



Stanford eCorner

Conflict Between Management Team and Board Members

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Video URL: <http://ecorner.stanford.edu/videos/1414/Conflict-Between-Management-Team-and-Board-Members>

Goldberg talks about what happens when there is a conflict between board members and the management team in terms of the direction of the company.



Transcript

Short term no one wins, long-term investor generally wins. But what we try to avoid around situations is getting involved with entrepreneurs or founders who aren't pragmatic, who don't understand, or have common goals and objectives about what we're trying to do when we're constructing a company. There's an arc to constructing a company and probably the first principal of that arc is the founders before they even get in front of us have common objectives and goals with respect to what the company is suppose to be and the tone in which it suppose to conduct itself in getting there. And then, we as investing partners share that. If that's the case, then we can always generally like in a good marriage or relationship kind of work things out when there are differences. But if people don't start out with a common set of those principles, it's very easy for that to get off track and it's hurtful to everybody involved. You waste a lot of time because the real competition isn't across the board table. The real competition is either in the market or under development, some place where you can't even detect it. And so, time is our real enemy. It can be our friend but in general, it's our enemy.

And it's really a race against time which is why it's so anxious and difficult to be an entrepreneur and a young company team member.