

URL: <https://stvp.stanford.edu/clips/regulation-is-no-excuse>

Public.com co-founder and co-CEO Jannick Malling explains why Facebook's old "move fast and break things" motto doesn't work in highly regulated industries like finance. He also stresses that while regulation creates a high barrier of entry for innovators, that also means consumers have lower expectations for technology in these industries, giving tech-driven startups opportunities to build elegant new experiences for users.



Transcript

- Public is a fully regulated broker dealer nationwide 00:00:07,359 in the U.S.. and I think one of the best ways to kind of summarize it is this whole notion that a lot of people have preached, a lot of people have sort of been taught, directly or indirectly for various of the content of, you move fast and break things.. But that's sort of been a Silicon Valley mantra of all for many years.. And I think more than anything, really what operating a highly regulated industry means is that you cannot just always follow those sort of standard startup rules, if you will, because at the end of the day, you know, you're dealing with people's money.. It's a fairly sort of highly, highly regulated industry.. And I think in a different way than people might expect from something like an Uber or an Airbnb that also had some regulatory challenges.. And so what that ultimately means is everything can't always happen as quickly as you want it to be.. There is another very important stakeholder on the table in most of the decisions that you make, and it's not the usual, just, you know, you have sort of your customers or your business or your employees but there's also a regulator that I think especially these days are becoming increasingly important for the industry overall.. I think that being said, and so that's probably the number one thing, right? I think the interesting thing about regulation is it does present a high barrier of entry.. And I think that's why for many years that you didn't also see maybe a lot of startups up until sort of the rise of FinTech, maybe, you know, call it half a decade to a decade ago but finance was one of the last large industries to really sort of be disruptive for lack of a better word by various forms of technology startups..

And I think as a result of that, you know, consumers expectations may also be a little bit lower because most sort of, because technology hasn't been around the finance industry as deeply as it's integrated into it today for several decades.. And so that's maybe the one of the few sort of positives, that you're able to actually create.. It's a longer role, it's more regulated, but you can create some really magical experiences in and around money once you sort of push through that..