

[Transcript] My First Million / BREAKING: Twitch Founder/CEO Resigns - What I Learned From Him

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What's up, y'all? Sean here.
I want to do a special episode because the CEO of Twitch
resigned today, and this is a guy I got to know well
because Twitch acquired my last startup,
and I worked with Emmett for a while.
He's been there for 16 years.
He was the founder, the creator of Twitch,
which is basically one of the biggest platforms in the world.
One of the biggest social networks in the world,
millions and millions and millions of users.
I think they have eight million streamers,
let alone viewers that they talk about.
And it's a multi-billion-dollar company.
So probably somewhere between five and \$10 billion
in terms of what he's built.
And I got to sit in the room with this guy
every week for a few hours, at least, interacting with him.
And over time, you observe, what is it about these people?
I've always wondered, what would it be like
to work with Mark Zuckerberg?
What do they actually like?
How do they actually work?
Are they any different?
Did they just get lucky?

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Or are they just looking at a lottery ticket winner?
Or is there something different about this individual
that led them to do this?
And no surprise, I think there are some differences,
some amazing things.
So I wanted to share with you some stories
because at Twitch's office, there was nine floors.
And so at the ninth floor, the top floor,
there's just boardroom.
It's got like 20 chairs, and Emmett would just sit
at the head of the boardroom, at the table,
like, you know, some emperor or something like that.
And he would, a team after team would come in
and they would present whatever's going on
in that division of the company.
Ads or marketing or whatever it may be.
And what he would do is he would sit there,
he would talk to that team for 45 minutes or one hour,
and then boom, onto the next.
And so this guy operated at a extremely high pace.
And I want to share with you eight or nine things
that I think were different or special,
or at least the stories I remember
for having worked with this guy.
So the first story I'm going to call
the bird's fly story.
Okay, so I remember sitting at a meeting with Emmett
and this team walked in.
And it was, I think, a partnership team,
our marketing team or whatever.
And they were super excited because they had just,
they were like, hey, we had this great meeting
with this company.
They said they wanted a pre-installed Twitch
on all these phones.
And, you know, this is going to get Twitch,
you know, a big head start in this market.
And it's going to be great.
We're projecting this much growth,
this much revenue, blah, blah, blah.
And they were, you know, they were so excited.
They thought they were bringing in, you know, this trophy
and they were going to just hold it up

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and get applause from everybody.
And, hey, it was a good deal.
But Emmett sat quietly for a bit.
He asked questions.
And then he kind of reminded them something.
And he said, you know, I learned this phrase
from Paul Graham at White Combinator.
Birds fly, fish swim, and deals fall through.
Like that's what they do, deals fall through.
That's just a thing that happens.
And sure enough, over the course of that year,
I saw so many teams come in and present deals
that were on the table, verbally agreed,
being discussed, maybe even signed.
And this is exactly, even to say this line,
and more often than that person was willing to admit,
the deals fell through.
And so this is something I took with me,
which is never to get too high or too low
when it comes to deals, M&A, partnerships,
anything like that.
And remember, this is what deals do.
They fall through, birds fly, fish swim, deals fall through.
All right, I'm gonna give you a second story.
After we got acquired, my first day,
I go up to his office,
and I'm gonna have my first one-on-one with him.
And I don't really know what to do.
I've never been an employee really like this in my life.
So I don't really know.
I've only been the guy on the other side of the table.
So I go in and I start to tell him, you know,
about what I'm working on.
And he just kind of like stops me.
He's like, hey, what's your question?
And I'm like, what do you mean?
I haven't gotten to that yet.
I'm giving you the context.
He goes, I think this will help.
And I want to ones,
there's probably, he gave me almost like an instruction
manual of here's how you work with me,
which is really here's how you work with any leader,

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any CEO.
There's four ways you could frame anything
you're gonna tell me.
Number one is, hey, I'm doing this FYI.
I'm doing this, I just want you to be in the loop.
Number two is I'm doing this,
but I want your approval or I need your approval.
So I plan to do this, do you approve?
Number three is I'm trying to decide between A and B
or A, B and C.
Can you help me think that through?
And then the last one, number four,
the last way we interface with them is to say,
remember that thing we agreed on?
Here's what happened.
It's the status update of the closing the loop
on what we had talked about.
And basically anytime I interact with him,
that was the sort of like the base frame
that I needed to have, which was I'm doing this FYI,
I'm doing this, do you approve?
Can you help me think through which way to go?
I'm not sure which way, which one I want to do.
Or lastly, here's what happened.
Here's the learning that we had from it.
That just simplified so much
and it made our communication so much tighter.
In a very short amount of time,
we could immediately sync up, we could get through that.
And then we would spend the rest of the time
just sharing interesting things
or talking about what's going on in our lives
because we weren't wandering around
and he's sitting there waiting to find out
like, what does this guy want from me?
And I'm sitting there trying to tell him a full story
before I finally get to my point or my question.
So that was one great framework he sent me.
The second one was I wrote an update once.
It was point number three.
I wrote an update and he just took a pen
and he just drew circles and rearranged things.
And he basically said, here's how I want you to write this.

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What, why, so what?
So that's a format of communication.
You tell me what happened, why it happened.
And so what are we gonna do about it?
Or if we're planning something, what are we gonna do?
Why are we gonna do it?
And so what do you need for me in order to make that happen?
And that what, why, so what framework?
Again, tightened up my communication.
It took away so much wasted energy
of trying to sit down with a blank piece of paper
and figure out how I'm gonna communicate something.
Now I sit down with a paper and I just write
what, why, so what?
And then I fill in the details underneath.
So that was a great little communication framework
that I got from him.
Okay, number four.
He is a fierce nerd.
So this is a phrase that I took from Paul Graham.
Paul Graham wrote this essay talking about fierce nerds,
which is basically his observation
of the best YC founders.
So the most successful YC founders he felt
he felt fall into this bucket.
And he talks about fierce nerds as people
who are competitive.
In fact, they're often more competitive than non-nerds,
right?
If you think competitive, you think of a jock.
In this case, he's saying almost,
a fierce nerd is almost more competitive
because they are all in on this.
They don't have a bunch of other, you know,
social things to fall back on.
They don't have the emotional maturity
to separate themselves from the competition.
It is deeply personal to them and they are fully obsessed.
He talks about how they tend to be overconfident sometimes,
especially when they're young,
because they feel like they can get
to the right answer the fastest.
And he talks about how being a fierce nerd

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is so advantageous in the world of business today.
And, you know, so Emmett falls into this category.
When I asked him what he does on Friday nights
or for the weekend, you know, it was like,
I'm gonna play Settlers of Katan with the Pat,
you know, with the Collison Brothers from Stripe
and the founders of Reddit.
This is what they would do.
They would get together, drink beer, play Katan.
I play a competitive board game.
Or during our first M&A conversation,
I asked the corp dev guy after we got out of the meeting,
I said, how'd you think that went?
I thought it was pretty good.
What'd you think?
I, you know, is he always like that?
He goes, no, he goes, half of these meetings,
he's just playing Hearthstone on his phone.
And he's talking, but he's playing Hearthstone.
He goes, he put down his phone, he wasn't playing Hearthstone.
So that was a good sign for you guys.
And this guy competes like a beast.
In fact, I one time asked him, I said,
can you send me something from the archives?
Can you send me an old fossil?
So basically when you started Twitch,
did you ever make any plans or pitch decks
or anything like that?
I'd love to see it.
Cause I'm just like, I'm a nerd about that sort of thing.
I like seeing what people were thinking at the start.
Because we all know what it looks like today,
but what were you thinking at the start?
And he sent me a deck that he had made an investor update
that he had made right when they pivoted to Twitch.
And there was this, it was a white, it was no design.
It was white slides, black text times new Roman.
And he just, he was saying, here's what we're doing.
You know, here's why we're doing it.
And here's, here's what's coming next.
And then on one slide, he filled up the entire slide
to almost to make a point with every product thing
they had shipped and improved that month.

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It was just full.
Like there was no white space on that slide.
And then on the next slide, he wrote,
we are a steamroller plowing through a field of flowers.
I thought it was awesome.
Cause today he's older, he's wiser, he's more mature.
He wouldn't talk like that.
He's not like pounding his chest or whatever.
But at the time you could tell,
like that was that young bravado energy
of feeling the momentum of, hey, look,
nobody in the honor at that point knew really what Twitch was.
It wasn't a big deal.
But he knew, he knew they were onto something.
He knew that they were making tons of progress.
And I always remember that.
We were a steamroller plowing through a field of flowers.
Like what, what a picture.
And, and I love that.
And I've, I since now write that in my startups,
I'm like, this month I'm going to be a steamroller
plowing through a field of flowers.
What would that mean?
I need to get done in order for that to be true.
And I just work backwards from that.
I'll give you maybe, I think this is number five,
maybe the most remarkable thing of the whole thing.
I talked about the early pivot.
So what people don't know is that Twitch,
before Twitch, him, Emmett, Justin, Conn, Michael Siebel,
they were working on something called Justin TV.
A lot of people know this story.
It was like a Justin Conn was wearing a webcam on his head
and he was walking around.
It was like a reality show of his life.
Then it became anybody can broadcast anything,
which was like mostly people broadcasting
illegal sporting events and stuff like that,
like just bootleg streaming.
And so the site was kind of popular,
but it really wasn't going to be successful
because most of their best content was illegal.
And they had a decision to pivot.

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At the time Instagram had come out,
Instagram was hot, but Instagram only did photos.
And so the majority of the company,
including Justin and Michael and Kyle,
they all wanted to do Instagram for video
and they called it social cam.
And they pivoted to that
and they wanted to do that.
And all the top talent in the company wanted to go do that.
And Emmett had a different one of you.
He's like, you know, on Justin TV,
I really like watching these video game streams.
It only made up 2% at the time of all the content
or all the watch time that was happening on the network.
But he's like, I like that content the best.
It's not illegal to do.
So it's the only good content that's not illegal.
I kind of wonder what would happen
if we just went all in and made a video game streaming
platform and he was kind of alone in that.
So Emmett went that way, Justin and the others
went the other way.
And maybe the rejects sort of got put on Emmett's team
to do that.
Now social cam went way up and then way down.
And I had this crazy spike in virality
and it crashed and ended up selling for like \$60 million.
But Twitch was a slow bird just brick by brick by brick
all the way into a multi-billion dollar company.
And so the reason I bring this up
is because to this day, Justin Kahn is often referenced
as the co-founder of Twitch or the founder of Twitch.
And from what I understand, I might be wrong,
from what I understand, that wasn't actually true.
He started just TV, which, and then he went to social cam
but like Emmett and his crew built Twitch up from there.
I don't think Justin really, they were in the same office
but I don't think he was working on Twitch actively
at the time.
I don't think he ever was an employee of Twitch.
I think he was helpful and Emmett and Justin
are best friends growing up.
And you never hear Emmett try to take credit away

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from Justin or more towards himself.
I've never once heard him do that,
which is kind of incredible.
And so I give a lot of props to that
because a lesser man, AKA me,
would have been trying to set the record straight
and say, you know, no, actually it was more me
than it was this other guy who's more popular than me.
But Emmett couldn't care less, that's his best friend.
And I think that says a lot about somebody.
So, okay, that's five.
Let me do a couple more.
So, okay, if you go into a meeting with Emmett,
you're gonna notice two things.
The first is that this guy's really, really, really smart.
He's smarter than you.
And I always wondered this because I think people like
to think that it's actually hard work
that separates people or it's luck
or it's one of these other factors.
But not everybody is equally intelligent.
His oven burns hotter.
Like Twitch uses the Amazon method of six-page memos
before meetings.
So basically you write a memo about what's going on.
You write down everything.
You come into the meeting.
You hand out the printed out copy of that
to everybody at the table.
Everybody silently reads for 15, 20 minutes.
And then everybody has all the same information
and now they discuss.
It's an amazing way to build a very good culture
in your company of writing, thinking, and talking.
So it's a great way to run meetings.
But the first thing you notice is that seven minutes in,
Emmett's pens down, he's on Hearthstone.
Because he's read the whole thing
faster than everybody else.
And of course, when the discussion starts,
he lets other people talk.
But then when he finally raises his hand and says,
you know, here was my question.

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It would always be the most on point thing that would cut to the heart of the matter. And it's like, oh, why have we been wasting our time talking with these other things? He's right. You know, he simplified the six page memo into a really simple question and conversation. And so his oven just burns honor. He gets to the right answer faster than most people. He retains more info than most people. He's able to connect dots and is more widely read. I remember sitting in a meeting where we were talking about some policy, you know, how do we handle this situation? Streamers are doing this. Should we enforce it? Should we not enforce it? Should we change the policy? How should we decide? How do we take into account what the community wants? And he would, you know, be like, well, you know, we could do it like, you know, the feudal system in Northern Ireland back in the 1400s. Like, you know, you'd say some shit like that. And you'd be like, Emmett, we don't, none of us know what you're talking about. No, nobody knows how the feudal system ran. Well, can you explain? And then he would explain how their court system worked. And then he'd be like, why don't we do that? And he'd connect these dots. And all I could think about was like, I can't believe this guy even reads about that. I can't believe he knows about that. He's just like sort of insatiably curious, very widely read. And then, you know, his brain has this ability to connect data points in a way that I haven't really seen since then. So his oven burns hotter. I think the people that run these platforms are smarter and hardworking and blah, blah, blah. Right? They're the Olympic athletes of business.

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And I think he's no different.
Having said that, he's got flaws.
So my next point, let's call it 0.7,
he's flawed and he knows it.
So when I got there, a lot of people would joke
almost behind his back like, well, you know,
and it's all IQ, he's no EQ.
For me, it was honestly further, you know,
it couldn't be further from the truth,
but I also met him, I don't know,
14 years into running this company.
I bet if I met him at year three or four,
he probably didn't have the same managerial skills
or social skills or EQ skills that he has today.
But he knows what's flawed and he works on it.
So his favorite book, I think was nonviolent communication
because that had helped him so much
of how can he communicate with people
in a way that doesn't put them on the defensive,
but still gets things done.
He only cared about getting things right, not being right.
So he would use what I call the Socratic method
of leadership where when you would come in,
you would say something,
then he would start to ask you questions
and he would break up your whole argument piece by piece,
assumption by assumption, why is this true?
How do we know that?
If that's true, then what does that imply next?
And he would just go one by one
until we would get to the right answer.
For most people, it was exhausting
and they took it as almost a personal attack,
like he's questioning everything I say,
he doesn't just take it at face value,
but the reality was I thought it was a tremendous
like approach to getting to the truth
and the truth is all he cared about.
He didn't care if he came up with it or you came up with it,
he just wanted it to be closer to the truth,
to the actual answer.
He also hired this coach, this executive coach,
a woman named Flo, who's amazing.

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I think she's like 80 years old.
So she's like, you know,
doesn't know the first thing about gaming or streaming
or Twitch or any of that stuff,
but she knew about people.
And I remember sitting in one of the exec off sites
and Emmett has this nervous tick,
which is that when he's really thinking about something,
he would grab his neck, like where his neck beard was
and he would start to like twist it.
And he was like, to anybody who's talking to him,
it's like so obvious you can see this
and it's not like a normal mannerism people do,
but that was his twit, that was his tick.
He would do that anytime he was thinking hard.
He wasn't sure about something
or he was trying to figure out how to say something to you.
He would do that.
And I loved that.
And I'd worked there for maybe nine months at this point.
He did it all the time.
You know, I'm never going to point that out.
What am I going to say?
Like, you know, it's just something he did.
And everybody just sat there quietly,
all of his leaders, all of his peers sat there quietly
letting that happen.
And Flo walked in and she was like,
I mean, what do you do with your neck?
Put your hand down, sit up straight, say that like a leader.
And she just told it to him like it is, it was amazing.
She's amazing.
But also his reaction had 0% defensiveness.
He was like, oh, yeah, thanks, like, that's a gift.
Thank you for reminding me about that.
Yeah, I'm working on that.
And I thought that that was, you know, a good sign
as to how do you get better, right?
This guy was there for 16 years.
How do you get better every year?
Well, you're surrounded by people
that are kind of afraid to tell you the truth
because you're their boss and you're the CEO

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and you're the smartest guy in the room.
So I think he did a good job of identifying his weaknesses
and hiring people that would literally tell him the truth.
So those are some of the things that I picked up from Emmett.
You know, Emmett, you had a great run.
I hope you, you don't listen to the pod,
but I hope you listen to this one because, yeah,
working with you was a lot of fun.
You know, I really found it fun
because it pushed me to be better.
I could not walk into a meeting or do my job
and be able to get away with it just on talent or charisma
or some hand-wavy bullshit that you can say in a meeting
that if it wasn't for him, pretty much anyone else
of the company, if I went to the meeting,
I could kind of just say whatever
and I could talk my way out of any situation
or into any situation or whatever I wanted to do.
But with Emmett, you know, I kind of felt like
a higher bar was there where I really didn't know
if the bar was there where I really needed to have
the right answer, I needed to have the truth
because he would not, his standard was there.
And so, you know, he made me better.
I appreciate that.
And it was kind of cool to be able to be in the room
with somebody who is, you know, one of these rare individuals
who has built one of these mega, mega companies.
And I don't know what he's going to do next.
I think he's just had a kid.
So, you know, maybe he's going to go full dad mode.
I'm not sure what he's going to do,
but I will watch it eagerly to see
because I know it's not going to be,
it's not going to be average, whatever it is.
There's nothing, nothing just mediocre average
coming from this guy.
So, anyways, hope you enjoyed that.
Those are some of the lessons I learned
working with Emmett Twitch.
And all right, that's it.
See you next time.