School of Media Studies

THE NEW SCHOOL              June, 2012

COMPANY VALUES

The Founder’s Instructions to a New COO

Dan Howard had been hired by Janish Gidumal, Founder and CEO of FourSteps.com, to be the chief operating officer (COO) of the successful Internet company. FourSteps had 500 employees working in various locations around the country, with 80 percent of them in the headquarters offices in Silicon Valley. Dan was delighted with his new job. He had worked his way up through the marketing division at Oracle, and he wanted to get into top management at a startup so he could get a significant number of stock options (equity) before FourSteps went public (an IPO was planned some time in the next year). Dan felt he had earned the right to have a big payday.

When Dan interviewed for the job of COO, Janish had taken him on a long walk, the way the legendary Steve Jobs and Mark Zukerberg were known to have done when they interviewed job candidates. Janish asked Dan a number of questions and, finally laid out to him FourSteps’s purpose and mission.

Dan had told Janish, “I’m really excited to be joining FourSteps at this time in its history.”

"Well I'm glad you're excited,”Janish had replied. “You're the right person for the job and I want you to remember three very important things: First, our product is more important than money. FourSteps makes money so we can serve our customers better. Our superb product always comes first. Second, whatever church you go to, spend time with it, get involved, and give back to society in some appropriate way. We have an obligation to serve the local and global community, not just a business obligation, but a moral obligation to do no harm to this planet and its inhabitants. Third, FourSteps’s most important assets are our people; they know more about our products and our customers than you or I ever will. Listen to them; let them guide you.”

When Dan told a friend about his hiring interview several weeks later, he was able to repeat word-for-word the conversation with Janish. Dan related how he was surprised by the message.

"I've been in the business almost twenty years, and I've never heard anything like it. No 'make money' or 'no surprises' or 'don't spend too much money' phrases," Dan said in astonishment. "I remember being interviewed for a promotion by the guy who ran the division I worked for at Oracle. The first thing he said to me after yelling at his assistant was, 'What would you do to someone who criticized your boss?' Other than Apple and Google, all too many companies care about is petty politics and the bottom line. Janish really cares about the product, his church, and his people."

Dan's friend asked him, "How are you going transmit these values to your employees when you’re the COO?"

AUTHOR'S NOTE

While the incidents in this case are not factual, they do represent a composite of actual events and common operating practices. This case was prepared to use as a teaching tool.

ASSIGNMENT

1. How should Dan transmit Janish’s values to FourSteps employees?
2. How should Dan handle the church issue?
3. How should Dan deal with the message “our product is more important than money” in a company whose employees are looking forward to an IPO within a year?