



Stanford eCorner

How We Attracted Our First People

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Video URL: <http://ecorner.stanford.edu/videos/1023/How-We-Attracted-Our-First-People>

The founders built the initial team of six by recruiting people they knew and trusted. Though it some took convincing, they got the other members to give up whatever they were doing and move out to California.



Transcript

So one of the funniest of our first memories of PayPal or Confinity at that time or Field Link given at that time was actually bringing in developers so as a Champaign about to graduate, I decided that I'm going to recruit, you know, we're all going to recruit people we know. So Peter basically recruited this guy named Kenny who was an economics student at Stanford graduating the year that we started PayPal and I recruited a friend of mine called Luke from Champagne and then these two other engineers named Russ and Yupen. Russ' and Yupen's stories are interesting in a sense because they were both already out of school, both working real serious jobs. Yupen was actually working in Minnesota for IBM. And Russ was doing a Master's Degree in Champaign, Urbana in computer science. So the recruiting was, I had no idea how to recruit people into software companies from before, the previous startups that I've had I've done four startups for PayPal and everyone of those I basically would just go to campus and say, "Hey, I'm going to do this project. Anybody wants to do it? I'll pay peanuts but it'll be fun." That was the standard model. It actually works fairly well. But this time I actually had to go recruit people to get them to move to California, which is a really serious thing because I just moved to California myself. So the recruiting was actually completely wrong.

The right way to recruit people to go to California is to bring them out here during bitter cold wherever they are. So for example, a typical Champaign, Urbana recruit would come out to California in mid-January. From SFO, you drive them to Half Moon Bay. You sit on the beach for about half an hour. You watch the waves and you take them to the office and then you started saying, "Well, you know, the weather is usually like but it's a lot warmer cause it's January it's really not that good." Basically, at the end of the day, it's like where do I sign? So I did it all wrong so it's a learning and these two guys actually flew out to visit them. The key objections to my recruiting them for this company were not, you know, this is a crazy idea, no one's going to ever Palm Pilots and it was really not even funded yet. None of that. It was basically I feel really bad dropping out of Master's Degree because my adviser might really not like me very much for it, which is understandable and the other guy had an even better excuse. He said, "Look, I really don't want to leave my ultimate frisbee team cause I really hate my job and Minnesota's freaking cold." But a couple of days out of the year you get a really nice weather and we got a frisbee team going. So we really like playing.

So skipping through a few iterations on please, please, please drop out of school and please, please, please leave your job and come to California, these guys actually showed up in SFO on the cheapest airline available ATA bundled up because we're both flying from Chicago. American Trans Air right? American Trans Air, which is still in business, which is pretty impressive. They're very cheap, yes. Very cheap. It's like \$90 tickets. We flew out there bundled up completely. The entire

company came out to meet them, you know four people. They may be the six original founders for these last two guys. We all came out to visit and we're standing outside the gates and, "Oh we're finally going to have some engineers and we're really going to get started." These are the images from the beginning of PayPal and then I took them to Half Moon Bay just sort of take a look and then to Stanford Campus and give an inspiring speech right by the... The were going to take over the world.

Yeah, take over the world. I had a very vague idea of how but it was, I finally found my thing right towards the... Yes. Yes. And then one of the engineers said, "Well, let's go back to the Batcave." And we went to our office and that's how the whole thing started.