

Sanjay Beri, CEO and Founder of Netskope

What it Takes to be a Unicorn

Sanjay talks company culture and the importance of being aligned with your board and your team. He advises budding entrepreneurs to measure their success by their own life metrics and believes mentoring and good role models are the best way to encourage diversity in cybersecurity.

02:09 Company culture is incredibly important to your success.

05:02 IT no longer determines what applications a company can use. The ability to influence is shifting to end users and business units, and that is powerful.

06:08 BYOD equals choice and flexibility but also risk to the enterprise.

08:19 Visibility is great, but you have to want to know how to deal with it, which is where policies come in.

09:01 To be successful you need to build relationships from the CxO level down and make sure those executives understand your broad vision.

10:29 Don't fall into the trap of trying to copy anyone; define success by your own life metrics.

11:28 When you pick your team, your co-founder, your board, make sure you are aligned.

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Ashwin Krishnan: [00:00:00] So, welcome to another episode of the UberKnowledge podcast. With me I have Sanjay Beri, CEO of Netskope, a unicorn and above from what I've heard. But we'll let Sanjay introduce himself and talk a little bit about Netskope, and then we can dive right in.

Sanjay Beri: [00:00:16] Thanks, Ashwin. First of all, just a little about myself. I grew up in the great city of Toronto, best city in the world. I grew up, and I spent my life after graduating from the University of Waterloo, I'd say, in the software, networking, engineering space, going between working at Microsoft on the first browser, first version of Microsoft Office, probably helping create many of the security problems ...

Ashwin Krishnan: [00:00:44] [Laughs]. Yeah, I know.

Sanjay Beri: [00:00:44] Writing bad code, and then I went into hardware and firmware. Anyway, long story short, I realized after 10 years, I suck as an engineer. So, what I did next was I went into marketing and sales and all the rest, and along the way I got some more fun degrees in engineering and business and other things, but I spent my life since the late 90s really helping build companies. Building one of the first encryption companies, working on some of the remote access and other technologies at larger companies. Then in 2012, I really did what I always wanted to do which was start and build and lead a transformative company in the security domain and do it with the culture I want, and the people I want, and with, frankly, a big, big vision. So that's a little bit about myself. I love people, I love working with them, I have a great family, and I feel very blessed to be living a fun life with good people.

Ashwin Krishnan: [00:01:49] Ok, that's a great segue because you and I were together at the last company, Juniper, when you decided to explore down the Netskope path. So, what was it in 2012, besides the urge to start a company,

what were you thinking of solving? What did you see was kind of this unfinished business that you had to go and start Netskope?

Sanjay Beri: [00:02:09] So, for myself, I've always loved building, you know, disrupting legacy companies and building transformative companies. But I look at it in three ways. One is team and culture and having worked at companies that are very large, small, being in the founding part of another company previously, I've always arrived at the true differentiator and building block with a company isn't the product, it's the culture. And I wanted to build a company that way: open, collaborative, no BS, no politics. Everybody says that, but it's very hard.

Ashwin Krishnan: [00:02:43] Very hard to create.

Sanjay Beri: [00:02:44] Sometimes impossible to do. So, I really want to do that. And in the security market, frankly, every other company out there was the opposite of that. And so, it was a big differentiator. People ask me, what's the biggest differentiator for Netskope, and I start with that. I start with look at our board, look at our team, look at our culture, and why do I get 20 LinkedIn's a day from those competitors? Yes, for the vision and product, but a lot of it is culture, people wanting to move into a Netskope.

So, one, I wanted to build a company with that culture that would grow and stay as we grew. Two, frankly there was a big disruption, both business and technical. The biggest business disruption was what people term digital transformation — the most overused word in the world, two words actually — but what it really means is this notion that data outside the enterprise, people working from wherever they want and that not being an exception but the norm, the language of the Internet changing to be API not HTTP, all of these trends were disrupting the data network security market, which was a \$20 billion market. The reality is that what people had existing — appliances, other solutions — it wasn't meant for that world. What I realized was the transformation that needs to happen in security as part of the digital transformation, that's what we wanted to build.

[00:04:07] And we wanted to build a platform that people would use as they leverage assets outside the enterprise. That's really what we built set out to build, the security cloud. And both the technical business and the culture that I

wanted, that's why I built it. And frankly, at that time, it was an amazing time to get great talent because I think a lot of people saw the business technical disruption, and they saw that in many of the organizations they were at, the culture wasn't where they wanted to be.

Ashwin Krishnan: [00:04:38] So, a two-part question along those lines. You mentioned digital transformation. What were some of the other assumptions you had? Clearly, when you're presenting to VCs, I'm sure there are lots of assumptions. What were some that got resoundingly validated along the way, and what were the new ones that you hadn't anticipated that you had to adapt to.

Sanjay Beri: [00:05:02] So, I think the one that is sort of pithy and everybody always says, but it's important, is this notion that over time corporations and IT would realize that they were no longer the people who determined what their company did from an application point of view, from a device point of view, from an effort point of view. That sounds very basic — like, what do you mean IT are not the people to determine that? — but it actually is very powerful. Business units determine that, end users determine that. And so, one of the core concepts was that the decision and the ability to influence was shifting, and it was shifting to end users and business. IT is no longer a hey we will say no to everything, and security is not a no, it's a yes. And so, there are enablers. That was one core assumption. And I think that's played out. By vertical it's different. It's being in different timeframes, By geography it's different. If you go to certain places in the EU, in Europe, it's different than it is in North America. But that's a core assumption, and I think most CISOs and CIOs understand that to different degrees.

[00:06:08] Second is this notion as part of that, that means people pick the devices they want, hence BYOD, people pick the apps they want. Hence the average company in the US is having close to 1,000 SaaS apps. Right? People will engage the way they want, which is the explosion of mobile apps and non-browser apps. And so if you look at that core principle of end users choose, business units choose productivity for my users, mobility, flexibility that is what drives applications, devices, that is what builds out all these other trends — mobile device usage, BYOD usage, data moving outside your enterprise. And so that's sort of my core assumption.

Ashwin Krishnan: [00:06:48] And that has been fully validated.

Sanjay Beri: [00:06:51] Yeah, it has been fully validated. What I will tell you is that the world is not one world. And so by geography, by vertical, by ... there's still regions where actually that's not necessarily the case. I think one nuance to that is making sure that you timed it right, depending on where you are.

Ashwin Krishnan: [00:07:13] Any other things? Again, 2012 was seven years ago and a lot of things evolved. What are some of the things you had to adapt to along the way that you either did not foresee or you assumed would take a long time. Like you said, timing wise that suddenly accelerated, what did you have to do to adapt?

Sanjay Beri: [00:07:33] I would say a couple of things. When I thought about the harbinger of what we just described and my thought was, well that's cloud apps. Our goal was never to build just a security solution for cloud apps, it was to build a platform that would service all of the internet, and so we started with SaaS. What quickly became apparent though was that SaaS meant 25,000+ applications. And so the degree to which people had chosen, and chosen expansively and differently, there was a lot. It wasn't one, two, ten, a hundred, it was thousands. And the complexity of dealing with that was one of the core things that Netskope invented and drove: How do you deal with all of it?

[00:08:19] The second thing is I've always felt that visibility is great, but if you don't know what to do with the visibility then, maybe actually sometimes from a board level, you don't want to know.

Ashwin Krishnan: [00:08:29] You don't want to know!

Sanjay Beri: [00:08:30] I think the second is the degree to which people want policies. And we always knew that, but what I was happily surprised by is the degree to which they would implement them because no one wants visibility without knowing what to do with it. So that was number two.

[00:08:47] I think number three was the reality that if you look at the big gorillas out there in the security world, they have built a following at the CxO level on down.

[00:09:01] And if you've ever wondered in the enterprise, how do you sell? You've always known that the best product doesn't always win, but the degree to which I now understand how you have to navigate the politics and navigate the organizational capabilities within that company, I think we all understand that to a much larger degree and you can never underestimate that. For us one of our biggest challenges was, in many cases, getting that CXO visibility. We'd do well in a PoC, we'd win the PoC, we'd have the best product, but making sure that the executives understood the broad vision was key, and that was something we really had to triple down on.

Ashwin Krishnan: [00:09:41] That's always one that people tend to underestimate, and you expect that a good product will ultimately win. Let's assume that there are millennials, GenZs listening to this podcast and hopefully they are. Everybody wants to be the success, once you've seen a successful man or woman, but the hard work and the pain that goes into getting to that point, people don't see. So, what advice do you have for budding entrepreneurs right now saying, hey I want to be the next Sanjay Beri running a billion-dollar valuation security start-up? What don't they see? You start with culture, right? What else do you think now, in this day and age, if somebody were to start with a brand new idea, what advice do you have for them?

Sanjay Beri: [00:10:29] My first advice is don't try to be that because the reality is, if you're an entrepreneur, everyone's definition of success is different. Maybe you don't care what your valuation is, you don't care how many customers you have, you just want to have an impact on these people, and you're not in it for profit. You could want to build a very small organization and just wake up every day and think I've got a great work-life balance, and I have an impact. So, don't fall into the trap of trying to copy anyone or have them tell you what success is. I think everybody needs to define success by their own life metrics. Don't try to chase some BS value or any of that stuff.

[00:11:16] So, one is to find that. When you have that, the thing that I think people underestimate is that the company's foundation is its team, its culture. You cannot underestimate that. And you can say it, but what does that mean? Well, it means when you pick co-founders, make sure you're 100 percent aligned on the culture and so on. You're going to go through ups and downs. And in a down, you're going to be asking, how do they react to it, and how do you work together through it.

[00:11:42] So, pick your team, and not for domain necessarily, but pick it for cultural fit. Obviously, you need to have the right fit for a domain-beyond perspective. That means the same thing when you pick your board. When I was picking my board, I literally would think before a “go with this person,” I would talk to people, I'd get to know them, and I would get to know people years before I'd ever let them on my board. And in many cases I would look at people who told me, “They should go on your board,” I'd say, “No way, they're pontificating people, they don't let entrepreneurs run their company, they're actually a negative.” Like you pick your team members and your co-founder, you pick your board the same way, you pick all the people you surround yourself with because in the beginning, every one of those, their blast radius is massive.

[00:12:29] And so my advice is, one: don't let someone define success for you; you define it. When you do, focus on the team and the culture because that will get you through everything. And frankly, those are the people that build what you want, and you need to be aligned. And then, three, you should not be afraid to be bold and, in our case, go big. But you need to be very clear in the beginning. Like if I walked in and said to my investors, I'm going to build a company and I'm going to flip it in four years. Oh OK. But you were to look them in the eye saying, I'm in this for the long term. I'm going to build a public \$10+ billion; we're going to change security. And by the way, I'm serious, I mean this, you will have to gut check a lot of people, are they in it for that and do they understand what that means? And so, I think be real and don't say what they want you to say, say what you're really trying to do. And you can filter out a lot from that.

[00:13:27] That is some of the advice I have. And the last thing I'll tell you is, if you're building a company, make sure your family and your friends are in, as they're a big part of it — sure that you're at the right time in your life to do it. And right time means you have the right skill set, and you have the support system because you're going to need that a lot.

Ashwin Krishnan: [00:13:51] So you, and to a lesser degree me, had the luxury of working in a variety of different sorts of companies, big and small. So, when you talk about picking a board or picking a co-founder, it is an enviable position to be in, to have that luxury of picking and choosing. So, 18-to-25 year olds, who

are just starting their career, what sort of work composition should they now build into their arsenal versus trying to be the first company ... sometimes it's lost when you talk about culture, unless you've seen really bad culture, you don't appreciate it. Right?

Sanjay Beri: [00:14:38] A lot of people ask, should I work at a big company or a small company. Well I don't know the answer for you, but for me the answer is both. At a large company you learn scale, you learn how to be a large sales team and go to market capability, you learn what it's like from a process point of view. In small, you learn what it's like to build. Both of those have fueled the ability to build Netskope. If I didn't have both, in some area I would feel like I'd be lacking. It's similar with culture, if you haven't seen from the ground up a company build a culture when you were a number four person but you weren't leading the company, or you hadn't worked at a company that was very small and then grew five times, six times and saw the change, you wouldn't know how important it is and how hard it is.

[00:15:31] I actually think for many people, experience both from a diversity of companies and from, frankly, a diversity of functions if you're leading a company, is very important. And the last thing is always be learning on the job when you build a company, but there are certain things that you just don't want to learn on the job because you don't want to make those painful mistakes. So, you either get it through experience or you have great people that you surround yourself with who can coach you, and I've done that. I think you just need to figure that out. Be clear with yourself and be self-aware enough to know what you are not good at. If I'm building an enterprise company and I haven't yet run or know how to build a large channel, or how to incentivize salespeople, or how to build, all I know is how to build a great product, then I better surround myself with X. And so, I think you just you have to know that. In my case it was get all that experience upfront and then go do it.

Ashwin Krishnan: [00:16:36] So you mentioned the word diversity twice, so I want to switch gears a little bit into gender diversity. And yes, it's a big theme at RSA this year, but having had the privilege of interviewing a lot of amazing women on the podcast, it still completely blows my mind what even really successful cybersecurity women are faced with every single day. So given your vantage position and everything you've talked about from a culture perspective — and having also had the privilege of talking to your Head of Customer Success,

Kamakshi, who given her pole position hopes to inspire the next generation of women — what does Sanjay Beri have to say to women?

[00:17:19] Again, let's talk about high schoolers and undergrad students looking and wondering do I really want to be in this field. I'm not saying that we have Harvey Weinstein-like individuals in cybersecurity, but it can be pretty brutal if you're the lone woman in a roomful of men. How do you attract talent because we all know the skills gap; we all know that we need better talent.

Sanjay Beri: [00:17:41] It's a great question, and I'm not going to suppose that I have all the answers for this, but I have some thoughts. One of the things when you're building a company, and my view had always been when I look at someone I had no filter on, who are they, what nationality, what gender; I just don't see people that way. I don't have that. But then I realized that actually, to some degree, I need to because you actually need to proactively go after and make sure that you have a certain diversity versus just saying well ...

Ashwin Krishnan: [00:18:23] Everybody is the same.

Sanjay Beri: [00:18:23] I mean in the sense of I don't think that way. I don't think about race or nationality, it's not the way I grew up. Which is a great thing, you don't want to think that way. But at the same time, I actually do need to proactively make sure that as we're doing that, we actually do end up with the right numbers. As part of that, I think about my daughters in elementary school. And yeah, you're right. There's a lot of narratives around you should do this or you should do this. I just think that one of the key things in general as people are growing up is to give them an opportunity. People are generally introducing cyber early on now; they're trying to in high school and beyond. I don't think cyber is necessarily different than say engineering or science or so on. Just making sure they have great role models, making sure that those roles are front and center, making sure that they're coming into the schools and people are seeing how that person is doing that. That's cool.

[00:19:23] The other thing with cyber is we have to make it look cool. Right? I mean for anybody to entice them. We have a massive shortage in general. I think by people seeing others, by people knowing, wow, it is really interesting and cool; I can have a big impact. The great thing about cyber is that it doesn't matter what vertical you are in. You could be in healthcare, you could be in

finance, you could be retail. Whatever you're in, that talent is needed, and so you can get exposed to a broad set of industries as a result. These are the types of things. There's some great work being done by organizations like one of the ones that we partnered with recently, the Athena alliance, and the ability to basically say that this is a goal to promote diversity and women in tech, and they have a great network of board-level CxOs that are female. And so, what we've now started in the company is we've actually partnered with them, and they're actually running my first leadership training for women. They connect them with these executives, who are in similar roles but much further along. And I think there's no substitute for that because for me to say anybody here is going to be their only mentor, they should know you've got to look outside. I think there's some great organizations that are actually doing some great work and so partnering with them is critical.

Ashwin Krishnan: [00:20:57] That's great. I think you're just walking the walk when you talk about culture and being able to provide good mentors not just in the tech field but beyond as well. Any last thoughts, I know we're about five days away from RSA 2019. There's obviously going to be a lot of vendor noise besides the usual buzzwords — I'm not even going to mention any buzzwords here — what would success look like for you coming out of 2019 RSA?

Sanjay Beri: [00:21:24] Out of RSA. So for us, RSA is a place to get what would have took six months of travel and meetings in pretty much a few days. And I know it sounds very simple but I won't step on the floor.

Ashwin Krishnan: [00:21:38] Neither will I!

Sanjay Beri: [00:21:38] We'll have a floor presence because you have to have a floor presence. If you don't have floor presence, the first thing people say is. "Why aren't you on the floor?"

[00:21:45] Okay. So, you have a floor presence, and you gotta be there, and you do your thing. But the reality is it's not where the meetings happen. So, CISOs, CIOs, dinner, hosting their events, we literally get what would have taken us six months. You can cram it into a week because all these people are here. And here means you can talk to them, learn about what their needs are. We can, frankly, talk about what we're doing, get our vision out, and connect with the executives. So, success for me is I do that 50 times.

Ashwin Krishnan: [00:22:19] [Laughs]

Sanjay Beri: [00:22:20] From the morning breakfast to the dinner. That's what I'm doing. And I know it sounds very tactical but that's just reality.

Ashwin Krishnan: [00:22:29] No, that's honest because you're right. Just getting all these people together without traveling and being able to hear their story and be able to talk about yours. So, thanks for your time. It has been good to have this conversation finally. We had some scheduling challenges early on. I can believe that now just given how fast you are going and what you are trying to achieve. More success to you and hopefully we can meet at RSA as well.

Sanjay Beri: [00:22:53] Yes. Thank you.

Ashwin Krishnan: [00:22:54] Thanks, Sanjay.