URL: https://stvp.stanford.edu/clips/the-early-days

Matt Rogers, co-founder and vice president of engineering at Nest, recounts how the "unglamorous" pre-launch phase was spent doing the vital work of validating needs in the market, assembling talent and producing the first product, before pitching to investors. He also stresses the importance of always having a plan, even as conditions change, in order to drive progress.

Transcript

The early days of Nest were actually really unglamorous, I'd put it that way.. So Tony and I met at Madera, at Rosewood for lunch.. It's kind of between his house and my office at the time.. And we kind of had our big brainstorm like this is something we should probably investigate, something we should definitely look at.. And actually we spend six months investigating and looking.. So very unglamorous like, we did like lots of late night Skype calls, we would hold ourselves in kind of walled conference rooms in friend's companies and just brainstorm and do white boarding and do internet research, cold call experts, which is a really funny thing like hearing like, so Tony Fadell, the guy who invented the iPod now CEO of Nest like cold calling experts at the EPA, like hey I have some questions about the thermostat industry.. And people actually asked - answered, it was great.. But it was really unglamorous.. We did a lot of market research.. We really wanted to kind of get it right before we said go, and before we started calling friends to hire them and before we called VCs to raise money..

It was about six months later we realized, business is there.. And this is definitely a business opportunity.. We could make a better product.. It was clear like with our talents, with our skills, with our network, the products would be better for sure.. That we could make a difference and that we could make a big enough difference.. That was kind of our key metrics and we could do it in a reasonable enough time.. This is not something that would take three, four years to get the first product done.. And once we had that, then we started pitching first employees.. And we hired about 10, 12 folks in that early days to kind of build - sketch prototypes, prototype UI, first industrial design, build the first prototype, early software, first app, at that point we realized like we had enough meat on the bones, we probably could talk to some investors.. But we have the kind of - but the time we talked to our first investor we had like a full business plan..

We had our go-to-market which completely changed by the way.. Like plans do change.. The key is just to have a plan, something to - a guiding force to push the team.. That said, plans change.. They - I can guarantee you they will.. Like no one gets their plan right on the first try...