

URL: <https://ecorner.stanford.edu/clips/the-advantages-of-being-a-co-ceo/>

Public.com co-founder Jannick Malling discusses the advantages of his decision to share the CEO role with Leif Abraham. He notes that while the arrangement may occasionally slow decision making, that's less of a disadvantage in a highly regulated industry where compliance is as important as speed. Advantages include sharing the public facing-responsibilities of the role, delaying the need to hire at the C-level, presenting a united front when announcing decisions, and giving both CEOs time to maintain strong connections to customers and employees.



Transcript

- Historically, we get that there's one CEO, 00:00:06,700 and that's how most companies work, especially stateside.. I think in Europe, you've seen a little bit more of the co-CEO thing historically play out.. But at the end of the day, we are operating, like I said, in a space where a lot of the decisions can't just be not checking things with the regulators, or even with our internal compliance teams, et cetera.. And so, if you think, we turn it around, what is actually the benefit of having one CEO? The benefit tends to be that, okay, if you wanna have a more dictator-style leadership culture within your company, then you can move really fast, et cetera.. That's not, that's never anything that we've really strived to actually do, because you just can't really have that, right? I can't go in and completely just overrule my chief compliance officer, that's not how this industry works.. And so, a lot of it is really just dialogue.. And then, when you look at what the benefit of being co-CEOs and that structure actually means, it means a lot of different things.. So, for instance, where a lot of companies that scale very quickly end up struggling is when they have to hire the first C levels.. I think we've brought on a COO and a CFO recently, but we have not brought on a chief growth officer or a CMO, because that's what my co-CEO focuses on.. We've not brought on a chief product officer, because that's what I focus on..

And so, I think you're able to scale the company in a little bit of a different way, versus you get to that point where you waste, if you have your product market phase, you raise that round, and then boom, you're gonna add five C-levels in the span of six months.. That's really tough.. Culturally, everybody's coming with their own leadership styles.. That's a really different problem to navigate.. I think we've been able to at least cut that problem in half, and basically phase it out a little bit more, right? There might be a day where I ended up hiring a chief product officer to replace myself for the role that I played within product, but I'm able to put that off a little bit more, which then allows me to focus my energy on ensuring that our CFO and our COO are probably, not just onboarded, but probably integrated into the company as well.. And so I think there are actually some distinct advantages.. Also, being able to share the CEO responsibility, it's a massive one, right? Let's be honest.. And so I think it often puts CEOs at the place where they're like, oh, all I have time for is fly around.. Maybe not in the last 15 months, but historically, CEO's, they fly around for conferences and speaking gigs, and they do basically just fundraising and press and whatnot.. And if that's all you do, you quickly become a little bit distant from the company, and then, actually, you put yourself, it might adversely affect yourself as far as your ability to have temperature on your customers and your company and your core people in the business, et cetera..

And so, again, I think, sharing the CEO workload helps us stay more connected to what's actually going on in the company, which, I think, at this point in the company's life is incredibly beneficial, overall.. - Yeah, well, since you say that, 00:03:03,530 I think what ends up happening, you just happened to make it formal, but I know, with my company that I started in '95, me and my co-founder, although he had the CEO and chairman of the board title, I had the president and chief operating officer title, we literally were co-CEOs.. We met regularly, everything you talked about, we operated that way, and I think a lot of early-stage companies operate the same way, although they may not have the title nomenclature, like you've talked about.. - Exactly, and I think it also helps when we come out, 00:03:34,970 me and like my co-CEO, when we come out, we make a decision, implicitly, everyone in the company knows that we've talked about this, this is very thought through, this is not a rushed thing, and it's something that we both agree on.. And again, that is a dynamic that you can't necessarily have as a sole CEO, if you will...