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Three Rules of Entrepreneurship

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Frederic Kerrest, executive vice chairman and co-founder of Okta, shares his three most important rules of entrepreneurship: time is your most precious asset, keep the main thing the main thing, and nothing happens until somebody sells something.

Transcript

- Most people, only, are remember three things.. 00:00:05,850 So I put these three things that are the three most important rules of entrepreneurship at the beginning of the book.. Because I'm like, "Well, people are gonna read three pages, they'll get that, and then if they put it down, that's okay." So I'm gonna share it with you here.. The first one is, these are rules that I try and live by as much as I can.. The first one is time is your most precious asset.. I mean, there is every day that goes by, you need to think very carefully as a leader, as an entrepreneur, what should I be working on? What are the most important things I need to be working on? There's a lot of ways that you can prioritize your time.. One I like to use is something called the Eisenhower Matrix that was named after Dwight D.. Eisenhower, where it's basically a two by two matrix, very simple.. And you only do the things that are important and urgent, things that are important, but not urgent.. You schedule things that are urgent but not important..

You delegate and if they're not important, they're not urgent, you just not gonna do 'em.. You just delete 'em.. And so just find ways to prioritize what you should be doing.. Because when you build companies or organizations of any kind, or as any kind of leader or manager, a lot's coming at you all the time.. And, you know, email is a perfect example.. I like to think about email as those are things that other people want you to do.. They're not things that you should be doing.. So in a perfect world, and I'm not perfect at this, but I try really hard, I put email away.. Now with like multiple screens on our laptops, you can actually put email in one screen and slide away to it and work in another screen and go back and look at email, like every two hours or four hours or 10 hours or whatever you want.. But if you sit in front of email and you know what happens when you send an email, you respond to an email, you get more email, it's even better..

So like you really have to come up with the ways of making sure that you are focused and prioritizing what is important to you.. Because if you raise venture capital or you raise any other kind of capital, there's usually a fuse on that money and you're gonna run out of time.. And so you really need to think hard about how you're spending your time.. Number two is keep the main thing the main thing, okay? There's gonna be a lot coming at you.. People are gonna ask you all sorts of questions.. You're probably gonna hire some amazing people.. They're gonna have all sorts of ideas and they're all really good ideas.. But at the beginning, and even now, we have 6,000 people at Okta.. And I'm like, we need, there's all sorts of things that we can do but we shouldn't do.. We need to really stay focused..

And you're like, "That's crazy.. You have 6,000 people." Trust me, I know.. You need to stay focused.. So keep the main thing the main thing.. And this is true for a project, it's true for leadership, it's true for your own schedules.. Like if you're trying to hire someone and it's someone important in your company, you should have an hour blocked away every single morning.. What are you doing about hiring? What are you doing about pipeline? What are you doing about interviewing? What are you doing about all the things? Because otherwise it's gonna be 90 days later you haven't made any progress and you're like, "Oh man, I was distracted because I was trying to figure out how to hire an employee in Canada." That's probably important, but someone else can do that.. So make sure that you are focused on the main thing.. I only bringing that up because an entrepreneur this morning asked me, "How do I hire someone in Canada?" And I was like, "Is that the most important thing you should be doing right now?" And finally, nothing happens until somebody sells something.. The point of for-profit companies is to build and sell other products to other people..

Now, I know there's a lot of engineers in this room.. I'm a reformed engineer myself.. I know the interest a lot of times can be like, "Let's build something cool." I'm all about it.. But just realize at the end of the day, and there's all sorts of, you know, in a consumer world, there's subscription, there's prosumer models, there's upsells, there's in enterprise software, we could talk about that as well.. Same's true for biotech.. Same's true for any industry.. So just remember that if you're not comfortable with sales and you wanna be CEO/founder, you need to change that.. You need to learn how to reach out to people.. Don't hide behind the email.. You need to learn how to pick up the phone, how to go visit people in person..

I know it's very hard, but the number one hardest thing in business is separating someone from their wallet.. And the earlier you learn how to do that as a CEO, the better off you'll be...