



**Title: Why did the good dot-coms succeed?**

**Interviewee: Jessica Livingston**

**Duration: 6 minutes, 52 seconds**

### **About this transcript**

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### **Introduction**

It's inarguable that a new technology changes the way we live and probably changes the way we think. But who changes technology?

In this Skype-recorded episode of Bookpod, Jessica Livingston talks about *Founders at Work*, the collection of interviews she conducted with thirty-two founders of Internet start-ups, including Yahoo, PayPal and Craig's List. For this episode, she focuses on Steve Wozniak, co-founder of Apple Computer.

### **Presentation**

I came up with the idea for *Founders at Work* because I had



a lot of friends who had done startups. And I'd hear these stories about what went on when they first got started that I couldn't believe. I just wanted to help educate people about the way startups work 'cause they are very different from the rest of the business world.

I started talking to, you know, one person who would then introduce me to another. Simultaneously, I actually started a company with three friends called Y Combinator. My three partners had founded Viaweb in the mid-nineties, which was acquired by Yahoo, which actually was the first Web-based application.

And it's interesting how Y Combinator mirrored the book because we invest in startups at the very earliest stage. We put in \$20,000 to people who just have an idea. And so I was sort of learning about early-stage startups, preparing for this book, at the same time seeing what actually happens with them through the startups that Y Combinator funded.



One common theme with startups is how often they get rejected early on. And in every single interview I did, there's at least one example of some sort of rejection.

And at the very earliest stages, people dismissed their ideas. They made fun of them and basically rejected them. Apple Computer, for example. There's a wonderful story in the interview I did with Steve Wozniak.

Steve Wozniak said that even as a child, he dreamed of having a computer. That's all he wanted. And of course, back then computers were prohibitively expensive to own. And his hobby growing up was designing computers. He couldn't afford to build them because he couldn't afford to buy the parts.

And Woz would say that, you know, he kept things very simple and designed things with the fewest parts possible so that he could have it all in his brain and keep it clear and really get to know it and understand it.



The end result was that in the Apple 2, Woz said there was not one bug in either the software or the hardware that he built. And, I mean, that's just truly remarkable.

He was not driven by money. He wasn't even driven by anything but building this wonderful, perfect computer. He almost didn't even join Apple as a full-time founder. He was working at Hewlett Packard as his full-time job and he had all the intentions in the world of staying there for the rest of his life. He was very happy there.

And what happened was that Steve Jobs lined up an investor, who then brought everyone together and said, "You know, Steve Wozniak, you can't be working at Hewlett Packard and do Apple. You've got to make a decision. We'd like you to quit and join Apple full-time."

Woz said, "Well, I think I signed an IP agreement that says that Hewlett Packard owns everything that I work on. So I'll go to them and see if they'll produce the computer."

And Steve Wozniak met with every single department and



offered up the Apple 2 to all different areas within Hewlett Packard.

No one was interested.

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On the ultimatum night, if you will, Woz said no, he couldn't do it. He did not want to leave Hewlett Packard.

And the next day, mysteriously, he started getting calls from his friends and family saying, "You know, this Apple idea is a really great opportunity. I think you should do it."

And one of his good friends said to him, "You know, you could stay at Hewlett Packard and be an engineer for the rest of your life and get rich. Or you could do Apple and still be an engineer for the rest of your life and potentially get rich."

And it wasn't until his friend suggested that he wasn't



going to be a businessman by starting a company. He could still be a programmer and engineer. It wasn't until he understood that that was a possibility that he said, "Okay. I'll join Apple."

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When you have a big, new, disruptive idea, it is going to seem crazy to everyone else. Otherwise it would have been done before.

The notion that you have to be very open minded as you approach your product and very flexible is one other key theme in the book. You can't just come up with an idea and say, "Here's what we're doing and it doesn't matter whether people like it or not." You really have to be able to adapt the idea based on how your users are using it.

And Woz was certainly able to do that. I mean, originally the idea that he and Steve Jobs had was to sell computers that hobbyists really could solder together and build their own computer, because, you know, Woz thought "I like



building computers. Surely everyone else does."

And they realized, once they talked to the store that might distribute them, the store thought, "I don't really think there's much of a market for people who solder. Can you produce them for me? Then I'll sell them."

And that was one of the key turning points for Apple. They sold computers that they themselves put together. So that was another example of sort of adapting to the needs of their users.

Steve Wozniak is an amazing person. He is not driven by power or greed or anything like that. He's just a real inspiration.

### **Valedictory**

You can get the e-book edition of *Founders at Work* at a 25 percent discount. Visit the [Bookpod.org](http://Bookpod.org) home page and search for "Jessica Livingston."

Bookpod producer is Barbara Finkelstein. Music is by Kevin



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