



Stanford eCorner

Acceleration Through Community [Entire Talk]

Cameron Teitelman, *StartX*; Joseph Huang, *WifiSLAM*; Milt McColl, *Gauss Surgical*; Smita Saxena, *SpotOn*

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Venture inside StartX, an educational non-profit that supports the development of passionate Stanford entrepreneurs. In this panel discussion, current and former members of the StartX community describe their experiences inside the accelerator and the value they received through a culture of collective intelligence and mentorship.



Transcript

So, all of you know that this is the DFJ Entrepreneurial Thought Leaders lecture series that is brought to you every week by the Stanford Technology Ventures Program and by BASES. Our wonderful BASES students here and is generously underwritten by DFJ and you can find it online at ecorner.stanford.edu. Today, we have a really fascinating panel. This is a panel of folks from StartX. How many of you in the room know what StartX is? Great. And for those of you who don't, you're going to be very educated in a few minutes. I want to start by introducing Cameron Teitelman, who is the founder of StartX. It started out as a - essentially as project that he started as a student here, when he was a student in the Management Science and Engineering Department and then ended up spinning out into a very exciting venture. So I'm going to hand it to Cameron to introduce the other panelists. Hi, everyone.

I am Cameron Teitelman. Tina, thanks for the warm introduction. Just a couple years ago, I was sitting in your seat. So I am very honored and privileged to be here. So our panelists today are some very, very impressive people, way more impressive than me. So they'll have a lot more to say than I will. Our first is Joseph Huang, a good friend of mine. He was in a very early session of StartX, the second session. His company, WifiSLAM does indoor positioning and I'll let him talk a little bit more about that. -About a-what was it?-oh, he can't say, but about a year ago his company got acquired by Apple for around \$30 million, a couple years after founding.

These guys were out of the PhD program at Stanford and so I am sure he will be happy to talk about his StartX experience. And then we have Smita Saxena. So Smita was a math and computational science's Master's student at Stanford, was in the first program of StartX and actually went through in the second - went through another program at StartX a couple years later. Her first program was a financial advisory company that's sold and then she - well, I'll let her talk a little bit about the other ones but she re-formed another company and went through. Then we have Milt McColl. Milt's one of the EIRs that went through StartX and he was with us for about a year. His company is really fascinating, puts the iPad in the operating room to monitor blood loss. And Milt, I'm not sure if he'll say this, so I'll just say it for him, but he was an undergrad at Stanford and he was a medical school student and while he was in medical school, he won two Super Bowl rings for the NFL for the 49ers. And then he found a couple biotech companies, did a few things like managed the venture fund for Stanford's athletic school and now he's founding his company. I also want to add that he was a classmate of mine at Stanford Medical School.

So, go Milt. Great. So let's start out. You assume, of course, that everybody knows what StartX is. Maybe you could tell us a little bit about what it is so that we all have a shared understanding. Yeah. So at the core, StartX is a community of high potential founders out of Stanford and as an organization, we organize them to help each other. We do this in a bunch of different ways and one of them is we have an accelerated program. It's basically a 10-week program where you have to have

at least one Stanford founder on your team. You come in, we figure out what you want to learn and then by the end of that 10 weeks, we help you learn that.

We also help develop specific skills that in our initial research setting up a program, we found Stanford Alums did or had learned to be successful. So in the initial stages when I was actually in E145 which is Tom - a class that Tom Byers who started STVP, put together. I went out and talked to around 220 Stanford alums to figure out what made them successful. And out of that research, we figured out some patterns and some skills that they developed that made them successful and a certain type of network they had formed around themselves. And so StartX is an attempt to educate entrepreneurs who are building companies out of Stanford, help them develop those skills and manage the extended network that develops. So let's pass the mic to these other folks because it would be really great to hear why they chose to be at StartX. Clearly, the three of you on the panel could have started a company anywhere. Why did you decide to take part in the StartX program? Great. So I will start with my story. So as Cameron mentioned, we were in one of the very early programs.

And so we were just grad students, software, in computer science, 2011. And we were in the process of starting our own company. And maybe didn't quite really understand what it really entailed. And we had applied to StartX mostly because other entrepreneurs had told us, hey, this is a really interesting thing to do. But once we had got in, it didn't take very long to realize this is an incredible, incredible opportunity. And if nothing else, just an opportunity to spend your day-to-day with some of the other top entrepreneurs from around Stanford and future leaders and visionaries of Silicon Valley, I think, is priceless and maybe we didn't even appreciate that enough when we started. Cool. Yeah, so to kind of echo Joseph's thoughts, I was - again, I was also a grad student and I also didn't do my undergrad at Stanford. So I wasn't really familiar with the whole idea of startups. I came out to Stanford and I was taking classes and kind of got sucked in, that's all everyone talks about and it was like, when are you going to start your next thing.

And so I took a class and learned how to code and we had products and I had no clue what to do to start a company. And so we were actually part of StartX's first class. I remember our interview was at - I think it was Tressetor . You know, really nerve-racking. You know, I mean we have seven minutes of explain your business and we built a little project in class and we had to kind of make it sound compelling. But Cameron was really nice and all the mentors were really great and they saw something and I think that's kind of their job is to take something very raw and mold it into a company that eventually got sold. And even in terms of the practical matters like how do you structure your company, what are the legal matters, other entrepreneurs have been through it, what are the pitfalls? How do you even think about fund-raising? When should you be fund-raising? I mean these are all questions I didn't even know I should be asking myself before I got into StartX. So I mean I guess - I mean, helped me the first time and then I came back the second time and it's been just as helpful and this is a bigger company. So it's been exciting. So my introduction to StartX really was a little different.

I had been in industry for 25 years. I had been in startup companies. I had been in venture capital. So I was pretty familiar with the whole process, but I had come back to Stanford to do some mentoring at the Stanford Bio-design Program and ironically they were short a business student that one quarter and the guy who leads it, Paul York, asked if I would actually be the business student on a team. I thought well that sounds kind of fun. I actually never went to business school so I am not sure how I have qualified for that but I ended up meeting the co-founder of the company. At the end of the course, we ended up sort of deciding to start a company not based on that project that he had but a different one he had going on and the next thing I'd say a few months later he asked me if I'd be the CEO of the company and so it's been two and half years and it's been a great experience. We are fortunate because he knew about StartX. I had been around Stanford for years and knew nothing about it. In fact I'd been trying to start something like this in the medical side at Stanford but being an alum and having a bunch of people trying to help me, I realized it's really the students that get things done.

So somebody like Cameron, it took someone like him to actually get this started and I was able to join into it and to be a part of it and it's been a great community. And I feel like I have something to offer some of these other, I'd say, younger students or alumni. On the other hand, many of them teach me stuff. I knew nothing about iPads and software and all this type - I'm learning up to my ears on stuff now. So, Cameron, maybe you can help us understand the relationship between StartX and Stanford. I have to say I've been here long enough that I remember the days when Stanford was allergic to the idea of having any sort of incubation or acceleration programs, basically saying, listen, Silicon Valley is one big incubator, why do we need something like that. So maybe you could tell us about how this came to be and what the relationship with Stanford is now. Yeah. So I will start with how this came to be and I mentioned it briefly. So I built two companies when I was at Stanford.

Two completely different companies, one was a private equity company and one was an advertising company. And I learned a lot about entrepreneurship specifically through the MS&E program. I took E145; I went to all the ETL classes and when I was building my company, I found that I needed to learn a lot of really practical things. And I kept kind of hitting my head against the wall trying to learn it, trying to learn it and then I would go and talk to my friends or I'd find some - I'd go to a networking event and find some mentor. But I'd still - it seemed really inefficient. I got this really solid foundational education but after that it didn't seem like there was much support. Even in Silicon Valley, I go and talk to investors. And to be honest,

Silicon Valley is a great place and it's a very, let's say, meritocratic and honest place but there is still people who will do shady things. And so when I was talking to other friends who have built companies, there was a lot of issues they saw in Silicon Valley. So what I did is I did what I learned in Steve Blank's class here, is I just got out of the building and started talking to customers.

And after talking to hundreds, this theme emerged where after a couple of years they finally figured out how to be effective in Silicon Valley. And so the people who built \$100 million companies or \$50 million companies figured out, hey, if I have the right support system around myself, I'll be successful. And they wished they knew it earlier. And then people who failed would say: I wish I had known how to build the support system around myself. Because when you are in a large company you can go to HR, you can go to legal and you can learn all these different things. So after talking to them it was very clear that there was this big missing educational need. And there's a problem where if you could just structure the resources of Silicon Valley - they existed in a certain way - the process for building your company out of the university could be 10 times more efficient. And so the idea with StartX wasn't to, let's say, create new entrepreneurs, it was to increase the speed of innovation, and decrease the friction with people who will be - they might be successful anyway, but if we could move the needle on people who weren't successful to be successful and then make the successful people even more successful, that adds to solving problems in the world. And so Stanford, the relationship with Stanford initially and you can look back to this, people are wondering why are these guys doing what they are doing. Is this an incubator in the classic sense? Are we going to waste students' time by supporting them, if they shouldn't be supported if they should be thrown out into the wild of Silicon Valley.

And it was very clear from my research that it was something that was needed. And so we pushed forward, we built something, we launched into our customers, we iterated on it and a couple years later, Stanford has said, hey, like this is great, this provides a lot of value to our community. And so initially, we were legally separate from Stanford University as part of the student government. And then after a couple of years, we spun out of the student government as a legally separate entity. We always had a lot of relationships on campus. And then earlier this year or late last year, Stanford was - after talking to President Hennessy and the CFO of Stanford, President Hennessy is the President of Stanford for those of you who don't know. They decided that they want a financial support to help us grow even further. So now, they are giving us around \$1.2 million grant a year to help in our operations. And then separately we have fund with them. And the fund is a non-discretionary fund that any company who goes to StartX, any participant can pull 10% of their funding round from the fund.

And so I think like any startup, if we consider StartX as a startup, we had kind of rocky start where people didn't really understand us, but now we've kind of broken through which is great. It will be super to hear from the folks on the panel that maybe some interesting example of something you gained out of this, I mean it's particularly interesting for the folks who came with very different backgrounds, right, either folks who had come out of classes where you were taught about your foundational material or even, Milt, you were a VC so you had a lot of background. What sort of benefit are you getting from being in this type of experience, so...? There is too many great things about StartX, to give you one answer. So maybe I'll just start. So first of all, we got there. And as Cameron mentioned, we were one of the very early sessions. And so we didn't really know what to expect either. But it only took a couple of weeks before we realized this isn't your typical startup accelerator, we've done some research to try to understand what a startup accelerator was in Silicon Valley and what really they do. For example, we would walk in and surrounding us, there were more - first of all, there were more graduate students than undergrads, right? There were people that are using - building game-changing technologies in very, very interesting businesses and wasn't just a bunch of people making Facebook for cats. And like I touched on this earlier in hindsight, the greatest value we got was just spending day-to-day with some of the top entrepreneurs from Stanford at that time who are going to become future leaders and future visionaries in Silicon Valley.

And we got to - like I got to sit in a chair beside these people every day. Okay. Let's dig down into that. Sure. Did you spend time discussing your problems with them, the challenges, was there a formal programming where you were working together? I think it's incredible how much you can absorb and learn when you're both trying to tackle startup, raw startup problems at your desks beside each other. When we had a sales problem and it was just, hey, these people aren't responding the same way we thought and they - some other Jetlord, Game Close or anyone sitting across the table would say, hey, we ran into that situation, we tried this, it worked well; we tried this, it didn't work well. People had gone through recruiting, people had gone through patent strategy, pricing, the whole thing, company - I can go on forever, all the things you really need to do when you build a company, they are just great minds around you and it's not just people who are there trying to tell you their stories because they are building their companies too. I can go on forever, I don't know if you want to... Alright, that's great. That was perfect.

Yeah. So as Joseph mentioned, StartX attracts great people and for us, I think it really, at least for second company, SpotOn, especially really laid the foundation of how we built the company to start off with. So when I sold my first company, I took some time off and I reached back out to Cameron being like, hey, look, I think I'm ready to get back into the startup space, I may do another startup. And so he was like, yeah, sure, come out, check out the new StartX space and I did and I was blown away, it was massive, there are so many more teams, like as Joseph mentioned, that it was this whole collegiate atmosphere which was great to see. And through that process I found my new co-founder which was great. Again, he was kind of at the

same stage that I was at late nights, talking about the problems that we were excited about. And through that, we also found our lead investor, again, another StartX mentor who really liked us, fell in love with the idea that we were working on and it was like, sure, I'll back you. Put together our seat around for us and again through StartX, we found our first employee and our next four employees as well. So what StartX I guess really serves us as is a really good filter for the kinds of people you want to be working with and the kinds of people who can help elevate your business down the line. And also at the same time, it was just really fun people.

I mean it's very rare to find smart people who are really driven but at the same time, have personalities and are interesting and friends. I mean I'm glad, Joseph, that I met you and we got to hang out. And so from that perspective, it's been great for building memories as well as startup. So I can remember the first thing I learned in the first day at StartX. I am an early riser and I got up as usual early to get to work and I walked in the door and I saw a few people there already. I said, wow there have never been people beating me to work in the morning, but I actually recognized these were students who have been there all night long and they are just leaving in a few minutes. So I learned that the culture is very different obviously. But I'd say I thought a great example was I was sitting at my desk and StartX has a bunch of tables and all the founders sit around them and it's very - it's a big community is what it really is. And I was chatting with the person next to me who is our Director of Engineering, he said, gosh, we're having trouble with Apple, we have these iPads and we can't figure out how to make this work and all of a sudden, somebody turns around and says, oh, we did that last week with Apple. We met this guy named Joe and here is his phone number, call him, he will fix it for you.

So it's this kind of collaboration community that really makes things helpful there. And at the same time, I have been working in the medical device industry for 25 years. I mean some of the companies are - they have a StartX med group and so I remember having a lunch session one time and just started talking about the FDA and how to deal with the FDA. And I'd spent 25 years dealing with the FDA. Nobody can ever deal with the FDA but there are some tricks to working with them and things that are helpful to know. And so I was able to share some of that. So I think that that whole part of being able to help your co-founders is really what incredible about the place. So I am curious, Cameron, how do you pick people. I understand that these days it's harder to get into StartX than it is to get into Stanford. So what's the process of picking people because clearly, the community folks that you have under that roof is very special and that that's a huge part of what makes it valuable.

Yeah. So to preface that, we're a 501(c)(3) non-profit. And we have an educational mission. And so what we want to do is we want to empower as many entrepreneurs as we possibly can. And so when we are initially starting, a lot of the reason why Stanford didn't want, they were allergic to this idea of an incubator, is they didn't want people who shouldn't be building the companies to be building companies. Actually, they didn't want PhD students to just do it because it was cool, they wanted them to - if they're going to build a company, to do it because they were really passionate about the problem that they were solving. And a lot of people in the 2000s were getting funded just like money thrown at them and so they wasted a lot of their time just working on problems that weren't useful like Facebook for cats. And so one of our core criteria for accepting people is that they have an intrinsic passion for the problem that they were solving. They also have to have an ambition to solve it at a large scale. So motivation and passion are number one criteria.

The second is team dynamics. So we don't just accept excellent entrepreneurs, we want them to be in highly functioning teams. Entrepreneurship is very lonely, it's very hard, a core part of the value we provide, we actually have kind of like an in-house therapists, psychologists like the d.school at Stanford does. But one of the core values we provide is positive psychological motivation, because a lot of times when you're by yourself coding alone in the basement, building alone in your lab, it can get isolating. And so providing people with a community of peers they can benchmark against, that they can talk to about problems, they can talk to investors about or mentors and provides a lot of values. So having that core team that you trust, that you love working with and that complements your skills solves a lot of problems that the company is facing. And I think Noam Wasserman at Harvard said, 70% of companies fail because of team dynamic issues. So team dynamics is number two. The third is ability to build and build quickly. So just like Steve Blank's concepts in the Lean Startup, you have to iterate quickly even in the medical device, even in the medical industry we try to push companies for this.

So they need to be highly technically proficient in what they're building in order to iterate quickly. So we actually do technical screening and technical interviews on biotech companies, on stem-cell companies, on IT, hardware, across the board. And the final and least important criteria to us is the idea. And that's kind of it's like weird to people sometimes; why is the idea the least important thing. Well, it's important that our founders and especially the CEOs have good strategic minds. So they can talk about the problem and lay out and break down and reduce the problem that they're tackling in an intelligent way and then when challenged on something and incorporate that and listen well. And so sometimes people can't listen, or founders don't want to listen and they are too stubborn to listen and that doesn't work, you can't iterate if you don't do that. So they need to be thinking to the idea correctly. However, everyone knows. Well, people like you know who understand the space, the initial idea you start with always changes.

But it's important to us that the problem they're trying to solve always stays true because they're intrinsically motivated by it,

how exactly they are solving it can change. And that's the framework we use. So how long do people typically stay there? I know that one session is three months. It's like - it's a quarter. How long do people - do they stay one, two, three - to kick them out. Yeah, exactly. Most people stay one. There is a couple teams that stay multiple quarters. So for instance, our medical program is six months long because there is a longer iteration cycle for medical companies. Early on, we had a company, a great female founder named Karina Pikhart, who built a Braille labeler, a more cheap and efficient Braille labeler.

And that was a hardware company. And so she sat on three sessions because the product iteration cycles are longer. So usually we say, well, you can stay on if you're going to become part of the staff and help the next founders. You can stay on if you really need help. And then we actually do kick people out if they are not making tough decisions. But Tina there is one more aspect with this too, which is Stanford and StartX are these communities that are really powerful and it's not how many sessions you're enrolled in StartX that makes the difference, it's the connections and bonds you've form and utilized with the people who you connect with and bond with while you are there forever, that matter, right? And like we're still getting help from people in StartX today as well as people we interacted with at StartX while we were there. And I don't think that's ever going to end. So technically, we're in an infinite number of sessions. So that's a really good way to look at it. I am curious about the transition out.

Is that an easy transition, does it feel like you're sort of leaving the nest or is it something you're getting kicked out or is that a really seamless process as you go from be in StartX to then basically flying on your own? Smita, you want to take it? No, go for it. So I'll answer it. So we're actually well a little over a year ourselves and we really felt like it was helpful for us. But what happened to us, the company got a little bit bigger, and so we ended being in our space. That's always helpful, I think just because I mean that's part of the issue. But I think what Joseph mentioned is even the moment we left you're still connected everywhere from physically you come in and visit and be a part of it, but through the net and things, I mean, I would say we're looking for - to hire people. We send the word out and the next thing you know we have StartX telling us things or - but we have somebody coming back Friday that's an expert in marketing as we are getting ready to launch our product from - Cameron sends out a message that if somebody that's here that would like to help. So it's this constant communication that goes on I think that really makes StartX so different. Yeah. And I think again similar to what you said, that constant communication definitely helps but even when we transitioned out, I think it was great that we - our office is right beside another StartX company's office and it's great.

We get to hang out still solving the same problems and the community kind of comes with you, and we try to have events after as well and stay connected and it's been - being alumni, I guess, is not as different as being still part of the program and we still hang around and are involved. Great. So the community lives on. So can you talk a little bit about the business model? This is interesting and a lot of accelerators or incubators they take equity, they are all different ways in which this work. Can you tell us about the business model for StartX? Yes. So one of the - let's say, what people say is a big differentiator of us is that we charge founders nothing. We don't take any equity, there is no cost, it's completely free. So the question is how do we sustain ourselves, it's crazy, right? Well, the core idea behind StartX is a collaborative community of founders that helps each other. And so we don't want to charge for that. We don't want to put up a barrier to get excellent people in.

And these guys can talk a little bit about that. And so what we do is we figure out what our founders need help with and who they can get help from and go to them and ask them to pay us to be able to help them and it's kind of a weird, weird thing. So we have partnerships with companies like Microsoft and Intuit and on the medical side, Johnson & Johnson, Genentech and J&J VC firms like Sequoia Capital is a partner and Greylock and DFJ is a partner as well. And so they help us - they - well, part of it is they believe in the values of our program and our missions, they want to support. Another part of it is they want to get in front of these founders. And so, we've always been really stubborn and never creating an exclusive partnership because we want to have a level playing field for all of our partners. And that's part of our revenue. We've actually - the only, let's say, donation based revenue we've ever taken is from Blackstone Foundation. And then we had a lot of grant from Kauffman Foundation in the past to produce a work product.

That's half for revenue. The other half is coming from Stanford right now. So what we're saying is we're going to bring in excellent people, we're going to help them learn from each other and we're going to give visibility to people and that visibility is basically what people pay for on the partnership side. And on the university, we're going to say, hey, look, Jerry Yang, you never - Jerry Yang never gave a percentage of his company to Stanford. Stanford didn't know anything. But, President Hennessy and the university had a great relationship with him and so he ended up building the building here. And so what we're able to do for Stanford is drive donations through basically engagement and we're able to help them with our fund basically. So yeah, that's our business model - working model. Great, super. So who is there - when this started I remember it was students, right? Students could - it was almost like taking - instead of taking a quarter abroad, they can take a quarter at this Accelerator to work on the projects.

Now, I understand that most of the people who are participating are graduates and even alumni - so Milt, I know how many years you've been out of school, it's the same as I have. So I am curious what was the reason why you switched from really

focusing on students to alumni? So when you said participating, do you mean like the staff, the people or... No, I didn't mean the staff, I mean the startups, the founders. Right. It used to be that it was students who were working on companies in their dorm rooms would come and spend a quarter. Now, it's folks who are graduates. That - I don't know if that's exactly accurate. When we are in a program, it was a mix of both students and people who had come out from further alums of Stanford. For example, in our session, there was Lark who was making sort of a sleep tracking iPhone accessory. Difbot was making - they were sort of using computer vision to solve unsolved problems in web parsing.

There was a number of people who added incredible value to us personally as well as to our company, as well as to the communities and these were already - they were already Stanford alumni when we had gone to the program. And then today, I think you still have a mix. Taking part in the StartX community events and things we still have many people who are students as well as probably the same mix of people who have more industry experience to offer. Okay. And I'll clarify the initial intention with StartX. So our first summer we took people who are currently in school and people who are graduating. And then the following the fall, we are wondering, can we actually support people who are still in school? Is it possible? And through that, we had a company, Clearyear, Lily Truong who was spending 70 hours a week on her company on top of school. And she was finishing up her classes and she just needed some support. And so we were able to help her and when I was building my company at Stanford, I was spending 80 hours a week on my company. And so what StartX really is for are people who are going to dive in to building a company and they're going to do it regardless of whether they were there or not.

That's actually something we vet for. And - because they are so crazy passionate about the problem that they are solving, that they are going to do it. And so if people are still in school and they are spending full-time hours and working really hard and spending time at StartX, or spending time with their company, we'll bring them into the Accelerator Program. Now, that doesn't mean we don't still support other members of the community. Now, one thing we do, for instance, is anyone who applies to StartX, anyone, we get feedback from all the judges online and in person and we do office hours for anyone. And we sit down and spend hours-hundreds of hours-giving feedback because it's extremely valuable. You don't really get that, you go to a VC, you pitch, they say goodbye because we love you; it's me, not you. And they don't really give that horrid feedback. And so we do that. And then what's happened is we have that segment that's like leaving the university working full-time in a company and what we've done is as our brand has grown, we've gotten more and more people in later stage.

And so the percentage of non-student has grown, but the absolute amount has stayed relatively the same. And what we're doing moving forward is we're moving three blocks of campus to this 12,600 square foot building that the person who designed the d.school at Stanford is designing it. And we'll be moving in there in two weeks. And so over the next three months, we're actually spending that doing this thing called - this initiative called OpenX and we're trying to take our Accelerator program and what we've learned from it, what we've learned from supporting the extended community and open that up to more earlier stage and students. And so we're working with STVP and the GSP and having lots of events there and trying to focus on saying, okay, well, we kind of nailed this segment of the population now, let's provide value to more people, we're a non-profit. Terrific. So in a minute, I'm going to open it up to questions from the audience. So start thinking about your probing questions about StartX. So clearly, a huge value comes from the community folks who are working there. I understand you also bring in a lot of mentors and coaches.

Maybe you can talk a little bit about what sort of people are involved in helping and what they get out of it. Yeah, absolutely. So there is kind of four things that we provide. One is community which these guys have talked a lot about. Two is mentorship and we have a bunch of different mentorship structures from serial entrepreneurs who are lead mentors to an advisory board, for instance, the medical advisory board of a company that will have doctor and the CFO of a hospital to experts, hundreds of experts, I think they are around 500 that can come in and get on phone calls, do office hours, that sort of thing. But I'd actually it over to these guys, they are all mentored and in fact, we bring our alums back to mentor the other founders. So maybe you can talk about what you would get out of it and what your mentors get out of it. Sure. Yeah, so there are plenty of people who offer great help to us. I will just pick out a couple.

Jay Borenstein was our lead mentor when we were here for the program. He is a professor here. He was a grad student in computer science just like we were. He started his company sort of not really knowing what to do just like we did. And what was really interesting I think was that StartX is able to pair you, I think it's because they had 0% equity. It's sort of they don't have an incentive. They are not purchasing mentorship, right? When you find that mentor who's exactly was you in your footsteps several years ago and built a successful company, it's a perfect match you both want to - you want to get help from them and they want to help you. And I think when you sort of open it up, you have a 0% equity, you have this really interesting dynamic. You get super-tailored help and we couldn't have done anything we did without Jay Borenstein's impact and he has always been incredible. Yeah, and you've sold your company now, and so - but you come back and help out other StartX founders, why do you do it? I think - yeah, a lot of companies will come back and help and I think it's just tremendous even while we were running WifiSLAM.

The minute it was possible - as soon as I had tried sort of this mentoring other companies going to the program, I realized I

had way more to gain from me like sharing what I had learned and lessons I had learned with them. Then, perhaps, even they have to gain from these lessons themselves. Talk about Wifi. Yeah. So I will give you a couple examples. First of all, it's really hard to be objective with your own company when it's your baby, when it's something you're working on, you want to get perfect in your every hour of the day, you're trying to - while you sleep, you're trying to figure things out. And sometimes, you just can't think clearly about it. But when you're sitting there and it's another company, maybe they are not in your domain, maybe they are not - they don't have the same background as you and you're looking at it and you're like, but that doesn't make sense. Why would a startup - why would you want to do that and then you walk out of that and then you realize why am I doing what I am doing? This doesn't make any sense, right? But it goes much further than that. I think it's really inspiring as StartX continues to raise the bar for people they bring in, you will get to mentor teams that - learn lessons that they have learned while they are building their companies.

And it helps you to - it sort of like two basketball stars comparing notes at the All-Star game, right? You can't possibly learn everything on your own and they - as part of the mentorship process, they have to report their progress to you. And sometimes they'll show up and they'll say, hey, we had this really interesting sales tactic and we went in there and it worked great, and it's worked three times out of our. And you will say, hey, let me take notes this is really interesting. And sometimes, they'll just inspire you. Like sometimes you're - starting a startup is like a rollercoaster as I am sure you've heard a thousand times. And sometimes it just takes another team pushing as hard as they can to overcome adversity, for you to say, alright, I'm going to scrap in and I'm going to do it too. And so it just - I could go on forever as always. Milt, you've mentioned a lot of... Go for it. Yeah.

So I learned in life early on that there is nothing free in life although they don't take equity there is a commitment and the commitment is you're part of the code and the code is you help out your fellow co-founders and every founder is extremely busy, they work 18, 19 hours a day, we pull all nighters there - I haven't pulled an all nighter since medical school and I was pulling an all nighter at StartX one night - and it's just part of the code. Yet at the same time when one of your founders next to you has a problem and it's something you can help out at it's your obligation to stop what you're doing and help them. And it is a very interesting culture here because - and it works. It works because that's what everyone expects of you when you go there. So they help you and you help them and that's what makes the system work. Great. So I had the pleasure of sitting on a board actually with Joseph, right? Yes, so I remember - and these are also words of wisdom from Joseph - I will get those. So it was a company they were presenting and they were getting reamed by all of us and if felt terrible because, I mean, here's a founder, I mean, obviously they are very passionate of what they are doing and we just disagree. And then a comment was made - and this has has always stuck with me - it's like if you tell someone you want to build a rocket ship, no one is going to ask questions. If you tell someone you are going to paint the shed, suddenly everyone is going to be going on about what color.

And so that's exactly what's happening and then you kind of start thinking about, well, wait, I've been in this situation before - when I have been painting the shed and no one pointed it out to me. So it's moments like that when you feel like, okay, great, so I'm at the right place and this is - I am learning just as much as these guys are learning and I am really glad to be part of this whole process and I think StartX does a good - does a great job of kind of making that happen because they take into account how I've worked in the past, how the other mentors have worked in the past, how we're going to have rapport with the team. And how they view teams and having alumni that are engaged kind of really makes it easy to make that happen. So I really appreciated that part of it. And of course, something that's a core staff value and a core value of StartX is feedback and constantly getting feedback from people around you, your mentors, your customers most importantly is essential. So we get a lot of feedback from our mentors and a lot of what our mentors say - well one, there is an affinity like this person was me, and so I want to help them. Another is they actually learn a lot. Technological innovation is so fast and there is so much new stuff happening that just by mentoring guys like Joseph you learn so much and then a lot of them come to me and say oh, I learned this and I'm going to bring it back to my company now and talk to my co-founders about it. And so these mentors are there because they want to learn, they want to help people who are in their shoes and there's a lot of people who want to get involved in Stanford, who want to get involved in StartX just for deal flow for instance, or just to like get stuff out and we actively vet those people out. And we constantly are getting feedback on them and so if people misrepresent something, and they are bad actors in this community, then they are out.

Are they allowed to invest? If you are a mentor, can you invest? Not doing the program. So if you're active, if you have an active mentor relationship with someone, you can't. As a mentor, you - they actually have to agree to something and that says they can't even like tell the founder, they're interested in investing while they are mentoring them. Now, after the program or after the mentorship relationship, we allow the founders to make the decision. We say, hey, if you want them as an investor, here is the steps you need to go through to making an appropriate relationship. And then we warned. If someone is mentoring you they have inside information that they could against you in negotiation. So just be careful about that. And then we are again actively evaluating our mentors to make sure that they won't do things like that. Interesting.

Thank you. Yeah. So I bet there are some questions. Who in the audience want to start? Yes. Hi, Cameron, Joseph, Smita

and Milt. So we were also - my company Virgin Slabs is also a StartX alum company and yeah, one of the - StartX, I want to say, is very awesome and one of the things that we got out of it is that we learned - when we started we were trying to build sort of a lot of similar but different products at the same time, and actually advice from Cameron helped us focus on making this product which - glasses that can capture your point of view experience. So we've been able to focus, get that manufactured, had it even worn by Macklemore, got investment from - including from Tim Draper. So I want to say thank you to StartX. And also my question is for companies that are participating in StartX what are the recommendations for how to learn the most from that experience and then for companies that are StartX alums, what are the best ways to give back to StartX community? Can just repeat the question - briefly, briefly? Yeah, so - yeah, the questions are as a StartX, as a participant in the program like StartX, doing StartX, how do you get the most out of it? One. And then two, as an alum, or a community member of StartX, how do you continue to get value and contribute value? Do you want to quickly...

Yeah. So I'll answer the first one first. The one thing I think I tell every founder that enters the program that I wish I knew when we started to sort of get as much as you can out of the program is take the time to get to know the other founders in your session. It's really, really easy to be heads down like, if you're an entrepreneur, you love working on your startup and you will do that every day all the time. And it takes a lot - you're only in the session for 10, 12 weeks. In that first couple weeks, no one really knows anyone, there is no - they run events but go out of your way to get to know these people, they are all super fantastic and if you do that you will get blown away by who they are and you will have a better sense of how you can really help them. Everyone is trying to do a lot of stuff. And some things are just really, really easy for you because of your background and really, really hard for them because of their background but it doesn't matter because if you can save them three weeks of time with two hours of your time, it - you just create a really, really interesting bond that will last perhaps forever. Yeah. So, Smita, do you want to answer the second question? Sure, like how can alumni contribute towards StartX? I think the best way - and we've talked about this already - is mentoring and staying in touch with the community, making sure that if there are other companies kind of in the field or somewhat related to that you can reach out and make sure that you are helping.

But I think overall, generally speaking, time is your worst enemy as a startup. You're always trying to solve problems as quickly as possible and this kind of again touches on Joseph's point is that you really want to get to know the founders whether they are alumni or the existing class. To make sure that you're solving problems in a way that other the people have already tried it and have found an optimal solution. And so that way you can collaborate, make sure that you guys are reaching your goal together but at the same time making the most of the program. Great. Any other question? Yes, Bruce? It sounds like you're building up an enormous amount of social capital within startups at StartX. That's right. Have you started to track quantitatively how StartX founded companies or mentor companies are doing versus some of the other incubators in the Valley. Repeat the question. Yeah.

So the question is how do we quantitatively track the success of our founders and our companies. So again, our core metric is what they learn. And how what they learn translates to impact in their company. And so we do track that. We track how many skills a founder learns. They come in and they say, hi, I want to learn what this - I want to learn this list and then after being ripped apart by alums and mentors, there are like okay actually I need to focus on this list. And then we help them develop those skills and then we ask them how does that - how did that actually impact your company. Now, that's on the non-profit education side and there aren't really other people that are doing that. On the, let's say, against for profit accelerators metric is usually funding or average funding per company. Our average funding per company is around \$2.1 million per company.

That makes us the number two - and on that metric which for profit accelerators use, that makes us number two in the world right behind Y Combinator, ahead of Techstars, 500, - other accelerators, let say. And so our companies have raised, I think, \$350 million, there's 12 acquisitions and 85 - or say 80% of our companies are still going unfunded, 10% have gotten acquired and 10% have shut down. So in the startup world, those are great numbers. And our core thesis is if we can empower high potential entrepreneurs and help them develop skills to reach their potential, then they will build successful things. And part of that potential that John was talking about over here was helping them focus, helping them throw stuff away if they need to throw it away. And that's all about helping them critically think about the problems they're solving. Terrific. Another question? Yes. My question is geared mainly towards Cameron but I was curious, in the earliest days of StartX especially while you were a student here, what was it like trying to establish these relationships with mentors, entrepreneurs, without really having this tangible metrics to show or much substance to really go off and show off but yet... Yeah.

So the question is at the very early stages when I was starting how could I - what was it like building a network and building these relationships to build StartX without anything. And I didn't come from a background where my parents know a lot of people. I was kind of a unit of one and so what I did is the most - one of the most important things when starting the company which is figure out if you're solving a real problem, very first thing. And I - with overwhelming evidence, I had identified it was a real problem. 70 founders had uniquely said the same thing that, yes, I did this and I am so glad I did this; I wish I had done it sooner. But I am unique and 70 people said that's. Okay, there's a problem here and so with that problem, then I could craft a solution or a very clear concise explanation for what I wanted to do and more importantly why. And so then when I went to

people and explained it, they got it. That makes sense. Here's the data that backs it up.

And so they agreed. Now, the question is okay, even if they agree with this problem, why would they think I can do it. While that goes into salesmanship and some other things but basically what I did is what we teach StartX founders to do. I went to one founder I thought was great. I asked them who the other founders you think are great. And they told me five people. I went to all those five people and said, what other founders you think are great, what mentors do you think are great? And I went to those five founders and 25 - and five mentors. And then I went to those mentors, talked to them and said, hey, which mentors do you think are great? And through that, I got warm referrals and connections into hundreds of people. And then you start drawing this kind of mesh network of who thinks who is great. And then telling people, hey, we're going to do this thing, when it happens do you want to be involved.

And here are the other people who are going to be involved. And so it's kind of like building a marketplace startup where you have - it's kind of chicken and egg problem and we had discussions about that week over week. So it was like getting one, getting the other and using them to get more. Perfect. Another question? Yes. Can you share how many jobs have been created since StartX started? Yeah, so I think that ... The number - the question. The question is how many jobs have been created. So the last tally was roughly around 500. And so there is, I think, that we have a different number now.

But it's roughly around the 500 number, I don't know the exact stat right now. So what are your goals going forward? This is - you have built something that is incredibly impressive. I mean I remember when this was an early seed of an idea you really had a lot of headwinds when you started out. So you've really done an incredibly impressive job and clearly folks appreciate what you have done. What do you see as the goals going five years down the line? Yeah. So the initial vision of StartX was these 40,000 companies that had been built at Stanford. Collectively, they create \$2.7 trillion of annual revenue and that makes it the 10th or 11th world's largest country. The people who were the most successful leveraged a group around them to be more successful. So the core vision of StartX was if, in the past, all those 40,000 people or companies were helping each other, they could have created a lot more impact. So the next step with StartX is saying, okay, well, if we can leverage the entire Stanford entrepreneurial network to help itself, that can materially increase and improve both the skill development, the access to information, and the access to people.

So right now, we supported people five years at a school. A couple people like Milt, got a CS professor, go to the program Monica Lamb, a bunch of medical school professors and so the idea is okay, well, let's take this from this specific stage we're at of really supporting companies in this extended community to really helping the entire Stanford alumni entrepreneurial community, getting value - providing them value, getting value from them for the other founders. And then use that as a test case to potentially go to other universities. And so - or be a model other people can replicate. Now there's a lot of universities from Harvard, MIT, other places who have called us, reached out to us and tried to replicate components. And yeah, just like the epicenter is trying to create more entrepreneurial engineers all over the world and all over the country we'd love to provide a platform to - for universities and ecosystems to have a structured way for networks to help themselves. Terrific. Question. Yes. You mentioned real world solutions to problems and such.

So it's not technology for technology sake, but creating maybe a solution, for instance, on something as big as global warming and such, I know that's huge. But - so what type of criteria are you looking for outside of just the engineer come in with an idea to develop that's going to really create a real world solution. Can I jump in there? Please repeat the question. Okay. Sounds like the question was what criteria are there to make sure people are solving big problems for the world. And I just want to - when we were in there, we were the second session. I think they didn't have nearly as much leverage to sort of bring in great entrepreneurs but even us, going through our session, to our left was a company who had found a way to transform skin cells into beating heart cells so that they could do live screening of drugs and things. On my right was a company who had drastically transformed economics for solar heliostat technology using a-ion robotics. And I mean here we are, we're just doing in our positioning for smartphones like we're the ones that - really. And I think it's just inspiring.

When you sit beside these people, you ask yourself, hey, could I be something greater too. I think everyone motivates everybody. And so maybe it's not just a criteria, maybe it's just the environment. And I just want to reemphasize what Cameron said earlier about StartX. In terms of picking companies, they don't really look at the idea so much, it's really about the team because what you find out is it's all about pivoting. I mean so many ideas - I mean I was in my very first company and we started in one direction and within a year we were in a completely different direction and we ended up being very successful. But it's not necessarily about the idea, it's about the people getting together and leveraging the thinking process and a bunch of smart people that work really hard, it's amazing how successful they can be together, if they work collaboratively. Back there. Speak up really loud. How much cross-pollination is there between teams? Like do you recruit people from other teams that are not doing as well into your company and vice versa? Do you lose numbers if you are struggling to other teams that are getting better? Sure.

And the question was how much cross-pollination is there between teams? Are teams recruiting from each other? I guess, is that a fair representation? Yes. So I think the common theme for the whole night has been StartX accepts great founders. I

mean you how people of great caliber coming in and wanting to work on great ideas. There is, generally, again, like a rule of thumb that you could basically say that you obviously you don't go out there and steal anyone else's employees. But teams break apart sometimes and things don't work out and StartX is a great place there to kind of find where you want to fall into. So for example, for us, when I first went to StartX, I was actually working with someone else and we ended up not working together and similarly now my co-founder was working with someone else and they also they also didn't and I put them together. Which is again having an environment like StartX, which is very safe and supportive, it's perfectly fine to experiment and things don't work and you move on. Charles and I ended up working together on SpotOn and it was great. I mean at that point of time it just clicked, it made sense. We were like we're supposed to be co-founders and now we can move on.

So in that way, it is partially true that it does create relationships where there wouldn't have been otherwise. Yeah, so the - one of the core things we focus on is reducing the barrier for people to help each other and that's trust. And so we have certain community norms around not putting employees and not doing things that are shady again but then we also spend a lot of time building trusted relationships between the founders and creating rules around engagement. And what that does is that it allows us - we actually - once actually went from 15 to 30 companies and the work for the staff went down. It's like, oh, interesting. And it went down because we focused on providing mechanisms for founders to teach each other and reducing the barrier and so, yeah, the core value we provide is creating trust between founders so they can help each other. Yes. Do you know what the breakdown is of participants coming from STEM background versus softer humanities backgrounds? That get into the program or that apply. Both. So I am not sure about the applicants.

We definitely have way more STEM backgrounds than humanities and that's - we also have way more STEM people apply. And we don't really look at people's background as a, let' say - well, we do look at people's entrepreneurial backgrounds, have they tackled hard problems before, have they tried to solve some inefficiency just out of their pure frustration with it. But there is - we haven't had as many soft majors go through the program. We definitely have had some. We have had some people like there was one founder who is building the company kind of like a mint.com but for minorities, instead of using a web platform using a cell phone just texting. But, yeah, we have had them, but definitely not as much. Another question. Yes. One question is you said Stanford doesn't take any equity. How does - is there any licensing deals in Stanford - I mean if, to some extent, yeah.

So the question you asked is StartX doesn't take any equity and you're asking me if there is any licensing deals with Stanford, is that the question? Yeah, based on the idea of... Is the question whether Stanford has any IP interest in this? Yes. Okay, yeah. So StartX is a legally separate entity from Stanford. And so there is no issues with licensing and we don't take any IP. So if a PhD does research at Stanford and uses material resources, Stanford, independent of StartX, owns a part of that IP. And so that's kind of an independent process from StartX. Yes. It would be interesting to hear from each of you if there is a single personality trait that attributes to a founder's success. So the question is, is there any personality trait that you've seen contributes to the success of a founder.

So Thomas Edison was asked once - it took him about a thousand times to figure out how to make a light bulb and he didn't say he failed 999 times, he said he had learned 999 times how not to build a light bulb. And I think that's really what's key about entrepreneurs. If there is one thing that you have to be able to deal with failure because that's what the whole learning process is about and I think that's what the support of a place like StartX offers for you. As somebody mentioned earlier, entrepreneurs and startup companies are roller coasters and you're going to spend a lot more time on the downside of that roller coaster going than it seems like you're on the upside. So I would say - if there's one thing I would say about, and this comes from being a venture capitalist and being in startup companies myself is, it just has to be perseverance, I think that's the one overriding characteristic. So I think this might be a little bit more random but I think for me the most valuable characteristic was empathy. I never thought this would be important coming into doing a startup. But I think it's been incredibly helpful when it comes to recruiting, to finding investors, to finding my co-founder and keeping relationships. Startups are very rocky and what that ends up doing is it ends up making you question - the kind of decisions you're making and who you're working with and having empathy at those points of time and not really pointing fingers and taking a step back and talking through things can be very helpful and instrumental towards making sure that - grow this thing out before beating it to death in the beginning. Yeah, perseverance and empathy are far and away my number one and two, same reasons.

I think I have slight variation of that which is - actually it's kind of like it is that, it's the combination of perseverance and empathy. What I was thinking is as a founder, you have to be okay taking risks, and failing and thinking of that as learning, just like Milt said. And you have to have this, I call it, humble confidence and it's this trait where you're strong and you can inspire people to follow you because you are not afraid of making tough decisions or taking risks. But at the same time, you are constantly listening and you are constantly trying to learn and become better and using every single opportunity and interaction to learn something. And so you're both humble and extremely confident. On that note, we're going to have to call this to a close, but please join me in thanking this fabulous panel.