

The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

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Jacob: Hello, everyone. Welcome to another episode of the Future of Work podcast. My guest today is Aaron Levie, the CEO of Box. Aaron, thank you for joining me.

Aaron: Hey, thanks for having me. There's nothing that I like to talk about more than the future of work. So this is fantastic.

Jacob: Exactly. We've had many conversations over the years. I have a lot of things that I want to ask you, but for starters for people that are maybe not familiar with the company-

Aaron: Yeah, that's offensive.

Jacob: Yeah. For people not familiar, what does Box do? How many employees do you guys have?

Aaron: We started Box in 2005 and what we do is we help companies securely share and collaborate and manage their information, their files in the cloud and be able to be able to basically work with people outside their organization, streamline business processes, deliver better customer and employee experiences. We built a cloud content management platform that effectively helps you work as a modern digital business. We have now about 2000 employees, we have 90,000 customers and we've sold to about 70% of the Fortune 500 or so. Companies like General Electric or Coca Cola, Procter and Gamble, Eli Lilly will use Box to be able to collaborate and share information both internally and throughout all of their business processes out to their customers and manufacturing partners, and ultimately to operate in a digital way.

Jacob: I'm sure many people listening to this either use Box or their companies use Box-

Aaron: Hope so. Or else I haven't done anything.

Jacob: Yeah, exactly.

Aaron: I'll have a lot to do.

Jacob: Well, before we jump into some of the Future of Work stuff I think the way that you started Box is just actually a really cool story. Maybe can you talk about how you started

the company because it was just what? You and one other person way back in the day and now 2000 people, how did all that happen?

Aaron: We started Box our sophomore year of college, we actually got the idea in 2004 and this was at a time where it was just more annoying than anything else but just really hard to share files and work on different computers. I was jumping between a classroom computer, a library computer, a dorm computer you had to have a USB thumb drive, you had to email yourself files, you had to-

Jacob: I remember those days.

Aaron: Yeah so we burn a CD. To me it just made no sense that the Internet was getting faster, browsers were getting better, storage was getting cheaper, why don't we just make it easy to store your files in one place and then access them from anywhere as opposed to have all these different other kind of tools and technologies to be able to work from anywhere. So that was the original idea. We launched Box in 2005. It was initially called Box.net and we got most of the initial funding from my co founder, Dylan who is really, really good, way too good at online poker. So he donated his or invested his \$14,000 winnings of winnings into the company and we launched it and fortunately people found it to be really useful and they started to use it and they started to use it in the workplace, they started to use it in college, they started to use it for the personal life and use it for business purposes.

Aaron: We got to a point down the road once we had dropped out of college and raised venture capital, we got to a point where we kind of had to decide between, do we want to be a consumer oriented company or do we want to sell to businesses and really solve business problems with Box and so in about 2007, we pivoted the company to folks entirely on the enterprise market. And at that point forward, the big idea was we felt like in the future, the way you were going to work and the way your business was going to operate was going to be fundamentally different and that you would need different technology to help you manage your information, help you secure your data, help you collaborate internally and externally. And that was really where the evolution of Box into being a full platform to help companies run and operate in a digital way sort of started to really emerge as our core strategy.

Jacob: Very cool. So actually, you guys got the funding from your co founders' poker winnings?

Aaron: Yeah. So it was initially Dylan who founded the company. And then after we got rejected by a bunch of venture capitalists, actually, Mark Cuban invested in the company. So Mark wrote us a check. And we were super fortunate to have him on board early on, we then decided that okay, if Mark is giving us a few hundred thousand dollars, maybe this is really, maybe we're actually on to something. So we decided to drop out of college because of that, and then moved up to the Bay Area.

Jacob: But I want to talk about, you said you got rejected by a bunch of VCs.

Aaron: Yeah.

Jacob: How many VCs did you get rejected by? And what were some of the rejections and how did you decide to keep going. 'Cause a lot of people whether it's at work or whether it's going to VCs if they get told no oftentimes they're like, "Oh well I guess that's a dumb idea." What was that rejection process like? How many of those rejections did you get?

Aaron: It was initially only about a dozen or so.

Jacob: A dozen rejections?

Aaron: Yeah is that low or high what are you-

Jacob: I would assume that most people think that, that's very high.

Aaron: No that was good week for us what are you talking about? That was like wow! The fact that people responded saying, no was actually a good thing. We were like, "All right we finally got a rejection."

Jacob: I love that reaction.

Aaron: So normally what happens is just nobody even rejected you, your email goes into a black hole and never find out. It was good it was good to get some real-

Jacob: Human response.

Aaron: Yeah exactly some real humans rejecting us as opposed to the pitches were going to black hole. But investors either felt like the idea was going to be too hard to compete with big incumbents, we were still going to college, we're going to be in college and do this idea, how was that going to work? And we were also just, really young at the time. I mean, we are 19 and 20 Dylan and myself. Dylan, my co founder, who's our CFO, he looked like he was 11 and a half years old. That didn't help probably either, because you've go to the VCs that are like, "Okay, I'm I meeting with, it's just like a middle school project? What's going on here?"

Jacob: Is your mommy here with you?

Aaron: Wait a second, well, I think our mom was probably dropping us off at the meetings. But basically, I don't necessarily blame anybody for rejecting us at that stage. It was a very nascent idea. It had a lot of risks to it. We got lucky a couple private angel investors gave us 20,000 bucks each and then Mark Cuban ultimately wrote a much bigger check, which was very exciting. And then and then with that, we kind of said, "Okay, this is a really serious thing. Let's go give it a shot." And then it was interesting, when we raised our series A investment which was more kind of traditional venture capital in Silicon Valley from this guy, Josh Stein at DFJ. That was actually a relatively straightforward round. We actually weren't pitching multiple investors. Josh invested very quickly.

Aaron: But then with our Series B, after we've had pivoted the company that was difficult yet again, because then we are pivoting people were like, "Okay, can you really build an

enterprise software company in the cloud? What is this cloud thing? Are people really going to trust their data in the cloud?" And we only have like a million in revenue. And so that was, again, where we got rejected by dozens of investors and we had to repeat that experience.

Jacob: Well, so how did you deal with all the rejection? I think that it's important for people just in the business world understand how to deal with rejection. And also how did you deal with the fact that you had this big idea of something that you wanted to transform, but at the same time, like you said, you guys were kids, you didn't have any credibility. You didn't have any like cachet in the space? How did you overcome all that sort of stuff to to get to where you are now?

Aaron: Well, I think on the rejection side, that one is really easy. We had a really delusional and just incredibly kind of optimistic view of what the future was going to look like and how we could actually go and build a company to go solve this. Once you think everybody else is wrong then you don't really mind the number of rejections you get because you're like-

Jacob: So just you guys were crazy?

Aaron: Yeah well we were just like, "You're wrong I mean that's too bad."

Jacob: Facts for you.

Aaron: Yeah I think there's a lot of things in our lives where if you have really deep conviction about something it doesn't really matter how many times people say that you're wrong. If for whatever reason that chemical in your brain is telling you that thing that you're right, it doesn't like, "Okay you don't see it the way we see it." And most of the time frankly, we mostly just thought, oh, we're probably not telling our story properly. Because we know, this is the future, we have 100% conviction of that. Now, sometimes there's sort of this difference between, you know that it's the future, and you have 100% conviction. But you can at least acknowledge that maybe you're not going to be the company that delivers it. And that was probably more of the feeling, which is like, "We know, for a fact, this is the future, maybe we won't be the company that ends up making this be possible, but we know that this has to be where the world is going."

Aaron: And then it was more just investors telling us that they didn't think it was going to be us and we're just like, "Well, fuck that we're going to do it." So that was I think what gave us that confidence and frankly it probably help the fact that this was our first real company. We had done lots of ideas in high school that didn't work, but this was the first real company so we didn't have ... We hadn't been beaten down in the past with anything. Then to your second point of, "Well so how did you actually do it?" At 22 years old, it certainly wasn't us. It was having an incredible team of people that we in some cases completely serendipitously hired, we hired our fifth employee, because we happened to be at a burger joint and we were talking way too loud about our strategy. And this guy reached over and he said, "Hey, are you guys building a startup?" And we're like, "Yeah, you want to join?" And he was like, "Yeah."

Jacob: Wow!

Aaron: Sometimes you just end up with these completely serendipitous hires. Our third and fourth employees were really close friends from high school, and they dropped out also. So the founding team was kind of that group. I think because of the really lucky and early hires, we built a team that could then help us realize this kind of crazy vision that we would go and disrupt how enterprises manage their data because of the cloud. And that's effectively what we were able to at least start the journey of.

Jacob: I love that story. And I think you mentioned something that is important and that is sort of like if you have this conviction around something and people tell you no, if you have that conviction, you'll keep going with it. But if you stop, then maybe you didn't have that strong conviction to begin with.

Aaron: Which is total. Now, I mean, obviously, some additional caveats. We had an easier set of circumstances like we didn't have kids that we had to pay tuition. There was a lot of really easy things that we had going for us that made handling that rejection easier because there was no consequence of the rejection. I think the key is, when rejection has no consequence, then it becomes easier to have conviction about. Obviously, if we had three months of rent left and it was going to end the business, maybe we would have made a different call. But at least given the circumstance we were in, we felt like we could just override that rejection.

Jacob: Well, I'm thinking in the business world for employees inside of companies that typically have ideas and you probably get this, do you get employees that come to you with ideas and you tell them no, and then they come back to you again and again and again. And they keep improving their idea and finally, you say, "Yes." Even in the workplace, you need to have that sense of conviction, because you're probably going to get told no. And if you just stop, it's kind of like, you know ...

Aaron: Yeah, there's a lot of what I mean, we're coming out of our annual planning process, or the past kind of month or so, and through this process we've been working on, what's our next year strategy? And what's our three and five year vision? And there's a couple areas where people have reminded me like, "Hey, I told you that that was what we needed to do three years ago." And I was like, "Yep, you're right. Yeah, you have evidence of this, you forwarded me the email. And to some degree, you do just need to have persistence in a workplace, because, for me, people were telling me maybe something three years ago that we definitely had to do and I didn't, I didn't have the aha yet. I didn't understand why I hadn't seen it firsthand and so I probably slowed us down in that area. And that person had given up completely on that. We could be in a far worse position but because they kept persisting, they kept driving it, now it's a core part of our strategy.

Aaron: So I think that, yeah persistence in the workplace on your ideas and your vision and where you're trying to go whether it's strategy or career is incredibly important. Then sometimes you're could be wrong and literally it's actually somebody needs to tell you that.

Jacob: Yeah I mean and sometimes executives and even CEOs they don't know everything yet and they need to have that aha moment and it's up to the team to help make sure that you can-

Aaron: I would say especially executives and CEOs have that because it would be hard if I operated every day willing to change my mind on 100% of all things. I could go through being just confused at all times. And so what that means is that I have very strong conviction on a bunch of things but some percentage of those things I'm completely wrong about at any given time. Which means that if you can't spot those things that I'm wrong about or an executive is wrong about, then we could be totally screwed if we don't pivot at what we're doing. So the only thing that can tell me that I'm wrong is somebody basically saying, like, "No, seriously, like, this is why you're wrong." And you might have to do that five times for me to fully agree, but it's completely necessary. I think that this is a completely, significant issue in any company.

Aaron: And this is why companies eventually get disrupted and why they go off a cliff is, you have an executive that is sort of seeing, that the path is being kind of a linear path from what they've been doing and what they know, all of a sudden something happens and there's a sort of left turn in the market, and because you're so used to how you've been doing things you don't adapt fast enough. So I think executives are extremely prone for this area of risk.

Jacob: I don't suppose do you have any particular examples or stories of how that's happened to you, that you can think about off the top of your head?

Aaron: I'd like to look good on this podcast. I think there's been lots of times where ... I'll give you only the philosophical. I think there's been lots of times where there's been areas where we did not invest in something fast enough because I was sort of too slow to act on a change in the business we had to make, or I had not sort of assessed or come to the same level of agreement that we had to do something differently. Then I'd say some large percent of the time the people that we're telling them that we're correct, and actually, I was actually slowing us down for making that call. Now, a couple times, I probably like, ended up keeping us on course, or whatever, an area where we shouldn't have changed where we prevent ourselves from maybe pivoting because maybe the signals were kind of too early to tell what to do. But often I'm more prone to move too slowly than I should.

Jacob: But you need to have that corporate culture. I feel like most companies in the world employees would not feel comfortable going ... Let's say you were the CEO of IBM or Pepsi or a company that's been around for for decades, I find it very hard that employees would be willing to come up to you in that kind of an organization and say, "Hey, Aaron, men, you're totally wrong. I don't agree with you. That's just nuts." I feel like they would just say, "All right, well, Aaron's the CEO, he said, that's what we got to do. I guess we just got to shut up and do it." You got to create that ... How do you create that culture where people can come to you and say that?

Aaron: Yeah, I think that we were a data point of one. And we got fortunate because we got to create our company when there were a bunch of lessons of how sort of these modern

cultures of openness and transparency sort of, were evolving and so I think both a mixture of the trend of more openness, more transparency, more collaboration, more agility, and the founding creation of the company, which was four friends who all knew each other really well. So we were used to calling each other out on our own bullshit and saying, "Hey, actually, your idea sucks, here's why." And so we had that transparency and that candor built into the fabric of the founding team, multiplied by some of our early executives that came from places like Google, where they tried to institute that type of approach. That let us kind of build a culture where, we generally expect everybody to be able to share their feedback and their thoughts and have a lot of candor when they think something isn't working.

Aaron: Now, you have to do that in a respectful way. It requires a degree of understanding, obviously, the social environments, you've got to be a really thoughtful about how you do that. You could create a lot of dysfunction in a high candor environment where people don't kind of do that in a professional way. But I think that we've tried to just basically have a set of philosophies that are really around openness, transparency, let people share feedback when they think something can be better than that. I am one of the one of the most important parts of people you need to call out because I'm going to go into a meeting and make a key decision and if I don't know that we're doing something wrong ... I try and encourage people to email me all the time with feedback or at the or whatever. But I'm sure that's not always the case that people are willing to do that.

Jacob: Yeah. All right, so I want to shift gears just a little bit, curious, what are some of the big trends that you're paying attention to in the world of work?

Aaron: You have to sort of start with what's happening in the world of business and then the work part becomes actually pretty, almost clear as a byproduct that. So in the world of business, what's happening is we have every single industry is going through a period of disruption and transformation where businesses are dealing with completely new digital threats. They're dealing with completely new patterns of consumer behavior, every single product and market is connected to the Internet in some direct or indirect way, which just causes business to happen faster. Whether it's automotive and transportation, healthcare, and life sciences, banking, even our governments, everything is speeding up. And consumers have higher expectations. We want more personalized things, we want better service, we want to be able to interact with, the companies that we buy from in a more seamless way.

Aaron: And that means that there's a lot of pressure back into companies to be more competitive, to move more quickly, to ship more products to be able to adapt to the changing landscape of where they compete, to be able to deliver better service. And so if you sort of start with the premise that business is fundamentally changing the digital age and we know all the stats of significant percentage of the Fortune 500 will probably turn over in the next decade or two, and S&P. So you've got a changing business landscape and that's putting pressure on managers and leaders and organizations to have to keep up with this new era of competition. That means that internally, our cultures have to be able to move and respond to changes faster. And the only way to do

that is if we're more open. We're looking at the same information, we're more transparent, people can make better decisions.

Aaron: We have the right kind of culture of agility, and being able to be dynamic so we can actually respond to these threats. And it means that we need to probably connect up how we work to, ultimately the operations of the company and the products and services that we're delivering to customers. And so the link is between work and the company and business in a really explicit way in the digital age. So I think what's happening is companies are kind of realizing like, "Oh, shit, is my organization prepared for this new era of competition and of business? And I'm I taking too long to make decisions? Do I have the right flexibility in how people when they make call and they learn new information, can they pivot quickly? Are we using data to make more data informed decisions in critical areas of the business? Or are we still going off and kind of gotten intuition? Do we have the systems that let our employees collaborate and communicate and work together as effectively as possible? Or are our systems slowing us down and impacting how we operate?"

Aaron: So that's kind of how we think about the what the future of work looks like. And I think that the best lessons I think of many areas of this are taught in the most competitive of industry so when you look at the digital ecosystem where you have companies emerging and disappearing every day, week, month, you get a lot of these lessons of, how do you build a culture that is resilient to the underlying dynamic changes in the business that is much more agile and that ultimately can work in this more modern way?

Jacob: Are you worried at all about the technology or AI automation, all that sort of stuff that people keep talking about, replacing jobs the apocalypse is coming?

Aaron: I think I'm more worried less about the apocalypse of the job part and more about the other destructive components of AI. I'm way more concerned about AI on things like cyber security and other aspects of you know possible military use of AI et cetera. And I think that on the job side I'm actually more optimistic than more of the common conversation which is-

Jacob: I here a lot of executives are optimistic. It seems like at least the ones I talk to.

Aaron: Well, I think that where we've probably been maybe overly myopic is to sort of think that like you take a job and you apply AI and then, okay you'll have fewer workers. But in practice, at least how we've seen our own use of machine learning internally and more and more customer examples, is AI machine learning is a support capability for employees and by making their processes more efficient because they can make better decisions faster, we can actually serve customers better which means that we actually probably have more of a need to hire more people to do those functions. So in most areas where better data has, has led to more efficiency, we've probably hired more people in those areas, not fewer people, because there's very few parts of our business that are optimally efficient. And as they become more and more efficient, you need more people because there's more demand for that service.

Aaron: So I think what we do is as a society, sort of imagine that we've reached some kind of asymptote of the number of people that could be hired or employed and then by making things more efficient, that number would then just drop and that's not exactly the case what happens is as we make things more efficient, there's often more consumption of those services or products or markets, and so then you actually have a need to bring more people into the fold. Imagine if you made healthcare way more efficient, would the healthcare industry be static or would more people use healthcare? And we can make it way better to be able to go and see a doctor. Are we going to spend less time with doctors or more time with doctors. And so those are the kinds of things where I think we missed the plot a little bit, which is actually these markets are all probably way smaller than they should be. And as we make the underlying technology and decision support systems more efficient, we're probably going to actually have more demand for these services.

Jacob: Yeah, I love the way that you put that. I'm sure a lot of people are wondering what is it like to work at Box? I mean, you are a company in the Bay Area, not everybody can see the video but you're sitting behind like this cool background so clearly you're not in a cubicle somewhere. So what is the environment like at Box for a typical employee? Is it nine to five? Is it free food? All sorts of crazy perks?

Aaron: We probably do have the required perks of being a Silicon Valley company, so you can get lunch and dinner here and you can get your dry cleaning and all of that. I think that the perks are just meant to ... Anything we can do to make your life a little bit easier when you're a Boxer we aim to do within the cost envelope that we can afford. But realistically very little of that is the thing that drives our culture. Our culture is built up of a value system and a set of people that we hire that we think are going to be able to operate well and both continue to evolve and expand and improve our culture through a set of dimensions that we care about, of are we blowing our customers minds?

Aaron: Are we delivering an incredible customer experience? Are we creating an environment where people feel like it's a safe working space where they want to come in, and they can work with a healthy team that they are proud to be a part of? Are we building an environment where people can get shit done and be as productive as possible and actually accomplish their goals and do something fulfilling with their time?

Aaron: The last thing people want to do is go into a workplace and spend a significant percentage of their time doing things that don't produce value. We don't want to move paper around or be involved in bureaucracies, we want to impact something. So we've tried to create a culture that has those types of qualities and try and continue to refine it over time and hire more people into it that we think are going to continue to add to that culture and that's sort of how we've built things up.

Jacob: How is it being in the Bay Area, you're competing against the Googles, you're competing against all the Facebooks, the LinkedIns that are all around you. What are you finding as far as the war for talent, competing for talent, attracting and retaining the best people to Box. Is that a huge challenge are the perks helping there? Or how are you finding it? 'Cause you're literally like right smack in the middle of all of these organizations? And it

seems like you're still doing quite well. So what is it that you guys have figured out that brings people in?

Aaron: I think for us, we get to uniquely live in this intersection of we try and move as quickly as a consumer Internet company and we try and have the type of innovation from a product standpoint and a product innovation standpoint that you'd expect from a consumer company. But we build software that powers some of the hardest problems for enterprises. So if you want to build software that you can kind of test rapidly and has billions and billions of objects that it works against and is in a large scale system that you would expect from a consumer company, but you can go solve how life sciences companies are discovering new drugs or medicines or how media companies are producing movies or how government agencies are becoming more efficient, or how consumer product companies, like Procter and Gamble might market a new product, that's what Box is going to be able to deliver.

Aaron: So you're going to be able to innovate like a consumer company, but it's all some of the world's hardest problems. And that's, I think, a very, at least compelling and competitive proposition for people that maybe would be normally consumer oriented or normally enterprise oriented, but they want a different type of perspective.

Jacob: Yeah. Now, that makes sense. Earlier, you talked about kind of the pace of change and how things are changing quickly. I'm going to ask you two things actually, on an organizational level, what do you think companies need to do to be able to stay relevant? And also on an individual level just for employees, I mean, even people that work at Box what should these individuals be doing to stay relevant and making sure that we have careers and jobs in the future?

Aaron: I know there's this age old sort of debate between do you need to be a generalist or a specialist in the digital age? And I think that the unfortunately my cop out answer is you need to bring a particular expertise to the table but you need to be flexible enough to know how to integrate that expertise and adapt with that expertise to a very, very fast changing environment. And so very few people within our environment are not world class at one thing, but we expect that there's a certain degree of flexibility and adaptability so we can throw you into different problems because of how quickly things are changing within our environment.

Aaron: In general, I know that can be a tough and sort of field to navigate but it's sort of the reality of the age that we're in, which is you don't want to be such a generalist that you're not great at, or world class at a thing or two, whether that's marketing or product management or design. But the world around us is changing so rapidly that I need to be able to take that skill and apply it in slightly different ways, given the nature of change happening in the business.

Aaron: This might be in the case of marketing, where people move between parts of marketing or functions and marketing or where they move between marketing and sales and product move between design and product management. But they're bringing a very strong skill set in one domain to the next. And that's, I think the world that we're in right now.

Jacob: That's more like on an individual level. So it sounds like individuals need to be these types of perpetual learners applying things all the time. What about on a company level? So how does an organization continue to stay relevant in this rapidly changing world? How are you guys going to stay relevant for example?

Aaron: There's only one answer to that, that is the timeless answer, no matter what period we're in which is, it's all about customers and if you are not building an organization that is helping your customers solve a problem and succeed in solving that problem, you will not exist in the future. Maybe 50 years ago we were in an era where all you had to do is get really good at distribution and then any product you sold could kind of work, we're not in that time period right now. Distribution is infinite, customers have infinite access to anything they want. And so we are in a product driven, service driven era where if you don't have the relevant product or service for your customer, you won't exist.

Aaron: That just means, that's just the definition of why businesses exist, and so we're just in a very heightened competitive landscape, because that means that people are have more choice, so they're going to compare you against more offerings. People are sort of taking one experience from one sector and applying it to another sector. So you have to be as good as the best digital experience in a different industry, not just your own industry.

Jacob: That's a new thing?

Aaron: Completely new. And never before did I compare my banking experience to my retail experience. And yet today, if my online bank isn't as good as Amazon, then I don't think that you're a modern bank. And if my transportation experience isn't as good as my retail experience, then I don't think you're a modern, transportation company. So everything about how we compete, the bar has risen and at the same time, we have to stay competitive for talent. We have to stay competitive for customers and so navigating this is the new reality of business.

Jacob: Not an easy world to be in for sure.

Aaron: No it'd be way better just to maybe just be a farmer in the 1800s.

Jacob: Yeah, exactly. I actually had an interesting question that was posted on LinkedIn from an executive of Fannie Mae, whose name is Kevin, I'll leave his last name out. And he said, he was reading a lot of articles about Box and he found this great quote, and he said, and this was taken from an article that he found, and it said, "An ownership mentality thrives in the implicit nature of Box's, product. Diminishing hierarchy, and inviting anyone regardless of the title to contribute to a project, hierarchy is a burgeoning indication of bureaucracy and startups the Box team is vigilant about avoiding it. His question was, how does the company maintain a non hierarchical org structure as it continues to scale and can the current culture be maintained?"

Aaron: Well, I certainly appreciate that comment. And that's at least the intent of our culture that was described. I think that you have to obviously have ... We have a hierarchy like

any other company because we think it's really, really important to get clear, decisions and mentorship and career development and you have to eventually ladder up decisions to kind of local points of ownership. So we have a hierarchy however, whether it comes to feedback or information sharing or transparency on how the business is doing or where the best ideas are going to come from, in the organization that I see as, that should be 100% flat. And there should be zero sort of association of the org chart hierarchy with how we share information, how we get ideas, how we go and execute.

Aaron: And so we've just tried to establish a culture that basically encourages anybody anywhere in the organization to share any idea to push back on me, push back on anybody and any chain of command of the company we have, we try and create as much sort of two way communication as possible. But there's a tremendous amount of attempted sort of conveying of information from executive team to the rest of the organization. So things like our financial performance, our business goals, how we're achieving those goals, what we're going to do next, we have more than a couple mechanisms in the business between a weekly all hands meeting and then a quarterly sort of bigger all hands meeting that goes through the business performance. We get all of our directors and above, so about 200 or so people in the company onto a phone call every week to go talk about the metrics, the key performance metrics of the company. And so the attempt is how do we create as much awareness to how we're doing so people can make the best decisions and use judgment to make the best decisions as possible? And that only happens if they have enough information to work off of. And so those are some of the qualities of the culture that we've tried to create.

Jacob: I love that you mentioned. So there's hierarchy in some areas, but not for others. So when it comes to ideas, information, collaboration, no hierarchy, but so you would apply hierarchy, like you said to things like coaching and mentoring and what were some of the other areas that you mentioned?

Aaron: Yeah. And to be clear, we don't think about coaching, mentoring, literally following a hierarchy, you want to have a manager that cares about your career and where you're going. And so, there is a really critical role for managers, even in a flat org structure. Obviously, things like major financial decisions, you have to have different levels of accountability or else you would have, just sheer chaos of how those types of decisions got made, and who is accountable for making those types of decisions. And then there are major sort of strategic types of choice points. Do you enter a new market and a new geography? Do you deploy? Do you build an entire new product category? Do you acquire a company?

Aaron: Those types of decisions, you need to have the right level of both, research and data and analysis, as well as the ability to be responsible for the ramifications for those decisions. And that is ultimately why you still have some form of hierarchy in a business so that way people can have, key decisions like that go up to somebody who can be held responsible for driving that change and be accountable if it doesn't work.

Jacob: Got it. Are there any unique workplace practices that are specific to Box? For example, one that I shared recently is that inside of Amazon, they don't have a PowerPoint culture. And anytime you want to share an idea, you got to write a six page white paper

and all the meetings start by everybody gathers around together at the meeting and everybody reads the six page white paper that outlines the idea, the pros, the cons, it's got data, everything. No slides. That's kind of something unique that Amazon does. Do you think there's anything specific that Box does? Whether it's around leadership or performance, whatever it might be, that is unique and specific to you guys?

Aaron: I don't know how unique or specific it is only because we haven't focused on it being unique. We just focus on the things that we think are kind of core to our business. But we talked a lot about how ... Obviously we have a lot of mechanisms in the company that really are meant to drive openness. Whether it's our weekly extended leadership communications or all hands events, or weekly all hands on a bunch of actors on just ways to drive openness and transparency. We try, and this is certainly not unique, but I think we do it quite well. We do a lot to encourage as much decentralized ideation and innovation as possible. So every six months, we have a hackathon throughout the entire company, not just product engineering and obviously the intent there is let's get ideas from everybody in the company around and have that influence our product roadmap and where we're navigating as a business.

Aaron: Everything we do is usually around ways where we could accelerate information, transparency, information understanding, context, open collaboration. I think actually, the question that you read a second ago is actually tied to the very product that we build. I mean, our whole software is intended to create the ability to share and collaborate instantaneously across any number of people. We're trying to model the kind of company and software that should deliver this type of openness and transparency.

Jacob: I'm really curious how your leadership style has changed over the years because like you said, you started the company when you guys were like 19, 20, 21 very young. Now, years later, over a decade later, are you able to look back at how your leadership style has changed over the years, maybe things that you've learned mistakes that you've made as a leader? Because I would imagine your leadership style, 10, 15 years ago, very different than your leadership style now. But you were put into this position of leadership when you were pretty much a teenager almost, which is something that most people don't experience. And now 2000 people, so ...

Aaron: I mean, the things that I've learned are actually ... I've mostly just learned the things that are like the bare minimum of what a good manager would do. And so it's been like a 15-year evolution to just get to that point. But you know what, when you're a founder, you are so passionate about everything and especially my background was on product and design as an example and so every single thing about what we build and how we deliver it and the key product decisions we make, I'm insanely passionate about. It's not necessarily that I personally believe that I have the best ideas, it's just that I care about every single detail and I can't help but get involved in trying to sort of see what's going on in those junctures. So 10 years ago that showed up as extreme micromanagement of everything and over time, you, you start to figure out, okay, there are some things that you're micromanaging that literally, you should just completely delegate completely, and I don't even need to know about.

Aaron: And then there's some things where you care a lot about the ultimate outcome and so you need to develop processes by which you get to at least share your opinion and your perspective and maybe push back and debate a little bit and then that's really where the organization had to build a bunch of processes to support our ability to scale key parts of how we were operating. Then there are a couple of things where I still reserve the right to be really in the weeds and in the details because of just my own kind of passionate and this is the one area that I like to focus on. I think the leadership I've had to work through on that front is, "What do you delegate? What do you hire for? What areas are you still willing to kind of pull the CEO card to kind of push on?"

Jacob: What are those areas for you that you like, to still be in the weeds on?

Aaron: I still to this day, really enjoy and care deeply about the design of our product, because ultimately, I think it's the final manifestation of, what we are delivering as a company is, there's an interface that people are interacting with. And so if you're a designer, within Box, you would probably agree that I can be very annoying, but my intent is to hopefully collaborate to get to the best outcome possible. And we've got incredible world class designers that I'm fortunate to be able to work with to be able to have those types of debates and those conversations. And then there's some things where because we have over time built up a very significant executive team and whatnot, can be fully delegated and I don't have to have that level attention on.

Aaron: But I think that one interesting thing in this entire journey is culture ends up being the thing that you can never ... You can't delegate culture. You ultimately own your culture. The people you hire, the people you fire, the parts of the culture you reinforce, the parts that you don't talk about from an omission standpoint all of these things are my responsibility. So I have to make sure that 2000 Boxers are aligned in terms of where we're going and how we're going to get there, and the behavioral sort of agreement on what we're going to be as people how we're going to work together. But that's not something I can delegate, I'm fortunate I have amazingly great people that help drive that but that's something that again, you still have to own even you scale.

Jacob: Do you work with a coach or a mentor? Or have you in the past to kind of influence your leadership style or is it all just kind of been what you've noticed and kind of your just own unique style for everything?

Aaron: I think it's been a lot of great mentors over the years, companies that I've respected and I've been fortunate enough to spend time with the CEOs of those companies, in a few cases and be able to kind of, scale ideas and pull things together and then take parts that I think make sense. With our parts that be don't apply in the same way, I think we're a concoction of lots of influences from lots of different places.

Jacob: How do you restrain yourself? So you say that there's sometimes you just want to jump in, like, for example, for design. And I hear this a lot from managers or executives who sometimes they know the right answer and they have to restrain themselves. Because oftentimes you want your employees to come up with that idea so they have that level of autonomy, that freedom so that they're not scared to come to you with feedback. But meanwhile there's that voice in the back of your mind that's just kind of like, "What are

you nuts? No, that's not how it's ... " So how do you restrain yourself and let your employees make the mistakes and come to the decision themselves when you already know something is right or wrong?

Aaron: Well, I guess the first caveat is even the times where I know something's right or wrong I ... Except a very large degree I don't actually know that is right or wrong. So that's the first thing. I fortunately learned that over a 15-year period is the things that maybe 10 years ago I was like, "I know for a fact I'm right." You then learn, "Oh, actually, I wasn't right." And so you almost check yourself over time, which is like, "Okay, hold on. Maybe I'm not right and I should, inquire more, maybe I'm missing something, maybe there's something around the corner that I don't know about that I need to kind of learn more about. But in general, once you at least get all the information possible to discover if you really have conviction that you're right or not, ultimately, I think it's a risk based calculation. And you basically are deciding what is the risk of us going and what I think is the wrong direction. And if it's low, then people can afford to try something out.

Aaron: Maybe, they'll iterate and it'll improve and if the risk is incredibly high, than their financial reputational or whatever, then you do have to basically say, "Hey I'm sorry we can't do this for whatever reason." And you try, and convey why you think that's the case so people can learn along the way and they don't have to kind think that you're a black Box of information. But I would say most of the time you're letting people go and try stuff and with the agreement that, "Hey, if this doesn't work, let's keep iterating." And because just most decisions that we're making are in that lower risk category. But occasionally you do have to say, "I'm sorry in the interest of speed, we have to make this call and we have to go left or right."

Jacob: Seems like the role of leadership and management is super important inside a Box. I'm really curious, do you have any particular training programs? How do you make sure you have the right leaders in place at Box to help kind of propagate this? And have you ever had to deal with a manager or leader who's just kind of, "You know what I'm used to the old conservative, hierarchical way, this transparency and flatter that's just kind of stupid, these people didn't pay their dues." Have you had to deal with anything like that? How do you get these the right leaders in the right place?

Aaron: Yeah. So on the first question, we do leadership development internally. It's an area that has still a lot of opportunity to build out further. So I'd say we're early in our leadership development journey with some really good kind of foundational components that have been put in place, but there's a lot more to go. And then in terms of, the types of leaders that sort of work well within this culture OR not, fortunately, the vast majority of our hiring processes has been able to filter out the kinds of people that won't work in our environment. We're somewhat subjective in terms of, looking for keywords and things that sort of imply that maybe somebody wouldn't be great in our environment or the way they treat interviewers or the way that they sort of think about hierarchy during the interview process.

Aaron: So we try, and pick up on as much of that as possible sometimes you don't have 100% hit rate and those people don't work out and in our environment, but usually it's a multitude of factors not that just, hierarchy was the one thing that they were not used

to, just because that usually comes along with other qualities. Maybe they're more political, maybe there might be different aspects of that behavior that show up in other negative ways as well at least relative to our environment.

Jacob: Yeah, that makes a lot of sense. All right. I know we only have a couple minutes left. So I just have a few more questions for you. Next one is specifically around, millennials are multiple generations working inside of Box. I mean, what is your demographic like inside of Box? Do you have a lot of millennials and younger employees there? Are they lazy and entitled? How are you dealing with this new generation of employees?

Aaron: I would say that millennials and I guess is Gen Z as the next one. I don't think I've seen that much of a difference from any generation of people just a different orientation toward openness and transparency 'cause they're generally used to ... They grew up with the Internet. So they expect I should have instant access to information, I should be able to do my job quickly. I shouldn't have all these roadblocks for being able to do work. In fact, I would almost argue the opposite of times, which is there's less willingness and tolerance to do the less meaningful work and there's more irritation when that kind of work happens purely because the company has not sort of modernized. So as an example we do summer internships especially in around engineering and a year ago, we were going around my founders, and I were going, co-founders and I were going around the table asking the engineering interns, "What do you think of the internship? Tell us your best and worst parts."

Aaron: One engineer basically said, "It took me three days to learn our code base and ramp up on the network and everything and there wasn't appropriate documentation and it was hard to find." On one hand, we can be like, "Oh, that's really entitled." On the other hand, we could like, "Shit this person's right. Everything that they just described should take two hours and yet we made them do that for a week or two." Most of the things that we sort of almost imagine are entitlement are, people wanting to do the real work, the interesting work and just over 100 years of business have created all of these points of friction that prevent people from doing the important stuff. If anything, millennials are almost just this like refreshing of people are who are coming in and sort of saying, "Why do we do things that way? It doesn't make any sense, 'cause I just came out of college where we could use the Internet for all these other things, and I come into work and everything is so slow. Why does my expense report process take three hours."

Aaron: And you might think that's entitlement and at the same time, though, that should be two hours and 45 minutes you should get back for the person to go do better work and not waste time in an expense report system. So in general, I think people want to do great work, they want to get ahead in their career, they want to be able to get to the next job as quickly as possible. All of these things are really good things that we should be building systems in organizations that can support the acceleration of learning and value and productivity of people that are coming in to work. I think one person's laziness is another person's ... You just have a fucking broken process that is causing people to waste their time.

Jacob: I love that approach. I think you're totally right. I think what a lot of people perceive as being entitled is basically just people saying, "Dude, this is broken." I've talked to

employees at companies who have these outdated workplace practices and you ask them where it came from, and they're like, "I don't know. I've just been doing this like this for 20 years, I don't know."

Aaron: It carried on from four generations of people in that job and you're just doing it in this wrote way not even thinking like, is there a better way to do this process? Then a new generation of worker comes in, and they say, "This is completely broken. This makes no sense." So yeah, people will complain about our conference rooms, and the video quality and the video system or this thing, and that thing. It's like, every one of those things are great points. Why are we wasting people's time from not letting them just do their best work?

Jacob: Yeah, so maybe instead of entitlement, people should be like, "You know what, you got a point."

Aaron: Well, it's expectations not entitlement and with expectations it means you have problems that you have not solved. I would just think about it as unsolved problems that a new set of expectations have come into the workplace that we now need to go and listen to.

Jacob: Well, before I ask you just some kind of fun questions. Is there anything else that you want to talk about or mention about Box or anything that you want to share as far as the future of work or future of business that you think people need to know about?

Aaron: Well, besides everybody using Box for the future of work, other than that key point, I think we've made a lot of ground. But well, I ultimately, I'm just incredibly optimistic. I think that the amount of sort of drudgery, and bureaucracy and slow processes, all of that work that we're so used to, from the industrial age and industrial sort of scale businesses, I think is going to change in the digital age. And the companies that understand that and get ahead of that and address it will be more competitive for talent, they'll be more competitive for customers. And the ones that don't, will go away. It's capitalism as a miraculous ability to solve these problems. And I think companies have to really look at themselves in the mirror and say, "Hey, I'm I building a kind of company that's going to be effective in a digital economy or I'm I building a company that's going to be ... Is more built for an industrial economy?"

Jacob: Well said. All right. So have a couple of fun questions for you. Before I jump into the rapid fire questions, the first thing I'm going to ask you is about your Twitter account. If people are not following Aaron's Twitter account ... I remember there actually used to be a time when I had more Twitter followers than Aaron. Now Aaron has-

Aaron: It's not a competition.

Jacob: But now you have two and a half million Twitter followers and your tweets-

Aaron: They're probably all bots, who knows.

Jacob: No but your tweets look like you have a comedian that is on staff. I have a couple of tweets here that [crosstalk] I have a few tweets I took from your account just so people can get a sense of the comedic genius that this man has. Here's one tweet that I love. Amazon is apparently testing a way to send you samples of products based on your order history. Finally, an invasion of privacy that actually benefits us. Another tweet that I loved, yesterday with minimal supplies I cleaned up for a whiteboard that hadn't been erased in over two years, and today I woke up completely sore. I believe that I've discovered the next CrossFit. And then another tweet that I loved, Benioff now owns Time magazine, Bezos owns the Washington Post. If anyone has a reasonably priced blog on medium for sale please reach out to me. [crosstalk] I was cracking off when I read that one.

Aaron: That's awesome I'm glad I could provide value for you.

Jacob: Where do these funny ideas come to you? Do you think about each one of these tweets, do you have a team behind this?

Aaron: It's really a lot less strategic than that unfortunately. It's just when you have five minutes of boredom on the Internet and that intersects with something really ridiculous happening on the Internet, and that's unfortunately the only algorithm I have.

Jacob: All right. Well for anybody that's not following you on Twitter. I hope they join you. All right, it's now a couple fun rapid fire questions for you. First one what has been your greatest business failure?

Aaron: My greatest business failure. Well, I'll give you eight failure. One time, we had a search engine that we launched in high school and it was called Zazap ad it was really, really fast search engine up until the point where it indexed more than 2000 websites. And then all of a sudden, it was one of the slowest search engines on the Internet. And so we had one of the worst scaling search engine technologies at the time. So I say that so far my worst idea was the world's fastest search engine that was not very fast after it reached 2000 links.

Jacob: What's the most embarrassing moment you've had at work?

Aaron: Oh, boy! Most embarrassing moment I've had at work... like I spill food on myself hourly, so I need something that's sort of better than-

Jacob: Than spilling food on yourself.

Aaron: Also, I do have a low tolerance for ... I mean I have a very high tolerance for embarrassment. So I think that's the other ... Probably most things that most people think I should be embarrassed about, I don't even know that I did, and so that's the-

Jacob: It's kind of like, whatever.

Aaron: Yeah.

Jacob: What are you most proud of?

Aaron: I think I am most proud of ... Certainly from a business standpoint our culture that we've been able to create as we've scaled to 2000 employees and beyond that, obviously I'm surely personally proud to have a great family and I'm very happy about that as well.

Jacob: What is the hardest business decision you've ever had to make?

Aaron: The hardest business decision was probably to decide whether to sell or not sell our company about eight years ago.

Jacob: Oh wow! That's a huge.

Aaron: Yeah, we were at a major juncture where we got a very attractive offer and we had to decide whether we wanted to sort of stay the course or effectively kind of go work for a new company and have a great financial outcome but really change the trajectory we were on as a business and the kind of organization we wanted to build. So incredibly gut wrenching decision but ultimately got through it.

Jacob: Well it seems like you made the right one.

Aaron: We're certainly very happy about how things ended up and now is to really go down the next journey that we're on.

Jacob: What's your favorite business or non business book?

Aaron: I'll give you just three that I think are the kind of foundational books of strategy in my eyes. Innovators Dilemma, I think is incredibly important. Blue Ocean Strategy, I think has been very helpful for thinking about sort of building these new markets. Then there's a lesser known book called Seven Powers that is really about thinking about competitive advantage and notes that you can develop. Those are the kind of the three books I recommend any entrepreneur that has to really think about strategy evolution and how you're building out your company.

Jacob: If you were doing a different career, what do you think you would have ended up doing?

Aaron: Different career, maybe like an amateur magician somewhere in the world.

Jacob: Amateur magician I love it. All right and last question for you. If you could get rid of one workplace practice inside of every company around the world what would you get rid of?

Aaron: I would get rid of, well there's a bunch of things. I can say some really scary things that nobody would like me to say.

Jacob: Scary. Yes. Scary is good. Scary that nobody would like.

Aaron: Well, I would get rid of conference rooms and not because I don't like conferences, but I don't like rooms. So I would prefer open areas where you come and congregate to work on issues, and you don't get kind of closed off in these little rooms. But I'm the extreme end of open office space and I know there's raging debates in the world.

Jacob: Yeah.

Aaron: But selfishly, I like to be able to go and kind of keep track of how things are going, what people are working on, where we're going as a business, sort of share information faster. And so I would take that to the extreme and I think I'd have a complete uproar and unrest within our organization if we did that.

Jacob: Very cool. Well, that was the very last question I had for you. Where can people go to learn more about you and Box and anything that you guys have working on, or anything you're working on? Anything you want to mention.

Aaron: I would just go to [box.com](http://box.com) and take a look at what we're up to.

Jacob: Very cool. Well Aaron, thank you so much for taking time out of your day to speak with me.

Aaron: Thank you. Awesome take care.

Jacob: Thanks everyone for joining in. Again Aaron Levie CEO of Box and I will see all of you guys next week.