



Stanford eCorner

The Birth of StartX

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Video URL: <http://ecorner.stanford.edu/videos/3303/The-Birth-of-StartX>

Cameron Teitelman, founder and CEO of StartX, describes how and why the nonprofit's startup accelerator began -- namely, to increase the speed of innovation by fostering a support system where fledgling founders could turn to peers and mentors for advice. Teitelman also details StartX's evolving relationship with Stanford, in response to a question from Prof. Tina Seelig.



Transcript

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.