

Clara Shih rides social media savvy to Starbucks board

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Updated: 08/03/2013 11:02:47 AM PDT

MercuryNews.com

Clara Shih knew that whole [Facebook](#) thing was going to be big.

She was a young marketing manager in 2007 when she grew intrigued by the social network's potential to help businesses reach customers. In her spare time, she wrote a book on the topic that became a bestseller, and in 2010 she co-founded San Francisco-based Hearsay Social. The startup's software helps big brands court consumers on Facebook, LinkedIn, Yelp and [Twitter](#).

Hearsay now boasts about 100 employees and clients in seven countries, and Shih's been getting noticed. Facebook's chief operating officer, [Sheryl Sandberg](#), has become her mentor. And when Sandberg rolled off the board of Starbucks, CEO Howard Schultz tapped Shih -- then just 29 -- to take her place.

Shih recently sat with this newspaper for an interview; here's a transcript edited for clarity and length.

Q: Tell us how you came up with the idea for Hearsay.

A: It happened very organically. I was working at Salesforce.com on their AppExchange, and Facebook was looking at how they might also build a platform that third parties could use to develop software applications. I became enamored with their vision and decided to build an app on their platform, called Faceforce. (It integrated a Salesforce contact's information with their Facebook profile, so you could see them side by side.) In 2007, this was a novel idea.



Standing underneath a giant banana fixture left behind by a prior tenant, Hearsay Social co-founders Steve Garrity and Clara Shih, talk at their company

I left Salesforce that summer. All these Fortune 500 companies were calling to say, "How do we do what you've described in your book?" I realized I had the blueprint for a tech company. So I called my best friend Steve Garrity, whom I'd met in the computer science department at Stanford; he left his job at Microsoft, and we started the company in my apartment.

Q: Hearsay's landed \$21 million from Sequoia Capital, New Enterprise Associates and a bunch of angels, including YouTube co-founder Steve Chen. What do they find so compelling?

A: We're seeing a transition of social media from "nice to have" to something that's really changing how companies do business. The old way of selling -- cold-calling for dollars -- just doesn't work like it used to. There's so much data on social sites that salespeople can put together highly personalized proposals.

The challenge is, there's a lot of noise out there; if you're selling life insurance, you don't care what I had for breakfast. So it becomes a "big data" problem of digesting those tweets and updates and figuring out what matters.

Q: What was it like when Howard Schultz asked you to join the Starbucks board just a year after Hearsay launched?

A: What drew me to it was the opportunity to gain perspective. It was refreshing to see how such a large company is arguably as entrepreneurial as we are, as a startup.

A lot of the challenges are the same -- it always comes down to people. I was surprised at the number of parallels, even though we're in very different businesses.

Q: You graduated first in your class in computer science at Stanford. How did your male classmates take to that?

A: It's hard to not notice when you're the only woman in the upper-level engineering classes, and one of a few women in the beginning classes. I felt intimidated by some of my male classmates -- I let their immature comments drive me to work really hard. Ultimately, I realized I deserved to be there as much as they did.

Q: Is that self-doubt women can feel part of why your friend Sheryl Sandberg's "Lean In" has become such a phenomenon?

A: Sheryl always says the most important career decision you make is whom to marry. My husband has been extremely supportive of my career; I couldn't do this without him. Though I do think I have it a lot easier because we don't have kids yet.

If not us, who's going to do it?

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Clara Shih

Age: 31

Current job: Co-founder and CEO of Hearsay Social

Previous jobs: Technical, product and marketing roles at Microsoft, Google and [Salesforce.com](https://www.salesforce.com)

Education: Bachelor's degree in computer science and economics from Stanford; master's in computer science from Stanford; master's in Internet studies from Oxford (as a Marshall scholar)

Family: Married to health-tech entrepreneur Daniel Chao

Residence: San Francisco

FIVE THINGS TO KNOW ABOUT CLARA SHIH

1. Born in Hong Kong and immigrated to the United States with her family at age 4
2. Her elementary school in Chicago had no "English as a Second Language" program, so she was placed in a class for students with speech impediments.
3. Shih's editor wanted to rename her book on social media for business "The MySpace Era." Forward-thinking, she stuck with "The Facebook Era."
4. Won't get a touch-screen phone because she types fastest on the slide-out keyboard of her Motorola Droid 4.
5. Counts Facebook COO Sheryl Sandberg among her mentors.