



Stanford eCorner

Releasing Control in a Startup

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Video URL: <http://ecorner.stanford.edu/videos/1707/Releasing-Control-in-a-Startup>

Jung talks about one of the biggest challenges in the growth phase of a startup. Releasing and disseminating control is very essential for scaling companies. He explains this fact in detail and illustrates its importance from his personal experience.



Transcript

One of the biggest challenges that you will face during the phase of growth is learning how to release control as an individual. And what I mean by that is not simply delegating authority, but disseminating knowledge. Knowledge is power. And knowledge is control. And if you're the only one who knows the answer, and no one else knows the answer, well, maybe that's great, but companies don't scale that way. "I know the vision of my company. I'm going to hide this from the rest of my employees." Probably not a good strategy. Probably a recipe for failure. So as your company scales, you hold the keys to everything. You need to understand and think about "How do I release control? How do I disseminate that information out? How do I extract myself from the decision-making process? What can allow the organization to thrive and to grow?" Because at the end of the day, you can't be everywhere.

You can't sell every customer. You can't interview or recruit every employee. You can't create every product spec. And you certainly can't draft every press release. The numbers will catch up to you. The faster you grow, sooner or later; you're going to run out of steam. Now, does osmosis work? meaning, I have a conversation with one employee at the water cooler, and somehow it disseminates the vision of the company? Yeah, it works for about 15 people when the water cooler is three feet from every desk. But it doesn't work as your company scales. A few metrics for you just from personal experience: at 50 employees, you'll begin to forget the name of every employee. At 100 employees, you won't know who's employee and who's a spouse at the holiday party.

At 400 employees, the employees won't know who you are. And that is a scary thought, but that is a safe enough fact as corporations scale. So the only way that you could deal with this is to figure out how you can release control, how you can teach teachers. How can you provide the organization with the tools so that the organization isn't fully dependent upon you?