

URL: <https://stvp.stanford.edu/clips/a-more-mature-business>

PlanGrid Co-Founder and CEO Tracy Young explains how her startup's business practices and structure have matured since it first launched. She recalls how hiring and hierarchy within the company were initially dictated by naive idealism and stereotypes, and how more standard business practices were adopted over time. "Be creative about how you're solving the problems for your users," Young says. "Don't be creative about the business stuff."



## Transcript

- So, the biggest mistake.. Oh my gosh, we tried to be so clever.. You sort of hit on it earlier, when everyone sort of reported to founders.. So, we grew ourselves from five co-founders to something like 30 people, and we had this flat management structure.. This was by design because we wanted to be so clever.. And we said crazy things like, "We're never gonna hire MBAs, arg!" Why would we ever say that? "We're never gonna hire salespeople." - [Tobey] Bad vibes, salespeople.. - Just like, we're not gonna be the Red Bull drinking, gong-hitting kind of culture.. Oh, and by the way, we're never gonna work with VCs.. (laughter) And I think this is just from a lot of us, most of us grew up in the Bay Area, and we were in high school or college through Y2K.. So we had this distorted view of Silicon Valley and venture capitalists, which was we thought all of them were evil..

We've since found that they're not all evil, and we've partnered with actually a great one.. But we just wanted to be so clever about the organizational structure.. We had this flat management structure, and we would boast that we're running kind of like Star Trek.. You're either in operations or you're in engineering.. If you're in engineering, you coded all day.. If you're in operations, you did everything else.. Which meant sales, support, QA/QC, facilities, just everything that wasn't coding.. And that sort of works at 10 people because you have to make yourselves into five people apiece to make the startup work.. And then things just start breaking down fast when you get to 20 people because communication starts getting a lot more challenging, suddenly you're in a bigger office and you're not just yelling at each other.. And suddenly people don't really know what they're doing..

And I remember one of our employees, I think she was employee number 20-something.. She's actually our Director of Professional Services now.. She said to me, what is my career path here? And I remember thinking, we have so much work to do here.. Why do you care about your career path? But this is what people care about, this is your responsibility as a business, as a company, to take care of your team members.. And so, we obviously, that was when you go the call from us because we clearly needed the help on building a company.. We were managing our business off of this massive Google Docs spreadsheet where we managed all our finances.. And this is like a three-year-old spreadsheet, but we were managing multi-million dollars.. And we would sort of look at the final number and then look at what we had in the bank account and it was like, eh, it's close enough, I think the math is right.. And we needed to go onto NetSuite at some point but we didn't even know what that meant.. And so, the lessons learned here is be creative about the problem you're solving, be creative about how you're solving the problems for your users..

Don't be creative about the business stuff..