

URL: <https://stvp.stanford.edu/blog/videos/how-should-startups-adapt-to-changing-times>

Companies today need to be nimble and adaptable to the changing environment and market around them. Being nimble is important. The second skill is to think through when you're going to ship your product. If you think about the innovation; is it a 2x improvement, is it a 10x improvement? Think about what the market will be when you ship your product. If you have a four-year development cycle, you will have a physical product that's going to be a very different world you're entering in than if you enter in today. Being open to learning about interdisciplinary things involves a willingness to ask dumb questions. And, finally, it's important to realize that the longevity of companies is shorter today than ever before. Eventually all companies die. Just give it a billion years; you think long enough it's going to happen, even the Microsoft. And the question is just where on that spectrum you are - how do you think about organizational form, federation of people, and the business structure? Most of all, companies must embrace change, plan for change, and view it as an opportunity.



## Transcript

Oh, what exactly did we do differently given the accelerating change, right? So I think if anything, it amplifies what may sound to be obvious truism which is you've got to be nimble and adapt.. If you think you know the market and if things are going to change fundamentally, you need to take that into account.. And so nimble is the first one.. The second one is think about when you're going to ship your product, right? If you think about the innovation that you're going - is it a 2x improvement, is it a 10x improvement? Don't assume today's market and both customers and what they're looking for, what they're expecting, in terms of responsiveness of a product or whatever the future is that we care about.. Think about the time when you're going to ship.. If you've a four-year development cycle, let's say, if it's a physical product, that's going to be a very different world generating than if you enter today.. So people I think often make the mistake of - but today's customers when they introduce a future product, and especially since when you startup you're going to ramp from a small base, you need something that in a sense - I need more head room than ever before, in terms of the advantage of providing different solutions.. I think you need the higher people that take that into account, people who have respect for other disciplines and aren't resting on their laurels.. I think this has always been true on entrepreneurship but it's underscored when you've accelerated technology change which is, if you think you have all the answers, like I'm assuming that the guy was building something about semiconductors.. So everything I've learned from the seminar then we should apply and nothing new should apply, right..

Then I think you're going to be in a tough spot versus I really respect the opinions of a diverse group of people, not just within the sciences but also within the functional areas.. And that I think requires self confidence to be humble, sort of ironic twist.. But if you are insecure, you're not likely to admit when you're wrong and you're not likely to be continually learning especially in a field outside your other strength.. I think in academia you see this a lot.. I know a field, a little hesitant to start over from ground zero and ask really dumb questions about - what is a gene, what is a chromosome? There are a lot of people who are really, really smart in, let say, electrical engineering who don't know the answers to the questions.. I really don't want to ask something that basic in a seminar in front of the peers.. And so, in a startup company, you rarely are bridging something that broad in the abstract, but if you are doing something that's interdisciplinary, I think that's going to capture this dynamic of change.. And so being open to learning, I think, it involves being willing to ask dumb questions.. The other factor is the, frankly, I think it shifts opportunities to startups even more and that the longevity of these companies might be even shorter that eventually all companies die, just give it a billion years.. I mean, if you think long enough, it's going to happen, even the Microsoft..

And the question is yes, where in the spectrum are you, and are they in fact shrinking? Are the viability of any given idea or product, is it shrinking, and therefore how do I think about organizational form, federation of people? What is the business structure that would carry in the future of people? Hypothesize things.. I'm not sure really what that is.. Is it a consulting life organization? Is it federation's a team, is it band, this band? Is it a lot more AMA activity and fluidity between the scope of a company? You could have a lot of profound changes on business definition - what are the walls around which illogically will

define a company? That's the most abstract part of the answer.. I think most of all just being open to it and just assuming things will change, and they're looking for opportunity...