

URL: <https://ecorner.stanford.edu/videos/building-better-online-communities/>

In December 2018, Sarah Friar was named CEO of Nextdoor, the world's largest private social network for neighborhoods. Prior to leading Nextdoor, she was CFO of Square and SVP of Finance & Strategy at Salesforce. She serves on the boards of Walmart and Slack, and is the co-founder of Ladies Who Launch, a nonprofit that celebrates and empowers women entrepreneurs. In this conversation with Stanford professor Tom Byers, she discusses what attracted her to Nextdoor, and explores how she aims to amplify helpful, neighborly behavior on a social network.



Transcript

Presenter Who you are defines how you built.. 00:00:07,250 - Hello, everybody, I'm Tom Byers.. 00:00:09,240 And I wanna welcome you to the Entrepreneurial Thought Leader seminar series here at Stanford, or sort of at Stanford virtually.. I'm so pleased that we have Sarah with us today, but I'm also, wanna make a special shout out to the folks at STVP, which is the Entrepreneurship Center at Stanford School of Engineering.. I'm so proud to be part of and basis this Business Association of Stanford Entrepreneurial Students.. They're the people that have been putting on the ETLs all year.. This is our last one for the calendar 2020, and we've done 35 this year.. So what a great way to end what has been an incredible year for the planet and for our country and for Stanford University.. So today we are very delighted to have this big finish and welcoming Sarah Friar to ETL.. I'm so nervous..

Why? - Don't worry at all.. 00:01:05,610 - What is it about you? 00:01:08,240 Oh, wait, it's your resume.. Okay, two years ago, you were named CEO of Nextdoor.. And I am a member.. And I'm not just saying that since we knew you were coming, I've been a member for a while.. And it is the world's largest private social network for neighborhoods.. Prior to doing that, you were at Square.. And everybody knows about Square.. You were CFO there as well as senior vice president of finance and strategy at Salesforce before that.. You've held executive roles at, I got to bring you to office hours sometimes when people wanted to ask me, should I be a banker? Because you were at Goldman Sachs..

Should I be a consultant? You were at McKinsey.. Should I go into tech? You've done that as well.. You know, big company, should I do a startup? So you've done it all.. Both Goldman Sachs and McKinsey, and you serve on the boards.. And I like this a lot, at Walmart and Slack, two different kinds of companies.. They're both trying to innovate and in a hyper-competitive situation.. And you were the founders, and this is really close to our heart, at STVP.. Everybody knows this that's been watching these how important this kind of stuff is.. You co-founded Ladies Who Launch, a nonprofit that celebrates and empowers women entrepreneurs.. So the the rest of this is what really excites me..

You were a engineering undergrad-- - I was, yeah.. 00:02:32,300 - At the University of Oxford 00:02:34,940 or Oxford university in England.. I hope we get to talk about that a little bit.. Engineering, because you know we are here in the School of Engineering virtually, and then you got your MBA from the Graduate School of Business just across the campus here at Stanford.. So let's dive in.. How are you doing today? - I'm great.. 00:02:53,786 Thanks, Tom.. Really appreciate it.. That is way too much of an appetite.. I feel like it died maybe..

So now I will just let everyone down because don't believe the hype of the resume.. - Yeah, yeah.. 00:03:04,650 Well, let's dive in though.. Okay, let's talk about Nextdoor first.. We got a whole bunch of stuff here, but let's dive into Nextdoor.. Could you describe Nextdoor for everybody just in case they do not know about it? And then, well, what attracted you to take that job? I'm sure you had lots of opportunities.. - Yeah, so in a nutshell, 00:03:27,130 Nextdoor is the place you go to tap into what's going on in your neighborhood.. What's going on around you locally.. It can be a great place to solve problems.. If you are looking for a plumber, which I was this weekend, an emergency plumber, if you're looking for a great place to go grab a coffee that can deliver it to safely right now..

You might wanna sell a used bike.. You might wanna find out what a local event is going on or what the Local Health and

Human Services Department is saying about COVID-19.. So we really serve as all of the stakeholders in a neighborhood.. It's very different from other social networks in your life.. So there's clearly a platform for your friend network.. There's clearly a platform for your professional network.. There's many other platforms that are being born all the time in internet land that are hyper-innovative, but your neighborhood is very different.. It has this power of proximity.. One of the things that we know is that in times of crisis, for example, now during COVID-19, it is your neighbors who often become that first line of help, that first line of defense for you, actually, when you're in need.. We usually say in Nextdoor's case you come for the utility, but you stay for the community, which really ladders up to our purpose..

Like the why Nextdoor, like why I wanted to put my career on the line and go to this younger company was really because we wanna cultivate a kinder world where everyone has a neighborhood to rely on.. So I'll pause having to take more questions on it, but it's a special company and it's really got a special purpose and mission in life.. - Oh, I really liked that.. 00:04:58,857 I heard a version of that, which phrase you just used, "Come for the utility, stay for the community." But I heard a version of that the other day was it's come for the mission, which is the utility mission, but then you stay for the community.. And I think Nextdoor is a perfect example of that.. - Yes.. 00:05:18,443 So just two years ago, it's December of 2018.. If you knew what was coming, if you did, tell me what's gonna happen the next two years.. - Yeah.. 00:05:29,060 - But let's just talk about this first hundred days 00:05:31,640 and then a little bit more about managing during COVID..

So the first hundred days, what were you trying to accomplish? - So I think, you know, like any leader, 00:05:39,710 you really wanna make sure you're more in the listen mode in the beginning.. You need to learn, you need to come up to speed quickly.. What I usually tell newer managers or newer executives that are coming to work with me is yes, you should take 90 days, but in reality, you have about 30 where you really can just get away with listening, and then you need to start putting a few scores on the board so that you're starting to gather that credibility.. But I would still hold back from any large changes, unless you're in triage mode.. Like, unless you're joining a company, for example, that's truly on the brink of a disaster, but if the company is kind of doing what it needs to do, you really, I think, wanna hold yourself back from too many big decisions till about day 90, but then I think you need to put forth what's your forward vision as you look out over the next 12 months.. So in my case, in that listen mode, of course, it was listening to my employee base and really understanding where they were coming from, but more importantly, listening to our customers.. So I actually went on a bit of a world tour, which thankfully I did in 2019, not in 2020, because I wouldn't have gone that far.. And I literally visited 10 of our 11 countries that Nextdoor is live and working well in.. And the one I missed was Italy, ironically, which would have been a great place to go visit.. And what you find when you're out on the field is, of course, every country, every culture, every neighborhood is slightly different and yet these commonalities begin to arise..

And that's actually where I could see, of course, every country has slightly different needs from a utilitarian perspective, but the commonality was a lot around this community piece.. And it was two sided.. On the one hand, there was so much hope and kindness and great, everything from kind of small acts of kindness on the platform to really, really big things that I would see happening.. You know, for example, when I was in Melbourne, I met with a community group where a woman who had lost her husband had just started having a weekly breakfast on a Sunday morning.. Darlene is just a fantastic, you know, personality.. And since she started finding her breakfast, more and more people have shown up.. In fact, she's had two engagements happen.. So turns out Nextdoor can even be a dating platform for some.. But the flip side of that is what I heard consistently was also this conversation about loneliness and about how even in a hyper-connected world, more and more people were feeling stuck behind panes of glass, but not having real world interactions.. And that really kicked off a lot of the work about how do we bring soul into our platform..

So it isn't just utilitarian that it has this spirit behind it, of building social capital and helping communities unite from online to offline.. And that's founded a lot of the work we've done even in 2020 we're of course COVID now is, you know, really amplifying, I think those feelings of social isolation and loneliness.. And we've just done a bunch of research, which we can talk about, but with three of the kind of famed researchers around the world on this topic.. - Yeah, I would really like to do that.. 00:08:42,280 And I'm sitting here thinking, you know, we've had a lot of speakers.. I always mention about the 35 and we stood up ETLs in the summer.. And of course you can imagine that was in the midst of the crisis or the multiple crises happening once.. And a lot of people were talking about their immediate reactions.. We have the benefit here, given that it's toward the end of 2020 to be a little more you know, more of a retrospective, but then what's changed? So you have had a lot of growth, my understanding from what we read that just a massive growth.. And that sometimes can be a challenge..

It can be a challenge to grow too fast.. So I'd like to hear about that.. Maybe a different kind of take, rather than here's how we did to get, you know, to deal with the immediate stuff.. What can you share with us about that? - Yeah, I mean, you do get a little bit this 00:09:40,653 sense of perspective now 'cause it has gone on over a much more elongated period of time, right? If you tucked me in March, April, you're in the eye of the fire, right? And you really were trying to rise to meet the moment, but everything was very much of the moment.. If I look back in hindsight, the first thing we saw was a big surge in members coming onto the platform.. And that actually began in Italy, that country that I've mentioned earlier.. And we could see it come through Italy, France, the UK.. we knew it was coming to the US and then actually Australia.. I remember having long conversations with my country manager in Australia who kept saying, we're an island.. This is really not gonna impact us..

And then of course it did.. And now it's actually circling the globe in these surges.. So number one was just this huge rise

in usage.. So almost 80% lift in our daily active users from February going into March.. And so for the entrepreneur engineers out there, like on the one hand for the business person, you're like, yay, and then if you're in the backend, you are in a holy shit moment.. Sorry, I probably shouldn't say that on screen, but where your engineers are literally working day and night, because of course we all say we're building platforms that naturally scale, but the reality is you don't expect that sort of just growth to happen overnight.. And it certainly, you know, really starts to show where some of the cracks in the system might exist.. We're lucky we're a relatively modern platform.. So we're built on an extensible architecture like AWS, but nevertheless, there were lots of things that we had to really make sure stayed up.. The next big thing for us was thinking about mis and disinformation, right? We'd actually been in preparation mode for the US election and we had come out of Brexit in the UK..

So we had done work to really think about how do we make sure Nextdoor is the place you come to for the most credible, real time sources of information.. And so that was kind of step two is how do we keep our neighbors safe.. Because even when people are being neighborly, sometimes they don't even realize they're propagating misinformation.. It sounds like a neighborly thing to say to someone, "Hey, "did you know, if you take extra iron tablets, "you're immune," right, whatever, you know, thing the Internet has thought up that week.. And so we really quickly had to make sure that wasn't happening.. And luckily we had a lot of credibility with public agencies right next to our works with folks like FEMA, when hurricanes are hitting the United States.. We had been working with UK government.. We'd been working with the French Ministry of Health.. And so really quickly, we were able to bring folks to the platform like Governor Newsom, Governor Cuomo, Governor Raimondo in Rhode Island, Aamir Khan in London, who wanted to know that Nextdoor could be the place to put their latest and greatest information.. So that was kind of step to make sure accurate information is right there front and center..

The next thing we saw was this kind of rise of help to give.. And it's a very natural human reaction that in a disaster, it's actually one of the things I love about humanity, is that when we are kind of at our most base moment, like, I don't know, you're in the storm and someone's being swept away.. You don't think what political party are they in, what color, what race, what gender, you just stick out your hand and help pull them in out of that stream.. And also, I think particularly with COVID, who knows how to react to a global pandemic? So people wanted some personal agency, like a feeling of control, and so the way to get some personal agency was of course to say, how can I help? So we saw a lot of how can I help.. We weren't seeing the other side, which is people saying I need help.. And that takes a bit longer because it's actually a very vulnerable moment for a lot of people to say, I need help.. And so we had to think through product and we can talk about some of the product innovation we did, but things like our global health map or global health groups, as a way to kind of lower the barrier to someone being able to say, I actually need some help at the moment.. You know, personally in my neighborhood, I connect it to two people.. And it's interesting 'cause both are in about that kind of 50, 60 age group.. And they spend an inordinate amount of time the first time I talked to both of them explaining why they didn't really need help..

You know, I'm super fit healthy.. I normally run.. Blah, blah, blah, blah, blah, blah.. And it was really their way of saying, I don't normally need help, but in both cases, they needed me to go to the pharmacy for them because they were immunosuppressed and couldn't leave their house.. And I think that was a unique feeling for a lot of people.. And usually you depend on family or friends, but suddenly that wasn't available to you, right? My family lives in Northern Ireland.. I have older parents.. I wanna make sure they're getting everything, but I'm actually leaning on my neighbors there to make sure that my parents have what they need currently.. And then finally, the, I would say more recent areas we've focused on have been local businesses and local nonprofits because these are incredibly important parts of a neighborhood.. Our local economies will never be the same..

if we let our local coffee shop or local dry cleaner or local hair salon go out of business and yet that's what's happening.. And so we're trying to connect both neighbors who would like to help when we saw initially things like GoFundMe campaigns, but in reality, businesses are both kind of very proud.. They don't wanna accept charity, but they also, it needs to be sustainable, right? GodFundMe will only take you so far.. And so as they've pivoted their business models, we're trying to help them get that message out.. So making sure for holiday shopping you know that your favorite local business is now online.. Or I just saw a restaurant that was struggling, and so she has become the queen of, she now parcels and sends, oh my God, I'm forgetting the name of them right now but little wantons all around the US.. She actually ran a Chinese restaurant, but has pivoted to being kind of this distributor of this particular type of food.. And that's how she's, she's actually getting better in her business than she was when she was a restaurant.. So how do we help neighbors find out what their businesses are doing and how do we help businesses need to really let neighbors know what they're doing and where neighbors can help most.. - Well let's-- 00:16:09,000 a chance for innovation, 'cause that's what this course is all about, you know, entrepreneurship and innovation..

So let's keep going.. You talked earlier, you touched on the social isolation and loneliness and you mentioned that when you were talking about your neighbors.. Could you talk a little bit more about how the psychology and the psychologists that you've assembled to assist in this product innovation? - Yeah, so it is, you know, as an innovator, 00:16:44,070 I really buy into the path to innovation being through customer-insight-driven kind of an approach.. So, you know, lots of deep customer insights, translate that into kind of a design effort that, you know, effectively creates the wireframe.. and ultimately the mock-ups that say, this is what this product could feel like, a lot more testing, and then finally kind of real hands on keyboard, okay, now we're building this with like true finesse and resilience to it.. I don't know in your course who you teach, but I really love Clayton Christensen's Jobs to Be Done Framework.. And it has such deep roots in Silicon Valley, right? 'Cause I would even

credit the follow me homes that's got cooked it and into it as great examples of this.. And I think the insight is what's so interesting.. 'Cause if you ask your customers what they want, it's often what they tell you they want is not actually what they want at all, right? That's the classic buggy-whip story.. It's also, even if they are using your product and you ask them what they're doing with it, it's actually often not what they're really doing with it..

And the insight really comes with that deep ability to watch your customer in action.. So, you know, for example, in the case of innovation and trying to rise to meet the moment for Nextdoor during COVID, right, we looked at something like help map.. And almost our first inclination was to say, okay, let's create it; this is great.. We're gonna create a map and we're gonna drop pins on the map of people who have helped to give.. And then we're gonna drop pins on the map of people who have helped want it.. What could be more perfect? We'll color them differently.. And then what we realized when we kinda step back from it is like, wow, we're like creating a map of the vulnerable, which seems like a really bad idea in hindsight.. So we kind of did a, like, (screeches), let's not do that and realize that actually the way that you could allow more vulnerable people to speak up was in a smaller, like a subset community of your community.. And so we kept the help map because actually for a lot of people, it did work the way it was intended, but we actually found that help groups were ultimately the product that lowered the catalyst to involvement to an extent where actually people felt comfortable doing it.. And by the way, that research is now being extended, as we think about, you know, if you think about kind of the next social crisis that happened certainly in the US but it's really a world crisis around black lives matter and racism in our country and in the world broadly speaking..

And we could also see some similar things going on where people of color might not feel super safe in their neighborhood and therefore super safe in their main feed on Nextdoor.. But when we take them into a group where it's a smaller group of people, they can suddenly be much more authentically themselves.. Often, what they wanna do in those groups is a little different from what we might see in say a more predominantly white area.. And so, I mean, these are really tough subjects that people don't like to wait into.. And yet we know by bringing together kind of, I call it the EQ and the IQ coming together, I think, you know, if I were to critique Silicon Valley, we definitely kowtow to the, you know, the font of data, data science, machine learning, AI.. But the really hard thing is when you bring human behavior together with like a deeply kind of more automated mechanistic system.. And when those two things interact, how do you make sure you're amplifying really positive things and actually thinking about how you moderate the more negative things, not to a place of kind of, when people talk about moderation, they often think it's about literally turning things off.. I think about it more, certainly from a neighborhood context, of how do I help people disagree, but not be disagreeable because if we suppress tougher conversations, we'll actually never find our way to a solution.. And you know, I've been trying to teach my, talk to my kids a little bit in the last few weeks about Northern Ireland of all places, because my son's writing a paper on talking to his grandfather and that in growing up in a community that was actually at war meant that you had to be able to have tough conversations.. Otherwise, how could you solve an actual war? And you had to deal with everyone around the table, like deciding that some people shouldn't be at the table, you can't get the piece 'cause then you don't have all the stakeholders involved..

- Oh, I wanna talk to about your life in Northern Ireland 00:21:15,583 more in just a moment, but I'm so glad you brought up Clayton Christensen's model or phrase Jobs to Be Done from that paper he did.. And we love making recommendations for the students watching this and other learners around the world to go and learn more about entrepreneurship and innovation.. And that's a great place to start, not only that work, but his seminal work before that about disruptive innovations.. We really miss him.. You know, he passed recently, has had huge impact on all of us who teach entrepreneurship at Stanford.. And it's interesting.. The students really gravitate toward that model.. I just used that framework in teaching about two weeks ago, right after you and I were talking about it.. And it was the students who brought it up saying, look, we should all read this piece.. And I said, yeah, that's great..

So his work continues even afterwards.. And it's great to see it being used or having such an impact with you at Nextdoor.. So it's the halftime show.. And during the halftime show here, we're gonna talk about your career journey.. You got to do that.. You brought up Northern Ireland.. And, you know, no laughing matter.. You were in Northern Ireland during the troubles.. - Yup.. 00:22:36,263 - And something that, 00:22:39,204 on a little more positive note, you were born in a farming village..

And I married somebody who was born in a farming village, but in North Dakota, which is kind of in the north too.. So very similar, you know, we've talked about that.. And I've just learned a lot about what it was like, that mentality of a farmer and that it mounted the work ethic.. It makes entrepreneurship look easy.. I mean, we always talk about how hard it is.. That along with our athletes, you know, they also amaze me with their time management, but farmers do the same thing.. So let's talk about why and how did you end up at Oxford, studying engineering since this is an engineering school? - Yeah.. 00:23:22,150 Well, you're right.. I grew up in a very rural area.. You're absolutely right that I think farmers are the ultimate act like an owner or moment too, right? Because there is no job too small or too big that they don't have to do, because who else is gonna show up to do it? And so, you know, a lot of my summer jobs involved, typically, being on my uncle Louie's farm..

He would have us up at like six o'clock in the morning doing extraordinary things, let me tell you.. How it got to engineering, it was definitely atypical.. I grew up in a world where if you did like sciences and math at school, which I adored, and I was super lucky to be, you know, both had teachers who got really involved with us.. I also, interestingly, was in a cohort of girls and we all outperformed.. I don't know what it was, but there were like five of us and we're all still really great,

great friends, but we were all hardcore into particularly math and physics were like our two things.. But usually the traditional path was straight into medicine.. My brother is a doctor.. Or maybe if you were really thinking outside the box, you might've become like an accountant or a lawyer, but it was not that typical to go to engineering.. And I think what I saw in engineering was I was just so naturally curious all the time.. I love to take things apart..

Like on that uncle's farm.. I was always the person like fixing the piece of machinery or kind of figure out like how the rotator cuff link to this piece of whatever was broken.. And it just seemed like a very natural transition.. Oxford was hard because it was also atypical from my community.. So there was no one to turn to, my parents, neither of my parents went to college.. There was a lot of fear, I think, from them of what it was gonna mean if I was gonna go off to England, which was, you know, more expensive, like there was a lot of hurdles, but I almost feel like that gave me a lot of resilience.. Actually, now, when you talk about the, you know, the path of an entrepreneur, you really have to be resilient and you have to be incredibly optimistic, not naive, but very optimistic because you gotta kinda win people's hearts to come with you.. Like you can win their minds because of a good business plan or a good piece of technology, but like you gotta have their hearts so they'll go with you into the, you know, into the deep battle.. And I think I got to learn a lot of that early because it was like a big leap to go off and do something that was really atypical from what my friends were doing, what my family expected.. When I got to Oxford, it was just, you know, it was so amazing to be challenged the way I was being challenged, to have that kind of, actually one of the things I really appreciated about an Oxford education is the one-to-one tutorial, where you have to debate to go back to that point about disagreeing without being disagreeable, right? Your tutor would just hand you so in pure engineering, but I did a course called MEM, material science and technology, economics, and management..

And in the EMPS, right, you just got handed the side you had to take, and then you had to show up a week later and argue it.. Even if you fundamentally disagreed with it, your tutor did not care.. He or she was just like, show me what you got.. And I think that is a great learning, too, about walking in other people's shoes, like learning empathy, and really thinking about both sides of an argument.. And sometime, you know, I don't know if I see enough of that in today's culture.. I would love to see more of it.. I think neighborhoods are placed to do it, right? I totally buy into Tom Friedman and kind of the neighborhood being the unit of change or David Brooks, actually, I think said that.. So, yeah, so that took me to Oxford, took me to engineering.. One highlight, I would say in terms of the risk, I'm sorry, Tom, you wanna jump in? I went and did an internship in Ghana for Ashanti Goldfields.. I took kind of a lab process called BIOX and my tutor was working on it..

I wrote my thesis on it, actually did a master's in engineering, and went to see what a real life mine would be like.. I realized the whole time it was not for me.. It was a very kind of frankly sexist environment that I didn't see where I could be successful, but it was, again, I'm so glad I took those risks early in my career to travel, to do kind of scary stuff, because in the end, it's not that scary.. You don't have that much at stake.. Later in life, it's harder.. You have kids, you know, you've got roots put down.. I think it's way harder to go take those risks.. So that's always my advice, like lean in, travel, take risks.. - Well, it also gives you global exposure.. 00:27:52,673 - Yeah..

00:27:55,063 - Because we are a global community.. 00:28:02,480 The debate about, you know, the pros and cons of globalization, that's fine to talk about that theoretically, 'cause there are some issues, there's no question.. But how are you gonna be, it's sort of like you thinking about being in both (mumbles) shoes.. How are you gonna be informed to think about those downside risks of globalization if you haven't actually been there? - Totally, and frankly, if you have ever read 00:28:26,403 Hans Rosling's book, "Factfulness", I think about it a lot as a board member where, you know, for most companies you wanna go where the high growth market is, right? It's so much better to be a small fish in a hyper-growth large market with a really big TAM, 'cause then you can afford to screw up plenty and yet the kind of the tailends are at your back.. Like I would say that was very true of Squares, very true of Salesforce.. I believe it's very true of Nextdoor.. And if you look at where global growth is gonna be, right, it's coming out of Asia today, really China.. But 10 years from now, it's really gonna be Africa is the, and it's not a country, right? It's a continent, and every country is very different.. If you see yourself as being an entrepreneur a decade from now, two decades from now, but have no knowledge of one of the largest growth markets, like it's always a head-scratcher to me when people are like only wanna see North America or see Western Europe.. - Yeah, and then real quick, the last thing on this, 00:29:19,780 on the career part, we're getting ready to be, you know, what you're doing now is as being the CEO of a great company, what about the MBA? What's your view? It's been about 20 years, almost..

- No, it's like two years ago.. 00:29:36,385 What are you talking about? - Sorry.. 00:29:39,740 In that perspective, what's the value of an MBA given that you've gone into tech and you're a CEO? - Yeah.. 00:29:47,270 I am definitely a very positive on an MBA.. Like for me it was a really important kind of transition period, personally because I changed countries, right? I'd been in South Africa actually right ahead of time with McKinsey.. I had this expectation that I would be going back to London.. And suddenly I did the ZAG that brought me to California, the farm.. Like, what a life changer.. Just that in and of itself was like a good reason to do it.. I do buy in that academically..

It's also very helpful.. Like, I think with the benefit of those 20 years that you alluded to, I now really understand the benefit of classes.. Like I took Jeffrey Pfeffer's class on power in organizations, Power in Politics was what it was called at the time.. Jack McDonald was an amazing tutor on the investment side, sadly passed away recently.. But, you know, I remember taking his class and thinking, God, this guy is such a slacker.. Like, you know, he doesn't actually teach.. He just invites people to talk.. And now like I sit there and I was like, wow, after 11 years of being an investment professional at Goldman,

I'm like, investing is such an apprenticeship business that you can't learn it from a book.. You really have to learn practitioners and you'll figure out ultimately the right mode for you to operate in to be successful.. But you have to hear practitioners at work..

I think the same is true of entrepreneurship actually.. And so I really bind the academic side.. And then the final thing though is the network, right? It's amazing.. I mean, actually in my current CEO position, one of my Stanford, like in my class, classmates is on my board at Nextdoor.. That same thing was true when I was at Square.. They just kinda pop up everywhere.. And there's a bond that is different about a small class like Stanford.. So you can tell I'm like pretty high on the business school.. - Yeah, well, me too, 00:31:44,710 but I went to Berkeley's Business School, so I would say the same thing about them, but not them all.. Okay, so for my last little block, and then we'll go out to questions from the students..

And what an appropriate way to be the last set of questions I ask in any ETL for 2020, let's talk about diversity and inclusion.. I mean, it is one of the defining issues of 2020.. There've been many.. Let's just cut to the chase.. I know you care about it, I do too.. It's been that word this year has been activate, action.. What actions have you been taking at Nextdoor or with your nonprofit or whatever? What actions have you been doing about diversity and inclusion? - Yeah, so I mean, number one, 00:32:34,490 I think you have to view it as a business imperative.. This isn't about kind of good and welfare in the world.. That's important too, but I think you have to start from it being a business imperative.. And we know it creates better business outcomes..

Like, going back to the Jobs to Be Done insights from your customers, everyone you surround yourself is effectively giving you feedback kind of as a microphones to your customers.. And so if your board isn't diverse, if your senior executive team isn't diverse, if your product building team isn't diverse, you just don't even realize the biases that you're building in.. So I think if, you know, in our case at Nextdoor, we wanna serve the world.. We don't believe there's a place on earth where people don't want to have a neighborhood to rely on.. So we have to look like that global population.. So I'm really proud of the fact, for example, that two-thirds of my executive team are immigrants, which is probably not what you all expected me to say, 'cause I can give you all the stats on we do very well on gender, we have more work to do on people of color, but it's getting better.. But I think even just that immigrant thing, because I didn't want just a US perspective in our build, I have just added two new board members who are both black.. It was a place that at the most senior level we weren't showing up well.. I came to Nextdoor really in full force about gender, gender quality.. It's always something that I've felt really passionate about, but I realized my blind spot is I wasn't thinking on the color side..

And I'm sure part of that is even just how I grew up.. But regardless, it's not an excuse.. So adding two new board members.. So John Hope Bryant from Operation HOPE, who's one of the most passionate speakers.. I hope at some point, all of you in life get a chance to hear from John.. And then Andrea Wishom, who was the president of, EVP at Harpo.. So she actually was Oprah's effectively COO for about two decades.. Nextdoor needs to learn to tell stories to really help members understand why we have such strong utility and community, but also to amplify what we want the platform to do.. So who better to get than a person who's helped the best storyteller in the world for two decades.. So going back to, yes, I did it because it sends a signal on the importance of diversity, but I did at first because it's just a great business move..

In the case of Ladies Who Launch, I think, you know, something to think about, you're all here listening to me very young in your careers.. And so some people take the tack of I'm gonna be philanthropic afterwards, right? I'll do what I need to do.. I'm gonna have to work really hard.. And then I'll think about philanthropy.. Personally, I look for kind of places where I can find the overlaps of the things I care about.. There's a Japanese kind of framework called ikigai, probably butchering how you say it, but the idea is like, what are you passionate about? What are you good at? What can you get paid for? And what does the world need? And if you find those four circles to overlap in the middle, you're in ultimate flow, right? You just don't feel as tired.. You can run forever.. And I would say that about Ladies Who Launch, which is built on this premise of community education and inspiration for female entrepreneurs, with that word community, Nextdoor, which is all about community.. It's something I'm good at and it's something I'm very passionate about.. So I feel like it gives me tremendous energy to wake up every day and kind of, you know, run the next mountain, but bring my team with me to do that..

- Well, thanks.. 00:36:04,210 I am gonna go to some questions from our listeners or watchers tonight.. Here's one.. And we're backing up a little bit, but I hope that's okay with you because this is a really important issue too.. Let me get this straight.. Social media platforms like Facebook and Twitter have been under tremendous pressure to moderate its discussions, you know, unless you've been on a rock this month.. - Exactly.. 00:36:32,070 So because you're also a social media platform, what are you doing on this issue? I know we touched on it a little bit, but I think it'd be great to talk about specifically, as opposed to what other social media companies are doing or in similar way.. - Yeah, so where we differ, or first of all, 00:36:50,180 we're very clear that we're a community-driven platform with community guidelines.. So there is a set of expectations of how you show up..

And, you know, one of the things actually through the course of this year we worked on was putting a neighbor pledge back up on the front, on the home screen.. So the first time you come to Nextdoor is either a new member, or if you hadn't been back for a while, we now remind you what that neighbor pledge to be a good neighbor, right? So, you know, be helpful, not hurtful; don't discriminate; no place for racism, et cetera.. And by the way, we got there through a lot of work with Stanford's SPARK.. So I don't know if you know Jennifer Eberhardt's work on bias and so on, but it's a great place where we

often use the kind of psychology side of the house to come together with the products that we create.. So that's number one, we are a guideline-driven platform.. So therefore we're clear on things that we will remove or even people we will remove if you're constantly breaking guidelines.. You know, secondly, we are locally moderated.. So this was a decision that the founding team made long before I showed up.. And I think it was a brilliant decision because it's based on the idea that really only with hyperlocal context can you know how a piece of content is actually showing up, right? There's no way that I think someone based on the West Coast of the United States can have any sense for what my dad's neighborhood is feeling about a post that, say, might include religion, religious overtones, right? Is it tongue and cheek and justful or is it actually hurtful? And so what should stay and what should go? I think it's very hard to do that with just pure machines.. And I'll come to that because we do also use ML, but the kind of the layer cake bottom layer is local moderation..

Now we've had a lot of work to do there.. Even in 2020, we realize that a lot of our moderators were either overwhelmed or they didn't represent the diversity of their communities.. So we actually rolled out a new program called The Community Reviewer.. And I've been astounded, like really fills me with hope for humanity how many people want to moderate in their local community? We do use a layer of technology, but there's kind of the easy stuff like profanity that machines can find.. But over time, how do we train machines to know if a piece of content is gonna get moderated? And then actually we inserted something called Kindness Reminder.. So again, we're always trying to pull you back to like, what is our purpose and our mission.. Like, why would you join this community.. Again, something Dr.. Eberhardt worked with us on, which is this idea that if we know that what you're about to post is highly likely to be flagged as reported content, we tell you, and we say, hey, remember, great communities are created with kindness.. You might wanna edit your response..

And so instead of me writing back, you know, "Tom, you moron," I might say something a little kind of like, "Tom, I really disagree with you and here's why." And again, that was premised on this idea that, first of all, people don't like to think that's in some future state what they do is gonna be reviewed and reviewed unfavorably.. So we're playing on that human emotion.. And just by popping up that interstitial, we slow you down.. So we take you out of your kind of more biased dinosaur brain, back up here, your frontal lobe, your thinking brain, where you're able to layer biases with, you know, education or shared experiences.. So there's a lot of stuff that we do that is very different from other platforms.. I think they're starting to follow somewhat.. I've seen, for example, that pledge starting to get used in other places.. And you know what, I'm fine with that.. Like if it's gonna make us all a little bit nicer and kinder in an online setting, I think that's for the good of the world.. - Thanks, well, we have so many questions..

00:40:34,620 So I apologize for folks who submitted one and I won't be able to get to here in these last five minutes.. I wanna go back to you if you don't mind a little bit, because there's a couple of here and I'm just imagining a student out there looking at you saying, wow, she seems pretty genuine and human and authentic.. I mean, she's not from another planet, she's from Northern Ireland.. - You should meet my kids.. 00:40:59,300 They'll really let you know that as well.. - Yeah, I want that to come across and people say, 00:41:03,040 wait, I can do that, you know? I mean, I think I can do that.. So let's dive into that a little bit.. There's one here that, yeah, so the transition from being a CFO or a senior VP, whatever, to being CEO, what is that, these last two years been like for you? What's your surprise about it? And, you know, what have you learned? What's the deal from what it means when you leap from being a member of the senior executive team to being the CEO, the person that everything rolls up to? - I mean, the first thing I would say is 00:41:40,530 I just try and never to think about it.. I actually just believed that you get to work every day.. You act like an owner, you look at the work that needs to be done, and then you figure out, you know, it's kind of the two-by-two of like, do you have expertise and do you have passion for it? And that's how I think about a lot of, you know, my frameworks for how I put people in the right positions, right? So if you have both expertise and passion, you're probably the right person to do the job..

And it doesn't matter what title you got, you should figure out how to be in that quadrant.. If you have no expertise, but a lot of passion, that's a dangerous zone.. Go hire people as fast as humanly possible, because you're probably gonna destroy value every day, because you're kinda waiting around in an area that you don't yet know what you're doing in.. You know, in the no expertise, no passion, you're probably not gonna ever go do that because why would you spend your life doing that? The other zone that I think is dangerous for a lot of people, and it's something to think about as a CEO, maybe even more so than CFO, is that where you have expertise, but no passion.. Because often I find as a leader, like there's a point where I wanna take some of the burden off my team.. And if I know how to do it and can go do it, you can load yourself up with a lot of work like that.. And then you kinda wake up a year from that, two years now, and you realize that you don't actually love what you do, right? I once had a boss who said, "The highs got lower, "the lows got lower," which was what finally caused him to leave.. Like just don't get yourself to that point, right? It is incredibly important that we find our energy sources through our work, through the people we surround ourselves with.. And some of that is really being honest about what you don't like to do, even if you're good at it and then figuring out how to find the people who are passionate about that thing around you.. So it's a long way to say that I don't really buy into titles..

In fact, one red flag for me when I'm hiring is someone who is very focused on the title they're gonna get, exactly what the job description is.. And you know, what am I expecting of them in the next six months? Because like in a startup, first of all, titles are all made up.. You can be whatever you wanna be.. The job description should, if it doesn't look wildly different six months from now, we're all doing something wrong 'cause the company should look wildly different in six months.. And then if you expect me to tell you what you need to do to be successful, you should go work for a big company.. You shouldn't work in a startup, because so much of a startup is, you know, you're constantly watching for where the gaps are emerging.. And then

you go put yourself into that gap to kind of keep lifting the company higher.. So, I mean, I'd be totally Pollyannaish if I didn't say there is always, you know, in the CEO role, I think a couple of decisions that end up really just coming down to you.. Like there was times at Square where Jack and I would walk and talk on a decision that I could talk out with him because, you know, in the end, he's the CEO and I was the CFO, so he wanted me to make the decision.. But if I was really having a hard time, I did ultimately have someone to talk it through with..

In the case of being the CEO, sometimes there are just certain things that you can't really go to your team with in the end.. They're usually often people decisions, frankly.. And, you know, that's where a good board member or a good mentor.. Like you have to make sure you have a group around you that you trust, but will kind of tell truth to power as well.. - Yeah, it's been amazing if you think of your last decade, 00:45:11,190 getting a chance to do those walks with Jack Dorsey, just to make sure everybody understands that he was CEO of Square and Twitter at the same time.. And then Marc Benioff.. - Yeah.. 00:45:20,030 - Able to do that.. 00:45:22,860 Also to watch the Walmart CEO, Doug McMillon-- - Doug is amazing.. 00:45:26,200 - And of course over at Slack..

00:45:28,740 I mean, that's another opportunity to observe and see what's gonna be your style.. So these takeaways have been awesome, I love it.. Experience plus passion.. You gotta have both.. And I still loved the one, come for the utility or mission, whatever, and stay for the community.. That's amazing.. All right, we gotta put you through our ritual, which is think back to yourself, you know, at Oxford and you go over there to Saïd, to the business school or somewhere, and there's somebody talking about entrepreneurship and leadership and all that, you know, what's the most important piece of advice you would give that young person you were back then now that you are, you know, you've had these experiences last 25 years or more? What's the most important advice you'd like our students to have today? - So thinking back for me at that time, one was like, 00:46:24,448 just, you don't have to be perfect.. I came from an environment and I think gender plays into this too, by the way, where I was always the A-plus student.. Like I always got the A.. And while I was incredibly accelerating of what I was able to do in life, it also can really hold you back, 'cause that fear of failure gets higher and higher..

And if I think about, you know, my career at Oxford even, I definitely continued to take classes and so on, where I knew I could be successful.. Business School's a little different.. I think by the time I got to business school, I was more willing to take some newer risks.. I was confident that I would still be able to make it up the other side.. I mean, Jack even said it to me when I was leaving Square, one of his major piece of advice was don't be afraid to fail publicly.. And it was actually less about my own perfectionism getting in my own way.. I think I'm getting somewhat beyond that, they'll never totally leave me, but it was also about how important it is to model that behavior for others.. Silicon Valley talks a lot about celebrating failure and taking risks and not being afraid to fail.. It's so true, and yet it's so hard to do.. And so, you know, looking back at that kind of, you know, 18-year-old or whatever, through 21-year-old, when I was an engineer, you know, I just felt like I had to be so perfect all the time..

And I think I probably put a lot more pressure on myself than I needed to.. (engaging techno music)..