Jillian Flodstrom (00:00):

This week's episode is one that you are not gonna wanna miss because it is with Scott Beski, who is the founder, and c e o of B Hans, but also the Chief Product Officer at Adobe. We talk about so many incredible things that if you are in the startup area of your business, this is definitely one that you're gonna wanna tune in because he really touches on things that you don't wanna lose. Sight up. Yes, it's about the money, but more importantly, it's about the product that you're creating for your client and not diluting your focus in what's most important to your clients.

Jillian Flodstrom (00:42):

Today we have an amazing guest joining us, one who has made a significant impact in the world of entrepreneurship, innovation, and creativity. He's a visionary leader and thinker who's been at the forefront of driving change and pushing boundaries for over a decade. Our guest today is Scott Beski, the founder and c e o of Beehan, the world's leading platform for creative professionals. In addition to his role at Bhan, Scott is currently serving as the Chief Product officer at Adobe. He's also a published author with his books, making Ideas Happen and The Messy Middle, and Becoming a Must Read for Entrepreneurs and Creators Alike. So without further ado, please welcome Scott to the show. How are you?

Scott Belsky (01:23):

I'm doing well. Thanks for having me.

Jillian Flodstrom (01:25):

Yeah, absolutely. I'm excited. There's so many things that we're gonna talk about today, so let's dive right into it. Can you tell us about your experience about starting and growing your business and the challenges that you faced along the way?

Scott Belsky (<u>01:39</u>):

Yeah, sure. Bance was a I was gonna say it's, it was unusual, but maybe it's more ordinary these days. We were bootstrapped for five years and which had caused us to be very very resourceful, you know, and how we managed our time and energy and capital and, you know, there were many times where that we were always a, you know, a couple months away from not making payroll. And it really caused us to refactor constantly how we were building a business. So five years as a bu, a venture a bootstrap company almost two years as a venture backed company before we ended up being acquired in late of 2012. And and that was, you know, that was, that was the journey, and I learned a lot from both phases of that, of that journey.

Jillian Flodstrom (02:26):

<Laugh>, I love that you mentioned that because I feel like there's so many entrepreneurs these days that are like, oh, if I don't make millions of dollars within the first, you know, two years that I'm a complete failure. But it's totally okay. Like, all of us out there are bootstrapping, we're making it work, and our businesses are so valuable to our consumers no matter what value they are. But I love that you mentioned that because I feel like there's so many people, there's so many things we see on social media nowadays that it's refreshing to see that you're just like the rest of us.

Scott Belsky (02:58):

I think that's right. And, and I also think that you can, you, you can, I, I do think that companies should have a mission, right? And they should have a specific objective that they're angling for. But I think you can increasingly be mission centric, but medium agnostic. And what I mean by that is you can accomplish that mission in many different ways. You know, for us, we started hosting a conference where people bought tickets and we had sponsors, and we also had organizational products that were helping creatives get organized. And we also had this network that we were building. So we actually had a multiple, multiple ways to help organize the creative world, which was our mission. You know, that was sort of medium agnostic. You know, we, we did it in all kinds of different creative ways, and that was how we bootstrapped ourselves. That was kind of how we, you know, served the customer and and ensured that we that we were able to pay the bills. And, and of course, it by just surviving long enough, we were building a brand and a base that then, you know, became a bigger business.

Jillian Flodstrom (03:56):

Oh, I'm so glad that you brought that up because I was gonna ask you, how do you approach product development and management for the business?

Scott Belsky (<u>04:04</u>):

Well so product development and, and management, you know, I really see as two very different things on the, you know, on the management side first. And then we'll get into product a little bit. You know, I you know, I very much subscribe to never ask someone to do something that you wouldn't do yourself. And so from, you know, cleaning up the trash in the office to to, you know, any other sort of task, community management or you know, finance or whatever the case may be, you know, I, I often tried to do something myself for a little bit before asking someone else to do it. So I would always have empathy with what I was asking them to do them to do. And I think that also I was always trying to hire people that were both practitioners and managers.

Scott Belsky (<u>04:48</u>):

You know, I was trying to make sure that we weren't just building layers, you know but rather having a more flat organization, you know, for as long as we could. And so we can certainly talk more about management on a product side. I'm a very design first product leader. I like to see things. I believe a prototype is worth a hundred meetings. It's one thing to sit around a table thinking what should we build and what will, I don't know. And then debating it versus just looking at pixels, looking at a flow of what your customer is experiencing, and then really anchoring the debate on, on that. And so I was always working with designers and, you know, my co-founder was a designer, and we were always designed first as a product organization.

Jillian Flodstrom (05:32):

I love, we need to talk about your leadership philosophy, because I feel like that is something that so many of us small business owners forget about. We forget that it's a really good idea to do those things, potentially hire someone to do them afterwards, but you having a baseline knowledge of that. So how did you implement that in your businesses?

Scott Belsky (<u>05:54</u>):

In terms of leadership principles? Mm-Hmm.

Jillian Flodstrom (<u>05:56</u>):

<Affirmative>.

Scott Belsky (<u>05:58</u>):

Well, I was always, you know, I was always thinking about I think people, people wanna know when they work for you, you know, what your expectations are of them. And and you know, and, and I, and I, over the years would iterate a set of leadership principles, you know, for my team that would help them understand how I would ultimately be measuring, you know, their impact. And you know, a lot of, one of them, for example, always was around customer centricity, you know, and and that we would do things that optimize for customer value, you know, even if, even if it was at the expense of the purity of the technology or the the and even the, even the profit of the company, like, you know, ultimately the long-term benefit, you know, of the company is clear if you can make customers really happy.

Scott Belsky (<u>06:53</u>):

And so anchoring around customer centricity was always part of it. You know, empowering designers, you know, I thought was a very important part of the culture and understanding what that, what that meant. I also I also, you know, I, I would also push leaders to not just be managers, but also leaders. So what I meant, what I mean by that is you're not just building a road, you're also flag planting. So you're planting a flag. This is where we need to be two years from now, and we're gonna build a road to get there. And I think sometimes you can make the mistake of hiring managers who are really just road builders and they can't articulate to their team exactly where we're going. Articulation narrative also hugely important. You know, I, I always liken a small business a journey that all of us are on to driving your team across country with the windows blacked out and everyone's sitting in the backseat and no one knows where they are. No one knows that they're making progress. And if you narrate the journey to the people that you're driving in this car, they will withstand the journey. Otherwise they will go stir crazy, right? And they won't be able to, to manage. And I, and I do believe one of the greatest competitive advantages of the best startups is simply sticking together long enough to figure it out.

Jillian Flodstrom (08:12):

Absolutely. Now, what are some insights that, cuz I know what your business is like, the technology is changing so rapidly. What are insights that you developed through your businesses about how do we keep up with all this stuff?

Scott Belsky (08:28):

Yeah. In terms of technology mm-hmm. <Affirmative> well, I think the I think it's a great question. I personally, the answer is I'm a writer. You know, I like to write a lot and I find that it's my, it's my incubation time. It's the way that I take observations that I have over a dinner with other startup founders or, you know, in a meeting about artificial intelligence with the engineering team or whatever the case may be. I try to take these learnings and I actually try to write them. I have a newsletter that I call implications, and it's a, it's a forcing function for me to constantly every month, you know, take the things that I'm observing and think about what are the implications of these things. It's a great exercise. It also helps build my own network, right? Because of the people who are subscribing to implications. But then also it's a way for me to internalize what this means for our business. And so it's, you have to have like this system, right? You have to have a, a constant system of, of considering and and internally debating what you're seeing to think about how it should impact what, what you're trying to do in the world.

Jillian Flodstrom (09:34):

I love that. Now, if there is someone listening and they are contemplating starting a, a, you know, a brand new business or a startup, what is your experience with fundraising and building relationships with investors to make those businesses happen?

Scott Belsky (<u>09:51</u>):

Well, a couple things. You know, on the investing side, I would first start by saying that financing is a tactic, but not a goal. You know, I think that's the mistake that a lot of startups think is that our objective is to try to raise money and therefore we're going to position ourselves. We're gonna spend so much time on the things that will help us raise money when in fact, that's not a good business. You know, what's, what's a good business is building something that your customers value. And and if you are running in a non economical way where you can't build customer value while staying solvent, then you've got bigger problems. And in the past era, you could throw capital at the problem, but in the new era, that won't work anymore. And that's why I like to say resourcefulness is more valuable than resources.

Scott Belsky (<u>10:35</u>):

And so I do encourage teams to think about themselves, if not as a bootstrap organization, at least as a, like a very tight, you know, what's the minimum amount of capital and what are we gonna try to prove with that small amount of capital that gives us entrance to the next stage of our growth And whether or not we need new capital, we will see, right? So I think that's important. I also think it's really important to always be telling your story. Every time you tell your story, you polish it like a stone and it becomes better. Also every time you tell your story, you are planting seeds that of people who will then, if they're interested in your story, we'll start to watch and tune into your progress and could inevitably be employees or customers or investors. And so you always wanna do that.

Scott Belsky (<u>11:23</u>):

Now some entrepreneurs say, oh, but I'm not ready to tell my story, or I'm worried someone's going to steal my idea. You know, my answer is, if your idea is so easily stolen, it wasn't a good and defensible idea to begin with. Nor did you have something unique in making that idea happen that someone else wouldn't have to just copy you quickly. And the benefits outweigh the costs. You know, the more places you spread this, you know, this seed of your story, the more possibilities can grow in all, in all sorts of unexpected places.

Jillian Flodstrom (11:53):

I love that because that's so true. Like there's so many people out there that are like, Hey, I have this great thing, but I don't wanna talk about it <laugh>, I don't wanna share it. And you're like, no, that's how you get it out there is to share it even more and make it so incredible that it's not easily stolen. One question that, when you were saying that that popped into my mind was, how do you measure and track the success of B Hans or Adobe? Because I feel like that's a big thing that people are like, how do I even measure this?

Scott Belsky (<u>12:24</u>):

Well, you know, every, every team does ask themselves, right, what are our measures of success? And and I think the common mistake there is to have too many measures because if you have too many measures, your team is scrambling around and some measures might be up and some measures might

be down and no one really knows whether we're doing well or we're not doing well. I think the challenge for a great leader is to find the one or two metrics that matter most to her organization and then to really drive everything around those two. And it takes some thought to think about what those two are because there's downstream effects. Like the, you know, for example, if I'm only, if I only care about monthly active usage, first of all, is that the right metric or is it repeat monthly active usage? Because if it's just monthly active usage, if I have tons of people come in every month, but none of them ever retained, that number's gonna look great even though the product sucks.

Scott Belsky (<u>13:18</u>):

So, you know, it should probably be repeat monthly active usage and if it's repeat monthly active usage, but it's not a financial metric, is that sufficient? You know, it is. I I at some stages you say, yeah, we just want repeat monthly active usage, cuz that means that customers are getting so much value out of our product that they're coming back. And if we can just get that number to be great this year, we can certainly have a whole year of monetization efforts next year. You know, but this is the type of debate I think that every team needs to have to really determine the metric that matters most.

Jillian Flodstrom (13:50):

Well, and knowing too that that can shift and change. So you may start out with something and then as things go along yeah, you gotta be flexible to fix it, right?

Scott Belsky (<u>13:59</u>):

Absolutely. And you know, in in, in my book The Messy Middle, I talk about Ben Silverman who was the co founder and c e o of Pinterest. And you know, every year he used to have a new mantra for his team. Like every, it was the year of monetization, or it was the year of going international, or it was the year of doing things for four categories in Pinterest that you think mattered most. You know, and this narrative was really what drove the entire company to set their own goals and, and, and reallocate their resources. And what's interesting is that even, you know, with the company of that magnitude, of course many things matter every year, right? But the leader having narrative around one central theme really helps people knock something outta the park and reach escape velocity with like, some of the efforts that they have underway.

Jillian Flodstrom (14:49):

Well, and I'm glad that you brought that up cuz I feel like there's so many entrepreneurs that really lose focus because there's so many things that are happening. I mean, there's so many times that every day is like dodge ball, you're just trying to stay afloat, keep things moving, keep things going forward. So what are some other strategies or tactics that you've used to scale your businesses?

Scott Belsky (<u>15:12</u>):

Well, I think that

Scott Belsky (<u>15:17</u>):

I think that, let's talk about a couple things. You know, one on the one on the leadership side and the one on the product side, you know, on the, on the leadership side, on on scale it's, everyone always wants to grow. You know, one of my, one of my cardinal rules and leadership is to be optimistic about the future, but pessimistic and pragmatic about the present. And and what I mean by that is, you know, always having your eye on where we should go and really, you know getting everyone so excited about the

possibilities and yet always being very pragmatic about where we are. Look, we're not doing this, this is not growing fast enough. This is not working. And, and in some ways, every, every meeting, every conversation in your company should be like optimistic, then pragmatic, then optimistic again.

Scott Belsky (<u>16:08</u>):

Like that's the sort of sandwich of every interaction and conversation and discussion that you should have. And I think it's important because you can't grow a great company as a leader just being optimistic nor just being pragmatic or pessimistic about the president. Like, you really do have to have the balance. And I, I encourage, you know, the listeners to think about themselves as a leader. You know, who, who embraces that? I think that will do well for you as you grow as a product organization. It's, it's it two things. You know, number one is don't just fix what's broken. Like, that's another mistake I think that a lot of product teams make also fix what works. What I mean by that is you become exceptional and you grow and become a category leader by emphasizing the things that you're doing really well and making them better.

Scott Belsky (16:58):

So whatever's working for your organization, getting customers in the door, making them happy, spreading the word, like those are the things you should probably be investing more in because those are gonna, those are the distinguishing aspects of your business. And just because they're working doesn't mean you should then focus on something that you're weak on. You should actually emphasize the things that you're strong on. So I think that's number one. And then number two is to remember that people seldom, and we're talking about scale, right? And we're talking about hopefully efficient scale, which means people helping spread the product word of mouth as opposed to just paid marketing, which is very expensive. Remember that people don't often talk about a product doing what they expected it to do. They talk about a product doing what they didn't expect. And the same goes for a restaurant, by the way.

Scott Belsky (17:47):

You know, if you go to a restaurant, it's a good meal. Are you gonna like rave to a friend? Or if you were at the restaurant and suddenly everyone started dancing and confetti went out, will that be what you talk about? Right? So I think this goes for both a product or a service or an experience. If you want it to grow organically, you have to optimize for things that people didn't expect. Now, this is very hard because you have a long laundry list of things you have to do to be successful as a product. And the things that I'm talking about are things that won't necessarily be at the top. I mean, think about Tesla for example. You know, Tesla famously as a \$0 marketing budget, and people often rave about all these Easter eggs in the, in the car. And like the, you know, you, you do this three times to the shift thing and then the rainbow road comes on the dashboard and like all these fun little things and these are the things that, that the car does that people didn't expect and therefore talk about.

Scott Belsky (<u>18:42</u>):

And then everyone wants to try a Tesla. And so I oftentimes think about the products and engineering people in the room who are debating whether to do this thing that's for car performance or this thing that's car for car safety. And I'm sure there's an infinite list of those things or Rainbow Road, you know, and like how did they make the case that that was important enough to make the cut? And I think it's because that team recognizes what I said, you know, people talk about a product doing what they didn't

expect. And so I think that's one of the, one of the, you know, insights that I would share with all of you that you know, is worth thinking about in your own business.

Jillian Flodstrom (19:19):

Absolutely. Well, two things that I took away from that was like, again, with the focus, like don't dilute the focus, but keeping it fun. I mean, what's more fun than a rainbow road? I mean, I didn't even know that existed, but it's like you see all these different things on, you know, social media. I mean, the graveyard one is one that caught my attention. I'm like, what? This is crazy. You know, so there's all sorts of different things that even if you think that your business is typical like a restaurant, like, you know, so many things that you're like, oh, my business is not that exciting. There's so many different ways that we can really wow our customers and to not forget about that because we oftentimes do.

Scott Belsky (19:59):

I I think that's right. And, and and that's why I always like to remind product leaders that we're designing for people. You know, whether you're building a enterprise product or consumer product or something in the middle, we we have to remember like people, you know, in our initial experience with any product or service in our initial experience, like the first 30 seconds, we are lazy, vain and selfish. Like, we don't have any desire to learn something new. We don't have time, you know, we don't have faith in the product because we think every product's out there to take advantage of us. We you know, we, we wanna make sure that we get a, a quick return on a short amount of time that we're giving up in our lives from something new. And so how do we make sure that we, you know, keep in mind we're, we're building, building for people. People want to be surprised and delighted and they want to, and they're very protective of their time.

Jillian Flodstrom (20:53):

Oh my gosh, we have talked about so many good things today. So many things that any entrepreneur, whatever phase of business that they're in can take away. One last question for you. What is one piece of advice that you would share with an aspiring entrepreneur or business leader?

Scott Belsky (<u>21:11</u>):

Well I think that, I think that at the end of the day it all comes down to empathy. And and that's why building for yourself is such a competitive advantage because people are often able to be empathetic with their own needs. It's a real superpower to be empathetic with the needs of others. Being shoulder to shoulder and understanding what someone's really suffering from and with is, is a, is a, is a superpower. A lot of teams build something for a customer in mind, but they just fail to get as close to the company, to the customer as possible and really like, feel. And what you might find is that what the actual need is, you know, is, is slightly off from what you think the solution is. And and that's why I like to say that empathy is more important than passion when it comes to building a product or business. Because you can be very passionate about something and build something that ends up being 30 degrees off of what the customer actually needs. And your business will fail. And I've seen that many, many times. So empathy with what the customer's suffering from will, you know, outperform passion for the solution any day, in my opinion.

Jillian Flodstrom (22:19):

So important to remember now. Where can people get signed up for your newsletter? Where can they find your book set? Because there's so many amazing things that we've talked about today, but there's so much amplified in your books.

Scott Belsky (22:31):

Well, I appreciate that. No, I, I, I invite folks to subscribe. I have a free newsletter@implications.com, so it's easy to find. I am at, at Scott Beski on Twitter, so at Scott Beski. And and the two books I have out there, one's the messy Middle from a couple years ago. And then making ideas happen from, from a few years before that.

Jillian Flodstrom (22:52):

Awesome. Well thank you again so much for spending time with us today. I really appreciate it.

Scott Belsky (22:56):

Likewise. Thanks for having me.