



Stanford eCorner

Veer Away from Heavy Management Theory

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"Unlearn Your MBA." It's the most important piece of advice new entrepreneurs can take, argues David Heinemeier Hansson. Hansson estimates that 96.7% of what he learned at the Copenhagen Business School has no impact on what he does today as a partner at 37signals. MBA students need to readjust and recalibrate their thinking away from heavy management theories towards building a product and pleasing a customer.



Transcript

So, you want to make a dent in the universe. And you're coming out and how are you going to do that? Just because now is a good time to start a business, doesn't mean it's easy to start a business. In fact, it's always hard. There's not going to be any surefire way to instant success. There's not going to be any get rich quick schemes that's going to work for you. But before you can even get started, I think the most important thing for you to realize is that you have to unlearn your MBA. And I'm treating MBA here as a sort of a general grab bag for business school management theories and I think that's probably as kind as I can put it. I spent three years at Copenhagen Business School. I will probably say that, according to my estimation 96.7% of the time was completely wasted. It has nothing to do with what I actually do today and it has no impact on what I actually work with everyday.

In fact, I came out slightly damaged. I came out with a head that been soaking in management theory for three years and it was actually a little off. It was not very well-suited for the real world of just building a product, pleasing customers and making profits as a business because that's really not what you learn. And you just have to just readjust and recalibrate when you come out of school to that reality that nobody cares about a 20 page report on five forces. It just doesn't matter. There's none of your customers that's going to think, "Oh. Well, did you do your five forces for this setup? No. All right, then we're not going to buy your product." It just doesn't matter. So, all of these tools that you've learned are only for you. They're not going to impress anybody else when you start your own business.

And what you learn is that when you're starting your own business and all businesses start small, is that none of it is relevant. When you have two people, three people, five people, nobody is going to do all the heavy-handed management theory on it. It's just irrelevant because it's not targeted to your size. That might be fine for a management retreat at IBM's second level management somewhere in Florida. Like that's going to impress the rest of the group I'm sure, but it's not going to impress any of your customers.