In Order to Scale, You Have to Do Things that Don't Scale

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https://mastersofscale.com/brian-chesky-handcrafted/

These are my personal notes. It's **not** a full transcript of the essay/article. It's **not** an official summary. If you like these notes I strongly encourage you to read the original source in the link(s) above.

It was 2008. An election year in the United States. Barack Obama was running against John McCain. Brian was at the Democratic National Convention, hatching a PR campaign for **AirBnB**.

AirBnB founders decided to sell collectible breakfast cereal boxes. They called them Obama O's like Cheerios and Cap'n McCain's. Brian and Joe had to physically make the themed breakfast cereal boxes themselves, meaning get a printed poster board, to fold it and hot glue it. They sold ten thousand boxes of themed cereal for USD 40 a box.

Over the last 20 years, Reid Hoffman worked on or invested in many companies that scaled to 100 million users or more. But here's the thing: You don't start with 100 million users. You start with a few. So stop thinking big, and start thinking small. Hand serve your customers. Win them over, one by one.

Now this may sound like odd advice if you're an entrepreneur with global ambitions. Mark Zuckerberg didn't personally invite 1.8 billion people to Facebook. He built a great product, and the users just poured in. Right? Not exactly.

A dialogue between Brian Chesky and Paul Graham:

PG: "Where's your business?"

BC: "What do you mean?"

PG: "Where's your traction?"

BC: "We don't have a lot of traction."

PG: "People must be using it."

BC: "There's a few people in New York using it."

PG: "So your users are in New York and you're still in Mountain View."

BC: "Yeah."

PG: "What are you still doing here?"

BC: "What do you mean?"

PG: "Go to your users. Get to know them. Get your customers one by one."

BC: "But that won't scale. If we're huge and we have millions of customers we can't meet every customer."

PG: "That's exactly why you should do it now because this is the only time you'll ever be small enough that you can meet all your customers, get to know them, and make something directly for them."

After AirBnB founders commuted to New York from Mountain View. So they would be in Y Combinator for Tuesday night dinners and then Wednesday they would go to New York. They literally would knock on the doors of all of their hosts.

They came up with a perfect excuse to get in the houses: they would send a professional photographer to the guest's home and photograph their home. Of course, AirBnB didn't have any money and they couldn't employ photographers. So Joe and Brian would show up at their door to take the photos.

AirBnB didn't launch perfectly scaled services. They built everything by hand. Brian had a saying that <u>you would do everything by hand until it was painful</u>. So Joe and I would photograph homes until it was painful, then we get other photographers. Then they'd manage them with spreadsheets until it was painful. Then we got an intern.

At this point, manually, they would email the photographer and the host and connect them. The photographer would then send them the photos. They would go through each one giving feedback if they needed to be retouched. Then they would manually upload them to the host's website, their listing, one by one. It would take hours to upload. Multitasking was the name of the game.

After some time they automated the tools to make the process more efficient. They built a system where the host comes, they press a button, it alerts the system which goes to a dispatch of photographers, so it's all managed through technology. They get the job, they market through an app that we built, and then payment happens. The whole thing is automated now.

Note how they gradually worked out a solution. They didn't guess at what users wanted. They reacted to what users asked for. Then they met the demand through a piecemeal process. And here we come to the true art of doing things that don't scale. It's not just a crude way of succeeding on a shoestring budget. It also gives your team the inspiration and urgency to build the features that users really want.

In the early days of **Stripe** Patrick Collison paid close attention to his users. Patrick says they had a chat room where we would help customers with whatever issue that they wanted to ask about.

They were very distressed after a while to notice that occasionally people would come into the chat room while we were sleeping and ask questions, they wouldn't get any response. So they wrote a bot that would page one of us if somebody asked a question they didn't get a response after 30 seconds, would groggily, bleary eyed, wake up and help them and go back to sleep.

Paul English founded **Kayak**, an online travel service that finds the lowest available rates across different websites. For a number of years Paul had <u>his cell phone number as the customer service number</u>.

Someone at Stripe did exactly the same thing.

But let's be clear: The transition from the handcrafted phase to the massive scale phase is a challenging one. And I want to dispel any illusions that you can switch from one to the other with ease. In fact, it requires two opposing mindsets. You have to fully empathize with a single user. At the same time, you have to worry about everyone. I like the way that Brian describes the difference.

Brian thinks that the designing of experience is a different part of your brain than the scaling your experience. It's a different skill set. <u>The scaling experience is a highly analytical</u>, operations oriented, and technology oriented problem. <u>The designing of experience is a more intuition based human</u>, empathetic, end-to-end experience.

One parallel might be <u>writing and editing</u>. So the handcrafted phase tends to be more like writing: It's a more <u>inventive and creative process</u>. Whereas the scaling phase tends to be <u>more analytical</u>. It's more like being an editor.

At that point you tend to do more pruning. You realize: "Well this whole thing is magical. But if we focus on this 20 percent, we get 80 percent of the magic." So you prune. You compact. You distill. And you architect, so it can now run at a rocketship rate. You're transitioning the product or service over to a scale organization that can now run it. The organization needs a simple plan with very few errors and very little improvisation.

With the time it's hard to hold on to the handcrafted mindset. Still, I would argue that the sharpest founders never fully abandon the mindset, no matter how big their company gets. The organization will start having antibodies against new handcrafted things. It's a response that protects organizational efficiency. It says: "Look, this new thing? We can't get it to scale. It won't operationalize. It won't fit within our process."

The reason that scaled companies have a hard time with this handcrafted process is all in the list of objections about why this won't work, why this shouldn't be integrated as part of the company. And so what you need to do as a founder is to be extremely choiceful of which handcrafted innovation you choose, and how you protect it organizationally. You need to protect it because the natural reaction of the scale organization will be to kill it.

If you have a tiny startup, I have good news for you. Now is the moment you can take the most daring leaps of your career. <u>Dream big. And act small</u>. Pay passionate attention to your users. Handcraft the core service for them. Create a magical experience. And then <u>figure out what part of that magical handcrafted thing can scale</u>.