Company Building

An Interview with Claire Hughes Johnson, Corporate Officer and Advisor, Stripe

EDITORS' NOTE *Claire Hughes Johnson serves as a corporate officer and advisor for Stripe, a global technology company that builds economic infrastructure for the internet. Previously, while serving as Stripe's Chief Operating Officer, she helped the company grow from fewer than 200 employees to more than 7,000. Prior to Stripe, she spent 10 years at Google where she led various business teams including overseeing aspects of Gmail, Google Apps, and consumer operations.*

Claire Hughes Johnson

She is a board member at Hallmark Cards, The Atlantic, Ameresco, and HubSpot, and also serves as a trustee and the current board president of Milton Academy. Johnson earned a BA in English literature at Brown University and an MBA in strategy and marketing at the Yale School of Management.

COMPANY BRIEF *Stripe (stripe.com) provides a fully integrated suite of payments products. The company brings together everything that's required to build websites and apps that accept payments and send payouts globally. Stripe's products power payments for online and in-person retailers, subscription businesses, software platforms and marketplaces, and everything in between. It also helps companies fight fraud, send invoices, issue virtual and physical cards, reduce friction at checkout, get financing, manage business spend, and more.*

Will you highlight your career and what do you feel were the keys to your business success?

Throughout my career I've been fortunate to work at two high-growth companies: I led teams at Google – working on products like self-driving cars and Gmail, among others – as the company grew from 2,000 people to more than 60,000; and I joined Stripe as COO when there were only 160 employees and helped grow the company to more than 7,000 today.

I wrote a book, *Scaling People*, which is essentially a step-by-step guide to how I've built my career, but in a few words, I'd say being very self-aware (which is a skill that can be learned), leading and managing with candor, and developing a robust operating system for the multitude of teams I've managed over the years have been the keys to success – and not just my success, but that of the entire team.

What interested you in writing *Scaling People*, and what are the key messages that you wanted to convey in the book?

Stripe's founders, Patrick and John Collison, encouraged me to write *Scaling People*. In their experience, and in mine, there are very few practical books about company building or management – particularly in the high-growth startup context. We think this advice should be much more accessible. I wrote *Scaling People* to offer an actionable handbook for managers and leaders of fast-growing companies.

What do you see as the keys to being an effective leader and company builder?

In *Scaling People*, I set out four essential operating principles that leaders and managers can use to help guide their decisions. They are:

• Build self-awareness to build mutual awareness. Self-awareness is the key to great management. Understanding your own values, preferences, and strengths and weaknesses allows you to build a complementary team and be open and transparent about how you can do your best work together.

• Say the thing you think you cannot say. Great management means voicing the difficult observation when something isn't working – but doing so in a constructive and empathetic way, so that you and your team can have an honest conversation about what's going on and work toward a solution in earnest.

• Distinguish between management and leadership. Great leaders set out a lofty vision and ambitious goals and inspire others to follow them. Great managers translate this vision into a set of day-to-day actions. In a high-growth company, you have to be both.

• Come back to your operating system. Your company's operating system is a stable, consistent foundation of practices and processes – quarterly goals, weekly team meetings and metrics reviews, 1:1s, offsites for big-picture thinking, and so on – that allows you to keep your company's and team's priorities top of mind at all times, no matter how hectic or complex the day-to-day becomes.

How critical is it to build operating structures that replicate in order to effectively scale?

Building robust operating structures is perhaps the most important thing ambitious leaders can do to set their company up for success beyond finding product-market fit. Operating structures form a consistent frame of reference for every team to understand how their work ladders up to the company's mission and goals, and for every employee to feel connected to the company and to their team – and to feel empowered to do great work.

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SCALING PEOPLE
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Tactics for Management and Company Building

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These structures, including founding documents, the operating system, your operating cadence, lay out your company's reason for being and the broader planning and accountability frameworks the company exists within. These elements should replicate down through the company at every level – for example, teams will have their own mission that ladders up to the company mission articulated in the founding documents. Without them, it is difficult to set your company up for generational success.

Do you feel that it is crucial to prioritize people management skills as a key to company success?

Absolutely. And prioritizing people starts before their first day on the job, with hiring. A comprehensive hiring approach ensures you can find the people who will thrive and who will have the most positive impact at your company. Hiring doesn't stop when a person accepts an offer – once you've hired them, you'll need to acclimate them to the company in ways that ensure they're set up for success and can carry forth the organization's mission and culture. If you believe talent is everything, then your hiring process – and everything that comes after that – should also be everything.

What are the keys to inspiring those who care about creating a strong company fabric?

There's no magic bullet to creating a strong company fabric, but in addition to cementing your operating structures, I'd also prioritize intentional team development, and thoughtful feedback and performance mechanisms.

Intentional team development is critical to building high-functioning teams that collaborate effectively, whether they're distributed or co-located – and that are set up for success when you've moved on. Managers and leaders should strive to make implicit structures and beliefs explicit. Codify your culture and working practices so that everyone is working from the same information about how to get things done from day one.

Feedback and performance mechanisms also allow a company to cement its culture and offer employees a framework for giving and receiving feedback that fosters improvement. The litmus test for whether your system is operating effectively? No one should ever be surprised by the feedback they get in reviews. ●