

## Elizabeth Holmes: “I Wasn't Weighted by Influences That I Couldn't Do It”

How a college dropout became the youngest self-made woman billionaire.

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by Deborah Petersen



Theranos

founder and CEO has developed a method to draw and test a small amount of blood through a single pinprick to a finger. | Natalie White

Theranos CEO and founder Elizabeth Holmes is quick to acknowledge that her leadership lifestyle is not for everyone: She works seven days a week, purposefully limits her sleep time, and abstains from caffeine, meat — and vacations. Her personal life is her work life.

The Stanford University dropout — who acquired her first patent while a Stanford sophomore — says such laser-focused dedication is needed as Theranos attempts to transform a multibillion-dollar industry. Her company has developed a method to draw and test a small amount of blood through a single pinprick to a finger instead of filling vials of blood from a more invasive needle stick in the arm. Theranos is rolling out the still relatively uncommon procedure in 8,200 Walgreens stores, and Holmes has a vision for making affordable, mostly painless, blood testing the norm throughout the world.

She sees her work as the route to early detection of disease. In the United States, Holmes says, 40% to 60% of patients do not actually go and get the lab tests their doctors ordered (a Theranos competitor puts it at 30%), even as 80% of clinical decisions are based on laboratory test data. And the traditional model of physician-ordered lab tests conducted through traditional phlebotomy is deeply rooted in the health care system, and in some states, protected by law.

# VFTT

Video of VFTT

The startup, founded in 2003, has more than 700 employees, a Palo Alto, California, headquarters, and an estimated valuation of \$9 billion.

Wearing her trademark Steve Job-esque black turtleneck, she told a group of Stanford Graduate School of Business students gathered for a [View From the Top](#) talk that her company is “just getting started.” And she shared some insights about that journey, which has made her, according to the Forbes 400 list, the youngest self-made woman billionaire.

## Evaluate where you are.

“I think people can benefit tremendously from really asking why they’re doing certain things,” says Holmes. For her, that meant taking stock while a sophomore at Stanford. She majored in chemical engineering, persuaded professor Channing Robertson to let her do research with PhD students, and was named a Stanford President’s Scholar. The program provides students a stipend to conduct research, which she used to travel to Singapore to study the respiratory disease SARS. When she returned, she told Robertson she wanted to start her own company. “I had the tools that I needed to be able to go out and begin making this impact, and so for me, it was time to do that 100 percent,” she says. Robertson became her company’s first member of the board, which now includes two former U.S. secretaries of state: George Shultz and Henry Kissinger.

## Support in childhood matters.

When other girls were getting Barbie dolls as birthday presents, Holmes was unwrapping toolkits for building things. “I think that being able to communicate to young children that there is nothing they can’t do and to treat them like that at a very young age is incredibly powerful,” says Holmes, who recalls that her parents took her seriously when, as a girl, she drew schematics for building a time machine. “I think I was very blessed to grow up in a family that always encouraged me to believe that there was nothing that I couldn’t do.”

## Plans

### Avoid backup plans.

“I think that the minute that you have a backup plan, you’ve admitted that you’re not going to succeed,” Holmes says.

### Expect to fail spectacularly, but learn from the missteps.

Transformative change, Holmes says, requires the mindset that the risks are proportional to the change you are trying to create. “You don’t do something like this without embracing failure constantly,” she says. Holmes uses a baseball analogy with her employees to illustrate the point: “Our approach is to take the most swings at the bat. We’ll get the most home runs, we’ll also get the most strikeouts, and we’re just not going to make the same mistake twice.”

### Hire employees committed to seeing it through.

Theranos seeks out employees who are in it for the long run, and whose technical skills line up with why they want to work for the company. “This is not, you know, ‘I’m going to go to this company and try it for two years and then go somewhere else,’ and so on and so forth. This is about ownership of a mission,” she says. To build a foundation for scaling the company’s high standards, Holmes says she promotes heavily from within, putting

people in leadership positions who can not only do the work but also embrace the company's values, and "live what that means."

## **Make your job your calling.**

"I've always believed that we're here for a reason and that the purpose of life is to make a difference in the world," she says. "I think as you get to know yourself, you find what you love, what you really enjoy, what you would be doing if you weren't paid for it. Ever," she says. "That's what you're looking for."

## **Find and be a role model.**

Holmes recalls a conversation she had with the national head of the Girl Scouts. The group had gathered all the valedictorians of the program, and asked how many wanted to become a leader in the technology business. Not a single girl raised her hand, Holmes says. In doing further research, the Girl Scouts blamed the lack of role models who can help girls see that this type of career is an option. "I think if we can change that very, very early in terms of the mind shift, we'll see a lot more of it," she says. "I wasn't weighted by influences that I couldn't do it or that I shouldn't do it."

## **Measuring and scaling success.**

High valuation of her company, Holmes says, is not her marker of success. The first time she visited one of her company's blood testing centers at a Walgreens store, she met a cancer patient, her veins destroyed by invasive needles, who was getting her lab test done with a fingerstick for the first time. The woman was so grateful she started crying. "And I was driving home that day, and I was thinking about the fact that this is one person whose life is better because of what we did, and that's success," Holmes says. "Then, it's about doing that over and over again, and asking, 'Have we realized that standard of excellence?'"