



Titans as Teens

Transcript: Craig Sherman

[Theme]

Brody [00:00:08] Hey all, Brody here with a new episode of Titans as Teens, a podcast where I have detailed conversations with interesting people from all walks of life about their teen experience, and knowledge they have for teens today. On this episode, I talk with investor Craig Sherman.

Craig [00:00:22] I built up a habit from when I was really young. Whatever I did, I would do my best at. I call it like a vocabulary of success, that if you work hard at something, you get all these rewards on the other end. And I got into a loop where I'd do it and get stuff, do it and get stuff, do it and get stuff, and then do more of it. And I think that has served me well. I've done pretty well in my career. I think I've punched above my weight class for my natural skills.

Brody [00:00:54] Craig Sherman is a venture capitalist and leader in many different places. He's currently working at Meritech Capital Partners for his past projects, including the former CEO of Gaia Online, the Chief Operating Officer at Ancestry.com, being an independent board member at nearly a dozen companies, and investing in numerous other companies, such as Survey Monkey, Zipcar and Roblox, just to name a few. I really wanted to talk to Craig, due to his incredible track record in investing and his intriguing views on life. This episode touches on some really fascinating parts of Craig's ideology and his methods for success. I asked Craig to give me a summary of what he does for work, and this was his answer.

Craig [00:01:34] I get to meet the coolest, most courageous startup execs in the world, people who basically have some cool idea of how they want to change reality, bend it, and do what they want it to be - and learn about their business. I get paid to do it. I should I should pay them, learn all about what they want to do and how they're going to do it. And although I'll tell you - three quarters of the time, I don't really believe what they're doing is going to work. I can't. I can't. I'm too skeptical or critical of some element of it. I got to tell you, it's the coolest thing in the world. Because it's an honor to be in the room with these people, as they're trying to create something that others say is impossible, and might become, who knows, the next Google or the next Tesla or the next...something impactful on the world that could change people's lives in a great way.

Brody [00:02:26] Mm hmm. Tell me about the coolest one you've had the opportunity to be a part of so far.

Craig [00:02:31] I've been in some really cool companies over the years, So I've got probably two directions that I love. One is health care. So I've been in some things that, like, literally will change people's lives. There's one company that is called Encoded Genomics, and what they do is they make a gene therapy product for young people who



Titans as Teens

have a form of childhood epilepsy. The childhood epilepsy is so bad that 20 percent of the kids who get it, die before they're age 10.

[00:03:06] And for all the rest, they're basically getting seizures every day. And about once every month, they go to the hospital because it's so bad. So they've never had great medicine for epilepsy 'till today. What this company does and what gene therapy promises to do is, with an injection to the right part of the brain, they actually rewrite the proteins being created, or the amount of proteins, the right proteins and the wrong proteins - they change and regulate how much proteins are being created by the genes in those cells in the brain. And they with one shot, one time, it promises to cure them for life.

Brody [00:03:47] Are you sure that's real?

Craig [00:03:49] So far, no. Because it's only today in mice and they can do it in mice. And then in primates - and they can do it in primates. And it works. And it's dramatic. And the next step is human trials, which start in a few months. So will it work? God, I don't know. I don't know. And it's one of those cool things about my job. Like, I get to be there along the ride on what might work. And if it does, how cool. And if it doesn't? What a heroic journey right - on the way to doing something. so cool?.

Brody [00:04:23] Yeah.

Craig [00:04:23] That's probably my coolest thing. And then on the other side, like I'm in Roblox. You know, you probably know of.

Brody [00:04:31] Everyone in my generation, knows Roblox.

Craig [00:04:33] All right, cool. So Roblox is pretty cool because the guy running it isn't just...there's two things that are cool about it. One is the guy running it wants to build the metaverse, that world where it makes sense to you. Right?

Brody [00:04:46] Ya.

Craig [00:04:46] Right? Ready. Player one - but real. And I think he has a shot over the next 10 or 20 years to pull that off with what he's got. And the second thing that's cool is they don't make any games, even though everybody thinks of them as a game company. They're just a platform with software tools that empower other people, namely kids, to make their own games. And there are kids making - so there's millions of games on there, and one hundred plus million people playing them every month, and among those kids I've met some, that are paying for college through it. And others that like, cover all the costs for their family because they're in a situation where their family can't find an easy way to make money in this world right now, especially during COVID-19. There they're making hundreds of thousands, if not millions of dollars, some of them off of that. I think that's darn cool.



Titans as Teens

Brody [00:05:36] Absolutely. I've got to be honest, I've played quite my fair share of Roblox back in the day. So especially Phantom Forces. I don't know if you're familiar with that exact version.

Craig [00:05:46] Totally, totally love phantom forces. It's like, yeah, it's like a ghetto version of Call of Duty.

Brody [00:05:52] Exactly.

Craig [00:05:53] Right?

Brody [00:05:53] In some aspects, it's even better, in my opinion.

Craig [00:05:56] Yeah. The graphics aren't as cool, but the game play, some elements of it, actually are better, right?

Brody [00:06:01] Absolutely. Especially the fact that there's 30 plus players in each lobby. That's my favorite part.

Craig [00:06:08] Yeah, yeah, yeah, yeah. Oh, I'm so psyched you like it. And they're just going to keep making it better and better.

[00:06:13] And someday they might actually figure out how to make it cool enough that as you get older, because you're probably grew out of it to a large degree, that as you get older, it becomes relevant again to you. As they make the graphics look as good as a triple A game. And they make that game mechanics - deeper games and all that.

Brody [00:06:30] I'm really curious. Did Phantom Forces specifically, or even other Roblox games, did they all start with just some kid making it? And if it becomes popular enough, the devs themselves hop on and help with it?

Craig [00:06:43] Ah, let me clarify. There are developers - there are two kinds of developers in the world of Roblox. There're the ones that work at the company. All they do is build the software to allow kids to make games. Every single game you see, is made by the other kind of developers, which are really just kids from their home making it. So there is no one at the company making Phantom Forces, except for kids somewhere in the world on their own, who went in and built it and made it themselves. Not one game is made by the company.

Brody [00:07:16] I had actually no idea that was true. That's awesome.

Craig [00:07:19] This is totally cool. Nothing on it is made by the company. But things like, the guys making Phantom Forces years ago wanted to have more people in the game and they would complain - can't you figure out how to do that? And then the devs at the company, their job is, how do they how do they scale it out, such that you can have concurrently many people playing, and the graphics look great. And today, frankly, you



Titans as Teens

can't have as many people in the same space fighting and having the cool graphics that you can in, for example, Fortnite. But give it a year, and I think you'll start seeing that possible.

Brody [00:07:56] Now. So correct me if I'm wrong here, but essentially the kids make the game themselves. And if they really want a specific feature that isn't supported, then they can file a request for the company's own devs to work on that.

Craig [00:08:12] Yeah, exactly. That's how it works. And the guys in the company feel like their job is to respond to and build things for devs versus ever then telling kid devs what to build. There's a rule we never tell people what kind of genres to go build or what types of games or what, whether it should be a game or should be just an open space where you hang out with your friends like whatever you want to make, you should be able to make up Roblox. It's like a libertarian fantasy. What if someone gave you a system, an economic structure, and land, and let you - and tools in great, great hands and brain? What could you make in this world? That's what they want -that's what they want to be.

Brody [00:08:51] It's like a drawing pad, except everything you draw is real online.

Craig [00:08:57] 100 percent. Yah the guy who made it - his brilliant idea - he started with a CAD company. CAD is a computer aided design, the software that's used to make like a car to design it. And he thought, hey, why don't we make cool physics tools, that allow kids to do things like crash two cars into each other, and see actually when they hit each other what would really happen, you know, instead of just see the math. And he built it that way. And then the kids started making stuff. And over time, the things they made weren't really science experiments. They were games because that's what they wanted to make. But it wasn't the company saying go make games. It was kids saying, that's what I want to make. And other kids wanted to play them.

Brody [00:09:33] This entire time. I'm sure me and pretty much everyone else I've ever known, considers Roblox - oh yah that's the company that makes the games for kids. But they're not. They're the company that helps kids make the games.

Craig [00:09:44] Oh, that was so beautifully said. Yeah. [laughs] It's so cool. You said it better than me. And after this, I'm going to call the CEO and tell him that phrase, and tell him your insight. Because I think they inside the company and including me, assume everybody knows what I just said. Knows that every time you open - a game inside Roblox, we had nothing to do with it.

Brody [00:10:10] All right. Let's let's transition away from Roblox a little bit and talk a little bit more about you. So is there any hobbies you have outside of your work?

Craig [00:10:18] My work is play. And so I'm an idea machine, I love coming up with business ideas. I love coming up with nonprofit ideas. And I spend a lot of time doing that in a way that others might call a hobby. Like coming up with the ideas, writing them out, creating decks to present to other execs who are thinking what do they want to do next in



Titans as Teens

their life and try to see if they want to go create something. I love also coaching. I love executive coaching, not getting paid to do it, but I've got dozens of people over the years. entrepreneurs who started companies that worked or failed, and former employees and other people I meet over the years. Like often people come in wanting fund raising and it might not be right for us at that time, but we stay in touch, and I spend hours every day talking to people about their careers and the direction they're going and helping with people management issues, and questions in their life. And it's almost like being a coach or a therapist or something.

Brody [00:11:20] Yeah. What you're describing to me sounds - I'm not I'm not sure if you've ever read the book - it's a book called Give and Take.

Craig [00:11:25] Oh, you somebody just recommended that to me last wee...

Brody [00:11:29] It's fabulous you should absolutely read it. Because what you're describing is the embodiment of a 'giver' described in that book - or an ideal giver.

Craig [00:11:39] Right.

Brody [00:11:39] There's two types of givers in the book. One giver is the one who gives everything they give all of their self without considering their self. But the ideal giver is someone who makes sure that they're giving to people, but also considering their self. So you've...

Craig [00:11:53] Yeah getting that balance right Had exactly the balance right is actually somewhat hard for me at times. [laughs] So that's really cool to hear. Yeah, I was just on the phone with a New Zealand entrepreneur only a week ago, who in response to some stuff we were talking about, said, "you remind me of..." And said I should read this book.

Brody [00:12:13] So tell me about - I know you meditate a lot.

Craig [00:12:16] Yeah, I do.

Brody [00:12:16] Could you tell me more about that?

Craig [00:12:18] That's a hobby for sure. So, 20 years ago, my wife, we were just friends then or dating at that point, got super into meditation after doing yoga and her yoga instructor recommending it. And I made fun of her for, oh boy, about three years, because from my point of view, it looked kind of New Agey and nutty and out there.

Brody [00:12:41] Woo-woo!

Craig [00:12:43] Woo-woo. I was going to use some word like that, but it didn't sound professional enough for this interview. Right. And it totally felt like that. And then it...and then there was a day when it all changed for me. So something happened in college - this will connect - where I - so I dropped out of college once. And when I did, I went to see one



Titans as Teens

of the - the dean of - there was a dean of students at Princeton. And he sat down with me to sort of coach me on my life, whether I was coming back or not. And he had just gotten divorced. And he said, you know, he and his wife were army brats. He went to the army. They met through all that. And then somehow he ended up at Princeton years later. And he got. He was on the administration's side. But he started living a more intellectual life. And connecting to all these people who are very different from himself.

[00:13:36] And he grew and all these wonderful ways. Fast forward to when he was talking to me. Somehow he realized he had not carried his wife along in that journey. And they got separate and they sort of were no longer they were they were strangers to each other. And they ultimately were at that moment getting divorced. And he said, make sure you don't let that kind of thing happen to you in life. Who knows? That was one of the coolest things I could have ever heard. Maybe that was why I had. I mean, who knows why I had that meeting?

[00:14:06] But because of that - get back to meditation - I realized one day with my wife, as we were talking and I was making fun, in a sort of like, clever, biting way of some of the stuff that she was quoting from some monks that she had gone on a retreat with.

[00:14:26] I - and it's easy to critique if you want - um, she started to have tears in her eyes. And it clicked, oh, my gosh, I might be doing the same thing, this stuff really matters to her. Like deeply matters to her, at which point, I said I need to understand it and I need to come on this path with her. Because she and our relationship is more important than whatever was going in my head, about I need to be right or what the way I see the world is an analytical materialist. And and so I started reading the books and I went. and there was grating and friction full. And then I went on my first retreat and it was a silent retreat from early morning to night with a monk. And you didn't eat. You only eat early breakfast. You get up at four or 5:00 and then you ate something before 1:00 and nothing else all day.

[00:15:14] It was not easy. Silent and sitting or standing for the whole day. And the first day I hated, the second day I hated it. And sometime in the middle of the third day, as I sat and sat and sat, boom. I clicked into another reality. It was like a doorway opened to another form of - another mode of existence in this light - that I didn't know was possible. And it was pure bliss. And I had a moment of realization that I could be happier than I'd ever been. Doing nothing but sitting on a cushion, which meant I needed nothing. I didn't need social status. I didn't need much money. I didn't even necessarily need family. I didn't need to work hard. I didn't need to do anything, I could just be.

[00:16:13] That was one of the two or three most profound moments of my life. Because the moment I got off of that cushion, by the way, I never got back to that exact experience over the next 15 years. Even though I'd love to. But it changed my recognition of this existence we have. I found out something you couldn't find out, all those years and working hard in high school and going to Princeton and studying hard and checking all the boxes in normal culture. I found it something nobody else was saying was there. Now meditation is becoming much, much more recognized or open in the Western culture as something reasonable to do. Right? But, but the door it opened to me, still for most



Titans as Teens

people, it's not easy to describe in words what it was like. But now I see the world as a much richer place than I did before. So I do it every day for about 15 years now, and it's been a really grounding part of my life. I think it makes fuels my giving fuels, my loving, fuels my intellectual curiosity and desire and intensity to do cool things in this world.

Brody [00:17:24] You said that, at that moment you could have just realized you didn't have to do anything and you didn't want to - or I'm putting words in your mouth - you might not have said that. But why did you keep doing things? Was it because you couldn't reach that point again? Or did you have another motivation to keep working?

Craig [00:17:44] So. My father went bankrupt in my first year of college. I got depressed. I dropped out of Princeton, in response to whatever that was. I was a kid who worked my ass off at your age, only got A's, would never settle for an A-. Did a lot of things relative to the average kid my age or in college at that time. Until I hit that point and got depressed. Fast forward to my meditation experience. I was still financially not secure enough. I didn't feel I was in a place where I could do whatever I wanted and not support my father and others. Because 20 years later, 10 years later, whatever, he still needed help and he still does today. And he's an amazing guy. But the money side never happened for him. So I felt constrained by that. I also had a very ironic thing happen. Because I felt such an incredible experience, I wanted it really bad again. And as a monk told me only days afterwards, when he heard what I described and goes, "Oh, yah. That's called the first Jahna of four levels. The second, third are even more, they'll wack you out. They're incredible". And I was like, really? It's like, "Yeah, why do you think I'm a monk, you know?" And he was like, just joking with me is like, of course this is like it's it's all there. You just. It's hard to explain until you've actually felt that, but. Yeah. Yeah. This is what it's all about. But then he goes, and then he laughed at me, he goes; "Yeah. I feel bad for you". And I said why? He said, "Oh you're now going to want it so bad...you're never gonna get back there". Because I got there so easily, too fast. And then suddenly I was like, how do I get there? And I was trying and trying. And through the next decade, actually meditation for me had been had been a challenge. And coming out, going back to work, like integrating those two worlds has always been challenging.

[00:19:47] Now, at my age now when you're doing the interview with me now, I'm in a world where the last two to three years, I'm starting to integrate everything. So I meditate in the morning and meditate in the evening. I've stopped twice today during the day and meditated. I've I feel comfortable canceling a meeting if I just don't feel like it, or calling somebody out of the blue because something came up with my meditation, or while I was walking on the street and looking at a beautiful tree, that I think would be helpful and inspiring to somebody.

[00:20:19] And I just put that into my day. And the results seems to be somehow, despite the fact that is all entirely unguided and un-agenda, and not premeditated, it seems to actually lead to really cool consequences.

Brody [00:20:38] Like what?



Titans as Teens

Craig [00:20:39] OK. Example, last week I'm on LinkedIn, and an article comes up, where my name is mentioned. And it's an interview by an online magazine, on another site, but it was up on somebody it posted on LinkedIn, that was interviewing - it was doing a series on successful executive women in business. Right? And this was an article about somebody who, coincidental to our earlier conversation, is a senior executive at Roblox, and before that created Facebook groups at Facebook, and before that work did a cool game company. But many years earlier worked for me once.

[00:21:16] But we and we keep up for years and years and years. And I just talked to her the way I just described, in ways that are very natural with no agenda behind them. And in the article, which is mostly her sharing her advice to other career women, there's one section that says, "Often we have somebody who influenced us in our lives. Have you had anybody like that?" And she said, yes. Two people, one my mom and two, Craig Sherman. And then she said Craig Sherman believed in me, before I did.

Brody [00:21:48] How did that make you feel?

Craig [00:21:50] [laughs] I think one of the greatest joys in life, is when you're expressing out your creativity and your, your energies, however, they come very naturally, and in some way you see that they impacted somebody else positively, that it bounced back in some way, that you feel like, oh, my energy, you added value or was worthwhile or got seen or whatever. It was - it's tremendously valuable. Like, that's that's as good as it gets, man.

Brody [00:22:22] That's your goal in life. Just have that as much as possible?

Craig [00:22:26] [laughs] I don't know what's one's goal in life, but I don't think the goal is narrow as, make as much money as possible or, get as far ahead in conventional ways, because I'm - I think we're stuck seeing conventional ways as goalposts, and don't realize they were made by somebody else. And yet we're here. Why are we here? Like, if not to create our own goal posts and find our own experience on this 80-year awesome trip. Right?

Brody [00:22:58] What are your goal posts then?

Craig [00:23:01] Yeah, I'm still exploring. I find myself more and more - the answer to those that sort of question is, I don't know. But that's OK. Not in the interview context, I should say something really smart. I can do that, too, if we want, and we can hit a very clear business objective, or a conventional success objective, because I obviously live in that world, too. But you're asking, what would I want my 16 year old self to hear? You know? I would like them to think it isn't all about going to Harvard Business School or building the biggest company, unless that's exactly what I wanted to do.

Brody [00:23:43] So we spent a lot of time talking about Roblox, and you there. But I'd like to transition into a little bit about you again. But as a kid.



Titans as Teens

Craig [00:23:53] Yes, so. Sure.

Brody [00:23:55] Can you tell me about what your social life was like as a kid?

Craig [00:23:59] I went to one school through all the way until my freshman year of high school through my freshman year high school, and then I went to another school after that. And I switched because I wanted to go off to - I want to go live in Japan in my high school. And I couldn't I could only find one school in New Hampshire, six hours from where I lived, that had an exchange program. So I picked that school so I could go live there in Tokyo. So I had it- like in my life - I had the first years - I think I had just a great social experience with lots of great friends up through and up through and including 9th grade.

[00:24:38] I went to the other school, and when I got there, I went into a gear of, need to check every box and succeed. Need to be the top kid in the school. And I happened to pick a school is really hard, academically. And so I became a grind. Was up, you know, sleeping only four hours a night sometimes, and all that. Trying to make sure that I was - because I wasn't the smartest kid - but I was probably one of the hardest workers.

[00:25:02] And without realizing it, my life became very unsocial. I became very caught up in just getting my work done and didn't make a lot of close friends there. I had a girlfriend that was wonderful. It wasn't all bad. Right. But it was - it wasn't - it wasn't great. And then I went live in Japan. And Japan was the coolest thing ever because my goal was to to have a social experience. I had I was fifteen when I got there. And I turned 16 over the summer I was in Japan. Their school starts in April. So I went there for a year then. And that was the coolest thing. It was super hard because I didn't speak Japanese that well, I tried to study before going. My school had something, I went to Harvard Summer School - I was 14 to learn the undergrad class of Japanese from Harvard. And I knew some. And yet, I got there and I failed all my classes, utterly. Except math. Math is easy, but everything else I failed, including English. That was hilarious. Yet, I got to join the judo team and I got to be the lead singer in a rock band, and I made a ton of friends because instead of focusing on academics, I just focused on relationships. And I built from nothing at the beginning where, you know, with my Japanese, I sounded probably like a five year old to them. So it's not easy to talk, to a place towards the last three weeks where I was going out every single night. My host families would let me stay out till midnight and I'd go out with my friends and we'd just have...in Tokyo, which was like a really fun place to be as a high schooler. You can go anywhere you want. You could even drink when at an age when here, you know that would be hard. And we just had it like the best, the best time. So I had that. And then I came back, graduated. So there's my social experience.

Brody [00:26:59] Did you notice you like a change in yourself after Japan when you came back?

Craig [00:27:04] Well, you know, I came back from Japan and I actually felt alienated from the world over here. Because I went back into a high school experience, where I had been a geek and totally a grind. And I came back into this world, you know, where like I wasn't that at all in Japan. And I came back and I didn't know how to fit in. I came back in March



Titans as Teens

of one senior year in high school. So I had three more months. Everybody else is close to each other. I had a few good friends from when I had left. But they're all off in their own worlds doing their own thing. And I felt like they'd left me behind. And, I also felt like I'd seen a culture that was so different - in a way I kind of reacted against everything there, and was like, look you guys think your way is cool but I just lived in this cool city instead of this little, you know, like this rural village up in New Hampshire. And so I don't know. It's just it was rocky. I couldn't find my way. And I would say that my last that my U.S. high school experience was a lonely one in hindsight. And when I went to college, my whole intention was to make it a much more sociable, fun experience.

Brody [00:28:19] Did it work?

Craig [00:28:20] Yeah, it worked, my first year before he left, that happened, yeah, before that happened, I had yeah, I had just an amazing year. Made great friends. I still talk to two of them on the phone every week and a third one, I play tennis with almost every week. The others live in France, New York and stuff like that. And then there's one locally that I play tennis with every week, and they're an important part of my life. And it was great.

Brody [00:28:47] I think it's fair to say that the Japan trip was probably one of the most influential things in your early life, if you can call that early. Which I do. But was there anything else that you did? Like a habit that really influenced who you think you are today.

Craig [00:29:04] Yeah, I built up a habit from when I was really young. Whatever I did, I would do my best at. Put another way, I built a vocabulary - I call it like a vocabulary of success. That if you work hard at something, you get all these rewards on the other end. And I got into a loop where I do it and get stuff, do it and get stuff, do it and get stuff to it and get stuff and then do more of it. And I think that has served me well. I've done pretty well in my career. I think I've punched above my weight class for my natural skills. If there's another thing and it is a little tied to Japan, in the sense that Japan is a manifestation of it. I like to do things others weren't doing, from when I was young. They always were more interesting when I did that. So my school didn't have a newspaper. I created the newspaper. There are other examples I can give like that. And then going to Japan was really way out from where - I mean, it wasn't like, you know, my mom hadn't try Japanese food before. Right. You know, so it wasn't it was far off. Crazy idea. And how to get there. It was crazy. How do you figure that out? I think I did that in almost everything afterwards. In school, I think I followed or really in college, a very untraditional experience. After coming back after that time, I dropped out. I took another year off at another time to do cool things I thought were cool in the world. You know, I started fundraising for a company in college back when people didn't do that. I know, I went to work for a magazine in Japan in the middle of my college, took off and went over to Japan and worked in the news magazine and offered to translate, or interpret in return for getting to follow reporters around, so I could see what would it be like to be a journalist.

[00:31:05] I went to D.C. and found a job in a part of the government working on Foreign Affairs Committee for the subcommittee, some subcommittee for the House of Representatives, because I think we maybe be called to go to foreign service. Right?



Titans as Teens

Another time I was like, maybe I should go be a teacher. So I convinced the school, let me be an assistant teacher in a second grade class for three months. And did that, you know. And I was sort of like completely off of the normal "when do you graduate?" And it stressed me out at times, because there was - I had people who had - all my friends that graduated before me and they were succeeding by external measures.

[00:31:41] But then in work, it totally killed it. It made all the difference. Because I was always willing to do something no one else in the company was. And it always led me to learn stuff, no one else knew. I'm going to give you one concrete example. The first company I worked for, had big call centers. They also - they were big company, doing lots of cool stuff. But one little element of the company was they had these call centers, and they were run by people out of Harvard Business School who were trying to keep them super efficient, down to the revenue they could generate per minute on the phone. They had outbound telemarketing, that inbound customer service, all this kind of stuff. And I knew that they - could they had hit a point where - I was in a meeting where somebody complained that they couldn't figure out how to optimize and make them more efficient. They were getting to a plateau. And I raised my hand and said can I go down to one of these and work incognito on the phone - like, pretend I was just hired out of off the street and get trained and experienced and give some feedback on the whole experience? Maybe there's an interesting insight from that direction.

[00:32:44] And in that time, it was a six week training program and they said, OK. It's crazy. So I took the class and then I wrote something up on it. And it was the most like eye opening experience, because the people in the class didn't go to college. I had graduated from Princeton with almost near religious self-confidence in my my abilities, right? And yet in this class, they didn't do any of this stuff. And some of them were better at it than me.

[00:33:12] How cool - the like slap in the face and see that I just got lucky to come from my particular socio- economic background. That things came to me in many ways, easily. Like I've got to go to Japan in part because at that time my parents could afford it. These people, one of the kids had a baby and she had this problem where she wouldn't had to leave it in the apartment while she was taking the class. Which in hindsight, I can't even believe that existed. One of the kids, as I was leaving, we were in the program - "kids" right were were all like, twenty two years. I was twenty two. They were a little younger. We're all taking this classroom the day - And as the day would end, he would pull out his backpack and he would roll out something in a sleeping bag, so he could sleep outside the building because he couldn't afford rent. Right? I invited him to stay with me, I remember.

[00:34:00] OK. So I do this. And then I wrote something up about the training program, which wasn't that good. But nobody had looked at it from my perspective, from the the person the student's perspective, the employee in their first job at a school, they were condescended to, etc. And I suggested all these changes and it went up to the president of the company. My report went from my boss to her boss above, about all the way up to the president to say, "I want to read anything you write going forward and I'm going to help you become a general manager. So I want to know what you want to do for the net every 10 months. Let's change your job. What do you want to learn first?"



Titans as Teens

[00:34:36] And I was working on pricing database systems, or some bullshit like that, then. And the first thing I said was, I want to go back into the call center. And then I asked to work 3:00 to 11:30 pm for three months. And I took calls alongside the people that graduated with me. And then I experienced what's it like to talk to customers every day. What's it like to have to raise your hand if you need to pee. Following rules, getting measured every cent you're generating per minute on the phone. And naturally, as you would expect once you do that, turns out there's tons of things you can improve in the system. And a lot of it's just by listening to the people who are around you doing the job. But if you came out of Harvard or whatever and you go into these jobs more senior, and you've never done and felt it, you don't - It's all in your mind. And they couldn't make improvements. We went in. We can make 20 percent improvements in days. You know, it's just easy.

Brody [00:35:27] So you pretty much just, instead of taking the business- man route to everything, you decided to become the person you were working with, right? You decided to look at things from their point of view instead of just being some sort of, as you said, some condescending prick from Princeton.

Craig [00:35:43] Yeah. Which I probably was for the first year working in my job, where I was in the headquarters and they all worked in these little satellite offices. So maybe that was something I got when I was young. There's just this natural instinct.

Brody [00:35:57] Do you think you still use that today? I mean, obviously, that was the question. But like, how do you still use it today?

Craig [00:36:02] I think I am more able to put myself in the shoes of an entrepreneur than the average VC. And see their vision and what it's going to be, in a way that's harder for them, for a lot of other VCs.

[00:36:15] I think I go about my day in a way that's different from most VCs. To be clear, I'm not one of the most successful out there in my mind. I think I can think of so many people are better at what I do. But I have my way of doing it, and I'm comfortable with it. I'm often - that doesn't resonate with all entrepreneurs, but with a subset of entrepreneurs, it clicks so well. One of my partners called it Vulcan Mind Meld. Yeah. And so it's a not. I'm not. It isn't that I'm objectively better or overall better in any way, or that I even think subjectively I'm overall better. But I did carve out something that's unique to me.

Brody [00:36:56] You found your niche.

Craig [00:36:57] I found my niche. And then what it leads to is, on occasion, really cool investment opportunities that others wouldn't do. So, for example, Benchmark looked at Roblox. I was an entrepreneur-in- residents of Benchmark, which is like having a little fellowship there. And then I went from there to this company, Gaia, which was in many ways like a very early version of Roblox, to run that - it didn't - it's still out there, but it was never really successful on a big scale. But we did a lot of cool things. And when the



Titans as Teens

Benchmark guy said, hey, look at this thing called Roblox, what do you think of it? I came back and thought it was great. They did not. They decided to pass on investing it. I knew they were better investors than me. I still believe that in aggregate, they're all terrific investors and in total they're better than I am. But I like I believed in it. And when they decide to pass, I told the CEO I wanted to invest personally. And even if I had been wrong, because there's other things I have invested in that failed, I don't think I'd regret it, because I follow what I was interested in, and it always leads to an interesting path. If that makes sense.

Brody [00:38:02] It's not about what's gonna make you the most money. It's about would you agree with the most, personally,.

Craig [00:38:08] I don't think you can control what makes you the most money. I don't think you can control what makes you successful in life. But you can control what your heart is saying, and following it. You can control what your intellect is super interested in and wants to pursue.

[00:38:23] And who's to say that isn't ultimately happier inducing when you're 80 years old? Look, I always think it's what what you ask yourself the question, what would you want to do now, at 16 or at 30 or whatever? If you could put yourself in the shoes of being 80 years old and look back and say, what would you wish you had done?

Brody [00:38:42] The answer is never videogames.

Craig [00:38:46] [laughs] Yeah, it's never videogames. Right. And here I am, an investor in a company that makes video games and they are so frickin addictive and cool aren't they?

Brody [00:38:54] I have I have no problem with that. I play my fair share.

Craig [00:38:57] I hear you. I hear you. I knew where that was coming from. I could tell. That's why you noticed, I started by saying, I invested in a healthcare company that save lives. And then we spent all our time on these cool video games.

Brody [00:39:10] I mean, let's be real. What's giving people more happiness in the moment? Health care or videogames?

Craig [00:39:16] [laughs].

Brody [00:39:16] Video, videogames. I mean, maybe they'll live a bit longer with health care.

Craig [00:39:22] [laughs] That's hilarious. Yeah, totally. The truth is, when you spend time with someone like Dave Baszucki, the founder of Roblox, and you get enmeshed in his vision of where the world's going, what he's creating - I completely utterly believe it's a wonderful cause by an awesome guy that's making things better.



Titans as Teens

Brody [00:39:43] All right. I want you to tell me what you think the most important trait anyone can have is. Be it like compassion, kindness, intelligence. What's the most important thing.

Craig [00:39:56] I would have said kindness.

Brody [00:39:56] Kindness. Why is that?

Craig [00:40:00] Kindness to oneself and kindness to others. Why? It's at its deepest level, what's the point of being here, if not to experience getting and given like that, it's much richer, much cooler feeling than the first million dollars I made.

Brody [00:40:22] It's the golden rule.

Craig [00:40:24] The Golden Rule. It's the golden rule. The golden rule is so cool. Yeah, totally.

Brody [00:40:31] What do you define as success? We've touched on this, like a little...

Craig [00:40:36] I Feel like we touched on it a lot.

Brody [00:40:38] Yeah. Now we're addressing it head on. What's success for you?

Craig [00:40:44] Emmerson has some wonderful quote about what it means to succeed. You probably at some point, maybe not, read it. You have one line that only two nights ago is thinking: To have helped another to breathe easier. What else?

Brody [00:41:01] Just to end it off. You are now a teacher again, and your goal is to create a class designed to have students come out from their class being successful and kind. How are you gonna do that?

Craig [00:41:23] It will be tasking everybody with trying to make or create something together. And through the process of doing, together, putting in forms of self reflection along the way, or you learn from it how to cooperate, how to create something bigger than yourself through others How to hit roadblocks and get around them or or live with not being able to succeed. There would be no grade - because I don't think - because I would frame it as this is not preparation for the future. This is now. This counts. So, does that make sense?

Brody [00:42:02] Yeah.

Craig [00:42:02] I don't want people to get caught up in who externally thinks what about what they've accomplished. But in this challenge together, whether it's, you know, hiking a mountain or creating a startup idea or writing a writing the script in a video of a book by Tolstoy or Dostoevsky that we read together, we analyze, and then we create into a video to teach other people about what with a life lessons from some of the wisest people have



Titans as Teens

lived and share their thoughts. It's that process of doing and making and building, together, where I think we learned a lot about ourselves.

Brody [00:42:44] Now I wish this class was real, first off, but sadly, it isn't. So what can you say to people who want to take this class but can't? What would you tell them that they can do now?

Craig [00:42:58] Take one less A.P. class, but do something you want to do. For me it would be read Tolstoy or Dostoevsky. It could be for somebody else, you know, working out in the gym and becoming the whatever, the physical manifestation of strength or cool looking or whatever they're wanting. But it's it's letting go of what someone externally defined as something you need to do. Or what you have now imbibed is what you think you should do for something else in the future, and saying no, what I want to do? And then go do it.

Brody [00:43:38] That was Craig Sherman. You can learn more about Craig by visiting www.meritechcapital.com/teammembers/CraigSherman or by looking for Craig on LinkedIn.

[00:43:52] [theme music bridge].

Brody [00:43:52] Make sure to check out the next episode. Where I have a hilarious, yet enlightening conversation with Nikolai Bratkovski, a Russian-Canadian health care guru.

Nikolai [00:43:59] My experience in teens was interesting because I grew up in Belaruse up until I was 14, turning 15, and I moved to Canada a couple of months before I turned 15. And Eastern Europe was romanticizing organized crime and mafia because that was literally 90s and early 2000s. Those are the people that were heroes in Eastern Europe. And I grew up on those mornings and that really fucked with my mindset. Where I was growing up was in developed economy with good laws, with like safe society etc etc, and those two things didn't fit in. And I'm trying to figure out - I'm like watching all these Russian movies because I'm so it's still so deep in the community, whereas I'm living in this great country and there's just the internal conflicts.

Brody [00:44:51] I'm Brody Herrick. To learn more about the show, visit titansasteen.com. Thank you so much for listening.