



Stanford eCorner

Technical Degree Versus a Business Degree

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Having an engineering degree, says Jeff Seibert, founder of Increo Solutions, Inc., allows you to prototype your own idea. "You don't have to choose" between an engineering degree and an economics one, quips Clara Shih, founder of Hearsay Labs. Having a nontechnical degree allows you to better explain complex technical issues in everyday language, she says. Though, while you do need to meet business needs, her partner Steven Garrity says that engineers are in demand and hard to hire.



Transcript

If you are definitely more interested or you think are better or particularly poor at engineering, then I would let that guide your judgment rather than what would be the best in order to do a startup. But if you're truthfully trying to decide between the two, personally of course, my view is biased, I would tend towards engineering only because a lot of friends of mine also are trying to do startups and they weren't engineers. And they're not as able to get quite as far because they're not able to prototype it without bringing in someone. And so, if you really are choosing between the two areas, the benefit to engineering is that you can prototype your own ideas and quickly discard, and as I think Tina likes to say, fail very rapidly. Try it out and decide, "OK, this is terrible. No one is ever going to use that," before you start bringing in other people and making it a much bigger deal. So, I'd say that's one thing to consider. So, coupled to that one is you don't have to choose. I actually studied both CS and e-commerce as an undergrad here. And then, I ended up co-terming in CS.

And I really enjoyed the perspective that both provided me. After Stanford and after working at Google, I actually went to Oxford and got another Master's degree in technology policy. I think that helped me, too because it helped me be less of a geek and think more like normal people, which is who we're selling to right now. And I could explain really technical terms and really knew technologies in a way that something my mother could understand. And I think that for a lot of startups, depends on who your audience or who you're selling to, that can be tremendously valuable. But what I will say is, I agree with Jeff. A little secret when you're starting a company is that it's extraordinarily difficult to hire engineers because they're in extremely high demand. So, if you're an engineer yourself, then you can just hire yourself and just start working on things right away. Nothing is holding you back. And a quick interjection that one of my mentors joining me for the program told me, that an engineering degree is a great way to call BS.

And so, it's really hard. It's hard to hire engineers regardless. It's double hard to hire engineers if you're not an engineer because you have no way of deciding if they're any good or not. But you can do reference checks. But it's really hard to ask those questions. So, do I think you have an advantage as an engineer? Yes. But can you add a lot of value and do interesting stuff or do it with - I shouldn't use the word 'just' here - with an economics degree? Of course, right. And so, I always like to give the example of Clara who has two computer science degrees and still does almost entirely non-technical work for a company and has brought in all of our revenues so far, easily half of the value of that we've created as a company. Now, obviously it's really nice to have somebody technical to bounce ideas off of, when I want to talk about it, or pitching the company and saying

we have two technical co-founders. But there's a whole bunch of value to be added outside of the technology.

It's just that I do think you need engineers to bring on more engineers. And how many of you got an email from a business school student saying, "I have this great idea. I just need to hire engineers..." There's a million of them. And they're great. And they probably do have really good ideas. It's just really hard, like Clara said, to hire engineers. One important thing to keep in mind is that if you're an entirely engineering team from the get-go, you need someone to specialize in not engineering stuff. Otherwise, you will build products and more products and more products and maybe drive them by a few customers. But you do not have the opportunity to do real customer-driven development cycle. You do not have the opportunity to focus on sales and support and all of the other aspects.

So, one of the things we did reasonably early on, probably not early on enough, was take me out of engineering and make me totally on the business side. So, if you have a team of engineers, make sure that you have at least someone who can come off and start to take care of the business aspects and really getting things done.