

URL: <https://stvp.stanford.edu/clips/should-you-worry-about-competition>

While it is important to consider the competition, says Dropbox Co-Founder Drew Houston, time and energy are better spent on factors within your control. Houston asserts a strong internal focus is far more important than worrying about competition, because for startups, "suicide is a much more common cause of death than homicide."



## Transcript

Question is how do you fend off competitors, especially when they're the largest internet companies in the world.. We think about that from time to time.. The - another sort of bias is you always kind of overestimate competition, not that it should be underestimated, but for companies like ours, and you think about any company that has gotten to sort of - plenty of stories of companies where they got a really great headstart and then somehow things went south.. You know, Netscape or MySpace or there are bunch of companies that you could say fall in this category, and when you talk to people in those companies, there is a very clear trend, which is that suicide is a much more common cause of death than homicide, meaning often there is a - companies are getting built faster than ever like in the history of the world.. And so along with that kind of hyper growth are all these different cancers that you can get, and so things are going to go wrong, you know.. My favorite analogy on this was Marc Andreessen and he is like okay, so he was trying to build a bigger cake in five minutes.. Like no matter how good you are, you've had egg on the ceiling there is stuff on the walls, you can just pray when you pull the cake out, maybe it's a little bit lopsided you can kind like squish it back.. But like if you forget the eggs, or you forget the sugar, you can't like sprinkle them on later.. So, how do you figure out the stuff, or how do you figure out what stuff you can't fix later.. I will come back to the competition thing in a second, sorry for such a tangent..

And so, often what happens at those companies that screwed up, if you talk to people inside them, they're like, well we - just, we lost our focus or we hired people that weren't as good, and then the talented people we got in the beginning looked around and they were like I'm tired of fixing this person's bugs or that they don't work as hard or all this stuff, and life is short, I'm a talented person, I want to go find the place that has a lot of talented people.. So, actually the point about hiring the very best people is something we spend a ton of time on, because that's again - that's the thing you can't sprinkle on later, if you ever lose it, it's gone.. And then the other is really distraction, some pretty heartbreaking stories out there of companies that were really promising, but then either start trying to do too many things or Friendster the - that the founder complaining that his board was trying to get him to chase all these deals with MTV and all these like shiny objects when he is like, guys the site won't even load, it like - takes like 10 seconds for the web page to show up.. And so the power of focus is - the focus is really powerful.. And again, you try to figure out those elements as you sort of start from like just coding to like designing and designing systems of code and algorithms to designing systems of people, and figuring out the things that other companies have learned about that along the way.. And, so while it's something that's really important to keep track of, you know, most of it, if you actually look at all the data points it's really more often the problems begin at home, not because of some competition.. And so how - the way we will respond, the kind of way we are responding, competition is actually very little is changing, like nothing in our roadmap actually changed.. Maybe a couple of things that got reordered, but we just focus on maximizing the number of happy Dropbox users, and figuring out problems, more problems, that people don't even know they have and solving them, right.. So, lots of - we are never going to run out of examples of that, right.. You know you look at your iPhone, and you're like wow it has like a whatever megapixel camera and it takes HD video, but then you know, how do I see that on my Samsung TV, or why is it that - oh my god this is - I just discovered I left my iPhone in a cab and now like oh my newborn kid's pictures are like gone forever, like it's a problem you never had to worry about before..

And so we think a lot about what kinds of problems that people don't even know they have, and think about solving them, and we think we're the only people that really think about it this way and so, keeping our users happy and hiring the best people, those are the two main things, and you can screw up all kinds of other stuff if you get those two right...