Guide to Career Planning, part 3: Where to go and why

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When picking an industry to enter, my favorite rule of thumb is this:

Pick an industry where the founders of the industry -- the founders of the important companies in the industry -- are still alive and actively involved.

This is easy to figure out -- just look at the CEO, chairman or chairwoman, and board of directors for the major companies in the industry.

If the founders of the companies are currently serving as CEO, chairman or chairwoman, or board member of their companies, it's a good industry to enter. It is probably still young and vital, and there are probably still opportunities to exploit all over the place, either at those companies or at new companies in that industry.

If not -- if the industry's founders are dead, or old and out of touch -- beware. That industry is now dominated by companies that are being run by second or third or even fourth generation managers who inherited their companies pre-built, and are serving as caretakers.

If you are young and want to have an impact, you want to be in an industry where there is a lot of growth and change and flux and opportunity.

As an industry ages, the vitality drains out until all that's left is a set of ossified remnants in the form of oligopolostic entities of which you would find being a part to be completely soul-killing.

The exception comes when an industry has gotten so old and ossified that the clear opportunity exists to up-end it and introduce a new order, a new way of doing things, and therefore a new set of companies.

In some industries this happens routinely -- e.g. every 10-20 years. This is the case in technology, for example, and financial services.

It doesn't seem to happen *ever* in certain other industries which I won't name for fear of being permanently cut off from my necessary supply of oil, gas, music, and movies.

If you're going to enter an old industry, make sure to do it on the side of the forces of radical change that threaten to up-end the existing order -- and make sure that those forces of change have a reasonable chance at succeeding.

Second rule of thumb:

Once you have picked an industry, get right to the center of it as fast as you possibly can.

Your target is the core of change and opportunity -- figure out where the action is and head there, and do not delay your progress for extraneous opportunities, no matter how lucrative they might be.

Never worry about being a small fish in a big pond. Being a big fish in a small pond sucks -- you will hit the ceiling on what you can achieve quickly, and nobody will care. *Optimize at all times for being in the most dynamic and exciting pond you can find.* That is where the great opportunities can be found.

Apply this rule when selecting which company to go to. Go to the company where all the action is happening.

Or, if you are going to join a startup or start your own company, always make sure that your startup is aimed at the largest and most interesting opportunity available -- the new markets that are growing fast and changing rapidly.

Also apply this rule when selecting which city to live in. Go to the city where all the action is happening.

For technology, at least in the US, this is Silicon Valley. For entertainment, this is Los Angeles. For politics, Washington DC. For coffee, Seattle. For financial services, New York -- unless you are *convinced* that there are equally compelling opportunities someplace else, like London or Hong Kong or Shanghai.

In my opinion, living anywhere other than the center of your industry is a mistake. A lot of people -- those who don't live in that place -- don't want to hear it. But it's true. Geographic locality is still -- even in the age of the Internet -- critically important if you want to maximize your access to the best companies, the best people, and the best opportunities. *You can always cite exceptions, but that's what they are: exceptions.*

No one cares who the top filmmaker in Chicago is -- hell, people often don't even care who the top filmmaker in *New York* is, and quite a lot of films get made out of New York. On the other hand, the top 50 filmmakers in Los Angeles are all very important people in their industry.

Let's flavor all of the above with a little nuance:

"Current importance" may not be the same as "greatest change".

Whenever you believe that the currently dominant companies, or cities, are not the places of greatest change and opportunity, you have a decision to make.

Perhaps New York, while clearly the financial services capital of the world, is not the place of greatest opportunity for someone new. Perhaps, for you, that would be Dubai, or Buenos Aires, or Prague, or Macau.

And perhaps Goldman Sachs, Morgan Stanley, Lehman Brothers, Citigroup, and JP Morgan Chase, while clearly the most important financial services companies in the world, are not the companies of greatest opportunity for someone new. Perhaps, for you, that's a totally different kind of financial services company, like Paypal.

Then you have a decision to make -- whether to tilt a little conservative and stick with the currently most important place and companies under the rationale that they are still the major agents of change in the industry, or tilt aggressive and go someplace or to some firm that's up and coming and might represent disruptive change and therefore even greater opportunity.

Either way, to quote Pink Floyd, "set the controls for the heart of the sun" -- be sure you're heading where the action is, where the biggest opportunities in your field are, as you've chosen to think about it. Don't fart around in second and third tier companies that don't have a clear mission to dominate their markets.

Third rule:

In a rapidly changing field like technology, the best place to get experience when you're starting out is in younger, high-growth companies.

(This is not necessarily true in older and more established industries, but those aren't the industries we're talking about.)

There are a bunch of great things that you get when you go to a younger, high-growth company:

- *You'll get to do lots of stuff.* There will be so much stuff *to do* in the company that you'll be able to do as much of it as you can possibly handle. Which means you'll gain skills and experience very quickly.
- *You'll probably get promoted quickly.* Fast-growing companies are characterized by a chronic lack of people who can step up to all the important new leadership jobs that are being created all the time. If you are aggressive and performing well, promotions will come quickly and easily.
- *You'll get used to being in a high-energy, rapidly-changing environment with sharp people and high expectations.* It's like training for a marathon while wearing ankle weights -- if you ever end

up going to a big company, you'll blow everyone away. And if you ever go to a startup, you'll be ready for the intensity.

- *Reputational benefit.* Having Silicon Graphics from the early 90's, or Netscape from the mid-90's, or eBay from the late 90's, or Paypal from the early 00's, or Google from the mid-00's on your resume is as valuable as any advanced degree -- it's a permanent source of credibility.

In contrast to going to a big company: working for a big company teaches you how to work for big companies. The way things work at a big company is usually unique to big companies. So, working for a big company is often a statement that you plan to spend your career at big companies -- and lots of people are very happy doing that, but I doubt that's your intention or you wouldn't be reading this post.

In contrast to going to a startup: when you are first starting your career, you should realize that raw startups are *highly* variable in terms of the experiences you will have. Some can be great, but many are very poorly managed and go nowhere. You will probably be better off going somewhere that's already succeeding, gain skills and experience, and *then* go to a startup.

In contrast to going to a mediocre small or mid-sized company that's not growing: those are great places to go if you don't want to go anywhere yourself. If you find yourself stuck in one, either figure out how to get the company unstuck and on a fast growth path, or get yourself unstuck.

There is a caveat to all this, which is as follows:

Don't just be a "summertime soldier" -- don't go someplace because it's already successful, and then bail when things get tough.

Any hiring manager for the rest of your career will be able to read that on your resume just by looking at the dates.

High-growth companies virtually always hit speed bumps, or even huge potholes. Stuff goes wrong. Going through the experience of gutting through the hard parts and coming out the other end will be a key part of your real-world education and will serve you very well down the road, especially if you ever start your own company.

Then, once you've racked up killer skills and experiences at a high-growth company, feel free to go to a startup.

Picking which startup to join probably deserves its own post. However, in a nutshell, *look for one where you understand the product, see how it might fit into a very large market, and really like and respect the people who are already there*.

Or, start your own company.

If your startup fails, try another one. If that one fails, get back into a high-growth company to reset your resume and get more skills and experiences. Then start another company. Repeat as necessary until you change the world.

Finally, every job you take and every role you fill will always be a tactical opportunity *and* a strategic opportunity.

The tactical opportunity is obvious: kick ass and take names -- gain skills and experiences that will be valuable to you in the future, and do so well that everyone you work with is singing your praises for decades to come.

The strategic opportunity is less obvious and often overlooked.

Every job, every role, every company you go to is an opportunity to learn how a business works and how an industry works.

Learn everything you can about the business and the industry in which you find yourself.

Think strategically: how would I start a firm like this today? Or, if I were starting a company in this industry today, how would it be different than this firm? Why is this firm and other firms in this industry doing what they do? What are the assumptions underneath their behavior? Should those assumptions be changing? How might this industry work differently? Which customers are being underserved? What new technologies might change things completely? How were things working 10 years ago, versus today, versus 10 years from now? And, my favorite: if the creators of this industry were starting out today, what would they be doing now?

In FX's great new series *Damages*, a young attorney named Ellen Parsons has gone to work for a famous law firm called Hewes and Associates, run by the legendary, ruthless, and amoral Patty Hewes. Ellen, rattled by the intensity of her experience at Hewes and Associates, asks her mentor Hollis Nye what she should do:

> *Hollis Nye:* My advice to you, Ellen, is to stop trying to figure Patty out. You'll never change her, but she'll change you.
>
> *Ellen:* How?
>
> *Nye:* By giving you access to how she thinks. You signed up for this; now, keep your head down, and do the work. That's why you're there, isn't it?
>
> *Ellen:* Yes.
>
> *Nye:* Then don't be shortsighted. Start using *her*. Learn everything you can, then get the hell out of there before it's too late.
>
> *Ellen:* How exactly will I know when that is?
>
> *Nye:* Ah. That's for another walk.

...and another post.