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In 2013, Sam Yam teamed up with his former Stanford roommate Jack Conte to create Patreon, a platform that connects content creators with members who provide recurring revenue. As co-founder and CTO, Yam built Patreon into a service that has funded more than one hundred thousand creatives, channelling more than one billion dollars to musicians, podcasters, and artists of all kinds. He describes the intense grind of scaling Patreon and looks at three central challenges that face most entrepreneurs, then focuses in on what makes the entrepreneurial path worth it.

Transcript

I find this to be an interesting problem too that your plan just ends up being wrong all the time.. And the example I use in Patreon is that we were really sure that the way that would make us unique as a platform is that we would allow artists, because we believed that new influencers nowadays weren't sort of locked into this album release cycle, and so they would release content whenever it made sense for them.. So we were convinced and had really strong conviction that what needed to exist on this platform was the ability to only charge when you've released a new song, a new album, a new piece of art, and so that was the crux of like our value proposition with Patreon.. And it turns out like after we launched, even though that's how we launched, artists cared much more about a stable revenue stream where they would have consistent money coming every month, and so they could actually think about planning for their finances and their career which makes a lot of sense.. But this sort of situation I find, yeah, eventually we had like 95% of artists just doing sort of a monthly payment plan instead of per song or per work.. And I found in just talking to a lot of different folks that this seems to always happen too.. So I was back in, I don't know when this was, 2010 I guess, working at this incubator called Dogpatch Labs, and this was the same incubator where across the table, both Kevin Systrom, who I think is gonna be doing the last talk in this series, was working in building out Instagram, but actually at the time still using all the Burbn branding and stuff 'cause that was the first company that they had been working on.. And so I remember I was like curious about all the other groups working around me so I got set up on Instagram with Mike, Kevin's co-founder, and then I asked Kevin like I'm curious what's your plan? What are you thinking about with this company? And at the time, and this was I think as they were pivoting out of Burbn, what he described was, A, Instagram is just gonna be easier to use than all the other photo services, but their strategy was that it would be the first pillar as part of a lifestyle suite of apps that could encompass different things.. And so this one was about sharing images of your life.. They could have a location-oriented one down the road..

And it turns out that Instagram was compelling enough where none of that other planning had to materialize at all for them, and then they went on from there.. Same thing happened with, well, similar thing where early on, I had met Ben Silbermann who was the founder of Pinterest, and we were doing a few strategy sessions, 'cause this is before he had launched Pinterest, on just things that we were building.. We were both trying to come up with startup things at that time.. And the original demo that he showed me that prior to Pinterest was actually a mobile app that allowed you to sort of group different fashion together and then eventually like purchase different clothes and things like that.. And so Ben is an amazing strategic thinker based on the experience of my conversations with him in the past.. But the point of all this is like I think you just get going.. If you allow every single time that you're proven wrong on the planning that you have laid out, you're almost guaranteed to run into this.. And so if you can develop a mentality that it's not a big deal and that you have conviction on some core principle of what you're working on, it's okay for your plan to be absolutely wrong.. It also helps in these cases that I think the folks found success afterwards, but even in the case where you have to pivot or do something different, I think just being comfortable with the fact that more likely than not you can anticipate like the mentality of groups of people is what everyone ends up facing regardless of how successful they are down the road...