

URL: <https://stvp.stanford.edu/clips/essential-questions-before-launch>

Margo Georgiadis, CEO-partner of Flagship Pioneering and co-founder and CEO of Montai Health, shares Flagship's framework for launching a new company. She digs deeper into how to determine good timing, giving an example from her time at YouTube.



Transcript

- I love this distinction between uncertainty and risk 00:00:05,220 and swimming in uncertain waters because it's more important to sort of not have for all the reasons that conspire to your advantage when you are sort of the only game in town.. At the same time, there's a lot of companies that get started, especially out of Stanford, that are research projects that never actually take off.. So if a student is thinking about actually, giving their life to a new venture or a new startup that is in uncertain waters, that's a big audacious vision, how do they qualify that to know that it's hairy enough to be uncertain, but still tenable enough to actually succeed and take off? - Yeah, I think it's so situational to each 00:00:49,080 and what a, an individual's risk tolerance is for the time they're willing to put into something before they see it come to fruition.. We at Flagship, when we're launching a new company, we have a very simple framework, you and I talked about this the other day, which is, Why this, why now, why us? And it sounds so obvious, but it's actually not that easy to answer those questions.. Incredibly thoughtful.. So when you say, why this, why is the world better five to 10 years from now, because this exists, why is it transformationally better? Because by the way, most people forget that in rare circumstance does something become really big, right? You look at YouTube, Google, so it took 10 years before these things were actually big.. And so you have to really write the story of the future and convince people why is this fundamentally necessary? The second thing about why now is you have to ask yourself, being too early is as good as being wrong, right? And there's a lot of things written on this, why now? What are the fundamental things that are enabling this to be true now that could not have happened? And then why us, why are we uniquely the team that should be able to succeed? Who else could be doing this? And why are we the ones? Why is this the combination of people, mindsets, capabilities to make it happen? And I think that's how I would think about it.. - And I wonder if we get just tactical on that, 00:02:17,610 just so that we can make that real for the students.. Because even on the why now, it sounds like there's a sweet spot where you don't want something that is immediate because it's sort of readily evident to a bunch of people and you have a lot of competition, but also has to be within the strike zone where you can take off.. So when you're looking at why now, how do you actually make that determination and how do you know if it's actually something that is within that sweet spot? - So I think the why now is what are the accelerators? 00:02:44,010 Because whenever you're going after an idea, if you think about, I'm also an investor, what is fundamentally creating velocity? What's creating wind at your back? Like what is the new consumer behavior or the new trend? So I'll give you a good example..

When we came up with the concept of YouTube, we were really focused on replacing linear television because we said, why do people sit and watch TV by appointments? Why do they have to be stuck in front of all these ads? And TiVo was kind of

around, but it wasn't that convenient and you still were stuck with when people wanted, and there was limited content, right? There's a few guys and a few places that were deciding, who were arbitrating what kind of content we should watch.. You had the huge adoption of the web, of mobile, and all of a sudden we had the idea for people to be able to access content anywhere, anytime.. And we were able to actually encourage that to flourish.. And so I think you have to write the story of the future.. Nobody should be watching linear television or content or ads.. There shouldn't be a limited amount of content created.. That just fundamentally makes sense.. But if those other things were not true, if the internet was not developing, if processing speeds were not getting better, if you wouldn't be able to access it at any time anywhere, it wouldn't have been as easy to enable that to happen.. - But is there a certain sweet, 00:04:03,574 in terms of the timing of the roadmap, if you could implement YouTube in the next month, would that have been something that you would've said, "Oh, that's too easily available." It has to take like 18 months or 36 months for you to actually create the-- - I don't think it's a time to get to an MVP.. 00:04:20,160 I think it's how does it actually get better with scale? Like if you think about all the really successful companies, there's a flywheel effect, there's a network effect, there's velocity fundamentally enabling it to keep learning and get better..

Otherwise someone in an adjacency will just reverse in, right? That's what everybody missed about Netflix, right? They started just distributing all those cassettes everywhere, but they actually had a captive audience.. So they were uniquely positioned to pivot and then invest into that business in a fundamentally new way.. And the networks never saw it coming...