

URL: <https://stvp.stanford.edu/clips/setting-and-scaling-culture>

Clara Shih, CEO of Salesforce AI, observes that a startup's early hires set the tone and pace for the rest of the company's trajectory. She encourages founders to maintain connections with employees as they scale, making sure people feel engaged and are onboarded into the culture.



Transcript

- This is so easy to say and so hard to do, 00:00:05,130 and it's that early hires, especially the first 25, 50 people that you hire under your company, they set the tone and the pace for really, the rest of the trajectory of the company.. And it's hard to do in the moment because, especially after you fundraise, you know, you just have to hire all these people yesterday, and you think to yourself, it's so tempting to say, "Well, a warm body is better than nobody, and I'll just replace 'em later.. Except it's not so simple because those early people that set the culture, you know, everything, big things and little things, like what time to show up for work, how responsive to be, whether to be customer-centric, whether to treat the company as money, like your own.. And I mean, on the left, this is some of our early employees at Hearsay, we were trying to get our first conference room table.. We didn't have any furniture.. We were sitting cross legged on the floor, and we needed furniture, and we could either wait 30 days for official office furniture to get delivered, or we could go to Craigslist and pick one up in kind of a questionable neighborhood and figure it out ourselves.. We didn't have a pickup truck.. Well, guess what we did? And that kind of hustle, that kind of get stuff done mentality, and that type of ethos of treating the company's money like your own, really, it persists to this day, 15 years later.. On the right hand side is our founding team at Salesforce on generative AI.. And same thing, it's a big 70,000 person company..

And when a company is that big, sometimes things don't move as quickly as you need them to, to be competitive in the space of AI.. And so our team, all the founding members of the team, we've been burning the midnight oil, working nights and weekends to ship in record time.. And again, it's setting an ethos, it's setting a norm, it's setting a culture that's gonna, again, affect the whole trajectory of the team and the project.. Lesson four is something that Bob Sutton, who's a professor here in the MSNEN department, he really helped inspire and helped me understand what had gone wrong at my company at a certain point.. Number four is really the idea that as you scale up, from 10 people, where everyone really knows each other and is spending pretty much every waking moment together, to 25, 35 people, where you know everybody's names, you know their significant others, you know their pets, you know where they grew up, you know what they're interested in, and then one morning you wake up and you can't possibly know everybody in your company, and you're like, "Who are these people?" They all know who you are because you're the founder and the CEO, but you can't know who they are.. And the mistake that I made was thinking, okay, now I'm gonna shift from operating in this very personal way, playing a ground game, to I'm just gonna drop messages.. I'm gonna send a slack broadcast, I'm gonna email people, I'm gonna make an announcement, a team meeting, and I'm gonna expect everybody just to understand what I want and it's just gonna work that way.. Well, it doesn't

work that way because people wanna be engaged.. They wanna feel personally connected to you and the mission.. And culture, our culture went a little sideways when this happened, especially when people who we hadn't properly onboarded under our culture and aligned with our company values, they started being the ones to interview and to hire other people..

And that's when like, things can really kind of get misaligned to where you want the company to go.. And so that was a lesson that Steve and I learned and we had to adjust for.. We had to really correct by getting back in there and making the company, for as long as possible, even in a company as big as Salesforce today, as long as possible to make it feel small so that no one feels anonymous, so that everyone feels connected, they feel engaged, they feel excited, they feel motivated.. And there's different ways you can do that.. I mean, one way is I started doing new hire breakfasts, and every class of new hires, you know, every week, every couple of weeks we'd get together and it's a way of breaking down a really big group into a really small group where everyone's starting off on equal footing.. Another way is, if you think about 350 employees, you could have 35 lunches with 10 people each.. And you don't do that right away, but you do that over the course of a year.. So just different ways to really retain that sense of personal connection, and especially founder connection...