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Entrepreneurs Will Create the Future [Entire Talk]

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In this keynote address from the Endeavor Entrepreneur Summit, serial entrepreneur and LinkedIn Co-Founder Reid Hoffman shares his views on the role of entrepreneurs in society and the impact they will play in the creating the future. Hoffman offers valuable rules of thumb for navigating the startup and entrepreneurial process, as well as answering questions on developing markets, customer experience and the reasons to take a company public.



Transcript

So, entrepreneurship has always been really important. It's how all of these institutions and every company was started, every government was started, every nation was started. Entrepreneurship has always been important but I think it's growing in importance in our time, and I think the reason is fairly simply, which is: the future - we're kind of accelerating towards the future; the markets are changing more rapidly, you have the forces of globalization, you have technology change. All of that means that how we both invent the future and adapt to it is becoming more and more important. And so, how you create new things, how you make something, that's what the new institution, the new product, the new organization - that's what entrepreneurship is about. One of the questions that I've been thinking about in the last year has been "can you teach entrepreneurship," and I realized that there is a parallel, which is why it's so hard to actually teach it, to have it as form of education and that's because entrepreneurs, in a sense, are the modern pioneers. You can teach a variety of skills; in the business side, that's things like business models, competition, shipping a product, hiring, organization management, these sort of things. Just as, for example, for a pioneer, you can teach "this is how you set up a camp," "this is how you drag," and I'll use a word here in California, "wild wild west; wagon train across the mountains," these sorts of things, but it doesn't teach you how to navigate the inevitably new circumstances that you get. Because when you actually have a new opportunity that comes about from entrepreneurship, because it has to be new otherwise it would be occupied already. How do you make those critical decisions and judgments in this new circumstance and that's part of what really distinguishes the ability to pull together an entrepreneurial venture as something new.

Something that starts in the back of napkin potentially, that's a metaphor we use here, to building into a company or institution that's offering products and services, hiring thousands and tens of thousands of people, and having global impact. And so while I was thinking about this, it's one of the reasons why one of the talks that I gave earlier this year in the South by Southwest and then published as a blog post, which is also an Endeavor, was kind of, "what are the rules in entrepreneurship." So, I figured I'd go through a couple of the rules, not all of them, here and then talk a little bit about how it is that we improve our entrepreneurship as an art and I want to leave enough room for questions because in case you showed up thinking that you wanted to talk about something else, all right? I'm perfectly happy if it's of interest to the audience, I'm perfectly happy to talk about it, because part of what we're about here, this is about entrepreneurship; it's about how we invent and create the future. So, the first rule that I discussed was to look for disruptive change and the reason that I said look for disruptive change is because it's what are the opportunities that come about that are really new opportunities, because the opportunity, generally speaking, has to be large. It can't be something like, "Well, boy, it's been sitting there for 10 or 20 years and no one's ever really thought about it," it's very rarely the right answer. And if it's not large enough to be something that you could make something significant out of, it's not really high impact. The kind of pioneer parallel to this is that if you're going to actually pack

up your wagons and go somewhere, make sure that where you're going is potentially really good, right. That the algorithm by which you can make about that is all of a sudden there's a new opportunity; it's a change in technology, it's a change in competitive landscape, it's a change in how the global ecosystem comes together. The second rule was "aim high" and part of the "aiming"; actually I'd say "big", same thing, was because it's the same amount of blood, sweat and tears when you start a company, whether or not it's a fixed-vertical market or whether or not it's something really, really large. The difference is that you might as well shoot for something large because you can still end up with something smaller, but aiming for something large is really important. Part of the reason why this is kind of a rule of entrepreneurship and may be this is the kind of thing that to this room is like, "We already know this."

We're living it," I hope, is because if you don't start out aiming for the big game, you almost never can get there. It's got to be, "How do I have global impact?" I think all high impact companies are basically have to think globally in nature these days because of the way that the market ecosystem is going. So you go, "OK, how do I play onto that stage?" Part of that, in terms of a pioneer parallel, is again, "How do I go somewhere that is substantially unique?" The third, and this is one of things we're going to come back to is "how do build a network around your company," because as much as we tend to glorify the entrepreneur, for example LinkedIn, as a product of Reid's brain. It's actually brought about by lots of different people; everything from your co-founders, there's the early employees, there're the investors, the customers, some businesses have distribution channels. There's a whole set of network around it. That's even true, for example pioneers, very rarely that one person get a wagon and head west. That was usually the recipe for failure. Really, one of things that's really important to make these things more likely to succeed is to assemble a network around them that where that network helps you get intelligence, helps you get the right resources and drives forward, thinking about it as "what kind of network are you assembling around your company." So for example, the practical advice is when you're looking at financing, it's what additional strength of network can I bring to my company when I'm doing the financing, because it's a very good opportunity to get people to have their interests aligned with yours. The fourth, and this is actually a tricky one to explain, is the plan for both good and bad luck. Part of what it is as people say, "What do you mean plan for good luck? I have this idea, it works out and then things keep going." Well, good luck actually comes in opportunities that you don't normally see.

So for example, PayPal started as an encryption on mobile phones company; because it was two close friends of mine, I joined aboard when they founded it. Even though I thought encryption technology on mobile phones back in December '98 was not a good idea, which I told them, but it was also back people. Then they were like, "Well, OK, not encryption on mobile phones but cash on mobile phones, or just cash in mobile phones, maybe cash on Palm Pilots, maybe cash on Palm Pilots and payment service to the web, and then they launched with that. From the first week they said, "Well, all these growth is coming through eBay, but that's not really what we planned. We planned on people bringing their palm pilot around with them, exchanging money; these aren't our customers, we should figure out how to get them off. Then of course, part of PayPal's great strength was being able to pivot fast and they went, "Oh no, these are our customers; all the rest of that stuff doesn't work, this is the thing that we need to go to. " That's an instance of what I think of it as "planning for good luck," which is you basically go "OK, sometimes what happens when you start the journey of going down the company, you're looking for an opportunity that you may not have thought of it when you started it. But then suddenly, like the pioneering parallel, you come around the corner and all of a sudden, there're new opportunities available to you and that head very strongly to that." So, good luck is not just, "Oh, look my plan worked," it's you will encounter opportunities that you will need to move quickly and grow into it and exploit by having been on the journey. Now, planning for bad luck is unfortunately a little bit more straightforward, which is sometimes you find yourself pioneering and going that you can't find the way through the mountains. What's your plan B, right? One of the ways that I frequently about this is I have a plan A, a plan B and a plan Z.

The plan A is "Ok, this is what we're thinking of doing." Plan B is, "Well, if that's not working, what are my parameters of flexibility? I'm still trying to build the same product, the same product market fit, I'm still trying to get there. But maybe if I try this, rather than that?" So for example, when we launched LinkedIn, our hope was that people would just invite each other, and the invitations would work and it would grow into a big network that that would be all we need to do in order to grow the network. Well as it turned out, we launched the network and a couple of weeks later, we're growing at 2,000 people a week. I was like, "Well, that's not fast enough," so what were the other ideas we had in mind, the plan B? The plan B was actually one of the questions that people most have when they come to LinkedIn is, "Who else do I know who's here," so why don't we build an address book utility that allows people to say, "OK, how do I quickly find that who else do I know who's here? I'll upload my address book and see who's here." We invented that whole pattern and that caused our growth rate to go from 2,000 a week to about 20,000 a week. Without that, I don't know if we would have succeeded. Maybe other plan B's would have worked. Plan Z is what happens when it's just not working at all. It's kind of the "life boat" plan and that's part of how you plan for both good and bad luck. The last two more rules I'm going to through. It's funny, there's only a partial pioneering parallel to this, but it's so important to entrepreneurs to understand this, which is "maintain flexibly persistence." Entrepreneurs are given two pieces of advice with equal vigor, when you look at them they are in contradiction.

One is "Have a vision; plow through the wall, keep your vision. Don't allow yourself to be defocused from that, keep going." The other one is "Listen to your customers, listen to market feedback, listen to your network, be really adaptive." Well, OK, how

do you put those two things together? That's part of it again where it's a very difficult thing to teach, other than by doing, other than by the activity of going out and being an entrepreneur and making those decisions. The reason that the rule is "maintain flexible persistence," is because it's both "keep a vision" and be "flexible". So for example, if you think about the A-B-Z planning framework, it's like "Look, I've got a plan. I want to try to get there. This is my main plan. If that's hitting problems like I'm not growing fast enough or I'm stalling out, OK, here are some things I can try to keep trying to do that. And if that doesn't work, how do I shift to a different destination, a different location?" That's part of the plan Z. So, the last rule that I'll go through for today, before we get back to entrepreneurs as pioneers in education, is that these rules are not rules of physics. They're not natural gravity; gravity not just an idea, it's the law.

They are rules of thumb by which you navigate and that's part of what makes entrepreneurship so interesting, because usually almost every company has something of a unique pattern to how it operates. Now, sometimes the unique pattern is where its operating in the world, sometimes it's a question of which distribution channels it has. But one of the things that I love about the consumer internet, which is what I focus on with the vast majority of my time, is that each thing that elevation defines its own unique space and that which we're really looking for is a unique pattern to getting there. The problems that are in front of the company; even though there's family resemblance like, "Well, OK, how do I scale the sales force," or "What do I do in terms of financing," or "How do I work with potential financiers," and all the rest is "How do I make all that happen," and there is a skill set there. The combination on how you pull together and which is your strategy that pulls it off; that's how new strategies are created and entrepreneurial companies are usually the ones that create the new strategies. Usually, when I'm telling someone that I think something isn't going to work, I never say, "Well, that would never work well." Actually, sometimes I say that. But usually, it's like "Well, that's going to be really hard and you're really betting the farm on that one idea, which doesn't strike me as it's potentially going to work." So these are the kinds of rules that are the kind of things you have to learn in the journey that you take. The metaphor that I use for entrepreneurship frequently is, "you jump of a cliff and you assemble an airplane one the way down," and the reason I used this metaphor is because it gets you really focused because the ground is coming. Financing isn't a success; it's a thermal draft, it just makes the ground a little further away. You have to get the plane working and of course, if you get the plane working maybe it goes up and off to the right, and that's good.

The question is, "how do you learn this?" The funny thing is I get a fair number of governments and other institutions and companies saying, "So, you know how to set up entrepreneurial education and they would do entrepreneurship center and those are not bad ideas, because I think anything that supports entrepreneurship is, generally speaking, better than not having. But the real way that actually this education happens is through networks and it's networks - that is part of the reason why when Linda was saying, "Well, what do you think about the Endeavor." I said "It's really important." He said, "When are you going to join?" And I said, "Well, it's when not if." It's because pulling networks of the shared information and the shared contacts, and the shared ability to find the right resources in order to create these massive institutions from nothing. The education that you get from your network is actually, is what's critically important. For example, one of the things that I frequently tell entrepreneurs when an entrepreneur has an idea and they come to this I say, "Well, who should I talk to about it?" It's like anyone who can possibly give you good feedback. Now, you'll publish it to the web maybe, because you don't necessarily get good feedback there. But anyone who can give you good feedback, you go and tell them your idea and you talk to them about it, because the way that you have a competitive advantage is not because, "Well, I have this idea and other people don't have it, and the moment they have it I'm going to lose the competitive advantage." It's because you're emotional in it. You're assembling the network around your idea. You're getting the co-founders, the employees, the potential customers. You're moving and you're adjusting by talking to a number of people to get into the right target. So, just someone else having the idea, that's not the impact; it's the network that essentially provides the education.

That's one of the reasons why I think that the Endeavor does, both in terms of its global network and in terms of events like this, are so critical for what entrepreneurial education really means. It's of course extremely important because if you would look at it, I think the ability to have high impact product, services, and companies, I think that they're all global. A global focus is, I think, extremely important. Now, it's interesting when it gets to thinking about entrepreneurial companies and venture because part of the thing is that it has to start local and rooted. You have to get a team together, they have to have an idea, and they'd have to have an aperture that they're trying to drive the strategy through, you don't start with thinking about "how do I take over the whole globe with my new product, my new idea." You start thinking about it as, "How do I establish this as a strongly growing and ongoing concern that can fund its own expansion all the way to being a global entity, ultimately." But all of the stuff starts locally; it starts with a region: Silicon Valley, Chile, Argentina, Jordan, local entrepreneurs and I can go through the whole list but then you don't want me doing that so I don't mean to leave anyone out. Then how does that get onto the global stage? That's one of the reasons I think putting time in this is extremely important. But here's the thing I think is particularly interesting when it gets to entrepreneurial education, which is I think it's the importance of these means in this learning is going beyond just founding companies. Because if you look at it with the trends going on in terms of globalization, accelerating change in the markets, all of the institutions, not just the new companies building new products and services, have to adapt, which means, every individual now needs to act more entrepreneurial. It doesn't mean that every individual is going to found a company. Actually, I think, relatively few folks go through all of the different complexity in assembling all the different problems you needed to solve to found companies.

But I think every career now is entrepreneurial, because I think it's both entrepreneurial by which the way that you operate within an organization, within a company is the market's changing and you need to help the company adapt, and then because the market is changing, what is a career path is no longer straight forward. It used to be like post-World War II; it's like, you joined a company, you're working with the ranks. Then it got modified a little bit; whether you jump between companies, lost the work in the career ladder, I don't think there is any such thing as a career ladder anymore. I think that the pattern by which you develop a skill set and a set of work, a set of ability, a network, skills and the rest, I think actually much more mirrors how entrepreneurs live and work than anything else. I think that's part of the reason of what we're doing is important, because I think it has that kind of global impact. So, I'm going to make one last comment about global and then I'm going to open up for questions. One of the things that I think is, kind of, most interesting and the challenge is "How do you both build something really strong with a local focus, and then also how do you participate on the global stage." Now, I have done that with two very easy things because I say, "Well, I focus on the consumer internet," so you can have your servers there, and then that can very quickly scale globally. For example, we launched LinkedIn with 13 countries in the list and I think it got to the full country list within about four months, because as each person complained that their country wasn't in the list, we added it in as a way of doing it. Then the second is, because one of the benefits that we have, starting with a local market in Silicon Valley and going out to the U.S. is the U.S.

gives you a very strong base of doing that aperture. But I think that's a skill that everyone needs to learn in terms of how you play out on the global stage. I think the sharings of information through these networks of entrepreneurs between Silicon Valley and other place in the U.S. and other places in the world, and other places in the world, and other place in the world, I think the skill set is going to be evolving at very fast rate. That's part of the reason we do things like this. So with that, I think I will take questions, if there are any. I don't know if you have microphones. It looks like there is a microphone. Raise your hand. There seems to be someone over here.

Sorry, I have a little bit of an interrogation spotlight light so it's hard for me to see people. Thank you. Thank you very much for the chat. What are the entrepreneur tools that can leverage users at the bottom of the pyramid? Say three more sentences on your question. Entrepreneurship, we usually are a little bit better educated. You have access to the network you speak of, but then you have developing countries that are, by nature, very entrepreneurial; they have three or four different jobs, they run very little money. What do you think are the practical tools that can leverage all of these communities, these millions of people in the developing world to social, economic well-being? Good question. Well, I suspect that tools that will be evolving in a fast rate, but generally speaking, frequently of course, what happens is that people say "OK, how do you create educational institutions which educate a higher skill set and make that skill set more employable and employable across the worlds?" is a common answer to that question. One of the things that I've been thinking a lot about is can you create networks of how people educate each other? Now, that doesn't work if it's a raw skill set like you need to code, and obviously part of what happens is usually early in a region's economic development, you do things like assembling natural resources, converting them into something and that sort of thing. I'm not sure that's a good answer, but I guess it's kind of a question of you have to look at, "is there a way that you get the growth of how the work comes together and what the skill sets are to meet to what our regional and market needs." I don't think mobile phones will provide you education, but they may provide you ways that you can assemble people so that they can teach and learn from each other, as an instance.

But anyway, I think I could probably talk for an hour on that question. In the back? Hi, Reid. One of the issues that entrepreneurs at an early stage often have to deal with, and you mentioned flexible persistence, is a point in time where the prospects of their startup does not look so good and they need to pivot. I was just wondering if you could share, maybe you've never had that experience, but I wonder if you could share with your experience like PayPal and LinkedIn what that moment felt like and what the hindsight was. Well, almost every startup has what I call a "valley of the shadow" moment which is, there's some moment by which the founders and the early team is sitting around, looking at each other and going, "Why did we think this was a good idea?" Right? The PayPal moment of that was August 2000 where the company spent \$12 million in one month. We didn't have a dime of revenue and the burn rate was accelerating. So, we could tell you the hour at which we would run out of the \$100 million that we raised a couple of months earlier. That was definitely a "valley of the shadow" moment. We basically decided that we had a chance to do one thing that would fix the course of business. We have Peter, Max, Luke and I did an offsite where we talked about it.

We settled we have to do mass merchant business because we have to have the real exponentiation cost line was free credit card processing. We have to have a revenue model that matches that, we got to try it. A lot of people thought we were going to die because people had tried to do master merchant on eBay before and it hadn't worked. So we generated every idea to make it work and we tried them and that's what we ended up being successful, rather than a smoke cloud. And then at LinkedIn, it actually started from a fairly early day, because one of the things that was interesting is as I recommended to people that you go out to your network and you get intelligence from them, I was taking the LinkedIn idea around them, some of my smartest friends. And all of them were saying, well not all. Two-thirds of them were saying, "You're out of your mind; this is a dumb idea." And I said, "Why do you think it's a dumb idea?" They said, "Well, the whole value is people in the network; so first person in the network, no value, second person in the network, no value, third person in the network no value. Until you get

to some size of the network, there's no value for anybody in the network, so this will never go anywhere," and it will never launch. And I said, "Well, I've got some ideas for how virality and other things may be able to pull this together and even though a small percentage of people go, "Ooh, I want to try this, this is interesting," I think I can grow to the right size. If I wasn't right about that, my plan Z was basically to shut the company down or try to sell it and then be done, and that's the reason why we launched as early as we could and we are focusing on the network growth as a part of it, as a way of making it happen.

The months between we launched, May 5th 2003 and then to December, was all pretty white knuckled because until we actually got the growth network going the right way, we basically knew the alternative was fairly immediate and messy death. Thank you. Hi, Reid. We were talking with these guys from Singularity University and we realized that in 20 years, many jobs will be lost because of technology and because of the things that are going all around. What do you think, we as entrepreneurs, we have to invest in our companies? I know you will say technology and you will also say people, and we've been hearing this about human resources and talent. But what do you think, probably, can help us all entrepreneurs to doing what to invest in the future? Thanks. So, question is what to invest other than the obvious easy answers on that. I guess there're two categories of answers to that question. One is, of course, what's specific to the company and strategy. The other one is, I tend to feel that one of the things that works really well while you're an entrepreneurial and private company, and one of the things that I'm working hard to maintain at LinkedIn past going public, is to make sure that you're actually both investing in long-term and taking risks.

So what that means is doing projects that don't have an immediate one to three-month payoff in the data that are a part of the general positioning of how you think the world is changing. Right? So for example part of the theory, initially, behind LinkedIn was that every individual is going to have a professional identity online that they will transact with as the business of themselves; both for their company and outside of that and if that's how the future of the world is going to evolve. Even though there was no particular way of proving that theory back in 2002-2003, that was the theory and that's what you built into the future on. Keeping those future visions of "this is what I think the world is going to be and I'm going to take a risk that I think that my theory is right, and I'm going to invest in it even though I'm not going to be immediately awarded well in one to three months. Doing that selectively and taking those risks, I think, is the key form of doing investments. It's one of the reasons why in technology companies, you frequently see the company continuing to do well when it has still founder roles in it, e.g. the founders usually, but other people who are willing to take that three to five year risk in what they're doing, and I think that's really critical. There seems to be one back there. Hello. You always and now you just said that companies have to think global when we start the businesses, but we see that most of the overseas investments are done to clone-type of businesses.

Sorry, for which kind of business? Clone businesses. Clone, OK. So that gives us emerging market entrepreneurs an idea that clone business models in global markets are more appreciated than the original models. So, why don't we see companies dig more deep into these emerging market startups and pursuing investment opportunities into original ideas, other than clones. Well, I think you will, for sure see more original. I think that the issue is that people get confidence in pursuing their theory and their vision that you will see more original ideas coming out and I do think that that will happen. Now part of it is also people look for and I'll use a baseball metaphor, sorry it's the U.S., "how do I get on base?" I frequently see entrepreneurs in some markets going, "Look, we haven't seen the eBay of country X yet or the Dropbox of Company Y, or LinkedIn of Country Z, right? I think that this is like, "OK, well, I know there's something there and I just need to work fast and I can build out to something that works," is the normal impulse. Sometimes that's not a bad idea for getting a quick hit, but I tend to think that if you're going to jump off the cliff and you're going to take that ride, generally speaking, the biggest idea that you could think of is the one you should target. For some of those folks that may be a clone, or for other folks that are original, I have confidence we'll see more and more original ideas. I don't know if that was an exact answer.

Yes, my question is about what to expect, I'm sorry, in the future from LinkedIn as users? I worked for 12 years in the executive search business and LinkedIn has pretty much transformed that industry. However, it's just a network. It doesn't allow third parties to build on the experience just adding new features to it. What can we expect in the future from LinkedIn as users? One of the unfortunate parts of being public is I'm not allowed to make future predictions anymore. It's part of the regulation. There are a lot of tools now by which you could build LinkedIn, either on the server itself or into your website at developer.linkedin.com. Sorry for such a weak answer, but it's public markets. Hi. Going back to someone that mentioned that the easy answer of where to invest is technology and human resources, when you come to San Francisco by car in 101, you'd see this huge sign of Groupon advertising not their business but positions for developers. When you talked to entrepreneurs worldwide in getting that talent early on is becoming harder and harder and Groupon, a few months about to go to IPO, it's also struggling.

So, you're in a business that is trying to solve that problem, but I also think that at the same time, you're empowering each of us to create this personal identity that we can transact on and it's disrupting the same businesses that are trying to leverage that. I really love LinkedIn. I think that it's going to be a huge disruption in that business as well. I know that you can't comment on the future, but from a standpoint of the industry, where do you think it's going in terms of how individual people will be positioning themselves in the future. The LinkedIn 2.0 or 4.0. Well, the highline is I should think that one of the lessons from

capitalism is that you get massive growth in productivity from market efficiency. Part of what LinkedIn is trying to do is create better market efficiency for talent and jobs, for people finding information about what they need to do in order to do their job, for finding resources in order to make your work go better, whether it's for a company or as an entrepreneur and whatnot. So, creating transparency, efficiency and liquidity in those markets creates more competition, makes it more challenging in certain ways but should result in, substantially, more productivity and that's what the theory is. For example, it's easy to recruit talent. Well, that should make companies that are doing better things in terms of creating a good work environment, providing better products and services should make them easier to recruit talent and that creates efficiency in the whole system.

That's the highline response to that. Now, this is blinking zero at me. I'm happy to take a few more questions but I also want to be respectful. OK, to the people running this, direct me as necessary. Thank you, Reid. A couple of months ago I got an email, perhaps from you, LinkedIn. I was one of the million users from LinkedIn. I thought that was a great idea, I love it and I showed it to my partners. It was a funny moment for us, but the question is how do you shape and how do you care about your customer experience in such a massive scale? What should we be thinking about our customers' experience and learning from guys like you? Well, it could be an hour answering that question. The question is how to think about how to engage your customers the right way.

The short answer is you have a set of ideas by which you think things can be very valuable to them and so you building to those, those are the value propositions. But then people are diverse, you have a wide range of possible reactions to things so you have to test them. For example on that specific email, we thought that people would like getting both a "thank you" and also essentially "what number they were when they signed up," and we thought that people would like getting that. But we weren't sure so we said, "OK, let's send it for the first 100,000 and see how the response to that goes," and we were looking at Twitter and a bunch of other things as a way of finding out where people going. "Uh, damn it, this guy Reid is putting an email on my box that I don't like," or they'd go "Oh, that was kind of cool," and getting real-time sentiment analysis. It was clear within a couple of hours that the vast majority of people that were getting it, "Oh, it was kind of cool. I both liked being appreciated for being an early adopter." And part of our theory is the members make the network so it's all about the individual members and everything else is secondary, and then also what my number was, so we then we set the second batch which was up to the first million because the thought is to confirm it to early adopters. So, that was an instance of thinking this through. The last piece that I'd say on this is when you're a company, you're building all kinds of things where you want to open up the curtains and say, "Tadah!" You want to make sure that everything that you do because your members only see a small portion on what you do. The rule that we follow in the company is "if everything that we we're doing were printed on the front page of the New York Times, everyone would be happy with us," or at least neutral, but preferably happy.

And no one would go, "What, what are you doing?" That's part of the trust that you have when you say it's a network of over a hundred million people and growing. How do you preserve that trust and how do you have them go, "Yes, I think that you've never acted badly. You've acted frequently well and the times when I don't agree with you, I at least kind of get it and I think it's neutral," as kind of a compass for how you drive it forward. And Reid, we can take two more questions, if you'd like? OK, perfect, that's fine. Do we have? OK, great. Hi, I'm from South Africa and I just want to actually thank you. I've always been told that as an entrepreneur that if you want to speak to someone, everyone is equal in the real world. You just pick up the phone and phone them, get an appointment. I recently launched a new business and that just didn't hold true. I couldn't get through to any important person; everyone just put the phone down in my face.

Strategy two was going through LinkedIn, invite them all to be a member anyone that had anything in common with what we were looking for, and amazingly, got appointments with all the top people thanks to them joining on LinkedIn. So the credibility is really amazing. Thank you for that. You're welcome. Thank you. What actually made you think of taking your company public and the timing of choosing to take LinkedIn public, specifically with the rumors about Facebook going public and being put aside. As an entrepreneur, when did you decided to take your company public? So the question is when do you decide to make the company public. At some point, when you have a group of employees and investors, everyone has invested in the company with the idea that they will have some liquidity in the stock. It's a "when" rather than an "if", hopefully "if" you're being successful enough. When you're a successful company, the question you're addressing is when and so, what you want to do is you want to build as much into the company culture, the momentum, solid team culture business model and all the rest of that stuff, and you want to get all of that really established.

You want to make it reliable enough because one of the requirements from the public market investors is that they understand it with a fairly high degree of precision on a quarterly basis. Make it reliable enough that people go, "OK, I can understand how this goes," and then you choose a time that's based on when it's good for your employees when you may need to have liquidity for doing acquisitions or expanding the business; that's the logic of which it goes. One of the things that's been happening more in Silicon Valley in the last 10 years is it used to be that the marketing event have going public was really critical and so you got there as soon as you could because it was a way of being presented on the stage. Probably, there is certain classic companies where that's still true for. For the consumer internet companies, because they already touch, usually hundreds of millions of people, they don't use it for that as much for that kind of marketing vehicle by which they suddenly get a

spotlight on the stage, as much as it's the natural timing in the progression of how you're building out the company. Anyway, I hope that was useful rather than horribly generic. Are we done here? Thank you.