

URL: <https://ecorner.stanford.edu/clips/the-reality-of-building-companies/>

Frederic Kerrest, executive vice chairman and co-founder of Okta, observes that while the media glorifies successful startups, building companies is always hard. He shares stories from Okta's first years to show the reality behind a successful company's numbers.



## Transcript

- And then this is one of these beautiful slides 00:00:02,910 I have to put up where everything's perfect and it's up until the right and look at all the logos.. I pulled some of these slides.. You could tell the old school fonts from original slide decks that we had back in the day.. And everything's beautiful.. It's up until the right.. Look at this, it's amazing.. Well, the reality of it is that in building companies, it is hard all the time, every single day, okay? And so I know that, the mainstream media does a great job, of glorifying the process and says, look at all these amazing entrepreneurs and they do things and it's perfect and here's where they go public and it's billions of dollars and all this other stuff.. Let me tell you, it's hard for everyone all the time.. And we'll talk a little bit about that when it comes to the podcast and the book and why I wrote it.. It's just to desensitize everyone to the fact that you all wanna be entrepreneurs, it's amazing..

I think it's the best career in the world.. That's why I highlighted that.. But it's also very hard and it's very hard all the time.. We almost died in 2011, okay? We probably almost died five times, but we almost died in 2011 and we barely raised that series B by the skin of our teeth.. And the reality of it is we had all these projections and we went through the series B value death, where like the series A bloom is kind of off the rose and now you have to deliver and we were missing our projection and someone offered to buy the company and we had to consider that and it was really hard going.. So you're like, oh, this is a beautiful slide.. But the stories behind it, for every entrepreneur who you talk to, who's in here, or doesn't matter who they are, you can talk to Bill Gates, he will tell you times and I have asked him, and he has told me about times where it got really, really hard.. So it happens for everyone.. All right? Now here's the next year.. What a beautiful slide, it's up until the right..

The reality of it is, here's the following year when it's like we can't implement the software.. This is a real slide from a real customer review we did in 2013.. And you can see all the red boxes that is new product that we have rolled out that they are unable to implement, where they're gonna trip, which means they're not gonna renew anymore.. So you go from the highs to the lows and the highs to the lows, and this goes on and on and on.. I can keep showing you beautiful slides and then slides where everything goes sideways and this happens every day.. And you gotta enjoy that and you gotta embrace that and you gotta learn to love that.. And that's part of the process and that's part of the trajectory and frankly, that's part of the fun...