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If employees feel like owners, and they'll care more about all aspects of a company, asserts Sameer Dholakia, CEO of cloud-based email platform SendGrid. He also talks about empowering employees in real ways, citing Toyota's well-known production system, where any line worker has the ability to stop manufacturing if something is wrong. Dholakia says this brings teams together to solve problems and celebrate progress.
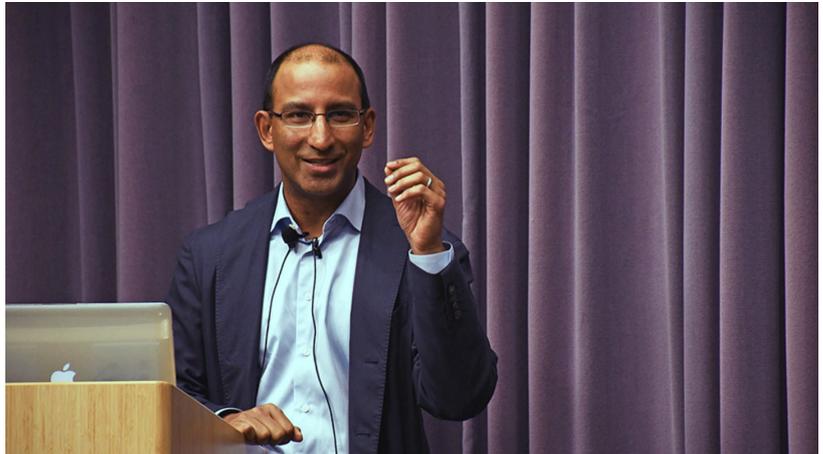
Transcript

- When those people...when you go.... You've gone through all, okay, we've picked our founder wisely, we've got the right VC partner that we think is gonna be a great in the trenches person with us, we defined our culture and our values, made it memorable and simple, we gave people uniforms, we celebrate those wins, we build connective tissue.. Let's say you've gone through and done all that, and then you get all the recruiting stuff right.. Once they have now joined you, how do you then treat them? And my strong counsel to you is, if as an entrepreneur you're getting this thing started, treat them like owners, not employees.. If you can get, and we talk about this at Sangred all the time, we want all 425 of our gridders, what we call ourselves, gridders, all gridders to act like owners.. The way that owners act, I always joke about this visual.... Anybody ever seen a rental car at a car wash? Nobody's ever seen a rental car at a car wash, because they're not owners.. They don't give two hoots about it, right? Whatever, that's the rental car company's business.. How do you treat the rental car versus your own car? An owner acts differently, and so I would encourage, we do this at Sangred, every employee has equity.. Make them owners..

Have a conversation about what that means, to be an owner.. Because what it means to be an owner is, you sweat the details.. You care differently than, it's just a job.. If you see a problem, you don't go assume that somebody else is gonna fix it, you go fix it, 'cause you're an owner.. Owners act differently.. Then you say, for all those folks that I just made owners, I said, hey, I'm gonna teach you to be owners.. We're gonna give you equity, et cetera, get you in the right head space, then the hardest thing is, especially as you grow, maintaining a mind set where you empower those owners.. Empowering the owners means you figure out how do you get every decision that can be done by your individual contributors should be.. They are closest to the work.. They are closest to the problem..

So if you can empower those owners.... This visual image, that last trip to Mexico in 2017, I spent about 15 minutes talking to all of our gridders, 400 people in a room, about automobile manufacturing in 1950s Japan.. They're like, dude, what are you...why are you telling.... we're in software, I don't know if you noticed? Why are we going through this? The Toyota production system, though, is an incredibly instructive model.. How many folks are familiar with TPS? Anybody in the room? A fair number of folks.. It's an extraordinarily efficient way to manufacture things, great quality results, safety results, et cetera.. For me, the soul of the importance of the Toyota Production System is the act being demonstrated in this photo which is pulling the and on cord.. What that means is, there is a line worker on the factory floor that may be being paid minimum wage, and you are empowering that person to say, there is something wrong here on the line, I am pulling that cord, and we are gonna stop, we are gonna shut down a line that will cost us hundreds of thousands, probably millions of dollars for every thirty minutes that it is shut down.. And you are gonna empower this line person to make that call.. Toyota in the production system would say, absolutely, they are the people closest to the work..

And in software, true just in manufacturing, the earlier you fix the problem, the less expensive it is to go figure it out, to go rectify it.. So empower your folks.. And this was great because the entire year in 2017 after this story I had people sharing examples of hey, that person pulled the and on cord on this problem, and we gathered a tiger, and by the way, in that system, when somebody pulls the and on cord, people, teammates and leaders, flock to the problem.. They are like, okay, the line's shut down.. Let's go figure out what happened.. How can we help you? They first, by the way, the very first thing they say, to the person who pulled the cord is, thank you.. Thank you for pulling the cord.. Now how can we help you? And people flock to

it, and they figure it out, and then you move on.. Throughout the year, we had so many examples of people that would pull the cord, and then they became to use it in our vocabulary at Sangred.. We're gonna pull the and on cord on this..

We gotta stop doing what we're doing, go gather, solve the problem, and then we'll let the line run again.. We started to celebrate those victories at every quarterly meeting, when we got everybody together, and we would tell those stories.. It would reinforce to the entire company, we're not just talking about this stuff in platitudes.. We are doing it every day, and we are celebrating it when one of our teammates actually pulls the cord.. We're not just talking about empowering, empowerment of our employees for the sake of saying it, it actually matters.. And then you celebrate the wins...