

URL: <https://ecorner.stanford.edu/videos/what-no-one-tells-you-about-entrepreneurship-entire-talk/>

Clara Shih is CEO of Salesforce AI, the world's most trusted enterprise AI for customer relationship management. A digital pioneer, Shih has been named one of Fortune's Most Powerful Women Entrepreneurs, TIME's Most Influential People in AI, and the World Economic Forum's Young Global Leaders. She is a member of the Starbucks board of directors and serves as executive chair of Hearsay Systems, a privately held digital software firm she founded in 2009. In this presentation, Shih shares unconventional advice for finding professional and personal success as an entrepreneur.



## Transcript

(upbeat music) - Welcome everyone, 00:00:17,070 to the Entrepreneurial Thought Leader Lecture Series that is brought to you every single week by the Stanford Technology Ventures Program, which is the Stanford Engineering Entrepreneurship Center, as well as BASES, the Business Association of Stanford Entrepreneurial Students My name is Tina Seelig, and I am Executive Director of Knight-Hennessy Scholars. But before that, I was Faculty Director of STVP, and taught this class for 20 years. So this is an amazing opportunity to be back here today, and a very, very, very special opportunity to be introducing Clara Shih. Because Clara was a student in this class, and she was a Mayfield Fellow 20 years ago. Amazing, I wish I had been able to tell you, 20 years from now, you're gonna be standing right up here. I can tell you, Clara is a force of nature. I wish that when she was a student, I had followed my instincts, because I thought, I want stock in this lady. She is something amazing. Clara is the CEO, I wanna get it right, of Salesforce AI, which makes enterprise AI for customer relationship management. She has so many accomplishments, and has been recognized in so many ways.

For example, Clara has been, is on Fortune's Most Powerful Women Entrepreneurs list, Time's Most Influential People in AI, and the World Economic Forum Young Global Leaders. She's also a member of the Board of Directors of Starbucks, and she is also the founder of a company called Hearsay Social, that she founded with another Mayfield Fellow, Steve Garrity, in 2009, when, it was soon after you got out of school. So, we are so fortunate to have Clara here to tell you about her journey, and the lessons she's learned along the way. Please join me in welcoming Clara. (crowd applauds) - Thank you, Tina, and STVP, and all of you. 00:02:20,730 It feels like just yesterday, I was sitting in the same chairs as you, actually not the same exact ones, this building was built after I graduated, but I attended this lecture, and I felt so inspired by the speakers, and it's a true honor to come back to the farm, and be able to share some thoughts with you all today. So, the title of my talk is, "What No One Tells You About Being an Entrepreneur." There've been a lot of books written about entrepreneurship, there's a lot of talks and podcasts, but there are a few lessons that I personally experienced, starting Hearsay Social, renamed Hearsay Systems, and more recently, being an intrapreneur, building out something from scratch at a big company, at Salesforce, and I wanted to share those lessons with you. But first, again, thank you. It is so meaningful for me to come back to this community that really, I'm a product of. The Mayfield Fellows Program, E145, basis of so many fond memories, but I also have memories of sitting in your seats, and being in your shoes, and feeling a little bit of anxiety, and wondering how I would navigate the world after I graduated, and so if you're feeling that way too, know that it's normal, and that as you're starting

out in your career, you don't have to have all the answers.

I never would've believed, Tina, if you had told me 20 years ago that I'd be giving this lecture, and that I would've done these things, and that's okay, you don't have to have a plan. It's normal to not have a plan, and you're all smart, you're all hardworking, and you're gonna figure it out along the way. Okay, so here's, I have two founding stories to share with you. My first one is the startup that Tina mentioned that I co-founded with another Stanford Mayfield Fellow. Hearsay Social was really based off of the idea in the mid-2000s, and I don't know how many of you, maybe you were in elementary school, but that was a time when social media was very nascent, and most people didn't use social media. It was just starting out, and something that Steve and I observed was that in this disruption, that the previous way that salespeople got business was they would pick up the phone, and they would cold call different numbers, and this was before a lot of the do not call laws were passed and also at a time when most people still had home phones, so they'd pick up the phone, and that actually worked sometimes. So it was called dialing for dollars, and it worked well enough that people were doing it for a long time. We noticed with social media that there was an opportunity to completely change how these selling relationships occurred and that instead of cold calling, that we predicted that the future of this world would be really around warm networking and warm referrals and warm relationships. Now, it seems obvious now, right? If you started a company today around this, it wouldn't be that exciting, but back when we started in 2009, this was a really big idea, and so the here part of Hearsay, and Hearsay's still around doing great, here part of Hearsay is natural language processing, the little bit of AI picking up on different posts and tweets that your network of connections is sharing on Facebook, on Twitter, on LinkedIn, on text messaging. And the same part of Hearsay is predictive AI to help suggest to the salesperson both when to reach out and also what to say and what to share on social media to brand yourself as a trusted thought leader because the idea is to attract people to wanna meet with you, not just beat down their door and continuously cold call.

So this was our idea, this was our series A pitch deck, and on the right you can see that that was our first office in a conference room at Sequoia Capital just down the road from here. So the lessons that I'm gonna share with you is based on 11 years of being the CEO of Hearsay, and I'm still on the board as is Steve. The second founding story I'm gonna share with you which also informs my lessons is a year and a half ago, just as ChatGPT captured the world's imagination, I was working, I was back at Salesforce leading the service cloud, which is our customer support product portfolio. And we'd been experimenting with large language models well before ChatGPT, but of course once ChatGPT was launched in the world, our customers, there was tremendous demand for Salesforce to provide a trusted and secure way for enterprises to use AI. And so I got to start a new organization and build out a new team, and it felt like a startup within a 70,000 person company, which has been really neat. And so we shipped Salesforce's first generative AI products last summer in record time for such a big company. We always say we move at startup speed, but at enterprise scale and with enterprise trust, which is not easy to do. And then just this week, we also launched our AI platform for generative AI, including our prompt builder and our Einstein co-pilot. So these are the two founding experiences that I'm drawing on for my lessons. Okay, so I've got eight lessons to share with you.

The first one is in entrepreneurship, and we talked about this in our classes here at Stanford too, that it's all about finding product market fit. And certainly when Steve and I were starting out with Hearsay, we had our great idea of lead generation on the one hand and content prediction on the other hand. And we were so convinced that this would be a perfect product for real estate agents. And so we called every real estate company that we knew, and we sponsored real estate trade shows. We talked to all of our friends who are realtors, and we made them try our product. Kind of biased feedback, right? 'Cause they never wanted to give us any negative feedback. The thing is, nobody ever called us back, and no matter how hard we tried and how hard we pushed, we couldn't find product market fit where we thought we could, where we would. Until one day, just coincidentally, there was an insurance executive who happened to attend a real estate trade show, and they were really interested in what Hearsay had to offer. And so they kept calling us again and again every day. They issued an RFP just for us.

We sold our first \$500,000 deal, then our first million dollar deal, then our first three million dollar deal, then our first five million dollar deal. And within a few years, we had captured almost every insurance company in North America, and then we expanded to Asia, we expanded to Europe. Hearsay is still a powerhouse insurance. So the lesson here is sometimes you think you know what you're looking for, and there's a broader lesson here in life. We have a plan, but be open to what comes your way, and sometimes it's not as you expect. Sometimes the product market fit, or the great life partner, or your calling in life, it comes to you, and it's not something that you would have anticipated. Lesson number two. This is the classic Ford, Henry Ford quote, that if he had asked his customers what they wanted, they would have set a faster horse. Although recently, historians are saying that there's actually no record of him ever saying that. But nevertheless, the lesson holds true.

I can confirm that, that you shouldn't always listen to your customers. I'll never forget the day that Steve and I flew into Boston to meet with a large Fortune 500 financial firm. And we were pitching our Hearsay software, and she cut us off in the middle, and she said, "Okay, great, get the whole predictive content thing. "Understand it's important to get our financial advisors "branded on social media, but tell me this. "Can you increase the file storage capacity on my laptop?" And we said, "What are you talking about? "Why do you need more file storage capacity on your laptop?" So she turned her computer around, and it looked something like this. I mean, it was more than this. There were thousands of overlapping screenshot icons on her desktop, and we said, "What is this?" And she said, "Well, Clara, something you might not know "is in highly regulated industries, "anything that a salesperson shares "with a client or prospective client "has to be surveilled per a bunch of SEC and FINRA laws." And so turns out her job was to every day go through each one of their 2,000 financial advisors'

LinkedIn and Twitter profiles and grab a screenshot, and then submit it and file it into the regulatory filing. And so we left feeling both horrified and also really inspired, and we knew we could help automate this for her using Twitter and Facebook APIs. At the time, this was 2010, LinkedIn didn't have an API for third parties. And so we took this, and we met with LinkedIn, and we pitched them on why it was so important for them to expose such an API and work with us.

Otherwise, they would forego this whole financial services and other regulated industries, which worked, and the rest is history with Hearsay. So lesson two is don't always listen to your customers, because sometimes what they're trying to solve for can be solved for in a completely different way with a new paradigm. Lesson three. And this is so easy to say and so hard to do. And it's that early hires, especially the first 25, 50 people that you hire into your company, they set the tone and the pace for really the rest of the trajectory of the company. And it's hard to do in the moment, because especially after you fundraise, you just have to hire all these people yesterday, and you think to yourself, it's so tempting to say, well, I'll just, a warm body is better than nobody, and I'll just replace them later. Except it's not so simple, because those early people, they set the culture. Everything, big things and little things, like what time to show up for work, how responsive to be, whether to be customer-centric, whether to treat the company's money like your own. And I mean, on the left, this is some of our early employees at Hearsay. We were trying to get our first conference room table.

We didn't have any furniture. We were sitting Indian-style, cross-legged on the floor. And we needed furniture, and we could either wait 30 days for official office furniture to get delivered, or we could go to Craigslist and pick one up in kind of a questionable neighborhood and figure it out ourselves. We didn't have a pickup truck. Well, guess what we did? And that kind of hustle, that kind of get-stuff-done mentality, and that type of ethos of treating the company's money like your own, really, it persists to this day 15 years later. On the right-hand side is our founding team at Salesforce on generative AI. And same thing. It's a big 70,000-person company. And when a company is that big, sometimes things don't move as quickly as you need them to be competitive in the space of AI. And so our team, all the founding members of the team, we've been burning the midnight oil, working nights and weekends to ship in record time.

And again, it's setting an ethos, it's setting a norm, it's setting a culture that's gonna, again, affect the whole trajectory of the team and the project. Lesson four is something that Bob Sutton, who's a professor here in the MSc in the EN department, he really helped inspire and helped me understand what had gone wrong at my company at a certain point. Number four is really the idea that as you scale up from 10 people where everyone really knows each other and is spending pretty much every waking moment together, to 25, 35 people where you know everybody's names, you know their significant others, you know their pets, you know where they grew up, you know what they're interested in. And then one morning you wake up and you can't possibly know everybody in your company. And you're like, who are these people? They all know who you are because you're the founder and the CEO, but you can't know who they are. And the mistake that I made was thinking, okay, now I'm gonna shift from operating in this very personal way, playing a ground game, to I'm just gonna drop messages. I'm gonna send a Slack broadcast, I'm gonna email people, I'm gonna make an announcement at team meeting and I'm gonna expect everybody just to understand what I want and it's just gonna work that way. Well, it doesn't work that way because people wanna be engaged, they wanna feel personally connected to you and the mission. And culture, our culture went a little sideways when this happened, especially when people who we hadn't properly onboarded onto our culture and aligned with our company values, they started being the ones to interview and to hire other people. And that's when like things can really kind of get misaligned to where you want the company to go.

And so that was a lesson that Steve and I learned and we had to adjust for, we had to really correct by getting back in there and making the company for as long as possible, even in a company as big as Salesforce today, as long as possible to make it feel small, so that no one feels anonymous, so that everyone feels connected, they feel engaged, they feel excited, they feel motivated. And there's different ways you can do that. I mean one way is I started doing new hire breakfasts and every class of new hires every week, every couple of weeks we'd get together and it's a way of breaking down a really big group into a really small group where everyone's starting off on equal footing. Another way is if you think about 350 employees, you could have 35 lunches with 10 people each. And you don't do that right away, but you do that over the course of a year. So just different ways to really retain that sense of personal connection and especially founder connection. Number five, this is, if you remember one thing from my talk, it's please let this be it. The hardest thing about entrepreneurship and life isn't figuring out what to do. It's figuring out what not to do. Because there's so many false profits, there's so many distractions, there's so many, they're insidious.

And a lot of them can feel like work, but it's actually busy work or it's work that you don't have to do, you should be delegating. And this is really hard for both Steve and me. I think for any first-time founder to figure out is how do you manage your time? Because again, all eyes are on you. The rest of your company is looking to you to look at what's important and also looking to you to see if you trust them to delegate the other areas that you don't necessarily have to be the bottleneck on. And so just some common culprits, some pitfalls. The first one is to stay disciplined as a company. I think it's very difficult. I always remember that first year before we had any revenue, here we were a social selling company to help advisors, financial advisors and sales professionals hear what's happening in their networks and say the right thing to the right person at the right time. And yet at the time, in 2009, there were no other social selling companies, but social marketing and social advertising, there was a lot of interest in budget being put behind that. Facebook Ads had just launched, it was a completely new thing.

And so we would often get called to participate in RFPs to try to win business in social advertising and social branding. It was really, really tempting. When Coca-Cola calls you and says that without doing anything, just by reputation, you're on their short list, we really came close a few times to taking our eye off the ball. And then seven years into the company, because we had sold out so many of the insurance companies and banks that were in our addressable market, we actually did then spread ourselves too thin. We went from providing one product to really over six months later, expanding into three new product lines at once. And so that was another issue that we had to then course correct a few years later. But it's really important to stay disciplined, easy to say, hard to do. The second part of this is, okay, once you've picked your focus and you're working with customers, there's gonna be issues. Things are not gonna work. They're gonna get, you're gonna have bugs.

You're gonna have customer feedback. Certain customers, when you expand into Europe for the first time, they're gonna want things that you haven't architected for it. So you're gonna have to re-architect the whole platform. And the thing is, you can't do everything everywhere all at once. And so the only way to survive and really to move things forward in a strategic way is to let the smaller issues burn. So that you can focus all of your time and attention and your resources putting out the biggest blazes and going after the most strategic opportunities. And it's really hard to do, especially if you're a really high-functioning individual contributor, which pretty much everybody I met at Stanford was. You're so used to being able to put everything out, and you're the best player of whack-a-mole, but your company is gonna out-whack-a-mole you. And so this is something that you just have to, really again, stay disciplined on. The third one here, you can see, is about cutting cognitive load.

And I remember some advice that Tina shared with me years ago, which is that we can have it all, but just not all at once. And so thinking about how we spend our time and conserve our energy, again, for the most important things, is why Steve Jobs famously wore the same outfit every day, so that he wouldn't have to think about it. Now, I don't wear the same thing every day, but some other things that I've done to cut cognitive load is, one is for the first more than half of the time that I started my company, my family chose to live on the same block as my office. And the reason for that is because I'm not a morning person. And I didn't wanna have the cognitive load of worrying how long it would take me to commute to my office based on the traffic that day. Being able to walk to work and knowing that it was predictably three minutes and 22 seconds, that was everything. And so I never had to think about it, I never had to worry about it, I was never stressed checking driving directions or feeling sad if there was a lot of traffic, because I knew I had full predictability. Another pitfall, the conference circuit. So if your startup starts to get hot, you get your Series A funding, your Series B, your Series C, you start getting put on these lists. And it's like the top four, I was on the Fortune 40 under 40, then you're on the Forbes 30, you're on the Fast Company list.

It's kind of very alluring and a lot of these come with really fun events. This is one of the most fun evenings that I ever went to. I actually brought my best friend, Bex, with me. I hung out with Jeff Bezos and Hugh Jackman, there were all these celebrities there. But that year, I found myself spending way too much time on the conference circuit. And I actually saw a lot of other founders at this conference circuit too. And at one point, I asked myself, "Oh my gosh, who's running this show at home? Who's taking care of the team? Who's with our customers?" Now I'm not saying don't go to any conferences, right? One, these are amazing life experiences. If you earn the opportunity to go, go enjoy it. But be careful because there's an endless number of these all the time. Every week, every month, they're happening all around the world.

They're happening in Davos, they're happening in Aspen, they're happening here in Silicon Valley. There are these amazing places with amazing people. And you kind of have to just make sure you keep the main thing the main thing, which is you have to build your company. You have to help your startup swim upstream and find a long-term sustainable business model. And you have to take care of your customers and your team. Another pitfall is I find for myself and my husband, who's also an entrepreneur, recovering entrepreneur, is all of us as leaders, you end up having these individual contributor comfort zones. Like things that you really love to do, they're often things that you're really good at, depending on where you started as an individual contributor. So a lot of people who start out as engineers, they love coding. For me, I love reviewing product mock-ups and UI and helping design the swag. And so it's like really fun stuff.

But again, you have to watch how much time you end up spending on this. Because is that really the most strategic thing that I could have been doing in that moment? No, I probably should have been focused more on raising our Series B, but instead I was picking out between five different teddy bears which ones we should have at conferences, right? Sounds ridiculous, but these are the kinds of things, it's like a form of insidious procrastination, kind of like when you feel like cleaning your room instead of studying for finals. Okay, so here's a very simple two-by-two matrix to figure out how to spend your time. Anything that's not high priority, you shouldn't do. Don't even think about it, even if it's easy for you to do, even if it's fun to do, just don't do it. Don't even talk about it, 'cause if you talk about it, someone in your company is gonna do it. Then you look at what are the things that only you can do. If it's super high priority and only you can do it, it's probably a good use of your time. If it's super high priority and you're not the only person who can do it, even if the other people wouldn't do it exactly the way that you would or it's not quite as good, you have to delegate, you have to trust your team. A, you're gonna burn out otherwise, and B, otherwise your team is not gonna feel like you trust them and they're not gonna wanna work for you.

Lesson number six, people want you to succeed. Starting a company really is swimming upstream. It's like pulling an entire steamboat upstream. It's pushing a huge rock uphill, but you don't have to do it alone. And I think sometimes I forgot

this, but people are here to help. And the gentleman in the middle, John Sakoda, he was our lead series B investor. He was at NEA at the time, he's now at Decibel. I don't think anybody did more at Hearsay for Hearsay than John. And he wasn't even an employee, he was an investor, he was on the board. Here he is networking with our customers at our Hearsay Summit, our customer summit.

He also flew to New York for us a couple of times when Steve and I were both busy with other meetings. Also to help with prospect, he interviewed executives for us, he helped create decks for us. I think he was especially engaged because he's a former entrepreneur. He missed being in the action. So you can find these people to help you. And then this is Caroline Feeney, she's the CEO of Prudential US. And she's become a friend, she was a great customer of Hearsay Social and our social product. And one day she saw me, we were getting coffee in New York and she said, "Clara, why don't you offer the hear and the saying tools on text messaging?" She's like, "That's what I'm seeing my financial advisors use all the time and they need the same compliance coverage that you provide on social media." Well, turns out now to be our fastest growing product line. And so your customers are there to help you too. We also worked with a lot of customers that are CMOs of Fortune 500 companies.

And they have great ideas. I mean, they're world class marketers. And so they actually, we got free marketing and branding advice from literally the best marketers in the entire world just by asking. Lesson seven, I really wanna acknowledge some of the harder things. And for me, I didn't expect it to be so lonely. 'Cause there's so much that happens, there's so much stress in a startup. And you and your co-founders become the backstop. And yet the people you talk to and spend the most time with who are your friends, they're your employees. You can't confide in them. You can't tell them that you're about to run out of money without a plan.

You can't tell them that you feel totally burned out and that you're struggling and you're not sure if this is the right thing. And it's really lonely. And also because of the time commitment, there are those great events. But oftentimes, your time is out of your control. It's when the term sheet comes in. It's when the RFP gets issued. It's when you're about to run out of money. It's when a customer is coming into town and wants to meet you for dinner that night. And else the opportunity goes. And so I found that that made it hard for me to show up as a good friend.

And I didn't make any deep new friendships during the 10 years that I was running my startup. I think other people can, but for me personally, I wasn't able to. And thank goodness, in retrospect, this wasn't part of my premeditated plan. But thank goodness that I went into my startup with really, really good friends. These are my best friends, Allie and Bex. Bex, this is the one I brought to the conference with me with Jeff Bezos and Hugh Jackman. And this is Allie and Bex pushing strollers of their babies and mine on our vacation in Palm Springs in 2016 when I was in our office, in our Airbnb house, working the entire time. I missed this walk. I didn't go to brunch. I didn't go to the, we had a pool in the house.

I never went in a single time. I was on calls the entire time because there was a fire happening at Hearsay. And I think if I had just met Allie and Bex, any normal person would be like, who is this person? Who does she think she is? But because we had known each other and we were best friends already for 15 years, they knew, they supported me through this. And so much of being an entrepreneur and succeeding with a startup, it isn't necessarily your product or your technology. It's you, it's your stamina, it's your mental health. Because with your stamina, with your mental health, with your energy, if your product isn't right, you can fix it. If your technology isn't right, you can fix it. If you're missing people on the team, you can hire them. But if you feel burned out or you feel unsupported, then all bets are off. And so for me, I think friendship was really an unanticipated effect.

It was a casualty but also a benefit because I realized how special it was and how important it was for me to have these friends. And then I also think that there's some differences. There's different types of friends. So first of all, there's a lot of research that shows how men view friends. It's like around shared activities versus women. It's more about emotional bonding and face time and talking. And I just didn't have time for that. I was gone all the time. I traveled every week for five years in a row. And I just wasn't able to show up.

But thank goodness, Ali and Bex were forgiving. There's also a difference between professional friends and there's other founder friends. That's really helpful to talk to other people who are going through the same thing as you. But they also can't really be there for you because their company is their priority, not you. And there's also fan friends who really just wanna be friends with you because you're an entrepreneur. And some of these people are very convincing. And when I stepped down from being CEO, they disappeared. It was like so, okay, I guess it's like people who wanna be friends with celebrities or whatever. But I didn't think that being a tech founder is that desirable. But it's just like there's different types of friends and just something to think about.

Okay, here's the last lesson. And it is that you need to change yourself and write a new job description at the pace that your startup is changing, which is usually pretty darn fast. And you have to re-interview yourself. Maybe it's every six months. Maybe it's every 12 months. It depends on your space and how, again, how quickly your startup is evolving. But generally, it follows this trajectory. And I love this slide from another entrepreneur, a friend of mine, Bob Tinker. He wrote, he's a serial entrepreneur. He was a founder, CEO of Mobile Iron, took it public.

And he now has another startup. But he wrote this book called "Survival to Thrival." And one of the key concepts in here is that to be successful in, to go from zero to one, you start off as Davy Crockett. You have the machete and you're going through the forest and you're just doing whatever it takes. You're being the Jack or Jill of all trades, you and your co-founders. And you're the pioneer. And you're blazing the trail. And it's just you because you haven't raised money yet. Then you raise your seed round. And now you've got a band of superheroes who you're trying to rally. And everyone, it's kind of a motley crew.

And so you're Joan of Arc or you're Braveheart. And you're charging and everyone's following you. And you know everybody. They know you. You're the warrior. But then at some point, your company grows to be 350 people. Or 500 people. Or 10,000 people. And you can't act like that anymore. It just doesn't scale.

You kind of have to shift your mode to a completely different personality. You have to be the architect. You have to think about building a system. You have to think about managing managers of managers of managers of managers. You have to be a leader. You have to do it playing both the air game and the ground game. And for me, after 11 years of that, I realized that I wasn't fit for the job. And so I transitioned myself out of the company. And I passed the torch onto our COO, Mike Bozzi, in 2020. And I'm still the board chair of Hearsay.

And, but it was painful, right? It's 'cause I didn't realize that that was what was happening. But it was important to, in retrospect, to think about that. So in closing, before we open it to a Q&A, entrepreneurship will change your life. You'll do harder things than you ever thought possible. And only through doing those hard things can you actually find courage. And it's that courage that changes you and how you live your whole life. Thank you. (audience applauds) - Okay, that was amazing, Clara. 00:32:38,700 That's, can we move a little bit over? Let's open it up for questions. Who's got the first question? Okay, right over here.

Attendee You talked a little bit about 00:32:47,460 how important your early hire's on. But I was a little bit curious, what's your actual methodology for choosing these early hires? Are you merely just looking if they, if they agree with the values of the company? Or is it something a lot deeper than that? - That's a really great question 00:33:01,760 of what to look for in an early hire. So in this phase, in this middle phase, when you're looking to hire your band of misfits to go out, I think hiring people who will just get things done and who are generally smart and versatile utility players because you don't have these departments built out yet. So I'll give you an example. Our first hire, Chris Andrew, he did QA, he did customer support, he did marketing, he did legal. He had never done any of these things, but he just figured it out. And so I think that's really important. And then as you have to build out functions and build out teams, like in sales for example, hiring someone who was our VP of sales who didn't just come from VP of sales from another company, but had actually built out sales from first principles. - Great, next question. 00:33:58,740 Well, while people are thinking, I've got a question for you.

You've got your wonderful son here. I remember when he was just a little tiny guy. I'm curious how you figured out how to balance work and family. Clearly, you've got two kids, your family's really important to you. You said you traveled all the time. How did you navigate this and how did you think about that? - Well, it's not easy and it's an ongoing struggle, 00:34:25,860 but it's one of the reasons why I realized I wasn't right for the job anymore. 'Cause I realized that what the job requires, required, didn't align with how I wanted to spend my time, which was not traveling every week. Tina Great, thank you. 00:34:41,940 Attendee What kept you motivated? 00:34:44,490 Were you actually passionate about what you were building or did you just wanna build something really big? - Both, but actually more so the former. 00:34:55,500 So the initial idea for Hearsay came because I was working at Salesforce for the first time when I was right out of college.

And I noticed that our salespeople, some of the younger salespeople were starting to use Facebook to look customers up before they call. And the reason was if they could find something in common, like they both played lacrosse or they went to the same college, that they had a higher hit rate in their cold calling. And so that really made me think that social media would start to change this whole concept of selling and networking and relationships. And again, it seems obvious now, but back then it was this like aha moment. And so I tried to sell that idea internally at Salesforce. And a lot of people didn't get it. Some people got it, but they didn't think it was that big of an idea. And so I felt like I had unfinished business and I had to do it. I had to see it through and I had to see if I was right. Tina Great.

00:35:53,520 Attendee Hey, Clara, thank you for being here 00:35:57,220 and sharing these insightful takeaways. You talk a lot about culture, create relationships, like care about people. And I'm wondering, like now you are probably one of the most influential persons, like leading AI. How do you believe that's gonna change these kinds of relationships and what's not gonna change actually? - It's a trillion dollar question. 00:36:23,100 Tina Could you repeat the question? 00:36:24,570 - Yeah, so the question was, 00:36:27,870 I talked about how important relationships have been, were at Hearsay and at Salesforce, and how will AI change our relationships? I think that if anything, I mean, everything that's happened in digital and automation and now AI, it makes it even more special to be together like this. I mean, there could be, I could have written this talk and there's good enough video generation technology for me to produce this video as if I gave the talk. But it's just not the same. We like to be in each other's space. We like to talk to each other. I think if anything, some of our kids have like lost that ability.

And so that's something I always talk to my kids about is people skills. It's really important. It's even more important in an

era of AI. - I'm just gonna, 00:37:16,590 can I build on that question about culture? Because you talked about the culture in your company. What are the levers that you used to influence the culture that you wanted in your company? - Yes, I love that. 00:37:29,850 So, I mean, for really bad things, it's who you fire for what offense versus what you tolerate. Culture is the worst behavior, is often defined by the worst behavior you tolerate. Another one is, who do you publicly celebrate? Based on, is it for closing the big deal? Is it for helping out their teammates? Is it for, our first salesperson that we hired, he actually turned down a very big deal with a prospective customer that would have netted him a lot of money in commission because he knew that the product wasn't gonna be a good fit for that customer. And he had a lot of personal financial gain to had, but he walked away from that. And we kept storytelling around that for years after to reinforce one of Hearsay's company values of putting the customer first.

- I am never gonna forget that quote, 00:38:22,830 is that culture is the worst behavior that you allow to continue. Great, another question. Attendee Many AI entrepreneurs think that AI 00:38:33,600 will change the way we interact with machines, and that AI first, their AI first, CRM will make Salesforce irrelevant. What do you think of this? And is the mother company ready to be replaced by your internal startup? Tina That's a question. 00:38:52,620 - Things that can be talked about. 00:38:57,480 No, AI is revolutionizing every part of consumer software and enterprise software. The thing in the enterprise is that companies are very, very careful about their data, especially their customer data. So just because an AI can do something, you can show a snazzy demo once, doesn't mean that companies feel comfortable having random AIs train or prompt on their data. In fact, no company that I've met with feels comfortable with that. And so I think that's why we've seen so much uptake in Salesforce AI is because everything is built on what we call the Einstein trust layer.

So it's data masking, data heritage, citations, audit trail, and zero retention prompts. In terms of how the AI startup within Salesforce is transforming the rest of the company, that's exactly what we're doing. So we're a shared service. We built out a platform that the rest of the company uses so that they don't have to build their own trust layer, they don't have to build their own large language model gateway, they don't have to build their own toxicity filters that they get to use our platform, our co-pilot, our prompt builder for sales, for service, for marketing, for Slack, for MuleSoft. Tina Okay, yes. 00:40:15,900 Attendee That was an awesome talk, I respect you. 00:40:17,370 I have two questions. First- - I respect you too. 00:40:20,880 Attendee I appreciate it. 00:40:23,050 What did you write down that made you reconsider the CEO position? What did you read and said, this is not me anymore? And in point number three, which was hire the best people, the first people that you hire, what if you made a mistake? What if you hire someone that does a job but isn't really what you're looking for? Do you cut it out immediately, what do you do? - So on the first question of what made me reconsider, 00:40:53,670 I think this happened to a lot of people, but when the Shelter in Place happened in March 2020, my husband, who also traveled a lot because he also was a founder CEO, here we were both grounded at home with our son having dinner for the first time.

We thought, wow, this is amazing. This is how it should be, this is what normal people do. And why are we doing anything else? Like why work so hard for what? It's like for this, this is why you work hard and we have it. And so we actually both left our companies at that point. I mean, it didn't happen overnight, but over the course of the coming months. And then in terms of hiring people, you will hire the wrong people. Everybody hires the wrong people. Even super experienced hiring managers will hire the wrong people. And the key is to be very clear about expectations and to be kind because people that we hire, they also wanna succeed. Like they don't wanna be stuck in a situation where they're not contributing most of the time.

And so I think being very clear and candid I think is the kindest thing that you can do. Attendee Well I'm kind of asking more historically here. 00:42:05,190 So there are no historically speaking AI industry in the past to reference. I mean, you look at entrepreneurs historically, there's really no reference point that you can learn from. So do you see yourself as like six years from now being a historical individual like Henry Ford was in terms of the AI industry? - That has not occurred to me. 00:42:35,700 AI has been around for a while. And I think that the hardware was, it took decades for the hardware to catch up to what really visionary people started dreaming about and writing about even in the 1950s and '60s. And so this idea of like agents and neural networks it's like been around and now it's manifesting in really powerful ways. I feel really honored to be among many, many very talented AI thought leaders and engineers and researchers at Salesforce, including some former Stanford CS professors. And so I think we're all like building and learning together.

And I do think this is a historic moment for all of us. I think it's a historic moment for society. Tina Great, there you go. 00:43:21,930 Attendee I thought your story was super inspiring. 00:43:25,740 And I was curious as to how did you find your current position at Salesforce and what kind of mindset did you have after leaving the company in terms of your next position and what you wanted to do next? - So I found my current position 00:43:38,190 because I'd worked at Salesforce in my 20s and I kept in touch with people. And so I was recruited back. They had an opening and they thought that I would be a good fit. I actually told them I didn't think I was gonna be a good fit because the initial job wasn't for AI. It was to lead the service cloud business, which was a \$5 billion business when I took it. It's an \$8 billion a year business.

I said, first of all, I've never run such a big business. And second of all, I don't know anything about customer service except for having built out the customer service team at Hearsay and really like gratitude to Salesforce for saying, we think you can figure it out. You have a growth mindset. And I did. I now know a lot more than anybody would ever wanna know about customer service. And in terms of, what was the second question? Attendee What consideration did you have 00:44:27,630 in finding your next position? - Oh yeah, okay. 00:44:33,540 So the six months between leaving Hearsay and joining Salesforce or figuring out what I was gonna do, agonizing. That's another lesson in here, which is related to seven is,

especially if you don't have good friends, but even when you do, it's really easy as a founder for the founder thing to become your whole identity. 'Cause everybody else sees you that way. Or you show up at work every day.

You're at work all the time. Your customers treat you that way. They treat you as your title. You're the founder and CEO. Well, when I was no longer the founder and CEO, I'm like, oh my gosh, am I nothing? And thankfully, Ally and Beck said, no, you're not nothing. You're still our best friend. You're this, this, and this. In fact, you haven't been a very good friend lately and you need to show up more for us. And no more working on vacations ever again. And so I think building out, like figuring out for me, who am I? What is my identity that's not this because this isn't happening anymore? And it was scary not knowing what I was gonna do.

It was the first time in my life that I didn't know exactly what I was gonna do next. But it was really healthy and very important. Tina Great. 00:45:45,390 Tina So as a consumer, we've seen generative AI 00:45:47,340 grow super fast in the past two years and seen a lot of improvements. Do you think that we have seen or will see similar growth from predictive AI in any sense? And if not, what kind of limitations there might be holding it back? - It's such a good question, 00:46:02,010 which is all this growth in generative AI, what does it mean for predictive AI? So what we've seen at Salesforce is that the generative AI craze has actually resulted in a huge surge in adoption of predictive AI. So we're at over a trillion predictions now that customers use across our various clouds. I think there was just a lack of awareness before around AI and what it was. People didn't really understand it even though everyone has been interacting with AI. If you've ever gone to Google or you'd ever bought anything from Amazon or you'd ever been on social media. But I think a lot of enterprise customers didn't realize that now.

And so now there's just tremendous interest and action in terms of rolling out AI of all kinds. - Great. 00:46:44,250 Well, this has been incredible. Can we give Clara a huge round of applause? (audience applauds) (upbeat music)..