

URL: <https://ecorner.stanford.edu/clips/create-a-culture-before-you-hire-cody-coleman-coactive-ai/>

Cody Coleman, co-founder and CEO of Coactive AI, advises founders to establish their company's culture before they start hiring, rather than letting the culture emerge later. Determining guiding principles early on helped Coactive AI hire intentionally diverse people whose values — not just skill sets — aligned with what the company needed.



## Transcript

- Kinda did something crazy.. 00:00:03,660 Before we hired any employees, we actually thought about culture.. And we had talked with a lot of founders kind of before starting our company about what were their biggest regrets.. Like founders that started billion dollar companies, decacorns, and things like that.. And the biggest regret that these founders had, or biggest pitfall that they fell into is that they didn't take HR seriously.. You know, they didn't think about kind of the people or the culture that they were creating.. And rather than culture being a strategic advantage for them, it actually ended up becoming more of a liability.. Because culture's gonna happen regardless of whether or not you think about it, it's gonna emerge just from the interactions that you have kind of on a daily basis.. So you can either think about it ahead of time and create a culture that actually will help you move forward, or you can let a culture emerge and play it by ear.. So we wanted to be, our goal was that we wanted to strive to be a role model for companies of what company culture could look like..

And we didn't have to do that kind of alone.. We could actually take in a lot of the great culture, company cultures that we had been a part of, things from Google, things from like Netflix, and all that and combine it together and create a set of guiding principles.. And the first guiding principle, which is still with us today, is that we view culture as our first and most important product.. And this is really powerful because culture is something that's gonna change over time.. Every single time that you add a person to your company, especially in the early days, it's a non-trivial fraction of the overall company.. And they're gonna bring in their kind of own views and things like that.. And also as the company evolves, your culture should evolve too to support the goals that you're trying to achieve.. And then from there, we thought about who we are.. You know, we're one team.. It's really a relay race..

We're not bystanders, we're humble and grateful.. It impacts how we act and also what we say.. And we set all this up before we even hired our first employee.. And this was actually a really good exercise for us to think about what were the working environments that we enjoyed the most? Who were the people that enjoyed working with the most? And going through that process of self-reflection actually gave us, that process of self-reflection and creating a culture, helped us think about like, who should we hire? You know, because there's one part of hiring, which is the skillset that people have.. But another kind of equally, if not more important is who those people are.. You know, how do they think, what are their values, and like what drives them as human beings? And making sure that you're actually aligned there from a values perspective can

be one of the biggest things in determining whether or not it's gonna work out, especially with these kind of early team members.. So after we set up our culture, we started to hire folks.. And we hired an amazing team of people.. And one thing that you'll notice about the team is that it's a very diverse group of folks.. And that was by intention..

You know, one thing in talking to other founders, again, before we started, we heard from them that if you don't think about it early, if you don't think about creating a diverse team and things like that, you're gonna be fighting an uphill battle.. So we actually wanted to go and do that and have that kind of a core part of our DNA.. And we resisted a lot of kind of prevailing wisdom is like, hire your friends, hire like really, really quickly.. Especially 'cause you have so much pressure to move kind of fast.. But we wanted to take our time and actually do that and actually go outside of our comfort zone, bring people that we weren't maybe necessarily immediately connected with.. And actually develop a diverse team.. And that paid dividends, both in terms of establishing our culture and then broadening our network that we could hire from...