



## Stanford eCorner

### Twitter's Approach to Acquisitions

Jeff Seibert, *Twitter*

October 14, 2015

Video URL: <http://ecorner.stanford.edu/videos/3580/Twitters-Approach-to-Acquisitions>

Jeff Seibert describes Twitter's approach to surveying new business landscapes and potential acquisitions. To ensure a good fit, Seibert says the process begins with meeting a startup's founders, then its lead engineers, followed by interviews with each member of the team – all the while, looking for cultural alignment, strong technology and a great team.



#### Transcript

The most rare and the largest deals are the strategic ones. And so this is where you are augmenting your business in a deeply strategic way in order to go after a new market. And so I would put the Crashlytics deal in this bucket because Twitter didn't really have a strong developer platform. They know they needed one. They wanted to buy, not just technology, that wouldn't have particularly helped them, they want to buy an entire product, and a market, and a brand within the developer community in order to go pursue that space. And so we've done a whole bunch of these deals. Periscope falls into this camp. TellApart falls into this camp. MoPub falls into this camp. And so these are sort of the bigger name deals that you hear about and read about.

And what's interesting is how these happen. And so on the Acquire and technology side, it's typically the startup approaches Twitter. So we canvas the space and we're sort of aware of what's going on, but ultimately it's the startups decision that it's time to go look for suitors. And they would approach big companies and see if there's a match. On the strategic side, it's almost entirely the opposite and it's just on the product side of the large company thinking about where we need to go and where we should make an investment. And that's when we canvas a space, look at all the potential players, and then try to meet with them and understand who would be the best fit. And so what does this process actually look like? It starts of course with a call, as I talked about, when they called us. It goes on, if that goes well, to a strategy meeting with the founders. We really want to understand where they're coming from, what they want to build, what kind of team they build. If that goes well we move it onto a tech talk.

So we bring in a bunch of the lead engineers and really understand what they've built and how they've built it. It's fascinating understanding all the different architectures that companies are using today. And some we like better, some would match better with Twitter's infrastructure and some wouldn't. and so it's always a great discussion to understand the trade offs they've made. If that goes well we move on to interviews. And in almost every case we ideally want to interview the entire team. And again it's because cultural fit is so important. And then finally it, it comes down to of course the negotiation. And so what we're looking for here is, we're really looking for alignment in culture. This is not just a thing to care about from the startup side.

This is a thing that the big companies, and Twitter particularly, cares deeply about and we spend most of our time making sure that we're only bringing in people who we think will be successful within Twitter and within the culture that we have. We of course want strong technology. There are tons of different ways to solve problems and we're looking for really elegant, really powerful, really scalable approach to solving problems. We're looking for a great team. I'd say this is actually where most of the deals fall through. It turns out as we interview everyone of course there's going to be amazing people and weaker people, and it comes down to the percentages. And so ultimately we have to make a really tough call, that if there's too few great people on

a team we can't justify bringing the entire team into the company. And so as you go and start your companies and build your teams really focus on assembling the best group of people you can to put yourselves in the position of success here.