

URL: <https://stvp.stanford.edu/blog/videos/life-is-too-short-for-bad-software-entire-talk>

Lew Cirne, founder and CEO of New Relic, discusses his experiences as a serial entrepreneur, in conversation with Stanford Engineering Professor Tom Byers. Cirne talks about finding one's strengths as a leader, the challenge of discovering a company's second act, and why the best engineers must possess real empathy for the users of their products.



Transcript

Well, let's get started by just talking a little bit about how you got - not how you got here today, but how you got to this place in your life.. So you went to - you grew up in Canada.. Yeah, an hour east of Toronto.. And where did you go to school? I went to a school called Dartmouth College.. Yeah.. It's an awesome school.. Anybody know of Dartmouth? Someone's got to do - someone's got to do a shout out.. And tell us how else - how your path led you to here.. So, yeah, I - sorry, I grew up in a really small town east of Toronto and I think I was looking for a school that also had a small town feel so Dartmouth felt right for me.. And when I entered Dartmouth in 1989 as a freshman, it was one of a very small number of schools that standardized on Macs and everybody had email when they came in..

I am sure Stanford was probably at that stage too, but because of the ubiquity of Macs in the undergrad population, there was a pretty steady pipeline of undergrads that got recruited out to Apple.. So I had an opportunity to work as intern at Apple in the summer of 1992.. And then my first job at Dartmouth was working in the dining hall to help pay down the student debt and it certainly was a much more fun job when Apple sent me back with a bunch of computers to write code for them.. So I did that my senior year and then came back - back out here full-time when I graduate in 1993.. So my - I wasn't founding a company until many years after I got to the Bay Area.. So 20 years ago, you came this way.. Yeah.. Do you ever think you'd be here today as CEO of New Relic and having started another company that was sold successfully.. I mean what did you think you'd be 20 years later? You have dreams but then it's - you also have doubts and all sorts of things.. So - no, I don't - I certainly, I didn't think I belonged as a student..

I had serious impostor syndrome.. So.... Yeah.. So, no, I never imagined.... So you saw yourself as an engineer, but then how did you all of a sudden start a company.. This is Wily and then.... Yeah.. So I founded a company called Wily Technology.. ...how did that happen from being an engineer? So I've loved building software ever since I discovered my first computer and that was in - my parents gave me a computer in 1982.. It had three kilobytes of RAM..

So what is that, like, one 1,000th of a single mp3 song.. And - but I discovered what I wanted to do for the rest of my life.. I mean the joy of creating software was just something I couldn't resist doing.. So it was easy for me to pick a major at Dartmouth although I also minored in Latin in classical studies and I guess that kind of is - part of the story might be that I had a broad set of interests and I wasn't just - I love the art side of creating software and not just the science side of it.. So I couldn't believe that I could get paid to do this to write code and build software and so it was an easy yes, to come out here and work for Apple.. That's a really significant point because we celebrate that here at Stanford.. I think we use the term humanist engineer.. Yeah, yeah.. I mean that - there is this - that economy is saying well, you're either an engineer or a humanist and you can't be both.. Do you agree with that or do you....

No, I think the very best engineers really do have an instinct for what people want and empathy for the end user even if you're just designing something like an API, there is someone who is using that API.. And so that's why I think liberal arts educations are great for developing the whole set of skills that are involved in building great software.. And of course, you need to learn how to work with people too if you're working on a team no matter what your role is.. So I am a big believer in that, big believer in that.. Alright.. So Wily, so you're obviously you are a founder of a company.. Yes.. So I had an interest in startups and thought I'd love to get involved in a startup and tried many ideas as mental exercises but in January of - or sorry, December of 1997, an idea hit me that I really just - hit me like a ton of bricks and it's a very technical idea but the idea was,

at that time, Java was this new technology that was very early in its adoption.. But I was a huge fan of Java and thought it could be transformational to how people build software.. And today, as Java is by far the number one programming language for modern software but at that time, it was this - viewed as this toy and the idea I had was what if I could make Java software self-diagnostic, what if I can make any Java application report about itself while it runs so that whoever build or ran that software could understand how it's performing in production and fix problems in production..

So that idea was the genesis of a company that I founded called Wily Technology in 1998 and long story short, that was a wonderful learning experience.. I had no management experience when I started the company so I was learning a ton on the job but it grew to about 350 employees, about \$55 million in revenues and it was acquired in 2006 for \$375 million by CA and we - that company created a category of software called Application Performance Management.. So it was a wonderful experience and a great outcome for all the stakeholders.. But I learned a ton along the way.. Well, we have a laugh about this on occasion.. Harvard Business School wrote a case about his experience at Wily and it's super popular.. It's taught in a number of business schools, it's taught at all kinds of schools here at Stanford.. And even within here in the engineering school, I suspect that many of you will end up doing that case at some point because I can think of - besides myself, I can think of two or three other professors who use that as one of the anchor tenants of their courses.. And so it's always a kick to teach it.. There's so many angles in the case..

First of all, it was about how you've - what lessons you've learned about leadership.. I mean to go from being a, you know, inventor, I mean a person who pursues patents to all of a sudden creating a whole company around it and what it means to become a CEO of such a thing.. That's a thread.. Yeah.. The guts of the story was the transition from me as founding CEO to - it was - we decided to bring on a professional who had - with management experience that could lead the company to the next stage and it really gets into the emotional side of what's it like to give up the CEO role but you're still very connected to your company and you want it to succeed and trying to find the right person.. And I learned an enormous amount in that process and to jump to a point that I think is worth dwelling on like the difference between now I am serving as CEO of New Relic and we're - New Relic is my second company.. In many ways I think that as - if I didn't sell Wily and were to do it all over again, what would I do to try to make a company that could last decades or longer as an independent company that had a real impact.. And that company is New Relic but the question is having had two runs at this, one as founder CEO up to about 50 employees and one running it through to this point at least.... How many people does New Relic have? 600.. 600, today..

600 today, up from about 375 in January, it's just like I am far beyond the ability to memorize the names and all that stuff.. So I am always like, hey, how is it going? I should know your name.. But I know you work for me.. But - anyway, so I think the biggest change for me personally was my first time around I really felt compelled as CEO to be more of a domain expert in everything and to - in effect try to be someone I am not.. I felt like, I had this image of what a CEO should do, how they should spend their time and how they should behave and I tried to make myself fit that mold and it was a terrible mistake.. I am not one to sit in quarterly review meetings and - or pipeline review meetings or to drill through the financials.. I have a great appreciation for all those things, but at the end of the day, I love building products and I love - and I love recruiting amazing people to join me on the journey.. And so this time around, I was very thoughtful about how I spent my time and how I define my role.. And I was very, very proactive on recruiting incredibly senior capable people that could be CEOs of other companies to do the parts of my CEO job that I don't want to do.. For example, I have a table in my office..

It has six chairs around it.. If there is a meeting that can't fit around that table, I don't go to it because I am not one to go to meetings.. I'd rather be building software.. And - or I'd rather be making decisions and I found if I'm in a group meeting with 20 people, I am either - if I say anything, I'm going to overweight the meeting and if I don't participate then I have just got too short an attention span to actually stay engaged in the meeting.. So I have really smart people that run the larger meetings.. And - but do other parts of like leading the company that I am not passionate about, I'm not particularly good at.. So I want to follow this thread but I wanted to give people a context.. I want to explain just how impressive New Relic is.. Go to the website.. Just bring it up and look at the numbers we are talking about..

So what do you do? We're a software analytics company.. So what does that mean? We collect billions of metrics from live software applications to tell the people who build software and run software, what it's doing, how it's running, what people are doing, to make that software better.. So the most profound example of us having an impact was last - late last November when healthcare.gov was having those front page news challenges just keeping the site running.. They had no idea what was going on or why the site was down so often and so slow.. New Relic was called in and within a week, the software we provided told hundreds of people working on healthcare.gov exactly what they needed to do to fix it and immediately the response times went down, the site availability went up and people could get health insurance.. But we do that for over 10,000 companies, companies like Airbnb and Nike and Disney and New York Times, and it just spans virtually every vertical.. But if you think about it, every business is a software business.. So every business needs to make sure their software works.. And that's what we do is we help them make sure their software delights their customers.. Yeah..

I saw something on the site, getting ready for this that - about data that it's - I forget the tagline but it - I forget it now.. We're all data nerds.. You are data nerds, yeah.. They had two meanings to me.. I know it's about data but also about the culture which we'll talk about in a bit? Yeah.. I mean the other thing that we wanted to do at New Relic was celebrate the builders of software.. So in my first company at Wily, the software developers as a constituent, the conventional wisdom was you don't want to sell to that crew there, they have small budgets and not that much influence.. But if you think about where

the world is going today, the people who build the software are really the people who are changing the world in many ways.. And so we want to build a product that an army of people love and use.. And so over 300,000 people have - developers have used our product this year and they are an incredible - they're a hard crowd to please because since they build software for a living, it's kind of like if you're an actor and your entire audience is actors, they can sort of pick all the little things that might be wrong with the software..

So - but if you do please them, they're a very loyal bunch and they self-reference.. So we celebrate the data nerds and so we've got these data nerd t-shirts we give out to people who try the software and a campaign and if you just think about it, data is basically fundamental to every business decision and we - the data we collect is from the guts of the software and that's the guts of your business.. So we think there is a massive opportunity there.. So now that you've gotten to know him a little bit, I get to ask him this question.. Where did the name New Relic come from? So I had a prototype and an idea and I thought it was time to start - put a company around this and not knowing whether or not it would become a real company, but I needed to incorporate.. So on short notice, I had to come up with a name and I didn't have any bright ideas.. So I just typed my name Lew Cirne into an anagram builder and you can Google anagram builders and type your own name and.... Why don't you do that now for the name of your company some day? I think another - I think another anagram of my name is Wren Lice or something like that? Wren Lice would be a pretty good name.. Yeah, that's not quite got the same.... No, no..

New Relic.. So I waited for you to get to know him a little bit before I asked that because I always get a kick out of that piece of information is that he is so humble.. He is also audacious.. He is really audacious.. He want - you want to make New Relic a huge company.. Yeah, I mean there's.... I mean you're not just hoping somebody buys you some day.. You're doing this for a whole different thing.. Then, what would I do? My wife would just kick me out again to start another company because it'd drive her crazy.. So, no, I - I built one company and sold it and I have no regrets how that went but because I talked about my role and how I spend my time, I have thoughtfully tried to design my role and my company so that I love my Mondays so much and my employees love their Mondays so much, there is nothing we'd rather be doing..

I think this is one of the problems with a lot of the companies in Silicon Valley.. They think, look, you can put up with a job you don't like for a few years because it'll all work out in the end when these options might be worth something and then we can start living the life we want to live.. I think that's just the wrong way to look at it.. I think we should - basically if you structure you work life so you're doing what you love and you're doing it with people you admire, respect and love, then why would you want to do anything else? And so this is the last job I ever want to have and I want to be doing it for a lot longer.. I love to build software, I still get to do that.. I still - I am doing with - but I love building.. Where did this philosophy come from? What - where did that motivate - was that something from your parents or was it something you just have developed over your professional life? I mean it seems so simple on one level but you know.. I don't know, it's just - I guess it's common sense that in life so many times if all you're doing is chasing the outcome rather than really focusing on why what you do matters.. So the outcome might be some financial reward is the only reason that matters.. I mean like who really gets excited about that? And by the way, those companies where the only reason why people come into work on a Monday is because there is some pot of gold at the other end and that's the only thing keeping them in the company..

Those companies don't weather storms very well, right? And startups will have to weather storms.. So it was just this thoughtful like approach of New Relic's currently at a point where it's generated more for my family than we'll ever need, so it's not about that.. It's about what can we do to build a company that makes hopefully thousands of employees love their Mondays, makes our customers successful with the software they run, and just helps me personally begin - continue to learn and grow.. Yeah.. Well, let's jump - and thank you for that and - because it sounds simple but it's - I don't understand why it's not practiced more and that's.... We live in a place where it's pretty seductive to just look at the shallow things, not the shallow things, I mean like it's not the - but just the easy to describe things like share price, right? Yeah.. And just don't let that take your eye off the ball like you got to ask the question why does - why are you doing what you're doing.. Well, so having with my wonderful colleagues built out an entrepreneurship and innovation and education center in the engineering school, we come from the engineering mindset, so I think we share that common background.. But then it isn't just about the money, it's about changing and in some cases, saving the world.. Well - yeah, and I don't want us to put ourselves on too high a pedestal but I have been deeply thoughtful about, well why does what New Relic do matters..

I mean we make software a little bit faster, right? So it's taken a while to really think deeply on it but here is my best answer to it.. I think the most precious thing we have on this planet is time.. The most precious thing we all have is time.. And thank you for spending some time in this room.. But it's possible to make more money, it's not possible to create more time.. And so people spend - young people spend up to six hours a day in front of software.. So if you think about managing that time making the most of that time, life's too short for bad software, life's too short for crappy software.. And that's why when you wait six seconds for that page to load, it seems like the mother of all first world problems.. Why are you so frustrated during those six seconds when you know it should take just a couple? But I think it's because during that six seconds when there is nothing you can do but wait, you're just sitting there saying you're wasting my time and that's my most precious thing, right? And then - but it's not only just is it slow, it's like there is nothing more frustrating to me than like you're on that website, you're about to fill out the form, you type in all the fields, you click submit and then the next page comes out and says oh you didn't fill this one thing, you didn't put dashes in the phone number and then the whole form is empty, you got to redo it, the website just wasted your most precious asset, your time, right? So New Relic's mission is to help give people more precious moments in front of their software and hopefully even time away from the software, more time with your family or something

like that instead of waiting around for bad software.. So that's why what we think we do matters..

Something comes to - that's excellent and we got some good sound bites out of that, didn't we? I know the editorial team's loving that.. The mother of all software - first.... The mother of all first world problems.. I love that.. Let's go to strategy for a minute.. Yeah.. So because I've heard you - this has come up in class before when you've come by.. It's not just - you celebrate innovation and technology which I want to talk about.... Yeah.. ...but also innovation in the business models on the business side of things..

Yeah.. And so, New Relic is an instance of that.. So yeah, my last company had to sell - like didn't have to sell but it made sense to sell my last company at six and I thought deeply on why that was and it really came down to the business model.. That was a traditional enterprise software company.. Enterprise software companies, license and maintenance enterprise software companies, you can spend 9, 12 months with the customer and then they sign up for a very large check that - and basically it's very hard to predict when that customer is going to say yes and usually after they say yes, it's another 90 days before you actually get a contract of them.. So anyway, that's a really painful business model to execute because it's hard to predict what the revenues and it's very expensive to build out that field presence.. So when I started New Relic, I didn't want to be purely dependent on just enterprise business and I didn't want it to be a license business where it was very lumpy because it's really - it's hard to sleep at night if you don't know whether or not especially in the last seven days of the quarter were like 70% of revenues could come in and those are paying salaries, right? So I wanted a subscription business, I wanted a business where how do you reach the whole market and the way you do that, I think, in business software is you have to build a product that's so simple, so easy to use that the customer can see the value without the help of a salesperson.. And there is a lot of effort that has to go into design and thought about the on-boarding process that may seem obvious to folks in this room because of all the great consumer products you use, but it's actually pretty rare in enterprise software.. So if you design a product with the business model in line - in mind, it can reduce your distribution cost because now, we give out a t-shirt with data nerd on it and somebody tries it out and they fall in love and they want to become a customer that compresses our sales cycle dramatically.. Now, we do have an enterprise business as well that does have that traditional sales model but it's great to have that balanced subscription business of small companies..

And that business model was by design but it started with the product being engineered for the business model.. You can't just glue the business model you want to a product that isn't well-suited to it and that's why I think the incumbents are having trouble sort of being successful in the SaaS world, the products aren't engineered for the kind of business model that I was just describing.. Do you mind if I ask a little bit about operations? One would be.... I am not a domain expert, you can try.. Well - or about the other side.. So you took on venture capital this time.... Yeah.. ...given your success with Wily in the network - you could have stayed with friends and family or.... Yeah.. ...why take on traditional venture capital like - and even make one of them the chairman of your firm, Peter Fenton of Benchmark..

Yeah.. He is the chairman of your firm.. He is and he is my.... Why do that? He is my best friend.. I couldn't respect anyone more as a business partner or as a person than Peter.. When I started New Relic, I really didn't know if it had the potential to be a company that really made sense for venture funding.. I was thinking maybe this is just a little business that aspires to have maybe 5 million in annual subscriptions and maybe we have half a dozen employees that all just kind of check email and - while the checks rolled in.. That was an interesting concept and Peter completely disillusioned me of that by saying, no there is an opportunity to build a great company and by the way, that idea you have is not going to be you just sitting in and waiting for the checks to come in, you're going to be carrying a pager and you're going to be having a much harder life than you imagine.. So, Peter is remarkably good at helping people aspire to greatness and do their very best, their full potential and that's - over a glass of very nice wine he and I talked about building a great company together in late 2007 or early 2008.. And for those of you who don't know, I think Peter is routinely in the top three to four on the Midas list..

I think he's just, without question, one of the greatest venture capitalists in the world, and.... And why do you say that? When a venture capitalist is more than just the money, what is it that he provides? Well, I think one of the things is like he knows how to inspire entrepreneurs to reach higher and he does it in a way that is all about you can do this, like you know it's inspirational is the right word I guess.. He'll challenge me, but he will always support me as the founder.. And my litmus test for working with investors is if you're lucky enough to have term sheets from a few investors, what's more important than the terms are the likelihood that you're going to have a really open and honest relationship and a high trust relationship with that investor.. And so if you're looking at a term sheet, what I'd recommend you do is give yourself a gut check and ask, is this individual someone that I feel I could come to very comfortably with bad news because you will, no doubt, have bad days, bad weeks, bad news to share with your investors if you are going through the startup right.. Everybody does.. So the question is, are you going to feel like hesitant, are you going to like kind of shape the message to make sure that they don't overreact or whatever, are they going to get too just difficult to work with or are they going to be collaborative and help you solve whatever problem needs to be solved.. That gut check, Peter, resonates very well with that and I am also blessed to have like Dan Scholnick as another great board member on my team.. I mean I've just got great investors, but.... They almost feel like co-founders, I mean given that you were a solo founder....

Yeah.. ...which is unusual, in the data.. Well, they certainly.... ...they almost become, I mean you say he's the best friend, that almost sounds like a co-founder.. They feel like deep partners that I can be completely open and vulnerable with.. So.... Yeah.. ...and the interesting thing about it is I feel like it works better for their relationship with me too because I - you can -

people are smart, they know when they are being played or managed or like someone's trying to represent themselves as being someone they are not.. And there is temptation to do that when you feel like you've - you got to defend yourself or you don't have that level of trust with a person.. When you are completely open and vulnerable with your investors, they draw themselves in and really want to help you too and to help you grow and your company succeed..

So it has this kind of symbiotic relationship.. And I'd say the same thing with how you work with your senior team as well.. Well, that caught my eye.. I've got a couple of things and then we'll open up the general Q&A.. The other one is that you are known, at least on Wikipedia.... Source of all truth.. And we all know - yeah exactly.. As the coding CEO, that's like a cartoon character.... Yeah.. The Coding CEO who still finds time to actively - be actively involved..

I mean there was one post by someone that said you code on Thursday and Fridays.. You still do that? Well - so let me tell you the story behind this.. So I remember I had a meeting with Peter Fenton spring of 2012 or so and I was like - he is on the board of Twitter, I'm like how on earth does Jack Dorsey - at the time he was very active with Twitter and Square, running both.. And I said, how does he manage his time and he said - and he gave me some guidance and so, it starts with just thinking deeply what do you love to do that you think can really move the needle for your company.. And then after you allocate your time accordingly to line up with how can you be most effective with your time allocation, then make sure you've got the team to complement where you're not focusing your time.. But anyway, for me is, I love building software and I love creating stuff and I wouldn't want it to be interpreted that like the only new ideas come from me or anything like that.. We've got amazing engineers that are capable of building amazing software, but I am less grumpy when I'm writing code, my wife always says when I come back from a coding retreat, I am a little happier, a little more - sometimes a little zoned out because I am just so deep in the zone of whatever I am trying to create.. But it does bring me back to the strategic discussions, I think, with a different perspective.. I am a little bit more - I don't get as mired in the details and things like that.. So anyway, how I allocate the time is I try four to six times a year to have a full interrupted week of code..

I do it in a remote place.. Sometimes I have to explain to my poor daughter, Katelyn over here that daddy's going to somewhere like Cabo San Lucas and I bring a laptop and a screen and I write code for a week and I come back with a prototype and the poor engineers need to somehow take that and figure out how to make a product out of it.. Hey goofball.. So anyway - and I try to do that four to six times a year and the thing about it is, why do I do this? Well, my rationale for it is most software companies go through this arc where the original idea that the company was founded on has a high growth curve, the company brings in mature management and they kind of get good at distributing and selling and growing the top-line.. And you build this engine that gets really good at that.. But it's very hard for the company to come up with a second act, a new fundamental idea that's totally, totally new and disruptive that goes beyond the first idea.. In fact, I don't think there is more than five companies that have really done it well.. Apple, obviously, did it very well.. Microsoft did it well going from DOS to applications back in the 1990s.. Oracle, you could argue, did it when they went from the database to apps..

Now, what all those companies have in common is led by founder, very product-focused and the founder was so obsessed on product that like you ask - so I created the next product in January of 2012 in my cabin in Tahoe.. And I am very obsessed on it.. And so that's our next act and we think it's 10 times bigger than our current act.. So I am not saying it's going to happen like 100%, but I believe it will.. And more importantly, I believe that - I want to create the culture where we're never just kind of satisfied with what we've created in the past.. We care about - we just don't want to be a Nokia.... Are you a nerd? Absolutely, absolutely.. Well, because I ask, was if you go to the site and you see that in this part of the site that talks about the company culture.... Yeah.. ...the atmosphere and the philosophies of what it's like to work at New Relic, there is a celebration there, and I think you mentioned earlier, that we're data nerds..

Yeah.. So it reflects you.. I mean I think... A bit but - yeah.. Yeah, there is like we certainly love - we love creating software, we love - and we love people who use - who really just do incredible things with their minds, right? Yeah.. And - but I say the other thing that's kind of important about our culture is this focus on - there is a warmth to the culture of our company.. I hear this every time people kind of visit the company like just how they get treated by no matter who they bump into when they come across and I think that's the thing I want the culture most to be known for is like people love working at New Relic or interacting with New Relic because the people are sincere and I just, as we grow, I feel like that's going to be important to preserve and make sure the culture is a place where there is a warmth and honesty and integrity to the company.. Wow! Thank you.. I think that's good way or good point to segue to questions from the audience.. Let's do this for a little bit..

What did we not cover that you'd like to hear some about or to amplify something perhaps that we did? Thank you.. So in your experience, can you share the benefits and drawbacks of being a founder versus a co-founder? Can you repeat the question? Yeah.. So the question was can I share the benefits or contrast being a founder versus co-founder.. Well, I have been sole founder of both my companies.. And in some ways it's harder and in some ways it's easier, obviously.. I mean it's - when you are sole founder, it's very lonely.. My first company, I was in a little one bedroom apartment in Santa Cruz but fortunately it was like you know when I really got just overwhelmed I'd walk out and stare at the ocean and recognize how much more there was to the world than whatever I was worried about.. But the sole founder thing - the reason why I'm a sole founder, I think, is I always draw these analogies with between creating software companies and creating music.. And the reason why I run off to go code is kind of like a musician that just feels like they have got one more album in them, right? And so I am like a singer/songwriter.. I write the music and I perform it, right? And there are better virtuoso musicians that can

play the piano better than I might be able to play, right, as like pure engineers that really are up to speed on algorithms or something..

But because I am writing the stuff that I am conceiving of, and I am doing that kind of in that kind of very isolated early stage, I think there is just something in the product that is harder to get.. Now, the other analogy is Lennon and McCartney, right? So there are these duos that create incredible products.. And I have a partner, my CTO is somebody that I go to every time I have an idea and he is my soundboard and the person that - he is very good at telling me no, and doing it in a way that makes me feel like, boy, is he ever right and - so I do have that.. But I just like that the very beginning to just kind of be - just like writing a novel alone, the hermit in the woods kind of thing without going crazy hopefully.. So another question.. At the very back.. Yeah, thank you.. So one of the other speakers in this series, Taleb, presented to us that he thought there should be a national entrepreneurs day, especially an engineering entrepreneurs day because the tinkerers that add value this way, they add tremendous value to society but they also take great risks and frequently fail.. So I wonder if you can talk about how the innovation and the risk associated with those innovations in your firm dovetails with a society that can be kind of hard on failure, how that works inside your community at New Relic and how it works between New Relic and other firms.. It's a good question..

I feel like - yeah, as a society we can't help but probably put too much emphasis on the folks that happen to be fortunate enough to have success.. And it's the same like - but you look at that any - like you know, think about how many people are playing minor league ball that never - you know had their one at-bat in the majors or whatever, right.. You can look in almost any domain and just sort of see that and that's kind of natural.. If there is any celebrating going on for entrepreneurship or anything like that, it should be for, I think, the joy of creating stuff.. I am a huge fan, by the way, of Code.org and just getting Hadi Partovi's project to get - I think they are on the way to 100 million people learning how to code.. And in particular, getting.... Explain who they are just a little bit.... So Code.org is this remarkable project that anybody can learn how to code in an hour.. And in particular, now I think this is really important, getting more girls excited about coding at a young age.. There's not enough women in software and I really think that that ought to change and the best way I know how to do it is to get girls at a young age to do it..

And so I remember Christmas of last year, my daughter and her three friends were at my cabin in Tahoe, it was three days after Christmas, there's a roomful of presents and there's four girls fighting over three computers because they all want to learn how to code on Code.org and that was the coolest thing ever.. So encourage young girls - well, young people or anybody to go to Code.org and just learn a bit more of that.. And that's what I'd like to celebrate.. Yeah.. Okay, somebody in the middle here.. I was curious if you could talk a little bit about long-term strategy in the local enterprise space and then like sub-question related to that, looking at your product I was curious whether you were going to go by way of like a marketplace, kind of like Salesforce where people can integrate into your product or have people learn.... Very good question.. Can you restate that just in case of.... Yeah.. I hope I am going to answer the question the way you - what you're looking for but you're asking about our long-term business strategy, in particular about how - are we going to have people build applications on top of our big data database technology or is there going to be a marketplace or something like and how does mobile fit into it..

So let me spend a little bit of time on this thing that I created in the Tahoe cabin a year ago.. Two and a half - nearly two years ago now I started it.. Totally don't invent - non-invented here - I reinvented the wheel but I created a big data database from scratch and - but I wanted to do something that was high performance tuned for real-time analytics and existing database technologies were a little too generic and so they couldn't do a billion event query in under a second on any attribute.. So that's what we built and the power of this is that since we're collecting all this data from software in real-time, we can answer questions like how many people under 15 are looking at an item right now that signed up last week, all those kind of business questions that you want to know, what's going on in your software and the cool thing is we've got this cloud database that you don't need to do anything, just shove the data in, you don't need to worry about indexing or configuring or anything like that.. The point is this is a very powerful technology upon which we're in the - like not even the first inning of, we've got this \$40 billion big data analytics opportunity and we've got a really differentiated technology.. My vision is at the moment and I am working on it, but my best - I think our best path forward is to make a platform out of that where our customers can build applications on it in the cloud.. So if you want to build an application for your support organization to help support reps understand what the end-customer's experience is for a specific user, you can build that app on top of the New Relic data application platform, you can do it for salespeople, for marketing people inside your org.. My ultimate vision is I want every knowledge worker to be a New Relic data nerd using our analytics products.. So going beyond just the software developers and the people who build software to everybody who has something to contribute as a knowledge worker using big data analytics that New Relic provides.. Right here..

So most recently, you raised a lot of money from private equity.. Why did you do that instead of like the typical route of just VC and then IPO? Right.. So the question was, we recently raised a large round and it was private equity - actually, the investors in that round are large institutional funds that typically invest in public companies.. So Fidelity and T.. Rowe Price and BlackRock, these are folks that typically invest in public companies.. And what we found is - what they have been seeing is for certain occasions rarely they will go into some private companies that they see a potential to be big, important companies and they will kind of break their rule about being only public investors.. And New Relic has aspirations to be an independent company for the long-term and so what we wanted to do was have an investor base that feel like they are just at the beginning of their journey with New Relic unlike - and I believe my venture investors when they say they are long New

Relic too, but venture funds are structured so that they are in private companies.. So we wanted to bring in people who think of New Relic as, this very early stage company that they want to participate in for a very long period of time and so we went out to the top tier public market investors and we were lucky enough to put together a good round.. So that was a \$100 million round we closed last spring and our aspiration is to be a public company and - but that's just a step along the journey.. Right here..

Would it be possible to get into the early days of your - of the founding of your first company? How did you get going, how did you get the capital or the resources? Sure.. So the question is how - tell me about the early days of my first company and that company was.... Also it's talked a good bit about in this book by our friend, Professor Wasserman at Harvard but.... Yeah.. Give us the headlines.. Yeah.. The early day of Wily, as I said, I was an engineer.. I had a desire to start a company and I was a Java developer and I was stuck with this problem of my Java software worked in my local environment when every time I ran it in a remote environment, it was broken and I didn't know why.. And so I am driving down Highway 17 to my little apartment in Santa Cruz and I'm thinking, thinking, how do I solve this problem for myself.. And this idea, there's something called bicode instrumentation a way to modify the Java program without the person who built the software needing to do anything..

Another program could make that software self-diagnostic.. And I was so excited about that idea being the nerd that I am that I almost drove off the road on 17.. That would have been an early end to - there would be no ETL in 2014.. So anyway, by the time I made it to Santa Cruz, I said I want to start a company, the problem was I have - I was not from a family of means, I had no money.. But I was only 28 years old and so I mean there wasn't much to lose.. So I called up my parents and they didn't have any capital to invest but they had seven friends who each were willing to put \$5,000 in.. So within about a week, I had \$35,000 of committed capital.. Well, that was infinite funds as far as I concerned.. I could live forever on it.. So I said, of course, I'll quit my day job..

What's the downside? There is none.. So I started Wily, I worked on it, I remember Christmas day my parents ripping me away from the computer because I'd just about got the prototype working.. They're like, come on it's Christmas dinner, Lew, and so I - if this progress bar makes it across to the end then it works and so that's how it got started.. And it turned into \$100,000 of first funding from people like the headmaster of my high school and other sort of - they all made our really well, by the way.. So - but, yeah, I didn't hire my first employee for a full year, nobody would fund me because I mean, first of all, this was 1998, so I wasn't doing shoelaces.com or anything that was like public Internet.. And like anything public Internet got funded but something like, I have got Java bicode instrumentation technology and no capability to talk about that as a business.. Nobody wanted to fund that.. So - but that was good because the bubble burst in 2000 and I hadn't raised much money.. So we didn't have a burn rate or anything like that and we kind of just got into our stride and raised our first significant round in 2000 and then we were well-positioned to actually build a business.. Lew I'm watching the clock because I know, we're....

I got a flight to catch.. Yeah, a flight to catch and.... Yeah, but we got one or two more questions.. How about one more over here.. Yeah.. I want to ask more about the culture and hiring.. You talked about like warmth and kindness, and you talked about like not wanting people who only care about the pot of gold at the end.. Yeah.. How did you make that culture and how did you balance that with wanting to hire strong - being competitive in hiring.. Yeah..

The question was about the culture and building a warm culture, how do you go about building that and of course, you want to build a competitive company and you want to win in your marketplace and certainly those are important things to New Relic as well.. I think it's the same life skills.. I mean like it's just how do you choose your friends, right? I mean how do you get to know people and you're like do I want to spend time with them.. We talked about like one litmus test is, could you imagine hopping in a car with this person driving to LA, would you enjoy that road trip or would you be like, get me out of the car, right? And so I was fortunate enough early on in my - in both my companies to hire people I had deep respect with, I thought they were gifted, but I thought they brought out the best in me and - but I wanted to spend time with them.. So you never want kind of a marriage of convenience where it's like you've got skills I need, I've got a company that can help make you wealthy, let's work together.. I mean like if that's how you're making it happen, then don't do it, right? Work with people that's going to bring out the best.. There're going to be dark days there are going to be challenging days, you want people that you're - like you're in it with together.. And then you just keep investing.. The other thing I would say that I don't think people do enough of is they think of recruiting as, alright get someone to say yes, get them to join your company, then focus your recruiting time on the next person.. Keep recruiting your people after they come in..

What I mean by that is check in on them three months after they have joined.. Is the company like are you loving your job are you loving your Mondays, is this turning out the way you hoped, is it better than you hoped, what is it about it that you like, what can we do to make - keep the company special for people, right? So you want people to feel valued, right? Everybody wants to feel valued, no matter what you do, if you're a support rep, if you are in finance, if you are in marketing, you want to feel like what you do matters and if you feel like what you do matters then it turns out you're pretty nice to other people, right? So it's all kind of the - it's all intertwined.. Please join me in thanking Lew...