



## Stanford eCorner

### Taking Smart Risks While Not Following the Safe Path

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Video URL: <http://ecorner.stanford.edu/videos/1692/Taking-Smart-Risks-While-Not-Following-the-Safe-Path>

Waldorf believes it is important to be self directed and follow one's passion. Assessing risk, having success in past endeavors, and finding good people can mitigate the effect of following the path less traveled.



#### Transcript

Important point number two in having a great entrepreneurial career, you've got to be willing to take risks. The advice will probably give you here, your parents may hate because what I'm going to tell you to do is don't go the safe path. There is an unbelievable amount of pressure when you're here at Stanford. To go and take what is perceived to be the prestigious job, the job that you have to get because everybody will know the name. What's it's like as either an undergraduate in your final year, as a graduate student in your final year? When people say to you, what are you going to be doing after school? Your parents are going to ask you that, your friends. And I think it takes some fortitude just to go a path that says, "I'm not going to do investment banking or consulting." And having listened to some of the podcast that Tom pointed me to before I came here, I suspect this may be a common theme and I don't mean to be critical of investment bankers or consultants. Many of them are my friends but I think there is something particularly when you're at Stanford about taking this easy route because the jobs are right here. When I was at my own business school graduation, Mike Spence who was the dean at that time of Stanford Business School. And I'm fortunate to count as a good friend today said to all of us, some of the best advice I've ever gotten which is "Never pass up an opportunity because you were afraid of falling behind your peers." Think about that. You really need to be self-directed.

Don't walk away from something that's exciting to you or you're passionate about because of your sense of keeping up. You're all incredibly talented and that advice we've tried giving to a lot of people I think makes a lot of sense. I want to tell you a story about a friend of mine who is a classmate of mine here, his name is Greg Sanz and I remember during the second year of business school, he was really committed to finding an entrepreneurial career. And again, when I say that, I'm going to use the word entrepreneurship here describing some of you in the future, I don't just mean going into a garage with two people to found a company. This involves all different stages. He just knew he wanted to be in an entrepreneurial business. And through a lot of proactive searching and work, he ended up getting a job offer from a company that was called Mosaic Communications. This is back in 1994. And we all, at least I remembered Greg going through this job search and it definitely seemed risky at the time what he was doing. In fact, it's almost crazy.

We all felt kind of sorry for Greg because he had to start work the day after graduation. Graduation was on a Sunday. He had to go to work on a Monday. And I think he was doing some consulting before that, in fact. Now for those of you who know the story of the Internet, Mosaic became Netscape. And Greg was about the 20th employee at Netscape and the experience that he had being an employee there was what we all watched. Netscape really defined the Internet era. It went public in the summer of 1995. In the mid '20's it closed I think \$56 or \$58 a share which people thought was unbelievable because it value

the business at a billion dollars. No one could believe that for such a young company.

But I tell you, the experience that he was going into was really a wise choice. For one, he was somebody who has succeeded a lot of points in his life before. He knew he was going to work with the kind of entrepreneurs like Jim Clark and Marc Andreessen, two people who are certainly on campus here a lot. There really wasn't as much risk as we all thought. He was going into a very smart environment, employee number 20. This was a going concern. And so, it was a really smart risk to have taken. And it's not just small companies. Another friend of mine, Mike Boffey, also a business school classmate. I remember sitting with him at this ugly sculpture called "The Birds" which some of you may know which is over in the business school courtyard.

I literally can remember sitting with him and he was weighing a job offer between a consulting firm and Cisco Systems. It seemed incredibly risky to go to Cisco Systems back in 1994. And it was already a public company. So think about that. He took a risk to go to this company called Cisco. And those of you who may know Mike, he's also around a lot. He joined us, an individual contributor, right out of school. He just actually retired last week after 13 years at Cisco. Having left, his last stroll was running their entire routing business which is half of Cisco's revenue, more than 10,000 employees. And what may have been perceived as a risk was actually really smart because Cisco have these ingredients I'm talking about.

Really good people and it was a really well-run company. To not go to a consulting firm wasn't that big of a risk. So I think as you think entrepreneurially, it's not just about how do I get into a startup. It's being proactive in going into companies where you can have a great entrepreneurial career.