Stanford eCorner

Gut, Data, Gut

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Video URL: http://ecorner.stanford.edu/videos/2900/Gut-Data-Gut

Founders often work in environments where data to test assumptions is not yet available, according to JOYUS Founder Sukhinder Singh Cassidy. Rather than working solely from instinct, or becoming paralyzed by too much data, Singh Cassidy suggests an approach in the middle where you quickly gain data and test your gut instincts to create "informed intuition."

Transcript

When you think about how to make decisions, I think one of the big challenges we all have is data driven as we are, the data is imperfect. And more important for a founder, it's actually non-existent, right. If we talk about being the product profit, you're thinking about the slight tweak and/or major shift in something you expect in consumer behavior and de facto it doesn't exist, right. There are analogies, but there is no data for what it is you have to do. So there is the paralysis by analysis, there are people who fly entirely by gut, and I think of the mode in between, right. And the mode in between I call gut data gut, right. So have a gut sense that this idea for a consumer product or feature app or mobile app or whatever could be it, right. The most important thing is actually your rate of learning, right. So how do you lean right in? Follow your gut to get some data set, whatever that data set is, right. So when we were starting JOYUS, my very first thought of it as we chatted about was I don't want to be an entrepreneur again.

God I'm tired, like really? Am I really going to do this again when I could step into a company at a much larger stage and just lead it with everything figured out. So, I wrote the business plan a month after I left Polyvore, October 2010. And I didn't start the company for three months, right? But the idea kept bugging me. But what I did do is somewhere around October or November, I sent out an e-mail to my former Yodlee co-founders, all the engineering folks I'd worked with and I said, I need an engineer to just start coding something for me, right? I'm like curious about this. And of course, just through my network a bunch of engineer showed up and I picked one that I worked with before at Yodlee and he started coding for me and then sort of a little bit later I think it was maybe December, I went to a woman I knew she was a blogger and I asked her what do you think of this idea, is it idiotic? And she was like been blogger for 10 years, she's like, I don't think so. I said, would you shoot video for me? She was like okay, step in front of the camera, you know. January, I come back from vacation, I'm still sort of irritated and struggling with the idea like will I start another company and do - am I really up for the task, the idea is bugging me. And I am like, okay, let me put together focus group. So when I get 12 women in a room, her friends, I shoot three videos on kind of January 5 or something. I put them up in front of 12 women, right? Taped them, listened to their answers to these crappy four videos, and I'm like I have no choice, but start this company.

I have no choice, I'm listening to what these women are saying and I'm like there is something here. And if I don't pursue it, I will just be so frustrated. And we launched our first video on February 4, 2011 on Weebly, right? No check-out, you know, no integrated sexy shopping experience through video, no premium content, literally a video a week by and close at retail, right, on a Weebly site just to measure with the PayPal check out, right? Launched two weeks later, just to understand what the correlation was between a video and conversion, like leave everything else aside, right? And we ran it for five months, we just kept adding women and we just in - but it was simply the act of saying like look I have a gut, now I need to just go get a data set, right? You know, and after - and the data set was very incomplete, right? But at month four I was like okay, I'm going to raise some venture capital, we raised $8 million, close around, it was like I guess we launched a company, right? But it was

sort of gut data gut, this is my point. So, there is no perfect data, there is no perfect gut. What happened is, you know, as you go through experience after experience, what you think of is gut is actually familiarity with a lot of diverse circumstances and it starts to speak back to you as a gut. So, when I was 25, I didn't have a gut. You know, if you ask me what was a good idea from a bad idea, I've no gut, I have no experience, I mean, you know, I had some intuitions, right? But I think of gut, you know, after this cycle as the informed intuition.