Build a Winning Business

10 Entrepreneurs Share Their Secrets

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Interviews by
Erika Brown Ekiel



Stanford Business

BUILD A WINNING BUSINESS

10 Entrepreneurs Share Their Secrets

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> I am grateful for the chance to help build a great company, create fulfilling jobs, and transform an industry.
>
> – Beth Cross, page 19

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foreword

Within these pages, we introduce you to 10 entrepreneurs representing industries as varied as apparel, consumer goods, social media, educational technology, and agriculture. Some of these founders are in the early stages of building their companies. Others are now running established businesses. But there are some common themes among their stories: an emphasis on value in product or service and a focus on values in the way they bring that product or service to market; a celebration of successes and a desire to learn from failure; an ability to manage ambiguity; and a healthy dose of fearlessness.

The interviews in this short book are snapshots in time. Entrepreneurship is dynamic. Founders move on. Companies grow, pivot, or in some cases don't work out as one might have hoped. But we think the experiences and advice presented here will resonate for people who are interested in launching or building their own ventures.

Our goal at *Stanford Business* publications is to provide our readers with the tools and ideas they need to build their businesses. One of the ways we do that is by providing leaders and professionals like you with groundbreaking research and thought-provoking insights from Stanford's global community of experts and leaders. You can find these stories on our **website** or by signing up to receive our free, twice-monthly **email newsletter**. So whether you are dreaming up your next big idea, building a team, bringing a product to market, enjoying extraordinary success, or innovating from within a large organization, we believe *Stanford Business* can inspire and help you on your journey.

MICHAEL FREEDMAN
Editorial Director

FOCUS ON VALUE
Not Price

Originally Published in July 2014

KENNETH "HAP" KLOPP acquired The North Face in 1968 — then two small stores, one in San Francisco and one in the Old Barn at Stanford — and turned it into a global apparel business that he ran for 20 years. He also became the executive chairman of Cocona, a nanoparticle company that makes fibers, fabrics, and laminates for active apparel companies, and Obscura Digital, a digital communications business. Today, the 1966 MBA graduate of Stanford GSB continues his board roles while also mentoring aspiring entrepreneurs. He talks with us about the importance of infusing your values into your brand, the virtues of influencer marketing, and the benefits of interdisciplinary design teams.



> "The best ideas come about because of friction and interaction between people.

IN 10 WORDS OR FEWER, WHAT IS THE BIG IDEA BEHIND YOUR BUSINESS? To apply technology to a commoditized business and create a new industry. For example: At The North Face, we took materials that the U.S. military used in the Vietnam War and applied them to camping. We lightened the load and created a new backpacking industry.

WHAT IS THE BEST ADVICE YOU'VE EVER RECEIVED? Dick Salomon, the first chairman at The North Face, told me, "Products have an ever-shortening life cycle but brands last. They carry an enduring message and belief." Your brand is about you, your culture, and what you stand for. You need to put all of that forward so people can see and feel it. Most companies have goals that are quantitative, but brand is qualitative. It is about how you carry out your business and what you stand for. It is what makes you stand apart in a crowd. A great brand is cohesive. It doesn't waste time. When you are consistent with your philosophies, it becomes easier to articulate in the marketplace. An established brand gives you a stronger multiple. Brand durability is an annuity.

WHAT WAS THE MOST DIFFICULT LESSON YOU HAVE LEARNED ON THE JOB? The 90/10 rule. I assumed in business that things would be 50/50: I do mine and you do yours. What I learned is that 90% of the responsibility is mine and 10% is theirs. If you think it's 50/50, you will be let down more often than not. Another is that people don't come to work for you or anyone else. They work for themselves. I was naive. I thought people worked for me because I was the boss. I learned they work for you only if you have earned their respect or you have given them a meaningful incentive — not because you gave them instructions.

WHAT ADVICE WOULD YOU GIVE OTHER ENTREPRENEURS ON HOW TO BUILD A GREAT BUSINESS? One: Focus on value, not price. At The North Face we wanted to make the best and we assumed there was a market for it. If you've ever spent the night in a sleeping bag at 20 below zero and you couldn't sleep because it was too cold, you would pay $200 more for one that works. We knew that the people who really needed a sleeping bag to work at 20 below would buy ours and they would influence other people. Markets are wide at the bottom and narrow at the top. You need to know who the influencers are in your business. In outdoor gear, it was the mountaineers. Two: Focus on consumer needs. People buy what they need, not what you sell. Three: You should have a higher calling, a triple bottom line. Build your team around things that transcend making money.

> "Your brand is about you, your culture, and what you stand for. You need to put all of that forward so people can see and feel it.

WHAT INSPIRES YOU? HOW DO YOU COME UP WITH YOUR BEST IDEAS? The people around me provide new ideas and challenges. You reach a higher point when you work together. The best ideas come about because of friction and interaction between people. If you put engineers together with salespeople, they come up with great solutions. Do you want to sell what you make or make what you sell? You can't do one without the other!

I worked with Buckminster Fuller to make tents. He was amazing. He applied a new math to structures, and we made a geodesic tent. Stress is equally distributed, and as it gets larger, it gets stronger. As Bucky pointed out to me, most things — physical, political, economic — get weaker as they get bigger. But they don't need to.

Do Something Every Day that SCARES YOU

Originally Published in August 2014

GINA BIANCHINI is the founder and CEO of Mightybell, where you can create your own social network with your purpose, your people, and your content. Before Mightybell, Bianchini and Marc Andreessen cofounded Ning, the largest social platform for communities of interests online. Bianchini received her MBA from Stanford GSB in 2000. She talks to us about fear, intuition, and *War and Peace*.



> "You need a certain level of fearlessness and you need to recover quickly from failure.

WHAT IS THE BEST ADVICE YOU'VE EVER RECEIVED? Do something every day that scares you. I think I saw it on a Lululemon bag. I love that idea. Entrepreneurship is the opposite of conformity. You create your own structure every single day. You have to do things that scare you and push you, and you have to do them proactively because it is the only way to push your business forward. If I'm not ruthlessly prioritizing things that are harder and scarier than what I'm comfortable with, I'm probably not working on the right things.

WHAT WAS THE MOST DIFFICULT LESSON YOU HAVE LEARNED ON THE JOB? The importance of trusting my gut about people I want to work with. In every recruiting interview I have ever done, I've known within the first few minutes what their strengths and issues are going to be. When I am excited about someone and feel we have a good chemistry and a shared way of looking at the world, those end up being the best hires.

WHAT ADVICE WOULD YOU GIVE OTHER ENTREPRENEURS ON HOW TO BUILD A BUSINESS? Entrepreneurship and success in general can't be summarized in sound bites. You need a certain level of fearlessness and you need to recover quickly from failure. Success lies in how many experiments you can run. You need to learn faster than your competition — and ship product!

WHY ARE YOU AN ENTREPRENEUR? Right now I don't see anyone else working on this problem in the right way. If I did, I would not be an entrepreneur. I am not an entrepreneur for entrepreneur's sake. I have some natural comfort with chaos and uncertainty. And I have worked very hard to have a disciplined relationship to failure.

WHAT IS THE BEST BUSINESS BOOK YOU HAVE READ? The most profound business education moment I had was as a senior at Stanford in *Organizational Leadership*. We read *Don Quixote* and *War and Peace*. I was so grateful for that class. The professor tied business and leadership to life. What I remember about *War and Peace* 20 years later is that characters who seem important can disappear at the drop of a hat. Likewise, someone who seems unimportant sticks around for 700 pages. Life is that way.

> "Entrepreneurship is the opposite of conformity. You create your own structure every single day. You have to do things that scare you and push you, and you have to do them proactively because it is the only way to push your business forward.

WHAT BUSINESSPERSON DO YOU MOST ADMIRE? I have been fortunate to have up-close and personal relationships with some larger-than-life figures. Nobody is perfect. Everyone has superpowers. We are all wonderful and flawed at the same time. Deification is not very constructive.

Always Ask "WHY NOT?"

Originally Published in December 2014

TRISTAN WALKER is the founder of Walker & Company, which makes health and beauty products for people of color, and Code 2040, which fosters and supports minority engineering and tech talent. A former executive from Twitter and Foursquare, Walker pitched multiple ambitious, high-tech ideas to the venture capitalists at Andreessen Horowitz before discovering a relatively low-tech business that was in front of him all along: the Bevel line of shaving products. He received an MBA from Stanford GSB in 2010.



WHAT IS THE BEST ADVICE YOU'VE EVER RECEIVED? Actor and producer Tyler Perry said he realized his potential as an entrepreneur after he figured out that the trials you go through and the blessings you receive in life are the exact same things. The trials you go through are blessings in disguise. It has given me a lot of peace.

WHAT WAS THE MOST DIFFICULT LESSON YOU HAVE LEARNED ON THE JOB? The importance of authenticity. After leaving Foursquare, I spent seven months as an entrepreneur-in-residence at Andreessen Horowitz. I wasted a lot of time in the beginning. I tried to think of the most ambitious thing I could do and pitched them on building a bank, tackling diabetes, even disrupting freight and trucking. Ben Horowitz was honest with me and told me I wasn't the best person in the world to solve those problems. In retrospect, I was trying to make other people happy versus pursuing things where I was an expert. I thought about doing hair products for women of color and talked myself out of it because I worried what people would think of me.

The difficult part of that lesson was in not being right. Throughout my life I heard a lot of yeses, from getting accepted to boarding school to interning on Wall Street, then going to Stanford and working at Twitter and Foursquare. All of a sudden I was hearing, "No. This isn't a good idea."

WHAT ADVICE WOULD YOU GIVE OTHER ENTREPRENEURS ON HOW TO BUILD A GREAT BUSINESS? You need to pursue the idea for which you are the best person in the world to solve that problem. It can be freeing. Even though other people may not see it and may tell you that you are wrong, if you are connected to that thing and know you are right, you can succeed. If you are doing something different, someone else with that same idea but with more authenticity will crush you. Jonathan Ive from Apple said in an interview that customers can discern care for a product and they can also discern carelessness. When you are authentic, you care more and that comes through in the product and the brand in such a compelling way that customers will believe it.

IF THERE WAS ONE THING THAT HAS ENABLED YOU TO BE SUCCESSFUL AS AN ENTREPRENEUR, WHAT WOULD IT BE? I would not say I have been successful yet. We still have a lot of work to do. My brother taught me early on that you don't get what you don't ask for. I always go the extra step. If someone else asks once, I will ask six times until I get the thing I want. That has led to more opportunities as well as more innovation.

One example is our logo. We have printed the Bevel logo on our razor heads. It's a curved metal piece inserted into another metal plate. When we were first designing it, manufacturers told me it was impossible. I flew to China to meet with our manufacturing team, and we sat together in a room for 24 hours until we came up with the most compelling compromise. It was just a matter of asking, "Why not?" enough times.

HOW DO YOU COME UP WITH YOUR BEST IDEAS? I come up with a lot of ideas and 99% are crap. When I hire, I find people who are so good at what they do that they filter my ideas down to the good ones. Together we can get to a place that is reasonable and realistic but also pushes boundaries of innovation to not be safe.

> "If you are doing something different, someone else with that same idea but with more authenticity will crush you.

WHAT IS YOUR GREATEST ACHIEVEMENT? Not forgetting who I am and where I came from. Some people let success get to their heads. I have tried to stay true to the values and principles that are important to me: my faith, family, and work. Anything outside of that is a distraction that prevents me from doing what I want.

WHAT WAS YOUR FIRST PAYING JOB? I cleaned toilets at a summer camp when I was 14. It sucked! I decided I never wanted to do that ever again. It was right when I was about to go to boarding school in Connecticut. I grew up in Queens. At boarding school I saw how the other half lived, and it opened my eyes to what opportunity might look like.

HOW DO YOU ACHIEVE BALANCE IN YOUR LIFE? I used to try to do too much. Now I know I have to focus on the things that matter. For me it's faith, family, and work. I just took a five-week paternity leave. There is only 100% of me. When I try to make it 110% it's crazy. The three parts of my life are rarely in perfect balance. Sometimes it's 50%, 40%, 10%. It is only when you're not honest about those percentages to yourself or others that problems happen.

WHAT IS THE BEST BUSINESS BOOK YOU HAVE READ? *Orbiting the Giant Hairball*. It was written by a guy who made Hallmark cards. It's about maintaining creativity in a corporate structure.

Solve a Problem YOU PERSONALLY CARE ABOUT

Originally Published in March 2014

CAROLINE HU FLEXER is CEO and cofounder of Duck Duck Moose, a 16-person company based in San Mateo, California, that makes educational mobile games for children, including apps that let kids drive a fire truck, create an animated comic book, or interact with the well-known "wheels on the bus." Flexer founded the business with her husband and a friend in 2008. She received her MBA from Stanford GSB in 2001.



> "The best ideas come from anywhere, not from one single person dictating direction.

WHAT IS THE BEST ADVICE YOU'VE EVER RECEIVED? When I was leaving for college, my father told me that it was important for me to study whatever I was most interested in, rather than do what many people do, which is to plan their careers first and study whatever will get them there. I could never have anticipated the path of my career. I started as an architect, then worked as a product manager, and then worked at [design firm] IDEO before becoming an entrepreneur. Duck Duck Moose is a culmination of all of my past experiences in design, technology, and business. I never would have been able to plan that route for myself as a young student.

My father emigrated from Hong Kong when he was in high school. He worked in Silicon Valley as an engineer for many years before becoming a marketing director for Sun Microsystems. He believed in taking advantage of opportunities that came along and following one's interests rather than just making a living.

WHAT WAS THE MOST DIFFICULT LESSON YOU HAVE LEARNED ON THE JOB? Each personality on a small team can make a huge difference in swaying the dynamic of the entire team. On creative teams it is really important that there is no drama. It shuts down creativity. Our company works collaboratively and is modeled on some of the things I learned at IDEO. Teams are small but interdisciplinary and often include people from marketing, product, design, illustration, etc. In my experience, the best ideas come from anywhere, not from one single person dictating direction. Everyone needs to be resilient because when we are creating a new game, we try new things every day, and the pace of change is rapid. Our process is iterative and messy, incorporating feedback from everyone on the team as well as from children in our testing room, kids' homes, and classrooms. Sometimes that involves conflict, but when it's done right and is constructive, it can bring about a magical experience. We start with the customer and iterate as we observe how kids play. We brainstorm as a team and ask everyone to come to the table with new ideas. For this to work, everyone has to be free and open. Then we prototype, test, rethink, and redesign. The kids are brutally honest. That feedback pushes us to change.

WHAT ADVICE WOULD YOU GIVE OTHER ENTREPRENEURS ON HOW TO BUILD A GREAT BUSINESS? Solve a problem you personally care about. We founded Duck Duck Moose based on our passion for kids' education, technology, and music. I believe the people who touch and use our product will know if the people behind it are mission-driven. My husband codes and plays the cello. Our kids did some of the audio recordings.

"Each personality on a small team can make a huge difference in swaying the dynamic of the entire team.

HOW DO YOU BECOME AN ENTREPRENEUR? I never planned to be an entrepreneur. I always loved creating things, as an architect, at Intuit and IDEO. Becoming an entrepreneur was something that came out of being inspired by my own kids. In 2008, the iPhone came out. I watched my daughter pick it up and swipe through photos like a book the first time she ever held it. I saw then that even young kids can use technology in meaningful ways. That looked like an opportunity.

You Have to Thrive on CHALLENGES

Originally Published in September 2014

ERIC BAKER is a serial ticket resale entrepreneur. In 2000 he cofounded StubHub, now the largest secondary ticketing site in the United States. StubHub was sold to eBay in 2007 for a reported $310 million. Baker left StubHub in 2004 and founded Viagogo, an international ticket reseller, in 2006. Headquartered in Geneva, Switzerland, Viagogo resells tickets to events in 100 countries. Baker graduated from Stanford GSB in 2001.



> "Question authority. Be an independent thinker. Take an unpopular position and drive it through.

IN 10 WORDS OR FEWER, WHAT IS THE BIG IDEA BEHIND YOUR BUSINESS? Give fans access to all live events worldwide.

WHAT IS THE BEST ADVICE YOU'VE EVER RECEIVED? Irving Grousbeck said there is a risk of not following your passion. It is hard to be the best at something unless you enjoy doing it. I appreciate this more as I have gotten older. When you are young as an entrepreneur, work seems like a chore or a means to an end. You think, "Gee, I just want to make a lot of money and then I can retire and go fish all the time." Building a business takes passion,

resiliency, and belief. It's very personal. StubHub was a lucrative exit but I can't imagine waking up and not doing this anymore. The only commodity we have that is truly perishable is time. You may make a trillion dollars, but you only get to be young once.

WHAT ADVICE WOULD YOU GIVE OTHER ENTREPRENEURS ON HOW TO BUILD A GREAT BUSINESS? Be prepared for a long haul. You need resilience, drive, and determination in the face of constant setbacks. You have to thrive on challenges. Fighting through those obstacles, you can feel like Andy Dufresne in *The Shawshank Redemption*, chipping away at the wall a little bit each night only to fight through a river of sludge on the other side. You need to do whatever it takes to overcome the problem.

IF THERE WAS ONE THING THAT HAS ENABLED YOU TO BE SUCCESSFUL AS AN ENTREPRENEUR, WHAT WOULD IT BE? You have to be an iconoclast. Question authority. Be an independent thinker. Take an unpopular position and drive it through. Before StubHub there was a common belief that ticket scalping could never be legitimized. The former CEO of Ticketmaster told me it would never happen. I was thrown out of league offices by the NFL and NBA. But I was sure there was a way.

HOW DO YOU COME UP WITH YOUR BEST IDEAS? I take it back to first principles: If this didn't exist, how would you set it up? You can't get tied down by what you are used to seeing. Start with a blank sheet of paper, rather than thinking in an incremental fashion where you are constrained by how things look today.

"Be prepared for a long haul. You need resilience, drive, and determination in the face of constant setbacks.

WHY ARE YOU AN ENTREPRENEUR? The only person I want to work for is myself. My grandparents were entrepreneurs. My mom's father learned to build homes in the Depression. My dad's father was one of 10 children and built his own company. I have had great role models. I like to control my own destiny.

WHAT WAS YOUR FIRST PAYING JOB? I was a camp counselor in Maine. I managed a bunk of six 10-year-old kids. It was great practice for negotiating in business and persuading and managing a lot of people. You can't tell a bunch of kids what to do. You have to teach them empathy and give them bonuses and incentives, like pizza.

You Have to EMBRACE AMBIGUITY and Love Suspense

Originally Published in March 2015

LESLIE SILVERGLIDE is a cofounder of Wello, a service that connects people with personal fitness trainers through online video chat. Silverglide and Ann Scott-Plante started Wello together in 2011 as MBA students at Stanford GSB and then ran the company for three years before selling to Weight Watchers in 2014 — the first non-franchise acquisition in the weight-loss giant's 50-year history. She is now a vice president there.



> "Building a business is like diving into a pool blindfolded. You have to embrace ambiguity and love suspense.

IN 10 WORDS OR FEWER, WHAT IS THE BIG IDEA BEHIND YOUR BUSINESS? Leverage technology to help people live healthier, happier lives.

WHAT IS THE BEST ADVICE YOU'VE EVER RECEIVED? My mom told me you can do anything as long as you put your mind to it. A lot of parents say this, but she followed through by giving me the freedom to do so, as long as I could make a good argument for what I wanted to do and figure out how to get it done. When I was 14, I told her I wanted to spend two months

in Africa doing community service. She told me to learn more about it and if I still wanted to go and could get in, she would let me go. The organization rejected me at first because I was too young, but I kept applying. Eventually they said yes when I was 16. A month later I was on a plane to Uganda. My mother was an entrepreneur, too, although that word didn't exist in my vocabulary when I was a kid. I just knew if you wanted to do something and thought you could, you went and did it.

WHAT WAS THE MOST DIFFICULT LESSON YOU HAVE LEARNED ON THE JOB? Learning how to decide whether it is the right time to make a change. In 2005 I founded a company called Mixt Greens, a tossed-to-order organic salad restaurant chain. Nestlé's investment arm reached out and tried to acquire the company. We weren't interested at first but eventually my partners — my brother and my husband — and I decided to do it in 2009. It was way too early. We didn't understand what we had: a bootstrapped, profitable business that fulfilled a need and delivered something that didn't exist in the market. My brother and husband ended up buying it back two years later. Unfortunately, we lost two years of growth. As the founder of a young company, you can get so caught up in the day-to-day that you don't pull your head out of the weeds. You need to carve out the time to step back, reflect, and take a larger view of where the company is going.

WHAT ADVICE WOULD YOU GIVE OTHER ENTREPRENEURS ON HOW TO BUILD A GREAT BUSINESS? Building a business is like diving into a pool blindfolded. You have to embrace ambiguity and love suspense.

HOW DO YOU COME UP WITH YOUR BEST IDEAS? The biggest thing is questioning. I like to immerse myself in the world around me and think about what is missing. Why are things done this way? Is there a better way to do something? Can I do it? Do I want to do it?

WHAT IMPACT WOULD YOU LIKE TO HAVE ON THE WORLD? To help people live healthier lives in a way they feel is positive. With Mixt Greens, we gave people easy access to a healthy lunch: a kickass salad that is just as good as a cheeseburger. With Wello, we recognized that the majority of people abhor working out and see it as a negative experience. We bring real people into your living room to bring accountability, motivation, and fun to your workout.

"As the founder of a young company, you can get so caught up in the day-to-day that you don't pull your head out of the weeds. You need to carve out the time to step back, reflect, and take a larger view of where the company is going.

WHAT IS THE BEST BUSINESS BOOK YOU HAVE READ? I recently read *Mindset* by Carol Dweck. Some kids are told they are smart so they don't push themselves. Others are taught the growth approach, in which you learn and push yourself to be better. I'm always trying to create an environment where people are encouraged to grow and pushing them to do so.

BONUS: **Read the interview** with Ann Scott-Plante, cofounder of Wello. Scott-Plante and Leslie Silverglide started Wello together in 2011 as MBA students and friends at Stanford GSB.

PASSION
Is a Prerequisite

Originally Published in December 2013

ANDY DUNN is the founding CEO of Bonobos, a clothing company that launched online in 2007 with the introduction of a line of pants that promise a more flattering fit for men. The company has since expanded, and it now sells a full line of menswear through its e-commerce "guideshop" stores and online. Dunn graduated from Stanford GSB in 2007.



WHAT WAS THE MOST DIFFICULT LESSON YOU HAVE LEARNED ON THE JOB? One, "it's all your fault," and two, "nobody cares." "It's all your fault" came from Mark Leslie. "Nobody cares" is from Ben Horowitz. As CEO, when things go well, your job is to pass the credit on to someone else. But when things go wrong, it's your fault.

Our site crashed on Cyber Monday of 2011 and stayed down for two weeks. It was a traumatic time for our company. We have a great customer experience, but that obviously doesn't matter if you can't shop on our site. Our customer-service ninjas are all energetic, empathetic people, and they were working day and night with phone calls and monitoring and responding to Facebook and Twitter. Our new head of engineering had just joined. He had the weight of the world on his shoulders four weeks into his new job.

How did it come to this? It was my fault. We had an engineering team when we started, but we dismantled it and outsourced our technology for two years. We should not have completely outsourced it. After that it took me too long to hire our head of engineering. If I could go back in time, I would have retained some of that initial team and been less extremist about the transitions to create more continuity.

It's easy as a leader to point fingers and blame people because you have power and authority. The reality is you can't blame employees, because if

they aren't doing well, it is your responsibility to move them out. Not only can you take responsibility, but you have to take responsibility. Everything the company does is in your purview. As the CEO, you are responsible for everyone who is there, and as founding CEO, you can't even blame it on your predecessor. You can make all the excuses you want about how the world changed, etc., but if you fail, no one cares why it didn't work. It can feel psychologically daunting to think of things this way — it's all your fault and nobody cares why it didn't work if it doesn't work — but it's also empowering. If you recognize you have agency in creating problems, then you can solve them, too.

WHAT ADVICE WOULD YOU GIVE OTHER ENTREPRENEURS ON HOW TO BUILD A GREAT BUSINESS? Passion is a prerequisite. So is an unfair advantage. This world is intensely competitive. It's not so much a question of whether you are a high-potential entrepreneur or whether your idea is great, but are you a high-potential entrepreneur for that great idea?

Before Bonobos, I worked on an idea for a personalized content magazine, similar to Instapaper. There was no reason I was the right person to build that business, and therefore I didn't. People say great companies are built by great teams. I think that's true. But I look for more than just great teams and great ideas; I like ideas that are uniquely authentic for that particular team.

WHAT INSPIRES YOU? Creating something people love. We have around 350,000 Facebook fans. I think of all the people who clicked our "like" button because they think our brand is cool. I'm inspired by that. I love this world that makes it possible for people to imagine something should exist and then conspires to enable them to create it.

WHAT IS YOUR GREATEST ACHIEVEMENT? The most proud I've ever felt was when Bonobos was named by Crain's as one of the top 50 places to work in New York. Building a company that customers love already puts you in the top decile, but building a company that employees love is the most elegant challenge in business. That's the top 1%. So many people don't like their jobs or their bosses.

It is especially meaningful to me coming from 2007, when I felt like I had no idea what I was doing or how to build an organization where humans could be motivated and engaged. I once thought "company human values" were things people wrote on posters with pictures of an eagle soaring in the sunrise. I always thought that was a cliché.

"It's not so much a question of whether you are a high-potential entrepreneur or whether your idea is great, but are you a high-potential entrepreneur for that great idea?

I have learned there is actually something to it. What helped me was when we had about 30 employees, I took stock of the 10 best people I had ever hired and made a list of the five attributes that I believe unified them and all the great people we have hired since. Those are self-awareness, judgment, positive energy, intellectual honesty, and empathy. I worked those five values into how we hire, fire, promote, and retain people; we have gotten pretty empirical about it. That process of being thoughtful about how to create and protect our culture has been more important than I would ever have imagined when we began.

WHAT BUSINESSPERSON DO YOU MOST ADMIRE? Joel Peterson, the chairman of JetBlue. He approaches business from a really weird place: love. He talks about treating people with profound grace and dignity, even when things are difficult. I think he's got a unique view of how to meld caring into capitalism; it personally inspires me.

LISTEN— to Your Customers, Your Team, and Your Employees

Originally Published in September 2014

CHRISTINE SU is cofounder and CEO of Summer Technologies, a startup that aims to help ranchers adopt and maintain more sustainable practices. Summer's PastureMap mobile app provides information to ranchers such as how much grass they should be able to grow based on current conditions, how to manage rotational grazing, and how much livestock they can raise without overgrazing the land. Originally from California, she has lived and worked in Hong Kong, Shanghai, Singapore, and Malaysia. She is expecting to receive in 2015 her MBA from Stanford GSB and an MS in land use and agriculture from Stanford School of Earth, Energy & Environmental Sciences. She talks to us about how moving every year can be good for you, the virtue of being wrong in public, and why the Uber for cows never quite took off.



IN 10 WORDS OR FEWER, WHAT IS THE BIG IDEA BEHIND YOUR BUSINESS? Empowering sustainable ranchers to transform their industries through technology.

WHAT IS THE BEST ADVICE YOU'VE EVER RECEIVED? Always be moving toward your own personal version of happiness. Before starting at Stanford GSB, I worked at KKR in Hong Kong. It was a very prestigious firm, and I had the job I thought everyone wanted. My dad came to visit me. Over a couple of [drinks] at a swanky whisky bar, he asked me to draw

my personal vision of happiness. My vision had to do with sunshine, green fields, feeding my family and loved ones good food, and having the flexibility to spend time with those people. He said, "Honey, that's great but I don't see you moving toward any part of that vision here." My dad inspired me to quit my job and apply to Stanford, which has enabled me to do things like run around in the fields in New Zealand with farmers talking about the future of food. I feel really grateful to my dad and lucky to have the resources to chase my vision of happiness.

WHAT WAS THE MOST DIFFICULT LESSON YOU HAVE LEARNED ON THE JOB? Learning how to be wrong. I am the kind of person who likes to decide quickly and plow ahead recklessly without regard to consequences. My cofounder, Jennifer Tsau, is an introvert who likes to hang back and examine things. I am often wrong with my first snap decision, and if my cofounder wasn't there to rein me in, I would fail. I'm learning to admit when I'm wrong and to do it gracefully in front of employees, mentors, and founders.

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WHAT ADVICE WOULD YOU GIVE OTHER ENTREPRENEURS ON HOW TO BUILD A BUSINESS? Listen — to your customers, your team, and your employees. They often have information that you don't. Who knew that pasture management, grass forage, and stocking were on farmers' minds? In Steve Blank's class, he suggested we talk to 100 farmers before we begin. I talked to more than 200 farmers before developing Pasture-Map. Before doing that, I had all these dumb ideas. One idea was for something I wanted to call "Moober" — like Uber for cows. Farmers who had only a few cows to slaughter at a time could rent and share trailers with other farmers to save costs. It turns out cows get stressed in the backs of trucks with stranger cows and that affects the quality of the meat.

IF THERE WAS ONE THING THAT HAS ENABLED YOU TO BE SUCCESSFUL AS AN ENTREPRENEUR, WHAT WOULD IT BE? Adaptability and an affinity for learning. As an entrepreneur, I am doing something every day that I have never done before, and I have to go figure it out. I am grateful for how I was raised. My dad was an entrepreneur, and we moved every year when I was growing up. I went to 14 different schools in California, Shanghai, Hong Kong, and Taiwan. It forced me to immerse myself in new environments where I didn't know the social cues and had to adapt and learn. It set me up well for all those times as an entrepreneur when you don't know where you are or how to do what you need to do.

WHAT IS THE BEST BUSINESS BOOK YOU HAVE READ? *Quiet: The Power of Introverts in a World That Can't Stop Talking*. I have strong extrovert tendencies. My cofounder Jennifer is a strong introvert. The book helped me appreciate the way she needs to take time to think and turn things over in her mind. Also *Buddha's Brain: The Practical Neuroscience of Happiness, Love, and Wisdom*. I read it during an internship I took on a hazelnut farm in Bhutan. It explains the neuroscience of meditation, how it expands the workspace of consciousness of the mind.

The Power of NOBLE EXPERIMENTS

Originally Published in September 2012

CHIP CONLEY, a 1984 graduate of Stanford GSB, is the founder of Joie de Vivre Hotels, California's largest boutique hotel collection, which includes more than 30 properties, and the author of four books, including *Emotional Equations: Simple Truths for Creating Happiness and Success* and *The Rebel Rules: Daring to Be Yourself in Business*. Leading up to our interview, Conley said he had just returned from a weeklong silent meditation retreat. "All my answers will be in haiku," he said.



IN 10 WORDS OR FEWER, WHAT IS THE BIG IDEA BEHIND YOUR BUSINESS?
Pose as
boutique hotelier
instead create
identity refreshments

WHAT IS THE BEST ADVICE YOU'VE EVER RECEIVED? Oscar Wilde said, "Be yourself, everyone else is taken." Most businesses benchmark themselves versus others and don't imagine how they could be transformative and disruptive. About 10 years ago during the dot-com bust, I chose to use Abraham Maslow's Hierarchy of Needs as an evolved business model for how JDV would operate. There was no evidence that anyone else had ever done that before. It was well-suited for my personality. The idea of applying a psychology theory to a fundamental business model was sort of weird but it helped us triple in size when many others went out of business.

WHAT WAS THE MOST DIFFICULT LESSON YOU HAVE LEARNED ON THE JOB? The most difficult time in my career was in 2008 and 2009 when it became extremely apparent to me that what had been a calling was now merely a job. It came at a time when I had to work 100 hours a week and had to act as if it was a calling. To be the CEO of a company means if you have 3,500 employees, as we did then, you are under the microscope. Your emotional state of being is magnified. I felt embarrassed and guilty that my state of mind — and my state of heart — for the company were not there when they needed to be. That is one reason I decided to sell a majority interest in my company to an investor who didn't mind me stepping out of the business.

The lesson was that vulnerability can be very powerful. We say we want leaders to be authentic, and we want them to be strong. But being vulnerable and confident at the same time is a powerful combination.

WHAT ADVICE WOULD YOU GIVE OTHER ENTREPRENEURS ON HOW TO BUILD A GREAT BUSINESS? I'm a huge believer in Maslow's Hierarchy of Needs. What brings a sense of meaning for your stakeholders? What creates a transformative, self-actualized experience for your customers? How do you create pride of ownership for your investors? Remember, we are all human. If you are a good reader of emotions, you will be successful wherever you are.

WHAT VALUES ARE IMPORTANT TO YOU IN BUSINESS? You can see who's most powerful in a society based on who has the tallest buildings. Two hundred years ago it was cathedrals. Fifty years ago it was a government building. Today, in most urban areas, the power rests with business and skyscrapers. Business is the most powerful influence in the world today. Fifty-four of the 100 most powerful entities in the world today are companies, not countries. That means it is that much more important that businesses take a conscious capitalist perspective to make a difference in the world. I'm a big believer in that on a global level. Businesses are finally asking, What is our ecological footprint? I also believe businesses need to look at their emotional fist print on their employees.

> "Vulnerability can be very powerful. We say we want leaders to be authentic, and we want them to be strong. But being vulnerable and confident at the same time is a powerful combination.

Our work is the most predominant use of our time. We spend more hours in our working life than our family life. Yet for many people their working life leaves an emotional fist print as if they're getting punched. It creates anxiety, anger, and a sense of being abused. That can have a contagious effect on their family, friends, and everybody around them. How do we measure that? Fifty years ago we had no idea we could measure our ecological footprint. How can we start measuring and managing what's most important in life?

WHAT IS THE BEST BUSINESS BOOK YOU HAVE READ? *Man's Search for Meaning*, by Viktor Frankl. It influenced my perspective on how to create meaning for employees and how to create culture in my organization.

BONUS: Watch our **4-minute interview** with Chip Conley on what he learned from building and growing Joie de Vivre Hotels.

You Cannot Delegate VISION

Originally Published in November 2012

BETH CROSS is the founder and CEO of Ariat International. Based in Union City, California, the company makes footwear and apparel for riders and the equestrian lifestyle. Cross grew up on a horse farm in Pennsylvania and moved to California to attend Stanford GSB, graduating in the Class of 1988. She went on to work at Bain and Company, where she worked with a team that developed strategy for athletic shoe makers Reebok and Avia. She cofounded Ariat in 1990 with Pam Parker, a fellow student from Stanford GSB. Their first product was a boot made for both English and Western-style riding, which used materials and construction techniques common in athletic shoe manufacturing. More than 20 years after its founding, Ariat continues to push the boundaries of style and technology.



WHAT IS THE BEST ADVICE YOU'VE EVER RECEIVED? As CEO, you cannot delegate vision and culture. That advice came from one of our early investors, and one of my most valued mentors, Angel Martinez, who runs Deckers Brands. In the early days of Ariat, we had a clear vision that we wanted to be the number-one equestrian footwear and apparel brand in the world. That was a very bold statement when the company was just getting going! As the founder, you have to be able to visualize the full potential of the company and the brand — to see it in your own mind so that you can build a road map to the long-term vision and start to work out how to get there. Vision frames the opportunity for the team, for customers, and for investors. Culture is the other critical part of the CEO's job, which requires a continual focus on the core values and day-to-day

character of the organization, always making sure that the organization stays true to those core values.

WHAT WAS THE MOST DIFFICULT LESSON YOU HAVE LEARNED ON THE JOB? There are no do-overs. There is so much on-the-job training when you build a business. Every day, there seems to be at least one decision or discussion, large or small, that in hindsight I would love the opportunity to rethink or redo. I'm reminded of a decision I pushed for to make an inventory purchase of a new product that I thought would be terrific — but our buying team was very skeptical. I thought it was a great opportunity and convinced everyone we should go for it. Well, of course, the product was a flop and we were stuck with the inventory. My team teased me about it for a long time, and I learned to not interfere with the collective wisdom of an experienced team. You have to own your bad decisions, and in doing so you reinforce a culture that celebrates success and learns from failure.

WHAT ADVICE WOULD YOU GIVE OTHER ENTREPRENEURS ON HOW TO BUILD A GREAT BUSINESS? The most critical thing is to visualize the company as a fully formed entity. We started out with an idea to revolutionize the equestrian footwear industry with performance technology. Once we pressure-tested the idea with consumers, we started to architect the company on paper. We asked ourselves, what will the company look like at $1 million in sales? At $50 million in sales? Study the leading companies in your industry and learn everything you can about their structure and go-to-market strategy. Sketch it out by function so you know what you will be competing against, and also have a sense of what relevant organization structures look like as you're building your team.

Visualizing massive success from day one helps you design the many small elements of what will eventually form the structure, strategy, and business model of a much larger company. Often the excitement of the startup — of product development and fundraising — distracts people from taking the long view about the company and the culture. Perhaps it can be compared to the difference between a wedding and a marriage — the excitement and flurry of activity during the startup phase is the wedding, and the hard work of building a sustainable company is more like a marriage.

WHAT DO YOU CONSIDER YOUR BIGGEST FAILURE? We have small, medium, and big failures all the time. The question is how you handle failure when it happens. How do you handle it with your customers, your team, your shareholders? A real failure is when you make a mistake and don't do the right thing, fix it as quickly as you can, own it, and learn from it.

"The most critical thing is to visualize the company as a fully formed entity.

HOW DO YOU COME UP WITH YOUR BEST IDEAS? Our product creation team is relentless. They are riders as well as designers. They read, travel, and shop, and they are out in the market constantly. For me, personally, the environment that creates the most idea generation is being out in the field with our customers. You need to carve out enough time to talk about what is going on in order to share ideas. Sometimes people are so busy that there is no time left over to really brainstorm. It is critical to find time to share ideas in an open way.

WHAT VALUES ARE IMPORTANT TO YOU IN BUSINESS? First is integrity — keeping your commitments, being honest and fair, and treating everyone with respect. It is important to remember when you are hiring to add people who share your values. The hardest part of building a team is hiring people who share our strong sense of values, who bring a strong work ethic, and are great teammates. When hiring, you cannot rely on interviews alone; you need to tap into your network to learn more about the person you are thinking of adding to the team. A reputation for personal integrity is formed over time, and people typically either have those values or don't.

Another critical company value is appreciation. We all feel grateful for the business we've built together and the opportunities we have, and we work hard to communicate that to the team, our customers, and our business partners.

WHAT IMPACT WOULD YOU LIKE TO HAVE ON THE WORLD? The opportunity to impact in a positive way the lives of our employees, our customers, and our partners. Business is a team sport for me. Every day we go out on the field together and play to win. We are competitive and we like to have fun. I am grateful for the chance to help build a great company, create fulfilling jobs, and transform an industry.