

URL: <https://stvp.stanford.edu/clips/getting-comfortable-with-risk>

Sequoia Capital partner Alfred Lin challenges aspiring entrepreneurs to take risks that make them slightly uncomfortable.



Transcript

- Everybody has to figure out their own path at some point.. 00:00:07,710 And I realized that my parents were very conservative and I had a framework about life that was a little different from theirs, which is making good decisions is fairly important.. The end of your life, the sum total of your decisions.. And I think they made their decisions based off of being as conservative as possible and my framework was the best outcomes tends to be people who are good at taking risk, not dumb risk, but good at understanding risk and reward trade offs.. And what was the worst thing that was gonna happen if I dropped out of my PhD program and worked at a starter for a year? If it didn't work, I can always go back and finish the PhD.. That doesn't seem like that big of a issue or a deal.. And so I would challenge everybody who's young to think about their risk reward calculus and to try to take risk that makes them slightly uncomfortable and still be able to function.. One of the things that I find interesting is in education, they talk about being on at the edge of competence.. You learn the most if you're at the edge of competence, you stretch that way.. Coaches in athletics put you in an uncomfortable position and ask you to do drills that put you at the edge of competence..

If they throw you at the deep end and you sink and you freak out, that's not gonna be really helpful in making you better.. But if you do the simple exercises that you've done the same time and again you perfect that, there's some value to that, but you're not gonna stretch.. I think for many people, the issue is about stretching a risk tolerance than it is about knowing a new skill or perfecting a new skill...