

URL: <https://stvp.stanford.edu/clips/youll-miss-big-opportunities>

In two previous startups, Patreon co-founder and CTO Sam Yam turned down acquisition offers that would have likely led to major payouts. It was in the middle of a period of significant second-guessing, he says, that he suddenly found himself coding up what became Patreon.



Transcript

Okay, this one is more personal to me.. And I think it has a lot to do, and maybe folks here share this mentality, with both like a desire to optimize the things that you do with your life, and then also this idea that you wanna be questioning all the time if you're making the right choices and have the things that you've done been working out.. And so for me in particular, because I do a lot of questioning about everything that I face with continuously, I find myself oftentimes in this maybe like toxic cycle of thinking through the choices that should have been, and in the worst case, getting to regret about it.. And so just highlighting a few examples of this in my own life.. Early on in AdWhirl's, that was the first company I founded, like we got an offer from this company named Quattro Wireless, and so both me and my co-founder were really young at the time, we didn't know what to make of all this.. And I remember when we asked our investors for sort of advice, they gave us some opinion that basically led us to going okay, we're not gonna do this acquisition.. And then afterwards we saw quickly that Apple acquired Quattro, and then Apple appreciated itself and the deal ended up valuing us around 150 million, but we never took that and that was, at that time myself being like 25 years old, something that I really was fixated on for a really long time as in like how could I have made a better decision here or how could I have had a better thought process around this.. And then it sort of happened again.. I don't know if you folks have heard of this company named Fab, but on the next company when I was working at StartX that I started, this is sort of silly, but Fab was also interested in acquiring us, and so I remember reaching out to a few folks and asking for advice here again, and especially in the context of what happened before thinking that maybe wanted to go through this sort of acquisition, but then ultimately decided not to.. And then shortly afterwards we sort of couldn't escape the news where it just seemed like Fab was taking off..

And the reason they're interested in us is 'cause we had helped them set out with group buying through our platform at that time.. But yeah, like my co-founders and I were just sort of sitting there, not freaking out but just thinking that we were bad at making choices.. And ultimately, I also remember like seeing all these articles because this happened very shortly after we stopped working on that original platform and then I had reconnected with Jack and we had launched Patreon at this time, and looking at also whether it made sense to go back and possibly talk to Fab early on 'cause we weren't getting a lot of traction in terms of people being interested in Patreon at the beginning.. And it was doubly true because the day that Jack came to me, I have that date marked because the day that Jack came to me, I was also working on another idea for like freelance photography, and the TechCrunch article for that just come out.. So when I originally had met Jack, we met at this place called Coffee Barn in San Francisco.. I thought we were just gonna talk about an idea that he had so that I could give him some advice.. And I remember he came to me at Coffee Barn and he's like, okay Sam, I don't know what the process is for this.. Do I have to get a couple of like non-disclosures? Can we sign a few documents so that you don't steal my idea? And I remember telling Jack, look, ideas don't matter at all.. Like you can tell me, you cannot, it doesn't really matter to me.. I'm happy to offer my thoughts if you wanna share about what you're doing, but otherwise it's great to catch up..

It's very cool seeing you on YouTube these days.. And he ended up sharing me the idea around how he's thought all his artists and friends had huge influence but weren't making money at all on YouTube.. And then the immediate next thing I told him was, Jack, don't tell anyone else this idea.. I'm gonna start working on this now and I began coding that night...