

URL: <https://ecorner-stag.tcg.stanford.edu/quick-dips/hatching-a-bhag/>

Entrepreneur Rich Barton  explains how his first “BHAG” (Big Hairy Audacious Goal) for a startup was sparked by his frustration with having to go through a travel agent to book business flights. He went on to build and launch the travel site Expedia from inside Microsoft, where he worked at the time.

Transcript

- Putting barriers between people and information is unsustainable in the world of technology.. And I recognized at that point that there was a real opportunity to give power to the people and take that system that the travel agent was using and put it in front of people with their PCs.. And it just so happens that the internet was the graphical web hadn't quite happened yet but the internet was just happening.. And there were these consumer online services like America Online.. Anybody remember that? CompuServe, Prodigy.. I was a user of these services.. And I knew that consumers were using online services and getting access to information.. So, while I was at Microsoft, and I was a product manager, and I was a kind of frustrated entrepreneur.. I knew some day I wanted to be an entrepreneur.. I saw this problem and this opportunity and the light bulb of an idea for a start up went off in my head..

And this is at a time when Microsoft was pretty small.. I had opportunities, multiple times a year, to get in front of Bill Gates and give him updates on whatever project I was working on.. And I pitched the idea at the next meeting of actually building an electronic travel agent and putting that power of information in the hands of regular people as a start up idea to Bill.. I actually thought it wouldn't be a software business and that Microsoft wouldn't be that interested in it.. I said, fund me on the outside and I'll go fulfill my entrepreneurial dreams.. And so it was kind of a VC interaction that I was thinking of it as.. And he laughed and he said, who are you gonna hire? I was 25 or 26 years old at the time.. I was pretty young.. And so, he said start it inside of Microsoft, and if it works and wants to be separate from Microsoft, then we'll think about spinning it off, okay? And so that was how Expedia was born.. When I pitched the idea, one of things that really Bill liked a whole lot about the idea, one was that we were gonna build on PCs what was being run on mainframes in the travel industry and he liked PCs doing the work that mainframes were doing..

But he also saw in me that I had a really big idea and a big dream.. I went in saying we can one day become the largest seller of travel in the world because I recognized that this power to the people technology had the opportunity to catalyze an industrial revolution in the travel industry.. A giant industry.. And that if we could short circuit the connection between the suppliers and the consumers and put them together one to one without anybody else in between, that the consumers were gonna storm the best steal and take over the industry, okay? And so I had this BHAG, this big, hairy, audacious goal that was become the largest seller of travel in the world someday by helping everyone everywhere make and take better trips.. That was my big dream.. And so, in this first power to the people story that I'm telling, this first start up, this was a start up inside the belly of the beast of Microsoft, my takeaway lesson here is the first lesson.. This is the Pygmalion myth lesson.. This is have great expectations.. Great expectations beget great results...