

URL: <https://ecorner.stanford.edu/in-brief/is-it-an-opportunity-or-a-distraction/>

When trying to determine whether an opportunity is worth pursuing, Rad co-founder and CEO Tony Mugavero advises founders to focus on their company's core DNA. Be aware of what differentiates you in the market and understand that you may need to turn down tempting revenue opportunities that are outside your core expertise.



Transcript

- We always try to look back at our core DNA, 00:00:08,560 which is, you know, where we started was taking things that were really hard to package up and get to consumers in the form of different, you know, content bundles, whatever it is. Doing that as an innovation partner to hardware companies and the content companies is part of our DNA. And that's what has provided value to us as a company. And it's, it creates differentiators in the consumer market for us to do things that are ahead of everybody else. 'Cause like, how do you compete with Netflix? And they're spending billions of dollars on content and we just can't compete with that. So, you know, I think in terms of picking where, how we're thinking about what we're working on it always helps for us to go back to say, you know does this line up with our core DNA where we've created value? And you know, that doesn't mean that we can't shift the business but still point back to (indistinct). So, you know, looking at VR, AR only, that market is too small particularly for, I mean, it's growing, but it's still too small for, you know like venture outcomes, right? And a handful of companies have been acquired. Lots of companies have just failed, have been shut down. And the companies that have been built and shifted kind of how they think about what they're doing they've survived and thrived. And so the, I think tried to listen to what we were built on and our principles, but then you know, still honor those relationships that we had with the content companies, not the companies.

So now we can go back and instead of Google daydream VR, it's talking to Android TV, which the flat device and they're saying, hey, we have Google voice assistant that we want you guys to do some interesting things with. He did some really cool stuff with VR. Can you make TV more immersive? Yes, that fits our core DNA. We can get a device, you know, a year in advance, work on a SDKs that are undocumented and our engineers can figure it out and work back and forth with their engineers behind the scenes. And it's actually allowed us to, it's provided enough of a guidepost for us to say, this is what we're good at. And as opportunities are coming our way, you know some of them sound interesting but then we said, well, this may be distracting. So maybe we shouldn't do this 'cause it's not core (indistinct). And so there's been some potentially short-term lucrative deals that we've had to pass up because it would have turned us into a production company or an agency as opposed to a technology company building an engine for doing, you know very advanced distribution of content...