



## Stanford eCorner

### Role of Ethics in High-Tech Entrepreneurship

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Byers gives his perspective on how ethics played a role in high-tech entrepreneurship in the late '90s. He strongly believes that it is okay to fail but at the end of the day, it is character that matters.



#### Transcript

So the last one is the motherlode of questions or things that I like to think about, and that is the relationship of entrepreneurship to ethics. I said earlier that it's been a real joy and something that I feel so blessed I've had a chance to hang out here at this place, this time, over the last 10 years, and saw the abject greed just grip the place in the last part of the '90s, and then see fear grip the place starting with 2000-2001, and now see it's come back to a sort of steady state. What role did ethics play in entrepreneurship during this period and watching all that happen has been a big interest of mine. And I want to get this right. It got ugly. It got very, very ugly. We had things like Enron happen. And it really did put a damper on the whole idea--so, OK, all entrepreneurs, promoters, are they all bad? No. Bad behavior is just bad period. And first of all, statistically, it was a small group of people.

But bad behavior is bad, period, at any time, during periods of expansion, recession. And it will be found out. It always is found out. And I'm not an ethics professor. I just know this in terms of studying entrepreneurial situations in high tech. It usually is found out. It almost always is found out because of transparency. Failure is OK. And this is where I love it when we get some people who are trying to share a little bit of wisdom in here. And I'm not going to get up on the stage and say, "Be ethical," and so forth.

All I'm going to say is, failure is OK. I've had plenty of it in my life. And thank God, my moral compass, for one reason or another--God rest my mom and dad or something--was pointing in the right direction. So I didn't take the wrong turn. I say, OK, failure is OK. I know that's not the case in every culture in the world, but at least here it is. And character just matters. At the end of the day, character matters. And reputations matter. And, certainly, Symantec was a huge hit.

Slate was a terrible failure, and it was psychologically hard to get over with after having been such a success at Symantec. But it certainly taught me that by keeping my moral compass pointed in the right direction, things were going to be OK. So who would you rather be? Enron--and there's their stock price in 2001 go on way up all built on stilts, and it came crashing down and is now the legend and lore. Would you be folks that we've gotten to know around here and that we could be very, very proud of, whether it's Genentech, which came out of Stanford and UCSF technology and is the most admired company in the United States, if not the world, or how about recently--Google and Yahoo? I don't know what their market caps are combined, but it's got to dwarf most of the other tech companies. And so, financially, they've done great. But it was never about financial gain for them. Any time you see Jerry and David speak from Yahoo, or Sergey and Larry speak from Google, it never was about financial gain. It was about changing the world, making meaning, all those kinds of things you hear people in here.