No Meetings, No Deadlines, No Full-Time Employees

Note: We turned this blog post into a product! Flexile helps businesses onboard and pay freelancers with a mix of cash / equity.

I started Gumroad in 2011. In 2015, we reached a peak of 23 full-time employees. In 2016, after failing to raise more money, I ended up back where I began: a one-person company.

Today, when I'm asked how many people work at Gumroad, I respond with "ten or so." That's how I convert the number of people we have into what others expect. But the truth is more complicated:

If we include everyone who works on Gumroad, it's 25.

If we include full-time employees, it's none. Not even me.

We have no meetings, and no deadlines either.

And it's working: our creators earn over $175 million a year, and we generate $11 million in annualized revenue, growing 85% year-over-year.

That said, I don't expect anyone to copy our way of working wholesale. We got here on accident, not some grand plan.

However, I do think there are pieces of our story and the way we work that could benefit other companies, their people, and–most importantly–their customers.

Freedom at all costs

After the layoffs in 2015, even though the team shrunk, Gumroad itself continued to grow.

But hiring people full-time and leasing a new office in San Francisco to work out of was untenable. Instead, I found an Indian firm called BigBinary and hired a few engineers as contractors.

These contractors saved the company. They fixed bugs and maintained the site while I answered support tickets, designed features, and wrote about new initatives.

Eventually, I hired back the same customer support person we had from before the layoffs, this time via an hourly contracting agreement too.

Meanwhile, I moved to Utah and attempted to become a full-time creator.

While Gumroad was no longer on track to become a billion-dollar company, I acquired a new asset: time. I used that time to take classes on writing and painting.

Because I was burned out and didn't want to think about working any more than I needed to, I instituted a no-meeting, no-deadline culture.

For me, it was no longer about growth at all costs, but "freedom at all costs."

This way, Gumroad stayed profitable, I could take a much-needed break to explore my hobbies, and the product continued to improve over time.

How we work

Today, working at Gumroad resembles working on an open source project like Rails. Except it's neither open source, nor unpaid.

Instead of having meetings, people "talk" to each other via GitHub, Notion, and (occasionally) Slack, expecting responses within 24 hours. Because there are no standups or "syncs" and some projects can involve expensive feedback loops to collaborate, working this way requires clear and thoughtful communication.

Everyone writes well, and writes a lot.

There are no deadlines either. We ship incrementally, and launch things whenever the stuff in development is better than what's currently in production. The occasional exception does exist, such as a tax deadline, but as a rule, I try not to tell anyone what to do or how fast to do it. When someone new joins the company, they do what everyone else does: go into our Notion queue, pick a task, and get to work, asking for clarification when needed.

Instead of setting quarterly goals or using OKRs, we move towards a single north star: maximizing how much money creators earn. It's simple and measurable, allowing anyone in the company to do the math on how much a feature or bug-fix might be worth.

But we don't prioritize ruthlessly.

People can work on what's fun or rely on their intuition, because as long as we remain profitable and keep shipping, we tend to get to the important stuff eventually. Our public roadmap helps Gumroad's creators hold us accountable.

We ship big things this way too.

In November 2020, we shipped Gumroad Memberships, a year in the works and now used by hundreds of creators to earn over $1,500,000 per month.

Gumroad engineer Helen Hood, who shipped Memberships, says, "it's one of the biggest product launches of my career, and we shipped it without a single meeting or video call. I've worked at your typical startup, with an open floor plan, lots of whiteboards, standups and sprint planning, beers after work. I've also worked on a remote team with little communication and engineers largely siloed on their own projects. The way we work at Gumroad is ideal for me. It lets me maximize my productive hours, and clock out when I've hit my limit."

Those are the broad strokes, but we've published more specific documentation about the way we work:

How do we decide what to work on?

"At the end of the day there's a lot of emotion that goes into Gumroad, that's not dissimilar from an art project. We sometimes pick what's fun and feels good to work on! We love listening to creators! We don't do tons of data analysis to decide what's worth working on."

How do we communicate?

"Turn off all notifications from your phone!"

What does working at Gumroad feel like?

"We ship incrementally, iteratively, and have one massive tentpole launch a year. Every month we see how much creators got paid, then we move on. The journey is the fun part, we're not waiting to arrive at some destination."

What's not so good at Gumroad?

"There's not a lot of room for growth. We're staying profitable, and not planning to double the team every year. While there will likely be a few leadership roles, there aren't plenty of them and they aren't built into the career path of working at Gumroad."

Gumroad's Chris Maximin says, "this way to work is responsible for the highest level of productivity I've ever experienced. The ability to focus on actual work creates a virtuous circle benefiting both the company and the workers: 1) the company does not have to pay expensive engineers to sit around in endless, useless meetings, and 2) the engineers get to do more and learn more, which benefits them in the long term."

This isn't just for engineers.

Justin Mikolay, a writer at Gumroad, ships each of our Creator Spotlights this way, even though each one requires at least three people–plus the creator.

Everything is handled this way: support, risk, content, growth, product prioritization, board decks, design feedback, and more.

Minimum viable culture

This way of working isn't for everyone.

There are no retreats planned, and no social channels in Slack. There are limited opportunities for growth. And we can't compete with the comp packages that big tech companies can provide.

But we can compete–and win–on flexibility.

Sid Yadav, former VP of Product at Teachable, joined Gumroad in 2018.

In his words, "most entrepreneurs have two options: work a full-time job and hustle nights/weekends, or leave your job and risk everything to start the company. Gumroad provided a third way: I could contract 20-35 hours a week, and for a couple days a week, incubate ideas and work on my next thing."

In 2020, Sid left Gumroad to start his own creator economy company, Circle, together with former Gumroad coworker Rudy Santino:

Working on Gumroad isn't a majority of anyone's identity.

People work at Gumroad as little as they need to sustain the other parts of their lives they prefer to spend their time and energy on: a creative side-hustle, their family, or anything else.

Gumroad engineer Nathan Chan says, "I produce more value for my time than at any other company in my career, and I'm able to fully participate in parenting and watching my kiddo grow up."

That includes me.

From 2011 to 2016, building Gumroad was my singular focus in life. But today, it is just a part of my life, like a hobby might be. For example, I paint for fun, and every once in a while, I sell a painting.

A company of creators

One day, out of the blue, I received an email from Daniel Vassallo. I knew Daniel; he was a creator who had made over $250,000 on Gumroad in less than a year.

He was already using the product–so he understood what problems Gumroad ought to solve next–and he had some ideas for how he could help out:

I love Gumroad (and I'm living off it!), I enjoy product scoping and strategy, and I think I can take over your PM tasks. I would only be able to dedicate around 2hrs/day on average, but I'd be available daily. Don't know if this is the type of commitment you had in mind, but I figured if there's a place where this arrangement can work, it's Gumroad :)

It was a perfect fit. Daniel became our new Head of Product.

It can be a great deal for Gumroad too. Before Daniel quit his job at Amazon, he was making over $400,000 a year. We pay him $120,000 a year.

How? He works ten hours a week for us. In his words:

Getting paid

In practice, we pay everyone hourly based on their role. The range varies from $50 (customer support) to $250 (Head of Product) an hour.

Recently I standardized our rates world-wide:

This rate is agreed upon during our interview process:

Apply via a form.

An unpaid, few-hour challenge, that resembles the high-level work we do at Gumroad. This may include breaking down a large shipment (like Gumroad Memberships) into its atomic parts, planning the schema associated with a new feature, or writing up a Help Center article.

A paid, few-week trial period, that resembles the day-to-day work we do at Gumroad. This may include fixing bugs, shipping a feature, or answering support tickets.

Note: We'll be hiring for more positions soon! Follow me on Twitter for updates.

Within the company, we keep a document that lists how much everyone is paid, along with their average working hours. This allows the team to have as much information as I do when making compensation decisions.

There are no perks of any kind, besides the flexibility and the cash.

To be clear, we don't provide healthcare. Everyone who works at Gumroad is responsible for their own healthcare and benefits. Everyone also pays for their own phone, laptop, internet connection, and all the other things they need.

There is another downside to this system: people have to track their hours. Some people solve this by billing 20 hours a week, even though they may work a bit more or a bit less. Others track it diligently, in 15-minute increments, and send a detailed invoice every week.

Since Daniel joined as quarter-time Head of Product, we've had Randall Kanna join as quarter-time Head of Community and Philip Kiely join as quarter-time Head of Marketing. They're successful Gumroad creators too.

At some point, it clicked: Creators make money so they can make stuff, instead of the other way around. Why not adopt this framing at Gumroad, too?

This is what working in the creator economy should feel like.

The future of work is not working

Recently, I pitched the whole company about going full-time, because it felt wrong to grow any larger without full-time staff.

Nobody accepted.

I realized then that I was trying to copy the status quo–to try and fix something that wasn't broken–so that I could feel better about doing things the "normal" way.

But the deal we already had in place was better for what our people prioritize: freedom over growth, sustainability over speed, life over work.

Gumroad's homepage is clear about its benefits to creators who use it: "Escape your 9-to-5 job. Take off your suit and tie. End your commute. Get paid for your craft."

As cliché as it may be, we are trying to be a company of creators, for creators.

The internet has enabled new ways of working, but we're just starting to see them unfold. There are a lot of different ways to make work work. Ours is just one.

Gumroad Jobs

Gumroad is 100% remote and async. We focus on shipping instead of meeting. We have product-market fit: over $13M in creator earnings per month. We're also profitable.

TLDR: Everyone works hourly–between 15 and 35 hours a week–and invoices for their time with our new product, Flexile.

Notes

We issued our first $1M dividend in July, and will issue 60% of net income starting in Jan 2024–aiming for $6M a year based on $10M in net income.

Many people have worked at Gumroad for several years; contract doesn't mean short!

Software engineer

Improve Gumroad by shipping product features, fixing bugs, and removing technical debt. Our stack is primarly Ruby on Rails, React, and Typescript. We also have legacy code in JavaScript and Flight. You should have familiarity with improving a high-quality app in production.

Base of $125/hr. Assuming 44 weeks a year, 35 hours a week: $192,500

Process

- Email to confirm it's a fit

- Phone call if you have questions (common Qs: Phone information)

- Impress with a personal project, or our Product engineering challenge

- Paid trial-to-hire, 4-8 weeks:

Please email sahil@gumroad.com a few sentences about your origin story and a bullet list of some work you've done (with URLs) that may be relevant to working on Gumroad. Production stuff built with HTML, CSS, JavaScript, Typescript, React, and/or Rails is best.

Phone information

Logistics

- Trial can start any Monday minus the 2 weeks at the beginning of a quarter
- Timeline
  - First day, you'll
    - Get access to GitHub, Slack, Notion, BuildKite
    - Read up on stuff
  - Second day:
    - Ship something tiny to make our creators' lives better

Success looks like

- Shipping one bug fix and one tech debt the first week
- Shipping one small product feature in the first month
- Shipping a medium-sized full-stack feature by the end of the trial

Most likely failures

- Doesn't pick up neighboring styles
- Communication is not frequent enough
- Doing too much with each PR; the more the merrier!
- Ignores common best practices; e.g writing specs
- Not saving others' time or otherwise not doing [What matters most](#)

Product engineering challenge

We've created this challenge to resemble the day-to-day work you'd be doing at Gumroad. It should take roughly 6-16 hours.

Please submit your answers by emailing them to sahil@gumroad.com in a new thread (please self-host + share the source code with us via a public-but-obscure GitHub repository).

This is just a suggestion–you can build anything you'd like with Rails and React to impress us!

Rebuild [askmybook.com](#) in Rails and React.

Must-dos include:

- Script to format PDF manuscript as local data file with embeddings
- Text box to receive question
- Back-end that:
  - fetches most relevant embeddings using local data file
  - caches answers, otherwise hits OpenAI for answer
- Front-end that displays answer

A good response shows off your ability to:

- Understand existing code
- Read through API docs
- Create a new Rails project
- Install and use React within it
- *Coding!*

Currently, the project relies on a few Python libraries. Find Ruby equivalents or rewrite the code such that they are no longer required (this should be possible by keeping the content and embeddings that index them in one file, instead of across two).

Explain a couple of the big architectural decisions you've made, and anything you learned/would do differently the next time around.

(It may be broken.)

Working at Gumroad

What matters most

Values

Real artists ship

We ship early and often.

We get feedback before shipping more.

Save others time (and energy)

Time is our most sacred asset. Back-and-forths are expensive.

Text and images over audio and video.

Everything important is cached.

We provide as much context as possible when asking anyone for their time and attention.

No rhetorical questions.

Work chat happens in public channels as much as possible. This way, everyone is aware of what's happening (and why).

Less is more

We say no by default.

No performative busywork.

Dollar-backed decisions

We measure success in cash flow over the coming decades.

We post-mortem to plan and predict better.

Above and beyond

We ship better than we scope.

Minimize surface area to maximize polish.

Our jobs change constantly.

In summary

Gumroad is best for freelancers who

- Like to ship high quality stuff
- Dislike meetings and politics and information asymmetry
- Can manage themselves and keep others up to date on what they're working on

Examples of failures

- Sahil or someone else needs to ask you for updates on what you're doing-**this is the closest thing we have to a zero-tolerance policy**

- You're not able to easily communicate the value you're creating for our creators (read: GMV)

- You're shipping without soliciting feedback from others who could improve the quality of your work

- You're not improving in objective, measurable ways on a monthly basis

   But I also believe Gumroad has limited seats and I will fill those seats with people who will maximize our creators' collective success and minimize my own personal stress.

- Most importantly, you're not having fun

I will try to communicate concerns early, and give you a chance to improve.

The number of seats can change based on market conditions–how much the market values headcount, profitability, etc. I'll do my best to forecast out as part of the monthly updates.

Sahil's role

I hired you not to work for me, but to work for our creators. That requires a lot of proactivity on your part; it's not easy, but it is worth it. That also means it is your job to justify your existence–which means tying your day-to-day to the KPIs at the very top of this document.

I promise that I will provide high-quality but critical feedback when necessary. I will do my best to give it early and often, but you can always ask.

I want to run a company that runs itself. I love our async, meeting-free culture, and it only works when the above stuff is followed to a tee. I will make aggressive decisions to maintain it. If there's not a fit–and I feel like the quality of our product offering is going down or not improving fast enough–I will let you know unambiguously that it's not working out:

Feedback on others

- Ideally you talk to them first!
- Ping Sahil directly if you have critical/constructive feedback on another team member and it's hard to relay directly for whatever reason

Letting go

I believe fit is two-way. That means if it isn't working for us, it isn't working for you, and vice versa.

To that end, this document lists our process for when things aren't working out.

Process

At least twice, I will intervene when I think you are not doing a good enough job.

I will follow up, at least twice, if I don't believe you have improved adequately enough, being clear about what I would expect.

After at least 2 weeks from my initial concern, I will let you know that there is not a fit, unambigiously, to let you know to wrap things up. The message will look something like this:

Hey,

Based on the last few weeks' work I don't think there's a long term fit here. Happy to provide more detailed feedback if that's useful but we can start to wind things down.

I'm sorry it didn't work out. To be clear I think you did good work, it just wasn't as clean of a fit as I need it to be in order to scale Gumroad going forward.

Please let me know which tasks are outstanding and how much time you need to wrap them up or you can pass them onto someone else (I'm also happy to help w/ this).

I will let you own communication to the rest of the team, but let me know if you'd prefer I handle that.

Wind down

If you've been with Gumroad for at least a year, there will be one quarter of wind down time. You can work 0-100% of your usual hours as you find a new situation.

Shipping Pipepline

We want working at Gumroad to feel like working on a well-documented, open source project like Rails. Except it's not open source, and you get paid for it.

Everything in here should be reflective of [What matters most](#): save others' time, be accountable in an asynchronous fashion, ship high-quality work, scale yourself over time via process and automation.

Learn from others!

If you make a different decision than copy-pasting what others do, please have a good reason for it (and call it out ahead of time).

Having ideas

Ideas come from our customers. We discuss these ideas in Slack, and add them to the **Icebox** we decide it's worth working on soon.

Included in ideas are:

- **Technical debt:** Technical debt issues are picked up in Slack weekly.
- **Bug fixes:** Also prioritized weekly in Slack. Generally once two creators report the same bug it is also solved ASAP.

Within the icebox, **all cards** flow from:

- No Status, to

- Scoping Needed, to

- Design Needed, to

- Building Needed, to

- Next up (once shipped and ready to be talked about)

   If there's no launch needed: After a post-mortem dashboard is created in Metabase, the card can be deleted from the Icebox.

This pipeline is included at the bottom of each card, so you don't have to remember it.

Building

Engineers are responsible for the feature while it is in the **Building Needed** column in Notion. It stays in this column until it is completely shipped and in production.

Once it is ready to be talked about, it is moved to the 🚀 Next up column.

That said, not everything moves to the Next Up column. Small tasks and bug fixes that are not worth tweets or blog posts are deleted right away. Examples:

- "Implement new vertical navigation" → 🚀 **Next up**
- "Redesign profile page to make it more simple" → 🚀**Next up**

- "Add padding to button XYZ" → **delete**
- "Validate file size in backend" → **delete**

Updates are pushed to Notion as comments at least every two weeks.

Marketing

Sahil writes tweets and email blasts to launch each feature, using screenshots created by the design team. These are located in Figma, which is linked to from the Notion card for each feature.

Cadence

Individual cadence (weekly)

We recommend a weekly flow like this to get your work done and stay roughly in sync with everyone else (though to be clear, we require zero synchronous communication).

- Mondays:
    - Reply to Sahil saying what got done last week in Slack
    - What are you working on "this week"
- Do all work that is blocking other folks. This mostly includes:
    - Look at issues and PRs marked **priority** on GitHub
    - Review all pull requests assigned to you
    - Address any outstanding questions in #support in Slack
- If you're running out of work, pick new tasks from the Icebox
    - Try to tackle 1 technical debt issue a week
- Resume ongoing work!

End of week:

- If you're done working for the month, submit an invoice via Flexile
    - See more: Getting paid

Team cadence

We don't have teams. Everyone works on individual projects. If an idea requires a "team," it is broken down into at least two projects (e.g. design, front-end, back-end).

For context: There are twenty-five of us, all working remotely.

Company cadence (quarterly)

- We set goals for the quarter in the first 2 weeks, scoping out the tasks in the Roadmaps using [Shape Up](#) methodology.
- The rest of the time is spent shipping. This is aspirational.

Recap

- Ideas are discussed in Slack first, but aren't official until in Notion
- Tasks get pushed to the ‣
- Designing happens in Figma
- Once the design is settled on, the scope in Notion is updated to reflect Figma
    - This should be done by the end of the first two weeks of each quarter
- Draft PRs are used in GitHub until ready for review
- Assign a reviewer using the **assignee** field when ready for review
- We rarely use videos to communicate, as they're slower to consume than text and images; if videos are important, embed them directly
- The engineer is responsible for shipping it to 100% rollout as well as creating a Metabase dashboard to track usage of the feature–this informs the marketing!

If we nail the above, we can avoid meetings. If we can avoid meetings, we can pay people more per hour and allow people to live their lives/control their calendars.

What's not so good at Gumroad?

Note: We don't think these are necessarily bad*, but may turn some folks off and want to be as upfront as we can be.*

Working at Gumroad isn't perfect. Some of those things are...

- **Creators we disagree with may use Gumroad.** Of course, there are many things we *totally do not allow*, but there are also lots of things that we do allow that aren't great either.
    - Message Sahil for examples!
- **There's not a lot of socialization.** We're a bunch of part-timers making this thing happen, similar to an open source project like Rails.
- **There's not a lot of room for growth.** We're staying profitable, and not planning to double the team every year. While there will likely be a few leadership roles, there aren't plenty of them and they aren't built into the career path of working at Gumroad.
- **We are open-minded in regards to crypto/NFTs, etc.** We are a technology company, and we will embrace new technology if it helps creators and digital entrepreneurs turn their ideas into income.
- **No PTO, health benefits, perks, etc.** We may add this in the future–in our own way–but don't today. We compensate with a good hourly rate.

To be clear, you should read the above and remain excited about working at Gumroad. The work we do isn't easy, and spots are limited. If you're not, it's not a fit.

Getting paid

Please send your invoice for the month via Flexile as soon as you're done working.

Earning equity

<aside> 💡 We are exploring a new plan that will increase base cash comp and allow flexers to choose if they wish to take any of it in equity.

</aside>

Once a year, we will look back one year and give you an additional 100% (starting 2023) of your billed hours as a bonus in the form of Gumroad stock options.

We will issue non-qualified stock options for work billed in 2023 in Jan 2024. See more here: https://www.morganstanley.com/cs/pdf/NQSO-Basics.pdf

Process

- 409a valuation: this is done after every fundraise or once a year to re-calibrate the value of a share of common stock (the stock we get, versus the preferred stock that our investors get).
    - The core diff. between the two: if Gumroad sells for $5M, preferred make $5M and common make $0.
        - This is done for two reasons:
            1. So you don't raise $10M, then sell tomorrow for $10M, and pocket half. (e.g. fraud prevention)
            2. So that the common stock can be argued as worth less, lowering the tax burden when exercising these options (converting them into stock by paying the strike price).
- Look at billed hours for the year for currently-active contractors, multiply by 100%
- Use last public valuation and fully diluted share count to calculate options per person

Math

There are two important numbers to value your stock options: the Exercise Price and the fair market value (FMV) of the stock.

The FMV is the current common stock price indicated by a 409a valuation done by a third-party valuation firm. The Exercise Price is the share price indicated on your option grant. This was the FMV at the time the option was granted. The company is required to have a 409a valuation completed at least every 12 months, or after any priced stock sale. The issuance of a SAFE security, which is not a priced stock sale, does not trigger a 409a by itself.

Typically, if the company is doing well, meaning sales and profits are increasing, then each subsequent 409a valuation will result in an increased FMV. At the time a stock option is exercised, if the current FMV is higher than the exercise price, the optionee may be required to pay taxes on the spread (FMV - Exercise Price = Taxable Gain). If the exercise price and FMV are the same, then there is no taxable gain. In the case of US-based option holders, upon exercising via Carta, the company may be required to collect this estimated tax from the option holder along with the exercise price.

The other important, but different, indication of value is a "Valuation Cap" which is typically included is a SAFE security. In the case of Gumroad, we have issued SAFEs with $100m and $250m valuation caps. The valuation cap is an indication of company value, but is not the equivalent of FMV. We use this to determine the "Calculation Price" used in the annual option bonus calculation (Valuation Cap / fully diluted shares = Calculation Price).

Below are the different pricing results we have used recently:

- According to the 409a in October 2022: $2.58
- According to the 409a in September 2024: $4.30
- According to the $100M crowd fundraise in March 2021: $11.38

Qualifications

- Must be currently engaged with the company and have worked and billed in the three months prior to bonus issuance, which will be between Jan-Mar each year (for the prior calendar year).
- Must have billed greater than $10k for the year.
- Only available to independent contractors, or contractors working through their wholly-owned company, but not to contractors working through another firm.

Bonus Details (updated July 26, 2023)

- Eligible beginning 1/1/20.
- Calculated annually.
- Bonus Value equal to 100% of the billed amount in the prior calendar year.
- Number of shares is calculated using the fully diluted share price ($11.38) associated with the last public SAFE valuation cap (currently $100M)
- Option Grant Bonus = Bonus Value / Calculation Price.
- Option Strike Price equal to last 409a FMV.
- Vested 100% on issue.

- Must be exercised within 10 years after a non-worked/billed quarter.