

INTRODUCTION

“This the real world, homie, school finished
They done stole your dreams, you dunno who did it.”

—KANYE WEST, “GORGEOUS”

Every time I read a management or self-help book, I find myself saying, “That’s fine, but that wasn’t really the hard thing about the situation.” The hard thing isn’t setting a big, hairy, audacious goal. The hard thing is laying people off when you miss the big goal. The hard thing isn’t hiring great people. The hard thing is when those “great people” develop a sense of entitlement and start demanding unreasonable things. The hard thing isn’t setting up an organizational chart. The hard thing is getting people to communicate within the organization that you just designed. The hard thing isn’t dreaming big. The hard thing is waking up in the middle of the night in a cold sweat when the dream turns into a nightmare.

The problem with these books is that they attempt to provide a recipe for challenges that have no recipes. There’s no recipe for really complicated, dynamic situations. There’s no recipe for building a high-tech company; there’s no recipe for leading a group of people out of trouble; there’s no recipe for making a series of hit songs; there’s no recipe for playing NFL quarterback; there’s no recipe for running for president; and there’s no recipe for motivating teams when your business has turned to crap. That’s the hard thing about hard things—there is no formula for dealing with them.

Nonetheless, there are many bits of advice and experience that can help with the hard things.

I do not attempt to present a formula in this book. Instead, I present my story and the difficulties that I have faced. As an entrepreneur, a CEO, and now as a venture capitalist, I still find these lessons useful—especially as I work with a new generation of founder-CEOs. Building a

company inevitably leads to tough times. I've been there; I've done that. Circumstances may differ, but the deeper patterns and the lessons keep resonating.

For the past several years, I've encapsulated these lessons in a series of blog posts that have been read by millions of people. Many of those have reached out to me wanting to know the backstory to the lessons. This book tells that backstory for the first time and includes the related lessons from the blog. I've also been inspired by many friends, advisers, and family members who have helped me throughout my career and also by hip-hop/rap music. Because hip-hop artists aspire to be both great and successful and see themselves as entrepreneurs, many of the themes—competing, making money, being misunderstood—provide insight into the hard things. I share my experiences in the hope of providing clues and inspiration for others who find themselves in the struggle to build something out of nothing.

— CHAPTER 1 —
FROM COMMUNIST TO VENTURE CAPITALIST

“This here is all about
My wife, my kids, the life that I live
Through the night, I was his, it was right, but I did
My ups, and downs, my slips, my falls
My trials and tribulations, my heart, my balls.”

—DMX, “WHO WE BE”

The other day I threw a big barbecue at my house and invited a hundred of my closest friends. These types of gatherings aren’t unusual. My brother-in-law, Cartheu, and I have been barbecuing for years, and my skills have earned me the nickname from my African American friends “the Jackie Robinson of Barbecue.” I crossed the color line.

At this particular barbecue, the conversation turned to the great rapper Nas. My friend Tristan Walker, a young African American entrepreneur, commented proudly that Nas was from his home project, Queensbridge, New York—one of the largest public housing projects in the United States. My seventy-three-year-old Jewish father interjected, “I’ve been to Queensbridge.” Convinced that there was no way that my old, white father had been to Queensbridge, Tristan said, “You must mean *Queens*. Queensbridge is actually a housing project in an extremely rough neighborhood.” My father insisted: No, it was Queensbridge.

I pointed out to Tristan that my father grew up in Queens, so he couldn’t possibly be confused. Then I asked, “Dad, what were you doing in Queensbridge?” He replied, “I was passing out communist literature when I was eleven years old. I remember it well, because my mother got very upset that the Communist Party sent me into the projects. She thought it was too dangerous for a little kid.”

My grandparents were actually card-carrying Communists. As an active member in the Communist Party, my grandfather Phil Horowitz lost his job as a schoolteacher during the McCarthy era. My father was a red-diaper baby and grew up indoctrinated in the philosophy of the left. In 1968, he moved our family west to Berkeley, California, and became editor of the famed New Left magazine *Ramparts*.

As a result, I grew up in the city affectionately known by its inhabitants as the People's Republic of Berkeley. As a young child, I was incredibly shy and terrified of adults. When my mother dropped me off at nursery school for the first time, I began to cry. The teacher told my mother to just leave, while reassuring her that crying was common among nursery school children. But when Elissa Horowitz returned three hours later, she found me soaking wet and still crying. The teacher explained that I hadn't stopped, and now my clothes were drenched as a result. I got kicked out of nursery school that day. If my mother hadn't been the most patient person in the world, I might never have gone to school. When everybody around her recommended psychiatric treatment, she was patient, willing to wait until I got comfortable with the world, no matter how long it took.

When I was five years old, we moved from a one-bedroom house on Glen Avenue, which had become far too small for a six-person family, to a larger one on Bonita Avenue. Bonita was middle-class Berkeley, which means something a bit different from what one finds in most middle-class neighborhoods. The block was a collection of hippies, crazy people, lower-class people working hard to move up, and upper-class people taking enough drugs to move down. One day, one of my older brother Jonathan's friends, Roger (not his real name), was over at our house. Roger pointed to an African American kid down the block who was riding in a red wagon. Roger dared me: "Go down the street, tell that kid to give you his wagon, and if he says anything, spit in his face and call him a nigger."

A few things require clarification here. First, we were in Berkeley, so that was not common language. In fact, I had never heard the word *nigger* before and didn't know what it meant, though I guessed it wasn't a compliment. Second, Roger wasn't racist and he wasn't raised in a bad home. His father was a Berkeley professor and both his parents were some of the nicest people in the world, but we later found out that Roger suffered from schizophrenia, and his dark side wanted to see a fight.

Roger's command put me in a difficult situation. I was terrified of Roger. I thought that he would surely give me a severe beating if I didn't follow his instructions. On the other hand, I was terrified of asking for the wagon. Hell, I was terrified of everything. I was much too scared of Roger to stay where I was, so I began walking down the block toward the other kid. The distance was probably thirty yards, but it felt like thirty miles. When I finally got there, I could barely move. I did not know what to say, so I just opened my mouth and started talking. "Can I ride in your wagon?" is what came out. Joel Clark Jr. said, "Sure." When I turned to see what Roger would do, he was gone. Apparently, his light side had taken over and he'd moved on to something else. Joel and I went on to play all day that day, and we've been best friends ever since. Eighteen years later, he would be the best man at my wedding.

Until now, I've never told that story to anyone, but it shaped my life. It taught me that being scared didn't mean I was gutless. What I did *mattered* and would determine whether I would be a hero or a coward. I have often thought back on that day, realizing that if I'd done what Roger had told me to do, I would have never met my best friend. That experience also taught me not to judge things by their surfaces. Until you make the effort to get to know someone or something, you don't know anything. There are no shortcuts to knowledge, especially knowledge gained from personal experience. Following conventional wisdom and relying on shortcuts can be worse than knowing nothing at all.

TURN YOUR SHIT IN

Over the years, I worked hard to avoid being influenced by first impressions and blindly adhering to convention. Growing up in Berkeley as an excellent student in a town that frowned upon football as being too militaristic, I wasn't expected to join the Berkeley High School football team, but that's what I did. This was a big step for me. I had not played in any of the peewee football leagues, so it was my first exposure to the sport. Nonetheless, those earlier lessons in dealing with fear helped me tremendously. In high school football, being able to handle fear is 75 percent of the game.

I will never forget the first team meeting with head coach Chico Mendoza. Coach Mendoza was a tough old guy who had played college football at Texas Christian University, home of the mighty Horned Frogs. Coach Mendoza began his opening speech, "Some of you guys will

come out here and you just won't be serious. You'll get here and start shooting the shit, talking shit, bullshittin', not doing shit, and just want to look good in your football shit. If you do that, then you know what? Turn your shit in." He went on to elaborate on what was unacceptable: "Come late to practice? Turn your shit in. Don't want to hit? Turn your shit in. Walk on the grass? Turn your shit in. Call me Chico? Turn your shit in."

It was the most intense, hilarious, poetic speech I'd ever heard. I loved it. I couldn't wait to get home and tell my mother. She was horrified, but I still loved it. In retrospect, it was my first lesson in leadership. Former secretary of state Colin Powell says that leadership is the ability to get someone to follow you even if only out of curiosity. I was certainly curious to see what Coach Mendoza would say next.

I was the only kid on the football team who was also on the highest academic track in math, so my teammates and I didn't see each other in many classes. As a result, I ended up moving in multiple social circles and hanging out with kids with very different outlooks on the world. It amazed me how a diverse perspective utterly changed the meaning of every significant event in the world. For instance, when Run-D.M.C.'s *Hard Times* album came out, with its relentless bass drum, it sent an earthquake through the football team, but not even a ripple through my calculus class. Ronald Reagan's Strategic Defense Initiative was considered an outrage among young scientists due to its questionable technical foundation, but those aspects went unnoticed at football practice.

Looking at the world through such different prisms helped me separate facts from perception. This ability would serve me incredibly well later when I became an entrepreneur and CEO. In particularly dire circumstances when the "facts" seemed to dictate a certain outcome, I learned to look for alternative narratives and explanations coming from radically different perspectives to inform my outlook. The simple existence of an alternate, plausible scenario is often all that's needed to keep hope alive among a worried workforce.

BLIND DATE

In the summer of 1986, I had finished my sophomore year of college at Columbia University, and I was staying with my father, who was now living in Los Angeles. I had been set up on a blind date by my friend and high school football teammate Claude Shaw. Claude and I got ready for

the double date with his girlfriend, Jackie Williams, and my date, Felicia Wiley, by preparing an elaborate dinner. We meticulously planned and cooked all day and had the entire meal, including four perfectly presented T-bone steaks, ready at 7 p.m.—date time. But there were no dates. An hour passed, but we didn't get too worked up. Jackie was known for her tardiness, so no worries. Then two hours passed, and Claude called for a status check. I listened in shock as I looked over the now-cold gourmet meal that we'd prepared. My date, Felicia, had decided that she was "too tired" to show up for the date. Wow. How obnoxious!

I told Claude to hand me the phone. I introduced myself: "Hi, this is Ben, your blind date."

Felicia: "I am sorry, but I am tired and it is late."

Me: "Well, it is late, because you are *late*."

Felicia: "I know, but I am just too tired to come over."

At this point I decided to appeal to her sense of empathy.

Me: "Well, I understand your predicament, but the time to communicate this message would have been before we spent all day cooking dinner. At this point, anything short of getting into your car and driving here immediately would be rude and leave a permanently poor impression."

If she was totally self-centered (as she appeared to be), my plea would have no effect, and I would be better off missing the date. On the other hand, if she didn't want to go out like that, then there might be something there.

Felicia: "Okay, I'll come over."

Ninety minutes later she arrived wearing white shorts and looking as pretty as can be. In all my focus and anticipation about the date, I had completely forgotten about the fistfight I'd been in the day before. During a pickup basketball game in the San Fernando Valley, a six-foot-two-inch, crew-cut-sporting, camouflage-pants-wearing, fraternity-boy-looking player threw the ball at my brother. Jonathan was a musician, had long hair, and probably weighed about 155 pounds at the time. On the other hand, I was used to football and fighting and was ready for action. I judged the situation on my first impression, and I rushed the frat boy. A scuffle ensued. I landed some good punches but caught a right hook under my left eye, leaving a bit of a mark. It's possible that my target player was simply mad about a hard foul rather than trying to bully

my brother, but that's the price of not taking the time to understand. I will never know.

Whatever the case, when I opened the door to greet our dates, Felicia's award-winning green eyes immediately fixed on the welt under my eye. Her first impression (told to me years later): "This guy is a thug. Coming here was a big mistake."

Fortunately, neither of us relied on our first impressions. We have been happily married for nearly twenty-five years and have three wonderful children.

SILICON VALLEY

During one summer in college, I got a job as an engineer at a company called Silicon Graphics (SGI). The experience blew my mind. The company invented modern computer graphics and powered a whole new class set of applications ranging from the movie *Terminator 2* to amazing flight simulators. Everybody there was so smart. The things they built were so cool. I wanted to work for Silicon Graphics for the rest of my life.

After graduating from college and graduate school in computer science, I went back to work for SGI. Being there was a dream come true and I loved it. After my first year at SGI, I met a former head of marketing for the company, Roselie Buonauro, who had a new startup. Roselie had heard about me from her daughter, who also worked with me at SGI. Roselie recruited me hard. Eventually, she got me and I went to work for her at NetLabs.

Joining NetLabs turned out to be a horrible decision for me. The company was run by Andre Schwager, a former Hewlett-Packard executive, and more important, Roselie's husband. Andre and Roselie had been brought in by the venture capitalists as the "professional management team." Unfortunately, they understood very little about the products or the technology, and they sent the company off in one crazy direction after the next. This was the first time that I started to understand the importance of founders running their companies.

To make matters more complicated, my second daughter, Mariah, had been diagnosed with autism, which made working at a startup a terrible burden for our family, as I needed to spend more time at home.

One very hot day my father came over for a visit. We could not afford air-conditioning, and all three children were crying as my father and I sat

there sweating in the 105-degree heat.

My father turned to me and said, “Son, do you know what’s cheap?”

Since I had absolutely no idea what he was talking about, I replied, “No, what?”

“Flowers. Flowers are really cheap. But do you know what’s expensive?” he asked.

Again, I replied, “No, what?”

He said, “Divorce.”

Something about that joke, which was not really a joke, made me realize that I had run out of time. Up until that point, I had not really made any serious choices. I felt like I had unlimited bandwidth and could do everything in life that I wanted to do simultaneously. But his joke made it suddenly clear that by continuing on the course I was on, I might lose my family. By doing everything, I would fail at the most important thing. It was the first time that I forced myself to look at the world through priorities that were not purely my own. I thought that I could pursue my career, all my interests, and build my family. More important, I always thought about myself first. When you are part of a family or part of a group, that kind of thinking can get you into trouble, and I was in deep trouble. In my mind, I was confident that I was a good person and not selfish, but my actions said otherwise. I had to stop being a boy and become a man. I had to put first things first. I had to consider the people who I cared about most before considering myself.

I decided to quit NetLabs the next day. I found a job at Lotus Development that would allow me to get my home life straightened out. I stopped thinking about myself and focused on what was best for my family. I started being the person that I wanted to be.

NETSCAPE

One day while working at Lotus, one of my coworkers showed me a new product called Mosaic, which was developed by some students at the University of Illinois. Mosaic was essentially a graphical interface to the Internet—a technology formerly only used by scientists and researchers. It amazed me. It was so obviously the future, and I was so obviously wasting my time working on anything but the Internet.

Several months later, I read about a company called Netscape, which had been cofounded by former Silicon Graphics founder Jim Clark and Mosaic inventor Marc Andreessen. I instantly decided that I should