

URL: <https://stvp.stanford.edu/clips/riding-the-news-cycle>

Stewart Butterfield, co-founder of Slack and Flickr, talks about how press coverage of new technologies tends to swing from adoration to criticism, and how companies in the limelight should prepare themselves for the inevitable turn. In conversation with Andrew Braccia of Accel Partners, Butterfield also notes that the amount of pressure to perform well is about the same, whether in good times or bad.



Transcript

Since then, many things have worked out incredibly well.. And I'm here, and we raise hundreds of millions of dollars, and the business is growing at 3% a week still.. And it's incredible.. And we have no problem recruiting from any company that we want.. And the pressure is about the same.. It's about the same emotional intensity, because now the expectations are that much higher.. There's that much more riding on it.. It's like that much more visible.. I'm on the cover of magazines.. And I also know, just from past experience, and that there is a cycle..

And we are in this-- and it's very hard to convey this to employees, I think, that we're in this moment where it's not going to get any better.. We have six months like this.. Maybe we have 18 months.. Probably a year where, again, we have no real competition.. The business is growing like crazy.. It's easy for us to recruit.. And we also have a special advantage, I think, that all of the media uses Slack.. So just like Twitter in 2010, where approximately 0% of the world used Twitter but 100% of journalists did and so they thought it was very important, approximately 0% of the world uses Slack.. 100% of journalists do, so they think it's very important.. It's not going to get better than this, right? And the mental preparation that you have to do to prepare yourself for the first, like, what's Slack doing? And you can see that in all kinds of companies..

That there's this enthusiasm, there's this amazing support, people think you're a genius.. And then it's like, you don't, you stop growing quite as quickly.. And then, ah, I'm a little bit skeptical.. And then there's media posts about the death of this company that has hundreds of millions of dollars in revenue.. And Twitter's actually a great example.. Because you talk to any VC and a lot of people in the industry and they'll say, pff, Twitter.. Piece of crap company, they're dead.. And it's a \$15 billion, \$20 billion company that didn't exist nine years ago.. So that's the death case.. So even there, the degree of cynicism, hate, criticism that you get is going to be high..

So still riding the nice wave but prepared for the bad one.. Yeah...