

URL: <https://stvp.stanford.edu/clips/build-a-plan-b-team>

Just about every startup has a "Plan B"-a direction to pivot if the market forces the initial strategy to shift. But Meebo co-founder Elaine Wherry cautions that a Plan B without a built-in team to execute it is almost as bad as no Plan B at all.



Transcript

- What I want to talk about, within Meebo we had one thing that we always wanted to do.. And that was, we always wanted to make sure we had a plan B.. And so, we're always really, really good about this.. For those of you not familiar with Meebo, we run the back of AIM, we run the back of all these other things, and we knew that we could be turned off at any second.. And so, we originally said, "Hey listen, if all else goes, "we can always be open source." At one point, when we thought AIM was potentially going to release a competitor, we actually like, ended up building a copy of the entire social, their social graph so that we could launch something that was a competitor overnight.. And then, at the very, very end, like three to four years in, you end up in this point where in an organization, you need to be able to deliver on your promises to your investors, and we needed to be able to deliver on profitability.. And, in this point, we thought we had a plan B, which is we were really, really excited because our plan B was going to be we are also building mobile at the same time.. If we needed to switch over we could.. And, we built this amazing, we swung hard, we said we were gonna go from chat to advertising platform because we wanted to own our own destiny.. We wanted to be able to generate revenue, and if we had revenue, it would make everything else easier..

And, built it, worked on it for, I don't know, 12, 18 months.. And then, the market slipped.. And in Q4, which is the biggest advertising quarter of them all, all of a sudden it was the first time where we really had to implement our plan B.. And, then we had kind of a plan B in our, in our pocket, where it was like mobile and all these other things.. What we realized at that point, and what I realized at that point, was that the plan B was there, but the team was not.. And, I had spent all of this time doing all of the strategy, and thinking through things, and we built this entire organization around this new idea of advertising platform.. And, we wanted to be able to innovate, and we wanted to be able to go to next things, but the people who had been responsible for the innovation, who were part of a really core DNA, they had already left the organization, they were no longer the right roles.. And, from that point, even though I really wanted to be able be nimble, and be able to move, and be able to pivot again, I had built an organization that was probably going to take another two to three years to be able to get to the point where I'd be able to have that again.. And so, that's the, the, the reason I share that story is because typically, whenever you're at that point in a startup, there's this tendency to swing really, really, you built up a product, and then you swing really, really, really hard to be able to meet your first deliverables, to be able to deliver profitability.. And, you forget that once you achieve that, you're probably going to need to have more R and D, and you're gonna be able to, you need to be able to innovate again..

And, if you swing too hard, and you miss some of those really wonderful key, initial players, you may not have that plan B, and you should've gotten buy in from the organization overall...