



## Stanford eCorner

### It's a Long Haul to Liquidity

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Video URL: <http://ecorner.stanford.edu/videos/429/Its-a-Long-Haul-to-Liquidity>

The consumer market is not a very friendly market for startups, says Estrin. It can be a 5-7 year deal and not a 2-year cycle. It is a long haul to liquidity, she notes, but the good news is that rent is cheaper. It is important to build a strong foundation a brick at a time.



#### Transcript

I mentioned that the consumer market, the next market is not as start-up friendly. It doesn't mean nobody can succeed. It's just harder. And you really, really, really, need to have patience. This is not a two-year cycle. It's a five, seven year deal that you're jumping into. And I think our mind sets of a lot of people is ok I'll do this start-up and two years from now I'll have liquidity. And no, it's a long haul to liquidity. But the good news is rent is a lot cheaper than it was before and employees are out there. So it's not all bad.

There are very few instant successes. One of the things again that I just like to reinforce to people who are entering this world is people look at companies like Netscape and then they start their own company and a year later they wonder why they're not like Netscape. That was an anomaly. That was just a lot of timing and good ideas and luck and everything else went into it. Companies get built a brick at a time. Actually the companies that goes "whoosh" sometimes haven't had enough time to build the foundation and come down just as quickly. So it's really important to have the vision of that wall and then a brick at a time build it and make sure that that foundation is there.