Jake 00:10
Thank you so much for coming on the show today, I really appreciate you taking the time I heard you talk about how, you know, you moved out to Silicon Valley with not too much, you know, you had a nice education and everything like that. But we're kind of of like sleeping on the floor and had a lot of help from people along your journey to get to where you are today. So I appreciate you kind of paying that forward and given some time to someone like me, who's who's still getting started, you have a really interesting background, started as a, you know, influential employee at Google, for a few years saw them really grow from like, 1500 to 15,000 employees over a few years, and then went and co founded a company called mixer labs. And this is just for people who aren't familiar. That company sold to Twitter, where you then were VP corporate strategy for a couple years. And again, you saw a company grow, this time at a smaller scale from like 90 employees to over 1000, I think, when co founded another company color genomics. And then, you know, since then you've you've basically been a prolific investor investing in the likes of like Airbnb, and advising these companies as well, Coinbase opendoor stripe square Pinterest, the list just goes on and on. Also, you know, you wrote a book called high growth Handbook, which I read in preparation for this podcast, awesome book for any founder, especially those who are kind of, you know, hit their stride on the product market and are looking to really become an iconic company. It's a really interesting perspective for, for scaling from, you know, maybe not zero to one, but from one to like that next level success. So first and foremost, want to thank you for coming on the show. And looking forward to asking some questions.

Elad Gil 01:49
I am thanks so much for inviting me today.

Jake 01:52
Great, so where I'd like to start is to ask, you know, based on that breath of experience, you have a pretty unique perspective, I imagine that's probably part of why you wrote the book, and that you've seen, you know, on the one hand, you've started a couple of companies and grown them from scratch to successes, than you saw a company like Twitter, 90 to 1000. In terms of employees, Google kind of picked up where Twitter left off, and you know, before and your experience, but all my weave together a little bit where you saw them grow from like 1500 to 15,000, you really seen every stage of company growth, and you've seen it in the context of a few different companies. When you think about, you know, investing today, what do you think is your

unique, you know, what do you view as your unique perspective and value add when you when you talk to some of these entrepreneurs and, you know, get involved with early stage or late stage investing and becoming a part of the board?

Elad Gil 02:46
Yeah, you know, I think early stage company is pretty radically different from a late stage company. And as an early stage company, your focus is singularly or should singularly be on finding product market fit. And finding something that a big enough customer base exists for, so that the company can just start growing and eventually sustain itself. And, you know, that's incredibly hard to do, it means hiring the first handful of employees getting the first customers building the first product, potentially raising money, all that kind of stuff. But that's kind of all you really need to focus on. Like, as long as you hit product market fit, and you don't blow up in terms of a founding team, you tend to make it to the next level. For late stage company, the set of things that you have to do are pretty radically different. And the complexity of the company goes up dramatically, you're suddenly hiring executives of types that you've never had to hire before. So a general counsel or a CFO or VP sales. You're changing how you communicate across multiple layers of an organization, you're doing reorg or internationalizing, you're adding multiple products or buying other companies are doing so many different things. And so the complexity really explodes. And I think I'm one of the the fuse sort of early stage investors, at least as individuals or angels who can then bridge into later stage companies as well, you know, I've started a company myself, or have started two companies myself. So I understand sort of the pains of the really early days, and how to sort of be very scrappy and bootstrapping. And then I've also helped scale organizations. And so I understand sort of the later later stage aspects and, you know, can continue to help people later in the life of a company.

Jake 04:27
Right, that makes sense. And so as an early stage focused investor, for the most part, but with this kind of late stage scaling and complexity, expertise, which is sort of rare in that group of early stage investors. I know you also have somewhat of a, you know, some people certainly have the same or a similar perspective, but a lot of people focus in those early stage investments on the founder, and I know you're focused or at least prioritizing the product market. And so you wrote about that and you know, I've heard you speak about it and others podcasts as well. But what I'm curious about really is, you

know, you had a couple of successful companies that you started with the same co founder. So that's, you know, a team that succeeded twice, it's hard to just peg it to luck at that point. You've also got companies like stripe, which like you invested in, which I think you wrote about or spoke about how, you know, when you when you invested, you thought maybe they had like, a couple billion dollar market opportunity. And here we are, and it's more likely going to be a couple 100 billion dollar company. And so it's kind of hard, from my perspective, to judge a market and size and market early, especially if it's like a zero to one type of market and Peter Till's words, where the market doesn't really exist yet, or hasn't fully formed or kind of taken that next generation. Whereas the founders, you know, someone like you and your co founder, you see the success that you had with mixer labs, it might be, you know, somewhat reasonable to guess that you could have success and a second venture, and maybe a bigger success. And so my question for you is basically, given that, from my perspective, and maybe you disagree with this assumption, but it seems that it would be easier to evaluate a founding team than it would be to evaluate the size of a market, especially a brand new one. Why do you continue to prioritize product market over the the founders and the founding team?

Elad Gil 06:27
Yeah, so I think the founders and the founding team are crucial. But I've seen amazing people just really get crushed by a terrible market. And alternatively, I've seen people who just aren't very good, do incredibly well, in a great market. And, you know, they may end up with a $10 billion company instead of the $200 billion company that, that the company would have been in somebody, somebody else's hands. But fundamentally, they were able to make it to a $10 billion company or a $5 billion company, whatever it may be. You know, I think fundamentally, one of the big things that I underestimated, and I think basically, almost everybody else I know underestimated, was if you go back to 2010, or so, which is, you know, I started investing maybe a year or two before that, but really started investing more after Twitter bought my company, and I had some, a little bit more liquidity and the ability to invest a little bit more. Everybody thought that the internet was really important, and SAS was important. And mobile was important, and the cloud was important. All these things were important. But I think everybody underestimated this sheer scale, and the rapidity with which the internet would grow. And the degree to which software would end up eating various aspects of the world. And so I wrote a blog post about 10 years ago, that talked about how rare it was to actually get to a five or $10 billion market

cap. And at the time, it was very rare, there's very few companies that have made it the biggest companies were in the low hundreds of billions in terms of market cap. And to think that there's a company there are a set of companies that are ranging now and market cap between one and 2 trillion just was unthinkable, then, because you had to assume that there'd be so much growth in technology of already, what was a massive scale, you know, apples quarter was $100 billion plus quarter, this last quarter, that's a significant portion of US GDP, you know, if you just add up what that company is going to do over the course of the year. And so the scale that these things have actually gotten to through the global liquidity of the internet, is just unprecedented. And so back when I thought stripe would be a $5 billion company, that was a huge compliment, because at the time, it was worth a few 100 million dollars. And there were basically no five or $10 billion companies, everybody kind of tapped out at a billion or 2 billion. And then there was sort of the true outliers that we're bigger than that. So I think one of my big learnings over the last few years is the sheer scale of the internet. And that has all sorts of implications. I think implication one is that companies that would have been a small niche, 100 million dollar company or a $10 million revenue companies 10 years ago, today can be multi 100 million dollar revenue companies, because you can reach so many more people on the internet. And so many more people are willing to buy software for different use cases. And so suddenly, things that seemed really niche 10 years ago can suddenly be large, multibillion dollar standalone companies. And then the second implication of that is you can have many more companies reach a billion dollars or more and market cap all over the world, including outside of technology clusters. And I think that's something that we've actually seen over the last decade or so. And something that's commented on it from from the viewpoint of Oh, well, you can start a tech company anywhere now. And I think that's kind of true. But the reality is, I think people will still end up in clusters. And we can talk about that later if that's interesting. But I think really this phenomena that you're seeing valuable tech companies sort of crop up and one z two Z's and all sorts of cities is driven more by the fact that the markets are just so big that things that normally would have been much smaller just can hit enormous scale.

Jake 09:53
Yeah, I knew I was gonna get in trouble with this podcast because I have like three hours worth of conversation. We've only gotten And I knew there was going to be some sidebars, that would come up. But I want to run one down, which is you just mentioned how, you know,

people are speculating that great technology companies may no longer need to come out of clusters like Silicon Valley, there may be multiple Silicon Valley's like Miami and Austin, and you know, other Denver and other cities, both in the United States and around the world. But there's, you know, what might be a contrarian view at this point that Silicon Valley is still going to be Silicon Valley. I know you've expressed as of not super recently, but maybe a few months ago, that you thought San Francisco might lose, like 10% market share in terms of its being a tech hub in the United States. Do you still feel that that San Francisco is, you know, alive? And well, a beneficial place for people to start companies? And how do you you know, what's your overall perspective on that cluster? You know, versus no cluster future?

Elad Gil 10:53
Yeah, it's interesting, because if you look at every industry, there's industry clusters. In other words, there's cities that represent that industries and people's minds, and the people who really want to work in that industry go there. And so if you want to go in the movie business, you go to Hollywood, if you want to go into finance, you go to New York, you never, you would never tell somebody, oh, you're starting a hedge fund. You know, you, you should really move to Seattle, or Hey, or you're you want to become a movie director, you should really go to Phoenix, you know, that just sounds silly. But if you think about it, you can do anything for any of these other industries digitally, at this point to write you can write a movie script from anywhere, you can shoot a movie off site anywhere. You can digitally edit the movie from anywhere, you can have a musical score from anywhere, you know, the same is true for finance, you can raise money, for from LPs from anywhere, you can come up with a trading strategy from anywhere you can execute those trades from anywhere, but all the hedge funds are in the same place in New York and Connecticut. And so I think the same is true of technology. And there's really strong serendipity effects. associated with being in a cluster. There's a founder who recently texted me, for his, his company just hit a billion dollar market cap. And he texted me and he said, Oh, you, you probably don't remember this, that you introduced me to my co founder at this event that you hosted 10 years ago. And that's how we met. And now we started a company together, and the company's doing really well. And so that's sort of offline serendipity. And the ability to hire executives who know how to scale and the ability to find their first few customers, and all the rest are effects of clusters. Now, if you look right before COVID, what was happening is, Silicon Valley had about a half of the US market cap of unicorn

companies. And unicorns are, of course, a lagging indicator, because it takes a couple years to get to a billion dollar market cap for most companies. But it was about half of the market cap. And then New York and LA were sort of coming up in the US. And there really wasn't much in Austin, there's more or less nothing in Miami. And then there was a handful of things. And in Utah, you know, Qualtrics, for example, just went public there, and a couple others has companies. And there's an increasing set of companies in Colorado, they were a little they were still early. And I think right now, during the pandemic, what I'm seeing is a lot of founders that I think of is sort of the next generation of founders are spending a lot of time in LA. Some of them are going to Colorado. Some of them were spending some time in New York. And then some of the New York people are going to Miami for a couple weeks during the winter. But I think that when things snap back, I do think it's possible the Bay Area will lose some people to some of these other regions. But I still think it's going to be the main technology cluster and hub in the US. And maybe it's diminished 20% instead of 10%. Or maybe it's 30%. But I don't think it's diminished. 50%. And the real question is, where do all the great ambitious founders go, it's not about the people who've made it, and the people who are already successful, because to some extent generationally, those people will matter less and less over time with some some counter examples. It's really the people who are the next waves of founders. And wherever those people are, that's going to be the new cluster. So I think that's the main thing to keep in mind, I think, separate from that. Ever since the internet was born, there have been these online groups of people who've gotten to know each other on Twitter or on Reddit or on discord or, you know, private WhatsApp, or slack or telegram or signal groups, right. And so I think that that behavior will only accelerate. And there may be these sort of cloud based clusters of people who will do interesting things together. And some of the really early crypto protocols are examples of that. Although I think it's striking that Coinbase is one of the main crypto companies not you know, projects, but actual companies, up until recently was quite centralized in the Bay Area, and a lot of the up and comers like anchorage for custody. bitwise for index funds are to go meet, which was eventually bought by Coinbase. You know, those were all based in either the Bay Area or in, in New York. So I think those clusters still mattered for that kind of stuff.

Jake 15:11
Right. So let's run with this a little bit more. You mentioned earlier how people drastically underestimated the internet 10 or 15, or 20 years ago, and you've just mentioned crypto, I've compared you know, I

wasn't really of age in the 90s. To appreciate like the beginnings of the internet, I was basically born with the internet. But it strikes me that it's a fair comparison to make to say that crypto now maybe at around where the internet was in like the late 90s, or something like that, and, you know, plus or minus five years. On the one hand, do you think that's a fair comparison to make? And do you think crypto may be as underestimated now, as the internet was then and even as recently as 1510 years ago? So that's kind of one question. I want to get a couple other points out before hearing your response there. One is, you talked about the importance of offline serendipity. But then you hinted at the possibility for more online serendipity, whether it's in a network like Twitter, you see what's going on with Reddit and all the GameStop stuff, you know, we're recording this and the thick of that, who knows where we'll be by the time, I release this next week, or the week after that, or something. But it's interesting to see these online groups coming together. And I'd like to hear, you know, you've launched this, this, for lack of a better word, maybe like a VR platform, where it's Pluto dot video, and you go on, and it's like an alternative to zoom where people can actually, you know, navigate like a, like a video game almost, and kind of go meet up and have side conversations in these different locations. And it strikes me that that's a better alternative to kind of create serendipity possibly than something that's you know, text only like Twitter or audio only like clubhouse. And I'm curious to hear your thinking behind launching that and putting, you know, a lot of your your focus and attention there. So the first question is really around crypto. And then the second is to talk a little bit about Pluto and the potential for online serendipity.

Elad Gil 17:13
Sure. So on the crypto side, I think we need to separate out super interesting technology from use cases that will actually use that technology. And I'm incredibly bullish on crypto and a lot of the important things that are still coming. And you know, I'm an investor in a variety of protocols, as well as a number of the companies I mentioned, including Coinbase and encouraging bitwise. And to go me and then protocols like cielo and coda, and filecoin, and a few other things like that. So I've been bullish on crypto for a while. I do think, though, that you have to ask what Where is a cryptographically secured permissionless programmatic system actually needed, you know, and if you look at the blockchain, it's effectively kind of a crappy database, right? When all said and done, but it has all sorts of other aspects that allow you to interact with it programmatically, and to basically form different types of contracts which are executed

algorithmically. And that are cryptographically secured. And so that means that if you're building a game, you could always do it on top of that system, especially if you have some sort of financial incentives baked into it. But you can also just build it as a normal website and web product. And that should work fine or mobile app, whatever it may be. And so when I think about what are the main use cases for crypto, that makes sense? First and foremost, it's things related to finance and money. And that's why I think, you know, Bitcoin really is an amazing potential store of value. And in some sense, a generational replacement for gold, or that type of store of value. And that sort of mindset or in store of value. I think, defy and the things that are happening there are incredibly interesting. And you know, being able to programmatically execute complex financial trades, to derivatized, collateralized, take loans, all the things that defy is really promising, I think, will be a major use case. And so I think one whole areas are on finance. And I think that's really the core of what crypto works very well for at least certain aspects of it today. Separate from that, I think an interesting area is NF Ts and collectibles and things like that, because you do have these digital artifacts and digital pieces of art and digital collectibles that again, are cryptographically secured and uniquely available to the user who owns them in different ways. And you can track chain of custody and you can do all sorts of really interesting things with that. So I think that's that's an interesting area. It's obviously a much smaller part of the economy. And people have always talked about the ability to like mix and match NF T's and avatars and tools and other things across games or other Other ways that you could start having that impinge on other aspects of the economy. And then lastly, I think the, you know, deep platforming of a variety of, you know, right wing outlets. Whether you agree with the outlets or not suggests that crypto may end up being a place, also for social products or social content over time. And that may or may not be a future that exists, there may be a big use case for it, or there may not be and I think only the future will tell on that one. But I do think that those are sort of the three use cases where the characteristics of crypto are actually really valuable from a product and end user perspective. There's lots and lots of places where people talk about crypto, this is unclear to me, are actually necessary, you know, in terms of someday Airbnb will be on the blockchain, and you're like, Well, why, you know, either way, you're gonna have to end up with something a little bit centralized in terms of how users access that service. And so it you know, there's just a lot of these use cases that people talk about that I just, I just don't quite understand why why it would be a superior product on the blockchain, other than you do it at a very low fees, but you could also do that off the blockchain. Right? It's not, it's not a necessary aspect of of implementing the features that people claim crypto helps with. So that's kind of my quick take on it.

Jake 21:25
So now talking about Pluto a little bit, and maybe opportunities for, you know, some some digital serendipity in the future, was that a part of your thinking, and obviously, you know, you're you have, your time is super valuable. And you're pretty busy investing in a number of things and involved with a number of companies, what made this something that you wanted to, you know, commit a bunch of your time to launching?

Elad Gil 21:47
I yeah, so I mean, basically, like everybody, during the pandemic, I started getting kind of sick of zoom, happy hours, and zoom meetups and zoom birthday parties, you know, you'd have 30 people on the line, and you would, you'd get kind of tired of just waiting for your turn to speak for two minutes, and then hear everybody else talk for 40 minutes. And it wasn't like a real social interaction. It was almost like a broadcast event. And so I started looking around the web in terms of what are products that allow you to have real serendipity. And there's a bunch of different things that people are experimenting with. And then you mentioned clubhouse, there's things like gather, and rally and sonar, you're doing all sorts of really interesting things in terms of like these, these cube avatars, there's all sorts of things being done in terms of decaying sound, like rambley, or, you know, sounded came with distance in a in a physical plane. And so, you know, I thought there was a lot of really interesting social experimentation. And so this was really initially just an attempt to create a space for me and my friends to hang out and have interactions. And I just started inviting bigger and bigger groups. And, you know, the experience continued to scale with large, large groups of people. And so I just thought it'd be fun to put it out there and see how people reacted to it and how people interacted with it. So at this point, it's not, you know, a giant official thing yet, it's just more of a, of an experiment and side projects in an attempt to see, you know, is this something that's really compelling to people or not?

Jake 23:23
Right, I think it's very interesting. And I think that there's a lot to be improved from zoom. Obviously, there's, it's nice that we had something like zoom to enable people to continue working during this

time. But it seems that there should be some better things coming in and maybe Pluto's as a part of that. Let's get back to the book a little bit. And some of the things that I took away from there, one of the important aspects you you mentioned, and highlighted was that when a company is just starting out, it can often be overlooked, that, you know, when they're growing at an extremely fast pace, even if the numbers themselves are very small, especially if it's organic growth. And it kind of I connected it to something I was recently reading Bezos, shareholder letters to Amazon, and he talks about, you know, how they've kind of created this nurturing culture where not just you know, obviously, the initial books business took off very quickly, but he talks about the importance of the same kind of recognition that you talked about, for, you know, the next product when Amazon's already like a $10 billion company, and you have a product that scales really quickly from zero to 10 million. It's easy to kind of overlook that because it's growing the company by like, you know, point 01 percent or whatever it is. But Amazon, they like, even like the leaders of the biggest products in the company, make sure to like get in touch with that team and be like, Great job, like keep going, how can I help etc, etc. What do you think, you know, and like, what's the importance of actually, you know, if you have a product that's growing like that, theoretically, it's kind of working already. What's the importance of Really, you know, acknowledging that and focusing on that? And what can you then do to kind of juice it to the max and like get the most out of this product that seems to be resonating early, whether it's like the first product of the business or a later product down the line?

Elad Gil 25:14
Yeah, it's a great question. And I think there's maybe two or three aspects to that. One is what are the directions that the product can grow so that it either works even better for the set of users that it has, or can expand into adjacent use cases or areas. And then second to that is what's the distribution and mode that you want to focus on relative to getting it to as many people as possible simultaneously. And so if we look at Uber as an example, you know, it really started off as sort of this higher end black car product. And then they started, effectively expanding the footprint of the type of users who could interact with it. So they added Uber x. And then they added all the various forms of Uber. And so that dramatically lowered the price point. And it also meant way more people could engage with the service either as a driver or as a as a customer. And then they started focusing on the geographic expansion. And then a few years later, they started building products on top of that, that utilize that

infrastructure network of cars they had in terms of things like Uber Eats and delivery and other things like that. And so I think that's a really great example of basically saying, how do we grow faster in each city that we enter? And what's the playbook for that? And the distribution approach to that? And then relatedly, what's the product footprint that we have so that we can maximize the number of people who find this to be a compelling service? And then on top of that, they started iterating on other things, like, can you schedule rides at certain times, if you need a ride at the airport, so you're sure the car will show up? You know, all sorts of things like that around optimizing the product?

Jake 26:44
Yeah, so another interesting aspect from the book that came up was in your interview with with Patrick Collison. And I bring this up after the last question, because again, I kind of relate it back to Amazon, Patrick talks about the importance of having these sort of founding documents with some, like key principles that should ideally remain the same over time. But he and you and in the book, and other interviews, talk about the importance of a company evolving in basically every way so like, you know, from the organizational structure to the culture itself, and to the people itself and the leadership. But it seems that there's some importance, at least from Patrick's perspective. And then from Bezos perspective, he every shareholder letter since 97, he's attached at the end his letter from 97, which talks about, like the importance of taking a long term view, and how a lot of the principles from day one, have kind of withstood within Amazon. And Patrick kind of talks about the same. So how do you kind of navigate this balance where like, you have these core principles from the outset that ideally should kind of remain the same over time. But then almost everything else, it seems, goes by the wayside as the company evolves, and the culture itself, which theoretically is kind of built around these values, but the culture does change as well. So like how it seems somewhat paradoxical to me, we'd love to hear you kind of elaborate a bit on on that,

Elad Gil 28:09
it kind of depends on what those principles are. If the principle is delight your customers, then that feels like something that's never going to change. But I think that the challenge is often the principles that people have early, a subset of them make a lot of sense and should stick forever, you know, you should be ethical and honor your word and things like that. And then there's some things that may be viewed as sort of these unchanging principles that turn

out to be not really necessary or maybe wrong later in the life of the company. And so it's interesting, because to your point on culture, a lot of people think that a company's culture should be static, and it shouldn't change. But every single other aspect of your company changes your product changes, your organization changes, your customer set changes that you know, how you sell to your customers may change, and your culture should actually change too. And the key thing is, there's probably a set of things that are core that you want to keep forever. Like, you know, make sure that your customers are delighted, or whatever it may be. And then there's a bunch of stuff that, you know, probably made sense when you were 10 people that may not make sense when you're 1000 people. And I think people need to people and companies need to give their themselves permission to make those changes over time. And to say our, our culture is going to evolve just like everything else. And just like our product is kind of the same product it was at the beginning, but it's it's changed a lot and a lot of things have been added and subtracted from over time. The same is gonna be true of the culture.

Jake 29:34
So let's talk a little bit about the evolution of the founder or the founding team itself. You you've highlighted how that's extremely important. The job of the CEO very much changes from in the beginning where it's kind of, you know, the task of finding product market fit, and maybe thinking of what's the next product or two to later stages where there's kind of a laundry list of pretty different items that the CEO is tasked with Who were some CEOs that you've observed either as an investor or during your time with, you know, Google with Twitter that you've seen kind of master this evolution and what were elements from, you know, whichever story you might choose to tell, that were like, most surprising, like, wow, I really didn't expect this executive to be able to change that aspect of kind of who they are and what they do, and they really just kind of crushed it.

Elad Gil 30:26
Yeah, you know, I think, um, I think there's a lot of people that have evolved pretty dramatically over time. And I think part of it isn't just the fact that they've lived through more, and they've seen more, and you know, the organization has changed, they've learned from people they've hired. But in some cases, too, you start off with very young founders, and they just mature as people and they grow into adults, over the life of the company, right? If you drop out of school, and you start a company, when you're 19, or 20. And you, you know, the first decade that you build it, you're basically going from

being a 19, or 20 year old to reaching your early 30s. And that's a massive life change. And there's a lot of maturity and shifts that come with that. And so, I almost view that as something that's under discussed is, you know, sometimes CEOs of very, of companies with younger teams are super mature and buttoned up from day one. But sometimes they're immature, and you know, what, that's age appropriate, you know, and sometimes you kind of want to cut them some slack due to the fact that they're in this really unexpected, unexpected, exceptional situation, and they're dealing with the best they can. And sometimes you should cut them slack. And sometimes you shouldn't just tell them, Look, I think this thing that you're doing just doesn't make sense. And it's wrong in these two ways. And, you know, the best founders will listen to that. So that, you know, I really do think that one of the interesting aspects of being an investor with companies that evolve over these long periods of time is just seeing the people really grow and evolve. And, you know, in some cases, an incredibly impressive ways.

Jake 32:01
That's interesting. I don't know if this is a fair parallel or comparison at all. But I always look at like, you see a lot of child stars and like Hollywood and TV and everything that kind of have a tough time in adulthood after being like, so famous growing up. And it's obviously a little bit different, maybe with a tech founder, but there is an aspect of like, actually growing personally and like having different life milestones along the way. And the challenges of navigating it, I always think it's like tremendously hard, like, I am not at all surprised and give credit to the child stars who kind of make it through, unfazed and like, Can resemble some semblance of, of normalcy, just because of how odd it must be to be someone like, you know, on the entertainment side, like childbirth, for Selena Gomez or something like that. And then on the founder side, like Zuckerberg, or a Dorsey or whoever it might be Patrick Collison, it's just very, I can imagine it's extremely challenging. So credit to, to those who are able to evolve for sure. You mentioned how, you know, also a couple of key tasks of the CEO, especially early on, but also later are managing the board and selecting great board members. A lot of the reasoning is that they can kind of be a hindrance in some ways. But also they can be a huge advantage. And so I'm curious, what do you think that, you know, you establish a great board. And ideally, I think, from your perspective, like a smaller board, at least in the early days, like three to seven people, maybe five, that, you know, can be really helpful, and no one's kind of getting in the way and they give, so long as the CEO or founder is kind of doing a good job, they just give

him the green light to kind of move forward and help where they can. You talked earlier about how like a market itself can make a great company, even where the kind of like an average or a decent team can a great board actually make a company if you have kind of a decent founder or decent CEO, who was either lucky or good at assembling an amazing board and then is able to turn to them to kind of guide the company to a great place.

Elad Gil 34:06
You know, I've seen boards sometimes blow up companies or really bad investor or really bad advisors sometimes can really hurt a company. I don't know very many circumstances where I've seen an investor or a board member, save a company, it definitely happens. And sometimes it'll happen through just being able to help pull together around or fundraise that would have fallen apart otherwise, or use their reputation in a way to help land a key deal or do something else. But you know what, 99% of the time, it's really up to the founders who drive the success of the company. And boards can be very helpful and they can be a literal sounding board and they can help manage emotional states for the executive team or the CEO. But I think most of the case most of the time, you really shouldn't count on your board or your investors as being the Sort of dusek smash my keen eye to like help save the company, you know, like, I just think it's really usually the founder who drives success. And again, there are examples where I've seen where a key investor or angel or board member has really helped. But not in a way that's necessarily as irreplaceable as like a great founder.

Jake 35:26
Right. So in addition to kind of building the board, one of the key functions of a CEO, again, from early days to later, I think one of the things that carries over is the importance of building a great executive team around yourself. And you talk about how, you know, when you when you have a great executive, come on board, maybe like your first great, experienced executive, it's almost like magic, like things just start getting done. And it's like, I think you quote like sedatives, like a wondrous experience, it sounds almost like what you kind of hear people talk about when they kind of discover product market fit. So I'll take a stab at calling it somewhat of like, executive company fit, how do you kind of in advance of actually seeing it play out just like product market fit? How do you like in the interview stage? Start to I know, this is, you know, a deep question, you've probably you did write basically a book about at least a chapter or so. But how do you summarize, like how to

establish, or, you know, have an idea that you have that fit? And like the interview stage pre hire? Mm hmm.

Elad Gil 36:32
Yeah. So, and I'd like to get back to the board thing, because I think there's something I kind of skipped over, that I should have mentioned. But on the executive side, you know, I think there's three or four things that you really want to look for in an executive. And, you know, number one is functional excellence, they actually know how to drive their function, or at least one core function that they're responsible for? Well, second, you want to make sure that they get along well, with the rest of the executive team, they put the company first over their own agenda, their collaborative, etc. Third, that they can recruit, and retain and grow talent. So can your CFO bring on great finance professionals, etc? I think that's really crucial. And lastly, can they think really strategically, and I think almost every function can can be a strategic function, if done well. And in most companies, there's only one or two functions that truly act strategically. And often, that's more than enough. So you're kind of looking for that mix of skills, and then just how do they fit relative to the culture of the organization. And, you know, and by culture, I mean, you know, the unwritten rules that govern the way that the company functions, I don't mean anything, kind of more than that. And, you know, when all said and done, I think the mistake a lot of founders make early is that they wait, once a company has product market fit, they wait too long to bring on great executives. And even if they know that they should, and it's coming and all the rest is still kind of stall out the first time. And I think it's pretty striking that you see a lot of second time founders, when they start a company, they have, you know, three VPS and the first 20 people and you're like, why would you ever have such a top heavy team. And the reality is, they're doing that because they understand delegation, and they understand they don't need to do everything themselves, and that there's way more elaborate than having other people who are better than you doing certain things. And I think you kind of have to learn that the hard way the first time, because the first time you tend to resist it, you want everything to be super flat, and non hierarchical, and all the rest of it. And I think it's great to have flat organizations is just having people who know what they're doing helps a lot to. on the board side, I do think that one thing I should mention is there are some board members who are incredibly helpful and were exceptional. And to some extent, when looking for a great board member, you want to find somebody who, you know, optimally, I think Reed Hoffman puts it as somebody who'd like to, you know, start a

company with, you know, where you would have started the company with somebody of that caliber of excellence. And it's usually somebody that you wouldn't be able to hire into the company otherwise, and so you bring them on as a board member and as a partner to what you're doing. Now, obviously, because of venture capital as a bundled product, where you're having a bundle of governance advice and money, you don't necessarily have as much say in terms of the skill set and the background and the expertise of your board member, depending on the firm you're raised from, or how desperate you are to take money. And so that impacts what your board composition is, but the sort of platonic ideal of a board is, you know, a high functioning group of people who are there to support and help the CEO and their team and the company in different ways. And you can act as a strategic sounding board to help with capital raises help with closing executives and candidates help with specific issues that the company may face. But not every company ever hits that that ideal situation.

Jake 39:54
Yeah, so last thing on on kind of the CEO role. You and you kind of hinted Got this earlier with talking about, like, you know, handing off certain responsibilities to, to your great executives. But you talked about how important time management is for the CEO that if you kind of, don't do that, first and foremost with yourself, then you're probably going to burn out, that's probably gonna hurt you, that's probably going to hurt your company. So there's a bunch of strategies you called out, like delegating and auditing your auditing your calendar every so often saying no to a lot of things, prioritizing various activities, and making sure to kind of fit in the things that give you energy, whether that's like spending time with family or, you know, taking your dog for a walk, doing things that you love, whatever it might be, what are some of the strategies that have either, you know, whether it's something that I just named, or something else, but kind of specific strategies that you've either been able to employ successfully yourself or seen executives employ very successfully kind of throughout your your time, you know, with these companies or as an investor?

Elad Gil 40:58
Yeah, I think the biggest transition that I've seen either first time executives, or first time CEOs have to go through is number one, really trying to figure out what is the set of meetings and work that you really need to be part of, and what are the things that you truly can just hand off and delegate. And you'll often see people continue to go to meetings well after their sort of expiration date in terms of

the importance of them being there. And if they get out of those meetings, that actually frees up an enormous amount of time. And part of that sometimes means actually, creating a separate meeting, which actually aggregates all the little mini decisions that would have been spread across the five other things that you normally would have attended, and just consolidating it into a half hour. And so that's why you end up with product reviews, or engineering reviews, or design reviews or things like that, you're basically centralizing all the decisions into a small spot of time, instead of spreading them throughout the week. So that's one big shift. The other big shift is finding, effectively lieutenants to whom you can delegate big chunks of your respective or function, and really figuring out how to effectively delegate to those individuals. And so it's really building up that team. Now, before you have product market fit, you can't do that, because you just can't afford all those people. And they may also not want to join because they don't want to join something that's super high risk, when they have lots of opportunities are things that are clearly working. And so at the earliest stages of a company, unless you have had a lot of success before and can attract those types of people early. You just can't do that. But then once you have product market fit, you need to start bringing those people on board as quickly as you can. And that's usually where you end up with a lag. Because you effectively train yourself to do everything yourself or to control everything yourself. And it's sort of a lesson that's hard to unwind. In other words, the thing that made you successful may not be the thing that's going to hurt you. And you also see that with other types of time management, right, early in your career, you end up saying yes to a lot of things. Because the cost to yourself, in some sense is low or perceived to be low, but also just don't have that many opportunities. So any opportunity that comes your way, in some sense, is a good one, right on a relative basis. And so some very successful people say yes to a lot of things. And it may be Yes, along a focus set of areas, right? Yes, I'll help you with this open source project, or Yes, I'll help you with this developer tool or whatever it is maybe a thing that you say yes to a lot. But you don't necessarily say yes to other stuff, right. But then later in your career saying yes to everything really backfires. Because suddenly, you don't have a lot of time. And there's more and more people who want little pieces of your time, and you need to learn how to focus it. And the same thing is true in terms of delegation and building out a team. As a company starts working, it's more or less the same pattern, the things that made you successful, may now actually hurt you.

Jake 43:54

Yeah, that makes sense. And I think that's, I mean, it's something that I spend a lot of time thinking about already. And maybe it's like almost too early for me to be thinking about preserving and reserving my time. You know, my age and without being like, extremely busy, but I think it's definitely a valuable exercise to just be very mindful about where you invest your time, because it's, in my opinion, even more valuable than, than where you invest your money. I want to to close

Elad Gil 44:21
by the way Sorry to interrupt, but I do I do agree with you. And I, I do think that no matter where you are in your career, that's a really valuable thing. I guess my point is, the opportunity cost of certain things are lower, really in your career, and therefore you end up saying yes to more things naturally. And that often is what creates that ability to bootstrap yourself into success, right? You help out three friends with different things that you know what they're different side projects in London turns into a major company, whatever it is, right? And so you just have more capability to sort of or not capability. You're Your relative cost of housing may be lower in some ways. But to your point, you want to keep it within a focus sphere or domain, you want to focus on building versus talking, you know, like, I think there's other characteristics of, of participating in, in your community early. And to your point, I think you want to keep some of those activities pretty focused.

Jake 45:24
Yeah. And I think for me, I think about like, what's, what are some high leverage activities that are things that I really enjoy to do, because those actually add to my energy rather than take away energy. So like being on with you right now, not only am I learning a ton, and did I learn a ton in preparing, but I'm spending an hour with you, and I'm taking an hour of your time, which again, I really appreciate. But then it's going to be listened to by 1000s of people for 1000s of hours, you know, in the next week or two, let alone for the eternity of time that people can go and listen to this podcast. So I think it's a super useful thing to be like I'm learning, and I'm doing something that I'm really enjoying other people are hopefully getting some utility and learning from it. And it's just like, what could I better do with an hour. And you know, the time that I spent in events, preparing and everything like that, so I'm trying to be conscious. And that was definitely something I think about, and encourage people to go read the book. As you know, it's kind of going to be the last question I asked in that realm before closing out with one last

question and giving you the last word. So and again, the book is called high growth handbook. And I'm looking forward to rereading it one day myself, hopefully, when I'm kind of at a more appropriate time. But the last question I want to ask is, you've have this interest in longevity. And like, my first guest on the podcast was Aubrey de Grey. It's something where, you know, I'm interested in crypto and city building and some other things. But longevity, I think maybe the most important problem kind of of my generation, if we can do anything meaningful to slow and or reverse aging and live meaningfully, longer, healthier lives. I know that you helped, you know, support Laura Deming with the age one work that she was doing, I actually was fortunate to attend the first meeting that they did, it's crazy. It's like 2025 30 people, maybe Patrick Collison was actually the speaker. And so she was asking me some questions. Pretty sure I was the only investment banker in the room at the time, but I was just lucky to be there. And it was one of those things where it's like, this is really an awesome place to be what got you interested in longevity in the first place? And what do you kind of foresee, obviously hard to predict, but over kind of of whatever time horizon you think is relevant, what do you see unfolding?

Elad Gil 47:38
Yeah, so um, I first got interested in aging and longevity in high school. And it was originally a problem that I thought I was going to work on. And so I went and, you know, I got degrees in math and molecular biology. And then I got a PhD in biology. And for my PhD, I actually worked on the biology of aging. And in particular, I worked on a pathway that is at the intersection of aging, cancer and insulin, it's what's known as the DAF pathway, which is sort of the canonical anti aging or longevity pathway, and C. elegans, which are these little worms that are studied in the lab. And I also did some mouse in sort of human tissue culture work around it. And then I went into tech, and I continued to track the field over time. And it became pretty clear that there actually wasn't very much science being translated into actual drugs and medicines related to longevity. And so even though the corpus of knowledge around aging kept growing, nobody was doing anything with it. And so, to your point, I got involved a little bit with what Laura was doing, and just tried to help out in small ways, but surely, you know, is amazing in her own right and doesn't need the help. And then I seated this company called bio age, which is run by a former Stanford postdoc in aging biology, who's just a fantastic founder. She's actually now in licensed to drugs from large pharmaceutical companies. And we'll be running clinical trials for anti aging applications this year. And then I also

helped get a company called spring discovery up and running, which is run by Ben caimans, who's also very good and, you know, they use machine vision based approaches to create high aging related essays. And they similarly now have a few candidate molecules for as real anti aging drugs. And so my focus has really been on trying to help translate hard science into actual drugs. Because I think enough of the science has been done that translation is really something people can focus on instead of having to create yet another scientific institution for it. So that's been my emphasis and Focus on the aging side.

Jake 50:03
And any predictions for the future?

Elad Gil 50:10
I mean, there are some drugs that exist on the market today that are FDA approved drugs that impinge on aging anywhere between, say, five to 20% of lifespan. Metformin is one rapamycin is another that seems to affect aging and multiple organisms, although it does have some side effects in people in terms of being an immune suppressant, which is was, which was its original use. But in mice, for example, it extends lifespan between 10 and 30%, depending on the sex of the mouse, and the experiment that's being run. So you know, I think it's really just bringing some of these things to market and probably the way you bring them to market as a narrowly focused indication or use case. So you can get FDA approval, and then you can kind of expand from there in terms of multiple indications, and then eventually aging. So I think the path from a regulatory perspective is pretty clear. So I'd be pretty surprised if in the next 10 years, we wouldn't have one or more drugs that start off with a specific aging indication that could then broaden into other stuff. I still think there's enormous amount of stuff to be done in this field. And so I still think there's room for more companies to do really interesting things. And the biggest challenge, frankly, for anti aging companies is the earlier rounds tend to be really easy to raise. And then the later stage rounds for companies start to get tougher. And I think in part, that's because last year, restore bio and unity both had sort of, they're both public market companies in aging, and they both kind of had bad results in their clinical trials. And so that kind of hurt the field for a year or two. And now, you know, in the last week, I've actually gotten two pings from anti aging companies, when you know, there'd been a couple months without so it feels to me like that area is starting to get a lot more interest again. And there's there's more people starting to work in it again, and things like that there was

almost like a gap of this year where things at least to me seem to have slowed down a little bit because of these public market companies not doing very well.

Jake 52:05
Right, well, hopefully, there continues to be some more momentum. And maybe this is just a blip on a larger, you know, acceleration towards some of these anti aging technology that I hope a lot more attention and funding goes that direction. And certainly appreciate your being one of the earliest people to kind of push it forward. Thank you so much, again, for taking the time. I know we're up on time, but I appreciate you coming on and answering some questions. I think this is probably one of the most insight rich conversations I've had on the podcast thus far. So appreciate your time. And I guess last word anywhere that people can go follow you. And you know, I told people that they can go read the book, but anywhere you want people to kind of stay in the loop on what you're working on and some of the things that you're doing.

Elad Gil 52:52
Oh sure, ya know, so people can follow me on twitter at a lot Gil or they can just go to a lot gil.com and, you know that links to my blog and the book and a few other things. But thanks so much for including me today. I really appreciate the conversation and the discussion.