

URL: <https://stvp.stanford.edu/blog/videos/taking-flight-in-a-hurricane>

Google Analytics' Group Product Marketing Manager Brett Crosby recalls how two brutal blows to his enterprise - losing a huge client in the 11th hour and the tragedy of 9/11 - forced him to reevaluate and streamline. Offices closed, jobs were cut, and salaries were strapped for maximum efficiency. Having the wind knocked out of them also simplified overblown contracts and software, and switched their strategy from making money to market dominance. The result included a better product, a better business, and a market presence that's still flying high today.



Transcript

Before the dot-com crash, we have an interesting story.. What we have here is a photo of the Winstar blimp.. To me, this epitomizes the dot-com bubble, and there's a reason for this.. Not only was it because people out there buying blimps, but when we were negotiating a deal with Winstar with this multimillion dollar deal over multiple years, and it was a contract that took us probably eight months to negotiate, we were into the very fine points of the deal and they were trying to rewrite the contract in the final hour.. The guy who was negotiating it, Jack, was on our team.. Literally, it was two days before Christmas, he was trying to fly home.. He was in tears trying to get this deal done.. It took two days, and just like negotiating, what does it mean or something like that.. Meanwhile, the blimp is circling our houses the entire two days.. I can't imagine it was anything but a coincidence but we would walk outside and there's the blimp, and he's on the phone with our deal guys..

Who knows? It's telco.. Maybe they had the phone information.. I don't think so.. I just think it was a total coincidence, but to me, it was like one of those things that were like one day we will look back at this and laugh, but what happened surely thereafter was actually very tragic.. Of course, 9/11 happened, and the thing about 9/11 for us is that we were in the middle of a funding round.. So not only it was obviously super tragic and everything else.. Our deal was inked.. It was papered, completely done.. They guy was flying out to sign and finish the deal.. We moved the meeting up one day..

He flew out on September 10 from Boston, and he woke up in the morning and we went to go have the meeting and he's like, "We're done." Deal over.. We were in the red.. All of the senior people in our company had focused on getting the deal done, not focused on the revenue of the company because we had all this money coming in.. What do we care about that for now because we're going to burn into the red anyway? Obviously, what happened for the entire country but definitely for us was a pretty dark time.. So we had layoffs in our company.. We had a Japanese office of 20 people.. We had to cut that office.. We retooled all of our business models.. Scott and I both took salary cuts down to, I think, about \$40,000 a year or something like that for about a year.. It was rough times but what came out of it was actually pretty positive because two things are interesting..

We retooled all of our business models and we took what used to be six months of negotiations per data center deal and chopped it down, and it was about a 30-page agreement with all kinds of clauses and this and that and all this crap.. We chopped the whole thing down to one sheet of paper, front and back, signed, done.. No negotiations.. We gave on all the points to people who were negotiating us on.. It was \$5,000 per physical data center per month.. You can have as much Urchin as you want.. So our goal was not to get every dime out of every customer.. It was to be the most dominant web analytics product on the market.. To do that, we had to make it really scalable not only from the back-end technology but also from a front-end perspective.. We had to make it so that the user using the product could get in there and actually understand what they were doing rather than having to call us every 10 minutes and say, "What does this mean?" So we built in all kinds of help into the product and tried to make the product really intuitive and something you could just run yourself..

After several meetings with people up here in the Valley, it became pretty clear that installed software was not necessarily the way to go.. That had been our model for a long time.. So we switched.. This seemed really dumb and obvious ideas, but at the time, it wasn't quite so obvious, but we switched, it started to become very obvious, to an ASP model.. That's where we needed to go.. So that's what we did.. We became pretty dominant.. We had all the major hosting companies using Urchin, and many of them still do.. Many of them still provide it today.. I'd say it's still the most dominant in the market...