

## MoS Episode Transcript: Shellye Archambeau

**REID HOFFMAN:** Imagine yourself at a poker table. The game has been intense. The players are sweating. The pot is growing – and you're winning. Every hand has folded except one last opponent. Now, you're head to head, and you're holding the cards that could score you a life-changing pot of money.

That's the situation Liv Boeree found herself in back in 2005. It was a once in a lifetime experience.

**LIV BOEREE:** For me as a jobless graduate with absolutely no money, it was just like, "I can't believe I might be about to win this."

**HOFFMAN:** Up for grabs: almost \$200,000. But this wasn't the only source of pressure. Because Liv was a contestant on a poker-themed reality TV show. She was one of the card-playing novices who were put through a training bootcamp, tutored by some of the world's greatest players – all in front of a camera crew.

**BOEREE:** I didn't quite understand how big a factor luck plays in any individual tournament, and I remember the producer saying, "Oh, Liv you picked this game up so fast. You've got at real talent. You're gonna win it for sure." So my expectations were up here.

**HOFFMAN:** Liv and her opponent faced each other across their stacks of chips. Everything to play for. The dealer dealt the last card.

**BOEREE:** We got to the river and I was in the big blinds and I was playing against the small blind, and I rivered a straight.

**HOFFMAN:** If you're not into poker, don't worry about the rivers and blinds. All you need to know is that a straight is a very good hand: five cards whose face values run in sequence.

**BOEREE:** It might have been the first time I'd even ever made a straight in my life, but I just was like, "Oh my God I have a straight. This is so exciting. I know that's a really strong hand." And my partner bets and I don't even think for a second, I was like, "I raise!"

**HOFFMAN:** Unfortunately, a straight is not the strongest of all hands. Especially if it looks like your opponent could have a flush, that's five cards of the same suit.

**BOEREE:** And then as the words come out of my mouth, I look back at the board and I see that there are four diamonds out there – and I don't have a diamond in my hand, I

know that I had two black cards. And if my partner has even one diamond then he has got a flush and that beats a straight. I was just like, "Oh sh\*t."

And of course, because I had no experience whatsoever, this was written completely on my face. I'm sure my entire thought process of the horror as I say the word "raise" – because once you've said raise, by the way, you're committed to at least double whatever they put in, and that was basically my entire stack.

**HOFFMAN:** Liv's entire stack – all her money – was committed.

**BOEREE:** Now I'm just in this terrible position of, "Oh no, I've got to do this." And I didn't want to put it out, and my opponent's looking at me – and I just completely melt down and start crying. And the guy's like, "I guess I'm all in." And I fold and I'm left with absolutely nothing. And you could not have played a hand worse than I did. It was absolutely magnificent.

**HOFFMAN:** But Liv was hooked, and she's gone on to become a champion poker player.

**BOEREE:** I still loved the game so much, I was like, "I still think I can make a career out of this." And fortunately, 14 years later, here we are, and it worked out okay in the end. But yeah, it was definitely a baptism of fire.

**HOFFMAN:** As well as being a star poker player, Liv is also a science communicator who has made it her mission to promote better decision-making in an uncertain world. She's thought a lot about risk taking – when to go all in on your hand, and alternatively, when to bide your time.

**BOEREE:** Obviously risk is a huge part of poker because you are having to make decisions under lots and lots of uncertainty. You are uncertain about not only about what cards are going to come, but what cards your opponent has and how strong those might be compared to the relative strength of your hand. You're also uncertain about just what your opponent is thinking and feeling, and you have to try and figure out what the optimal thing to do is.

**HOFFMAN:** Every decision involves a calculus of an almost infinite number of factors. But for the real poker pros, what matters is how their decisions – and their risks – stack up in the long term.

**BOEREE:** For professional players, we care purely about, really, the long run. Don't get me wrong, I will still get mad if I play all night in a really juicy game and the amateurs just keep hitting miracles and I see a bunch of my money actually, physically disappearing over to them.

That's even worse when you think, "Oh, I might never get a chance to play against this person again. There they go off, and it's going into their bank account and they're not even gonna play poker any more. It's just gone. This sucks. Ack!" That's the worst.

Ultimately what matters is over the long run. That's all you should really care about, because you can't control what the cards do, you can just control the quality of decisions you make around them, and how you react to what happens.

**HOFFMAN:** When you want to make audacious returns, it often calls for audacious risks. But you still need to know how to weigh the odds, so that you can take those risks at just the right time to maximize the benefit. I believe that the surest way to succeed is to take startling – yet intelligent – risks, again and again.

### [THEME MUSIC]

**HOFFMAN:** I'm Reid Hoffman, founder of LinkedIn, partner at Greylock, and your host. And I believe the surest way to succeed is to take startling – yet intelligent – risks, again and again.

It's a common mistake to see planning and risk-taking as opposite ends of a spectrum. In fact, every great plan relies on taking an intelligent risk. Risk is the nitroglycerin that launches your idea to the next stage, rather than obliterating it. You have to play the long game, understanding how a risk now will maximize your gains much later. Expect turbulence. And when you hit those bumps, stay on course. You can harness that turbulence for an extra bit of lift. In short, if you try to avoid risk, you're actually risking total failure. Or worse: mediocrity.

I wanted to speak to Shellye Archambeau about this, because she knows exactly how to take the big risks that maximize her odds of long-term success. Shellye pulled off the most incredible Silicon Valley turnaround that you've never heard of: She accepted the role of CEO for a failing tech company that was only months from bankruptcy. She led the company through a complex merger, a head-spinning pivot, and grew it into MetricStream, which is now a leading governance, risk, and compliance company valued in the hundreds of millions of dollars. How did she do this? By setting clear goals and big – and incredibly – risks.

For Shellye, extreme risk taking and long-term planning have gone hand in hand her whole life.

**SHELLYE ARCHAMBEAU:** I started planning early, because I realized through a series of experiences and things growing up that the odds just weren't in my favor to get what I wanted out of life. I decided I wanted to be a CEO when I was in high school, which is super rare, especially for a black female.

And therefore, it was always about: How do I improve the odds? And the way I improved the odds was to actually make a plan, and then figure out how to execute on the plan. So, I've been a planner my whole life.

**HOFFMAN:** In some ways, Shellye's instinct to plan far into the future may stem from her unique lens into her past. Ten generations of her family history are written out in a family Bible that's been handed down.

**ARCHAMBEAU:** I'm very fortunate in that our family has, basically, our history in a Bible. It reflects generations back so that we know who gave birth to who gave birth to who, if you will...

It's just a regular Bible that you can tell someone just decided, "Alright, we use this all the time. This is where we'll take our notes and our documents," and just started writing and recording...

The history of the Archambeau side of the family, we came from Jamaica via France. Originally it was a fisherman out of a fishing village in France...

It's interesting because the last name changed spellings, so you can see how it's written, that...

My father's father left Jamaica and came to the States, with his father... And that's how we got started in the States.

**HOFFMAN:** This rich family history gave Shellye a sense of how her life fit into the story of her ancestors. It gave her, she says, her sense of direction.

**ARCHAMBEAU:** I believe that a combination of the Bible, the paperwork, and just how my family views the importance of family – it was very clear to me that I was just a continuation. I always had a sense for the ancestors and the depth of where I've come from. So, yes, I do believe that has shaped me.

**HOFFMAN:** And Shellye's plans for herself started gelling as a teenager.

**ARCHAMBEAU:** In high school, I ran a lot of clubs and organizations. That's how I used my competitive spirit was if I got involved in something, then I wanted a leadership position.

**HOFFMAN:** A meeting with a guidance counselor helped Shellye realize what her objective would be.

**ARCHAMBEAU:** She said, "What do you like to do?" And I said, "I love my clubs. I love running my clubs. I'm president of this, and vice president of that." Went through the whole bit.

And she said, "Shellye, leading a club is just like running a business." And I don't know that she expected me to actually take that and turn it into, "Great. Then I wanna be a CEO." But that's exactly what I did. I'm like, "Oh. Good. That's what I'll do. I love doing this."

**HOFFMAN:** Shellye didn't leave it as a nebulous dream. She made an action plan.

**ARCHAMBEAU:** "How do you become a CEO? What are the steps? Where are they?" So I looked around to see, okay, where are the CEOs? And you know what? It confirmed my suspicion: I didn't find any that looked like me.

**HOFFMAN:** Shellye asked herself a question, one that she'd repeat again and again.

**ARCHAMBEAU:** "Alright. How do I increase the odds?" Well, where do they come from? Business. So I decided I needed to go to the top business school to get the credibility. So, did my research. Wharton was the top business school, and it had an undergraduate degree.

**HOFFMAN:** So Shellye set her sights on Wharton. Most teenagers wouldn't think much past that. But Shellye's plans went way past the diploma.

**ARCHAMBEAU:** Now, what industry to focus on? Doing the research, you learn that people say you ought to go into industries that are growing. So I said, "Great." Back then, technology was a growing industry. "Great. I'm going to go be CEO of a tech company."

**HOFFMAN:** But for Shellye, even this wasn't specific enough.

**ARCHAMBEAU:** Now, what company? Alright. Again, you look around, might as well go for the top company. Back then, it was IBM. So, "I'm going to go be CEO of IBM."

**HOFFMAN:** That's right, IBM.

**ARCHAMBEAU:** Turned out, every single CEO of IBM started out in sales. So I needed to start out in sales, which my Wharton friends thought was nuts: "What do you mean, you come out of Wharton and you're going to go to sales at IBM?" Right? "That's crazy. You're supposed to go to Wall Street, or go be a P&G brand manager," right? I mean, all these other things. But that's what I did.

**HOFFMAN:** To her classmates, starting in sales was a decision – and a risk – they couldn't fathom. There was a lot of social pressure to take a more prestigious job. But Shellye stayed the course.

**ARCHAMBEAU:** Once I set a goal and I put things in place, why make a decision that's not consistent with my plan? So if everything is consistent with the plan, it just increases the odds of, one, things working out. But, two, it just reinforces to me the steps that need to happen.

**HOFFMAN:** And these consistent, intentional steps were self-reinforcing in taking her to her goal.

**ARCHAMBEAU:** I set timelines, because if you don't have timelines, then it's really easy for things just to linger and take forever. If you have timelines, then it makes you get things done.

**HOFFMAN:** Shellye was out to get things done. She had a clear idea of how her timeline at IBM would play out, all the way to the CEO's chair. Some people might think plans like these sound too good to be true. You could almost mistake it for a fairytale.

**ARCHAMBEAU:** So, started at IBM and said, "Okay. The first real, big P&L job is a branch manager." Great. "Looks like the average person gets a branch manager job in their early 30s." Great. "I want to be a branch manager when I'm 30." So, that's what I just decided.

And so then was working hard to achieve the different milestones that you need to do. So I needed to become a team lead. Then I need to get a marketing manager's job... Then I needed to get a second line manager's job...

**HOFFMAN:** But this was no fairytale. It was a detailed, step-by-step plan. It would require commitment, hard work, and the willingness to take huge risks.

**ARCHAMBEAU:** So it was laying out that plan, and then it was figuring out, now what's the ecosystem I need?

**HOFFMAN:** "What's the ecosystem I need?" It's a question that's helped a thousand risky plans succeed. If you can surround yourself from the start with the people and the conditions most consistent with your ultimate goal, it will be self-reinforcing.

**ARCHAMBEAU:** I believe that everything has a current. So, at IBM, the current was sales, so get in the current. I'm not saying you can't get there a different way, but, given that I'm ambitious and I'm trying to move quickly, it's just easier if I'm moving quickly in a current that's already moving versus trying to create my own.

**HOFFMAN:** Even the most unassuming of rivers will eventually lead you to the wide expanse of the ocean. Shellye had decided on a direction very different to that of her classmates. But she used an established current to get her there as rapidly as possible.

And this is a great lesson to remember: Even when you're pursuing a contrarian plan, you don't always need to carve your own route through impassable mountain ranges. Instead, you can follow the course of a river. After all, it has already carved the path of least resistance. The real skill lies in spotting where the strongest current lies, and then positioning yourself so it propels you towards your goal.

This is what Shellye did. And, as an aside, she'd like to put in a good word for working a sales job – a job, remember, that many of her business school classmates looked on with disdain.

**ARCHAMBEAU:** I tell people, to this day, I think the best first job – and I don't care what you want to do in life – is a sales job. Best job. You learn how to ask for what you need. You ask for the order. And you learn how to be resilient and that a “no” is not the end of the world. You learn how to negotiate. You learn how to listen. You learn how to solve problems.

**HOFFMAN:** It also held another very important lesson. One that all great founders and leaders learn early on.

**ARCHAMBEAU:** You get far more “no's” than you get yeses. Learning that that's okay, and that you're fine and that you can still move forward is important later on, because you're going to continue to get a lot of “no's” in your life.

**HOFFMAN:** If you want to hear more about the value of hearing a lot of “no's”, listen to our season one episode “The Beauty of a Bad Idea” featuring Tristan Walker. Shellye ascended through IBM to the level of junior executive. The time was right to ask the question:

**ARCHAMBEAU:** “Alright, what's it take to actually get into that C suite, where you're a direct report to the CEO?”

**HOFFMAN:** She identified one factor that was common to almost all of IBM's top executives.

**ARCHAMBEAU:** Almost all of them had gone and done an international assignment. But more than that, a good chunk of them, a high percentage, had actually gone to Japan. I thought, “That's not obvious.” Japan was probably our smallest marketplace.

**HOFFMAN:** Shellye didn't know why all those executives had chosen Japan, but she knew it had carried them in the direction she wanted to go. So she set herself up to enter a new current. One she believed was particularly risky for her.

**ARCHAMBEAU:** It was a big risk to do: tall, African-American female, under 40, going to Japan with her whole family.

**HOFFMAN:** On the face of it, Shellye was at a disadvantage. But in fact, what set her apart in this, also set her up for success.

**ARCHAMBEAU:** Men who come from the U.S. and do an international assignment, they assume that everything they've done – their reputation, whatever – all comes with them. Whereas whenever I get a promotion or a new job and I walk into it, I know that people are going to assume that I'm probably not quite qualified, or not quite ready. I always have to go in and prove myself, establish myself.

Well, because I have that mentality, when I showed up in Japan, I took that same approach. The approach is, if I could help my team be successful, that will make me successful.

The big thing I learned in that experience was, for the first time in my entire career, having the experience of being a minority, was an asset. I tell people all the time, women, minorities, go do an international assignment. You will actually have an edge above people who have not been minorities and experienced being minorities in a new culture.

**HOFFMAN:** Shellye started her time in Japan by taking a risk she'll always remember. The story begins as Shellye prepares to meet a key colleague for the first time.

**ARCHAMBEAU:** Okay, so, here I am, my Japanese team is my biggest team. Yamamoto San, who was running that, is indeed the person that is going to be very important to me. So, I need to meet with him.

Before we meet, I meet with his right hand person, gosh, two or three times. That's the process. He's the go between to make sure that the very first meeting goes well.

**HOFFMAN:** Yamamoto San's right-hand man was trying to stress the importance of going slow. Americans have an unfortunate reputation of charging into meetings and barking out To Do lists. So, he was encouraging a gentler approach.

**ARCHAMBEAU:** He said, "Now, Shellye, please, this meeting is just a nice meeting. It's a get to know you meeting. It's like..." And he's looking for an analogy, and he says, "It's like a first date."

**HOFFMAN:** Shellye understood the message. But his choice of the expression "first date" also gave her an idea.

**ARCHAMBEAU:** I'm walking to the office the next morning and I pass by the florist shop. I stop and I think, "a first date." So I go into the florist shop and I buy the biggest bouquets of flowers, and I bring them into my office and put them in the cupboard.

Yamamoto San comes for our meeting. He walks in, and we bow and say hello. And I said, "So since it's our first date, I bought you flowers." And he froze. I'm thinking, "Oh no, this is going to go so badly."

**HOFFMAN:** This idea was definitely risky.

**ARCHAMBEAU:** Then he broke into this huge smile. I pulled the flowers out of the cupboard and I handed them to him. It was great. It totally broke the ice. One of the biggest side effects that I had not planned on, was he had to carry those flowers all the way through IBM Asia Pacific, all the way up through IBM Japan, up into his office. Of course, everybody is wondering, why is he carrying all these flowers?

**HOFFMAN:** It worked, and as a result, Shellye's reputation was established.

**ARCHAMBEAU:** People started hearing about Shellye San – which is what they called me, Shellye San, "Mr. Shellye" – long before I actually met them because of the flower story. But it was great. It was wonderful that it actually went well. It could have been a bust.

**HOFFMAN:** In itself, Shellye's time in Japan was a success. But over time, she realized that she wasn't destined to become the CEO of IBM. That didn't mean a total change in plan, just a slight alteration.

**ARCHAMBEAU:** When I decided to leave IBM, that was a big risk. I was born and raised in IBM, from a career standpoint. If you sliced my wrists, I bled blue. All of my friends and my network for IBMers. My husband had worked for IBM.

So, leaving IBM, the mothership, was definitely a risk. Thinking through that, it really came down to my sitting down and saying, "Shellye, your objective is to be CEO." And, at this point in my career, I didn't see that that was a definite conclusion.

**HOFFMAN:** Shellye looked around for a new path to a CEO role. It was 1999, and the dotcom bubble was still inflating. So Shellye took an offer to become the president of Blockbuster.com, the online arm of the video rental agency.

**VOICE:** Video rentals: a primitive format for the home viewing of movies.

**HOFFMAN:** But Blockbuster turned out to be a bust for Shellye. As the newly minted head of Blockbuster digital, she saw the future. And the future looked like Netflix. Although Netflix had yet to launch the streaming service we know today, it was already changing the way people watched movies – by mailing DVDs in red envelopes. Shellye met with Netflix CEO Reed Hastings, and they both saw the huge potential of a partnership.

**ARCHAMBEAU:** Reid came out to Blockbuster, and pitched, "Let's take Blockbuster.com, the brand, let's take Netflix, the technology, put 'em together, and spit it out and have Blockbuster.com, Inc."

**HOFFMAN:** Shellye pitched this idea of a Netflix-Blockbuster partnership to her CEO.

**ARCHAMBEAU:** And I'll never forget, my boss, the CEO at the time, of Blockbuster, he just sat back and said, "If that ever becomes anything, we'll just buy it." Because Blockbuster was a big business at that time.

And I'm sitting there thinking, "What? Are you crazy?" And that's when I knew that this was just not the place for me to stay. And history's written. Blockbuster is long out of business, and Netflix is one of the top brands in the world.

**HOFFMAN:** It was time for another reassessment of the plan. Shellye left Blockbuster to become executive VP for sales and marketing at LoudCloud. The company, founded by Ben Horowitz and Marc Andreessen, was the perfect place to get the exposure and experience Shellye felt she needed before going for a CEO position. But just as she was ready to make the move, the dotcom bubble burst. Suddenly, the odds of her plan working had lengthened dramatically.

**ARCHAMBEAU:** All of these dotcoms, all these small companies are basically going out of business. And as a result, there are CEOs in the wings looking for jobs, that have CEO experience, that have long Valley tenure, that probably are STEM background, a lot of engineers. Well Shelley is not from the Valley, I've not been a CEO before. So, what are the odds that I'm gonna go get an A-play company? Zero.

A-plays go to people that the VCs and investors already know, that they feel are absolutely gonna be successful, right? So, fine, I'm not gonna get an A-play. Could I get a B-play? That's probably gonna be a challenge, too, just given the environment.

**HOFFMAN:** So Shellye took a calculated risk, and moved her way further down the alphabet.

**ARCHAMBEAU:** So I said, "Here's what I'm gonna do." At IBM, a lot of the jobs I took were fix it, turnaround, broken things, et cetera. I said, "I know how to fix things." I'm gonna go after a C minus to D kind of play. I'm gonna go after a problem child. But, at a top tier venture firm."

**HOFFMAN:** Note how Shellye wasn't being any less ambitious in her plan. Nor was she hedging her bets. Rather, she was re-adjusting her timeline, and maximizing the return on each possible outcome.

**ARCHAMBEAU:** And the reason I picked that strategy is I said, "Alright, if it doesn't work, nobody thought it was gonna work anyway. But, at least I've had a top tier VC behind me. They've had a chance to see what I can do and who I am. And therefore, I'll hopefully get another opportunity."

So that was my "Worst case, can you live with it?" Best case was, if I can take something that's broken and I can fix it, at a top tier firm, I can then basically decide what I want to do go do next, because I will have proven myself.

**HOFFMAN:** These constant risk assessments that Shellye makes seem simple enough. But being able to do them while sticking to your plan is far from simple.

**ARCHAMBEAU:** So the worst risk, I could live with. And I thought the opportunity itself was actually super high. So, to me, that's the right kind of equation. So that's what I went after, and that's when I came upon Zaplet and Vinod Khosla at Kleiner Perkins.

**HOFFMAN:** That's Vinod Khosla, co-founder of Sun Microsystems and then partner at investment firm Kleiner Perkins. Zaplet was focused on providing interactive html in email. They were ahead of their time – this was way before Gmail. I remember tracking Zaplet as kind of an odd effort into a technology that had some traction, but no business model and no strategic plan. In 2004, when Shellye came across Zaplet, the company really fit the bill for a D-level company on the edge of collapse.

**ARCHAMBEAU:** It was crazy, if you think about it. I took a job where I was CEO of a company that was running out of money, that hadn't sold like a new customer in quarters, that most of the investors had mentally written off. And why do I wanna be CEO of a company like that? That's completely broken and needs to be fixed and turned around? So, high risk.

**HOFFMAN:** But there were two factors Shellye needed to know more about before she could calculate whether taking on Zaplet was worth the risk. The first was Vinod Khosla himself.

**ARCHAMBEAU:** So I said, "You have a reputation of being very forceful. And of sometimes whipsawing companies around. I just need to know, are you hiring me to be the CEO Zaplet, to run it the way I feel it should be run, or are you hiring me to be CEO of Zaplet to implement your strategy and plan for the company? I just need to know which job you're hiring me for."

Pretty risky to ask that kind of question, here I am trying to find a job, right? And so anyway, he looked at me for what seemed like 10 minutes – it wasn't. Leaned back and then he smiled and he said, "I am forceful and yes I have strong opinions." And he goes, "But I hire CEOs to be CEOs." And I said, "Okay."

**HOFFMAN:** The second risk factor was Zaplet's product. It was failing. But Shellye thought there could be potential in the underlying technology.

**ARCHAMBEAU:** My view was if I had a platform, you can re-purpose platforms to almost any area and space. So if I could just figure out a problem that we could solve, then we should be good. So, that was my strategy.

**HOFFMAN:** So Shellye signed up for Zaplet.

**ARCHAMBEAU:** The way I saw it was, yes, it was definitely a risk. But I learned throughout my career, that people were willing to give me opportunities that were risky, where things were broken. And I could get those opportunities more easily than get something that was working well.

**HOFFMAN:** But you might think it uncharacteristic that Shellye had no fixed plan for how to dig the company out of its hole.

**ARCHAMBEAU:** I did not have a plan going in. When I say I did not have a plan, that's not fair. I didn't know what the answer was, I had a plan on how I was planning to figure out the answer.

**HOFFMAN:** Note that although Shellye is always following a master plan, that does not mean she allows herself to be limited by it. For some people, a plan is like a childhood comforter. Having it in hand is reassuring. But if you are tossed overboard and keep clinging to that comforter as it becomes weighed down with water, it will drag you down with it.

While Zaplet's platform was salvageable, the company name was tarnished beyond repair. Here's where Shellye's plan to ensure the backing of a big VC firm paid off.

**ARCHAMBEAU:** I couldn't just go raise money, because Zaplet's tainted, we needed to do something different. So Vinod identified a company called MetricStream, which was smaller than us and they were really doing operational compliance. But it was close enough. And they were apps people.

So we put the two companies together, took MetricStream – much better name than Zaplet for the enterprise – and with that configuration and a new business model in plan, we then raised money with Kleiner as our lead. And basically re-did the company.

**HOFFMAN:** A merger is never simple. Shellye's plan was fraught with risks. Top of the list was the potential of clashing with Vinod.

**ARCHAMBEAU:** Vinod wants me to do it one way. And I think we ought to do it a different way. So, tell my husband, "I may not have a job when I come home from this meeting."

So I go in to the meeting and I say, "Vinod, I know you want this, we've spent a lot of time, we're gonna do this, here's why, blah, blah, blah, blah, blah." Get one of those silent, steely-eyed stares. And he says, "Okay, you better be right." I said, "Alright."

Now, there were plenty more where Vinod was right – Vinod is amazing. It's so much easier for CEOs, especially when you're newer CEOs, to believe that your investors and your board members and whatever know more than you do. They do know more than you do – but they typically don't know more about your company, your market, your customers, your team. And so you've got to have the strength and the resilience to believe in yourself and take that risk. So I consider those big risks that I took; right thing, big risk.

**HOFFMAN:** Vinod's very sharp and when people are working with Vinod, it's "own the job." Vinod will push very hard, disagree with you, but he has respect for you if what you're doing is "I'm smart, I have a reason, and I own the job."

Most often the shift from the executive job to the CEO job is you now own the job. It doesn't matter what your board member says; board members are right, wrong, indifferent, doesn't matter. You own the job. If you don't think that's the right thing to do, don't do it. You might say, "I might not have a job." But that's part of being a strong and capable CEO.

**ARCHAMBEAU:** It absolutely is. And I think it's true for being a leader in general. When I hit the point in my career where I realized, "You know what? I can always get another job. It may not be like the perfect job, but I can always get a job to pay my bills." Once I realized that, it was incredibly liberating to be able to actually follow your own beliefs, because they can follow you, when you need to take them some place, or they can decide they're going to fire you. That's really the choice. And back to risk/reward: Can I live with it? Can I not? But it gives you so much more freedom when you realize that you can.

**HOFFMAN:** Of course, every path involves risks. And Shellye makes a point of choosing riskier routes.

**HOFFMAN:** You do a lot of preparation and planning but you've chosen a path where you encounter landmines at a relatively regular clip. How do you intersect those landmines with the planning that you do?

**ARCHAMBEAU:** I think of planning as direction. So when I put a plan in place, it's a plan to say, "Okay, I'm trying to get from point A, ultimately to point B." So, it's almost like in bowling, it's defining where are the gutters?

Now, between the two gutters, there's a lot that you can do with that ball and trying to get those different pins. So I'm not planning every single step and tactic and things that we're doing. I'm just trying to put the rails on. To say, "Okay, here are the rails and then within this, make sure – tap, tap, tap – that we're still heading towards that overall direction, but there's plenty of bandwidth and space to be able to deal with what happens."

**HOFFMAN:** And then how often do you find that you, when you hit one of these landmines, you go "Well now we're reconsidering the entire direction"? Is it often, rare, or what's the calculus by which you go, "Do I stay on the true North or do I correct?"

**ARCHAMBEAU:** Yeah, I'm gonna give you a "depends" and explain. I think it should be rare. It'll happen, but I think it should be rare. It comes back to the premise of the company. The premise of the company was trying to solve a *real* problem. If that problem is a real problem, then it continues to be a real problem.

Now, technology can change or environment can change or something where all of a sudden that problem is no longer a problem. And then you have to rethink everything again. But that doesn't happen as often as you might think.

**HOFFMAN:** Shellye and MetricStream avoided those landmines. After the merger with Zaplet, the company had around 100 employees. Today it has over 1,700. Shellye helped steer it to success over fifteen years. As her ambition to be a CEO was fulfilled, Shellye decided to step down last year.

**ARCHAMBEAU:** So I passed the baton on my CEO role after 15 years. And now, I'm in my "phase two", I call it. I'm not retired, but I wanted more flexibility, so I am serving on boards, and I'm advising companies, I'm doing some writing, and I have time for what I call, passion projects, as well as speaking occasionally.

I'm a big believer in trying to be visible. There aren't a lot of people who look like me that have actually built and led successful companies in Silicon Valley. And I want others to see that it's possible. I believe it's very difficult, especially for minorities, to aspire to something they can't see. So now I have time to do that.

**HOFFMAN:** Shellye is still a planner. And just as importantly, still a risk taker.

**ARCHAMBEAU:** I try to have the most informed perspective, and then take the overall decision. But risks, it's the same that I use personally. I'm like, "Alright, what's the best that can happen? What's the worst that can happen? Can I live with that? Alright, what's the worst that can happen, now are there some mitigating steps that will help?" I do all of that. And then try to basically take the bigger bets – cause there are always safer bets, but the reason I take the bigger bets is, I've never believed that the odds were in my favor.

And so if I just play the odds and take the safe bets all the time, I'm not gonna get what I want out of life. Life may be fine, I'm not saying it's gonna be a bad life, but I'm not gonna get what I want out of life. And that, to me, means you take the bigger bets and you take the risks.

**HOFFMAN:** Now, again, I think that's exactly right: intelligent, calculated risks with alternative plans and mitigation. If more people did that, we'd have a much more productive society.

**HOFFMAN:** I'm Reid Hoffman. Thank you for listening.