

MANAGEMENT

‘Give Away Your Legos’ and Other Commandments for Scaling Startups

Molly Graham helped forge a work culture at Facebook that's withstood huge amounts of growth. Today, she's something of a rapid scaling expert. Here's the key to doing it right, she says.



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Molly Graham now writes on Substack and heads up Glue Club, a community designed to help leaders grow their companies and themselves.

Molly Graham has seen a lot. Her team at Google leapt from 25 to 125 in just 9 months. During her 4+ years at Facebook, the company exploded from 500 employees serving 80 million users to 5,500 employees and over 1.1 billion users. (Her job was to sort out the culture, compensation, and performance systems to help make that possible — no big deal.) As COO of productivity tool startup Quip, she both laid the groundwork for her team to grow, and catered to a customer base of startups who had the pedal to the metal.

If there's one thing Graham knows for sure, it's that scaling comes with an utterly unique set of problems. Some of them are funny — like needing to replace everyone's big desk with smaller ones so all the new folks can fit, or moving into an office that's already too small for your growing team. But some of them are far more serious.

“If you've ever watched an extremely high performer go from killing it one year to struggling the next, you know what I'm talking about,” she says. “There's a unique feeling of ambiguity, chaos and stress that comes with doubling or tripling your team every six months. If you don't manage scaling proactively, you can end up in trouble.”

Here, Graham explains why scaling companies and teams is, in her words (and she's putting it lightly), “crazy hard” and what you can do as an early employee or a startup founder to make it easier on yourself and your team. She covers what rapid scaling actually feels like as an experience (something too few people talk about), the toughest phases of growth and how to survive them, and — most importantly — how you can anticipate the biggest challenges before they really hurt your momentum and your chances for long-term success.

In the Eye of the Storm

“I think it's important for people to talk about what it feels like to be inside a scaling company because it helps people realize how normal their experience is — and identifying that experience as a leader can actually help your team,” says Graham. She saw so many people struggling with the same emotions during her time at Facebook that now she actually gives a talk to people on her teams about it. “I call it the ‘Give Away Your Legos’ talk,” she says.

Let her explain.

“The best metaphor I have for scaling is building one of those huge, complex towers out of Legos,” she says. “At first, everyone’s excited. Scaling a team is a privilege. Being inside a company that’s a rocket ship is really cool. There are so many Legos! You could build anything. At the beginning, as you start to scale, everyone has so many Legos to choose from — they’re doing 10 jobs — and they’re all part of building something important.”

You have so many choices and things to build during this early phase that it’s easy to get overwhelmed. There’s too much work — too many Legos. You’re not sure you can do it all yourself. Soon, you decide you need help. So you start to add people. That’s when something funny happens on a personal level and to teams: People get nervous.

“As you add people, you go through this roller coaster of, ‘Wait, is that new person taking my job? What if they don’t do it the right way? What if they’re better than me at it? What do I do now?’” says Graham. “These are some strong emotions, and even if they’re predictable, they can be unnerving.” In order to get to a really high-functioning, larger team, you have to help everyone get through this roller coaster. If you don’t, you can end up with a real mess.

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If you personally want to grow
as fast as your company, you
have to give away your job
every couple months.

That's why her talk is about Legos. The emotions you feel when new people are coming in and taking over pieces of your job — it's not that different from how a kid feels when they have to share their Legos. There's a lot of natural anxiety and insecurity that the new person won't build your Lego tower in the right way, or that they'll get to take all the fun or important Legos, or that if they take over the part of the Lego tower you were building, then there won't be any Legos left for you. But at a scaling company, giving away responsibility — giving away the part of the Lego tower you started building — is the only way to move on to building bigger and better things.

“Almost everything about scaling is counterintuitive,” says Graham. “And one of the foremost examples is that reacting to the emotions you're having as your team adds more people is usually a bad idea. Everyone's first instinct is to grab back the Legos that the new kid took — to fight them for that part of the tower or to micromanage the way they're building the tower. But the best way to manage scaling (and one of the secrets to succeeding in a rapidly growing company) is to ignore those instincts, and go find a bigger and better Lego tower to build. Chances are if you pick your head up and look

around, there's a brand new exciting pile of Legos sitting right next to you."

That's one of the other counterintuitive things: Adding people doesn't mean there's less work for the people that are already there. It means that the entire company can do more. If one person was managing all of marketing before and then you hire someone to manage your content channels — the person who was doing marketing before is not going to have less to do. It either means that she'll be able to do the rest of her job better, or that she'll be able to take on new things.

"People think, 'Oh, that person joined! Now I can finally work a little less.' But that's almost never what happens," Graham says. "Adding people is the opportunity to find a new job (or the new version of your old job). But this requires individuals to freely give away parts of or sometimes all of their old job — handing over projects, programs, products, code that they probably built from scratch. It means trusting other people with something you care about."

For high performers in really fast-growing situations, this happens all the time. Graham emphasizes that one of the secrets of people who are really successful at fast-growing companies is how rapidly they're able to adapt to the chaos and uncertainty of adding new people. They become adept at redefining their jobs on a regular basis, and they become comfortable with the largely uncomfortable emotions that naturally happen when a team doubles or triples in a short period of time.

At Quip, Graham's job changes every three months. This doesn't mean her title changes, but the content of her work shifts radically. For example, she's gone from basically being the only sales person (and the marketing person too!) to functionally operating as VP of Sales and Marketing. "Every three months, I go through a phase where I'm a little uncomfortable and certain I'm doing the wrong

things or operating at the wrong level, but then it passes and I find my new job,” she says.



A week ago, someone might have told you they hate their Legos and want to get rid of them. But as soon as you hire someone else, they suddenly want to hang on to all of them.

Graham's had the benefit of conditioning to weather these changes. At Facebook, when they were onboarding 20 to 60 people a week, she got so used to ceding responsibility every three to six months that she considered it part of her job.

Her advice to managers? “Honestly, the best thing you can do is normalize what people are experiencing,” she advises. “As a leader, you want to head it off at the pass and proactively say, ‘Hey, this is what you can expect to feel during this time of growth. It’s pretty universal. Other people are going through the same thing. I’ve been through it too. There’s no need to be scared.’”

Help them understand that the emotional chaos they feel is normal so there’s no need to overreact. And in fact, they should often do the opposite of what their instincts tell them: Don’t latch onto the Legos

you had before. Give them away and move on to building the next taller, cooler tower.

“Listen to the questions people ask during your one-on-ones or in team meetings. When you start to hear a lot of, ‘So... why did we hire that person?’ or ‘Do we really need someone to do that job?’ or ‘Is Suzie going to take over this project?’ Those are the signs that either individually or collectively, you should start talking to your team about giving away their Legos.”

One thing you can encourage people to do is not fixate or act on their emotions right when new people come aboard. Instead, tell them to ride it out and see how they feel in three weeks or a month — that’s when they should be coming out the other side and feeling better. Maybe set a meeting up to chat after that time has passed to see how things are going. That’s a good way to keep an eye on how scale is affecting your team, says Graham.

The next best thing you can do is point to the new bright, shiny tower that needs to get built. At Facebook, one of her closest co-workers had built the beginning of a big project and their manager asked Graham to take it over. They wanted her co-worker to move on and focus on a new area that was even more important to the company, but she had a tough time letting go. “This was actually a very good friend, so it wasn’t that she didn’t trust me, she was just uncomfortable with giving away something she had started building,” she says.

“That’s when our boss did this brilliant thing — he gave her a huge goal. He basically said to her, ‘We need you to do the same thing over here only five times bigger.’ Immediately, my co-worker let go of every single Lego she was holding and ran to the new project because she was so scared and excited. It was like someone had flipped a switch and she was suddenly like, ‘Good luck, peace out!’”

One of the best techniques for getting people through job-change anxiety is to help them picture the reality of their next job and the size of the opportunity.

People get lost when they're overly focused on the job they used to have and they can't see what awaits them on the other side of these emotions.

"If you want to be one of these type of people who started at Facebook at 25 people and ended up running a huge department, you have to get really good at giving away your Legos," says Graham. "If you hold on to answering customer support queries yourself or writing all the blog posts yourself, you're never going to run customer support or product marketing."

The Phases of Scale

Graham says she sees this pattern again and again on teams she's led, with people she's coached, and with startups she works with at Quip. It seems like a fairly universal experience.

“At Quip, we hear from a lot of startups as they grow past 50 people, and as they grow through the 300 to 500 phase. They're looking for new ways to communicate, organize, and increase transparency in their organizations. They start looking for new tools in those moments in part because things are breaking. Those are very uncomfortable moments for scaling teams. It's when teams start to experience a lot of the growth challenges, and when you can start to see problems if you haven't proactively managed your scaling process.”

Just as the personal experience of scaling comes with a separate, unique set of emotions, the phases a company goes through each have a character all their own. As either an employee or a partner,

Graham has experienced each of these phases in turn, has absorbed the challenges that come with each, and has seen these changes handled both well and poorly.

What follows is a definition of each of these movements in a company's life, with one caveat: Like people, companies are distinct in how they work, look and feel. One startup may still feel like a "chaosfest" (Graham's word) at 150 people, while another might feel bureaucratic and static at the same number. It all has to do with the unique character of the company — how it was founded, who its founders are, its product, etc.

Graham claims that for the majority of companies, the true chaos of scaling (and also the formation of most of your company's identity) happens roughly between 30 and 750 people. After that milestone, the scaling emotions are more team-oriented rather than company-oriented — like "Wow, now engineering is growing so fast!" vs. "Facebook is growing so fast!" These phases and how to handle them apply to team scale as well.

30 to 50 Employees

"There's something really interesting that happens when a company can't fit around one table anymore — things just start to get a lot harder," says Graham. "Where it used to be simple to communicate, people suddenly complain that they don't know what's going on anymore. They don't know why you're making certain decisions. They don't know each other as well. They don't know what they should be doing. I've seen so many companies really struggle in this phase."



30 to 50 people is where you go from being a family to being a company, and everything starts to get really hard.

With under 30 people, everyone knows each other well enough to walk up and strike up a conversation with practically anyone. You don't even need to invest that much in communication. People can turn around in their chairs and talk to each other, and the priorities are clear because everyone's talking about them all the time.

“When things start to change at this tipping point, it's the CEO who feels it most,” says Graham. “I've talked to a number of people who are experiencing this and they say it's like night and day. At 50 people, everything that used to come naturally is now a struggle. And as a new leader, you start getting difficult questions that you've never had to answer before. I had a CEO tell me that someone asked them about their career path at the company, and they were like ‘I don't know! Why are you asking that? We have so much to do!’ Or you have someone ask, ‘How do I do XYZ?’ and you want to say, ‘How do you not know that?!’ But it's not their fault. Things have changed. You're a company now — not just a team — and you have to start acting like one.”

The best remedy here is to start writing things down — especially the stuff that's never needed to be formal or official before, like mission, values, philosophies. (You can see more of Graham's advice on how to approach writing these things down [here](#).)

“Who we are and how we do things — write that down as fast as you can before you hit rapid growth (ideally),” says Graham. “Yes, that

might seem like a nuts thing to do at 25 people when you have so many competing priorities, but it's beyond worth it. At 750 people, you can tell the difference between the companies who did take the time to be thoughtful and record these things and those who didn't." You also need to over-communicate. Once you've written down who you are and what you're doing in the world, you should always be talking about it constantly. It'll feel like you're repeating yourself every day and every All Hands meeting, but that's probably when you're communicating just enough.

Success at this stage isn't coming up with a bunch of bloated or premature process — it's about developing the right principles. This was Graham's focus when she was helping Facebook solidify its culture. "Before we came up with a compensation system, we created a compensation philosophy that would guide how we'd think about paying people going forward. The philosophy helped us evolve our system as we grew. It more or less still guides the way Facebook does compensation today as far as I know."

Philosophies can answer a host of questions about an organization: What does a high performer at the company look like? What role does feedback play? What is the role of a manager at our company? How can someone fail here?

"Too many founders have this tendency to take a really elaborate process they see working somewhere like Amazon and then just grafting it onto their company — like some huge complex performance management system or engineering roadmap process," says Graham. "At the end of the day, what early startups really need are design principles that tell them who they are, what they like, what they want to select for, and who they want to be. That is what helps you scale."

50 to 200 Employees

“If we’re talking about child rearing, this phase correlates to those years right before adolescence,” says Graham. “This is an incredibly formative stage where you’re still small enough to change major things, people are still able to listen to you and hear what you’re saying fairly easily. If we use the metaphor of building a house, this is the foundation — and craftsmanship is incredibly important. This is not where you want to rush things. If you want your team or company to have certain values, to care about certain things, to have diversity (of thought, of identity), the time to do it is in these first 200 people — or the first 100 if possible. After that, a lot of other stuff takes hold.”



Hiring is a network effect. The first 100 people you hire will define the next 200.

Google, Facebook and others have all conducted studies about what predicts the performance of a new hire. The single biggest indicator is who they were referred by. If you have high performers referring people, you’ll hire high performers. If you let low performers stay on staff because you’re too scared or insecure to fire them, then you’re building your future company in that mold. Early hires plant seeds. And what ends up growing depends on their character and commitment. That also makes this phase the most critical one for firing people (as unpleasant as that can sound).

“The biggest favor you can do yourself, the other people who work for you, and really even the person you’re firing, is to just do it,” says

Graham. “Otherwise you have really great people sitting next to low performers wondering why you’re paying them money. It really erodes confidence and has long-term ramifications. Really it should only take a couple months to assess whether someone is a good fit, and one of the healthiest things you can do for your company is — if the answer is no — part ways quickly. It doesn’t take a year to get to this answer.”

200 to 750 Employees

A company of this size has the temperament and biases of a teenager — and the growing pains to prove it. The personality and habits of the organization are pretty much molded. Now it’s all about scaling them as more and more people join. “You’re literally going through a growth spurt, and you have to really focus on getting your maturity to match your big feet,” says Graham. “A lot of how this phase feels has to do with how good of a ‘parent’ you were earlier on.”

That’s not to say you can’t make changes at this size. It’s just that everything is much harder — and gets increasingly so as you grow. Facebook was able to shift its personality away from moving fast and breaking things to thoughtful, rapid innovation after 700 people. But it was only possible, Graham says, because Mark Zuckerberg was so good at articulating what he wanted the company to do and feel like. After 200 employees, any shift in culture needs to be undertaken very deliberately and with a lot of work by the leadership of the company — the CEO, of course, but also the leader of every major department.

“Think about parenting an average teenager — you have to decide how to handle the bad habits they spontaneously develop. You catch them drinking or doing drugs, for instance. How do you handle it? Maybe it’s just the one time, or maybe it’s a sign of something you

actually need to address. It could be bad later on if you ignore it completely but you also can't overreact.”

At an organization, you can see bad habits like people acting like assholes and getting away with it, and you have to decide how to respond. Netflix's famous culture deck declares that they won't accept brilliant assholes. Sounds reasonable, but Graham would assert that there are many companies who do. “So the question is, what do you want your company to be like? When you see a trend over time that you don't like, you need to aggressively manage it. Otherwise you can end up with some really bad habits as a company.”



You have to pounce on any bad habits that could become part of your company's DNA. Whatever your company looks like at this stage is how it will be, floor to ceiling, when you're older and bigger.

Over 750 Employees

Typically around this point, individual people's identities shift away from the company and toward their team. They become Facebook

engineers, for instance, not just Facebookers. CEOs may start to hear questions like, “What does the marketing team even do?” This is also where politics start to emerge, gradually at first and then with greater momentum. Graham defines politics as the moment when people start to act in their own self interest rather than the best interest of the company. It's often shocking when it first shows up. It can be a sign that you hired too quickly or aren't communicating proactively enough about what behaviors will be rewarded, and about what you're doing in the world. Strong, constant communication with the leaders of teams is the only way to keep things healthy. Everyone has to feel that they and their work are clearly tied to the broader goals of the organization. Everyone has to own calling out bad behavior when they see it.

This is also when team leaders should look back at advice for CEOs to survive initial company scale. They can use most of the same tactics to keep their teams humming along without people feeling disillusioned or falling prey to the wrong priorities. You can also find great advice on team scaling from other experts [here](#), [here](#) and [here](#).

If Graham had to distill all of this advice into a simple checklist for founders eyeing rapid growth, here's what she'd say:

- Make a list of the qualities you want your company to embody. Who do you want to be? How do you want it to feel to work there?
- Write down what you're doing in the world. What's your vision for the change you want to make?
- Communicate these things again and again and again. Through all the channels. All the time. You can't overcommunicate these ideas.
- Focus on hiring quality people rather than speed. Don't lower your bar because you need to grow faster. It will come back to bite you.
- Fire people. Just do it!

- Hire amazing leaders as early as you can and help them grow their capabilities as the company grows.
- Prioritize principles over process.
- Keep giving away your Legos! And tell everyone around you to do the same. It's going to be okay.

Looking for another colorful startup building metaphor? Check out Graham's tips for [making friends with the monster on your leg](#).

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