

URL: <https://stvp.stanford.edu/clips/keep-loyal-company>

Emily Melton, partner at the venture capital firm Threshold (formerly DFJ), discusses how behind every success there is much more going on behind the scenes, like lay-offs, doubts and product fails. She recommends that entrepreneurs focus on relationships with those who stick with you through the low-points.



Transcript

- One of the things that I find really daunting in this current environment is how much we get inundated, Instagram, Facebook, Snapchat, whatever the current mode is, with the highlight reel.. All right, so this was the picture I took.. This is what got posted on Instagram, right? Yay, look it me, I am so awesome! I'm at the top of this mountain.. There wasn't a picture of me red-faced and panting.. There wasn't a picture of my brother just doing everything possible to probably pull my fat butt up the side of the hill.. None of those ever make it to the glory shots, but this one does.. And so I think it's really important as you guys think about, particularly as you're inundated with more and more of those highlight reels, more and more of those pictures of people coming in, is recognizing that for every accomplishment, for every one of those moments that you wanna enjoy in the peak, there's enormous amount of other.... There's the behind the scenes.. There were other challenges.. There were a lot of ugly things that often had to happen to make something look pretty..

This is even no more true that it is in, I've seen this over business.. So I mentioned that I was on the board of Redfin.. And in professional successes, you tend to see the person when they're on the cover of the magazine or we celebrate these moments, right? So this is when Redfin went public about two years ago, and everyone is smiling and beaming, and it looks like a 10-year overnight success, right? Obvious, great founder, everyone's high-fiving each other.. Also, everyone wants to be in this picture.. Those moments of success, that's where everybody comes out of the woodwork and wants to be right by your side with a big smile.. I invested in the company in 2007.. 2008, we had the financial crisis.. The real estate market completely tanked.. No one who wanted to buy a home could get a loan.. And those people that did wanna sell a home on our platform, the prices were 30 to 40% lower..

We had to have a board meeting about a year and a half into the investment, where I sat with the friendly, smiley guy, Glenn Kelman in the middle, who was shaking and trying to hold back tears, because we had to lay off 20% of the company.. It was critical to be able to get the company through this phase.. We knew the revenues were gonna slow.. We knew that we needed to make the money last a little bit longer.. But he had hired those people.. He had told those individuals that he was gonna do everything possible to ensure the success of this company.. And he felt deeply conflicted and like a failure that he hadn't been able to live up to that promise.. That's not a moment where you whip out your camera and say, "Hey, cheese, I wanna take this "and remember this in the dark times," right? Those moments aren't captured.. And oftentimes, those moments aren't even told.. But for any of those glory moments that you see you have multiple stories like that in the background..

And what you need to do is recognize that sometimes those people that surround you, you wanna celebrate the glory moments, and it's okay to have those people come.. But make sure that the people who are with you when the times are really, really tough are also there, 'cause those are the true people that you really need by your side.. Those are the ones that know what it took for you to get there and are gonna understand who you are and who you had to become in order to have that kind of success..