Masters of Scale Episode Transcript: Tony Fadell

“How to take creative leaps — and land them”

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PAUL DARMODY: Sheepdogs are instinct dogs. They're bred to work sheep.

A working dog, he's a hunter. He's a predator to the stock. It's how you control that instinct.

REID HOFFMAN: That's Paul Darmody, a farmer and sheepdog trainer based in Bungendore, Australia. Paul has trained generations of border collies to herd sheep and compete in trials. The first step in training is finding a dog with the right instincts.

DARMODY: I could put a piece of rump steak down in front of one of my dogs, and there's no way he would stop and eat that bit of meat. His preference is to go to chase the sheep. His instinct is to want to work that stock.

HOFFMAN: But that instinct can't be left to run unchecked, which is where the training comes in.

DARMODY: If they had no training, they had no ability, and they were just a pack of dogs, they'd want to go out there and just chase them till the sheep laid down, then they'd want to bite it, and bite it, and bite it. That's what they are. They're hunters.

HOFFMAN: Paul lives and works with each of his dogs, building a relationship and understanding that means the dogs look to him for direction. He can rein in the dog's instinct — or unleash it — at a single command, or even a whistle.

DARMODY: When you're in a sheepdog trialing situation, the dog has to respond to every little whistle stop command that you give that dog.

I have a run whistle, which is [whistle]. A stop whistle's just a straight stop note. A run whistle just[whistle]... just keep him coming all the time — walk up, walk up.

HOFFMAN: This constant direction from Paul keeps the dogs on point. But they don't just blindly follow each whistle. You could even say there's room for the dog to get creative.

DARMODY: That dog needs to have total respect in what you are doing. Total, so you have control, but he can't be a robot. He still has to read his sheep.

His movement's going to be quicker than your commands. So he has to anticipate exactly what's going to happen quicker than you can tell him.
HOFFMAN: This formidable pairing of playful creativity and purpose-led direction has applications far beyond the herding pen. In fact, it’s an essential and tricky balance that all scale leaders need to master. Because it can mean the difference between your company escaping the pack, or being put out to pasture.

It’s why I believe in order to scale an innovative idea, you need to balance creative experimentation and purposeful direction.

[THEME MUSIC]

HOFFMAN: I’m Reid Hoffman, co-founder of LinkedIn, partner at Greylock, and your host. And I believe in order to scale an innovative idea, you need to balance creative experimentation and purposeful direction.

Do you love breakfast cereal but hate the hassle of making breakfast cereal? First there’s the carton: you have to reach for the carton, then open the carton. Then there’s the bowl: you have to pick up the bowl, and place the bowl just so. Then you’ve got to pour the cereal into the bowl — not around, or under, but in. And don’t even get me started on the milk.

Well imagine a device that could do all this for you. At just the single touch of a button that sends a marble spiraling its way down a wooden track to knock down a line of dominoes, which topple into one another until they hit a precariously-balanced carton of cereal onto its edge, spilling its contents into a bowl strapped to the top of a Roomba, which is activated by the pressure of the cereal flakes in the bowl pressing down on its on-switch, and then rolls across the floor until it crashes into your table sending the cereal sliding into your bowl and voila — your fuss-free breakfast is served.

Okay, this solution is a lot of things: Creative, experimental, and amusing.

But it’s not a practical, elegant, or scaleable solution to streamlining breakfast. Sure, the solution gets there in the end, but it, and the creative process behind it, go to too many different places. In short, the creativity lacks direction.

Getting this balance between free-flowing experimentation and focused direction is essential for any leader who wants not only to create a great product or service — but actually ship it.

I wanted to speak to Tony Fadell about this because he is one of the most creative and focused people I know. Through passion and persistence, Tony got himself hired straight out of college by the famous mobile device pioneer General Magic. He then went on to pioneer other iconic consumer products at Apple as a driving force behind the iPod and the iPhone. After Apple, Tony struck out on his own by establishing tech start-up Nest and with it, the template for smart homes. He sold Nest to Google for $3.2 billion, and now heads up his investment firm Future Shape, helping other founders direct their creativity to develop transformative technology.
Throughout all of these roles, Tony has developed deep insights into striking the right balance between creative experimentation and purposeful direction. His earliest lesson, however, came long before and far away from the sleek campuses of Silicon Valley tech firms, his grandfather's ramshackle garage in Michigan.

**TONY FADELL:** My grandfather first and foremost, he was an educator. He would take my brother and I under his wing when we were three and four and would love to build stuff.

He would take apart anything, and he would make sure he had all these cigar boxes full of all these different parts from 20, 30, 40 years. And we would be there together with him repairing lawnmowers or bikes or building bird houses or garden furniture and repairing doors and the houses and sinks.

**HOFFMAN:** Tony's grandfather made sure Tony and his brother were not just idle onlookers.

**FADELL:** So at three and four years old, I was doing stuff with electricity with plugs and switches. And so he just never was afraid to put tools in our hands or put us in danger's way. We're sitting there with electric saws and drills and doing all that stuff.

And my mom was always nervous, and my grandmother too. "What's going to happen? Are they going to come back bloody and lose a finger?" But of course a few things that'll happen. I'd slam the hammer on my thumb or something. But other than that, it was just so much fun to be able to work on all these different things with him.

**HOFFMAN:** Along with such practical and painful lessons in the correct use of tools, Tony came away with a more philosophical insight into thinking about how to direct his creativity.

**FADELL:** What he said to me was, "You see all this stuff around. Everything we use today, where we live, all the things we drive, these were all made by humans. Humans can repair them. Humans can make them better. You can learn from what they've done, and you can do more. Don't think it's something over here that you can't touch." So I think it was that empowerment of building.

**HOFFMAN:** This insight, coupled with his grandfather's direction and hands-off approach, opened Tony's eyes to the power of creativity. There was just enough direction from his grandfather to stop Tony and his brother from losing a finger to the bandsaw, but enough freedom to open up a world of creation and innovation.

To his mother's relief, Tony moved on from tinkering with hacksaws and power drills when he fell in love — first with the Apple II computer, then with its successor, the Apple Mac.
By the time he went to college, where he majored in computer engineering, Tony was obsessed with all things Apple. So when he found out that some of the original team behind the creation of the Mac were founding a new company, he was intrigued. Although, Tony didn't have much to go on but the name: General Magic.

**FADELL:** And I was like, "General Magic? What?" And there was nothing about it. Absolutely nothing, nothing at all. And I was like, "I got to go there." And that was it. And I set my sights. I had no idea what they were doing, but I said, "I have to be there. Whatever it is, it's got to be an insanely great thing that they're going to try to build."

**HOFFMAN:** Fresh out of college, Tony went to Silicon Valley and, thanks to his extreme persistence, got a job at General Magic. How he got this role is an amazing story in itself which we don't have time for here. Although it's covered in the documentary of the company called “General Magic.” As for that insanely great thing General Magic wanted to build, well, Tony was blown away by it.

**FADELL:** And so what they set out to do in 1990 was to create a personal, intelligent communicator. Personal assistant. When you look back on it, it was a precursor of the iPhone, just 15, 17 years too early.

**HOFFMAN:** Remember, this was 1990. In the small landscape of mobile productivity, the hefty day planner stood supreme. Against this backdrop, General Magic's ambition to create a portable integrated phone and computer was ahead of its time, and ahead of many people's imaginations.

At General Magic, Tony found himself among his heroes, working in an environment of unfettered creativity, where new ideas flew like sparks in a foundry.

But Tony soon noticed that each spark had its own champions trying to fan it, and its own detractors trying to stamp it out. There was too much space being given over to experimentation, without any direction toward the finished product. And no one was asking the most important question when you're developing a product or service.

**FADELL:** Why? Why? Why? Why are you making what you're making? Not why is the company going to be what the company's doing? What does that product mean? Why do they need it? What pain are you solving? Too many times engineers and designers especially early in their career are trying to make something to impress the person next to them. So like, "I want to impress them with something that's going to be new for them."

That's the wrong way to think.

**HOFFMAN:** Creativity is vital at all stages of scale. But it also needs to be channeled toward the "Why?" As a leader of a creative team, this job of creative director falls to you.
This direction takes the broad sweeping light of your creative experimentation, and hones it into the targeted focus of a laser beam. Exactly how you do it will depend on your sector, your mission, and your leadership style. Many factors will inform your direction and the purpose it's driving at.

Who are your competitors? What are they doing successfully? What are they missing? What are the prime market opportunities? What do your success conditions look like? How do you know you're on target? How does this new idea play into your existing products, services, and positioning?

For Tony, to set a purposeful direction to your creative experimentation, you need to think about super powers.

**FADELL:** Don't try to geek out and impress the other geeks. Give superpowers to everyday people that you would love to have, just so they go, "Wow, look at what I can do."

**HOFFMAN:** Tony knew exactly what superpowers he wanted to give his customers. He also had a clear vision of how to direct General Magic's substantial creative energy to get there.

**FADELL:** I started going, "What's the right device? Who's the audience? What are we making, and why are we making this?" So, I started penning up a specification for what a mobile professional device was.

And it literally had word processing and email. It had a phone line on it, it had a spreadsheet, all of these things. You're like, "duh." And it had a little keyboard and all that. You're like, "oh," and it's more or less, it's a very big checkbook, fit it in your pocket. I was like, "We've got to make this!" And everyone at General Magic's like, "We don't have time for that. We're on one thing, we only have one thing." I was like, "But this is what people want. Mobile professionals want this, I think." They're like, "Not now."

**HOFFMAN:** General Magic may have been "on one thing," but that one thing was the total reimagining of how we integrate mobile technology into our lives, which is a pretty broad ambition.

And this is another way purposeful direction can come unstuck: when the destination is too general — as it was for General Magic.

It's easy to fall into the trap of thinking that the broader your product, the more room for creative experimentation, and the less need for purposeful direction.

But that's a fallacy. Experimentation works best when it's done around a specific thesis. And having a specific thesis makes for a clearer direction.
Rudderless experimentation will kill your product, no matter how groundbreaking the initial idea.

Clear direction is a function of a strategic focus on mission, and a tactical appreciation for not just what you can do, but what you need to do in order to get you there. This is why, as a leader, you need to harmonize two sides of your personality: the starry-eyed dreamer and the cold, calculating pragmatist.

In Tony’s case, General Magic had been the hotbed of creativity he’d hoped for, but its lack of purposeful direction drove him away.

Tony started pitching his idea to General Magic licensees. One of these was the consumer electronics company Philips.

**FADELL:** And they bit, Philips bit. I pitched the CEO of Philips Semiconductors at the time. He said, "I want to do this project. We're making the semiconductors; let's go make a device too. And you're going to go run it." And I was like, "Holy, what did I just do?"

I had never built a device before. I had never even really ran a real team.

I literally sat in a chair, with the lights out, with my hands in my head going, "What did I just do? What did I just sign myself up for? I have no clue what is going to happen," or like, "Let's see what happens."

**HOFFMAN:** Tony joined Philips as CTO and head of its Mobile Computing Group, aged just 26. Despite his misgivings about such a huge leap so early in his career, Tony jumped at the chance to create an environment where creativity was combined with clear direction to create customer-focused products.

**FADELL:** I'm going to copy and leave the lack of process at General Magic behind, put in some process. I didn't know what that was, but some process is better than no process.

**HOFFMAN:** However, Tony soon ran into a problem any intrapreneurs listening will likely relate to: The steep and rugged hill you have to climb to get traction for a new, niche idea in an established organization.

**FADELL:** There's even more politics when you're trying to do something all new at a big company, at least back in those days. People are like, "Why are we doing this little thing? We have bigger fish to fry with this thing that's making 40% or 80% of our revenue. This thing, who knows if it's going to exist?"
It's like, sitting around a dinner table with your siblings, and everyone's running after the food, right? And you get the scraps. Well, usually these little programs get the scraps of resources, budgets, everyone being naysayers, all that kind of stuff.

**HOFFMAN:** Tony hungered for a more purposeful direction. But at Philips, the direction was too entrenched and too rigid. Instead of elevating creative experiments, the culture at Philips suppressed them.

**FADELL:** I feel like you have to have the energy in an environment. If you're going to be together, let's get the energy of it. At Phillips, I was walking in a morgue. Everybody was in their own shut office. If I make a noise, is someone going to get mad at me?

**HOFFMAN:** As a leader providing creative direction, you need to make sure you foster an environment that sparks creative experimentation. This needs to be embedded in your culture, your processes, and your approach.

A classic example from Silicon Valley is the hackathon — a period of time set aside for people in your organization to form spontaneous groups and sprint to make a creative solution. It could be anything from a new business venture to a fairer system for allocating donuts in the staff canteen.

However, bringing creative direction to these hackathon outcomes can be a challenge.

This is why at LinkedIn, we would do hackathons around specific themes — for example: education. Teams would submit proposals based on the theme and, if successful, they would be given a block of time to work on that idea. It’s an effective way to bring purposeful direction to the hackathon, without compromising on the creative experimentation.

When Tony had been at General Magic, he saw the impact of too little creative direction, and when he moved to Philips, he experienced the wrong kind of creative direction. So in 1999, Tony left Philips to found his own tech company, Fuse. One of its main products — a portable digital music player — was right at the cutting edge of the move towards digitizing music.

But Tony struggled to get investors on board with this vision. Fuse was on the brink of fizzling out. Then the dotcom boom turned to bust.

**FADELL:** My start-up was gasping for air. This was January, 2001. We could not get any more funding. And in 2000, the internet fallout happened. It was just a disaster. There was no money anywhere. I had 80 meetings, VC meetings. And it was just no, no, no, no, no.

**HOFFMAN:** Strapped for cash, Tony took a contracting gig at the company that had originally sparked his interest in tech: Apple.
Tony's task was to help develop a digital music player worthy of the company name. As with any new initiative at Apple, there was an air of secrecy about it. The project was codenamed Dulcimer.

Just a few weeks after joining, Tony would find himself pitching his ideas for the new device to Steve Jobs.

[AD BREAK]

HOFFMAN: We're back with Tony Fadell. If you're enjoying this episode on how to balance creative experimentation and purposeful direction, be sure to share it with your friends and colleagues. You can do that right now — just hit the Share button in your podcast app!

And to listen to my full conversation with Tony, become a Masters of Scale member at mastersofscale.com/membership. You'll be able to hear some of the things we couldn't fit into this episode, like Tony's fascination with classic wrist watches, our discussion on finding the right go-to-market speed, and Tony's mission to find innovative solutions to the global crisis of plastic waste. You won't want to miss it.

Before the break, Tony had just taken a contracting gig with Apple to help develop a digital music device codenamed Dulcimer.

It had been three and a half years since Steve Jobs had returned as Apple CEO. He was starting to make inroads to turn the company around with the new desktop computer iMac and the iBook laptop. There were also interesting experiments — one was called iTunes, marketed as "jukebox software."

However, Apple wasn't out of trouble yet, and Steve Jobs was searching for a physical product that would capture imaginations and reignite the company's growth.

Tony found himself in a meeting with Steve Jobs, alongside hardware marketing manager Stan Ng and iTunes head Jeff Robbin. There was only one thing on the agenda: pitching Steve on Dulcimer.

FADELL: At the end of the meeting, Steve was like, "Okay, we're doing this. I've greenlighted it, 'doing' means 'we'll move to the next step.' And Tony, you're going to be the one to do it." And I was like, "What? Huh? What?" I said, "We'll talk about it."

HOFFMAN: Tony was surprised by how quickly Steve approved the idea. But Steve's rapid greenlighting wasn't the hasty embrace of a new idea. Rather, it was because Steve had a clear vision of what he wanted for Apple, and how Project Dulcimer would play a major part in making that vision a reality.
FADELL: The Mac was, in the U.S., less than 1% market share of all computers, right? Worldwide it was already, more or less dead. The Mac was dead. So Steve had tried all kinds of different things to try to rev the Mac, and it wasn't going anywhere.

HOFFMAN: But Steve Jobs saw how that funky little piece of jukebox software known as iTunes could, combined with Project Dulcimer, become not just the killer app that would hoist Apple from the almost-rans, but could herald a digital music revolution.

FADELL: He saw that iTunes was some new way of using a computer, a new way. Right? You could rip CDs; you could make playlists. That's great, but they needed to be on the go.

HOFFMAN: MP3 players did exist. But they were clunky, with no easy way to get music on them. To Steve Jobs, this was an opportunity.

FADELL: So, he was like, "Well, if we could make a better device," an Apple device, maybe people would buy more Macs. This was going to be the first device that Apple would make that you needed so badly that you would buy a Mac for.

HOFFMAN: Project Dulcimer would be the hardware bridge that unshackled people from their computers, while tying them more closely to Apple's fledgling music ecosystem.

And this is why Steve Jobs gave Project Dulcimer the immediate green light.

Intrapreneurs take note: if you can show your leaders how your project can quickly integrate into your organization and strengthen your current strategy in a delightful, surprising way, that will be most of your battle won. At least, when it comes to getting the go-ahead for your project.

But Tony had been burned before — by General Magic’s permissive, unfocused creativity, and by the restrictive culture at Philips. He needed to be sure that Apple under Steve Jobs knew the importance of combining experimentation with creative direction — and that Steve would remain 100 percent behind the project.

FADELL: I was like, "Steve, I know we can build this thing. I've already built parts of it. But, how do I know you're going to sell and market it and do the right things that you need to do on your side of the equation to make sure they're successful?"

And he said, "I guarantee: you make this device happen, I will put all my sales and marketing dollars for minimally two quarters, if not four quarters, only on this project called Dulcimer. Because I want this thing to be a success." So, I was like, "You swear?" He's like, "Yes." And I looked him in the eye, and he said, "Okay, fine." And so I was like, "That's all I could ask, right?"
HOFFMAN: Notice how Steve said, “you make it happen.” In doing so, he was expressing his belief in Tony's ability and creativity. He was also making it clear that Tony would be given the room for experimentation. And at the same time, Steve would be providing purposeful direction that would keep the creative experimentation focused. But it wasn't just Steve's words that set Tony's mind at rest.

FADELL: It felt very different than Philips, right? So I was like, "Oh, this guy's really in charge." I knew who Steve was obviously, but he said it, I saw how he is in the meetings.

I saw everybody, the whole company, shift and a bunch of people got behind us. I was like, "Okay, maybe this is actually going to really happen," so that was it.

HOFFMAN: In case you hadn't guessed already, Project Dulcimer was soon given a new name: the iPod. And while it gained critical acclaim on its release, it took a few more iterations before it really took off, igniting the next chapter of Apple's story.

FADELL: iPod was successful for a few Mac fanboys back in 2001, 2002, but it was really not selling very well because it was only impressing Mac-folks, not the rest of the world. So, we still had to work really, really hard to actually turn the iPod into what it became.

The success all happened after the first three generations of the iPod, when we had the iTunes Music Store too.

HOFFMAN: The success of the iPod began to worry phone makers. It showed some of the huge, unrealized potential for mobile devices.

This was still the age of the "feature" phone — devices that could do more than just calls and texts, but lacked the unified operating systems or touch screens that would come with the smartphone era.

FADELL: So, they decided to start going, "Oh, we're going to do the same thing that iPod is and take their market share." And that's when things got, "Oh, wait a second. Well, people only want to carry one device with them. If the phone got all the features of the iPod, bye-bye iPod business."

HOFFMAN: Now prepare for what might be the most condensed and understated story I think we've ever had on Masters of Scale:

FADELL: And through a bunch of different attempts and a bunch of different internal designs, then ultimately the iPhone pops up in 2007. I know, I just kind of brushed over it, but we've heard the iPhone story so many times.
HOFFMAN: It’s true, the story of the iPhone’s development is a keystone of the story of tech. But what we’re going to focus on here is how the iPhone was a triumph thanks to the combination of experimentation and highly focused, strategic creative direction that went into it — making it a groundbreaking product that blew away the competition with its innovation and design.

FADELL: We had so many false starts. We tried a touchscreen iPod that played video. We tried a click wheel-based iPod that did phone calls. There was a touch screen Mac that was being developed. So, all of these different things were in-process, in flight.

HOFFMAN: But this was not General Magic all over again.

FADELL: There’s some lore about, "Oh my God, there was all these, a huge competition of this versus that." There was not any of that.

HOFFMAN: Here, Tony’s referencing how so many articles over the years have likened the development of the iPhone to the way things had been done at General Magic — a chaotic, unfocused rush of brilliant yet competing ideas that were more in service of the egos of the engineers than the needs of the customer.

But this was far from the truth. Yes, the development of the iPhone involved a cascade of new ideas and groundbreaking combinations of old ideas, but this process was being carefully guided by the project leads like Tony and, of course, the laser-focused creative direction of Steve Jobs.

FADELL: Now, obviously, there’s politics and teams and stuff like that. But there was not this “two pieces of technology enter, one leaves” kind of thing. It was taking bits from all around, putting them together, mashing them up, figuring out what worked, what didn’t, re-optimizing, creating new bits. It was literally like having a ton of Lego blocks all around and kind of coming up with the right model.

And then the teams really came together to then pull all of the different smart pieces from each of them to create what became the iPhone.

HOFFMAN: Tony stayed with Apple until 2010, overseeing the first three generations of the iPhone. But it was only a matter of time before Tony would be struck by a new problem that he needed to solve. It was around 2002, while he was still at Apple, that the idea for his next project — the smart tech company Nest — first took root.

FADELL: The ideation for Nest started with being really damn cold whenever my wife and I went up to our Tahoe house because it only had radiant heat. The house is cold. The bed is a frozen rock. I can't run the heat all the time. But I also can't be an ice block for 24 hours before the heat kicks in. So I started doing crazy stuff with analog phone lines.
I was hacking these things together to try to be able to dial up the house and remotely just turn on the heat. Didn't really work reliably, as you could imagine. So I put that aside, and that was in 2002, 2003, doing that stuff.

Then fast forward to 2007-8, I started designing a house that was next to the one in Tahoe. And I was like, “Oh, well, they must have fixed this problem by now.” And I was like, “Oh my God, how can this thing cost more than an iPhone, this thermostat? And all it does is give me calendars and photos, but it doesn't do the thermostat functions any better.” I'm like, “this is nuts.”

**HOFFMAN:** Soon, Tony was seeing all kinds of other problems with household devices.

**FADELL:** And I noticed everybody had the same thermostat problems, and everyone had the same light switch problems and security system problems and smoke alarm problems. So you start going, “Everybody has these problems. And look, the remote control is in my hand. It's an iPhone.”

**HOFFMAN:** Tony knew that any creative solution to this collection of domestic management issues needed someone to dig into the "why?" behind the product — and then provide the creative direction to get there.

**FADELL:** I spent six months in Paris working on all the details and stuff. And then after my time here, went back to Silicon Valley, and worked with Matt Rogers, and Matt and I co-founded Nest together and then ultimately delivered the learning thermostat about 18 months later to the world. Who knew that thermostats could be sexy and successful? It really turned a lot of heads. And how exciting to make something that was so unloved become a gift under the Christmas tree that people were dying to have. Love, care, and attention, and solving a problem that a lot of people have.

**HOFFMAN:** Nest, of course, went on to create its iconic smart thermostat, and laid the roadmap for smart home technology. In 2014, Google acquired Nest for $3.2 billion. After Google bought Nest, it precipitated a flowering of creative solutions, from thermostats to wifi base stations and arguably mapped the road for the likes of Amazon Alexa and Google Home.

In 2016, Tony left Nest and fully moved over to Future Shape, an investment firm he launched to help founders channel their creativity with the right kind of direction.

**FADELL:** So Future Shape's not a venture capital firm, right? We don't have any limited partners who give us money to invest on their behalf.

We're not trying to make money for ourselves. We're there saying, “We don't like to be retired. Retirement sucks. Okay. I tried that for a while, and it didn't work.”
“We’re going to put our money where our mouth is. And we’re going to give you our time to help you, because we only want to work with companies with great, big challenges that most people wouldn't invest in.”

HOFFMAN: One of Tony's guiding principles at Future Shape is to be hands on when founders need guidance — including creative direction — and get out of the way when they don't.

He also urges founders to cultivate a beginner's mindset to help approach new challenges with the right mixture of structure and flexibility.

FADELL: Whenever you take on a new project or whatever, you have a beginner’s mindset. You start asking lots of questions. When you go to a new city, “Okay, where do I get money? What do they eat here locally? How do I pay for things? How do I...” So you're a beginner whenever you move outside of your environment, and you go, “oh,” and you start picking up on all these details. Some that matter, maybe some that don't, and some that are similar to what you've experienced in the past, and others that are totally brand new.

HOFFMAN: Approaching problems with a beginner's mindset is important when you're creatively experimenting. Being able to spot that mindset is important when you're giving purposeful direction. This comes into play not just for creative projects, but for mentoring the next generation of entrepreneurs.

FADELL: The only reason why I'm sitting here talking to you, and maybe for you, why you're talking to me right now is there were people along our careers that helped us without financial gain, but they went, “Wait a second. This is a smart person. Maybe I could help them with something. They're asking the right questions. They're ambitious. They're wanting to do something there. I can feel it.”

HOFFMAN: This is why Tony puts mentorship at the heart of Future Shape, and his book, Build: An Unorthodox Guide to Making Things Worth Making.

FADELL: I think now I have to pick up that baton, and I need to mentor the people and pay it forward, like those people did for me.

Trying to show that path in different forms, different ways, and trying to not just show the path, but show the thinking behind the path and how things happened and what the lessons learned.

HOFFMAN: As a leader, directing and focusing your team's creative explorations falls to you. It's both art and science. When done well, the direction you give won't stifle your team's innovation, it will unleash it.

I'm Reid Hoffman. Thanks for listening.