



Stanford eCorner

Importance of Building a Strong Culture

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Video URL: <http://ecorner.stanford.edu/videos/1625/Importance-of-Building-a-Strong-Culture>

Larsen stresses the importance of having a strong positive culture. He believes that the consumer advocacy culture at E-Loan motivated employees even when the stock prices plummeted.



Transcript

So talk a little bit about the E-Loan culture. You built a very successful company there. And then you had the opportunity to do it again and think through what kind of culture you really want to build based on very successful previous experience. Maybe compare the prosper culture to what you had at E-Loan, how successful do you think you are building a deep culture, how important is the culture to what you do. Take us through some of that. It's super important, because that's what gets you through the tough times. When E-Loan sort of stock-crashed, as so many of them did, you weed out all the mercenaries. And what's left are the real missionaries, the people that believe in the cause. So getting those strong core values really takes you through the tough spots, and makes it fun, too. It's so much better to stand out there every weekly meeting and really get passionate about what you're doing.

But the E-Loan culture was more of a consumer advocate culture. We were a distribution channel, so we only dealt with borrowers. So it was very squarely going up against the banks, really trying to contrast corrupt, bad banks, bad things going on. We're sort of the clean, transparent, no-win/lose type of structure, which was really good. It's a really good-hearted company. In some ways, though, it took out a little bit of the competitive edge off, I think. I think some of our competitors can mistake consumer advocacy for weakness. It's hard to get that right balance.