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If you look at Silicon Valley and tech startups, there are tens of thousands of people doing tens of thousands of different things. It's a little bit like a lot of monkeys banging on typewriters — you'll get a handful of things that are super successful because people are approaching things from all different angles.”



# SLACKER GENERATION

**S**tewart Butterfield, founder and CEO of Slack, has a history of being unusually candid when talking to the media. There are the frequent f-bombs, the time he told the *New York Times* that Slack was worth \$3 billion “because people say it is,” and the story in the *Financial Review*, in which he said, “Everyone kisses my arse ... because I’m the CEO.” Which may be why Slack’s head of PR, Julia Blystone, stays on the line for the entirety of my interview with him.

But even with Blystone in the background, Butterfield seems relaxed and forthcoming about the challenges at Slack, the fallout after the \$20-million sale of Flickr (his photo-sharing site) to Yahoo in 2005, and his own difficulties being a leader. Butterfield is a media darling. *Time* Magazine named him one of the “100 Most Influential People in the World” and he’s one of *BusinessWeek*’s “Top 50 Leaders.” He’s appeared on the cover of *Newsweek* and recently made headlines again when he took out a full-page ad in the *New York Times* to “congratulate” Microsoft on its competing chat app. Along with his openness and his startup wins, his path from hippie-commune child to cover-boy entrepreneur makes for an irresistible success story.

Butterfield was born as Dharma in 1973 in the fishing village of Lund, B.C. His father, David Butterfield, now a local developer, had fled to Quebec from the base where he was serving in North Carolina to avoid fighting in the Vietnam War. Once in Canada, he met Stewart’s mother, Norma. The pair went west and settled in Lund, where 500 hippies had set up a commune. In 1977, the family moved to Victoria and Butterfield (after officially changing his name to Stewart) attended the prestigious St. Michaels University School. (Its *School Ties* magazine includes updates on this famous alumni’s successes.)

He then went to the University of Victoria and in 1996 completed his bachelor’s degree in philosophy before getting a Master of Philosophy from the University of Cambridge in 1998.

“Philosophy is very much concerned with the form of argument itself and the use of language and the clarity and perspicuity of one’s arguments,” Butterfield says. “Which is great practice for business because you’re driven to much more vigorous analysis. It’s general cognitive ability, general thinking and also the ability to clearly articulate ideas to other people. I’m not sure it would work for everyone but it worked for me.”

Before launching Slack, Butterfield created tech success story Flickr, which grew out of an attempt to start a video-sharing company. The game may have failed, but the team realized its photo-sharing capabilities had huge potential. That potential was pivoted into Flickr. When Yahoo bought Flickr, Butterfield moved to Yahoo but left in 2008 (with an eccentric resignation letter that went viral).

After he left Yahoo, Butterfield made a second attempt at a gaming company, Tiny Speck, which created the online multiplayer game *Glitch*. While that game also failed, its internal messaging system became the wildly successful Slack.

WITH **SLACK**, HIS VERY SLICK TEAM COMMUNICATION APP, B.C.’S **STEWART BUTTERFIELD** HAS CREATED ONE OF THE WORLD’S FASTEST-GROWING, VENTURE-BACKED STARTUPS.

At its most basic, Slack is a team communication tool (dubbed the “email killer”) that allows instant messaging through different channels to enable the separation of departments and projects, along with highly functional file sharing and a robust search engine. It currently has four million daily active users, and the company, which has seven offices globally — including one of the originals in Vancouver, where Butterfield keeps a condo — has raised over \$500 million in investor funds at a purported valuation of \$4 billion.

“If you say to somebody, ‘I have a new enterprise chat client,’ nobody is going to be excited by that, but for some reason Stewart is

able to give potentially dull products a character and a voice that brings them to life,” says Andrew Wilkinson of Victoria’s MetaLab, who designed the Slack app.

“If you look at Flickr, it was really just a photo sharing site. Yes, it was innovative, but the copy was wonderful, the colours were rich, the interactions were really satisfying. It’s all these tiny little details that add up to something special. Stewart really understands those details to a level that most people don’t. He can bring a warmth to a product that otherwise wouldn’t be there.”

Wilkinson describes Butterfield as a demanding and challenging client, who pushed

MetaLab to do some of their best work.

“We ended up doing more revisions on Slack than many products that we’ve worked on — we did 20 different redesigns,” Wilkinson says. “Once we had done all the extra work and revisions, we realized what he was trying to do, and it was pretty exceptional.”

Butterfield spoke to *Douglas* from Slack’s office in San Francisco.

**In the past, you’ve said the Internet is a place for sharing and creating community. Has that view evolved at all?**

I don’t remember that, but it sounds like something I would plausibly say. That’s obviously not the sole intention for [the Internet] any more than the sole purpose of written language is to create poetry. So creating poetry is something you can do with language, creating communities is something you can do with the Internet. I think the highest purpose to which the Internet could be put is creating this network where all members can interact with each other, and I think it’s a very profound shift. To be clear, there’s all kinds of shitty things that happen on the Internet, but there’s also all kinds of shitty things that happen outdoors and inside of buildings.

**Putting it to this highest purpose, does this inform your work at all?**

Absolutely. I first got online 24 years ago and have been participating in online communities in one form or another for that whole time, some two-plus decades. All of that informs Slack. The positive aspects of online communication have inspired almost all of the design decisions and why we think Slack can be valuable.

**Word of mouth was very important to Slack’s initial success. Are there lessons you can share in how a startup can also use that?**

That’s a tough one because every company is different, and different products have more potential for that kind of spread. It’s often just the nature of the business and how scalable it is. There’s a new ice-cream shop in Yaletown in Vancouver that’s very popular, and the spread is also happening by word of mouth, but it can only serve so many customers a day because it’s an ice-cream shop. That’s not meant to be facetious; it’s just the nature of different businesses is quite different.

We were very successful [through word of mouth], but we also had a lot of advantages. We had an existing reputation in the industry, contacts with reporters and high-profile investors and all those kind of things. We also had friends who were influential and would tweet about us. That’s not really constructive advice for people who don’t have all of those resources, but the fundamental thing is, if you make something that is genuinely useful, that is a huge assist. It’s not going to spread for very long if it’s not actually useful for people.

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Another thing that is general advice is, to the extent that you can, distill the purpose of your business, your product, your service, your app, whatever it is, to the point where someone you tell about it can go on successfully to tell someone else about it — you're then in a much better position to succeed.

**Has that been a challenge for you, explaining to people outside what Slack is?**

I think Slack is unique. If I look back over my career, [explaining the product] was a real problem for Flickr. Was it for social photo sharing among people who had digital cameras, like the population of everyone? Or was it for people who identified as photographers? That's very different in terms of the design we would make, how we would market it and who might be interested in it. We never really resolved that.

Later, with our game *Glitch*, there was a huge challenge for us to even explain what the hell it was (and I still can't do it in under three minutes), which really impeded its ability to be spread.

With Slack, I think we're in a much better position, but we still go back and forth on different angles. We'll say things like "messaging app for teams" to give the most boring and literal facts about it. And then at the other end of the spectrum, "Slack is where work happens." A little bit more metaphorical. Ideally, enough that people triangulate on what it actually is and

figure it out. Like *Glitch* and like Flickr, there's nothing else like it. There are products that are similar, and we will have more competitors in time, but for most people who are being introduced to Slack, they don't have anything to model it after.

**What lessons did you bring to Slack from your experiences with Flickr and its sale to Yahoo?**

Part of it was just the state of Yahoo at the time. Shortly after we were acquired, Google surpassed Yahoo's revenue, which really affected us because it cut off avenues for growth, and when a company isn't growing very quickly, then the motivations of the people inside of the company change. It becomes more of a zero-sum game that people can play against each other instead of trying to propel the company forward and compete in the market. I definitely learned some lessons about situations to avoid and negative dynamics, and try to ensure that those don't happen here.

Also, I had never worked at a big company before. Even though I had done a lot of consulting work, that's quite different. If you're actually inside, you can see how the sausage is made. Obviously, there was a lot of good experience in terms of dealing with managing people and communications on a global stage and business decisions that have a greater fiscal impact. I probably learned more in that first year

at Yahoo than I did in grad school. It wasn't all a good experience, but it was most definitely a learning experience.

**How would you say you've evolved as a leader since that time?**

Gradually I've gotten better. The things I used to find difficult, I still find difficult, but I'm less reluctant. I'll do them.

**What do you find difficult?**

Firing people. I find it terrible. I hate it. But you also have to do it sometimes. I do think my approach to that is much better than it used to be, less filled with dread, and it's easier to make sure it happens. In that same class, there's having difficult conversations with people, giving negative feedback. Really, not seeing those things as daunting or horrible anymore makes it much easier to actually have a constructive conversation with someone.

**You've been described as a serial entrepreneur with failures and successes behind you. Do you have advice for pushing beyond failure?**

You can say all kinds of stuff. There's a lot of "Hang in there!" quotations in the industry and all kinds of aphorisms that one can give, and I won't give those. It's just that I'm motivated by a dread of failure and a need to be successful in the end. ■

*This interview has been edited and condensed.*

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