

3. The Importance of Creating a Family Culture

The foundation of every company is established in its earliest days as cultures are shaped by the personalities and expectations of the founders. It is not uncommon for early employees to take meaningful pay cuts when coming from larger, more established companies in exchange for equity. The responsibilities of many fall onto the shoulders of few and work weeks blend together often without the benefit of weekend respites. The perks that exist at larger companies give way to more of simply the basic necessities which is not an easy transition for those who have grown accustomed to abundant resources and extras. One of the great attractions, however, is discovered in a young company's ability to develop a family-like closeness, void of the politics and bureaucracy evident in larger organizations.

My first exposure to this phenomenon came in 1996 as I began spending time in Silicon Valley with the early employees and founders of Extreme Networks. It was a fairly young group that worked tirelessly, but every Friday at 3pm, the families were invited to join the employees at the office for a potluck-style Happy Hour. Work would stop for those 3 or 4 hours every single week as spouses and children mingled. It was important to meet others who had a family member logging 80-100-hour work weeks and to be updated regularly on the company's progress. These team-building functions were always well attended and brought the families much closer together, giving them a sense that they were all part of something extraordinary.

At Airbnb, the founders worked seven days a week, but a spirit of camaraderie was reinforced with a weekly, company-wide kickball game at a park near the office, typically followed by Happy Hour at a nearby bar. In *Radical Candor*, Kim Scott alludes to developing trust and sharing more than just your work self. It's not enough to care only about people's

ability to perform a job, but to also care about the people who work with you as human beings. “Caring personally is about acknowledging that we are all people with lives and aspirations that extend beyond those related to our shared work. It’s about finding time for real conversations, about learning what’s important to people and sharing what makes us want to get out of bed in the morning and go to work.”

These unique bonds between companies and families do not happen overnight, but the process can be built into the company’s culture early on and continuously reinforced by its leaders. It is simply not enough to host an end-of-year company holiday party; developing a family culture requires a consistent and deliberate effort to do the little things that make a big difference. When leaders take the time to learn birthdays, anniversary dates, and encourage their employees not to miss important events in their children’s lives, trust is built. Quarterly open houses have also been effective ways to keep families updated on the company’s achievements and milestones, giving families more opportunities to interact and better understand what their loved ones are working on. The frenzied pace at most startups makes it difficult to accommodate these meaningful touches, but can make all the difference.

In *Measure What Matters*, John Doerr comments on the importance of a company’s behavior more broadly. “In our open-sourced, hyper-connected world, behavior defines a company more meaningfully than product lines or market share... it’s the one thing that can’t be copied or commoditized. Companies that out-behave their competition will also outperform them... the self-governing organization is a place where long-term legacy trumps the next quarter’s ROI. These organizations don’t merely engage their workers, they inspire them.”

Getting to know coworkers and their families on a deeper level brings other, less obvious benefits that make the team stronger. More personal conversations allow people to clarify their values and dreams which can oftentimes be considered and aligned more effectively with that team member's role within the organization. The most successful startups I have been involved with through the years feel more like a family than the others—encouraging, uplifting, and thoughtful. At the same time, they are comfortable being real with each other, demanding accountability and a level of commitment that is shared across the group. Productivity is enabled by trust and reinforced when leaders “care personally.” The accomplishments of those organizations that took the time to foster a family culture in the earliest days have steadily outpaced those that fail to forge deeper bonds within their teams. As a result, it must be considered among the key differentiators that fuel startup success.