efficient is really important.. How did we do it and what was the magic? I would say it's 80% intentional and 20% accidental, actually.. Our revenue history very early on, we started making money, so that was exciting.. We always knew that this was gonna be a long kind of haul so we had a bit of strategic vision and we saw viral traction early.. And then I would say along the way, interestingly enough, even though this looks so great, there were times when we would have wanted more money and we actually found it difficult to raise that money.. So there were times when our access to capital was a little constrained 'cause our vision just looked so crazy and like this is never gonna be that big or amount to anything.. So I think that combination of two things is really helpful for us.. It gave us the feeling that every single person we hired had to be great.. I would say very early on we recognized that high-quality people are amazingly levered, so super good.. And to finish that off, we've gotten well into the nine figure revenue numbers now on about 10 million total capital..

So, it really paid off for us...