

URL: <https://stvp.stanford.edu/clips/sustainable-advantages>

Eventbrite Co-Founder and CEO Kevin Hartz talks about how its fraud-deterrence team provides a competitive advantage in the market. Eventbrite Co-Founder and President Julia Hartz explains how focusing on people and talent creates a sustainable culture that will distinguish it from other tech companies.



Transcript

But differentiated is first and foremost, a lot of what we think about in, in terms of beating the competitors, you don't -if you've read Peter Thiel's book, you've read about, you don't want to be an undifferentiated airline, you want to have this competitive sustainable advantage.. I will mention a couple about Eventbrite and one is that the service is self-service and that sounds like a duh kind of moment, but when you're moving billions of dollars in small amounts, all around the world, it's actually just a real honey pot for hackers, for fraudsters and so on.. And so we have continually been under fire from fraudsters and as a result, over the years we have built a fraud detection and deterrence team that -in the engineering and operations around that we consider very proprietary and give us advantage.. When we see new competitors entering the space or trying to gain any kind of scale, fraud really acts as almost a aircushion of sorts, you - we've effectively deterred fraudsters from our site and they swarm over to a competitive site or a like site and overrun that and that's from the kind of algorithm side and also the operations side of creating a silver bullet to stop the bad guys, but not stop your customers in a self-service manner.. So that is a kind of specific example of differentiation.. The other that we alluded to that Julia will speak to you is just around talent and thinking around talent as a differentiation.. Sure.. So in 2009 when we raised our \$6.5 million from Sequoia Capital, we were at a stage in the company where we knew exactly where we wanted to go and who we needed to get us there.. And the plan called for us to grow our team of 30 to 100 in less than a year.. At the same time we are watching all of our sort of fellow tech entrepreneurs go through their own hypergrowth stories and come out the other end with broken cultures, the loss of identity and they really had to go back and self correct on some of the hiring mistakes they had made or they'd kind of lost their way in terms of the soul of their company..

So the idea of growing from 30 to a 100 terrified me and at the same time I felt this irrational love and loyalty towards the company not unlike what I feel for our own children to be honest.. So I put all of that together and realized that the only way that we were going to go through this hypergrowth state and grow our team successfully was if somebody and preferably a crazy person like myself, but basically any founder you have a little bit of crazy, would be focused entirely on people.. And I think what I realized about myself is that through this journey of being an entrepreneur and trying to blend my background with -in television with this newfound reality as an operator of my own company.. I realized that I had a keen sense of how I wanted to make people feel.. And so I dug into that and took a leap of faith and said to Kevin and Renaud, I'd like to focus entirely on people and specifically the Britelings.. We had built up our customer service operation and our marketing operation, so we understood how to try to find people and how to service them and really what that meant to the Eventbrite experience.. But we hadn't thought about how we were going to scale our team and what we hoped our culture would be.. And one of the things that I think differentiates us from other tech companies is the idea that our culture is designed to be sustainable.. So it's actually a manifestation of every single Briteling who is currently at the company.. We have the free meals, we have massage Mondays, we have the cool office, those are just table stakes these days in the start-up world..

It's actually about how you treat people and how you make them feel, that makes all the difference in the world.. So what I'm most proud of is not how cool our company is, it's that I know I work at a company where we'll always do the right thing and where we're truly people-centric.. And that actually means that we put people before the company and the company before ourselves.. And that, in practice isn't always the easiest way to operate.. And we get into some really interesting debates.. We do things the hard way.. We sort of take windy paths to things, things are not always clean and streamlined and sometimes messy.. But ultimately the fabric of our culture and who we are as a team is actually -is what is going to lead us to success.. It is what is going to give us the opportunity to be an independent standalone company for in the long haul..