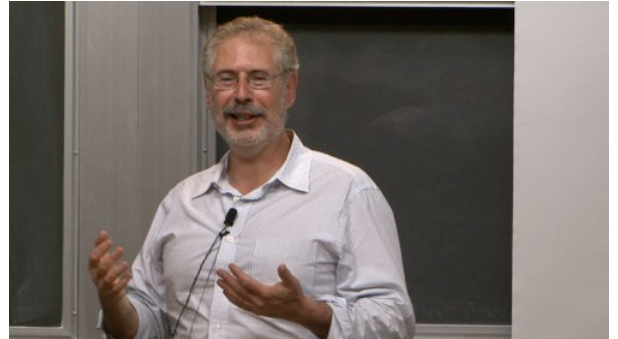# Stanford eCorner

Company Building as Shakespearean Tragedy

Steve Blank, *Stanford Engineering*

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Video URL: http://ecorner.stanford.edu/videos/2061/Company-Building-as-Shakespearean-Tragedy

Silicon Valley lore includes anecdotes of company founders being thrown out of their own companies. But starting a company and growing a company are two different skill sets, says serial entrepreneur Steve Blank. Investors are often frightened away by world class entrepreneurs who know how to build, but not deepen and enrich, a later stage enterprise. The tragedy, says Blank, is that the largest, best-known tech companies are still run by their founders - think Microsoft, Oracle, or Apple. The gap in this insight, says Blank, is of theatrical proportion.

Transcript

The last step in customer development is about company building. And for me, company building is the Shakespearean tragedy of an entrepreneur. Anybody ever hear stories of entrepreneurs whose company have gone public and they've been thrown out of it? Anybody ever read - oh! Couple of hands. Oh! A lot of hands. It's almost a war in Silicon Valley. Gee, the VCs took their company away from them. Oh, they lost their company. Oh, they were great entrepreneurs but then they brought in the suits. Right? Almost a war in Silicon Valley. Turns out that what most entrepreneurs don't understand is when companies are becoming successful, all of the skills that made them great entrepreneurs may or may not be useful in the next phase of a company.

And in turn, scare the heck out of investors. Because while you might be great at starting and finding new businesses, typically when your company gets to this phase, you're growing the business. And you're doing something repeatable and scalable. Might not be the same skills that worked early on. And I call it a Shakespearean tragedy is because world class entrepreneurs here are not necessarily the same people who build the company. And yet, another irony is the largest technology companies are run by their founders - Microsoft, Oracle, Jobs at Apple. Interesting conundrum. But then there's a gap in between.