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Choose co-founders based on their core values. Pick investors who will be there in your darkest hour. Make hiring the best people your top priority, and treat them like owners – not employees. Sameer Dholakia, CEO of business email service SendGrid, discusses the most important strategies for a startup's success, including the concept of "servant leadership."

Transcript

I'll get the quick overview just so you know a little bit about us and who we are, where we come from.. As Matt said I was privileged enough to go join SendGrid about three plus years ago.. We were small probably about a thirty million dollar company then maybe three and a half years ago.. We did just have a great successful IPO.. we're really excited about and proud of but it all comes down to these three guys up on the screen who were the entrepreneurs that got SendGrid started back in 2009, Tim, Isaac and Jose, wonderful guys, that had we're serial entrepreneurs and had been developers building new websites and products.. And every time they did that every one of those websites if you've ever as a consumer gone in to sign up for a new service, you might recognize the pattern where you type in an email address and they send you a confirmation email and you click on that email and it says, ok now you're logged in and you can go and access the site.. It turned out to actually solve that very basic problem as a developer building the app.. Just that little button that says I forgot my password and you click on that button, there's code that has to sit behind it to deliver that message back to you as a user in an automated fashion.. And as developers they found that they were spending months and tens of thousands of dollars setting up servers and learning these protocols around email like SMTP and DKIM and D-mark, stuff that nobody should no developers should, should need to know about.. They recognize this problem and said hey this is really frustrating and annoying because even after all that work about 40% of their email was ending up in the spam folder or getting dropped by the inbox provider..

Somebody like a Gmail or Yahoo, because they didn't know how to actually set it all up.. So they decided let me go build this out in the cloud and we're gonna be able to deliver this email and let me just go see if we do that are there any other people on the planet that have that problem.. It turned out that it was a ubiquitous problem.. Absolutely the you know a huge horizontal need by literally millions of developers all over the planet and we've been fortunate in being able to serve many of the largest brands, digital brands in the world to help them engage with their users if anybody here has if you've ever received a receipt from uber after you got out of the ride, SendGrid delivering that on their behalf.. If you get a confirmation when you make a reservation with Airbnb, you get recommended playlists from Spotify, all of those are powered by SendGrid's platform and we do that for tens of thousands of customers, nearly sixty thousand businesses around the world, in over a hundred countries, now on on their behalf we're sending ` nearly a trillion emails life to date.. We send about for over a billion emails every single day.. It's an extraordinary reach.. We touch three billion unique recipients, every year.. Which is more than half of the world's online population.. And and we're just getting started..

So we're really excited about the business but that's that is one example of an extraordinary I think success story from three humble beginnings.. Three founders who had an idea and said I'm gonna go, go after it, make it happen.. There's a lot that I wanna share with you all but I want to get a quick read on the room.. Raise your left side, right side.. How many of you expect are participating in now or expect to start a company as an entrepreneur in the next twelve months? Just want to get a read of the room, okay.. And how many of you on the right side, expect to join a company that may be an entrepreneurial venture maybe young stage hands, okay probably another third.. And others that may go to something later stage or are currently working later stage.. Okay so it's mostly in those first two buckets.. But interestingly almost an even mix in this room of the entrepreneurs themselves, they're gonna go get something started and folks that are entrepreneurial.. And both matter I will tell you I'm 23 years now into my career, I haven't yet founded a company interestingly this is my second CEO job..

I was employee number six of my first startup but I wasn't actually the founder I was brought in to help build it.. And this

company I joined you know five years in, I still think of myself as being very entrepreneurial, because I love to create and I love to build.. And so for those in the room who weren't in the "I'm gonna go start something in the next 12 months," by all means you still absolutely can leverage all of the entrepreneurial lessons that an entrepreneur is gonna go through.. And frankly I still aspire to go and start my own thing at some point, and I believe that all the lessons learned in the last 23 years will help me in in that endeavor.. So I wanted to share with you some of those lessons in the hopes that it will help you either in your launching point for your entrepreneurial venture if you're getting started now, or at as you think about how to be entrepreneurial inside of some other organization.. And what I would tell you is that I know when I was in your shoes I spent a lot of time as a business guy and somebody who aspired to be a business guy wanting to really understand the hard skills of business.. I really wanted to learn about strategy and I read Michael Porter stuff and you know, target addressable markets.. TAms and SAMS services markets and what's the competitive landscape and how do you think about market structure and thinking about innovation and disruption and all the great work that Clay Christensen's done.. And you want to learn about financials and what's the right financial structure for any given business.. what should their capitalization looked like..

All the hard skills, which by the way are super important and very interesting.. and I will tell you that they are all necessary but not sufficient.. Necessary but not sufficient.. And sufficiency at the end of the day comes from something that most people would describe as a soft skill.. And I will tell you I'm here to say, definitively there's nothing easy about this.. It is hard, there's nothing soft about it.. And this is where when I think back over my 23 years of all the things I learned, it was every single lesson usually came back to focus on the people, focus on people.. And I want to give you their probably half a dozen examples of this that I want to share with you that have really informed the way ` that I have been able to develop and challenges I've been able to overcome, and things that I still hope to get better at.. Because this is I believe in its essence what business is all about because, and I love this quote I think it it tees it up quite well, business, "You don't build a business, "you build people that then go and build a business." And if you focus, and so that theme by the way, "Focus on People" you're gonna hear me say that about six times throughout the rest of the day.. I want to get to a point where you can tell I'm about to go there..

And you're gonna play it back for me and say, "Yeah, focus on people." Because that is the one message.. I know you guys get to hear a lot of extraordinary folks come and present from this lectern.. And it's gonna be hard to remember all the things.. Literally those three words, this is all I want you to take away, and I hope the examples and the anecdotes will live with you but these are the three words, focus on people.. Three months from now I hope if I were to bump into you and down on University Ave I said, "What did I talked about?" You'd say, "Focus on people." That's it it's super simple.. Because that is really how you build great businesses.. So for those who said, "Hey I'm gonna go be an entrepreneur.. "I wanna get started." You're gonna focus on people let me give you some examples of the very first thing you gotta do is choose your co-founders.. There is no more important decision, literally in terms of order of importance of decisions this priority one, two, three, four, five and probably six are choose the right business partner.. Building an entrepreneurial venture is extraordinarily difficult..

And if you get that wrong, the rest of it's don't bother.. It is extraordinarily difficult.. And the key thing ironically, that I believe goes wrong in a lot of those, in a lot of that process has nothing to do with the hard skills of well I'm the business person and they're the technology person we got the right skills matrix across.. It's not that, it's do we line up on values? Do we see the world the same way? Do we know what kind of company we wanna go build together not in what we do, but in how we do it? Those are very different things.. You got to go get lined up first by choosing a founder and a partner that you have values with and by the way, it is and if you talk to founders who have done this, they will tell you it is no joke as important a decision as who you choose for your spouse.. Because you're gonna spend more time, arguably, with that co-founder than you do with your spouse for that in for that period of time that you start building that company.. It is a crazy and it's all about people.. And your instinct around people and values, it's a soft skill.. But it's a very, very important one.. Picking your investors, gonna be the same thing..

It's not gonna be, maybe one of the factors in your decisions may be how well capitalized are they, do they have a great brand name? It's gonna come down to you and should come down to what is the relationship that I have with the particular partner at the firm that is gonna engage with me? Because that's gonna be the person who's in the room with me in my darkest hours and brightest days.. And I have to be, that person's on my side, in the trenches with me.. You got to be able to pick that person wisely and well and it's not easy to do.. So you're gonna focus on on people.. There are so many lessons here that I have seen over the years around.. If you are an entrepreneur what I would encourage you to do around people things let's get past now, we've picked our co-founder.. We've found our capital source to get this thing off the ground.. Too many companies I would argue wait too long, to go and establish what kind of values do we wanna have as a culture, as a business as we scale? SendGrid fortunately, made the decision to invest in that at the very very outset.. And the reason it matters I'll get to the next topic is because the people you are going to attract will be immensely based on values and culture.. And if it's not by the way, you'll end up with a course correction downstream..

But if you can get it right from the outset, literally sit down and think about with your partner, what kind of values do we wanna represent as a business and then we can we can proceed from there and build the culture around that.. Let me give you some examples.. For SendGrid, specifically we have a culture based on something we call the four H's; happy, hungry, humble and honest.. And they are core to the way we built our business, the way we run our business, how we interact with one another.. It shows up in every meeting room and every interaction and every review done.. This is how we live and work together.. And it's very clear, it's not just up on the whiteboard, but I will tell you I've seen a lot of companies and founding

teams even when they do think about doing it early, they'll write down 13 things.. I don't know about you, I'm not smart enough to remember 13 things.. I just can't.. But four H's, well that's easy..

I got that, happy, hungry, humble and honest.. Okay even I can remember that.. And by the way so can the other 425 people that work at SendGrid.. And so keeping it simple is super important, if I were just to give you some advice on if you're thinking about this as an entrepreneur.. I would say keep it simple and memorable.. Also make sure that it has some edge.. So it can't be motherhood and apple pie.. It can't be that any person in the labor market and the talent market would come to and fit into that culture.. And I will tell you, I have worked in software for 23 years now, and I have so many extraordinary professionals and friends who working at SendGrid would be their seventh hell.. They would absolutely detest it..

And particularly that humble H, would knock out a bunch of extraordinarily talented people that I've worked with in my past.. But that's just not the way they would want to operate.. Our humble H is all about we, not I, it is team-based.. So it has so many characteristics to it that just would screen out a whole set of people.. we do our interviewing and we ask you about you know, what's the thing you're most proud of that you've accomplished to date? And you literally do a pronoun count.. How many times do they say "I" and how many times do they say "we." And that is a perfect screen and filter for us of are they aligned to our kind of values? People can say I all they and be super successful in lots of other companies.. At our company, that's not gonna work.. So your your culture has to have some edge to it.. The second thing that I would encourage you as you think about building values and culture if you're an entrepreneur, give your new teammates a uniform.. Give them a uniform..

This may sound like a ridiculously tactical knit and I will tell, you I think it's one of the most powerful things done by any team.. Because again, as an entrepreneur what you are doing is amassing a group of people and getting them into be, forging them into being a team that is gonna go take some hill together, right? Think about the greatest teams, whether it's in athletics, the military and you pick your walk of life where you'd see a team, it is highly common that they have a uniform.. And so at SendGrid, we serve a lot of, we go to lots of hackathons, we serve literally hundreds of thousands of developers around the world, we hand out these blue SendGrid t-shirts, I think it's like something like 10,000 a year to developers.. But these blue hoodies Josè one of our founders is wearing, this blue hoodie is given to each new employee and only to employees.. Those hoodies are like these prized possessions and they show up on your very first day, you get your laptop, your key card and your blue hoodie.. And you walk into any of our offices and you'll see on the coat rack, lots and lots of these hoodies.. It's a it's a uniform they feel part of something that is larger than themselves, right? As they say like in athletics you'll often hear great coaches say, "You play for the name "on the front of the Jersey not on the back." It's not about your name it is about the team's name.. That's who we play for.. Creating that mindset amongst the teammates and the business you're about to build, I would argue is critically important.. Building connective tissue is a catchphrase that we talk about a lot at SendGrid..

It sounds kind of hokey again, soft skills, people stuff.. I believe that there is no investment too large for us to make in building connections across our teammates, where they get to know each other as people.. As human beings, not just colleagues.. So we invest in things like this giant picture here is you notice the the beach in the background, every January we fly the entire company down to Mexico.. In this this case is Cabo other years different places.. But we get the entire company together in January and by the way we do it again in June, and we have a full day, A day and a half actually of content and alignment, hard hard business stuff.. And then we have a day where folks just hang.. They're just by the pool together, they're going and playing beach volleyball together, they're going kayaking together.. But building relationships, where they actually care about each other as human beings, when you come back into the workplace, you now start playing for those teammates at a whole different level.. At a whole different level..

Because you've got a connection to them, that is very different.. So we invest a lot of time and a lot of money in these things.. And you go all the way down to interest groups, we've got a you know wine lovers group and a outdoors activity group and you know, you create opportunities for folks to get to know one another as people.. And then finally I would say whatever you land on as your values and your culture, celebrate when you see great behavior reflecting it.. So we instituted a handful of years back a recognition program.. And so in our case we call them the 4-H awards.. And every single quarter, we gather all of our employees together and we go through all the business updates and here's how we're doing against our goals and our initiatives and our scorecards, We're tracking everything.. And interspersed throughout that couple of hour meeting, are these 4-H awards.. They're peer recognition awards so it's all nominated from any one of the 425 teammates to say, "I believe this person "deeply reflects and embodies our 4-H values and here's why.. " And they write these nomination forms..

It almost brings me to tears when I read them, they're so beautiful.. Like when you see and hear one teammate so deeply appreciating another, you can tell we got something special here.. These people really enjoy working with one another.. And then as this picture represents our SVP assails handing this award out to one of our product marketing folks.. We literally play on a screen that wide, we've got two of them on either side, and whoever nominated in this case nominated Joanna for the award, and by the way the selection committee is a peer nominated committee, the executives, the management team, no VPS are involved.. It's all based on your peers and they read through all these nominations and they select for every quarter and you know folks can get them throughout the year.. They then, whoever wins, whoever is selected by the committee, they then go back to the nominators and say, "Hey can you create a video?" And nowadays you pull out your iPhone and they do all sorts of, these videos are hilarious.. Sometimes they bring you to tears cause they're so touching, but they do these videos of all the people who have nominated that person.. And by the way wisdom of the crowds often point to these folks.. They turn out to be

it's obvious, who are the folks that are embodying this behavior..

And then you play these videos on screens this size, 30 feet wide on both sides.. I can't think of another way to signal to our company how much we care about our values than 30 foot wide videos of their teammates describing how much it means to them, to work with somebody that lives our values.. And it changes behavior.. And I'll tell you I've heard plenty of times like, "Yeah I wanna live, I wanna make sure "that I'm doing that.. "I wanna be like that person." And it's unbelievably powerful.. So here's just a handful of ideas, just very tangible, tactical things you could do.. If you're an entrepreneur getting started, I would encourage you to think about values and culture on day one, because I really believe deeply that when you focus on people, and you get everybody they're aligned in their values and they love working with one another, companies that have that win races.. And I love the rowing metaphor, if my teammates were here they'd be like, "Argh, dude not another rowing metaphor." But I love crew because it is the ultimate example of teamwork.. I think this visual is the most beautiful expression of it.. Because if you're in a tiny little crew boat, if youR oars aren't hitting the water, at the exact same moment, you're not gonna go anywhere, right? Or you're gonna be going in different directions..

If the timing is off, if you're not in sync.. So getting everybody aligned is one piece of it and then you gotta get them in sync and that's great.. Anybody here read this read this book, Boys in The Boat? Came out a couple years ago a few years ago, 1936 Olympics crew team out of the University of Washington.. It was extraordinary as this great book and I loved this quote from the book that was in its essence it wasn't just about the athletes in the boat, relative you know in terms of physical stature and size, strength whatever, that made them such a special crew.. It was this thing was that their teammates open their hearts to each other, they cared about each other.. And so they played at a whole different level.. And I am telling you business is the exact same way.. Every entrepreneurial venture, if you were gonna go be a leader in that you wanna build that environment.. Where a team feels like, "I am gonna play "at a different level for these teammates, "because they know my whole self, "I have been vulnerable in front of them, "they know who I am, they know what I'm about.. "They know how I approach things "and I care about them and so I wanna deliver for them..

"I'm not gonna let them down." That is a whole different ballgame if you can build a team, forge a team out of individuals.. Remember these are, every employee if you're getting started as a entrepreneurial venture these are strangers.. They show up, right? They've never met each other.. These are individuals that your job as an entrepreneur is to forge them into not just a team, but a crazy high functioning team, that is gonna go faster than any other group of people and any other team going after the same thing you are.. And this is I believe, a huge part of how you do that.. Is, they care about each other.. They care about each other.. I wrote this in our S-1 when we filed to go public.. Rather unusual paragraph to find in a financial document submitted to the SEC.. I said, "I believe that values create value." That a huge part of why SendGrid has been successful to date, is because of all that soft stuff that I just went through..

That's why we are now worth over a billion dollars.. We've had a lot of other things go right, all the other stuff I mentioned, the necessary components but not sufficient.. Well you know we got those things right too.. But this is the part that I believe creates value.. And I believe that if you get this right, you have a competitive advantage over every other team that is trying to go after the same thing you are.. Another example on focusing on people and why it is so important as you think about this if you're an entrepreneur getting started, recruiting.. Recruiting I believe, is thought about incorrectly by 95% of companies.. I happen to be fortunate in joining a company in 1995 straight out of this place that was led by a founder CEO, who I believe was in the 5% that deeply understood this and said, "Recruiting is a mission-critical function "for our business and there's nothing more important "that we are doing than hiring great people." That is like absolutely core, it is not my side tasks, a obligation that I may or may not get to.. It was priority number one.. He signaled it in his own behavior..

Joe would literally be on a call with a 21 year old kid out of Stanford, out of MIT out of CMU or Rice, amongst the best CS departments and grads in the country, convincing them that they had to come join us on our journey.. Down at Trilogy in Austin Texas, they had to come and they were gonna make a difference.. And he hung up the phone and by the way, as a signal that we were doing the right thing you would know a couple hours later that same kid was getting a phone call from a guy named Bill Gates.. Because Gates understood and built Microsoft from day one around that same philosophy that talent was everything.. And he personally and by the way, by that time even in 1995, Microsoft was already a multi-billion dollar revenue company.. And he was still picking up the phone and calling 21 year old kids straight out of school because he knew that is the lifeblood of your company.. If you can win the war in talent, everything else changes.. And so there's just lots and lots of examples about how again, focus on people.. Focus on people and you'll build an extraordinary business.. In our case and because by the way I love this quote from Jim Collins' book..

I'm sure a lot of folks here in the room read Good to Great.. That the only great regulator of building great companies at the end of the day is getting, attracting and then keeping great people.. Like that is usually the ultimate constraint.. It is not any of these other things that he enumerates here.. It is about being able to do that.. And so when I got to SendGrid, a handful of years ago I wanted to make sure that we were bringing that same passion around recruiting that I was fortunate enough to grow up with.. To be exposed to early, and to me when I was 21 I was like, well I had never seen anything else.. So I just assumed that's what most companies did.. I saw for the rest of my career that that actually was not the way that most companies worked around recruiting.. That people often thought about recruiting as the thing I have to do after my day job..

And I've already got a full plate and I don't know when I'm gonna be able to fit this in.. And they thought about it as an

obligation.. And one of the things we had to do is flip that and be like, "No, no, no.. "Recruiting is a privilege." Because that means we as a company, all of your teammates here are saying, we choose you to go represent us.. To go convince the best talent out there that they wanna come join us.. And to go and filter and make calls on what I believe, is the single most important decision we make every single week.. Week in and week out and that is who we decide to give the next hoodie to.. because you get that right, you get one 10X, you know what they call these 10Xers.. You know, somebody that is a distinctive add for the role you need and it's a game changer for that whole function, for that whole team.. Sometimes for your whole company..

You get that thing wrong and getting the wrong hire, making that decision incorrectly is expensive and painful and you can't, again it's all about the people.. So focusing on the people.. So privileged, recruiting is a privilege not an obligation.. I felt so passionately about this.. Anybody remember the movie Jerry Maguire? I can't remember age groups here but, he like you know so I wrote the equivalent of a Jerry Maguire manifesto.. On why recruiting was so important.. There's a six-page document and I sent it out to our team and I said, "This is how passionately I believe, "let's now debate every line in here.. "Until we feel comfortable it represents our collective view." And then we sent it out to the entire company.. And we said recruiting is everyone's number one priority.. I never wanna hear, we couldn't do that interview slate or we lost that candidate, because we couldn't get enough people together for the interview, and they took another job with somebody else..

It is our number one priority always and if you come to me and say this project Samir, slipped by three days, because this team of people went and did that interviewing, I will say, "Bravo, thank you for doing that.. "Good call." That's how I know you're prioritizing the way that I would want you to.. And so we made that deeply embedded into the organization.. And then actually helping our teammates understand that when we're doing the interviewing again, for the entrepreneurs, this was a super tempting and easy pitfall to fall into.. Is you hire for talent and you "bend" on culture and value fit.. And you can't do it.. And you will be so tempted because you're just trying to get this thing off the ground.. And you will come across somebody that is a badass at what they do, pardon my language.. And they'll not represent say in our case, the humble H.. And you will be so tempted you'll be like, "Oh, they would just kill it on this project "and we need somebody that knows "this random esoteric skill set..

"And they've got it and let's just get him and see.. "Like we'll coach him he'll be..." Can't do it, you can't do it.. Never do it.. I just, please put that back away in your brain and someday you will get that situation and please remember, don't do it.. The bar raiser.. Anybody heard about Amazon's program around bar raisers? Anybody, no? Interesting.. So Amazon has had this for a long time.. At Trilogy literally back in the mid 90s we had a program called the "Sponsor Program." And we basically said, there's gonna be a select, going back to privilege, a select group of people who have demonstrated an ability to keep the bar high.. And then they get absolute veto power.. On an interview on a candidate, so they're in every slate of interviews has to have a bar raiser or a sponsor on the slate and if everybody else said yes and the bar raiser said no, the answer is no..

Even if the hiring manager is the one saying yes, the bar raiser vetoes.. And that is how you make sure you continue to hire the absolute best people for the kinds of roles you want.. Because it is very easy when you are going like this, you're growing fast or there's more work to do than you can possibly imagine to lower the bar to get a butt in seat as they say, but you can't do it.. So some just very tactical advice around recruiting, it's all about the people.. You get this stuff right and it makes a extraordinary difference in the probability of success of your entrepreneurial venture.. Here's another one, focus on people.. When those people, when you go at you've gone through all, okay.. We've picked our founder wisely, we got the right VC partner that we think is gonna be a great in the trenches person with us, we defined our culture and our values, made it memorable and simple, we gave people uniforms, we celebrate those wins, we build connective tissue.. Let's say you've gone through and done all that and then you get all the recruiting stuff right.. Once they have now joined you, how do you then treat them? And my strong counsel to you is if you're built as an entrepreneur, you're getting this thing started, treat them like owners not employees..

We talk about this at SendGrid all the time, we want all 425 of our Gridders, what we call ourselves, Gritters.. All Gritters, to act like owners.. And the way that owners act, I always joke about this this visual.. Anybody ever seen a rental car at a car wash? Nobody's ever seen a rental car at a car wash.. Because they're not owners.. They don't give two hoots about, right? They're not, how, where? That's the rental car company's business.. How do you treat the rental car versus your own car? An owner acts differently And so I would encourage and we do this at SendGrid every employee has equity.. Make them owners, have a conversation about what that means to be an owner.. Because what it means to be an owner is you sweat the details.. You care differently than it's just a job..

If you see a problem you don't go assume that somebody else is gonna fix it, you go fix it because you're an owner.. Owners act differently.. And then you say, for all those folks that I just made owners, I said hey I'm gonna teach you to be owners we're gonna give you equity et cetera, get you into the right headspace.. Then the hardest thing is especially as you grow, maintaining a mindset where you empower those owners.. Empowering the owners means you figure out how do you get every decision that can be done by your individual contributors should be.. They are closest to the work.. They are closest to the problem.. And so if you can empower those owners and this this visual image.. That last trip to Mexico and 2017, I spent about 15 minutes talking to all of our Gridders, 400 people in a room about mobile manufacturing in 1950s Japan.. And they were like, dude what are you, why are you telling about, we're in software I don't know if you noticed..

So like why are we going through this and the Toyota Production system though is an incredibly instructive model.. How many folks are familiar with TPS ? Anybody in the room a lot of folks, fair a number of folks.. It's an extraordinarily efficient way to manufacture things, great quality results, safety results et cetera.. For me, the sole of the importance of the Toyota Production system, is the act being demonstrated in this photo which is, pulling the andon cord.. And what that means is there is a line worker on the factory floor that may be being paid minimum wage.. And you are empowering that person to say there is something wrong here on the line, I am pulling that cord and we are gonna stop.. We're gonna shut down a line that will cost us hundreds of thousands probably millions of dollars for every 30 minutes that it is shut down.. And you are gonna empower this line person to make that call.. And Toyota in the production system would say, "Absolutely, they're the people closest to the work." And it's software true just in manufacturing.. The earlier you fix the problem, the less expensive it is to go figure it out, to rectify it..

So empower your folks and this was great because the entire year in 2017 after this story, I had people sharing examples of hey you know that person pulled the andon cord on this problem.. And we gathered a tiger and by the way in that system, when somebody pulls the andon cord, people that are teammates and leaders flock to the problem.. They're like, "okay, the line's shut down.. "Let's go figure out what happened.. "How can we help you? "How can we?" I mean they first by the way, the very first thing they say to the person that pulled the cord is, "Thank you.. "Thank you for pulling to the cord, "now how can we help you?" And people flock to it and they figure it out and then you move on.. And so anyways, throughout the year we had so many examples of people that would pull the cord and then they became to use it in our vocabulary at SendGrid.. "We're gonna pull the andon cord on this.. "We gotta stop doing what we're doing, "go gather, solve the problem "and then we'll let the line run again." And so we started to celebrate those victories at every quarterly meeting when we got everybody together.. And we would tell those stories..

And it would reinforce to the entire company, we're not just talking about this stuff in platitudes.. We are doing it every day and we're celebrating it when one of our teammates actually pulls the cord.. We're not just talking about empowering, empowerment of our employees for the sake of saying it.. Like it actually matters.. And then you celebrate the wins.. What that all leads to, I would argue is a super important mindset about leadership.. I will be the first to admit, this is not for everyone.. But this is a worldview of leadership that I deeply appreciate.. It is how I aspire to lead.. It is not easy necessarily to do, but it basically takes the typical org chart and says, in a world where I have spent a lot of time thinking about my values and recruiting the best talent..

And I've enabled them and powered them and said, "Hey gotta act like owners." The role of the leader of the entrepreneur, the founder CEO, it is not the typical org chart with the CEO at the top that cascades to the exec team, that cascades to the VP's and down out to the organization in that pyramid.. I actually believe it's inverted.. It should go this way.. With the CEO and the executive leadership team at the bottom, that are supporting the hard work of the people that actually do the hard work of the company every day.. Because let me be clear, and for those of you who will be founders and entrepreneurs, I am not trying to dismiss how difficult that job is.. If you're the CEO of a company trust me, I'm with you, its hard.. We have to do a lot of things right.. If you go back to that boat analogy, I would argue we've got the rudder, we're steering.. We gotta steer into the right markets all right? We gotta make sure we've got the right product set, the right portfolio, are we competitive, do we have the right cap structure, can we keep playing? We gotta to do a bunch of things right.. But remind yourself of this, you don't take the phone call when a customer's pissed..

That's somebody in your technical support organization.. You don't have to hit the quota that your sales rep does.. You don't have the pressure that the software engineer has to deliver on that project by this deliverable day, so we can get that out into the market.. And remember that, so on mass that those are the folks who do the hard work of your business every day.. You may make some hard decisions in the steering, but they do the hard work.. And so I believe our jobs as servant leaders, should be to remove obstacles and help them go and do their best work.. I believe in our company, if we remove those obstacles and we let 420 some odd people, do their best work and have career highs at SendGrid, there's no one that's gonna stop us.. We're gonna continue to build an extraordinary company.. Cause you unlock and unleash 420 owners going after something that they wanna accomplish and they care about each other to go do it, that's a force to be reckoned with.. And I love it..

And so I think this model is incredibly powerful.. I do think it's actually super simple to understand.. It is in effect the golden rule applied to leadership or management.. Imagine, try to be the kind of leader that you would want to work for.. If you're an entrepreneur, founder CEO, that's how you should be thinking about it.. If I had a boss I don't want that boss, well I'd probably want that boss to have provided me with super clear goals, so I knew what success looked like.. I want them to really help me in that endeavor.. And if there were things in my way, help me understand them better or unblock them.. I'd want them to care about me as a whole person.. That they actually cared about me, not just for me delivering for this period of time but for my life, my career arc..

That's what I would want.. So that's the kind of person that I think I should be as a leader and what I hope our leadership team emulates and every leader up the chain.. That's the way I believe you actually build great companies.. Now all that said, for all those in the room who are like, "I'm not actually starting a company in the next 12 months." But if you were like me, you might be in this you know, at that stage in life where you're gonna be looking to join a company.. And I encourage you to internalize the absolute truth that you can be entrepreneurial without being an entrepreneur.. And guess what, all the lessons

that I just talked about, anybody wanna guess what I'm gonna say you should do to be entrepreneurial? Focus on people.. Focus on people.. So let me give you some examples.. What would I do, what I try to do.. Again necessary but not sufficient..

You should absolutely go and understand as you're looking out to join a company over the next how, you know, when you graduate in June or whenever it is.. Yeah, you should understand how strong is the company, what do their financials look like? What's their competitive set? You know going, if it's a public company go and read their their earnings transcripts, really learn about the business.. Which I encourage you do if it's a smaller company, go and try to read third party information about them that's unbiased.. Really understand the business.. I absolutely encourage you to do that.. And then go focus on the people.. Start with values and culture.. How do they live their values? How does that represent, how does that manifest itself in their culture? And does that line up with you? Cause let me tell you, I don't care if you're an entrepreneur or a a new employee of a great company, you are gonna spend a lot of hours at this place.. At this place of work, more so than you're gonna be sleeping, right? So you want it to be a place where you are aligned with the values of the place that you are joining, right? If you're not founding it doesn't matter.. You still wanna be lined up on values and culture..

And really ask them about that.. Ask them about how that shows up in their world.. And that's true at a company level for sure.. When you think about recruiting, be a talent magnet.. You join the company, bring more with you, right? One of the great signals of somebody who is going to be a rising star in a company is are they able to attract talent? Can be as a peer, once you become a manager.. Can be on your team.. But a huge part of being a leader is, can you create followership of great talent? And that can be true when you're 21 years old, just starting out and it's certainly true when when you're a CEO.. And you want to act like an owner, once you get there.. Don't wait for folks to tell you what to do.. If you see a problem, go after it..

If you see an opportunity, When I think back to all the the rising stars, the folks that that were extraordinary in the companies and teams I worked at, one of those common threads is, they were self starters.. They took initiative.. They went beyond what was asked of them, in their normal day job.. Like here's the box and they were doing stuff over here in addition.. They did their box brilliantly well but they did other stuff too, that made the company better because they were acting like an owner.. And be empowered, right? Don't don't wait around for it.. Like pull that cord if you see a thing.. And I guarantee you managers and leaders and organizations see that set of behavior in somebody new into their business, somebody that's like hey I care about the values of how this place works and I'm going to act in accordance with that and I'm going to help attract more great people to it and I'm going to act like an owner and be empowered.. Those are the folks that usually skyrocket through an organization.. Last couple comments here and then I'm sure I'm running long but I will (mumbling)..

Regardless of whether you're a entrepreneur or being entrepreneurial, seek out mentors, seek out mentors.. I think back on my own career, every opportunity I've been blessed to receive, everything, every success I've ever had has been because of somebody either willingness to take a bet on me or giving me some great advice and coaching.. And I just have so many examples of that and the spirit of time will I'll save them.. But seeking out mentorship is key.. My closing comments to you, why do I focus on people so much? I'll get through this without getting too sentimental but actually I won't, who am I kidding? That's a picture of my mom, that's me is a six month old, nine month old.. I believe my mom and she died when I was 15, just before I came here.. And she was the best example of a servant leader I have ever seen.. People often hear servant leader and they think that's kind of soft, you know back to the soft-hard thing.. And that's so soft.. Well actually, the best servant leaders I believe, if you want to look for a great example of a servant leader, go look to your parents..

Parents are extraordinary servant leaders.. They push you to be the absolute best that you can be, right? They help you, they do everything they can to help you with your journey, right? And boy let me tell you, they hold us accountable.. Everybody remember being a kid? Not doing it? Not achieving what you could have? They hold you accountable, it's not about being soft.. They're great servant leaders.. And you know that they care about you.. They know they love us.. And so servant leadership to me, for me was embodied by my mom.. And so I just, I saw the impact that's had on me in my entire life.. I live my entire life every day to try to make her proud.. And so you you're like, oh, that's a pretty good example of somebody who had a big impact on somebody..

How do I have an impact on somebody else like that? Well, that's what she did.. So maybe if I act in the same way with others, I'll have an impact too.. And she had this great parable.. This old Indian parable that she told my brother and I when we were little.. And it went something like you know, when we are babies we all enter this world with our fists clenched, kicking and screaming and crying.. And when we pass, when we die, we leave this world, with our hands open at peace.. What we carry into this world in our hands clenched in our fists as babies, is a unique and special gift that is to each of us uniquely.. And the purpose of our lives is to go and determine what that gift is and then give of that gift, to others.. And then when you are done giving your time will come and you will move on.. And the soul of that parable that I always loved so much it's about giving..

And it's about giving to others, focus on people.. And that's it that's my one message, I hope you remember it.. Focus on people.. Thanks guys.. (applause) (mumbling) Sorry I ran a little long there, I often do as my teammates will tell you.. Is there anybody who has questions, I am happy to take them.. Sure.. - [Male] You spoke about how you guys.... (mumbling) How do you guys draw the line between some point of (mumbling).. How do you scale? - Yeah the question was about when you invest in those outings, these all company gatherings, whether it's in Mexico..

We actually do the beginning one usually is in a place like Mexico, our summer one we usually do near one of our offices.. But the question was you know, how do you keep scaling that? How much do you decide? How much time it takes, is it worthwhile? And at what point do you scale out of it? You know we've gotten to 425.. And I still believe every nickel we spend on it is worth it and then some.. And all the time we spend around it is worth it.. The stuff that I don't like is you know, the inefficiency on travel and so sometimes that may take too long so we may look at closer destinations in the future.. But the time together, I believe is absolutely precious and I wouldn't short cut that or haircut that at all.. Any other question? - [Female] Yeah, I guess I was struck by how your company values also have the opportunity to (mumbling) as being in that (mumbling) and customer engagement space and I was wondering if you can share a little bit more about you know, your plans in the area or how you can intensionally use those principles.. - The question was really about how our values of those four H's, how they were get reflected in the way we interact with our customers and what that means for you know how, the service that we provide and what that might look like in the future.. First and foremost I would say the the wonderful thing about attracting people that are 4-H is that, when you put those 4-H people in front of customers, those customers tend to really like them.. Because they are all those, they're happy, hungry, humble and honest..

And it's just say, it's a set of things that our customers tend to very much appreciate.. And again it's it's not common.. They let the degree of, as an example, on the honesty, we will we routinely, like literally every month, dozens if not hundreds of customers, get a call or an alert or a notification or an email from us that says, you are going to end up on the wrong plan based on your sending patterns either up or down and so if you may be spending too much based on your sending and so we need to upgrade you or the opposite.. You're on a plan that is far in excess of what you're actually sending, you might wanna downgrade.. You know like, I don't think I've ever had a vendor do that, And you know like well that's our honest H.. When we have issues, we have outages, we're an infrastructure provider, that does happen, not very much.. We had four and a half nines on reliability, we're very proud of it.. But some you know twenty four minutes out of every year we have hiccups.. In those twenty four minutes or shortly thereafter, we are deeply apologetic with our customers and they hear it in our tone.. They know, we understand that this service we are providing you is a mission critical to your business..

If somebody doesn't get a password reset in time, or they don't get a confirmation for a sign up, they might go off and do something else and they lose that user forever.. And so we get it and we're super we're deeply sorry for that.. So they absolutely get reflected in the interactions.. You know in terms of the product strategy as we go forward, I can't say that there's a direct correlation between the four H's and that as much as there is maybe the hungry H shows up in that one because we have big aspirations.. We are excited to have crossed over a billion dollar market cap line, we aspire to build a billion dollar revenue company.. And that's gonna take, it's a decade-long journey, we got a long way to go, that's great.. But well there are four to six other product categories that I would expect us to be in in the next two or three years.. So we absolutely will expect to see us broaden our footprint.. - [Female] So I would like to know how do you, do you have work-life balance and what do you do for fun.. - Yes, work-life balance is super important to us..

That's actually the embodiment of that Happy-H.. A big part of what we mean by that, we talk about having a positive attitude, constructive business is hard.. It's how you show up and roll up your sleeves and solve things.. But a big part of it is life is more than work.. And if somebody is happy outside of work, they're more likely to be happy at work.. I would tell you in in our honest H, it is the one of the four H's that I am weakest at.. I have a lot of, I over-rotate on the Hungary-H and I'm a little bit under rotated on that happy H of balance.. I have two, I have an amazing wife and two wonderful kids.. My wife's a Stanford grad herself and we've got eleven year old and an eight year old and that is how work-life balance happens is, you know I've coached soccer teams and basketball teams and softball teams and I love that.. And so for me, all of my Happy-H and balance, comes from my family..

(applause)..