Adam Gross @Vimeo

Adam Gross: [00:00:00] PLG is not for everybody. and PLG is not a go to market motion. PLG is a business model, every. Not even great, but good PLG business I've seen has some, specialized customer acquisition piece that is not paid acquisition. If you are doing PLG and you're doing paid acquisition sub a hundred million in revenue, I'm not sure you're really PLG.

Harry Stebbings: This is 20 growth with me, Harry Stebbings and we're joined stay by an all time. Most of product like growth or PLG, Adam Gross hailing from Salesforce, Dropbox in Heroku. Adam has seen the good and the great of PLG. And this episode is a masterclass in when PLG works, how it works, lessons from the best and mistakes that founders can and need to avoid.

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Harry Stebbings (2): Adam, I've wanted to do this one for a long time, so first, thank you so much for joining me today.

Adam Gross: Harry, it's been a long time coming. I'm delighted that we finally got it scheduled and, uh, nice to spend some virtual FaceTime with you.

Harry Stebbings (2): Oh dude, this is gonna be great. So we're gonna start with like a, an interesting quick fire. So when we look at the different companies that you've been at, there's some iconic brands there. And I wanna do basically,

what's your biggest takeaway from each and how did it impact your mindset? And so if we start with number one, Salesforce, what would that be for you?

Adam Gross: I'll try and [00:04:00] keep these brief. you know, so I was very lucky to be, very early at Salesforce. I joined in, 2003 One of the things that people don't maybe understand about Salesforce, looking at it as this huge, big enterprise software company now, is that thing was built brick by brick.

That thing was built, through the pure energy and intentionality of all the people on the team there, which was amazing. And so what I really learned there was just the kind of genuine power of a growth mindset and what that really means and what that means applied every single day.

That thing was forged into existence. It didn't just kind of get lucky, right place, right time. And that was a very powerful lesson.

Harry Stebbings (2): Can I ask you, sorry, what is a growth mindset, really? We hear it from everyone, there's the book, I think, what is it?

Adam Gross (2): it's really interesting. And we'll talk about some of the other companies. I've worked at a lot of companies that have enjoyed a lot of fast growth. And Salesforce was different. Salesforce owned its own growth. The growth didn't happen to it. It didn't just kind of experience, you know, kind of a viral growth and kind of took off on the Internet when it started.

Maybe the Internet wasn't even big enough for that to [00:05:00] happen. it owned it through, understanding the power of marketing, understanding the power of a message. Understanding, the power of an industry transformation narrative, and really being intentional on owning it.

Harry Stebbings (2): so when we think about, like, the ownership of growth there from Salesforce, if we were to move to Dropbox, another of the iconic brands, what would be the takeaway from there?

Adam Gross (2): I was a Dropbox, uh, in the very beginning I was employee 11. So it was 2010 when I started and it was already clear even in the very early days that they were onto something very, very special from a customer acquisition point of view. one of the many things I learned from was the power of being really innovative around customer acquisition,

One of the things that I think is maybe underrated that I'm really attracted to, and I encourage entrepreneurs to think a lot about, is what's changing, where is

their innovation in customer acquisition? I mean, it's hard to find a company that was more innovative in customer acquisition than Dropbox.

Harry Stebbings (2): I had Kip Bodnar, who's, uh, like CMO at HubSpot on [00:06:00] the show, and he said that actually it takes one channel to get to 50 million in ARR, two channels to get to 100 million in ARR. Do you agree with that in terms of how to think about channel alignment to growth?

Adam Gross (2): I would hope that one channel could get me further than 50. and I've certainly seen PLG businesses that got well past 50 on one channel, or even back to Dropbox, got well past 50 in one channel. That, that seems a little low to me. I would, I would hope I would get more given how hard it is to build a

channel.

Harry Stebbings (2): we've mentioned the word growth a lot, and so I do want to dig in and start there. it's a little bit misused today as a term. When we think about what growth is, what is growth and what is it not, Adam?

Adam Gross (2): I honestly don't love like the title VP of growth and I don't love growth function all of that stuff It is a lot of local maxima It's improving a flow. It's improving a journey. All of that is really, really important. But that's more kind of bottoms up growth, where I spend a lot of time with the =companies I've led or or work with as an angel [00:07:00] investor. A board member is a little more of the top down idea of growth, which is fundamentally how do you set A vision for yourself for your customers that you can articulate and communicate at scale that is going to be transformative for them and is going to be really, really valuable and is empathetic to where they are as an organization.

So one thing I like to think a lot about and talk to companies and founders I work with a lot about is, is what's your theory of your business, which is another way of saying kind of holistically.

Where your customers are gonna come from, how are you gonna make them successful? How are you ultimately gonna, make them profitable growing customers, both in terms of them getting value and, and, and your business, getting revenue. the thing about kind of just bottoms up growth is it's just very narrow in its perspective.

It doesn't, take the kind of holistic view. of how does your product value proposition, interact with customer experience of how they engage with your product? How, what's the journey that your customer goes on? If they start as an individual [00:08:00] free user and then convert to a self serve paid user, maybe as a team, and then from there convert into an enterprise customer, each of these kind of different phase transitions, this is kind of a whole architecture of a business.

I really encourage founders to think. more holistically, about all the pieces and how they come together, because that is the hardest thing about growth in the modern sass era it requires all the pieces

coming together.

should they think holistically about it from day one? Or do you really just need to focus on the next step? The next step in zero to one phase?

Adam Gross (2): maybe not day one, but definitely, year two,At some point, you need to decide, who is your customer, not just from a use case, and value proposition point of view, but from, a go to market point of view, which the best proxy for that is deal size.

Are you going to get from, year one to year three from C to A or maybe A to B, depending on how you name the rounds, right? Are you going to get there by getting X customers at 50k a pop? [00:09:00] Or why customers at 5k a pop. the physics of those two systems are entirely different.

And at some point, you gotta decide. And you have to decide pretty early because nobody has ever raised an A or I would think a B doing both. You just would spread yourself far too thin. attempting to do both, and it's a very, very challenging, discussion to have, especially in the early days, because if you're doing founder led sales or even early right MVP development, by definition, you're more in the category of fewer larger customers, right?

Because it's very personal and engaged. So, Companies can say, Oh, well, I'm gonna go down or founders go down that path and say, great, I'll just get more of those. And you realize, well, you know, it's easy to get the first five, but then you got to build the whole customer acquisition machine to get the next, 50, versus, you know, the challenges as well on the, on the smaller side, you have to get, be expert in a whole different kind of, customer acquisition.

Harry Stebbings (2): Listen, you're the PLG expert. You mentioned that they're kind of, are they paying 50 or are they paying 5? I think the thing that I see a lot and have a lot of portfolio companies do is they [00:10:00] spend on the customer acquisition like they're a 50. They have customer success like they're a 50. The enterprise cost structure is then shifted to a 5, 000 ACV customer. who doesn't expand in the way that they think they will do. And that's, for me, the biggest problem with PLG, actually. The businesses aren't good, because they don't expand in the way they think they will, but the cost base is so high.

Adam Gross (2): I'll channel Jason Lemkin here.

Adam Gross: PLG is not for everybody. and PLG is not a go to market motion. PLG is a business model,

Adam Gross (2): It is a, again, holistic, way of architecting and constructing your product, your business and your entire organization.

It is not something that you add on and, say, you know, gee, wouldn't this be nice to have as a kind of additional distribution channel. you know, it has to be really, really intentional with that in mind,

Adam Gross: every. Not even great, but good PLG business I've seen has some, specialized customer acquisition piece that is not paid acquisition.

If you are doing [00:11:00] PLG and you're doing paid acquisition in the early days, and I'll even say like

sub a hundred million in revenue,

Adam Gross (2): so pretty far up. if you're doing paid acquisition,

Adam Gross: I'm not sure you're really PLG.

Adam Gross (2): whenever I talk to founders, A good PLG business, even at the five, 10 million range, they usually have discovered one good, acquisition mechanism that is, contributing to, a disproportionate 50, 60, 70 percent of their actual, customer acquisition volume.

And usually that's like one or two things. The distribution of, acquisition methods or specifically even content, right, is highly, uh, asymptotic. one good piece, two good pieces, will move the needle as opposed to, doing a thousand.

Harry Stebbings (2): How do you advise founders on channel diversification? You said there about kind of having that one channel that works, that one innovative customer acquisition channel. I hear a lot who are like, you know, I need to diversify. What happens if, you know, we have too much channel risk? How do you advise them on that?

And when's the right time to try and add a second channel?

Adam Gross (2): going [00:12:00] back to kind of what I was saying before, you know, enterprise versus PLG or self serve, How do you think about that decision? my rule of thumb there is you only get to have one, one of those until at least 10 million. If not further, if you're up at like five, six million and you're like, gee, now's the time to add enterprise.

Usually the challenge is companies going enterprise too soon because it's very tempting. It can be the other way of companies trying to, go into PLG from enterprise, which is a much harder path to go. If you're doing that under 10 million, I just think, you're not big enough.

It's too distracting. You haven't built enough of the machine. I would hope that a channel would get you pretty far, again, into the, you mentioned 50 before, 100, and maybe it's also, you know, I think about a full fledged channel as in a full fledged enterprise sales organization with all the SCs and SDRs and, all the mechanics and machinery, that takes a lot to, to really get

spun up.

Harry Stebbings (2): If you're a startup founder listening with a PLG motion, the question then is like, how do I have the sharpest point going into an organization? How [00:13:00] do I hook the champion most effectively? How do you acquire champions in companies most effectively? How do you get that first user to love your product so much that they sell it to the rest of their team?

Adam Gross (2): one of the key things to understand about PLG is it's not linear. It's not a single product that you have a value proposition for or an experience for that you, sell to one user market to one user that you then take the same thing and then try and get them to, adopt as a team and then get the same thing adopt to an enterprise.

what makes PLG PLG is it is has these distinct, discreet, but complimentary. Um, motions and value propositions. I'll give you a specific example. I think

when you look at PLG, this, this does tend to be true. That first step, that individual free, typically free step is usually a creation value proposition, right?

In the Heroku case, creation meant like building and deploying an app. The second step, which is usually your, your team, self serve step is usually a collaboration value proposition, is another great [00:14:00] example, a company I did some work with as a consultant. As an individual developer, I'm using GitHub to, you know, find code, find samples, you know, find libraries, whatever, right?

Creation oriented. As a team, I'm using it as part of my workflow. As in a team in order to collaborate, right? Collaboration value proposition. And then enterprise. What's the value there? It's compliance. That's where I have my security. That's where I have my audit ability. That's where I have my observability, all those kinds of pieces.

these are distinct products. They're distinct value propositions, and they're distinct go to market motions that you assemble in a kind of an adjacent way into a layer cake, if you will, so yes, you start with that individual free user, but in order to make the jump to team, you're going to have to have a different value proposition and probably a different, a product, complimentary product.

Harry Stebbings (2): what is the biggest mistake that founders make when moving from stage one, creation, to stage two, collaboration and teams?

Adam Gross (2): I think the biggest mistake is, Not [00:15:00] understanding that it's different, not approaching it with the intentionality of. It's going to require a different value proposition that, Having a single player product, a product that has value on a single player basis and that you can then build, a multiplayer, Collaboration product experience on. You're doing MVP. You're doing, a product market fit twice. and I've seen this a bunch and I've seen companies I've invested in not make it. Where they get the individual value proposition, but they're not able to translate to the collaborative value proposition.

Harry Stebbings (2): How do you do effective product marketing there? Say you have a billboard, and you want to emphasize the abilities that you're able to deliver with creation tools, and then you also want to emphasize the team and the collaboration features. How do you do two stages of product marketing on one billboard or one advert?

Adam Gross (2): excellent question. And usually this debate comes up not in the billboard, but in the homepage of the website. imagine now when you've got the full fledged PLG model, you've got Enterprise 2. How do you manage [00:16:00] that? uh, friend of mine runs the website for, for GitHub.

And this is, you know, classic GitHub problem in spades. my default is the website is about the top of the funnel is about establishing the initial customer relationship. you want to yoke towards that free customer acquisition. And that's kind of the primary thing. Cause once you are engaged with them in the product. You have all kinds of additional communication mechanisms, in product, out of product, events, you name it, to engage with them and move them on the journey, but the website is frankly a kind of a blunt instrument, and so I point it at that largest Pool of unwashed masses.

And then as you kind of pull them up into your journey into your company experience, you reveal the different ways of engaging with them and delivering these other messages. you know, the Heroku core website really was always just about getting free developers to sign up.

And in fact, a lot of the work we did, and again, this is my era was 2013 to 2018. So this is a while ago. enterprise products that we built and spent, you know, customers would spend millions of dollars on, [00:17:00] most of like your hacker news crowd didn't even know that stuff existed, but that's because it was, we would communicate with them individually or differently versus what you would experience on the website, or in this case, maybe the billboard.

Harry Stebbings (2): you know, we mentioned that kind of creation with regards to Heroku and signing up developers. Respectfully, it almost feels like an easier product marketing challenge than other horizontal tools because we know we're targeting developers specifically. Okay, we know where they hang out, we know what messaging resonates.

If we take something like Notion, There's dentists, there's data scientists, there's mothers and fathers. The horizontal product audience is so large. How do you think about effective product marketing with such horizontal products?

Adam Gross (2): really at its core, it's what is the narrative of your company? What is your, industry transformation narrative? How are your customers, even going to imagine your product and how would the impact it's going to have

for them?

Harry Stebbings (2): What's an industry transformation? Story, is that it? Like, that, that, narrative, [00:18:00] I really like you, Adam, but that feels like it came out of an SAP book. Like, what's an industry transformation narrative? I don't know it is.

Adam Gross (2): If your company doesn't have one, it should,

Harry Stebbings (2): what you're always trying to do is navigate your company on two dimensions. One is be a motive, and the other is be strategic. You need to be emotive right because you want people to care. You want people to have a, an experience with your product that, they feel emotionally and passionately and viscerally connected to

What have we done to create these emotive brands and how do you create emotive brands then?

Adam Gross (2): you start by thinking that it's important to do so. have some intentionality to say this is important experience is important This is why do like big old software companies suck because they're not experience oriented they don't care about these things.

They've lost the connection to the individual user It's why these companies tend to be plg companies because to get the individual user you have to be empathetic you have to care about experience you have to have meetings with The CEO, and, you know, the management team where you're [00:19:00] debating minor switches in the command line, which, trust me, we did at Heroku, so you have to care.

but emotive is just half of it, right? The other part you have to do is be strategic. And if you're emotive and you're not strategic, you're interesting and cool, but you'll never command the kind of business impact and ultimately, budgets and ultimately, growth for your company that you're trying to look for.

And it's on that strategic dimension that this idea of transformation narrative or just strategic impact is maybe another way of thinking about that. That's so important.

Harry Stebbings (2): What do people get wrong on the strategic impact side? What are the mistakes that are made there?

Adam Gross (2): They think about the world too much from their worldview, their, their situation, their consciousness out versus customer in the hardest

thing, about being strategic and about having, that transformation narrative is having genuine. What I like to think about sometimes is enterprise empathy.

it's very hard for organizations to do is have enterprise empathy. Which really means being able to understand how your product [00:20:00] sits in the full context of your customer. politics, it's org structure, it's business processes, it's successes, it's dysfunctions.

All of your products are kind of sitting in this context. And to genuinely understand that, takes, a real kind of presence of mind.

Harry Stebbings (2): what are the most common ways that you see growth plateau in fast growing companies? in companies that do plateau in growth. Why?

Adam Gross (2): maybe kind of the implicit contradiction, being a high growth company, I see this play out all the time. You have this initial thing, this initial idea that whether you're GitHub, again, Dropbox, Heroku, you name it, that has generated unimaginable success. You've gone, not just from 0 to 1, but 0 to 10, 0 you've broken through on the internet, one of the rarest things to do.

you develop internal ideas and theories about why that was the case. This one thing that you did, the set of values that that thing represented was this thing that got you to this unimaginable place of [00:21:00] success relative to all the odds and all the other companies out there. then you have to say, I'm going to put those aside, or I'm going to challenge those, or I'm going to think beyond that and develop a new framework of value or a way of of contradicting even maybe some of the principles that got us this far in order to serve customers at that next level of impact or depth.

And that is a very, very hard thing for organizations to do,

Harry Stebbings (2): Alex Nordstrom is the co president and the chief business officer head of growth at Spotify and he talks about committing surgery on yourself, which is essentially examining yourself in that core moment of intersection and realizing that you might have to kill the golden goose that's got you to stage two to get to stage three.

How do you think about sometimes needing to really examine the core to get to the next level?

Adam Gross (2): Amen. Amen. you know, you're doing it wrong when the company it gets too religious about its own culture and ultimately it gets too introspective, [00:22:00] We are successful because we've always done it this way. we have, Whatever, special t shirts on Fridays, that we spent an exquisite amount of time building, GitHub and Heroku, this is so core to our culture, clearly this has to be the reason for our success, and almost in like this religious way, where, you don't even know where the growth comes from, you're just afraid of upsetting the growth gods, you, romanticize or elevate, These kind of semi arbitrary aspects of your internal culture that have served you very well in the past, but are not what's gonna get you to where you go.

We need to go in the future. That comes. That's part of you asked before. What's growth growth mindset? That's growth mindset, being so religiously customer focused that you're willing to, Challenge the core values that you genuinely believe have contributed to your success because they may not be the values or the strategies that will deliver that next frontier of growth.

Harry Stebbings (2): Speaking of the next frontier of growth, often at that kind of [00:23:00] intersection where you do need to switch chapters, sometimes name changes happen, Adam, and I hear you're the master of name changes. Literally, like, everyone I spoke to about you was like, Adam comes in and he's like, let's do a name change, and he masters it and he does a brilliant job with it.

But why, why do you like name changes, and how do you think about strategy here?

Adam Gross (2): it gets to what I was saying before about.

capturing that strategic and emotive position. Customers want to love your products. They want to be excited about them and they want to, understand and inhabit the vision that they represent. And the positioning and ultimately the naming is the invitation to do that. two examples.

when I was doing some work with GitHub, the team there came up with this great product that let you build workflows And, you know, there are a bunch of names being kicked around, like flows and workflows or stuff like that. And now, and I'm happy to take credit for this, [00:24:00] it's, of course, called GitHub Actions.

think about, like, workflow versus actions. Which product do you want to use? Which kind of captures the essence of, of what this product was about, one way

of thinking about what was behind that product naming was, GitHub was this kind of inert, set of nouns, right? It's just a database.

It's just, you know, you're, you're just interacting with these files versus a thing that actually does something. What a powerful concept. What a big change in evolution for the company and for how you want people to conceive of that. What's the simplest way you can kind of capture and communicate and get people excited about that?

For me, it was actions. I think that was a pretty good name. you know, at its core, it's just getting to the essence of, why people should care about your product and how, they should relate to it. Just trying to be as customer centric as possible and appreciate that somebody's going to have microseconds to contemplate what this thing is.

And so you want it to have as great as impact as possible.

Harry Stebbings (2):

going back to the element of PLG and moving into enterprise, I'm thinking about kind of naming and what kind of what enterprise [00:25:00] names resonate best. But the thing that I was really thinking was the hard thing that I often see is, often honestly sales teams feel like second class citizens when growth is largely product enabled.

how do you think about not having second class sales teams when it is such a PLG motion?

Adam Gross (2): where it tends to go south, and this happens all the time, is when you cross the streams.

Is when you don't have the clarity, in how you run the business of this is our self serve product and this is our self serve business and this is how it works and this is our Sales led business.

this is its value proposition. And this is how it works. The most common failure mode is that those intermingle in ways that they're, they're not differentiated by motion, by customer, by product and value proposition, by message, and then you just have teams that are stomping on each other all over each other, and then you have acrimony, so having again the idea of these kind of distinct businesses, um, that are adjacent and connected in really important ways versus effectively a [00:26:00] scrum.

Very, very common failure

mode.

Harry Stebbings (2): Does AI change anything about the PLG motion, my friend? Thank you.

Adam Gross (2): you know, the question is, how is a I going to change customer? Interactions and ultimately customer experience and man, is that a fascinating topic? And so, you know, I think what we see in the market today is, the most Obvious first places are support case triage and routing, Okay, from there, how, sophisticated can AI become? in educating, and, moving customers, through an injury and experience,

Harry Stebbings (2): Do you think there's much value to be created in that layer? I mean that with respect, but like, do you not think that the core value accrues there to your open AI of the world who did voice synthesis and single handedly kind of destroyed a layer of voice creators in its path?

Adam Gross (2): I'm of two minds on this. I think a lot of AI value will accrue to existing large distribution players. AI is [00:27:00] not. naturally disruptive in the way that the shift from on Prem to cloud was right, which obviously I had a front row seat to moving from on Prem to cloud. The reason why so many companies were so poor in doing it is it required not an upending of their product.

It required an upending of their business models moving from perpetual licensing. From a sales point of view, from a finance point of view, moving from an engineering process that, you know, delivers software on CD, to delivering continuously on the internet and operating a service versus just shipping software.

These are, tectonic shifts in how an organization structures and runs itself. And the further and more public company you are, the harder that is to execute. Right. That's why it was so, so hard to do. And we saw so much opportunity for new entrants in SAS. AI is not the same.

AI is much more of a continuous, a continuing innovation, where it's much easier for incumbents to to adopt, and take advantage, of these technologies without [00:28:00] upending, their entire company structures. So this isn't like, early sass days where all this new value will be created.

That said, when we dream about user experience or engagement models that you and I. haven't experienced yet. That's likely to come from somewhere else and there's likely to be new value there in this

kind of AI native

Harry Stebbings (2): Sarah Tavel from Benchmark said that we will sell the services and not the tools. So instead of, to your point, selling the, the creation tool, it will sell the output of the creation tool, which AI will have created. The product itself, Do you agree with that transition?

Adam Gross (2): I would kind of call that maybe like full stack AI, Versus kind of an AI tool thing. absolutely. What an interesting opportunity that is. You see hints, just hints of this. If you look at some of the support. Companies moving from, seat licensing support tool companies, to incident resolution, That's getting, that's further up the stack. That's closer to business value. That's closer to kind of selling, the end result and output. if you [00:29:00] really squint, you know, what does that look like in other kinds of industries? What would it mean to pay a CRM company per lead

Harry Stebbings (2): before we do a quick fire, one part of your career we haven't covered is your angel investing, and you've made some pretty awesome angel investments

Adam Gross (2): The first thing comes to hiring, right? the first thing I see go right or wrong in a hire is knowing what you are hiring for. the biggest question people tend to get confused on, and wait with me for a minute on this, is are you hiring a poet or are you hiring a librarian? Which is to say, for any given role, you are trying to mix some blend of process expertise and kind of domain or content expertise.

This comes up in every single marketing hire. conversation I have with founders, do you want somebody who knows the space who can use the product, who is expert in talking to customers, i. e. a poet, or do you [00:30:00] need somebody who understands all of the process machinery of setting up demand gen and the systems and the analytics?

And, the best practices for customer acquisition, i. e. a librarian. Same thing with engineering. Do you want somebody who's a technical leader? who will configure Kubernetes in their sleep and elevate your technology prowess, by their personal ingenuity, or do you want somebody who's a process leader who will help the trains run on time and scale the systems?

first and biggest place people go wrong is. looking for one and or thinking they need the one or and hiring the other or not being clear about it because people like you and me tend to be a little bit both like harry You're a light. You're you're a poet right? if you were a librarian vc You'd have a big, you know supercomputer sitting behind you running math models doing high frequency trading That's not you.

You're a man of stories and and people and narrative like that's poetry. It applies to your vcs too. So that's the

first thing

Number two, the power of alignment, I'm a big believer in, kind of planning methodologies, [00:31:00] and they tend to have a bad rap. Like, everybody's had a bad experience with OKR, right? Where it just feels perfunctory, and it like, it's bureaucratic, and it has no impact.

And most of the time it is done wrong. I use a methodology from Salesforce. It's called Me Too Mom. It doesn't matter what methodology you use. It doesn't matter methodology at all. If you are doing it right, and you are genuinely aligning and focusing, and you can feel it viscerally. You can feel it viscerally.

There is nothing more powerful. an organization's time and attention and focus is the most precious resource you have, and your ability to actually steer and navigate that across this collection of people, across these different functions, across this chaotic environment. If you can unlock that power, it is a superpower, and methodologies, not so that you can do some checkbox accounting on people's performance or

whatever.

Harry Stebbings (2): do I have to have a planning methodology from day one? And I know you said that you can use whatever one you want, but do you advise [00:32:00] any founders on a specific type that generally works well from zero to one?

Adam Gross (2): the very simple version is make sure you're all getting in a room, ideally cross organizationally and spending the time to hammer it out. So it's usually a day or two minimum to get to your eight shared priorities in stack rank. If that's the simplest recipe, if you're trying to take anything on, I've, I've done a bunch of work with Tailscale, brought this to the organization, in this case, how we are structuring the self serve business, and, With having that

clarity, having the time spent across organization to say, these are just even the buckets, how we're thinking about things and this is their stack rank simple.

It doesn't have to be complicated. It's hugely powerful. you will know when the team feels the value, it won't feel like that. Okay. Our spreadsheet that's pointless and administrative, it'll feel like, ah, clarity alignment. Okay, let's go. We, we, we now know what we,

need to

Harry Stebbings (2): How often do you do this?

Adam Gross (2): for the company, you do it on an annual basis, but it's a great tool to deploy if there's a new area or a project, where you just need to get [00:33:00] everybody on the same page quickly, but cycle should be

annually.

Harry Stebbings (2): Okay, and then number three,

Adam Gross (2): Number three gets right to that question about about how often do you do it? what I call the seasons of software.

And that is, imagine for your business. A giant metronome that is just sitting there ticket and part of any any leader's job is to coordinate and align the activity of all kinds of diverse sets of people in their activity and their nature and getting aligned to a cadence to seasons which is typically a quarterly boundary.

Okay. is so helpful, in helping the organization understand when are we working? When are we all lifting our heads up and saying, okay, boom, here we are and just having everybody operate on a common schedule and we have the seasons built in. I've done this at countless companies. And it's honestly one of the most powerful, simple things you can do.

is just have quarterly releases. It doesn't matter what your actual software development schedule or process is, but [00:34:00] once a quarter, do a blog post, do a web page that says, this is our Q1 release, here's what's in it.

This is our spring release, here's what's in it. Even that basic cadence creation, that seasons of software, that creating that kind of predictability, starts to create

that beat and rhythm that everybody starts to align to. And it's incredibly powerful, to keep the organization moving. At a constant and hopefully

accelerating pace.

Harry Stebbings (2): listen, we mentioned the angel investing final one before a quick fire. I think one learns from mis What's been your biggest angel investing miss, Adam?

And how did that impact your mindset?

Adam Gross (2): Oh, I mean, if we're gonna talk about deals that got away, I'm gonna, you know, it's morning here, but I'm gonna need to trade my water for a drink. I saw the Twilio

seed.

 didn't think big enough. And this has been a problem with my kind of personal cognitive model for a while, I didn't think big enough, I didn't understand, how much value was there, and I over indexed on how commoditized it would be. but also, it was six people in a room, you [00:35:00] know, it wasn't a problem. Exactly the same vision, as we see today.

Harry Stebbings (2): Oof, yeah.

can you hit one

more? One more.

Adam Gross (2): I think if I worked a little bit harder, I could have used some relationships, to maybe get into, uh, the stripe seed. I definitely had visibility into it.

Harry Stebbings (2): Oh!

Adam Gross (2): Yeah, I know Remember, I had done. I was the platform guy at Salesforce and so even in 2007. You know, I was doing developer stuff since 2003. So I remember meeting with GitHub when they were three people. I was a seed investor in Heroku from the beginning.

So I saw all that early, developer stuff. So Twilio, Stripe, all that kind of stuff. I was the first check into Docker. That's a whole

nother story.

Harry Stebbings (2): Did you get recapped?

Adam Gross (2): I did, I, well, I was the, I was the first check in, I was in the first round with Docker. I mean, I remember meeting with Solomon and those guys at Founders Den on 3rd when there was like three people in a room.

yes, we did get recapped and I was not happy about that at all. look, I mean, I could be not happy about [00:36:00] it. I'm just delighted that Solomon team had such an amazing impact with their vision and that I could even have some infinitesimal part of it.

Harry Stebbings (2): Oof. That's done. Don't, don't okay, listen, I want to do a quickfire answer. I say a short statement and you give me your immediate thoughts. Does that sound Okay.

Adam Gross (2): We'll see

if I can talk quickly.

Harry Stebbings (2): Oh, you'll be great. So what have you changed your mind on in the last 12 months?

Adam Gross (2): the macro environment for SAS. I'll say it's just more uncertain than, maybe I thought it

Harry Stebbings (2): Why, why is that? That's really interesting.

Adam Gross (2): just looking at growth across the industry. I sure hope it comes back, but it's taking longer than it has. And if you look at where growth rates are, even for SAS leaders, this year compared to last year, it's a more challenging

time than it was last

Harry Stebbings (2): Jason Lamkin, you mentioned earlier, and I have a big bet on, IPO markets and the timing of their opening. Jason has to, essentially,

has bet that they will open H2 24, and I've bet that they will not open in 24 at all, and they'll be earliest H1 25. Which [00:37:00] one would

Adam Gross (2): I'm going to side with not to disrespect my current host. I'm going to be an optimist because, hey, we can't be in this business if we're not going to be optimistic.

So I'm going to go with Jason.

Harry Stebbings (2): No, that's awesome. You can both be wrong together. Um, what would you Jason now is like bugger. I've got to pay you a lot of money. Uh, what would you most like to change about the world of growth? Adam,

Adam Gross (2): get people to think and operate more holistically, that growth is not a function. It's something that really has to pervade to work. It has to pervade all aspects of the

organization.

Harry Stebbings (2): how do enterprise software cultures compared to consumer ones?

Adam Gross (2): they are, much more customer centric. and, Frankly more, predictable, and controllable.

Harry Stebbings (2): How do you advise founders that you work with on growth teams versus baking growth into other functions in the company?

Adam Gross (2): I tend to be shy on specializing, growth teams early because growth is an [00:38:00] optimization and you can pursue local maxima and early stages, you typically have much bigger fish to fry than thinking about local

maxima.

Harry Stebbings (2): Best advice to someone leaving university today.

Adam Gross (2): Be good at, two things. Don't be the best at one thing. Be pretty good at two things.

Harry Stebbings (2): final one, Adam. Ten years time, 2034. Where do you want to be then? We still angel investing? We back operating? We founding a company? What's the plan?

Adam Gross (2): I want to be as excited and enthusiastic and energized about the world of technology as I have been for the past 10 years and the previous 10 years

before that.

Harry Stebbings (2): Adam, listen. As you know, I've wanted to do this one for a long time. Thank you for putting up with my many twists and turns of conversation and you've been fantastic.

Adam Gross (2): Harry, I'm delighted we made a habit. Thank you to your listeners. I hope you find it valuable. Um, and I'll look forward to continuing the conversation and getting that beer in London with you.

Scarlett 2i2 USB-2: It's so funny. I started doing these verticalized shows cause I really want him founders to get [00:39:00] such actionable takeaways. Adam is a master of PLG. I could not thank him more for being so structured in his thoughts there. And if you want to see the full episode of you can of course, check it out on YouTube by searching for 20 VC.

That's two, zero VC. We always love to see you that, but before we leave each day,

Harry Stebbings: Short-form video has never been more important for your business. Social media managers, growth marketers. This is the single biggest opportunity you have today.

Captions: They say ad creative is king, but man, is UGC creative a pain in the arse to pull together. Imagine if you didn't have to. Captions just launched AI creator ads, so you can produce dozens of UGC style creatives instantly. Just cast your AI creator, paste in your product URL, and drop in your product images.

AI will take care of the rest. Captions will generate dozens of UGC style creatives in seconds, 10x your creative output, and test more hooks than you ever thought possible. Captions will generate dozens of UGC style creatives in

seconds, 10x your creative output, and test more hooks than you ever thought possible.

Because let's be honest, your current ad creative is fatiguing as we speak. [00:40:00] UGC ads have never been so easy, thanks to AI. Save on the back and forth, try AI creator ads on captions today.

Harry Stebbings (3): Um, speaking of game changing tools like captions.

Canva POST: Many founders I've talked to touch on this idea of if you want to go fast, go alone, want to go far, then go together. Canva helps your team go far, together, with their collaboration tools. Your team can work together in real time on the same presentation, doc, whiteboard, and more, with name labeled cursors, tag teammates in comments and assign tasks.

Canva supercharges teamwork and simplifies workflows. With Canva, you can go far together and fast thanks to Canva's AI tools. Generate text and slides in seconds. It's a serious time saver and because AI is built right into Canva, your team can stay on task with no app switching. You can also save costs by aggregating your visual communication tools with Canva.

Save costs, save time, make workflow. Start designing today at canva. com, designed for work.

And finally, we need to talk about [00:41:00] Yahoo Finance.

Yahoo Finance: 20VC we always have one eye on our portfolio performance. If you want the visibility of an institutional investor but don't fancy spending thousands of dollars a year, look no further than Yahoo Finance. Yahoo Finance is the one stop shop for the best research, tools, and monitoring you need to spot opportunity.

And it's free! To get the most out of Yahoo Finance, securely link your brokerage accounts for a unified view of your wealth, including 401k and other investments. There's a reason it's America's number one finance destination. For comprehensive financial news and analysis, visit the brand behind every great investor.

YahooFinance. com. The number one financial destination. That's YahooFinance. com.

Scarlett 2i2 USB-1: As always, I so appreciate all your support and stay tuned for an incredible episode. This coming Monday with author, founder, and CEO at the one and only mistrial. In Paris.