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Kevin Systrom and Mike Krieger, Co-Founders of Instagram: How to Build a Great Product – Invest Like the Best - Podcast Notes

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10-12 minutes

HomeInvest Like the BestKevin Systrom and Mike Krieger, Co-Founders of Instagram: How to Build a Great Product – Invest Like the Best

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Check out the Invest Like the Best Episode Page & Show Notes

Key Takeaways

- **"If you're going to build a product, the only reason it should exist in the world is because it solves someone's problem"** – *Mike Krieger*
- To get an idea of what new product features to build, ask yourself: **"How are people hacking our product, and how can we meet them in the middle to make that way easier?"**
  - For example, people were using hashtags on Instagram before Instagram made them trackable or clickable
- **"People forget your failures; they remember your successes"** – *Kevin Systrom*
  - No one remembers the 15 features Instagram launched that failed, but everyone remembers their Stories feature
- **Employee satisfaction at a company is highly correlated with whether or not the company is building a great product**
- **"No matter what new idea you have, people are going to tell you it stinks"** – *Kevin Systrom*
  - **"The one common thing of all great ideas is that they usually look pretty bad in the beginning"**
- **"Stay super curious and stay a learner"** – *Kevin Systrom*
  - Most people stop learning after graduating from college – don't be like most people

Intro

- Kevin Systrom (@Kevin) and Mike Krieger (@mikeyk), are the co-founders of Instagram
  - For more Kevin, check out the Podcast Notes from his appearance on The Tim Ferriss Show
- Host: Patrick O'Shaughnessy (@patrick_oshag)

Books Mentioned

- *Competing Against Luck* by Clayton Christenson
  - Mike really enjoyed this book
- *Analytic Methods in Sports* by Thomas Severani
  - Kevin isn't into sports but found this book fascinating
- *Getting Things Done* by David Allen

What Have Kevin & Mike Been Doing Since Leaving Instagram?

- Mike has been focusing on coding and playing around with data pipelines
- Kevin planned on going skiing for 3 months, but after 6 days he got bored and cold. He then began spending more of his time reading about AI/machine learning
  - Machine learning isn't magic, it's just math

- "Of course it's world-changing and of course you can get to better outcomes, but at the end of the day. it's just math. You have to have a healthy dose of humility when you approach new problems." – *Kevin Systrom*

Startups & Software

- When Kevin was in college, he interned at Odeo (which eventually became Twitter)
    - Back in those days, companies had physical servers, whereas when Kevin launched Instagram, he used AWS (Amazon Web Services) which made things a whole lot easier
    - Today, there are many open-source libraries people can use for their businesses (such as XGBoost and TensorFlow)
        - Access isn't much of a competitive advantage anymore because anyone can use these tools, it's all about how *well* you can use them
- Whenever you have a problem: **"Do the simple thing first"** – *Mike Krieger*
- **Good founders get interested in what their data actually looks like underneath**
    - If the data going into a machine learning program is subpar, the outcome will be subpar as well

Building A Great Product

- **"If you're going to build a product, the only reason it should exist in the world is because it solves someone's problem"** – *Mike Krieger*
    - Back when Mike and Kevin started Instagram, they listed out the top 3 problems with mobile photos:
        - 1) Most people felt their photos were terrible
        - 2) People wanted to be able to share their photos everywhere
        - 3) It took a long time to upload photos
    - Solutions – Instagram:
        - 1) Made filters, thus making photos more visually appealing
        - 2) Made a one-click sharing feature
        - 3) Allowed user to upload photos in a fraction of a second
    - **Figure out what problem(s) you're trying to solve – they can be functional, emotional, or physical**
- When building new product features: Look into the data, find trends, and develop something that solves a problem
    - **Ask yourself: "How are people hacking our product, and how can we meet them in the middle to make that way easier?"** –*Kevin Systrom*
        - For example, people were using hashtags on Instagram before Instagram made them trackable or clickable
        - Another example: One user was constantly posting pictures and deleting them. The Instagram team thought the user was doing something unethical, but it was actually a small store posting images of products and deleting them when the item was sold (this was back in 2013 before Instagram had any e-commerce features)

Instagram Communities

- When designing Instagram, Kevin focused on a few key principles:
    - **It had to be community-driven**
    - **It had to be simple**
    - **It had to work quickly**
- Be authentic and talk to your users
    - **To learn more about the different communities on Instagram, the company would send researchers and engineers to various countries to better understand how people were using the product**

Hard Product Decisions

- Looking back, certain changes to Instagram look like no-brainers, but at the time, they weren't so easy to implement
    - For example, when Instagram announced it would be available on Android, some users were upset at the decision
        - However, Kevin knew that to get to a billion users, Instagram couldn't just be available on Apple devices

- **"Every major change that came with a ton of pain, was either A: the best decision we ever made, or B: the worst decision we ever made"** – *Kevin Systrom*
  - A few people at Instagram were worried that the Stories feature would break Instagram (now it's one of the best features on the app)
  - With new features, sometimes you just have to follow your gut, go for it, and deal with the consequences once they arise
- **"You have to be occasionally okay changing the product in a way that might actually sort of break it in some way for a subset of people"** – *Mike Krieger*
  - If you make a change to a product and 1% of users don't like it, if you're Instagram, you're going to hear backlash from almost a million people, but you have to be okay with your decision

Improving Instagram & Adding Features

- Optimizing Instagram to show more content produced by a user's friends had an enormous boost on the average time someone spent on the app
  - Launching the Stories feature also increased this metric
- **If you want to learn more about how people are using your app, ask them to explain the rules of usage**
  - For instance, one user told Mike that "you never double insta" (in other words, you never post twice on Instagram)
    - People are highly selective of what they post on their feed, but less so with what they post on their story
- As time goes on, the problems customers face and features users want will both change
  - No one adds borders to their pictures on Instagram today
  - Live streaming on Instagram V1 wouldn't have been possible
- Building a company is a lot like a surfer trying to catch a wave
  - **"If you start too early, you look like an idiot; you start too late, you look like an idiot** – *Kevin Systrom*
    - **"If you start at the right time, everything aligns"**
    - Ask yourself, what waves are happening right now?
      - **Kevin sees machine learning as the next big wave**
      - Mike believes personal fitness devices will also be a big wave – the devices get smaller and more powerful every year

Lessons Learned From Their Instagram Journey

- The first phase was just Kevin and Mike
  - Early lessons they learned:
    - **Identify the problems, rank order them by importance, and focus on the top one or two**
    - It's helpful to be a small team because you can be nimble, but once your product starts experiencing huge growth, you need to start hiring people
- Lessons learned along the way:
  - On Management:
    - **Management should be a calling or an interest, not something given to the most senior team member**
      - In addition to training, new managers should have a mentor or coach to guide them for their first year
  - **"People forget your failures; they remember your successes"** – *Kevin Systrom*
    - No one remembers the 15 features Instagram launched that failed, but everyone remembers their Stories feature
  - **Employee satisfaction at a company is highly correlated with whether or not the company is building a great product**
    - Most people at Instagram were more satisfied with their job after a new feature was successful
  - Be humble, but confident
    - **Be confident in your new idea, but also humble enough to understand it may go wrong**

Thoughts on Investing

- The world of investing is all about giving ideas a chance to take flight and hoping that they work out

- At the seed stage, investors have no idea what they're investing in
  - No investor in Instagram had any idea that it would become what it is today
- What does Kevin look for before making an investment?
  - **"Great companies that understand their customer in and out, and are solving a really unique problem that no one else has quite figured out how to solve"** – *Kevin Systrom*

Lessons From Mentors

- One lesson Mike learned from Reid Hoffman: Learn how to leverage the abilities of other people
  - Example: **Can you learn how to launch your own podcast by yourself? Sure, but the better strategy would be to find someone who's an expert who can do it faster and better**
- One lesson Kevin learned from Ray Dalio: Think in principles and ask yourself, "What are the rules of my company and what do I believe in?"
  - Then, write down your company principles or values

Additional Notes

- Over a billion people use Instagram every month
- It cost Kevin $65K to launch Instagram
- After reading *Getting Things Done* by David Allen, Kevin started a "Someday-Maybe" list
  - **"You should always have a list of things you think are really interesting but you don't quite have the time to do right now"** – *Kevin Systrom*
    - After leaving Instagram, Kevin wanted to do something new and technical, so he became a licensed pilot
- Don't self-select yourself out of a position
  - Both Kevin and Mike had some programming skills, but neither was an expert
- **"No matter what new idea you have, people are going to tell you it stinks"** – *Kevin Systrom*
  - **"The one common thing of all great ideas is that they usually look pretty bad in the beginning"**
- **"Stay super curious and stay a learner"** – *Kevin Systrom*
  - Most people stop learning after graduating from college – don't be like most people
    - **"My goal is for college to last my entire life, even if I'm not paying"**