# The Entrepreneurial Roller Coaster

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Entrepreneurship is about...
those who dare to dream the dreams and are foolish enough to try and make their dreams come true



## Know Your Goals



#### Fortune:

Never having to balance your checkbook



#### Fame:

Never having to carry the AE card



## Family Business:

Never having to say you are sorry



#### Friends

Never having to leave home

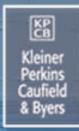
# Before You Start

- Knowing what you don't know
- Who's opinion?
- Identify your liabilities & assets
- Assess the costs



# Success Factors

- People
- Key questions
- Leverage
- Managing risk
- Offerings
- Paranoia & persistence
- Role of trial



# Being Realistic: Questions

- What are personal vs. corporate goals?
- Scale of thinking: \$0 vs. \$0M vs. \$0B
- What is your competitors view of you
- Competitors present vs. your future
- How would you compete against yourself?
- Why are you better & why are you worse?
- What are other's opinions: VC's, recruits?

## Internal Factors

- Building the "balanced" team
- Maximizing assets & minimizing liabilities
- Encouraging conflicting points of view
- Organized chaos: planning too early
- Organizational learning: Nuances as pitfalls
- Incentive structures rewarding failure
- Process vs. Instinct
- Focus



## External Factors

- Real vs. perceived value
- Credibility
- Competition
- Chance & luck
- Momentum



# Market Environment

- Structure of the market
- Pace of change
- Rate of growth
- Whose rules?



## Culture

- Setting the goals
- Tackling problems head on
- Persistence
- Tolerating mistakes
- Sense of urgency
- Paranoia
- Success & complacency





- Balance Planning vs. iterating
- Enfranchising people vs.dictating to them
- Managerial risk avoidance
- Process vs. instinct product managers
- Incentive structures rewarding failure



# The Pleasures

- Building something to be proud of
- Freedom & control of one's destiny
- Creating a fun & compatible team
- Financial rewards



# The Societal Role of Entrepreneurship

- Driving technology and hence 40% of US
   GDP growth
- Driver of role models
- Driver of change & innovation



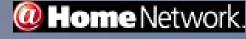
## Weather Forecast

- Rate of change will accelerate life will be more complex, more busy...
- Innovation, opportunities & entrepreneurship will thrive
- Fun & fortunes will be in abundance
- Irrelevance: the other things in life .....(family, relationships, enjoyment)



### Who We Are:

- A handful of professional technologists and operating execs - not financiers
- Portfolio of 340+ companies with \$125B+ market cap, \$61B+ revenue, 162k+ employees, 127 IPOS
- Forbes 500: @ Home Network.























Quantum<sup>\*</sup>

## What We Look For:

- People
- Unfair advantages
- Risk up front
- Characteristics: sense of urgency, corporate partners, home run swings
- Defensibility in critical mass, technology, franchise, content, distribution
- Shared upside & simple structures

### What We Do:

- Technology oriented, pioneering industries
- IPO oriented big companies
- Incubations, early stage, speedups
- Co-ventures



# What We Bring:

- Company building experience
- Experience with pitfalls of new markets, technology management...
- Credibility
- Relationships
- Repertoire of mistakes
- Knowledge of industry trends



# The Internet: Does It Change Everything?

- First two way mass communication medium
- The phenomenon: fastest social change, largest legal creation of wealth
- Adam Smith II efficiency & economics revisited
- Role of information & infomediaries
- Changing economics: distribution, specialization, narrowcasting
- Technology driving business strategy
- New Models: Excite, Amazon, Priceline, Ebay, Preview, Home Grocer, Della&James..



# The Internet: Does It Change Everything?

- Corporate culture & infrastructure: "real time"
- Fastest social change and largest legal creation of wealth (Cisco, Dell)
- Tight feedback loops
- Ideal for experimentation (vs. planning)
- Leverage
- People as the killer app



