

URL: <https://stvp.stanford.edu/clips/reaching-the-masses>

Matt Rogers, co-founder and vice president of engineering at Nest, explains how the sale of his startup to Google was not an exit, but was instead the first step toward reaching the masses. He also discusses how scaling up requires investing in new products, marketing, and Nest's platform and ecosystem.



## Transcript

So Tony and I, about eight months ago now, decided to sell the company to Google and this is not like in the classic kind of exit sense.. It's in the kind of entrance sense, in that like ready to take on the big guys.. So when you growing - trying to grow your company from zero to \$100 billion, there is a lot of steps along the way.. And getting to your first \$100 million, your first \$500 million, there is still a long way to go.. And turns out Wall Street actually is very fickle.. And they expect quarterly profits and it's really hard to invest long-term.. That was all the advice we got from our advisors.. So it was really fortunate that we actually could have the best of both worlds.. And that's what we ended up doing.. So, Nest is now part of Google..

That said, we are a completely independent company.. Like we are on the same path we've always been on, building the exact same product, the same vision, but with the resources of a big company behind us.. It's really nice.. It's really -- it's a kind of unique opportunity that most folks do not have.. Kind of our next stage, kind of where we are today and where we're going next is how do we kind of reach the mass? And that is a very big challenge.. There are very few brands - at least very few new brands that reach mass.. And when I say mass, I mean tens of millions, 50 million, 100 million consumers.. That is a massive, massive reach.. And very few companies ever get there.. Like the kind of brands you think off, like in terms of mass brands out of the Valley, like Apple, Google, Facebook, Twitter..

Like these are - like there are very few kind of mass brands that are created in the Valley, but we're trying to build one.. And that is a mission that takes a long time.. That said, it's something that we invest in.. So we invest in new products.. We invest in the ecosystem.. We invest in marketing.. So you will see a lot of marketing from Nest this holiday season.. It turns out it takes actually mass marketing.. PR only gets you so far.. At some point, you have to reach the mass consumer, another kind of big lesson...