3-2019

Twitter CEO's life and business lessons

Singapore Management University

Twitter CEO's life and business lessons

29 Mar 2019

Jack Dorsey on unexpected innovations, social media echo chambers, and the power of 'why?'

The story has been told many times: **Jack Dorsey**, the Twitter founder who also started financial services company Square, got his break on the latter in 2009 thanks to a cash-only flower merchant called Cheri Mims at the Mint Plaza in San Francisco. Dorsey had built an app to accept credit card payments at the request of Square co-founder Jim McKelvey, who had lost a sale of his glass art because he could not accept credit cards. Mims had just told a credit card-wielding customer to go to an ATM but who never returned; Mims became Square's first merchant.

"Later on, we realised it wasn't about building a credit card reader at all," Dorsey told the audience in a Q&A at a recent SMU Presidential Distinguished Lecturer Series lecture. "It was the fact that if people can't accept the form of payment that their customers want to use, they are left out of the economy.

"Only about 30 percent of people who apply to accept credit cards actually get through the system to do so. We solved a different problem, which was: How do we get as many people as possible onto the [financial] rails? We accepted 99 percent of the people who downloaded the app.

"It went from what could have been just a very small company producing credit card readers, to something of immense value. Just getting down into the use case and really understanding and being open to the unexpected has been the most effective thing in my experience."

THE USE CASE FOR TWITTER

Dorsey also explained that understanding the use case for Twitter's early adopters helped define what would become today's dominant social media app:

"This curious thing happened when people started using this weird little syntax of the @ symbol to reference each other. We could have just written it off as being weird and ugly – in fact, for the first two weeks we did – but we started to dig into the use case: What are people trying to do? What did they want this thing to be?

"What they wanted was they wanted to have a conversation. They didn't just want to share what was happening but they wanted to have a conversation about what was happening as well.

"I took about four hours a night [writing code] so that every time I saw an @ symbol and a name on the platform, we'd hyperlink it to that person's profile page and then we created this whole tab in the interface that allowed you to see all mentions of your name, and that conversation on Twitter was born, and it was accessible to everyone."

While crystallising his point that true innovation happens when "something unexpected happens and that unexpected thing is the thread you decided to pull on", Dorsey answered questions on how Twitter and social media in general have become little more than echo chambers that hinder meaningful conversation instead of facilitating it.

"The echo chamber aspect is probably the thing that I worry the most about in terms of our service," he elaborated. "People inherently try to find and follow accounts that match and confirm their views. We've fed into that dynamic by people doing all this work to find these accounts that will, nine times out of ten, say things that confirm one's own bias, therefore contributing to solidifying an echo chamber.

"We're thinking deeply about this problem, particularly in the launching of new features to move away from this account bias and more towards topics. We're starting to do that with shorter term

events and that will eventually progress to enduring topics and enduring interests. We think that is a path and a way to increase the variety of perspectives that hopefully diminishes the potential for echo chambers."

One shorter term event that caught Dorsey's attention was the New Zealand mosque shooting, where Twitter's "No Notoriety" policy prohibits the naming of the perpetrator. While agreeing with Kiwi Prime Minister Jacinda Arden's similar stance of "you will never hear me mention his name", Dorsey pointed out Twitter can be used for social betterment.

"The purpose of Twitter is to serve the public conversation," Dorsey stated, adding that promoting healthy conversation was the goal. "'Healthy' needs to be defined. We need to develop metrics. It needs to be open in terms of how we define health, how we measure it, what we're testing for, what we deploy to change trends.

"I do believe that our role is [about] what we amplify and pay attention to rather than what we host. The hosting of content is going to extend far beyond our services, and it should. We can take a much more open mind in terms of going from the entire corpus of the conversation, building algorithms that are transparent and that are vetted, and also ones that people can turn off.

"We want to earn trust by showing people how it works and how it impacts what they are seeing with the goal of promoting healthy conversation."

TELL ME WHY

Incidentally, health is a developing theme for the 42-year-old, who walks the five miles from his home to Twitter's office on Market Street – the main thoroughfare of San Francisco's car-free initiative – near the city's Civic Centre. For a computer programmer who "drank endless amounts of Mountain Dew and stayed up all night…as a badge of honour", the evolution to meditating for 30 minutes daily and practising the 7-Minute workout has been a welcome change.

"Not exercising and not sleeping made every hour less effective," Dorsey said in response to a question about advice to his younger self. "Now that I do commit to sleeping at least eight to nine hours every night, and committing to exercising and mental health, every hour that I'm conscious is so much more productive. I can feel it, and the people around me can feel it too."

With a net worth of around US$5 billion, what is the secret of Jack Dorsey's success? The answer: 'Why?'

"'Why' is, I think, the most powerful tool I have," Dorsey explained. "The 'why' for Twitter when we started was simply: we were selfish and we wanted to use it. I know that doesn't sound noble but a lot of these things don't start that way. They become noble because people use them for noble purposes. As long as we can be open to that reflection back to us, and we can understand the use cases, a new 'why' is answered.

"The 'why' for Square was my co-founder being unable to sell a piece of glass art. And we both have these supercomputers in the form of an iPhone, why can't we do that simple thing? As we looked at the financial system we got deeper into a 'why' we weren't expecting, which is this lockout of folks [from the financial system]."

He concluded: "Personally, my 'why' is I love technology because it empowers people to impact something bigger than oneself. I love being a part of teams that build tools that further amplify an individual, and with Twitter it's through communication, and with Square it's currency.

"Any technology that further amplifies and gives people superpowers is the reason for my 'why'.

Follow us on Twitter (@sgsmuperspectiv) or like us on Facebook (https://www.facebook.com/PerspectivesAtSMU)