

URL: <https://stvp.stanford.edu/blog/videos/sharing-your-passion>

Liemandt discusses how leading a start-up is harder and more stressful than heading a big company. The most difficult thing about being the CEO of a big company is making sure that all the employees share the same vision and passion for the business.



Transcript

Stress.. Relative to what it used to be? It's cake.. My job is incredibly easy versus when you're doing a start-up.. There is nothing harder than the start-up stages of a company.. Every bad decision you make, you might go out of business.. Today, I make bad decisions all day long and we don't go out of business.. And so it's not you absolutely don't have constant stress.. You're going to go bankrupt like the world's falling apart when you're a start-up.. You're creating something out of nothing.. Once you have the base that you're running, things, I find it gets a lot easier..

But it is hard.. There are hard things.. One of the big things that we decided is--we actually used to be a huge recruiter on Stanford campus and a lot of others for CS majors.. And in 2000, our college recruiting team made their first trip to India.. And they came back and said, "We should start recruiting all at the IITs because it's dramatically cheaper and their test scores are scoring higher than what we're getting here." And so we made the decision actually that we move the center of our development from Austin, Texas to Bangalore, India.. And we actually now do most of our development in Bangalore, Ukraine and Hangzhou, China.. So when you talk about stress and tough decisions.... We built this company for 10 years.. I'm best friends with all the developers and hired most of them and all that.. And you stand up and say, "You know, guys, we've decided the world's changing..

And as we look at it, we're not going to be about just building the best products.. We're going to start talking about customer success and we're only going to get paid on business value that the customer has, and so the skill sets that we need to have are going to be completely different." "And it's not going to be about can we write the most lines in C++ and Java code like it had been the last 10 years.. Now we actually have to learn about our customers and their business and how it works.. And some of you aren't going to like this and some of you are going to want to leave over it.. And some of you will want to be re-trained and learn this.. But some won't." And standing up in front of the company and having that discussion sucks.. That's not fun, because you realize you do know that some people aren't going to like it and they're not going to be here.. And some of your best friends are, like, "I'm sorry, I don't like this idea.. I don't like this vision.. I want to build great software." We instituted a bonus program in 2000 that said, "We will ask our customers every six months that says, 'Do you get business value? Yes or no?' And if the answer is no, no one on the team gets a bonus." Yeah, exactly..

That sucks.. But it was great for our business.. It was great for our customers.. And you had to decide whether you really were aboard, that "I really want to deliver customer value" or "I want to be the engineer who just built great products." When Jack Welch told you, "I don't care that it's Product of the Year.. That doesn't matter.. I didn't get value." You have to decide, which is, "No, it's Product of the Year.. I did my job.. I'm awesome, " or "I'm not done yet.. I need to go make sure GE gets value." And so we have fewer employees today in Austin than we did in 2000 as we've been moving and changing.. And those kinds of things, as you get bigger, there's two different parts--and I'm not here actually to pitch to you guys that running a company is the best thing in the world..

I'm absolutely not here pitching that, because I do not believe that.. I believe for most people that would be no fun.. I believe that I don't have as much fun in my job today as I did as a start-up.. I'm here to pitch that doing a start-up is the awesome part.. Some people are made to run Fortune 500 companies and Jack Welch seems to have a good time doing it, but doing a start-up is much better...