

URL: <https://ecorner.stanford.edu/videos/finding-fulfillment-in-entrepreneurship-entire-talk/>

Justin Kan is an entrepreneur and investor best known as the co-founder of Twitch. In 2006, Kan launched the live video service Justin.tv, a company that started when he strapped a camera to his head and streamed his life to the internet 24/7. Over the next 8 years, he and his co-founders turned the business into Twitch, which ultimately sold to Amazon in 2014 for \$970 million. Kan has also founded half a dozen other companies, raising more than \$500 million in venture capital, and invested in numerous startups, including Reddit, Cruise Automation, Bird, and Rippling. In this conversation with Stanford adjunct lecturer Ravi Belani, Kan discusses the highs and lows of his life in startups, and explores what both success and failure have taught him about building entrepreneurial resilience and finding satisfaction.



## Transcript

Narrator Who you are defines how you build. 00:00:07,700 - Welcome YouTube communities 00:00:08,880 and Stanford communities to the Entrepreneurial Thought Leader seminar. I am Ravi Belani, a lecturer in the Management Science and Engineering Department at Stanford University, and the Director of Alchemist, and accelerator for enterprise startups. This is the kickoff for the new year for ETL, and ETL is brought to you by STDP, the Entrepreneurship Center in Stanford's School of Engineering, and BASES, the Business Association of Stanford Entrepreneurial Students. I can think of no better guest to kick off a new start to a new year. than Justin Kan. Justin has jumped head first into entrepreneurship without having a filter, like few people I know. So when it comes to starting something new, we are blessed to have the master of starting bold endeavors, Justin Kan. Justin is a serial entrepreneur. A few people, frankly, have experienced peaks as high as Justin has on the entrepreneurial journey, and depths as low as Justin has.

And few, if anybody, is as honest and unfiltered about the experience. If you don't follow Justin, I highly encourage you to follow him on a variety of different social media outlets. You will have a better, and more interesting, and informed life if you do. But let me give you the formal introduction for Justin. So Justin is a graduate from Yale, where he studied physics and philosophy as an undergrad at Yale. Then at age 23, he started, with fellow Yalies, Emmett Shear, Michael Seibel, and Kyle Vogt, Justin.tv, which was famous for being one of the first and anchor lifecaster platforms, where a lot was centered around Justin... A lot of it was centered around Justin's 24/7 streaming of his life. Justin.tv gave birth to two other successful startups; Socialcam and, most famously, Twitch. Twitch ended up getting acquired by Amazon for just shy of a billion dollars, and is arguably today worth \$15 billion. Justin has gone on to be a serial entrepreneur and investor.

He also famously started Atrium, which was a legal tech firm that raised \$75 million, but ultimately shut down. He's also been a prescient investor. He has funded companies like Alto, Cruz, Bird, Reddit, and many, many others. And today he's the general partner of VC fund, GOAT, Greatest of All Time, and the host of The Quest podcast. So without further ado, please welcome Justin Kan to Stanford. Justin, welcome. - Thanks, that was an amazing intro. 00:02:49,201 I'm glad we recorded that. I'm going to play it for myself every morning. - It is really on...

00:02:56,520 It is really awesome to have you, Justin, and I know we're going to have a lot more stuff to cover than we're

going to have time, so just thank you in advance. Just to start off, I want people to... People know you as the co-founder of Twitch and maybe, infamously, with Atrium, and also being a former partner at YC, and other things. But just for the record, can you tell people how many startups have you founded? Would you consider yourself a co-founder of in your life? And could you give the scorecard of, if you had to break them down in terms of wins, draws and losses, what would that look like? - That's a good question. 00:03:32,246 I don't know. It's probably like... If you include the ones I'm working on now, maybe eight or nine, which isn't good. I think if you're a good entrepreneur, you probably stick to one thing that really works. There's a little bit of luck in that, so maybe you started two companies and one of them really worked. I think I've had a couple wins.

We had Justin.tv, which turned into Twitch. We spun that out of... Justin.tv was spun out this company called Socialcam that Autodesk acquired for \$60 million. And then, more recently, I incubated this company, Alto, that's doing really well. It kinda got started in my house. And so, those may be a couple of wins. And then, there's a lot of like... There were some like draws. I started this company called "Exact" that was like a... Basically, we ended up selling it.

It was an acquisition, people made a little bit of money but it wasn't very successful. And then, started another company. My very first company, Kiko, was kind of a draw. We ended up selling it on eBay for some amount of money, which was okay. And then, numerous, numerous losses and companies that just didn't work out. - But do you really believe that 00:04:40,453 you should have... That it's a vice, not a virtue, having started all these companies? Because I think there's... And I want to ask you this honestly, because there's sort of two schools of thought. One is, you find something you love and you stick with that as your mission. And I think the other school of thought is more that entrepreneurship is about resilience, and testing, and trying, and experimenting.

And I think many would argue that you wouldn't have stumbled upon the Altos and the Twitches without having that appetite to be okay with failure and starting many companies. I'm curious what guidance you're going to give the next generation, the emerging, young, 20 plus year olds about entrepreneurship. Do you think they should just find one thing and stick with it, or would you espouse the path that you took? - Yeah, I... 00:05:27,470 I mean, I think it depends on the personality. It depends on the person. I have friends who are much, much more successful than I am, and started one company. They started Airbnb or Coinbase, and they just was something that they really cared about. They picked the right idea and they scaled. As the company scaled, they also like kept learning, and growing, and scaling with the company. And my personality is more like, I love the start and new ideas, I love learning.

And so, entrepreneurship is a vehicle for me to learn and grow. And so, I think my personality is suited to maybe exploring many different things over time. And so, I think, economically, it's probably lower expected value, but it's just what I love to do, so here we are. - But isn't that the ultimate thing, 00:06:13,070 that it should be driven by who you are? - Yeah, it should be driven by who you are. 00:06:15,600 I don't think there's one right answer. There's not one right answer. And I had my share of success, so it's great. I think I've just discovered the version of entrepreneurship that works for me. - Yes, but I don't think 00:06:29,530 you should be self-deprecating about it, I guess that's where the division is. I think you should embrace that, that's your virtue.

But let's dive into that. So I think few people... I think one of the upsides of having done all these experiences is a lot of people will comment about what you need to succeed or what you need to avoid to fail, but I know very few people who've actually experienced it. Who've experienced successes, at the order of magnitude that you have, and failures, at the order of magnitude that you have as well. And so, I'm curious if there's any durable lessons that you know for sure that are required now... That you know of now, having gone through the failures and the successes, that are required for success? I'm sure there's a lot, but I'm curious if you could share at least the top, most key durable takeaways that you've had from those experiences. - Sure, yeah. 00:07:18,970 So I had this billion dollar outcome, like you mentioned in the intro. I also had to raise \$75 million for another company and completely failed. And we ended up returning most of the...

Some of the capital investment, but mostly, we lost money. And so, one of the lessons, I think they're all the obvious ones that people have probably heard 1,000 times you really have to focus on a differentiated product. I think if you don't have product differentiation, that's a new, and novel, and useful product that's 10 times better than whatever else is out there. It's really hard to grow something in hypergrowth, it all stems from product. And I think I tried to ignore that at various times, or didn't focus on it enough, and those were like really the root causes of the failures. - And I don't want to take away from the others, 00:08:05,480 but just to make that clear; you have a differentiated product when it's a 10X-- - You have product market fit, 00:08:11,900 you feel like you're rolling the boulder downhill, right? Most of the startup is, before you have product-market fit, you feel like you're willing to boulder uphill, you're begging people to use your product. You're begging people to try it and give it a chance. And eventually, if you discover something that's really useful and differentiated, then people start to come to you and you feel like you can't make it fast enough, you can't keep the servers up, whatever that is for you that you feel like you're rolling to boulder downhill, you're just running after it, and I think that's the difference. And you can... I think it's really easy, in Silicon Valley, to cargo cult all the things that successful founders do that aren't working on your product.

Like, "Oh, I need to hire executives "or raise a lot of money," but those things are irrelevant... They're downstream from having a product that everybody wants. And they're pretty much irrelevant, and actually detrimental, to you discovering something that works, that has product market fit, oftentimes. But it's easy to get distracted by them, and I have in my career.

So that was one... Probably, the most important lesson, - And are there any pitfalls? 00:09:16,520 I mean, this is the converse of the same question. But are there any pitfalls that you can advise founders to avoid now that you didn't appreciate before? Obviously, the one on product-market fit and differentiation is key, but are there any other pitfalls? - Yeah, so for myself, 00:09:34,270 another lesson learned, or necessary ingredient, is to work on things that you actually care about doing. I think, in the past, I've been, at times, really mercenary. Like, "Oh, this is a good business idea "so I want to build it," 'cause I think it will be successful and make money, whatever it is.. And I think having...

Really spending time to work on... Spending time to think about, "What do you like actually love to do? "And what do you care about?" And finding a space that where you could work on something that you love to work on in some way, it doesn't have to be in every way, but in some way. Something that energizes you, that's what's going to keep you going when it's hard. And I think, oftentimes, no matter who you are and what kind of entrepreneur you are, what kind of background, it's always gonna be hard at times. - (stammering) 00:10:21,413 - That company... 00:10:24,233 Or market fit, or founder-market fit. - Yeah, and just to dig in on that then, 00:10:29,313 so let's go through... I would love to talk about founder-company fit for Twitch and Atrium, and maybe Alto. But when you were going into Justin.tv, I guess, even the precursor to Twitch, did you have an... Well, first of all, did you have a vision when you started Justin.tv or was it there...

I think there's also these two schools of thought: One is that you have the entrepreneur that has the bold vision, and then they manifest that through the art of entrepreneurship. And then, there's another, which is that, no, entrepreneurship is really about the process, and the vision will just unfold. And you just need to focus on design thinking, iterations, working with people that you love, and let the future tell you what the future is. - So I would say there's two kinds of entrepreneurship; 00:11:13,420 The first kind, the vision-based, and the second, which is like, you are your own customer, right? Or you really deeply understand the customer. Maybe you're not your own customer, but you've probably worked with your customer or are very close to somebody who's your customer. That's how you know about the idea. And with Justin.tv, that's a perfect example of where, it sounds surprising, but it was both of those things, right? Like when we pitched the idea for Justin.tv to PG, Paul Graham, in the very beginning, who is the founder of Y Combinator, we were saying, "Hey, this could be a new form "of entertainment on the internet." And I think, in a way, we were right. The core idea was people want to follow people. This is 2006, before social media. It really happened.

So, we were like, "People want to follow other people, "they're interested in other people's lives." And I think that has been... That's a core insight that's been born out, actually. And we thought, we said... The vision of this is it could be all these different types of people, we didn't see it as like social media at the time, but where anyone could just sign up. But we thought there would be hundreds of streams of different people, where you could see live video of their life and people would want to watch that. So there was a big vision around it and it was like a new form of reality TV. Obviously, it didn't play out exactly the way we thought... Well, actually, I would say it actually did play out exactly what we thought, 15 years later, where now like IRL streaming is huge on Twitch. And that is actually happening, where you have hundreds, if not thousands, of people who are streaming their lives in various ways on Twitch. So there was that big vision, but then the second thing, part of it was like, it was also what I wanted to do.

And what I mean is I was actually the customer, I wanted to stream my own life because I wasn't very popular when I was a kid, and I was always looking for the attention of other people as a way to get their approval. And so, that was manifested as I was a young adult. And I was like, "Okay, this is..." I wanted to create... I thought, "If I could just stream my life to the internet, "then I'll be popular or something." It was a subconscious process. So I actually was my own customer, and we built that very first version of Justin.tv, which was a live video and chat, with my own use in mind. We were creating our own show. And so, actually, it was both, and I think that's why it was so successful in the beginning. - And so, you had the vision 00:13:26,448 and you had this intention too. And was the intention driven by economics? - Yeah, I mean, a part of it was 00:13:35,670 we wanted to start a startup and we thought it was a good way to make money, but it was also exploring our own curiosity. (speaking over each other) - Okay.

00:13:42,678 Oh, sorry. - There's many motivations. Right? 00:13:44,344 Part of it was like, yeah. I mean, I had my friends at Reddit start a company, they got paid very quickly. I was like, "Oh, I want that. "I want that." So there was an economic motivator. But there's also a... There was like a curiosity, right? Like I really love new ideas, and new technology ideas, and applications of technology on culture. And so, for me, it was a novel idea and it was exciting to pursue that from (indistinct). - I'm going to come back to Twitch and Justin.tv, 00:14:10,760 but I want to stay on this thread of vision and intent.

For those who don't know, Twitch got acquired for \$970 million. Your bank account was not empty after that. It probably had a couple more zeros than you were used to seeing. And then, you go and you decide to start Atrium. Can we talk about vision and intent with Atrium, and how that might've been different than Justin.tv and Twitch? And if there were any takeaways from that? Did you have a vision going into Atrium or was it more driven by an intention than the vision, and was that intention, and can you add color on what was going into the process? - Yeah, I mean, there was a vision... 00:14:56,840 Well, I would say it started off as a business model innovation, right? And the business model innovation was like, "You can create this new type of corporatized law firm "where it's run more like a business. "And it could be more efficient "for the customers... "The clients." And the problem, I would say, we're... Which I think is true, actually. That is a...

I think that's like a reasonable angle of attack there. The problem was, I think, in the execution and probably in the

founder-market fit, where I thought it was a really good business idea, but I wasn't really our own customer. And I mean, I was kind of, in that I was a founder who wanted to... Who was starting companies that had legal spend, but I didn't really care that much about solving that problem from a product perspective. And I think the problem with that is, consequently, we didn't create sufficiently differentiated enough product that represented product-market fit. So I was able to scale a lot of organization and infrastructure and fundraising and stuff like that, but it really doesn't matter at the end of the day unless you have a really substantially differentiated product. - And what was the intention then? 00:16:05,980 So I understand there is this vision of a new business model, but why spend your precious few days on this earth, after having made more money than the top half, of the top half, of the top half, the top half, of the top 1% of people in the world, what was the intention behind spending your time on something that you didn't necessarily care that much about? - Yeah, I think that, for me, 00:16:31,756 I want to make a lot of money, more, and I want it to be more successful. Because there was a... After we sold Twitch, I was like, "Oh, okay. "Now what?" Like, "What's the point? Like, it kind of got caught..."

The dog chasing the car, and I caught the car. I was like, "now what?" I didn't really feel a sense of purpose. And so, for me, it was like falling back on what I know, I know about entrepreneurship. Let's start beer company Maybe the goal is like not to start a one billion dollar company, it's the start of \$10 billion company. Here's the vehicle by which I can start a \$10 billion company. And so, seemed like a reasonable path to pursue at the time, I just don't think it was particularly self-aware of lower insight. There wasn't a lot of wisdom in there. - And was the goal to chase 00:17:18,750 the former high from Twitch, to try to... To where the goalposts just shifted and you just wanted to retrace that experience again? - Yeah, I think, in the past, 00:17:28,850 I'd experienced goalpost shifting a lot. I remember when we first started Justin.tv, which turned into Twitch, I was sitting with my co-founder and I was like, "Hey, we could make each make "a million dollars in entrepreneurship," 'cause our friends at Reddit had sold Reddit for like 13 million bucks, or something like that, they made like single digit millions.

I was like, "We could make a million dollars each." That idea of blew our minds. We were like, "If we did that, we'd be set." And then, obviously, when we sold Twitch, it was like a lot more than that. But then, by that time, it was like, "Oh, now I have friends who are starting Dropbox "or Airbnb or whatever." So there's a long way to go to the top. No matter who you are, there's always someone who's doing better than you, or got more than you. It's easy to look at them and be like, "Oh, I should be doing better." Human beings are very comparative creatures by nature. - Yes. 00:18:21,850 But do you have any takeaways now about where happiness resides in the entrepreneurship process? Because it seems like, after Twitch, you would have been the poster child of any aspiring entrepreneur who's trying to make money. You didn't make a million dollars, you made probably two orders of magnitude more than that. And yet you still thought, "I need to go even..." "I need to have 10 billion." And so, in these processes, when is it the most...

Do you ever feel happy or fully content and sated, where there's not this desire to even do more, maybe that is tied with happiness, in that entrepreneurial journey? And if so, where is that and when is that? - Well, I think there's two answers. 00:19:03,260 One is that there are like... Whatever you do, whether it's entrepreneurship or anything else, there are hopefully ways the experiences that you have of being in a flow state, right? Something where you're very present and you just love what you're doing. You have joy, you find joy in what you're doing, and you can just be fully present with it. So for me, there were moments of that in building a product or programming, things that I just really love to do. There were a lot of things that I didn't have a flow state in, like managing people or like worrying about the sales or whatever. There's like tons of things, worrying about fundraising, stuff like that. So that was like... There were punctuated moments of happiness, probably varying degrees over time, depending on what I was doing and what my responsibilities were on the entrepreneurial journey. So I would encourage people, I guess, if they're like looking for what to do, you should think about, "What is the thing that gives you joy to do every day?" That's what I think about right now.

It's like, "What do I love to do every day? "And what would I do if nobody paid me for it, "if nobody was watching it, "if it was just for my own edification?" And so, that's why I like making content on YouTube. It's like, I love storytelling, so making content for this YouTube channel, it's never going to be as big as people who are making really compelling content. It's just a little niche around entrepreneurship, but it gives me joy to do it, so I do it. - And so, are you past that feeling bef... 00:20:29,939 So right now, when you see the Coinbase founders, and because everybody's like, "Justin Kan, he's the man," and then when you see whoever is that next goalpost for you, do you still have that feeling? And if not, can you explain where you're at right now in life? - Yeah, so... 00:20:45,250 Right, so like... I let it go. I let go of my comparison to other entrepreneurs, but it didn't happen because I made any more money or was any more successful. I had tons of comparison, and beating myself up over, "Oh, we should have kept going with Twitch "or whatever, whatever," like, "it's worth more," "I should start a new company." That was all happening even after we sold Twitch. And then, what changed was for me, I woke up one day.

I went through a series of life events where I realized like, "oh, "I am just like..." "This is a treadmill, a hedonic treadmill, "that can last forever "and I'll always be dissatisfied, "and maybe happiness doesn't come from external things, "it comes from the internal." Even in the past, I've achieved everything I've thought and then there's just been new goalposts, and then like another treadmill of like... Or another hamster wheel of unhappiness, or dissatisfaction, I should say. And maybe instead, I should focus on how I can be satisfied every day, and what are the things that give me peace every day? And so, there's a lot of things, like keeping a gratitude journal every day, I started exercising every day, I started meditating every day. And basically, reprogrammed my mind to be like... Let go of a lot of these attachments to outside sources of reward or

achievement. - And are there... 00:22:15,360 And so, do you find yourself then more in that flow state, that you were talking about before, where you are getting more joy now than you did in the past? Or was there another moment in the past where you felt it was the pinnacle of life, pleasure, and joy? - No, no, now is the pinnacle of life, for sure. 00:22:30,520 - Now is the pinnacle? 00:22:32,110 - Yeah, for me, it's like, yeah, 00:22:33,410 I'm more in the flow state and more doing the things that give me joy every day because I'm just choosing the activities that do that. And the funny thing is that from the outside, it looks like I'm pretty much doing the exact same thing.

There's this concept my meditation teacher speaks about in Buddhism where the final stage... It's like a wheel of like progression and then the final stage, the image that represents it just the shopkeeper in the town square or whatever, and he's just living like a normal life. He's just super at peace, free of attachment, but he's gone all the way around and from the outside, you'd never know. And I feel like the thing is, people are like, "Oh, you're just on YouTube, on social media, "making content and investing in startups, "and incubating startups, "it's exactly the same thing you were doing three years ago, "five years ago, 10 years ago, "or whatever." But the difference is today, I just do them from a place of joy where I'm less concerned with... Well, I'm not concerned with like the outcome and it's more about, "Am I enjoying the process of this? "Am I working with people I like? "Am I doing the things that I think are my talent "instead of the things that "I don't think are my talent?" I think I'm good at fundraising, I think I'm good at ideas, I think I'm good at mentoring and coaching. And maybe I'm not as good at being the CEO of these companies or whatever. And so, I just focus on the things that I love to do every day, and it happens to look like a lot of the things that I was doing before. But just part of them, the part that I love, and not the part that I don't love. - It's such a good lesson, Justin, 00:23:59,543 and I h... So people are going to say, "Of course, you can say that, Justin, "you made \$100 million or whatever.

"Now you have the luxury of doing what you love. "But I can't do that until I've had "my first Twitch exit, "my first Justin.tv or Socialcam exit." What do you say to founders that say that? - I mean, if you go to Silicon valley 00:24:24,870 and get a job at Facebook, or Google, or whatever, you have more money than you actually need. 'Cause you can eat out, you can go on vacation. Those are the things that are really the basic building blocks of contentedness. You don't have to worry. Basically, you have financial security. Everything after that is just you ramping up your costs to whatever... Your lifestyle costs to whatever your means is at the moment. And so, no matter where you're at, you can make \$100 million and be like, "Oh, I can't buy the private jet "that my friend bought," 'cause that's 30 million bucks or whatever, right? So it just scales infinitely. Your needs...

Your potential things that you think you need can just scale up infinitely. And so, I guess the only way to be free of that is to just free your mind of attachment. - And while we're on this theme of understanding 00:25:16,250 what gives you joy and energy, can we talk a bit about resilience? So across these nine startups, you've had one huge... Well, two huge breakout successes, but the majority were draws or fails. And you've also had your own strifes during all these moments, as you're going through and going through these journeys. Any lessons on staying resilient that you've learned, that you want to pass on as durable lessons that you advise other founders to adopt? - Yeah, I mean, there's... 00:25:49,130 Okay, so I've probably talked about some of them, right? I think meditation is really important. Being able to find ways to be present with your experience and not-- - Do you meditate every... 00:25:59,833 (speaking over each other) - That's kind of irrelevant to you, the listener. 00:26:05,530 You should just find what works for you.

- But how many minutes do you meditate? 00:26:10,213 - I feel like that's kind of a red herring, right? 00:26:11,117 People are going to be like, "Oh, I need to do a Justin." - "I need to do more." 00:26:14,430 - "I need to do more. 00:26:16,636 "If he says 10 minutes, I need to do 15 minutes. "If he says 25 minutes, I need to do 30 minutes," or whatever, that's not the point. The point is that before, I was very not able to sit with things that weren't going well, experiences that were uncomfortable. So it could be physical discomfort, but also emotional discomfort, including anxiety over what was going to happen with my startup. So if I was feeling that way, I would go and I would have to escape from that experience, and I had many different mechanisms of escape, right? One was like I would go get super fucked up and just drink a lot, or another would be I'd watch a whole season of Netflix in one night, or something, just to keep my mind off of like ruminating. And the power of meditation, or there's many other modalities that you can use to become comfortable with these uncomfortable experiences, is that it helps you sit with it and you can be present with the experience of, "Oh, something's going badly," but not have to escape from it. At least, that's what really helped me. And when you feel that way, then you're not ignoring your problems anymore and it's much easier to actually take the challenges of life head on. So, I mean, that was...

You actually become more resilient. So that's one thing that really worked well for me. Another kind of resilience... What are the things I've done for resilience? I think... Partnering with the right people, I think, is really important. So finding the right co-founders, maybe mentors to some extent, like the people who are going to be around you to give you encouragement at the right time, I think, is invaluable. I would never have gotten nearly as far with any of my projects without having the right people around me. And so, finding those people where you share values and you have aligned values, and the people you can really rely on, I think that's really critically important. - Are there any unintuitive insights there? 00:28:06,890 Because I think you also have tons of experience, with having gone through so many different types of founding teams. Are there any unintuitive insights about when you know have a co-founder that is a high affinity fit that you should say yes to? - Yeah, I think it's-- 00:28:23,460 versus going in it solo? - Well, I mean, lots of people go in it solo 00:28:27,780 and, arguably, some of those are the better companies, but I think, in my opinion, just knowing my personality, having a co-founder is really important.

I like to be around people and work with other people. And so, I think for... The insight there is it's all about values more than anything else. I think values alignment. That's where you get into conflict, is when you have values misalignment. And values aren't necessarily like there's one set of right ones. I remember one of my co-founders and I argued because he didn't believe in FaceTime at all and I believe in a lot of FaceTime. And he was more like, "I want it to be efficient, "(indistinct) to work when no one else was in the office." And I was like, "No, we got to have an example "for our employees or whatever." No one's right, it's just it caused a conflict because we just have different values. And so I think values alignment is super important. - If there was anything else 00:29:14,088 that you were going to share, you're welcome to on resilience hacks, but it sounds like it was meditation, teams-- - I think taking care of yourself is really important.

00:29:27,608 Startups are a marathon, not a sprint. Spending the time to make sure to take care of yourself for the longterm. Oftentimes, it's easy as a founder to say, "Oh, I'm going to do that. "I'm going to like start working out "after we get to this milestone, "right now I don't have time. "I have to go fundraise, and I gotta do 80 hours a week or whatever, "so I don't have time to take care of myself. It's easy to put off everything that you want to do for yourself, but in order for it to be maximum sustainable, you have to make sure that it's sustainable for you. And it has to be like a sustainable lifestyle. And I think that's really important, and something that gets overlooked now. I'm not saying "Don't work hard," 'cause I think a lot of people swing too far the other way. If you guys aren't...

This is a class of Stanford students, right? So like you don't have any skills yet. You probably don't have that much money. So the only thing you have right now is your ability to work a shit ton, but it has to be like sustainable. So you're going to be better off and sustain that ability to work a lot if you take care of your mind, take care of your body etc. - But I think many Stanford students, 00:30:31,620 and Yale students as well, have gotten to this point because they're pretty good at numbing themselves to pain, to endure through long things. Is there a tactical way where you know, for yourself or for others, when you're not taking care of yourself and it's time to really step back? Is there a whisper before it becomes-- - It's just how you feel every day. 00:30:54,811 Some days, I don't feel that... I'm like, "Oh, I feel like shit 'cause I ate unhealthily "or I didn't work out or whatever," and just getting yourself back on the literal treadmill sometimes, or I go to Peloton or whatever, and go work out. I know that signs of like... I know what sets myself up to be productive.

It's like, if I meditate, if I exercise, if I go for a walk, whatever, then I'm primed to like have productive time. If I don't take care of myself, then I'm not primed to have productive time. - But just even feeling a little bit off is a strong signal. 00:31:23,327 That's something where you should say, "Get readjusted." - Yeah, I think, 00:31:26,930 people should spend more time... One thing I love about meditation.. I mean, people probably take this with a grain of salt or whatever 'cause it's kinda like sounds woo woo, but like the thing I like about meditation is that it helps you understand your own experience better, to get in touch with your own experience, whatever it is. If your experience is like, "I feel lethargic today," or "I'm excited," or whatever your own emotional experience, your thoughts, it gives you more sensory clarity on what is going on inside of consciousness. And I think that is helpful to make changes, right? You might... Before, I went through life very subconscious. For example, when we worked on Justin.tv, we'd have pizza for lunch every day.

It's very unhealthy. And I would eat pizza for lunch most of the days, and I just take a nap in the afternoon, I would fall asleep, and I thought, "I'm just a sleepy fucking guy. "I'm just like a sleepy guy." And I never really correlated like, "Oh, when I eat pizza, "all this high fast carb meal, or whatever, "I feel terrible afterwards "and I just am tired." And I have fast metabolism, and high glycemic index foods don't do well for me. And so, I just didn't realize that for a long, long time. And then when I became more conscious of my experience, I was like, "Oh. "There are things that I can do "to make myself feel better "and prime myself for more productive hours." And I mean, that's not really the point, to be maximally productive, but the downstream effect is, yeah, it's more productive. And so, I don't know, I just feel like being more conscious about your experience is never bad. - And because you've been so open 00:33:04,880 about talking about your relationship with alcohol and other substances, can I just create space for that? I know you've already mentioned it a little bit, but there are some people that would say that having... There's a whole movement right now with biohacking, where people are microdosing with hallucinogens and doing things that allows for mental plasticity. I'm curious, and I know you're a curious soul, and an honest soul, and so I'm curious about what is your relationship to external substances and what's your viewpoint now, and how has that evolved or changed, or anything that you want to share on that? - Well, I mean, I think psychedelics are 00:33:43,580 really interesting because they're a way to give yourself some neuroplasticity and break your context.

But I think there's a little bit too much focus on psychedelics specifically. I'm interested in anything that breaks my existing context to give myself fresh perspective. And so, anything can do that. Just taking a day and doing a meditation retreat, or traveling, or fasting for extended periods of time, or breath work. There's like infinite modalities for things that can break your context and make you see things from a different angle. And I think those are all very interesting. Psychedelics, I mean, I recommend them, I guess. But I think that there's a little bit more... I think they're just one tool in an arsenal of things that you can do for yourself. - But to be clear, with alcohol, 00:34:35,622 do you view that as a tool as well? - I mean, alcohol is a tool, right? 00:34:40,860 It's a tool that numbs things for you, and it's just not a very good one.

It's not very good for you. So I was using alcohol as a tool for a long time. It's kind of like ibuprofen or something, but worse. I'd be like, "Oh, I feel terrible about something," like my startup, or my relationship, or whatever, something, so what's the remedy? "I'm going to go drink a lot "and then not think about it right now." - And what was the moment that changed that? 00:35:04,730 When did you come to the moment where you knew that I didn't need to do that anymore? - I mean, a

couple of years ago. 00:35:09,570 I mean, I just realized I had 10,000 hours in, or probably tens of thousands of drinks. And I realized, it's not doing anything for me. I just feel bad afterwards. And I've kind of exhausted every possible angle of trying to fix things in my life with alcohol, and it doesn't work. And I had some like health consequences. I wasn't like that bad off there, but like...

I wake up feeling horrible and I occasionally do something incredibly dumb, and this is not a great lifestyle. It's like, I'm not a great person. I'm not the person I want to be when I'm drinking. - Okay, thank you, Justin. 00:35:47,558 I'm going to go to Q&A, in about five minutes, so gang, if you have any other questions, start posting them. Justin, One of the themes for Stanford this year is a focus on principle-driven entrepreneurship. And what we mean by principle-driven entrepreneurship is having a value, besides just making money, to dictate the decisions on building new ventures. What's your view when it comes to principle-driven entrepreneurship and how important is that to you? - Yeah, I think I'm primarily interested 00:36:16,120 in principle-driven entrepreneurship now. Everything I'm working on... It's like, "What are the things that give me joy, "that I'm excited about doing?" "I only want to do those things." And so, with all the startups that I'm creating now, working on now, they're connected to something that I care about in the world.

- And so, Justin, just play devil's advocate, 00:36:38,360 how do you reconcile that with, many people would argue that Twitch is, as phenomenal as it is, is also responsible for a lot of mental unhealth because it's... Twitch has created a very addictive platform, built on this monetization engine. When you look at Twitch, do you feel what... If that's true, and you can let me know if that's not true, but if that's true, how do you perceive your relationship to Twitch? Do you feel proud of it? Is it mixed? Any comments? - I don't feel that way about Twitch. 00:37:10,010 Unlike Instagram, or something like that, or Facebook, which I think is questionably good for the world. I think Twitch fills a need and it allows people to connect with each other in a much more human way. With Twitch, you're not like presenting just your best face, right? 'Cause it's live, and it's live for hours and hours. So people are seeing you in all different contexts, and I think that it's a lot more human and a lot more connected. So with Twitch, we've allowed all these people to have... This is a career where it's something...

They were doing something that they wanted to do much less before. I remember one guy, early on, he was like working at McDonald's... Walmart, actually, and he quit Walmart to become a full-time Twitch streamer, and I was like, "That's amazing." I feel very proud of Twitch. What I will say is that I think that the first wave of entrepreneurship, of which I was a part of, of this like internet entrepreneurship, was about creating platforms and using technology to create something that a value prime... Where most of the valuable accrued to the platform. So I think Facebook and Instagram are the ultimate examples of that, but Twitch is in that vein as well. And when we thought about like notifications and how to get people to stream more, it was all centered around, "How do we do that for our own sake?" and incidentally, with Twitch especially, we were trying to, by empowering streamers, we knew that was our benefit. But it was like, at the end of the day, we're empowering streamers because it's ultimately to our benefit. And I think there's an opportunity of entrepreneurship that's possible where now, we use the same tricks and technology... Technological devices to empower people to live their best lives, and to do something in service of the user.

And so, I'm very inspired by apps like Headspace or Calm, things like that, that are much more in service of the end user. And I started this app called Kin Habits, which is a habit tracking app, a social habit tracking app. Obviously, habit formation is something that's really important to me. And with this... This app is all... That's why I started, it was like, "I could build something "where I applied the things I learned "from building social apps, "and social sites, "to help people be the best version of themselves, "be on their wellness journey." And so, I think that I see a lot of entrepreneurship in that direction and that's very encouraging. - It is, it is. 00:39:45,962 Justin, I'm going to go to the student questions now. The first question is there's... An question from an anonymous attendee, which is, "When is the right time to give up on a startup?" "How do when it's not working the way...

"Considering it's not working the way you want to, "when do you know to give up?" - Yeah, I think people give up when 00:40:05,680 they run out of ideas of what to do. I don't know if that's the right time or not, but that's what the practical answer is. People give up when they run out of ideas. And so, that's probably when you will give up. (speaking over each other) - No, I don't have any, that's my only (indistinct). 00:40:25,122 - Well, that is a good insight. 00:40:26,948 But just, so with... Twitch got born out of Justin.tv. When did you know that Twitch was... What was the moment when you knew that Twitch was going to be big? - Yeah, so what we did, 00:40:38,570 which I think was pretty good was, internally, people were not convinced Twitch was ever going to be big, because it was like....

This is 10 years ago; "Gaming, streaming, is that going to be a thing?" Obviously, gaming was really big on YouTube, so there was some hint to that, but streaming, I don't know. So two of the co-founders of our company were like, "That's not going to be a thing, "we shouldn't work on it." And Emmett was really the one who was driving it internally, and what we did, which I think was really smart, was we agreed to set goals, a priori. So we were like, "Okay, "if it grows X percent a month, "15% a month, for the first 12 months, "and 10% a month for the next 12 months, "then we think it's on track "to be a really big thing," 'cause it was going to be as big gametrailers.com, which was like the biggest video game video website at the time at 10 million MAU. And so, after six months, we agreed to measure, and we measured and we had like... Well, we were measuring the whole time, but we saw we had been beating those benchmarks every month and that gave us the confidence to say, "Oh, we should go all in Twitch." - Okay, and when was the moment that you knew... 00:41:39,835 And just to underscore that, at that moment, you guys, it's easier to say yes to go on, on Twitch, than to say, "I'm going to kill Justin.tv."



Is that fair to say? - Yeah, we hadn't killed... 00:41:52,400 Justin.tv was like funding the whole endeavor at the time, so we didn't kill it for years. - But I will say, that's the easiest way to pivot, 00:41:57,560 is just to say yes to something instead of having to say no to something that you're-- - Yeah, so I had this call 00:42:02,610 with my friend, or I was in person with my friend who would pivot his startup many times, his name's Matt Sanchez, he started this company called "Say Media," and we were like, "How do you decide to pivot?" And he was like, "Well, I..." Justin.tv, the business, was making like millions of dollars a year. He was like, "Well, I wouldn't kill that business. "I would just work on this other thing, "just have a team work on this other thing internally, "and then set these milestones." he's the one who gave us the idea for setting these milestones.

"And if you hit the milestones, "then go work on this other thing." And I think that's really what gave us the confidence to go for it. - Okay, and with Atrium, 00:42:37,220 when was the moment that you knew it was not going to take off? - Well, the problem is, it was kind of the same thing, 00:42:43,723 I ran out of ideas. (stammering) I mean, the TLDR, we were generating... It was a pretty... We were generating revenue. It was like generating like \$15 million a year in revenue, but the problem is the margins were terrible on it and everything we tried to do and improve them was not working. And the churn was immense, so it was like, "This is not a scalable venture business. "It's a business of some sort, "but it's just not one that I would invest "my own venture dollars in." And so, then, it didn't feel like... I felt like I was just making everyone do this Chinese fire drill, until we ran out of money, to figure it out, but like it wasn't working. So it was like...

And I didn't have any ideas on how to make it work anymore. So at that point, I was like, "We should do something different." - The next question is, 00:43:30,190 "How did it was the right time to sell Twitch?" Oh, "how did it was the right time to sell Twitch? "Do you regret selling Twitch based "on its current valuation? "People now say it's worth 15 billion or more." What were your thoughts Justin? - Yeah, well, I made a YouTube video about it, 00:43:43,382 and you can go check that out on my YouTube channel. But when I... At the time, we had tried to sell some secondary shares for \$200 million valuation in January, and so we went through this whole process of selling potentially to Google, and then to Amazon, and we ended up selling it for 970, and then that seemed like an egregious amount at the time, compared to like what our internal valuation for it was. Of course, turns out that was a pretty good deal for them. But at the end of the day, I have no regret about it. The journey that I've been on, both the success and the failure, I feel like I've gotten so much about it from those learnings personally, that I wouldn't have it any other way. And like I said, whether you have \$10 million, \$100 million... Lemme start lower. Whether you have \$500,000, \$10 million, \$100 million or billions of dollars, you can always have...

You can always feel rich or you can always feel poor. You can feel content, you can feel discontent. It has nothing to do with the amount of money you have in the bank. - There you go, gang. 00:44:48,270 There you go. We're gonna move to the next question, which is, "What are your thoughts on evidence-based entrepreneurship "versus intuitive entrepreneurship? "i.e ideation execution based on customer discovery, "research, iteration, "versus the oft romanticized "knowing" "that your idea has potential, "even when others don't seem to agree?" - Well, I think, generally, 00:45:12,490 in the latter case, when you know your idea has potential and other people don't agree, hopefully, it's because you're your own customer, right? But sometimes, it's because you just believe in that idea so much, but you're not really the customer and it's easy to confuse those two things. So I would... If you can't get anyone to agree that it's a good idea, or to try it... Let's say you're trying to build a prototype and you're like, "Nobody will try it," and you can't find anyone, then it's probably not a good idea. Even just the TV, which sounded like a horrible idea, we got people to try it.

People were like, "Oh, this is cool." Some like internet weirdos would try it, but somebody wanted it. And maybe all the investors thought it was stupid, which they did, but some set of people thought it was a good idea. And so, you should be able to find some... It could be a very small set of people, but you need to find some people who would think it's a good idea. - I thought it was a good idea. 00:46:12,980 - Thank you, and this is a story for the class, right? 00:46:14,610 Ravi was the one who pushed Tim to make our series A1 investment, which basically saved the company. If we hadn't gotten that money from Tim, Tim Draper, we wouldn't have gotten our existing investors that come in with like a much bigger slug, I think, and kind of give them confidence. So you are indirectly responsible for Twitch existing, I think, in some way. - I'm honored to be the catalyst. 00:46:36,030 And I was just the catalyst, but yeah.

Thank you. Next question, Justin, is, "How would you say Justin.tv evolved "to become Twitch.tv? "And what was the process of changing feed... "What was the process of changing features like? "Were there features that changed "that you really had enjoyed "or others that were added, that you disagreed with?" - I mean, I think the process... 00:46:59,230 With Justin.tv, the problem was we didn't talk to our customers very much. And then, Emmett was like, "Hey, we need to talk to our customers, "they're the streamers, "the people that are creating content, "and we're going to figure out what they want," which was kind of obvious, in retrospect, that we should do, but it was very innovative for us to do at the time because before that, we had just built all the features that we thought we wanted, and we were not building anything that actually anyone used. And so, with Twitch, that was the method, and we just... At first it was just a part of Justin.tv's site, it was just the gaming category, but we'd build like gaming specific features. And a lot of them, internally, were met with skepticism, but they were important, right? One of them was like having a partner program where we paid people for their streams. Internally, we were like, "Well, we're barely making money ourselves. "How can we afford to pay people "any meaningful amount?" It turns out like for a lot of these gaming streamers, they didn't need to make that much for it to be meaningful at first.

And so, by talking to our customers, we really learned what they wanted and started building those things. The other was



disagreement, but at the end of the day, one of the things I think we did really well was let Emmett be the product person for Twitch, and he figured it out. We kind of deferred to him. - Next question. 00:48:14,357 "As you develop/brainstorm new ideas, "how do you know if it's worth pursuing? "What do you do to determine "if the product has product-market fit?" - Well at the brainstorming side, 00:48:23,740 you probably don't know if it has product-market fit or not, so it's really just an idea, right? You really have to have some version of the product out there to really know if people really want it, 'cause people will say, "Oh, that's a cool idea," or they'll say, "No, I don't care," but you don't really know until you have it out there. And so, I think that, for me, a lot of it is exploring, "Do I like this? "What do I think about this idea?" Talking it through with smart people, testing it, talking to potential customers and seeing what they say, and then prototyping something and trying to get it out there, and iterating in public. - Perfect, thanks Justin. 00:48:57,357 Next question. "What is your advice for fostering "and maintaining meaningful relationships?" - Nice, I love that question. 00:49:04,140 I love that question.

So for me, I spent my whole life wanting meaningful, deep relationships with people. When I was a kid, I felt like I was an outsider. And so, as an adult, I was like, if I just become successful, then it will attract people to me. And to some extent, that's true, being that people wanted to know me or talk to me when I was... After becoming successful. They'd invite me to speak at their technology entrepreneurship class or whatever. But at the other end of it, they mostly want something from you, which is a little different of a relationship. Not bad necessarily, but different. And what I learned more recently, in the last couple of years, is I can just have what I wanted, which is deep, meaningful connections with people all along, if I just am curious about people. If I view people through the lens of curiosity, if I just like talk to them about...

Instead of just the world of ideas or what startups they're investing in or building or whatever, if I'm just like curious about who they are as people and view them as someone I can learn from. I mean, it's kind of a lame story, but I started doing that, and then my relationships got way better. So I guess my advice for that is it's all about developing a genuine curiosity for the people around you. And what's interesting is you can learn something from anyone. From the person who's driving you around in an Uber, or your barista at a coffee shop, or whatever. There's something to learn from anybody, if you just listen. And so, ever since I started adopting that attitude, I feel like my relationships have become just much more meaningful. The other thing I would say is I've invested in just thinking about, "Who are the type of people I want to be more like?" And surrounding myself with those kinds of people, everybody I want to spend time with is somebody where some aspect of their behavior is something that I want to model in my own life. And I feel like that has improved my relationships a lot. - And Justin, you are an 00:51:14,560 intrinsically curious soul to begin with, 'cause what I'm curious about isn't the...

Is the other lesson also that you've allowed yourself to lean into being who you really are, and who you really are right now and you're allowing that out in an unfettered way? - Yeah, I think that's probably a good lesson. 00:51:30,680 Yeah, I think I've always done that in some way, but I think I really have embraced it, probably turned it up to the maximum level now. - Yeah, I mean, gang, 00:51:39,270 I think Justin can be very cavalier, but I think he's one of the most curious souls and real students of business that I know, and that he does a real service, even though it may be belied by all of his actions, but I think he's very curious. I say that just because the lesson is to do what is you, Justin is curious and that's, I think, what fuels him. But I don't want to interject. Next question. "What do you think is the value "for STEM skills/knowledge in starting up? "What does someone with a non-STEM background need "to keep in mind in terms of navigating "a tech-centric startup landscape?" - Well, I mean, so obviously technology... 00:52:22,110 That basically, tech is the innovation that's powered a lot of the Silicon Valley startups. A lot of the Silicon Valley ecosystem is connecting things with the internet, and enabling new business models via the internet, and websites, and mobile apps, and now cryptocurrencies, or whatever. So obviously if you have the skills to build that stuff, that is kind of like a core foundational thing for any technology product.

And obviously, there are other startups that have sat on top of innovations that have happened in technology, like the whole D-to-C revolution, like all these people selling Allbirds or whatever, that's enabled because people have been able to market in a different way on the internet, through Facebook or whatever. And so, you don't have to necessarily have just a STEM only... There's lots of opportunities for entrepreneurship that don't involve learning how to program. But if you do know how to program, it's a very useful skill for you to start a company that's in the technology space. Actually, I think it's useful in general to... Even if you're starting company not in the technology space, because programming gives you a framework for how to get leverage on your time by building programs that do stuff. So I think it's good. You should learn it. But if you don't want to, or you can't, there's lots of other skills that are necessary in startups. I don't program things anymore.

What I'm good at is I'm a great storyteller, I'm great at fundraising, and recruiting, and stuff like that, and those are things that are necessary in startups. Figure out what is the genuine thing that you are great at, that you love to do, and there's probably a place for that in startups. I mean, even art, right? Someone now... Everybody's making NFTs, right? And there's all these like NFT communities that are basically startups, or startup crypto projects, and that's very fueled by the art in it. So there's something for everybody that's in that world of startups and technology. - We might have time for more question 00:54:23,880 and there's two that are tied, so I'm going to exercise my prerogative. I'll ask the other one if we have time to, but the question is, "Do you think if you had started with your current self, "that is no comparisons to others, "you would still get to where you are now? "Isn't ambition and comparison the driver of success?" - I think ambition and comparison is 00:54:46,233 a driver of success. I also think curiosity and joy can be a driver, right? I'm still doing things that I think are going to be successful, and probably economically successful, I hope. But I'm not doing them because I'm like, "Oh, I'm going to make as much money as X "or I'm gonna buy a (indistinct), "or I'll feel this accomplished." It's more like, "Because it's cur..." I'm interested in seeing what the world will be like when these things exist. And it's something that I like to work on

and it's a creative pursuit for me.

So I actually think I would have been more successful if I had been more comfortable with myself and with what I was good at, and not always reaching for something else. And my direct example is with Twitch, Emmett was running the product. He was really the product visionary, and really the driver behind Twitch. So for the last 10 years or whatever, I've just been claiming Emmett's success really, Emmett gets all the credit. But like, I ended up starting another company and moving to just be on the board of Twitch after a couple of years, and what I should've probably done, from an EV perspective, just like to maximize, if I was interested in maximizing outcome, was I should've probably just stuck around and helped him raise money because I was really good at raising money, and he always hated it. And consequently, because it was hard to raise money, that was one of the factors in selling. So it could have been the case that maybe I just let my ego go, and I was like, "Oh, it's okay "if I'm not the CEO of this company. "It's okay if I have a job that's less important, "or seemingly less important, "than my friend who's also my co-founder," and I just like work for whatever, a month, or two months, or three months a year and raise money, and then like, I don't know, hang around the company or sit on the beach or anything. And that might've been... Made me much more successful at the end of the day.

But instead, I was very ego-driven and I was like, "Oh, I gotta like be the man, "I'm going to need to be number one." And so, then I was driven to do something that ultimately was not that successful, but it's all good. That's a learning, you know? (upbeat music)..