

URL: <https://stvp.stanford.edu/clips/falling-in-love-with-an-idea>

Cloudflare co-founder, president, and COO Michelle Zatlyn relates how she and her co-founder Matthew Prince validated the idea for Cloudflare while studying at Harvard Business School, and explains that many good entrepreneurial ideas come from a series of "aha!" moments, not a single lightning bolt insight.



Transcript

- I was a student, 00:00:04,540 and it was actually really easy to pursue this idea as a student, because it became something we did for school credit.. It became a side pro... Like it was instead of taking a class, I signed up to do this special, you know, study with Matthew and the deliverable was to write a business plan and enter the business plan competition.. So instead of taking a class for credit, so we got the luxury, it was a real privilege to explore this idea for school credit, which I needed to graduate.. And so, I think that's why some really good ideas come from students on campus, because you have the luxury to do these sorts of things, especially if you can sign it up as a special project that you can do for school credit, it gave us a cover.. I didn't have to quit a job.. I didn't have a job.. I was a student.. And I think that that is different.. And that's why a lot of people who have full-time jobs maybe do things on the side, because those are much harder decisions..

And so, we had that cover to say, "Let's just go explore this." And what really happened the next three months was the following; the first month I just remember kind of this, again, back to curiosity, world kept getting bigger.. The first was this huge, we were good business school students.. So, I mean, I wouldn't just go do something because you want to do it.. You wanna do something that makes an impact in my opinion.. And so the first aha I had was, "Wow, there is a huge problem here." And the way that I saw that was we did a survey to these 80,000 customers that they had, trying to understand.. I didn't know a lot about the space.. And I remember I went and did the survey, and the survey asked questions like a typical business school student would ask.. Would say, "How much do you care about this problem, and what are the solutions you're using today to solve about this problem?" And we sent it to 150 small businesses and... Or 500 small businesses.. We got 150 people who replying, which is a high response rate..

So that was proof 0.1.. So clearly a lot of people responded.. This was an engaged community.. And the comments from there, you know, there was the quantitative where people mark things, but it was the qualitative answers that gave me this huge aha.. And the qualitative answers were things like, "Web spammers or the scourge of the internet.. They're criminals and they belong to being in jail." Now, you don't need to be a cloud infrastructure expert to realize, holy smokes, there is a huge visceral pain point here.. So like that was the first aha case.. So there was clearly a problem.. The next was part of the survey was like, "What do you use to solve it?" And all of these small businesses had no good solution.. They were all using band-aids, like bandaid homegrown solutions..

So, the big first aha was clearly there's a problem.. The next aha for us was, well, could we come up with a solution to the problem? And this is where the technical solution and being a differentiation, like really showing through, and we were really inspired by what David Ulevitch was doing.. He opened DNS, how he was helping deliver a better experience on the consumer side, the user side, we said, "Can we use DNS?" We don't have to get into the technical details to do this deliver security for the business side.. And that was a huge aha.. It was kind of a shift of where businesses were buying hardware to do this, and small businesses couldn't afford the hardware.. Could we create a cloud based solution? And we were again right at the perfect time of the... In history in retrospect to start a company like CloudFlare, there was just a huge shift happening.. And we happened to kind of stumble upon, wow, there's a problem here.. There is a way to deliver this as a service that not only makes it accessible to entrepreneurs and small businesses, but if we do a really good job over time, big companies too.. So that was the second aha..

That we came up with a technical solution.. So that was month two.. And then month three is as a business school student

you gotta be like, "Is there a business here?" I think it's one thing to have a problem another one to have a solution.. Can you build a business around it? Which is something hopefully we'll talk more about.. And again, you don't know, we could have proved that out, but we assumed yes.. And, it was those three things that by the time I graduated, I had another great job lined up.. It was hard to walk away from that.. Actually I remember it was at LinkedIn.. I went to LinkedIn's campus, and I remember I was sitting in the cafeteria, talking to this person who was supposed to be my boss, and I said, you know, "Thank you so much for the offer." And this was... LinkedIn was small..

It was way before it was going public, they were growing like a weed.. I was excited to go there.. And I said, "I have this idea.. We wanna see where it goes.. I'm gonna go pursue my idea instead of come here." And he looked me straight in the eye and he said, "You are making the biggest mistake of your life." Because they were a rocket ship.. And you know, when you're offered a seat on a rocket ship, you don't ask which seat you get on.. And I could have said, "And most companies fail." And I said, "I get it, but I gotta see... I have to see where this leads." And so, it was not super clear, it was not easy, but those were my steps along the way.. And if you ask Matthew, his were different, his calculus was different.. And so I guess I like to tell this story, 'cause it wasn't super clear..

I kind of fell more and more in love with the idea.. And even when I decided to do it, I still wasn't sure.. It still took a few more months after that before I was really sure K.. I was like, "Oh wow, we're really doing this." But, and so I think that people go through different processes and that's okay.. Sometimes I think you read these stories and you think, "Oh wow.. People wake up one day with the best idea ever.. And then the next day they've built a hundred billion dollar company." That's amazing when that happens, but not all stories happen like that...