

Talks at GS
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CEO & Co-founder, CrowdStrike
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George Kurtz: The IPO for me was really a starting point. It was the green flag, not the checkered flag.

[MUSIC INTRO]

Ryan Limaye: George has more than 29 years of experience in the cyber security space where his entrepreneurial background and ability to commercialize nascent technologies have enabled him to drive innovation into the market. He has been quoted on and featured in major publications and media outlets, including CNN, Fox News, Bloomberg, and is the author of a best-selling security book entitled *Hacking Exposed: Network Security Secrets and Solutions*. And if it's any inspiration for all of our entrepreneurs in the audience, George was an attendee at this event many years ago and now back to speak as a successful entrepreneur. So, please join me in welcoming

George Kurtz.

So, George, before you got into cyber security, you studied business and accounting in college. And went to Price Waterhouse to be a CPA. How and why did you end up as one of the world's leading security entrepreneurs and not our auditor?

George Kurtz: I got super bored with accounting. And wrote a few programs on a mainframe, which I didn't want to do. And basically, cut the billable hours for one of our clients in half. And I was either going to get fired or promoted. You know, the accounting world, it's all about the billable hours. And I got promoted into the management consulting practice. And was really one of the founding members there in the early '90s doing security work.

Ryan Limaye: Was there an ah-ha moment that said time to start a cyber security startup?

George Kurtz: Yeah. Well, at that point, you know, security was really new. The worldwide web was really new. And there were no books on security. And I wrote a book.

And we used that to really start one of our first companies, Foundstone. And the whole idea was people just didn't know enough about it. People weren't protected. And I thought there was a good opportunity in security.

I heard this internet thing has some legs. So, I thought I could do it better than what was being done in the industry at the time. And that's how I got Foundstone started.

Ryan Limaye: And then you, obviously, sold that to McAfee and then started CrowdStrike. What was the vision behind starting CrowdStrike and doing it again?

George Kurtz: There really was no security platform company. It just wasn't there. And I really thought that there should be a security cloud and a better way to actually redefine security with an outcome of not being breached. And at the time, people were spending a lot of money on security. But breach after breach after breach was happening. And the whole problem with the industry, particularly in the anti-virus world, was that [UNINTEL] companies were focused on stopping malware, not stopping breaches. And that may seem like a small little nuance. But that was a big part of our goal. Stop the breach and get

the right outcome.

Ryan Limaye: When you started the company, you did a lot of things different than what was previously done in the industry. But what were some of the challenges in the early days of CrowdStrike?

George Kurtz: Well, when I started the company in 2011 the cloud was pretty scary for a lot of folks. Including the banks. So, I had to go into places like Goldman Sachs and others and explain we were going to deliver security from the cloud. And it was like, wow, what's that thing over there? And we can't control it. And, you know, we want the on-prem version.

And I'll never forget, I met with a Swiss bank and I went through the whole pitch and they said, "This is fantastic. We want the on-prem version of it." And I said, "Well, you can't have the on-prem version." And they said, "No, no, we want the on-prem." And I said, "Well, let me get this right. You're the same company who wasn't going to virtualize your data centers. Now you're all VM ware. You're the same company who wasn't going to go Linux in your data centers. Now you're all Linux. And now you're telling me

you're not going to go to the cloud?" "That's right. We're a Swiss bank. We're never going to go to the cloud." I said, "Okay, we'll be back in two years." Two years, they became a big customer and, you know, we haven't deviated. Which is actually a core principle, is we never built an on-prem version because we couldn't. And that's really served us well from a development perspective.

Ryan Limaye: Back then, '11, '12, you talked about all the banks being on-prem. Lots of other customers on-prem. You had a number of competitors or would-be competitors who were very much on-prem at the time. And I presume you were watching them win business because you just didn't have an on-prem version. Was that hard?

George Kurtz: I mean, it's never easy to lose something. But I think we played the long game, which was we knew the cloud was going to be much better than just security. We knew it was the right approach, the crowd and the crouch right, gets the whole crowdsourced element to what we do. And if we just stuck to our knitting and our focus and our vision, ultimately, that was going to prevail.

Ryan Limaye: Was that your hardest fought success,

this sort of pure focus on cloud? Or were there other things in the early days?

George Kurtz: In the early days, it was really cloud and agents. And, you know, if you talk to a lot of technology people today, IT people, no one says, "Give me yet another agent." It's like I have 15 crappy ones. Get rid of them. Slowing my computer.

You go into any tech company, and they're all looking at the performance. So, that was a big part of convincing someone to put another agent-- by the way, we were a small startup. So, to come into a Goldman Sachs and say, "Put an agent on all of your critical systems," you really have to have a lot of trust and there's a high bar for that.

Ryan Limaye: Since we're following the Hollywood thing, you might explain what an agent is. It's probably different than might be in people's minds.

George Kurtz: Yeah. Agent is just a small piece of software that runs on a computer. So, how I started the company, if you're all familiar with anti-virus, when you turn on your computer, it just grinds away and scans and

slows everything down. That's an agent. No one likes that.

So, we actually have a much smaller version of that using artificial intelligence and doesn't require all those updates. So, the whole idea was we had to convince organizations to put a piece of software that was really critical to how the system worked on it and now blow things up.

Ryan Limaye: Obviously, that was extremely successful. You had the ability to take CrowdStrike public very successfully a number of years ago. And you've become one of the fastest technologies companies to get to 2 billion ARR. What do you attribute the success of CrowdStrike to?

George Kurtz: I think a key part of our success has been the fact the there's immediate time to value. And that was one of the areas that we really focused on. Things like, and this may seem like kind of a simple, small thing. When you install our software, it doesn't require reboot. And I think most folks in the audience would basically have the experience when they install things like Adobe or something, they have to reboot the computer.

Well, if you go into a big organization, bank or whoever, with 100 - 500,000 different computers, you can't reboot the entire business. So, it took us six months and a few patents to actually figure out how to install the software without a reboot. That seemed like a small little nuance. But that has served us really well because the immediate time to value blows everything out of the water. And I think that's one of the areas where we saw rapid adoption. Instead of, you know, two years to install our software, it was like a month.

Ryan Limaye: At the risk of scaring the audience, let's pivot and spend a few minutes on the threat landscape right now. How dangerous is it out there right now in the cyber security world?

George Kurtz: It's a rough zip code out there. You know, you look at what's going on in the environment, and we really break it down into kind of three threat actor groups, right? You've got your nation states. I mean, there's a list of folks that are out there. You've got your e-crime, which is huge. And I'm sure there's plenty of folks who have wandered their way into things like ransomware or things like business email compromise and wire transfer

fraud. How many folks get their CFOs emailing them to wire money out all the time? Probably lots of people, right? So, that is really big business. Lots of money. And not a lot of risk. And then the third area is really hacktivism. And given what we've seen in the geopolitical environment, as you might imagine, there's a lot of hacktivism going on.

So, one of the things, if you look at the nation state actors, they're going to be focused on gathering information. And then at some point, if they need to activate and disrupt something, they'll do that. But in some sense though, they're not really going to blow things up unless they have to.

The e-crime groups though, they make their living on stealing data and releasing it, extorting organizations, and encrypting their data. And that is huge business for them.

Ryan Limaye: You had a very interesting line in the beginning of your prospectus when you went public that said, "At CrowdStrike we don't have a mission statement. Our mission is to stop breaches." Without, obviously, compromising any of the sensitive information of your customers. Can you just tell us about some of the breaches

you've stopped in the recent past?

George Kurtz: Well, there's a lot. Just over the last year, we put this in a report, there were 77,000 sort of active hands-on keyboard that we identified and stopped. And that goes beyond just kind of malware and just generic sort of stuff. And these interactive intrusions that leverage identities is really a big problem.

We got called into many, many breaches. One of the ones that we just put out last week was a supply chain attack. It was this Comm100 software. And it was very similar to maybe what you've seen with SolarWinds where it was a software company that had been compromised with a backdoor. And then it was being distributed to all their customers. Our technology actually found that. We worked with the company. They were able to take it down. But, you know, we avoided, I think, hopefully, another big supply chain compromise.

Everything from the Russians to the Chinese to, you know, sensitive kind of chips information that people have been going after, biotechnology, you know, and everything in between. It's hard to put it into perspective.

I mean, I guess maybe I'll tell you one story though where it's really interesting because we were working on a customer and they sort of had a network that was theirs. And then they had a network that were their customers. And they shared credentials between the two of them.

And their credentials got compromised. And they really couldn't fix it easily. And it was like hand-to-hand combat. And we saw the junior varsity in who kind of got stymied. And then there was like a shift change. And you could just tell by the cadence of the keyboard and the tools, and they took out these zero days, which were unknown vulnerabilities that we found. And that was really an interesting one because it literally was like a movie of hand-to-hand combat of how you kind of stop somebody on the other end of the keyboard.

Ryan Limaye: Let's talk a little bit about your entrepreneurial success over the years. I've had the pleasure of knowing you for a while now. And I would say there are probably five traits that I've observed in you that I think are keys to your success. You can comment on these in a second. One is vision. The second is conviction. The

third is competitiveness. Fourth is team building. And the last one is a maniacal customer centricity. So, let's start with vision. You talked already about this sort of vision of being all cloud centric and sticking to it. How important is it to be able to stick to your vision when maybe you're losing business around you at the time? How important is that? And how do you have that ability to stick to it?

George Kurtz: I think it's really important for, obviously, your employees, your customers, and your investors to basically outline the vision and then be able to stick to it. So, when we were on the IPO process, we pulled out the old deck that I used to raise 25 million. It was 25 slides, 25 million. So, the joke is I should have wrote 30 slides. Million bucks a slide. But it really didn't deviate. Some of the terms were a little bit different. And it really didn't deviate from that. So, it was always important I think as, you know, chief sales officer starts here and chief vision officer, you really have to explain to people what it is you're trying to do. And get them to buy into the whole mission of protecting customers.

So, if you don't do that and you don't do it every day and every week and sort of at every angle, it gets really hard.

So, you really have to go out of your way to make sure that, you know, people are focused on just sort of day to day, hand to hand combat, you know, understand the big picture of where we're going and how we're really focused on becoming that security platform companies. So, that was really important. And it continues to be really important.

Ryan Limaye: It was clear you were going to be one of the most successful technology IPOs ever. And most CEOs and founders in that environment would be taking a victory lap and basking in their success and enjoying the moment. You spent most of the IPO roadshow planning what I think you called 100 in 100, which was to go see 100 customers in the first 100 days after the IPO roadshow. And that felt like your focus of the last few days of the roadshow. Can you talk about your sort of customer-centric mentality?

George Kurtz: Well, sure. Maybe we should tell that story for a minute because you were there with us. And so, I had met with a lot of the buy side investors and we met with one investor and they basically said, "Okay, so what are you going to do with all of this money?" And it's like, okay, we gave them use of funds. "So, after the IPO, are

you going to go party? Are you going to go to Vegas? Are you going to go take time off?" Like, literally, these were the questions.

And I said, "No. Why? Why do you ask that?" And he said, "Oh, well, we had this CEO who he IPOed and he went to the Four Seasons at the Mandalay Bay and he spent a month there." And I said, "No, that's not me." I said, "We're going to have a nice dinner after the IPO. And then I want to keep the roadshow going." And they said, "Well, what do you mean? You know, you already IPOed." And I said, "I'm going to go visit 100 customers in 100 days right after the IPO."

And literally, that Monday I went back on the road and went really around the world, 100 days, 130 customers. We overachieved. And generated just probably 100 million dollars of ARR in terms of pipeline and deals that we closed.

So, why was that important? Because the IPO for me was really a starting point. It was the green flag, not the checkered flag. And I wanted to set the stage for the company.

You know, it was like a big event. You don't want it to be a letdown. You want people to realize that now the hard work begins. And that was a big part of it. And now when people go around and for their IPOs, all these buy side investors tell that story. They're like, "Are you going to go on the road?" You know? It's actually grown some legs.

Ryan Limaye: Let's talk about team building. I think every entrepreneur who's successful talks about having a great team around them. What has been your philosophy about building the team at CrowdStrike?

George Kurtz: I think everything starts with people. Our first 20 employees, really, I hand picked those across the US. And I'll never forget, it was employee zero, and I'm like, I have to have this guy help me build a product. And his name was Dave. He changed it to Hiaston [PH] later. And he got into college when he was ten. He was one of those guys. So, I'm like, I need him. And he happened to be in Minneapolis and we put an office there for him and everything else.

But the funny story about him, and again, finding the right

people. And he was with us for many years, like a decade, is--

Ryan Limaye: He's now 20?

George Kurtz: Yeah. He's now 20. No, no, he's older now. Getting ready to retire. But I was doing the business cards when we first got started. So, I basically was going to Kinkos and, you know, wrote the card out and said, "Okay, I'm putting your title as chief architect." And he goes, "Don't waste you're money." I go, "What do you mean? I've got to make the cards. I'm going to send you the cards." And he said, "No, I don't like the title." I said, "But that's your title." He goes, "No, I don't like it." I said, "Okay, Dave, what would you like for your title to be?" And he said, "Tool using mammal." True story.

So, I said, "If I put chief architect, you won't use it?"

"Correct." If I put "Tool using mammal, you'll use the card?"

He said, "Yes." I said, "Tool using mammal it is." I sent him the cards.

But I tell that story because, like, it takes an eclectic crew to get the thing going. And you know, he was so smart. And

a lot of the decisions he made have served us really well because we took the time and effort to build the right architecture that, 11 years later, you know, we're still relying on. So, it really starts with the team. And even if you don't get things right, if you've got the right team, you'll figure it out.

Ryan Limaye: I know one of the things you felt very strongly over the years also as it relates to team, it's not just the employee team, but your investor team. Can you talk about your philosophy for investors? I think that would be instructive for a lot of people.

George Kurtz: Yeah. This is actually a big one. So, when I started my first company, it was last 1999. I didn't have a company. It was like the first one. So, my original investors, shall I say, weren't as tier A as my CrowdStrike investors were. So, let's go through the timeline. 1999. We got funded. Like the money hit the bank March 15th of 2000. So, this is, for the young folks you may not remember. For the old folks, you're like, yeah, you remember. Because the whole market cratered. And we got the money. And then I had to raise money in 2001.

So, 2004 comes along and McAfee decides they want to buy the company. I didn't really necessarily want to sell. All right, the original investors, they were all trying to make decisions not based upon the best outcome for the company. It was the best outcome for this fund.

So, my next go round was I was hand picking every investor, tier A, and the whole idea was I never wanted to be in a position where CrowdStrike was the company that made somebody's fund. We happened to make most of the funds. But that wasn't the goal. And I never got pressured to sell the company, which was super important to me because that's how we got to become a public company.

Ryan Limaye: The last trait I want to talk about is competitiveness. And I think you are the most competitive person I've ever met. Can you talk about, A, where does that come from? And how important has that been in the success you've had over time?

George Kurtz: I don't know. It's just, you know, from all the sports and things I did as a kid, I guess. You know, for me, there are two philosophies. And this is actually a question I ask most people when I interview, particularly

salespeople. I will ask them, and you can think about this in your head when I ask the question, what drives you more? Is it your will to win, your love to win? Or your hatred to lose? Those are two options. You can't pick both. You've got to pick one of them.

And what I've found, and you can think about this, but what I've found is that the folks who hate to lose happen to be the most competitive. Which I fall into that category. And why I say that, is when you win, it lasts for, like, two hours. And when you lose, it, like, two months of agony. And, you know, so I think that's like super important. And I tell everyone, you know, there are a lot of things that we do at CrowdStrike and we protect customers. But from a company perspective, like, we're here to win. Like, if we're going to get out of bed and do all this and, you know, it's a slog. Everybody knows building companies is not easy. We're going to win.

And if you have that mentality and you've got the right people, you know, it galvanizes the company. And you associate yourself with winners. And it takes a bunch of losses to make sure that you understand how crappy it feels that when you do win, you know, you should feel good

about it.

Ryan Limaye: You founded a company. Grew it. Sold it. You then worked at a big tech company in a very senior capacity. Then you started another startup and have grown that into an even bigger company. What lessons did you take away from being in a senior role at a big company? And were those valuable or not to your success at CrowdStrike? And I guess, if you could do it again, would you do it in that order? Or cut things out? Or just start with CrowdStrike?

George Kurtz: You get bought. You work for a big company. And you're like, oh, man, this is not what I expected. Right? And you don't call the shots and those sort of things. Now, I didn't think I'd last seven years there. I spent seven years. But I learned a lot, to be candid. And I had a good run there. And I learned as much what to do as what not to do. So I would take lessons in, if you say, "That's a stupid thing; why would they ever do that?" you shouldn't do that in your own company.

And we're 6,500-plus people now, and we want to make

sure that people who come in go, “Wow, that's a dumb thing to do.” And sometimes in bigger companies, you do dumb things. So for me, it was we don't want to do that. We want to treat our employees right. We want to have consistency in our channel. We want to build our technology in a different way. We want to treat our customers differently.

And again, we're focused on the good parts of what I learned as well as what not to do. And for me, I think it was a great learning lesson, and personally it set me up for success at CrowdStrike.

Ryan Limaye: I want to touch on the culture of CrowdStrike. How would you describe the culture at CrowdStrike?

George Kurtz: I mean, obviously it's evolved because you have more people that come in, and the commitment of the 6,000th person may not be the same as the 100th person. But I will say, though, it has always been mission focused. And when we started the company, when you actually applied for a job, it was Mission@CrowdStrike.com. It wasn't Jobs or Careers or anything like that. And the whole idea, getting back to

what you talked about, is we don't have a mission statement; we're on a mission.

So we really wanted to focus on people what it means to impact companies and the mission on that. We always told a story. I'll tell you a quick story on that just to give you an idea because it has not changed. We had some customers that were in the Ukraine. And when everything was, you know, the initial air strikes, everything was happening, it was just total chaos. And we had a bunch of customers who were hiding in the basement, and they had turned the lights off but all the computers were on.

So what they were trying to do is they were trying to hide and make it look like the building was abandoned and the Russians would go by. But all the screens were glaring, right? So they called us. No one wanted to go upstairs because bombs are going off. So we were actually able to work with them using our software and kind of shut down all the computers in an orderly fashion for them. And they're all sitting in the basement.

And they ultimately made it out and got to where they needed to go. But to have them call us back and thank us for saving lives, like, those are the sort of stories that you

want to be able to tell within your organization. And I think that mission and purpose is super important. And whatever it is that you're doing, you want to make sure that you impart that mission on your organization. And in some ways, yes, it's a commercial endeavor. But in some ways, how are you touching and changing lives and impacting people's business?

Ryan Limaye: Well, I hope a lot of our entrepreneurs' companies are secured by CrowdStrike or soon will be.

George Kurtz: I hope so. I'll be in the back with a pen. Sign here in triplicate. You know, press hard. So, yeah, obviously if we can help anybody out, we're happy to chat. And making sure whether it's us or anyone else, making sure you got great security is super important from a trust perspective for your own customers and your employees. So hopefully we gave some people some things to think about, and I appreciate you having me.

I have to tell one story, though, on this guy. Because we always want to associate ourselves with winners. So we're on the road show and we're flying around. We got the plane, you know, we got the private plane going from place to place, which was kind of a cool deal.

So we were in Boston going to I think Chicago. So he gets on the plane, and we fly over and we're staying at the Four Seasons. We go to the Four Seasons. He's, like, "Oh, you got to have this hamburger." Okay, like, I don't eat a lot of hamburgers, but it's really good there. So we both have this hamburger. We have a great bottle of wine. And then we finish up and I go, "That was a really great hamburger." And he says, "Okay, I got to go." I'm like, "You going to your room?" He goes, "No, no, I got to go back to Boston." I'm like, "What do you mean? You just flew from Boston." He goes, "Oh, I just wanted to catch up with you."

So I'm like, you flew from Boston to Chicago, you had a hamburger with me, and now you're getting back on a plane to go to Boston? And he goes, "Yeah." So that was my story when I'm like this guy doesn't stop working, and it was I think indicative of what a great job you guys have done. So I know we were talking about us, but we wouldn't have had such a successful outcome without you and the team.

Ryan Limaye: Thank you, George. You're very kind. Thank you. Thanks for being here.

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