Masters of Scale Episode Transcript: Diane Greene

REID HOFFMAN: We talk a lot about being a master of scale on this podcast. But for a few minutes, let's talk about being a master of—crabbing?

> **DIANE GREENE**: You know, there's a lot of technique. I was like a master crabber. I could make sure that my net never cast a shadow, so the crab didn't see me coming up behind him, and I'd scoop him up.

Diane Greene has been hauling crabs out of the Chesapeake Bay since she was a kid. Not long ago, she and her kids returned to her old fishing hole.

> **GREENE**: And I was like, "Let's go on this dock and we'll find some crabs, and I'll teach you how to catch them."
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> And I went through this long, elaborate lesson with my two kids about how to catch a crab, and how to have it not see the shadow and everything—and then I said, "Now, you just never can do it your first time, because they're so fast and everything." And I think maybe the pollution has slowed them down, because both my kids caught a crab the first time, and I'm like, "So much for that."

HOFFMAN: OK, so even inexperienced kids can now catch a few crabs, but we're talking about being a *master* crabber. A master crabber can't rely on a lucky catch. They need the skills to find crabs on unlucky days. In short, they have to *think* like a crab.

Where do crabs tend to congregate? Diane has a tip.

> **GREENE**: They were pretty abundant, particularly on this railroad trestle bridge we had near our house. We could go along on a dinghy, and catch these things and sell them.

HOFFMAN: How do crabs hustle? She's got that covered, too.

> **GREENE**: Sometimes when we were on our boat, we would play this game where someone would be up on the very front pulpit, and then people would be on either side, and they'd call "right," "left"—starboard, port—"There's a crab!" And see if you could catch it while the boat was moving at about five knots.

HOFFMAN: And once she could steer her boat above a skittish crab, a moving target less than a foot across, she was unstoppable.

> **GREENE**: We could catch hundreds of them if we wanted, and sell them by the bushel and make good money.

HOFFMAN: One thing you should know about Diane: she's not just a master crabber. She's also a master of scale. She co-founded a company, VMware. If you're outside of Silicon Valley, you may not recognize the name VMware, but their work impacts you every day. They're one of those behind-the-scenes companies that brought us into the age of Cloud computing. If not for VMware, you could argue there would be no Cloud, which means no Gmail, no Dropbox, no way to connect to your information from any device.

VMware is such a big deal, I was surprised to hear our tech-savvy producers didn't know about Diane. In my world, she's a household name. VMware hauls in seven billion dollars of revenue each year. That's more than 10 times the revenue of the entire seafood industry of Diane's home state of Maryland.

There's a common thread here between Diane's crabbing days and her scaling days. A scalable idea rarely sits squarely on the path ahead. It's always scurrying off to the left or the right, and if you can't get your team to adjust course quickly, it will slip out of sight. I believe scalable ideas often come at you sideways.

[Theme Music]

HOFFMAN: This is Masters of Scale. I'm Reid Hoffman, co-founder of LinkedIn, partner at Greylock, and your host, and I believe the most scalable ideas often come at you sideways.

There's something liberating about this theory. You don't have to have a completely scalable idea from day one. In fact, you can have no idea what your product might look like, or how you'll get to market, or how you'll make money. You might survive, so long as you know how to look sideways. And there's an art to the sidelong glance that we'll get to in a moment.

But first, I should clarify that sometimes a scalable idea does come at you head on, exactly as you imagined. Jeff Bezos saw the master plan for Amazon clearly laid ahead of him, step-by-step.

But visionaries like Bezos are a rare breed. Most entrepreneurs crabwalk toward a bigger market, and then a bigger one still. And as they move along, the full market will come into view, and they'll wonder why they couldn't have gotten there sooner. On today's show, we're going to explore how an entrepreneur can crabwalk as quickly and intelligently as possible.

I wanted Diane Greene to share her story, because if anything defines her career, it's a series of pleasant surprises. She doesn't have a master plan so much as a big idea, and an extraordinary ability to sidle up to it. She has a knack for starting on a small project, and leaving behind a lasting legacy. This goes all the way back to her college days.

> **GREENE**: Well, I never had this moment, "Oh, I'm going to go try and create businesses." But I'd always built stuff.

I started the University of Vermont ice hockey team, which is a big varsity, very well-performing women's ice hockey team today, no thanks to me. But I did start it, with some friends. My whole life, I was starting things, and building things,

HOFFMAN: She spots a need, and starts solving for it—whether it's a women's hockey team, or a new use for some emergent technology.

Diane tends to see tectonic shifts in technology before anyone else around her. She doesn't know what role she'll play in the future, but she's so far ahead of the curve that she ends up shaping that future herself.

And I think her ability to solve huge problems stems from a particular frame of mind. She doesn't pursue money, or fame, a product, or a leadership position. She pursues a big, abstract idea. She has this almost academic detachment from the business world—but that's precisely what makes her so formidable.

Diane studied computer science at Berkeley. Her husband, Mendel, teaches computer science at Stanford. They tend to follow research the way some couples take up tennis or salsa lessons. They learn together. And one day, she and Mendel woke up to a huge idea.

> **GREENE**: He was giving this sunrise breakfast at—I think it was Mayfield—and I was like, "I'm going to that, that sounds pretty interesting"—because we usually miss each other on those things.

HOFFMAN: This was a breakfast Diane wouldn't want to miss. She was about to get a glimpse of the future—a huge, industry-shaking idea. That idea? Server virtualization. If you're not hopping out of your chair with excitement, allow me to explain.

When you retrieve emails, or open documents, or launch an app, your computer most likely fetches data from a server. 20 years ago, those servers were physical machines—big metal boxes that you had to own as a company. And they were finicky machines. They only talked to certain computers. If your computer ran Windows, you needed a Windows-friendly server. If it ran Unix, you needed a Unix-friendly server. Those servers would sit there idly, waiting for the right device to speak their language. They required constant maintenance, and consumed tons of energy. They were like dilettantes, fanning themselves and insisting that the IT team skin their grapes and clean their dishes.

But imagine if you could replace all of those layabout servers with one busy machine—a server that could speak to any device.

That's essentially what Mendel was proposing—one server to rule them all. It didn't even require hardware. In fact, he could add a bit of code to existing servers and get them all talking. As

Mendel described how this code might work, it dawned on Diane—perhaps they could liberate the data and allow it to move freely across servers. All it would take is creating a virtual machine.

> **GREENE**: He goes, "You've got Microsoft, with the Windows, basically monopoly, and you have Intel, with the basically X86 monopoly."
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> And I could just see him in real time—he goes, "What if you could drive a wedge in there?"

HOFFMAN: This was the crux of Mendel's research. He was investigating whether he could get these two operating systems to talk to each other, whether he could build a bridge between these two walled gardens.

It was anybody's guess how big that wedge could be.

> **GREENE**: And so we drove back, and I'm like, "Yeah, the virtualization—we should really do this, this is really interesting." I kept saying, "You know, I really think this should be brought to market, and I could help you." And so finally, Mendel and I kept talking, and we just realized how horizontal and useful the technology was, the more we talked about it.

HOFFMAN: These quiet conversations among colleagues are critical for any idea that comes to you sideways. You ask "Are you seeing what I'm seeing?" With each conversation, your own vision gets sharper. The true idea comes into view.

> **GREENE**: And so we asked the grad students, "Hey, we think we could do a company with this, would you be interested?" We didn't feel that strongly, but we were like, "We think there's a real company here, and this really could be pretty important."

HOFFMAN: It soon became clear that this sideways glance would draw their full attention. But notice how Diane didn't feel that strongly about building a business. She was passionate about an idea. She had a vision of the future—a new, virtual machine that could communicate across all devices.

> **GREENE**: We really had a pretty accurate vision of the importance of it, and where it could go. Now did we for a second think we could build a multi billion-dollar company? No. That wasn't relevant.

HOFFMAN: Even if it was irrelevant, she had it on her radar. She may not have prioritized building a business. But she didn't want someone else to do it first. And she noticed, out of the corner of her eye, a growing excitement beyond Mendel's breakfast clubs. His research was gaining attention—unwanted attention.

GREENE: I got this email from him that he had a paper under blind review—"Bill G., and Nathan M., and Rick R. would like to read it, would that be OK?"

HOFFMAN: Did you catch those names?

GREENE: Bill G.

HOFFMAN: That would be Bill Gates, the founding CEO of Microsoft.

GREENE: Nathan M.

HOFFMAN: That would be Nathan Myhrvold, the founder of Microsoft's research department.

GREENE: Rick R.

HOFFMAN: Alright, I don't know who that is—but look, once you have Bill Gates circling on your idea, that's an awfully strong indicator that you're onto something. And this raises a crucial point in your sideways journey to scale. You don't just have to look sideways—you have to listen. Fortunately, your ears are on the side of your head—use them. Your competitors might just be rustling in the bushes. And if you spy a big idea off to one side, you should rejoice—for about a millisecond. And then you should sprint.

GREENE: And we're like, "Huh—we really ought to get a patent filed."

HOFFMAN: Diane and Mendel secured a patent, and just in time. As an entrepreneur, you need to know how to read the competition appropriately, whether it's competition from large companies, or startups. If you're sailing in a space by yourself, and everyone else thinks you're kind of crazy, that's great. Then you actually have time. But if you think your competitors are coming, then frequently it isn't just one, but five or more competitors.

Does that mean your shot at success shrinks to one out of five? Nope. The odds are even worse, because it's possible that not a single one of you will succeed. You end up in a circular firing squad. Not one of the companies reaches critical mass in customers or talent. You're all scrambling for capital. Investors look at you, and all go, "I don't know which one of you to pick, so I won't pick any of you.

So as an entrepreneur, you need to see and hear *potential* competitors as they come at you sideways, and you need to break away from them quickly. It can be the difference between life and death.

HOFFMAN: And here's where I have to tell you something else about Diane. Her ability to read the competitive field is second to none. And I suspect it has to do with the formative years that she spent as a competitive sailor. I suggested this to her when we spoke.

> **HOFFMAN**: As I understand it, you grew up sailing, won championships—
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> **GREENE**: Yeah. I'm the women's national champion, actually. Second in the 470 Nationals, which was an Olympic-class. My father had a sailboat, and so we'd go out, and I was steering that boat from the age of two. And the thing about racing is, it's everything. Because you have to be prepared, your boat has to be prepared, the equipment has to be highly tuned. You want to have the fastest stuff, so you're always looking for an advantage with your equipment.
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> And then, you have to be practiced, and if you have a crew, your teamwork has to be incredible. I sailed little dinghies, up to boats with 12 people on it. And then when you go to race in a regatta, you want to have a plan for how you're going to win the regatta.
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> You know, you get out there, and there's so many variables to evaluate. There's the weather, there's the wind, there's the current, there's the competition, and what you predict is going to happen.
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> And then as soon as you start racing, things start changing. "Well, should I tack? Should I cover that person? Should I really go into the shore like I thought? It looks like the wind's changed." And you can't wait around, you've got to make a decision instantaneously.
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> And so you're constantly reevaluating, you're constantly getting feedback on whether or not you made a good decision.I think it helped me really hone that ability to constantly be looking at information, evaluating it, and making decisions on it
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> **HOFFMAN**: So actually, in fact, there's a direct tie between the crab fishing, and the sailing, and the detail, and actually, in fact, how you bring all these together—
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> **GREENE**: Yeah, it's very natural for me, because I've been doing it since I was little tyke. I understand the weather, I understand the wind patterns, I understand the currents, I understand the ecosystem of competitors pretty well,

HOFFMAN: Diane's ability to read the playing field guided VMware from those earliest days. And after they secured their patent, they got some breathing room. Aside from the stirrings up in Redmond, Washington, the competition was quiet. In fact, there were times when it seemed Bill Gates was the only outsider who saw the potential of her idea.

She sometimes tried to explain the idea at parties. She told me about one gathering at a friend's house, with a room full of supposedly like-minded entrepreneurs.

> **GREENE**: He had all these dot-com people—like Pets.com, and Webvan.com, and Toys.com. And all those people were there, and somebody's like, "Well, what do you do?" And I'm like, "Well, I got this virtualization software company."
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> And they're like, "Oh my god," you know. "Can you get with the program, don't you know software's dead?"

HOFFMAN: What they were really saying was that desktop software is dead. Listeners of a certain age may remember software arriving in cellophane wrapped boxes. You'd take a CD out, and download the program right onto your computer. God forbid that you might spill coffee on it. But with the emergence of dot-com services, desktop software was considered passe. Everyone figured software would eventually move online, to what we now call the Cloud. They'd hear the word "software" and think, "yawn."

Little did they know that Diane's software would make the Cloud possible. The future they imagined would happen because of her and Mendel. But they couldn't see it.

Here's the thing—when you're moving sideways toward a big idea, you may find yourself jarringly out of step with the trends of the time. Picture a highway. All of the cars are speeding ahead at 80 miles an hour. All of a sudden, you decide to veer sideways across six lanes. The other cars see you and they think: "That's an accident waiting to happen."

Diane drew her fair share of these reactions. But she found one investor who shared her vision.

> **GREENE**: We told them what we were doing, they're like, "That's really important, that's really cool. How much of a check can I give you?" I think it was a $300,000-dollar check. And I'm like, "OK," and he gives me this address. And I didn't have Google Maps back then, and I'm looking at the map, figuring out where his house is.

HOFFMAN: Remember, this is the late '90s. There's no Google Maps. There are no smartphones. Diane is sitting in her car looking at a paper map.

> **GREENE**: Then I see this driveway just strewn with newspapers and leaves and everything, and he's like, "It's under the newspaper." [Laughs]
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> I'm like, "Which newspaper?" Anyhow, I hunted around, found my check.
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> **HOFFMAN**: [Fades]

HOFFMAN: Yes, that was a $300,000-dollar check—under a newspaper in a driveway in Palo Alto. We won't give the address.

With her $300,000-dollar check in hand, Diane was ready to go to market. How? Here's what I find so fascinating about Diane's launch plan. There wasn't much of a plan. Which raises the question, did she have any idea how big of a market she was chasing? I posed the question to Diane directly.

> **HOFFMAN**: Some of the things that you repetitively do is you create markets that didn't exist before. And I think one of the interesting theories about scale is that sometimes, the market never looks as big at the beginning as it ultimately ends up getting.
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> A modern example is Uber. It's like, "Oh, it's just a limo, black car—oh wait, it's transportation as a service." Is that a right thing to think about the early-stage VMware? The technology is super important, and obviously, it drives a wedge in this duopoly. But what was your thinking about the initial VMware—the size of the market, the size of the business—what kind of opportunity were you pursuing?
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> **GREENE**: So interestingly enough, for VMware, we did see VMware totally.
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> We called it almost a Swiss Army knife—there were so many benefits to running in a virtualized world, that we were positive, if we could get the market to adopt it, that it would be adopted everywhere.

HOFFMAN: I love this metaphor of the Swiss Army knife. It sums up the curse and the blessing of inventing an all-purpose tool. On one hand, it's wonderfully versatile. On the other hand, how do you sell all of those features? We figured we'd go straight to the experts, the makers of the Swiss Army knife, to find out how they refined their pitch over the course of a century. Turns out, their pitch is still evolving.

> **CHRIS COSTA**: XAVT has 80 implements. And there's some electronics in there. There's a thermometer, there's a timer...

HOFFMAN: That's Chris Costa, Director of Product Management and Packaging at Victorinox, and a sort of Swiss Army knife historian. He was trying to recall just a few of the 80 tools that are packed into their biggest model, the XAVT.

> **COSTA**: There's some digital aspects to the scale. It has a little flashlight. It's got all the standard things—large blades and corkscrews and things like that. So it's a big, beefy knife.

HOFFMAN: Now it's exceedingly rare for a first-time buyer to walk into a Swiss Army knife shop and just say, 'Give me your biggest, beefiest knife." Most people start with a smaller model. Maybe it's just a single folding blade—and that's where it begins.

> **COSTA**: Once it's a first-time customer, and they've gotten one of our knives—it was a gift, or something they picked up themselves—invariably, they're back for more. "Do you have a knife for this? I cook a lot," or, "I'm a baker," or, "I'm out on my boat." So they'll come back and get more. I always say to people, "You never know which one you're going to need till you need it. But when you need it, and it's with you, then you have a solution."

HOFFMAN: Let's come back to Diane and her metaphorical Swiss Army knife. She was building tool after useful tool for VMware, and she was certain that someday they would all be used. From the beginning, she had a big vision for what VMware could eventually become.

> **GREENE**: We were positive, if we could get the market to adopt it, that it would be adopted everywhere. We never were thinking of it in terms of dollars, we were always thinking of it in terms of, how many computers can we run on?

HOFFMAN: Now mind you, there's a lot of revisionist history in the business world. I know entrepreneurs who realize the scope of their vision only *after* their company scaled. They recall feeling sure-footed. They insist that the long-term vision was always in the back of their minds. But the truth was a lot foggier.

Diane is one of those rare entrepreneurs who really believed in her vision from the start. Even when she had no idea how to get there, she insisted to her staff that this idea was huge.

> **GREENE**: The first office manager I hired, who really was my Chief Operating Officer, V.J. Richey, she came in when we were 10 people, and she still reminds me how I said to her, "V.J., this technology is going to run on every computer system in the world someday."

HOFFMAN: There's a power to balancing this sort of exuberance against short-term realism. It's not easy to inspire your team, absent a clear path. Believing in this vision, and selling it, is an essential part of the entrepreneurial crabwalk. Because if you really sell it, your team will stick around even as you push them all to drop what they're doing, and move sideways.

And you have a lot of side-stepping ahead of you, as you embark on the most critical journey for a young company.—the search to find your first users, and establish your first market.

> **HOFFMAN**: How do you start building your go-to-market?

> **GREENE**: [Laughs] You start throwing spaghetti at the wall. We were trying everything.

HOFFMAN: On her first attempt, Diane reached out to IT teams and promised huge savings on servers. The response from customers? Total disinterest. It was the '90s. The first dot-com boom. Who needs savings?

> **GREENE**: They didn't feel the need to have efficiency. So we were really having a rough time explaining the benefits of this to them.

HOFFMAN: So Diane started selling her idea to fans in the oddest places.

> **GREENE**: We noticed the bulk of our first customers were college professors. They were physicists and chemists, and so that was our joke—"VMware, it's not for everybody. You've got to be a college science professor."

HOFFMAN: College science professors—not exactly a scalable market. But sometimes, discovering your customer base can be as random and unexpected as discovering the product itself. Luckily for Diane—and unluckily for everyone else—the dot-com bubble burst. Suddenly, struggling companies showed up at her door, in search of savings.

> **GREENE**: A lot of companies started discovering they didn't need to buy new servers if they bought VMware. So then it was really almost uncanny, but several of our biggest customers had declared bankruptcy. And then when this happened, well, "VMware, it's not for everybody, you've got to go bankrupt to appreciate it." [Laughs]

HOFFMAN: It's one thing to sell the idea of savings to cash-strapped professors and companies. What about the rest of the Swiss Army knife? Here, Diane faced another hurdle. Customers were willing to dip a toe into the wild world of virtual machines. But it was a newfangled technology. What is a virtual machine anyway? It sounds like something that could wipe out all of your company's data in a virtual nightmare. Diane recognized the problem.

> **GREENE**: So initially, we were reasonably smart about it, where we said, "Look, nobody's going to run their server on this. They're not going to trust it to run all their mission-critical."

HOFFMAN: It was clear that companies weren't going to thrust their core business into a new, untested product. Rather than sell the whole Swiss Army knife, she focused on the most pressing use-case. It was as if she said: "Forget the blade, the scissors and the screw—let's just sell the tweezers." In her case, she picked a tiny group of potential users: Linux developers. There was a tiny group of developers who just loved the Linux operating system—but they hated the way Linux wouldn't play nice with the dominant operating system, Windows. Diane felt their pain.

GREENE: And where is the biggest pain point? Well, it's all these Linux developers that have to run Microsoft Outlook for their mail, and so they have to have two machines,. Well, we fixed that.

HOFFMAN: Now you don't have to know a thing about Linux developers to appreciate this twist in this story. Turns out that Diane Greene had marketed a tool to one of the fastest growing professional groups in Silicon Valley. Linux developers were all the rage. They took off like a grassroots geek movement.

GREENE: Some VC called me up, and he's like, "How did you know that Linux was going to take off, and you were the perfect tool?" I'm like, "We had no idea Linux was going to take off, we just knew it was the perfect first market for us." And also, we knew they were really technical users, so they'd be more adventurous, and so that's where we started.

HOFFMAN: Notice the term she used here—she targeted "adventurous users." Now some products don't require adventurous users. One tweak makes it instantly appealing to any and all users. It takes off overnight, and then the market is in full-view, waiting to be captured. Should that happen to you, congratulations. You're awfully lucky.

Most entrepreneurs start off to the side of the market of their dreams, serving a tiny cohort of users. They're a passionate bunch. You may even have an affectionate pet name for them. At PayPal, we called our first diehard fans the power sellers. They peddled huge volumes of merchandise on eBay. At LinkedIn, we had the LIONs, which stood for "LinkedIn Open Networkers." They were always asking us to make every member of LinkedIn, including busy CEO's, reachable via email. Not the best idea, but we appreciated their enthusiasm.

And for Diane, her adventurous users were the sysadmins—or system administrators. And these people have a ton of clout. They can channel a corporate IT budget to whatever solution makes their lives easier.

Diane learned that when you make a sysadmin happy, even with the functional equivalent of pair of tweezers, they'll start eyeing the whole Swiss Army Knife.

GREENE: Sysadmins started realizing this was an amazing tool for us, for playing around with operating systems. So we had a huge sysadmin population, and then they became evangelists, so when we had the server product, they wanted to run it on their servers.

Our user conferences were almost like the original Apple user conferences—a lot of passion and excitement. And we'd have these all-night raves, where people would use this, and we'd build a huge data center at the conference to get people certified.

HOFFMAN: By the way, these little-known VMware raves are still raging. YouTube the words "VMware World," and you'll get a glimpse of their customer appreciation parties. The champagne is flowing. There are no mosh pits as far as I can tell, but who knows what the sysadmins are up to when they're beneath the trees where nobody sees.

So in one sense, Diane was lucky to find her way from college professors to bankrupt companies to Linux developers to the whole sysadmin community and their secret all night raves. But there's a hidden logic to her sideways journey. It comes from a question that Diane posed earlier. It's a fantastic question to ask about your users.

> **GREENE**: Where is the biggest pain point?

HOFFMAN: It's a time-tested path to scale. Set aside for the moment your fantasies about what your product might become, and sidle up to the users who need part of it right now. The more indispensable you are to these users, the more receptive they will be to your larger pitch.

And before long, you too can sell the whole Swiss Army knife.

> **GREENE**: We were on a track to do $100 million, growing over 100% percent a year, high margin.

HOFFMAN: In 2003, from this position of strength, Diane and her partners sold VMware to EMC for $625 million. Five years later Diane stepped down as CEO. In 2012, she joined Google's board of directors.

But every once in awhile, she had this nagging thought. As massively as VMware scaled, she was convinced it could have been bigger. She was still looking sideways, to the market they left behind. That market eventually became known as the Cloud.

> **GREENE**: We called ESX Server "ESX Server" because it was "elastic sky"—the "ES" in ESX is elastic sky. And this is long before anybody had coined the term "Cloud." So you could imagine the pivot would've been to say, "OK, now there's a Cloud with VMware." And then that would've been a much bigger market than we'd ever dreamt of. But we did dream of the market that it has.

HOFFMAN: So in layman's terms, the opportunity she's describing here is this: "Look, we got customers to move their information to these virtualized machines. We could have convinced developers to write apps directly to those machines. That means we don't have to worry about software. We don't worry about devices. We don't worry about end users installing updates. All of the computing moves to the Cloud."

She even had the language right—"elastic sky." It was quite an opportunity.

I've heard investors and entrepreneurs talk like this before. They'll say things like, "I had all the right ideas for breakthrough technology X. I was just a little early before the technology, but I had the idea!" And sometimes that's true. In Diane's case, I think it's absolutely true. You could reasonably argue that the Cloud exists because of Diane. She built the bridge, and got everyone into the ether.

But here's the thing about Diane: She doesn't let a big idea languish. To this day, she's pivoting toward that big opportunity. The idea came at her as you might expect—sideways.

> **GREENE**: You know, I was on the board of Google—now Alphabet—and had been one day a week going over to try and see if I could be useful to the Cloud folks, and getting to know Urs Hölzle pretty well.

> **COMPUTER VOICE**: Urs Hölzle was employee number eight at Google, and their first VP of engineering. He's now Senior Vice-President of Technical Infrastructure.

> **GREENE**: Urs and I lived near each other, so we started walking our dogs every Saturday.

> Now our dogs are so old, we have to walk almost without our dogs—or if we walk with our dogs, we can't go very far. [Laughs] That's how long we've been walking our dogs.

> So I was like, you've really got to bring in someone to run the Cloud business. This thing is happening, Google really needs to play in this space.

> And they were being really choosy, and they were constantly saying, "Oh, we think it needs to be you." And I thought it was just them being nice to me, and I was like, "Yeah, sure." And actually, we found someone that I thought was really smart.I thought they were going to hire him, and basically what happened, I was at a board meeting, and I was like, "Sundar, did you hire him?"

> And he's like, "No, we decided not to." And it was at that point I was just like, "Maybe I should do this." So they were like, "Good." And so then we started a discussion.

HOFFMAN: That discussion led Diane to her newest position, Senior Vice-President of Google's Cloud division. She agreed to lead Google's charge into the Cloud, on one condition.

> **GREENE**: I didn't sign up for it unless they were going to let me merge sales, marketing and engineering into one group, because they were completely under separate management.

HOFFMAN: And once again, Diane is incredibly bullish on Google's market opportunity. She argues that Google has hardly even begun to tackle this market. Gmail, Google Docs and

Google Drive —that's only the beginning. Once you draw whole organizations into the Cloud, it opens up unfathomable opportunities. Once again, she has a Swiss Army knife in the making.

> **GREENE**: But now, we could serve every company in the world, in every geography, in every type of organization. And so it wasn't very hard for people to get excited about that, because it was this huge expansion of the impact we can have.

HOFFMAN: Looking back at the arc of her career, there's only one thing that Diane might do differently—a slightly more defined plan would be nice.

> **GREENE**: I would personally do more planning. That would be the only thing.

HOFFMAN: I'm going to make a prediction here: Diane will actually write up that plan. And then her most scalable ideas? They'll come at her sideways.

I'm Reid Hoffman. Thank you for listening.