How Success Happened for Netflix Co-Founder Marc Randolph



The co-founder of Netflix on why there is no such thing as a good idea.

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I recently had the pleasure of interviewing serial entrepreneur Marc Randolph, best known for being the co-founder and first CEO of Netflix, for my recent episode of How Success Happens.

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When he and Reed Hastings started Netflix, they could never have predicted what the company would one day become, or how different the business would start to look just a decade later. In fact, the company started almost by chance, when Marc's company was acquired by Pure Atria, whose founder, Reed Hastings, lived close enough to Marc that carpooling (and kicking around some ideas on the drive) just made sense. After tossing around a few admittedly weird ideas (personalized shampoo anyone?), and a conversation around a new thing called DVDs, the idea of movie rentals by mail started to make sense.

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It's been over 20 years since Netflix was founded, and Marc still remembers how many people told him that the idea would never work – so much so that he titled his book and his podcast "That Will Never Work." And throughout my conversation with Marc, he made one thing very clear – movie rentals by mail was *not* a good idea.

Marc told me that after 40 years of starting businesses and coaching fellow entrepreneurs, he has learned that there is actually no such *thing* as a good idea. He said that every idea collapses under the weight of having to confront a real problem, but once you recognize that, you can start to test the idea and unpack the reasons why it is not working. That's what's driven Marc through every step of his entrepreneurial journey—a passion for solving problems, of getting together with smart, passionate people, and figuring something out. After all, when he started his first business, "entrepreneur" wasn't even a well-known term, and as he'll say, not something you did to get rich. You had to really want to do something new.

When we discussed testing ideas, Marc's face lit up, and he told me a story about how he and Reed decided to see if the

idea for Netflix was even *possible*, considering how fragile these discs tended to be. After mailing a CD locally (DVDs hadn't even entered the market yet), they were thrilled to see that it got there in one piece, in one day, for the cost of a single stamp. Was the test perfect? Of course not. There were a million ways that the DVD rental service could fail, but in that moment, the idea went from concept to reality. That single test was invaluable. What's more, Marc started his career in the mail-order department of a sheet music company, some 15 years earlier. It almost feels like he came full-circle, taking his experience in an entirely different industry and creating a brand new one with it.

As we chatted, I couldn't help but notice how proud Marc was of the company he helped create, and I asked him about why he decided to leave. He explained that, true to his passion for problem-solving, he finds happiness in the early stages of a company, discovering and overcoming and wearing different hats within an organization. As Netflix grew, it became abundantly clear that the startup stage of the business was over, and that it had become the type of company that Reed had always enjoyed running. It would make them both happier if Reed took over and Marc got to take a step back, so that's what they did.

Even after we finished recording, something that continued to resonate with me was Marc's barometer for success. I've spoken to countless people who attributed their success to money or fame, but Marc was different. Marc measures his success based upon how happy and fulfilled a project is making him. One of my first questions was, considering the struggles that Netflix came up against in the early days, had he ever thought about quitting? His immediate answer: No. It's just not in his DNA. That type of passion and enthusiasm is infectious, and in his new podcast, That Will Never Work, Marc brings his unique mindset and decades of experience to mentor those just starting their entrepreneurial journey. True to form, he

explains that he didn’t create the podcast to gain notoriety, he created it so that he could share his wisdom with more people than just the handful of businesses that he advises. That, and because it’s fun. After all, each episode has a brand new problem to solve.

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