

# Disrupt Yourself Podcast

## EPIISODE 221: CHRIS YEH

Welcome to the Disrupt Yourself podcast, where we provide strategies and advice for how to climb the S curve of Learning™ in your professional and personal life, disrupting who you are now to slingshot into who you want to be.

I'm your host, Whitney Johnson.

Before I introduce our guest today, if you haven't already, will you take a moment and leave a review on Apple? I continually receive emails from you telling me how useful these interviews are, and I'm confident that others will find them useful, too. But they can't listen to them if they don't know they exist. Your leaving a review signals to the algorithm boards and other podcast listeners, "Pay attention." And I would personally be very grateful.

Now, today, our guest is Chris Yeh. He's a writer, investor, and entrepreneur who has not only had a ringside seat in the world of startups and scaleups for 25 years, he has been in the ring. Chris Yeh has coauthored two books with Reid Hoffman, the founder of LinkedIn, the latest book being *Blitz Scaling*, that talks about how companies like Amazon, Alibaba and Airbnb were built in record time.

**Whitney Johnson:** I would like to start with a crucible moment, a moment where you felt like, "When I look back at this, this is going to be a defining moment for me as a leader," or even just for you as a human being, an individual. What would be that moment?

**Chris Yeh:** I always remember this moment very distinctly because it occurred for my first big startup win. So, back in the 2000s, I got involved with a company called Ustream, which is a pioneer in the live video streaming space, and eventually went on to be acquired by IBM. And during those early days, I came in as the first investor and also as the interim CEO to help get the company off the ground. And one of the things that happened is we had the opportunity to suddenly hire away this very experienced engineering team in an Eastern European country that was one of the leading engineering teams in the world in handling live video.

And they said, "We will only jump ship if you, in fact, can show that you have \$250,000 in the bank.

Now, that doesn't sound like a lot, but at that point, the company was operating off my credit card. And so, it was a significant amount of money. And I remember at that moment saying, "OK, here's what's going to happen. I'm going to quit my job," because I had a different job as an executive at that point in time. "I'm going to quit my job and I'm going to go to everyone I know and I'm going to raise \$250,000 over the weekend. And then on Monday, we'll give you the answer and tell you that we can hire you."

And that's precisely what we did. And this was a big step, because even though I had been an entrepreneur before, I had not approached people I knew for investment and people knew that. And I said, "Listen, I'm approaching you now because I think that this is a huge opportunity. I think it's going to be successful. Of course, there's never any guarantee. But as you know, I've never come to you before and I'm coming to you now." And I was able to raise that money. We were able to hire those engineers. They formed the core of the engineering team. And ultimately, IBM bought the company for 130 million dollars.

**Whitney Johnson:** I love that story. And now I want to know, why. Chris, why was this a crucible moment for you? So, you look back at it. It's a great story. What's the meaning that you make of it?

**Chris Yeh:** So, the meaning I make of it is that it's very rare that the decisive moments in your life come to you labeled as such. Far more often, they come to you and you don't even realize they're going to be a decisive moment. But this was one that was coming in, labeled as a crucible moment, literally had a sign, "Hi. I'm a crucible moment." Because I had a high paying job as an executive at a startup company with a lot of funding. And I was doing this on the side and my thought was, "Well, I could continue doing this on the side. And there are founders to run the company, and I can avoid taking on a lot of personal risk," because I don't like taking risk. I know it's funny for someone in the startup world, but personally I'm like, "I'm happy with uncertainty. I'm not happy with downside." And it was a big moment to say, "Is this the thing I want to bet on?" Not just by quitting my job, which is a big deal, especially at young children and bills to pay, but also in the sense of going to everyone I knew and asking them for money? And I had to make a decision in that moment, "Am I all in or not?" And that's what made it a crucible moment. It was a "I'm going to take a leap off the cliff," as my coauthor Reid Hoffman often says, "and build the airplane on the way down."

**Whitney Johnson:** And what I love about this is, um, we're going to talk about your book *Blitz Scaling* in just a minute. And what I love about this is that this was in many ways a blitz scaling moment for you personally. And so, let's now talk about what that is. You coauthored this book. It's now been a year or two. Was this 2020 that this was published?

**Chris Yeh:** Astonishingly enough, the book came out in 2018. So, we are coming up in the fall on the two-year anniversary and it's been quite a whirlwind.

**Whitney Johnson:** You set the premise of this book, which I love this provocation in one of your videos, if you want to, 50x employees, 94x your customers and 322x your revenue, you will blitz scale. So, can you define for us what that means if you're a company? What is blitz scaling?

**Chris Yeh:** So, the simple definition of scaling is prioritizing speed over efficiency in the face of uncertainty. And the reason it's so important is we live in a world where more and more of the markets that we operate in are "winner take most markets," and that's primarily because we're all connected together by the Internet, so there are more network effects. It also is the fact that things tend to be more global. Used to be every town had its own little set of winners and now there tends to be one global winner. So, the stakes are higher than ever before. And if it's a race to be the winner in a "winner take most" market, then you have to go faster than the competition. It's like 100-meter dash and you're racing against Usain Bolt. You better be running as hard as you can. And part of the way that startups are able to run so hard is by being willing to sacrifice efficiency to take on the risk, much like that crucible moment that we just described.

**Whitney Johnson:** Is there an example of a company that you can share with us that people will say, "Oh, yeah, I know that company, that blitz scaling moment." So, we've had the individual Chris Yeh blitz scaling moment. What's a company moment?

**Chris Yeh:** Well, there's an amazing story that we opened the book with, which is the story of Airbnb. Now, obviously, these days, everyone knows Airbnb is worth around a 100 billion dollars, massive success, but this was much earlier in the history of the company. It was when the company was just 30 people in San Francisco and it just operated in the United States. It wasn't operating globally yet. And that was when they discovered that the Samwer brothers in Germany who run Rocket Internet had created their own Airbnb clone for Europe, and this was a company called Wimdu. And the Samwer brothers said, "Hey, we are funding this company with 100 million dollars. We're hiring 400 people. We're going to expand all across Europe and we're going to dominate this European market. And if you want, we can merge right now, and you give us 25 percent of the company and you can have what we have as well." And that was one of those crucible moments for Brian Chesky and his co-founders at Airbnb, which is, "What do we do? Here we are. We're a small company. We've raised something like 20 or 30 million dollars. And here we have a competitor run by these guys who are billionaires who have raised 100 million dollars and are literally 10 times our size. What do we do? Because if we let them take over Europe and dominate Europe, it's game over because this is a travel company. People need to be able to travel all around the world and know they can go to Airbnb. On the other hand, do we really want to give up a quarter of our company to people who are essentially coming over and putting a gun to our heads and saying, 'Hey, this is a stickup?'"

And what they eventually ended up doing is deciding, "You know what? We are going to rise to this challenge." And this actually came about because Paul Graham, who is the founder of Y Combinator, told them, "Listen, those guys don't actually want to run this company. They just want a piece of you. So, why don't you punish them by forcing them to operate the company?" And so, Airbnb went out, raised more money, started hiring people in Europe, expanded into Europe, expanded into something like 12 cities over the next six months, and they headed off the threat. They were able to ultimately dominate Europe and become the dominant global player. And Wimdu, eventually went out of business, went bankrupt despite the 100 million dollars in backing and everything else. And it was precisely right because they were missionaries who really cared about building this company. And here are these other guys who said, "We're just going to hire a bunch of ex McKinsey folks and we're going to build this up and you can either get on board or die." And they called their bluff. And ultimately, it was a crucible moment. It made Airbnb grow faster than they otherwise would have, which probably got them to this end state of being the winner, faster than others, faster than they otherwise would have. So, it ended up being a good thing for Airbnb, even though obviously, at the time, it felt terrifying.

**Whitney Johnson:** Terrifying. It's a perfect word. So, speed over efficiency in the face of uncertainty.

You talk about in your book, there are three things that need to be in place in order for you to blitz scale: business model innovation, strategy innovation, and management innovation. Can you touch at a very high level that you can pique people's interest around this? High level, what are those that give us a quick example?

**Chris Yeh:** Absolutely. And the other thing that we find fascinating about this is the innovation that we didn't mention, which is technological innovation. Far too often people think technological innovation is the only thing that can drive these things. And of course, technological innovation is important, but it doesn't actually provide the ability to transform the world and build these companies unless you have the other three.

So, from business model innovation, it's just observation from looking at the history of these different waves of technology and technology companies, it's that when people first have a new technology, the first instinct, because it's comfortable, is to just take the existing business model and translate it online. And so, when the Internet came about, for example, people said, "Oh, well, this is like a newspaper. So, we're going to make it like an online newspaper." Well, just translating a business model from one medium to another doesn't necessarily work. You have to actually think about, "What is the true way that this is going to work?" And as it turns out on the Internet, the most successful business models are things that never existed before. So, the AdWords system of online advertising, text-based ads, that wasn't something that ever happened before, or Facebook's news feed and sponsored items, that's not something that ever happened before either. So, these business model innovations are necessary to drive these huge outcomes.

And once you have the business model innovation, you need to have strategy innovations, because you just can't follow the same strategies. Again, we're Harvard Business School types, and so we know about the seven S model and all these different things. You can have all these different models and they're relevant and you can use them, but

at the end of the day, most people have to create strategic innovations as well along the way in order to take full advantage.

And then once you have strategy innovations in place now, all of a sudden, the traditional management things that you read about in Harvard Business Review probably won't work either. And so, now you need to undertake management innovation to manage a company that is tripling in size every year.

**Whitney Johnson:** Let's go back to the strategy piece for just a minute. You touched on the business model innovation. Give us an example of what the strategy innovation might look like.

**Chris Yeh:** So, let's take the example of a company like Facebook. What is Facebook's strategy? How would you go about building a social network? Well, the traditional way of building a social network would be, or any sort of media-based company, would be, "Well, let's run advertising. Let's build this up." That's not what Facebook did. Facebook's strategy, innovation, something they did very cleverly in the early days, was they had a very specific market focus, which is colleges and universities. And rather than saying we're just going to launch as many colleges and universities as possible, they took a very different strategy. They would have people request Facebook to come to their college university and they would wait until the request exceeded half the student body, and only then would they release Facebook at that university. They made it something that was exclusive, that was something that people had to work for, but it also meant that the day that Facebook turned on at a college university, it almost instantly had critical mass. They didn't have to go through this cold start problem, "How do we get people on to something which other people aren't on?" So, that's the kind of strategy innovation that it doesn't sound like something that comes out of a Harvard Business Review article but was perfectly suited to the particular nature of the business they were building.

**Whitney Johnson:** And then the management innovation is you can't manage a business that's growing at... Your employees are growing at 20 percent or 30 percent or 100 percent per year in the same way that you would when your employees are growing at four percent per year. Is that where you're going with that one?

**Chris Yeh:** That's right. So, when we think about it, a company that's blitz scaling might very well be tripling every year. Well, when you're tripling every year, by the end of the year, there are two things that are true. First of all, the company is almost completely different than it was at the beginning of the year. It's triple the size. But the second thing is over two thirds of the people are now new, right? They weren't there at the beginning of the year. And so, this is a really different environment than a classic company that's growing at a steady 5-10 percent a year, where most things you can just assume, we can keep doing what we did before and make incremental change. Instead, you have to recognize that the fundamental nature of the company is changing every 6-18 months and that you have to make the change as well. You have to learn about your new situation, figure out the new set of rules. The way we describe it is... It's like playing a game and you start off playing Checkers next you're, playing Chess and next you're playing Stratego, next you're playing Axis and Allies. And each time the rules are completely different. And you have to say, "I can't just follow the same rules that worked before. I've got to discover what these new rules are and then be successful."

**Whitney Johnson:** I want to just make a quick note to our listeners, and Chris, you can editorialize as we go, so most of our listeners are really familiar with the S curve. I talk about it in the context of the S curve of Learning™ for individuals to think about how they grow. And you talk in the book about the S curve of Scaling. And so, let's see if I'm capturing correctly what you're teaching and walk it over for our listeners.

So, you've got the classic startup growth at the bottom of the curve. You're figuring out the product market fit. You're trying to be efficient when things are uncertain. So, that's the classic start of bottom of that S curve. Then you move into the steep part of the curve. And this is the blitz scaling that we're talking about, where you're looking to achieve dominance ahead of your competition, you're sacrificing efficiency for speed and things are uncertain. So, this is the steep part, and it is terrifying. And if it's working well, you are a rocket ship. Then as you approach the top of the curve, you actually transition to fast scaling. So, you're still sacrificing efficiency for growth. So, if things feel a little bit like they're going to career out of control, but it's less uncertain. So, the certainty is increasing. And then you get to the top of that S curve, traditional classic scale-up growth, focused on efficiency and you've got relative certainty. So, did I capture and encapsulate that correctly?

**Chris Yeh:** Yes, you did it perfectly. And the implication of that is that you don't blitz scale forever. That for a particular product or particular business line, you're not going to blitz scale forever because you should be looking for the signs that you're transitioning to something else.

An example we give in the book is Twitter. Twitter is a classic blitz scaler, growing at an insane rate. But it turns out that in roughly the 2014-time frame, the number of Twitter users essentially capped out. Twitter flatlined in terms of user growth and essentially been at the same size ever since. But Twitter kept growing. Its number of employees kept spending money because the revenues were still increasing. Well, guess what? The leading indicators, the number of users. Yes, you may get better at figuring out how to monetize those users, but when your user growth is tapped out, you should not be blitz scaling. You should be thinking about efficiency at that point. You should be fast scaling and then eventually going to classic scale up growth. And so, these things don't last forever.

But the corollary to that corollary is if you want to continue growing, what you need to do is you need to layer in new products and new businesses. And we can look at the success of a company like Apple and say, "Wow, that's what's happened. Apple is dominant and has done all these things because it is continually layered new products and new services and new businesses on top of things." It's not just a personal computer company. It is a music company. It is a phone company. It is a tablet company. And each of those has their own S curve and some may last longer than others. The iPhone S curve has lasted a really long time. It's continued to allow them fast scale that business for quite some time. But even that may someday become something that's mature and traditional scale up growth and should be managed for efficiency. And again, that's why Apple, like every other company, will continually need to innovate and build new businesses if it wants to stay on top.

**Whitney Johnson:** You have said that the question you are most often asked is, "How do I know when I should blitz scale?" I think about my own business, you know, more of a startup. So, what do you say to startups and then what do you say to someone inside of a Fortune 100 company? How do I know?

**Chris Yeh:** So, this is an excellent question. And when we think about blitz scaling, we have this set of growth factors and growth limiters that tell you whether or not a particular opportunity is blitz scalable. Now, what we've done since the book is refine our thinking and say, "You know what, some of these are necessary but insufficient and some of them are essential." And what we mean by necessary but insufficient is they need to be in place in order to blitz scale successfully but having them in place doesn't necessarily mean you should blitz scale. So, these are things like having product market fit, because without that, you can't have sustainable success. Having high gross margins, because someday you need to actually make money. Having a big market, because guess what, unless you have a big market, you're not going to be a big success. And having the ability to scale up the operations and organization, because if you can't grow to match your growth, then you're not going to succeed either. So, those are all really important, right? You should not build a company rapidly or invest in a company if you're an investor, unless you can see those essential elements in place.

However, they do not indicate that this is necessarily a blitz scaling opportunity. They're merely necessary for blitz scaling to be successful. Every successful company that's worth 10 billion, 100 billion dollars has those factors at play, and they may not be built scalable at all. They may be a 200-year-old company that has product market fit, has high gross margins, has a big market and has the ability to scale. And yet that doesn't mean you should blitz scale. So, the things that really are essential for blitz scaling are having a "winner take most" market dynamic, which oftentimes is driven by network effects of the technology world.

So, things like Facebook, where the more people who are on Facebook, the more people want to be on Facebook or some sort of a landgrab. There are times when, for example, with an enterprise software product, once you get into the deep interstices of the organization, you'll never be turfed out. Just take a look at how impossible it is for people to escape the dominion of Salesforce.com or Microsoft on the enterprise side. So, that landgrab element can also be a good reason to blitz scale.

And then the other thing you need to look for is some sort of scalable distribution. If the goal is to outrace your competitors to the finish line, distribution determines how quickly you can sprint. And if you don't have better distribution than your competitors, you're going to end up losing that race.

So, those are the things we look for. And when we look at a particular opportunity or company, we can tell you, "Okay, should you do this or not?" So, if you look at something like WeWork, for example, you'd say, "Wow, WeWork could potentially be interesting and it's growing so rapidly." But the issue is, well, is there really a network effect? Well, no, actually, if WeWork is really crowded, you probably don't want to go there. That's a negative effect. And then is it landgrab because they're obviously locking up leases? Well, no, because if you look at WeWork and you look to the left, there's another building and you look to the right, there's another building. There's no monopoly on office space in the particular city. So, as a result of that, even though WeWork could very well be a good business if run properly, it's not the kind of business where you should say, "You know what, we're willing to lose billions of dollars to scale up because once we achieve scale, we're going to have a dominant position that allows us to print money." It's something they're still struggling with.

**Whitney Johnson:** As you said, there are a number of factors that are necessary, but not sufficient. So, high gross margins, et cetera. In order for you to know that you could consider blitz scaling, there's got to be this distribution opportunity, you can embed yourself into the internal bowels of an organization, and there are network effects.

All right. So, question for you on this then, and obviously, it sounds like it applies whether you're a startup or inside of a large organization... For people who are listening and saying, "You know what? I'm not going to blitz scale my company or my division, but there are some elements of this that are universally applicable regardless of my situation." What are one or two of those that you would say to people, "Why do you think about blitzing a little bit more than you currently do?"

**Chris Yeh:** Absolutely. See, if you think about the definition of blitz scaling, the techniques of blitz scaling are essentially techniques for being able to move faster. And there are many opportunities and many situations where you may not want to fully blitz scale. You may not want to go on an all-out sprint, but you may want to move faster. And so, we have these rules of blitz scaling that can help you figure out how to move faster. So, a classic example, and this is something that applies even in non-blitz scaling companies is this very BuzzFeed clickbait-y expression, "Ignore your customers." So, we're very used to this thinking, "Customers are really important. The customer is always right." But the principle of ignore your customers is think about whether the customers that are clamoring for something right now are actually your customers of the future, because it is very easy to get caught up in serving the needs of early adopters and not realize that those needs are not going to be there when you have mainstream adoption or maybe you're looking to evolve your customer base and you're serving small businesses now, but you expect to be serving medium sized businesses later. Well, optimizing for your current set of customers is not going to get you to the ultimate destination you're looking for. And that's something that can be applied whether or not you're blitz scaling and tripling your company in size every year or whether you're thinking a little more long term.

**Whitney Johnson:** So, pay deep attention to your customers and ignore them. So, it's a "both and" isn't it?

**Chris Yeh:** Absolutely, "yes and" is one of the great principles of life which I've learned from improvisational comedy.

**Whitney Johnson:** Anything else you want to share about blitz scaling before we jump to your, your prior book, *The Alliance*?

**Chris Yeh:** I think the last thing is you mentioned blitz scaling, being relevant to larger corporations. And what I tell large corporations is that a lot of times people, especially from the startup world, look at a big company and they think it's a monolith. They're like, "Oh, this is a big company. It grows at five percent a year." And actually, it's what I call the duck principle, right? The duck is floating serenely on the water under. These things are furiously churning. There are some businesses that are in decline. There are some businesses that are growing rapidly and there's an entire portfolio of things that are going on. So, even in the most stodgy of gigantic 100-year-old companies, there are portions of the company that have blitz scaling-like characteristics. And so, the key thing to do is to not figure out, "Okay, how can I scale my entire 100-year-old company? is to figure out what elements of the company, which product lines or which business lines are the ones that I should really be thinking about growing."

**Whitney Johnson:** That reminds me... I remember hearing you, you and I had a brief conversation that you have a fund, a blitz scaling fund. Tell us a little bit about that.

**Chris Yeh:** Sure. So, Blitz Scaling Ventures is a venture capital fund that invests in the fastest growing companies that have been backed by the top VCs. And what we do is we look at all the companies that are being funded by the greatest investors in the world, and we figure out which of those we think are the most blitz scalable. And again, this illustrates the principle of the fact that blitz scaling is not the only way to build a great company. There are thousands of companies being funded by these top venture capitalists every year, and only a handful of them are truly scalable. That doesn't mean the other ones aren't going to succeed. You can make billions of dollars in companies that are not true blitz scalers. A company like Snowflake, for example, on the enterprise software side is worth 70 billion dollars. It's not a blitz scaler, but that certainly is a phenomenal investment. So, from a blitz scaling venture perspective, we focused just on the ones that are blitz scalers and I develop a relationship with the CEO. Basically, "Let me help you figure out the best way to scale your company. And if we're able to help you, then we'd love to put one to two million dollars into your company." And that's basically the principle. It's all a giant scheme for me to be able to work with the most amazing entrepreneurs in the world and gain some economic benefit from it.

**Whitney Johnson:** Sounds like a good business model to me. So, speaking of that, being able to partner with CEOs, let's talk about your book, *The Alliance*. I know it's a slightly different topic, but it seems like a good segway. In that book, you talk about thinking of your employees not as free agents or as family, but as people doing "tours of duty." Talk to us a little bit about that.

**Chris Yeh:** So, we all have these different models in our mind for how the relationship between an employee and a manager and an employee and an employer should work. And the classic ones are "It's a family." Obviously, that's not true because in a family, you're stuck with each other. I've never been able to fire my children and replace them with people I outsourced from a different country. So, that's just something that's not true. And you can have this illusion of being a family, but sooner or later someone's going to leave and all of a sudden you have to choose between either shattering that illusion or having everyone pretend that that person never existed. Both of those are terribly unhealthy. But what's also unhealthy is to go to the other extreme and say, "Listen, we're all just free agents, we're all just mercenaries, everyone's out for themselves." That's no way to build trust. That's no way to build long-term value.

And so, we said, "You need to look for the happy medium." And that to us is what we call an alliance, because an alliance is a relationship between two parties that are on a more or less equal footing. It's not like a parent and a child. It's not like a bunch of mercenaries. It's people who are choosing to work together to be allies. And if you do that and you define a clear tour of duty, "This is why I am joining this company. I'm joining this company to accomplish the following things for the company and to accomplish the following things for my career." That means that people are not drifting around, not sure why they're there. They know why they're there and the company knows why they're there. And then if they are successful what they do, then you have a clear sign that now is the time to try to define that next tour of duty. And a lot of people have this misconception that we're saying people should always switch jobs. Not true. What we're saying is you should always be aware of what your mission is. And if you can get that mission, if you can get a series of really cool missions at the same company, so much the better. We think that by doing this, you can actually have a longer employee tenure rather than shorter.

**Whitney Johnson:** Yeah, I completely agree. And for our listeners, there's some pattern recognition here of the S curve of Learning™. You know, you start at the bottom, you climb to the top, and when you get to the top of that S curve, in Chris's language, the tour of duty, then it's time for you to disrupt yourself and start a new tour of duty. And as you say, Chris, the people, the companies that are the most successful are the ones that allow people to have multiple tours of duty because people have this opportunity to continue to grow and to develop.

**Chris Yeh:** Absolutely. And again, I think that there is a strong alignment between *The Alliance and Disrupt Yourself*, because what we talk about in *The Alliance* is, we say, "These tours of duty are meant to be transformational. After you go through a tour of duty, you should be in a different place than you were before. You have a new set of possibilities." And that's that disruption you're talking about. Disruption is not about "Yes, I'm going to disrupt myself then everything will be the same." It's, "I'm going to disrupt myself and have a new set of possibilities."

**Whitney Johnson:** I love that encapsulation. All right. So, you talk about, in the book, something called an Employee Networked Intelligence Program. It sounds so, so Mi-6. Tell us about, what is that?

**Chris Yeh:** One of the things that we know about the world is that we are much more networked than ever before. And it has always been the case that companies exist both with their own sort of network, but also the network of their employees. And every employee that you have at your organization, especially because they're more deeply interconnected than ever before, is like a little sensor out in the world, picking up information, picking up signals. And far too often companies ignore this incredible resource. They'll subscribe to Forrester or Gartner and read a report, but they won't be tapping into what the employees who are actually out there doing work are learning from the people they interact with. So, when we talk about an Employee Network Intelligence program, we're not talking about spies. What we are talking about is systematically encouraging your employees to learn about the things that are important to you and to share that knowledge back.

And this could take many forms. One of the forms is some companies I know really support their employees in terms of speaking at conferences. So, there is a company called Moz, which is this SEO software company that had done a lot of work saying basically, "If you're going to speak at a conference, we're going to support you, we'll pay the costs, because what that does is that carries our brand out there. But you have to come back and share what you learned. Give a brown bag talk to the rest of the company. We're going to record it. We're going to take your notes, we're going to put them on the company wiki. We're adding to the corpus of knowledge of this company."

Another thing we talk about is to have a fund for your employees to take people out to lunch to learn things, because so much is available that is not publicly available information. So much information is contained in people's heads. And we encourage people to be able to take employees out to lunch. It's a little harder during the pandemic. It's going to be more like delivering food and doing a Zoom, but the same principles sort of apply. And of course, fortunately, science is amazing. We have these wonderful vaccines and will hopefully be going back to normal, in which case you should go back to seeing people face-to-face. I actually had a face-to-face coffee with somebody who was fully vaccinated today.

**Whitney Johnson:** Well, that actually brings up something that I thought was a fun question that you like to ask is, who was a person that you met this week that was interesting? And so, I thought we could do a little bit of that. And I will go first so you have some time to think about it. And part of this is the recency bias, but someone that I spoke to actually just this morning was this 26-year-old young engineer at Boeing. He's interviewing Sandy Stelling, who was on our podcast and kind of prepping and thinking about, and it was interesting for me because it was just so exciting to talk to someone who's 26 years old, interesting, engaged, wondering about the world, prepared, doing his work, approaching an interview like an engineer would. And that was just, it was just fun and enlightening for me to get to speak to a different generation and see what's on the horizon for our world and talking to people who are in their 20s. So that was an interesting one for me. What about you?

**Chris Yeh:** Well, I think like you, I have a personal website, I have a contact form, and all sorts of strange things come into that contact form. It could be, "Hey, I'm interested in having you speak," or it could be somebody saying, "I'd like you to invest 10 million dollars in this thing." So, I get a lot of these interesting notes. But I recently got a note from someone named Michael who had listened to another podcast I did a guest on where I talked about some of the issues of being an Asian-American in this country and what my life was like growing up. And he wrote in to me and shared with me, in this email, in this contact form, you know, his experiences as an immigrant to this country and the struggles he went through because his parents supported him. He went to top Ivy League college. Now he's an entrepreneur and he's living at home and his mother still works at a nail salon. And it makes him feel guilty that he's pursuing his entrepreneurial dream instead of going out there and making money at a big company. And it was just so fascinating. This is somebody who made himself so vulnerable in talking about his true feelings that I said, "I have to engage." And so, I went back and forth with him on email and we still haven't had a chance to talk via Zoom or something in person, but it's just a fascinating story. And then this week, just this week, shortly after I met him, he shared on LinkedIn that he got an interview. He'd applied for Y Combinator. He was getting an interview for Y Combinator. And this was something where his mother was like, "Well, I don't know what you're talking about with this Y Combinator thing, but it's obvious that it's make you very happy. And I'm so proud that you were able to do this." And so that's one of those things is very touching to see the incredible energy that people have



in this country, the power of immigrants who are looking and trying to live this American dream for their kids. And I just found that incredibly inspiring.

**Whitney Johnson:** You know, Chris, now that you brought that up, something very interesting I will share with you. So, probably a year ago I was looking at my podcast guests and looking at who I had on, and I realized that I was incredibly over indexed on immigrants, first or second generation immigrants. I was like, "What? What's going on?" And then I realized, "Oh, duh. Like, I talk about disruption, I care about disruption. And who better to know what it's like to have the muscle to have the skill set to disrupt anything than someone who's the first or second generation immigrant?" And so, which is really fascinating. Are you first generation? Second generation?

**Chris Yeh:** I am second generation, but since I was born here in Santa Monica, California, it's one of those things where I definitely feel a little bit of the immigrant experience. But people who really made the decision to pack up, leave their entire life behind and come to this country. Those are the ones I have tremendous respect for.

**Whitney Johnson:** I have a curiosity. You do a lot of collaboration, this book *Blitz Scaling*, your book, *The Alliance*, you coauthored both of them with Reid Hoffman and one of them with Ben Casnocha as well. You were both part of this thing called the Silicon Guild, which is this guild of business thinkers and collaborators. And I've noticed about you that you are an extraordinary collaborator. And one of the things that came to mind, and I want to actually pay you a tribute for just a moment. I don't know if you're familiar with the article, *The No Stats All-Star*.

**Chris Yeh:** That's by Michael Lewis. Yes!

**Whitney Johnson:** Yes. So, Michael Lewis was talking about Shane Battier, who played for the Houston Rockets. The gist of it is, is that he was an all-star and people are like, "Well, but he doesn't have any stats." And so, they go, and they do the work, and they find out, "Well, he does have stats. It's just not the stats that we all pay attention to. The stats are when Shane Battier is on the court, people his opponents get worse, like Kobe Bryant and his teammates get better." And they would call him Lego because things would magically work. And I had this sense that you're kind of like that. That when you're around, when you're collaborating, things work better. You're a bit of a Lego. And so, I hope that you will accept that compliment. And now give us one or two tips on what do you do to collaborate that makes things work.

**Chris Yeh:** Well, that is an enormous compliment. I really appreciate it. And I know we've talked before about certain things and we've gone through some exercises where we talk about gratitude. And I'm always so humbled by your generosity of spirit and the wonderful things you say. And I like to think that they're true. But in terms of thinking about the tips for making collaborations work, I fall back on something that's really, really basic, which is the skill of active listening and then the skill of empathy. And those two things are very closely tied together, although they're not exactly the same. The skill of active listening is just stopping and trying to learn from the things around you, listening to people, but not just listening, but being active in their listening, trying to confirm, "Hey, is that what you meant? Is this what you're saying? Oh, you told me about this, well can you go deeper on that?" And that active, active listening is really great for being able to learn more information, but also build that relationship to pull out of people, which is what you do in these interviews. The fascinating, amazingness that is them.

But then the other side of it, besides active listening, is empathy. And to say, "Listen, we are all the hero of our own story. No one thinks, goes around their day and thinks of themselves, 'You know what? I'm just support staff. I'm just the NPC.'" Like we're all the player character in our first-person video game. And so, trying to put yourself into that person's shoes, being able to have empathy for what they're going through, understanding that everyone is doing things for a reason. When you combine that with the ability to actively listen, I think all of a sudden you have a much better grasp of what people are trying to accomplish. And then when you have that grasp, you could say, "Well, here's something that I can do to help you accomplish that. And by the way, if I help you accomplish that, which is a great thing, it may also help me or it may help the world as a whole." So, being more aware and attuned to those opportunities, I think that's the biggest tip I would have.

**Whitney Johnson:** When did you discover that this was something that you were good at? Because this kind of skill you don't usually know when you're ten years old. "I'm really good at this." Do you remember when you discovered that, or do you remember you had an experience that helped you become good at this?

**Chris Yeh:** Absolutely. And this is a fascinating story, because I would say that this is something that I came to later in life. When I started off, I was a young child genius-type, full of ego and arrogance. I always believed I was better and smarter than everyone else. And this was something that had carried me quite a long way, because in this world, if you're really smart, you can do a lot of things and get away with a lot of things. And it was only when I was a student at Stanford University that I began exploring other ways of looking at the world, rather than just this purely intelligence-based thing.

And there were two key things that did. The first is I got involved in improvisational comedy. We talked about "yes and" before. I got involved in improvisational comedy, and one of the things you quickly learn in improv comedy is that if you try to just go ahead and attract attention to yourself and be funny on stage, that's actually one of the worst things to do for being funny. In fact, the way you succeed in improv is you support everyone else around you and everyone collaborates. And then what comes out is something that nobody expected. You're not sitting there waiting for your turn, thinking of a great punch line to use. You're really observing what's happening in the moment and then just trying to keep things moving along and just try to keep building and adding to it. So, that was one element of it, the other element is I've got involved in the peer counseling program, which is where I learned the skill of active listening. That's the core element of counseling to really understand and listen without casting judgment, without trying to fix people. And so, the combination of those two skills completely changed my world view and made me see, "You know what? You can accomplish a lot more in this world by building things with others, by collaborating than simply relying on your own genius." And so that experience in college is really what turned the course of my life.

**Whitney Johnson:** Wow. That's a great story. And I wonder, were there any particular people that you interacted with in the peer counseling, like a mentor or on the comedy like any particular people, or was it just the experience itself?

**Chris Yeh:** There are a couple of people who played an important role in that. So, on the comedy side, we were very fortunate at Stanford to have Patricia Ryan, who is a renowned legendary figure in the improv field. So, she was my instructor, and she was whom I learned the basics from. But then there were other people I worked with through the course of many years of performing where I really learned more about, "Okay, well, this is how you do it, as opposed to trying to hog the spotlight. This is how you just keep moving things along." And in particular, I'm thinking of my friend Andy Dworkin, who is now a journalist, but he was a genius at doing these things. He would not go in with a preconceived notion. He would just let things happen and build on them and build on them in the most unexpected and amazing ways. And so, I've always tried to learn from what he did.

And over on the counseling side, the late Vince D'Andrea was our mentor and instructor there. But I also learned a ton from the people I worked with, including the people that ended up eventually teaching the class. And one of the people I taught with is a woman named Sara Marie Martin, who is this incredible woman. She's had a long career in finance and now she's on the operating side. She's done amazing things, adopted children from all over the world. But she had a completely different background than I am. She came from Texas. She was a classic sorority girl. And I'm not either of those things. But it's a great way to develop empathy, to see that people who are so different from you share the same passion, same interests, same view of the world.

**Whitney Johnson:** We talked a little bit about where people can find you, you talked about your fund, you also talked about your website, but just can you give the details? Because I suspect you're going to get some more emails now since you told that story. Where can people find you?

**Chris Yeh:** So, the easiest way to find me is to just go to [chrisyeh.com](http://chrisyeh.com). And that's [c-h-r-i-s-y-e-h.com](http://c-h-r-i-s-y-e-h.com). There's usually pointers to most of the other things I do. Fortunately for me, Chris Yeh is a rare enough name. It's not unique, but it's rare enough, that if you are searching Chris Yeh on Google, on the Internet, on any social network or something like that, you'll probably find me first. And so that would be a relatively easy place to find me as well. And we referenced Blitz Scaling Ventures, and that's just at [blitzscalingvc.com](http://blitzscalingvc.com). And you can also find more stuff about blitz scaling just [blitzscaling.com](http://blitzscaling.com), which is [b-l-i-t-z-s-c-a-l-i-n-g.com](http://b-l-i-t-z-s-c-a-l-i-n-g.com).

**Whitney Johnson:** This is something that I do at the end of a coaching session is I will ask people, what was useful to you? And the reason I ask that question is it allows your brain to tag something that's useful that you can go ahead and use afterwards. And you've been kind enough for me to ask you lots of questions and you've been fielding those questions, but I suspect there's been some ideas that have formed, some ahas. And I'd love for you to share something that was useful for you as we spoke.

**Chris Yeh:** Well, there were two different things that stood out in my mind. You're right, as we record these things, the mental notes are also being taken. So, that's a big part of it. The first was the notion of the S curve as a way of describing the individual's path, as well as the company's path. And I'd mainly thought about the S curve in terms of products and technologies. Thinking about it in terms of an individual's time with a company or time on a job or tour of duty is not something I thought of before. And it's something I will add to the way I think about that in the future, because it's really true. You have a ramp up period and then you have this period of growth and learning and then you begin to taper off, at which point that's the sign it's time to find that next tour of duty or next mission.

And the other thing, which was something that you prompted in me just with your questions is I had never thought carefully before about the tie in between my experiences in improvisation and my desire to collaborate with people. That's actually a fresh realization I never had before. I've always thought about improvisation as something that helped me be very creative, help me think on my feet and to be adaptable. I never thought about it in the context of collaboration until now, but you're right, it absolutely makes sense in that context.

**Whitney Johnson:** Any final words or thoughts?

**Chris Yeh:** Well, I would just recommend to everyone out there that as you're thinking about what you're doing in this world, the generic advice I give to everyone is to look at the actual things you're doing on a day-to-day basis. We all get too caught up in the labels: venture capitalist, product manager, author, what have you. What matters are the things you're actually doing on a day-to-day basis, whether it is having a conversation with someone else, reading a book, writing something or doing whatever it may be, maybe you're researching things on the web. Think about the actual daily activities that bring you joy and try to architect a life that is going to include as many of those activities as possible while eliminating the ones that you don't like. And don't worry about the label people put on it.

**Whitney Johnson:** That is such great advice. Oh, Chris Yeh, yay! It was so fun! I know that's been done millions of times, but I don't care because I still feel it. Thank you so much. It was really a lot of fun to talk with you.

**Chris Yeh:** Well, Whitney, as you know, is always a huge pleasure to talk. I'm happy to come back any time and thank you for being such a fantastic conversationalist and helping me reach insights into myself that I never had before. That's pretty amazing.

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Four takeaways.

Number one. Ignore your customer. Such a paradox. As Scott Miller shared with me in our recent LinkedIn live, we need to know our customers target sales numbers better than we know our own. So, pay attention to your customers, but also ignore them. Don't focus on what they say they need right now, focus on where they want to go and make sure you equip them to get there.

Number two. I've met Chris a few times. We've had a number of conversations, thanks to Peter Sims. My assumption was that he's always been a good collaborator. So, it was encouraging to hear that he had to do some self-disruption to get to this point, a stint in peer-to-peer counseling, but also standup comedy. He's a good reminder that if we want to get better at something and we're willing to do the work, we can get better. We can grow.

Number three. Chris's crucible experience where he had to decide. I love that. What, if anything, are you willing to go all in on? No bet hedging, no plan B, you have burned the boats. Kind of did that when I left Wall Street the first time. I didn't take any of my financial models with me, but I definitely did that when I got married and became a mother.

Number four. Are you willing to go a little bit faster? If you're not ready to go faster in the face of uncertainty, then go faster where things are a bit more certain. Fast scaling as a warmup. About 10 years ago, I gave myself a birthday present and went to the Skip Barber Racing School for a day. It was thrilling. But I remember I kept wanting to be in control. I only wanted to go at a certain speed. Fast scaling is about feeling like you aren't in control. Blitz scaling is about not being in control when you can't see what the track looks like.

I'm wondering how you can how I can benefit from going just a little faster than feels comfortable.

Thank you again to Chris Yeh for being our guest. Thank you to you for listening. And thank you to our team, Emily Cottrell, Whitney Jobe, and Steve Ludwig.

I'm Whitney Johnson  
And this is Disrupt Yourself.