



Stanford eCorner

Pulling Off a Second Act

Lewis Cirne, *New Relic*

October 29, 2014

Video URL: <http://ecorner.stanford.edu/videos/3407/Pulling-Off-a-Second-Act>

New Relic Founder and CEO Lew Cirne discusses how difficult it is for high-tech companies with a product that is a huge hit on the market to follow up with an equally successful "second act." He says the few companies that have done it are driven by founders who are obsessed with product.



Transcript

Most software companies go through this arc where the original idea that the company was founded on has a high growth curve, the company brings in mature management and they kind of get good at distributing and selling and growing the top-line. And you build this engine that gets really good at that. But it's very hard for the company to come up with a second act, a new fundamental idea that's totally, totally new and disruptive that goes beyond the first idea. In fact, I don't think there is more than five companies that have really done it well. Apple, obviously, did it very well. Microsoft did it well going from DOS to applications back in the 1990s. Oracle, you could argue, did it when they went from the database to apps. Now, what all those companies have in common is led by founder, very product-focused and the founder was so obsessed on product that like you ask - so I created the next product in January of 2012 in my cabin in Tahoe. And I am very obsessed on it. And so that's our next act and we think it's 10 times bigger than our current act.

So I am not saying it's going to happen like 100%, but I believe it will. And more importantly, I believe that - I want to create the culture where we're never just kind of satisfied with what we've created in the past.