



Stanford eCorner

Biggest Surprises in Startups

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A panel of Stanford alumni who have gone on to entrepreneurial careers reflect on their biggest surprises in the startup world. From left to right, the panel includes moderator and STVP Faculty Co-Director Tina Seelig, virtual-reality engineer Cody Karutz, med-tech entrepreneur Elaine Cheung, Etosha Cave, chief science officer at Opus 12, and Jonah Greenberger, co-founder of solar-energy startup Bright.



Transcript

- So we know that starting a company or being involved with a start-up is full of surprises and often pits that you fall into, as well as really fabulous highs. Have there been already some surprises that you could share with us? Obviously you started with the idea that okay, this is gonna be fabulous and great, but what happened that might have surprised you along the way? Cody, do you want to start? - Yeah, for us, we're surprised that, so we built a training tool for professional athletes to use VR to train, and we're always surprised that coaches don't want to use the tool. I think the biggest surprise for me is how important sales is to our cycle, is to actually try to sell this tool, because to us we are a company of athletes and sports-minded folk, but the sales process is so important to the industry, and I think the biggest surprise was just how hard we need to work at that. So instead of proving it as a tool, it's always about pitching it to kind of, how do they use it in a way that is effective for them, and how do we pitch it to them as something that's gonna be non-invasive to their current coaching philosophies. - Interesting, you sort of thought, if we built it, they will come. - Exactly. - And you learned that that was certainly not the case. - It's not the case yeah, so we're still working on that. - Great, Elaine? - Thanks. I think generally speaking, the genomics industry and the technology that's been developing over the last decade has been moving extraordinarily quickly. The cost per sequencing a base pair is dropping much much faster than Moore's Law, exponentially faster, in fact, and so it's really enabled this technology to be applied in a clinical setting now very rapidly, so I think at a meta level that's been a surprise to all of us in terms of how quickly that technology has developed.

But I think for us at the start-up, we're a very mission-driven company, and so the rate at which we've been growing, we have a company value of GSD, which is Get Stuff Done. It's just been a phenomenal experience over the last several months to see how much a group of really smart, like-minded, mission-driven folks can get done, and so as an example, we brought in our first wave of hires in March and by August we had already started enrolling in our first clinical trial, which will end up enrolling over 10,000 subjects. And just the pace at which that has happened is pretty unprecedented in the oncology space. And so that's been a very pleasing surprise for all of us. - [Woman On Left] Great, so a good surprise. - Yeah, I think for me, the big surprise was when we were first starting this and kind of working in the evenings, figuring things out, I sort of naively thought that, oh, we're three Stanford students, we have two technical founders and one business co-founder, and someone will give us an initial amount of money to get out there and get going, and then the later stage funding would be the hard part, the first funding would be really easy. And that turned out to not be the case at all. No one really wanted to give us any money 'cause we had no prototype, we just had an idea and had a decent story. So what we had to do was end up getting government funding to build our initial prototype, and in general we've had to diversify the streams in which we've raised money. So we've also looked at philanthropy and family offices and kind of to get us to the stage where we would be attractive to venture funding at a later point, we're still not there yet.

We're bringing in angel investors and that type of thing, but we're not quite ready for the venture capital funding. And so that has been the most surprising part, you hear all these stories about, oh, a couple students got their initial seed funding right out of school and then could take off. For a clean tech company, and doing hardware, that's not the case. - So, I was surprised by how many people will tell you that you can't do it. When I started Bright, so, I wasn't fluent in Spanish, I still am not, and our first market is Mexico. So there were some things that just didn't make sense, and I knew that, but I also was very surprised that so many people said, that just doesn't make sense, you can't start in a country you've never been to that you have no connections to, and you can't speak the language. And it was like, the nos, and, what are you doing, you're crazy, would come from everywhere. I think there was maybe 5% of the people I talked to that were really supportive, and like, this is a great idea. But it's kind of like, I don't know if anyone, who here has signed up for a race that they thought was a crazy race, but then because they signed up, they just did it? That's how it works, and it's kind of the same with entrepreneurship and start-ups. You kind of just have to sign up, make the leap, and then on the opposite side of the coin, I was surprised by how much you can figure out if you just do that.

Actually, I flew to Mexico for the first time when I was starting Bright, and the power of the Stanford network, I reached out to Stanford alumni in Mexico, and someone I had never met, I ended up staying with, and my flight was late, so I ended up getting there at midnight, he was asleep. It was a very awkward interaction when I was blowing up the air mattress to sleep on his floor. And that's, it's a crazy start, but that was my first connection in Mexico, and then it just grew from there. And yeah, it was crazy and it didn't make any sense. But kind of signing up for it is the most important step that you can take, and you'll test your limits, but you will succeed far more than you think you're capable of, and it will only happen if you sign up.