



Stanford eCorner

The Fight for Corporate Control

Mark Pincus, Zynga

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Video URL: <http://ecorner.stanford.edu/videos/2310/The-Fight-for-Corporate-Control>

"We learn from the index and not the table of contents," says Bing Gordon, partner at KPCB. In this clip, Gordon and Zynga CEO Mark Pincus talk about how an effective CEO can make strategy and mission happen when they are not physically present in the room. Pincus also discusses the importance of putting processes in place to communicate a larger vision, and why it's beneficial to write the story of your own goals and accomplishments. Keep control of your company and learn to negotiate only for the right things. Otherwise, you're just another employee.



Transcript

Mark Pincus: I want to talk a little more about some of the lessons that I've had about being a CEO. Bing Gordon: You went to business school. Most of what you're learning about being a CEO isn't really taught in business school. Mark Pincus: Well, I like to say that most of the lessons that I'm learning now, they were taught in business school - but I wasn't paying attention. To be honest, I didn't think I... Bing Gordon: Let's face it, we learn from the index and not from the table of contents. Mark Pincus: But I do want to point this out: It took me so long to learn some of these lessons. I thought it was just about being a great entrepreneur, that's why I asked you guys. And we all write stories for ourselves about ourselves. My story about myself through my whole career working for other people and as an entrepreneur was, I'm really damned good at my job and I don't do politics, so screw the rest.

And if there's bodies, leave them. I mean, it was just, I'm good at my job and this boss doesn't get it, forget them. I'm good at my job and if this VC doesn't get it, forget them. And I was writing this kind of underdog story for myself of like, I don't do politics or this that. What I didn't do was write this winning story. And so, as a result of this, it took me too long to figure out the path I should be on. Which was, I'll just be a great entrepreneur. I don't care about this management stuff. I don't care about the CEO stuff. I don't need to be a world class CEO.

That's someone at GE. And so, what end up happening is I would lose control constantly either through inadvertently or through the governance of my company. And it was because - and maybe at the time I should have lost control because I didn't, part of being a CEO is, can you make something happen when you're not in the room? I think the biggest test if you're a good CEO is can you map and communicate a strategy, a vision, a mission that will make somebody else do as good or better a job on it as you would if you weren't on the room. And we can all figure out how to be a good entrepreneur. We can all figure out how to manage 15 people, maybe as much as 30. And the bigger unit, this company I try to personally manage 50 people. And that's where your breaking point. You literally, I have a phone call every morning and I'd name every person and say, "What are you doing today?" You can't go past 50. It's nuts. So, you got to figure out.

Well, what's the derivative? How do I put goals and processes in place so that I can communicate these things, because a lot of being CEO is about communicating. First you have to want to do that, which it took me like 15 or 20 years to even realize I wanted to do. So, one thing I want to impart to you guys is if you want to bring Google to the world. If you want to change the world through great consumer products, learn to be a great CEO, want to be a great CEO, write the story for yourself that you were all of it because you can be. Write the story for yourself that you went to the place you weren't good at. Don't say, "I'm not

good at managing people, someone else can do that. I don't like to do blah blah blah." Like it all. And in case you have a little gap in your skills and the rest of the world doesn't see it yet, your insurance policy is keep control of your company. So, this is one of my points that I go head to head with him on sometimes. Bing Gordon: And you usually win.

Mark Pincus: What? Bing Gordon: You usually win. Mark Pincus: Well, his brilliant because he makes me think I win. But I want to really... Bing Gordon: You win. You win. You win. Mark Pincus: We negotiate for the wrong things with the VCs. We negotiate to feed our egos because we all want a high valuation, right? Because you want to tell your friends, "I got 10 million pre-," or whatever. But who gives a shit with evaluation is? All that matters is that you have control of the company. Don't give up control.

If you're going to give up control, go home. I mean, I personally and I have a strong opinions. OK. There's plenty of cases you can show me where the company was going out of business or whatever and you have to do it, fine. But I would fight till the end for control because if you don't have control of your company, you are an employee.