

# Scaling a Startup

from 3 to 30 to 300

Minnebar 7  
April 7, 2012

# How does a company change as you scale up?

The screenshot shows a Mozilla Firefox browser window displaying a Quora page. The browser's address bar shows the URL: [www.quora.com/Startups/What-are-the-steps-you-take-to-grow-from-a-1-3-founder-team-into-a-5-10-sized-company](http://www.quora.com/Startups/What-are-the-steps-you-take-to-grow-from-a-1-3-founder-team-into-a-5-10-sized-company). The Quora page header includes a search bar and navigation links: Home, Notifications, Inbox, Mark, and Account. The main content area features a question titled "What are the steps you take to grow from a 1-3 founder team into a 5-10 sized company?" with an "Edit" link. The question is marked as "ENTERING Startup". The text of the question reads: "This is one of those rarely covered areas. Startup stories usually fast-forward through this part with a montage -- you start with the founders in one scene and then suddenly you have a company with a couple dozen desks. I'd love to know the specific details about how you allocated workflow to incoming engineers, set the nascent corporate culture, and any pitfalls to avoid." Below the question text are links for "Comment", "Post", "Wiki", "Options", and "Redirect Question". To the right of the question is a "Promote Question to 200 People" slider set at 100 credits, with a "Promote" button. Below the question, it says "2 Answers · Create Answer Wiki". The first answer is by Doug Monroe, Co-founder Adzuma.co.uk, ex COO Zoopl... (truncated). It has 2 votes by Daniel Entin and Alliot Cole. The answer text is "Hire between 2 and 9 more people!". To the right of the answer is a small profile picture. Below the answer are two "Related Questions": "What is a good percentage split between (1) development/programming, (2) marketing and (3) founder/team wages for a post-l... (continue)" and "What are the 3 main strategies you can use to defend against gorilla-sized companies who enter your market as competitors?... (continue)".

Startups: What are the steps you take to grow from a 1-3 founder team into a 5-10 sized company? - Quora - Mozilla Firefox

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Startups: What are the steps y... +

www.quora.com/Startups/What-are-the-steps-you-take-to-grow-from-a-1-3-founder-team-into-a-5-10-sized-company

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Startups: [Edit](#)

**What are the steps you take to grow from a 1-3 founder team into a 5-10 sized company?** [Edit](#)


ENTERING Startup

This is one of those rarely covered areas. Startup stories usually fast-forward through this part with a montage -- you start with the founders in one scene and then suddenly you have a company with a couple dozen desks.

I'd love to know the specific details about how you allocated workflow to incoming engineers, set the nascent corporate culture, and any pitfalls to avoid. [Edit](#)

[Comment](#) · [Post](#) · [Wiki](#) · [Options](#) · [Redirect Question](#)

2 Answers · [Create Answer Wiki](#)

[▲](#) **Doug Monroe**, Co-founder Adzuma.co.uk, ex COO Zoopl... 

[▼](#) 2 votes by Daniel Entin and Alliot Cole

Hire between 2 and 9 more people!

[Unfollow Question](#)

Promote Question to 200 People

100 credits to [Promote](#)

**Related Questions**

[What is a good percentage split between \(1\) development/programming, \(2\) marketing and \(3\) founder/team wages for a post-l... \(continue\)](#)

[What are the 3 main strategies you can use to defend against gorilla-sized companies who enter your market as competitors?... \(continue\)](#)

[What are 5 good steps to take my Klout and Peerindex scores over 50?](#)

# The Office Supply Principle

quality of pens



What the founder likes:  
Pilot Gel ultra fine,  
5 for \$12

What gets added to  
the Costco order:  
Uni-ball Vision,  
8 for \$11



What makes the budget  
look good:  
Bic Round Stic,  
60 for \$5



# of people

# Division of Responsibility

- The good
  - tasks get done, attention to details, ownership
  - leaders can focus on long-term goals
  - company can take on bigger challenges
- The bad
  - focus on metrics related to individual job rather than company success
  - founders can't always relinquish control

# From Founders to Employees

- Payroll taxes
- Regulations increase with company size (25 and 50 are often triggers)
- Health insurance and other benefits

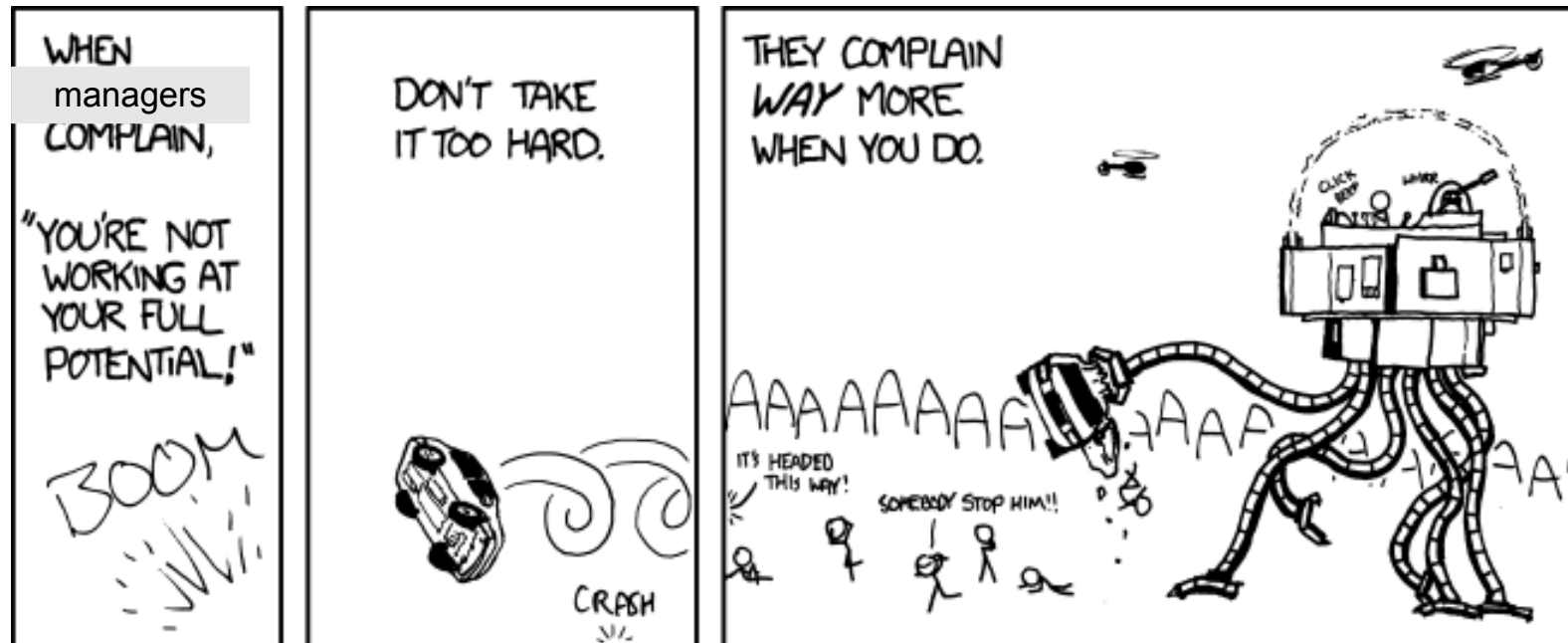
Fortunately, a lot of this can be outsourced...

# Churn

- Hiring is hard.
  - Can you outsource?
  - Can you hire people who are a good fit?
  - Do you even know *what* you need?
- By the time a company hits 30, somebody will already have left...
  - Do you know what they were working on?
  - Do important emails still go to their address?
- ... and two of your people won't get along.

# Panel Questions

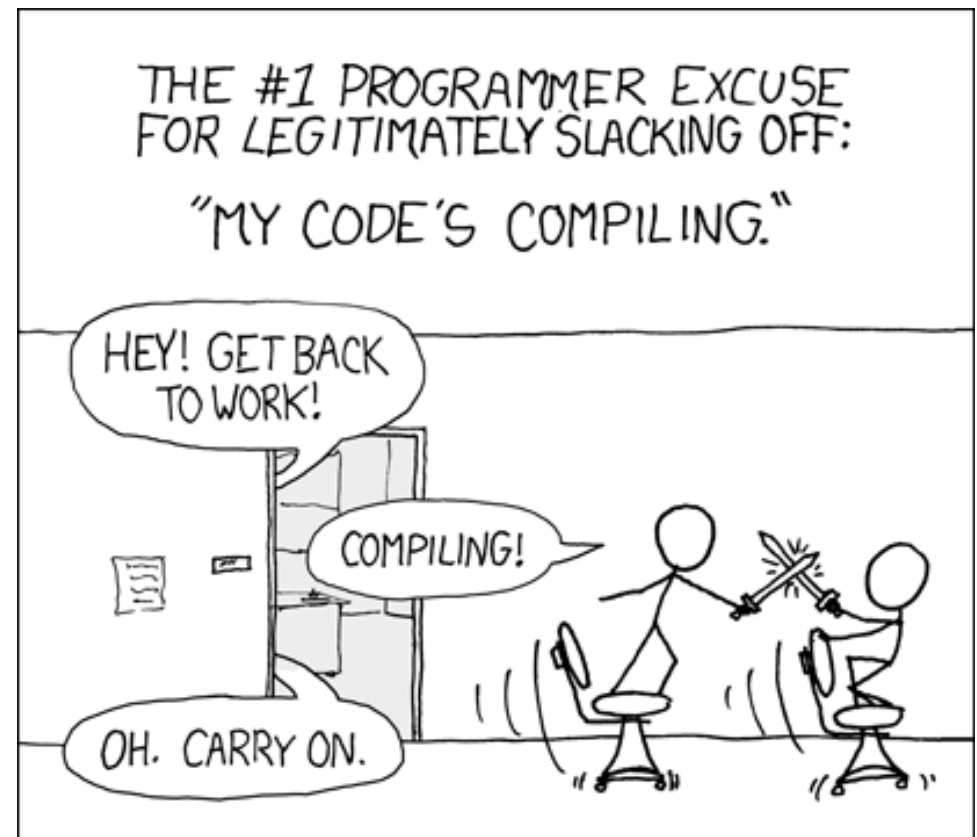
- How do you create the corporate culture you want?
  - Your company *will* have one by the time it hits 30 people.
  - Did your company's leaders talk about culture?



# Panel Questions

- I'm a technical co-founder, not a manager. How can I continue to influence the direction of my company as it grows?
  - “Giving up control” is hard.
  - What battles are worth fighting?

<http://xckd.com/303/>





# Panel Questions

- When do you bring in an additional level of management?
  - How do you make the transition?
  - Do you combat Startup Title Inflation, or embrace it?



# Panel Questions

- Meetings are expensive
  - How do you maintain efficient communication without getting everybody in a room?
  - How do you introduce new employees to the product and their tasks?
  - As the company grows, do people feel “left out” of decisions?



# Panel Questions

- What did your company need that you didn't initially know it needed?

A large dashed rectangular box, intended for a handwritten or typed response to the question above. The box is composed of short horizontal and vertical dashes forming a rectangle.

# Panel Questions

- When do you move into an office?
  - What alternatives exist?
  - How do you scale facilities to match employee growth?

