

URL: <https://ecorner.stanford.edu/in-brief/relationships-are-more-valuable-than-capital/>

Rad co-founder and CEO Tony Mugavero advises first-time entrepreneurs, particularly engineers, to be proactive about building their networks as fast as possible. Don't let lack of time be an excuse, he insists, because open-ended conversations with no agenda are the foundation of trust, and true friendships can be more valuable than capital when starting and scaling a business.



Transcript

- What sort of advice do you have to engineering students 00:00:08,250 in building relationships of trust? - Yeah, I mean, I think that realization for me 00:00:14,150 came later than I would've liked. And it's something that you can get built in to some degree and, you know the Greek system in college and you know that you can build the relationships in school. But if you're not really proactive about being in you know, in different networks of people and bouncing ideas off of people, as fast as you possibly can. Learning from other people and iterating on ideas with people in real time and having drinks with them and having coffees with them. And that's where the richness really comes from. And the genuine connections with people comes from, and it and it stops everything from being transactional and just doing work with them. And I've found that a lot. And in conversations with CEO's, you know, that there's some CEOs that are very much like, you know I don't have time for this and I'm very strict about how I spend my time. And, you know, I don't have time to just jump on the phone and just chit chat. I understand that to some degree like some people try to take this stance of like very busy.

So like either you're doing business with me or we're not talking about anything. I try to take a little bit different approach. And I think it's very important to have conversations with your peers on a regular basis. They're always going through struggles, you know that you can always learn from them. And so if you know, another CEO reached out to me and we'll have a conversation, just wants to have a coffee with no agenda. Then I have that conversation because we get the form a relationship and then down the road, then it's like, when you call them and you're like, hey, do you know so-and-so or, hey I'm trying to get into this fund or I'm trying to do a partnership with this other CEO. They don't think it's transactional, they're just helping you because you're friends. And so, you know, those genuine kind of authentic relationships are so important. And that's why I say more value of capital. You know, if you have the right relationships it really- doors just start to open.

(laughing) You know instead of on the outside, trying to get your way in it's like you just have a network of people that are all helping each other. So, yeah. I feel like that is such an important thing in entrepreneurship to focus on to be really proactive about that. I was just heads down building when I graduated from college. I was just like, coding, not thinking about like, hey I should be building my network. (laughing) And so, yeah. That's a really important piece of the puzzle of entrepreneurship for sure...