



Stanford eCorner

Start-Up and See it Through

Mark Suster, *Serial Entrepreneur*

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Most startups won't achieve the acclaim of Google, but that does not preclude these ventures from creating value for the entrepreneurs who start them. With conviction in life, and a respect for the stress, competition, and long hours of entrepreneurship, having a passionate idea that you're willing to see through to the end is the most important aspect of starting a business. Serial entrepreneur Mark Suster speak about his personal experiences in this field, and encourages entrepreneurs to find their passion and build their enterprise to be better than their own hype.



Transcript

I'm here to talk about getting started, raising venture capital and some lessons that I learned. I'll start at the kind of most superficial level which is having an idea and it sort of sounds obvious but this is actually where most people get stuck. If I look at the funnel of potential entrepreneurs, I think this idea phase people get crippled by it and it's the reason most people don't start businesses. I like to tell people, you actually don't have to be a genius to start a business. You have to kind of be a genius if you want to create Google, but 99.9% of successful startups are not Google and yet still lead to very rewarding careers where you can work for yourself, choose your own destiny, have your own experiences and make a lot of money doing it but you have a problem. That problem is you have to get started. So how did I get started? I was working at what was called Andersen Consulting. It's not called Accenture. I started as a software developer and we did what probably a lot of you guys do or you will do in the next five years, is we sat around with a bunch of buddies after work at a coffee shop and we talked about starting a company. We seemed to do this for about nine freaking months and nobody would do anything about it.

Many years later and this is always how it goes, everyone said I had the idea to do something like Skype and if I would have only done it. I'm sure you've heard people say that. I had the idea for eBay. I had it long before eBay started. But really, people don't do anything about it, so I like to tell people if you have conviction in life to be an entrepreneur and I want to tell you and it's part of my presentation later, being an entrepreneur is not sexy. It is pretty awful. It is stress, long hours, huge responsibility, huge pressure, competitive. It is not for everybody. It's a rare unique individual who chooses to do this really crazy thing called being an entrepreneur. But if in your gut you think that's you or you want it to be you, this is the single biggest gate in gating items that keeps most people from being entrepreneurs, starting, as dumb as it sounds.

The next mistake I made, and by the way I didn't start by saying this, I made every mistake at my first startup, every single one. You name it. If you read it on a blogger and a textbook, I made it. I raised too much capital. I hired too many people. I started talking in the press before my product was any good. I charged too much for my products. I staffed up quickly. I built four products in five countries. The one thing I had was the conviction to see it through.

I'm going to talk about this later, this BS idea of fail fast. I said I made a commitment. I took people's money. I got people to quit their jobs. I told customers to use our product and I'm going to see this through. I'm going to be better than just having been a bunch of PR and marketing. The one mistake I made because I did see it through, the one mistake I made was I chose

a topic that I wasn't passionate about. I'm passionate about technology. I'm passionate about film. I've spent a lot of time in the corporate world on corporate initiatives before I ever got started as an entrepreneur but the way that I got started was a friend of mine from business school had an idea.

His idea was we could make engineering and construction firms imminently more effective and efficient. The way we would do that is we would take an industry that on average spend about 0.7% of revenue on R&D and IT and IT initiatives compared to between 1.5 to 2.4% for most companies. And because they were so far behind in IT, there was such a gap that we could really revolutionize this industry. Construction, engineering, transportation, these big projects represent between 11 to 13% of GDP; big market, ripe for innovation, actually could've done something huge. I still believe it. I just hated it. I hated going to all these stupid meetings with all the contractors and engineers. We're talking about stuff that I'm sure was really fascinating. I'm sure people have no interest in the tech stuff that I'm interested in, like I live in LA where people like to talk about scripts and Hollywood and they kind of get bored if I'm talking about Jason, but it's what I'm passionate about. Choose something that you are.