

URL: <https://stvp.stanford.edu/blog/videos/customers-are-key>

Winblad talks about how VCs spend a lot of time with the leaders of major technology companies to find out what they are looking for. It is important to talk to consumers early rather than late, she notes. Today's leaders are technologically-savvy, know what they need, and are willing to tell you if you ask, she adds.



## Transcript

CIOs, CTOs, major technology companies and say hey, what are you looking for? What do you want? That helps us determine where we might aim some of our focus.. One of the reasons I can't tell you what everybody wants is that all of these people have told us what they want in confidence because it does reflect missing pieces in their own product architectures.. So for you, the thing to do is to talk to customers early versus late.. You would be surprised how smart customers are today.. The CTOs and CIOs are not MIS directors anymore like they were in the '80s when I was throwing diskettes around.. It was painful to talk to customers because we were trying to explain what technology did to non-technologists, to COBOL programmers effectively.. That is not the case today.. Many of the CTOs and CIOs across industry, across many, many industries, the companies are driven by technology.. They have smart technologists working there, collectively smarter than all the entrepreneurs we fund.. I'm always shocked today when entrepreneurs do not go out and talk to them..

Even some the 20-year-olds who wrote the prototype for Dr.. Boneh's product idea, identity-based encryption.. They themselves went out and got the U.S.. Navy to use this product and they were effectively sophomores, undergrad computer science majors here at Stanford.. That's one of the reasons we were very interested in talking to that team.. The reason they went and talked to a customer is they were sophomores.. They said shoot, what do we know about customers? Neither one of them came from an entrepreneurial family.. One of the founders is from Florida.. That's a considered a different planet relative to Silicon Valley.. So they went and talked to customers..

Even though they had only written the prototype as part of the basis contest for a business plan, they went out and talked to customers.. Now, we took them around before we funded them and put them in a car and brought them to 20 CIOs of major financial services in healthcare companies.. So these guys met with 25 people at Kaiser and 10 people at Wells Fargo and we put them amongst the customers without us and then talked to the customers later and said, is this something that if they really built this out to a complete platform that you would put in your budget? And if so, how much? So this is something that you can easily do.. We're all blown to some social network yet we don't talk to customers.. Let's change that around...