First Avenue Ventures

The Structured Start-Up

WORKBOOK

MODULE 15: CULTURE AND VALUES

TOPICS COVERED:

The importance of a good company culture and how the founder establishes that culture.

LEARN WHAT MATTERS MOST

"One is the loneliest number."

"What you do is who you are."

— Ben Horowitz

When a company is just beginning, culture is hard as hell to define. The CEO/founder's main job is to establish culture. Culture is the company's values, and those values flow from the CEO. They are what the CEO is. Initially, a start-up is just its founder; culture in a corporate organization is what happens beyond the CEO. So at the beginning, when the company is just the CEO, why emphasize culture?

You need culture to influence and motivate people, to drive your team to success, and to help people successfully bridge the gap when certainty is illusive (as it always is, in start-ups). As the CEO, you need to interact with people in terms of a relationship: if everyone you deal with looks at your interactions simply in terms of a paycheck or cash revenue, growing your company is not only going to be more expensive -- getting it right is going to be even harder. Recruiting and retaining employees are the key advantages of good company culture.

Employees don't typically leave their jobs just over pay (though one shouldn't take this as an excuse to not pay employees). Often, they leave because they don't like the company's culture. A dysfunctional culture is expensive, time-consuming, and often fatal to a business.

CONFLICTING DYNAMIC

As you build your culture, you build it around yourself and your values; that is the right of the entrepreneur. However, your values are your perspective. Your perspective is shaped from your experience — and your experience also shapes your bias.

Bias is the enemy of vibrancy. Values can and should be appealing to all, but we sometimes use values to exclude other people. Diversity can and should be considered when setting values. I believe that there are certain values that transcend race, culture, gender and other differences. Finding these universal values and putting them into action is extremely helpful. A diverse team with multiple perspectives, including differing cultural values or life experiences, provides an array of thought that helps them more completely review, solve, and act upon organizational challenges.

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QUESTIONS TO CONSIDER

1. What are your values?

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2. How can you build on these values to form culture?

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