



Stanford eCorner

The Greater the Problem, The Greater the Satisfaction

February 25, 2009

Video URL: <http://ecorner.stanford.edu/videos/2193/The-Greater-the-Problem-The-Greater-the-Satisfaction>

If pursuing problem-solving entrepreneurship or disruptive technologies, says Founder and a Managing Director of Draper Fisher Jurvetson Tim Draper and ThinkEquity Founding Partner Michael Moe, make it a grand solution to an enormous problem. Flipping an existing infrastructure on its heels, employing a large number of people, and bringing true innovation to the marketplace will be its own reward. Aiming for a smaller target is just a waste of your time.



Transcript

Tim Draper: If you're entrepreneurs out there, don't waste your time on a small problem. Go after a big problem. Go after something really important. Say, "Gee, this seems to be something that a lot of..." God! Start a new kind of bank. Go after something that really matters to people because if you're going to dedicate your life to it, it might as well be something really important. And when you finally accomplished it, you will be much more satisfied. You'll employ more people and you'll make a bigger impact on the world. Michael Moe: If you look at the history of disruptive technology and you go back, human nature doesn't change much. You go back to the railroad industry, that was a disruptive technology. When it came out it got overfunded, speculation went rampant, bankruptcy.

In 1892 basically, \$2 billion in 1890 dollars went away, obviously the railroad industry kept on going. Got much, much bigger than any people could anticipate. Automobiles in that turn of the century, in 1900, you had 240 new automobile companies built in Detroit. Which, by the way, at that time was the Silicon Valley of its day, had all sorts of capital, all sorts of bankruptcy. Basically, three companies that barely can survive today. But that's just the natural course of disruptive. There's nothing anything more disruptive than the Internet which is as Tony said, if you look at the predictions that were made 10 years ago people said ridiculous, actually in many cases it's been exceeded. So now, when you look at energy technology, green technology, and I think people see the massive problems and all the different things. There's a rush of capital that's coming into this industry. One thing I know for sure looking out maybe over the next 10 or 20 years, I don't think there's probably going to be an area that creates larger companies the way you're going to see in that area.

Just because of the problems and the size of this market and the size of the solutions that will be made available.