

URL: <https://stvp.stanford.edu/clips/common-silicon-valley-missteps>

Entrepreneur and investor Reid Hoffman outlines some of the pitfalls that commonly befall growing and enterprise-size companies in Silicon Valley.



Transcript

Now, in terms of companies in the Valley, I think the primary time where they start going wrong is when they start becoming their own kind of little solar systems and they don't - they are no longer integrated into the pace of activity what's happening in the Valley.. And that's not always an executive mistake although frequently, and the key question on technology, because we focus on technology here, is essentially you always have to be investing in the next curve.. And so the moment that you don't say, I've a really good idea that I'm playing for, it's like, you know, well, I've got an idea for optimizing this webpage, that's not a big idea.. And so, you should be thinking to yourself, do we have a big idea in terms of what we're doing and the big idea has to be a legitimate one.. I mean like one of the things that was - woke me up to competitive differentiation is I asked someone at eWorld, I said, well, we're licensing technology from AOL and we're putting on this graphic front end, what's our competitive advantage and they said, oh it's the Apple brand.. No, I mean Apple brand is great.. That's not a competitive edge, and I think you actually have to have something that's a great product.. And Job's obviously proved I think quite well, that there is no business or industry that's truly so far gone that a great product couldn't fix it, but great products are really hard, right? And so as a diction.. And so I think that part of what's happened is the companies that you see around the Valley that are large companies that have historically been very well, but are now flagging aren't investing well enough into the future.. And I think that's one of the key things that they need to do..