



Stanford eCorner

The Entrepreneur's Recognition of Technology Acceleration

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If we look forward 20 years, we'll see as much change in technology as we've seen in the last 100 years, says DFJ's Steve Jurvetson, quoting Ray Kurzweil. And at any point in the future, this axiom will maintain, indicating that the speed of technological innovation will forever continue to accelerate. What does this mean for the entrepreneur? We live with perpetual future shock and with a constant need to stay on top of the learning curve. The only ideas worth following in this sort of climate are those that seem unpredictable, crazy, and passionate. The more people who think your idea is terrible, the higher the likelihood for its success.



Transcript

So, now I showed Ray Kurzweil's version of Moore's Law and a couple of other of his accelerating curve charts. And if anyone reads one of his books, you'll see page after page after page of these accelerating changes going on in technology. He had an interesting summary takeaway that you can sort of easily remember, and this is true in perpetuity, meaning it will be true 20 years from now as it is today. Then, if you look forward 20 years to the future, you'll see as much technology advancement as the past 100. And that's pretty profound. If you think back to like 1909, anyone remember that? I don't. But in America, if you were born in the early 1900s you were born at home without electricity, not in a hospital. You probably didn't graduate high school. Society has changed dramatically in the last 100 years, largely driven by technology and vector ongoing education and social equity. And to think that not as much changed.

I mean, human nature is glacial and doesn't change from year to year. But the drivers of comparable change, think about all the genomics revolutions; think about what has happened in the last 100 years with birth control and in the next 100 years in genetically modified organisms. It's going to be pretty, how shall I put it, a tension will rise between human nature and the pace of change. But I think some of the near-term implications are the forecast horizons are shorter and shorter, predicting next quarter is going to be as difficult as predicting next year. An idea of a 100-year business plan is absurd as it ever was and soon it will be the one-year business plan will get absurd. And you have perpetual future shock. But I used to think, "It's that young generation that's using computers or whatever," and that's because the pace of change was going through a sort of generational 20-year gap. Soon it will be, "You were in the class in '90?" Everything has changed, right? And certain scientific disciplines certainly feel that way. That idea that the future keeps changing faster than we keep with it I think will only accelerate. And that relates to things like Black Swan events.

It's a great book by Nicholas Taleb out of Lebanon. I highly recommend it. And he comes at it more from an econometric point of view or economist point of view that says the future is increasingly driven by unpredicted events, things that in retrospect made sense but at the time no one predicted it. And as a venture firm, we try to take advantage of that. We try to invest in things that most people think are crazy ideas; it's an interesting statement. We don't strive for consensus when we invest in deals. We allow a passionate minority to outweigh a blah majority, right? So, a couple of people that really want to do

a deal can outvote like five that don't. The reason is because no good idea that changes the world is universally regarded as one at its outset. So, Google, Hotmail, Skype, the list goes on, eBay. We're generally laughed at by most venture capitalists when they're trying to raise their first round of capital.

They were ridiculed; I know they would. Now, you won't get that opinion today. In retrospect, we all change our story. "Yeah, I really tried to get that deal. I almost got that deal. I would've been in that deal. It was brilliant. I was all over it, but at the time they laughed at it." So, the companies that really do change the world, this may be a source of encouragement for the entrepreneurs with an idea. If everyone thinks your idea is good, it's probably not a big idea. If most people think your idea is bad, that's great as long as you find somebody who thinks it's a good idea.

If 100% of the people that you've sampled widely think it's a bad idea, it probably is a bad idea. I don't know that one to be sure but it might be safe. But if you've got a 1:10 ratio, one person likes it, 10 hate it, that's perfect.