

Video 45min - Sophia Amoruso - YouTube

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SPEAKERS

Jacob Morgan



Jacob Morgan 00:00

I was diagnosed with ADHD. And I read that you were also diagnosed with depression.



00:04

I don't want to be here. I'm a community college dropout. I was just trying to sell stuff on eBay.



Jacob Morgan 00:08

And how do you figure out your way? Or is it just destined to fail?



00:11

I mean, I grew up in the suburbs like middle class, I didn't know that I was entrepreneurial, until I don't have the time to put on a show, I don't have the time to pretend I'm more successful than I am, I need to work. I think everybody finds themselves there when there's hardship, and we have to keep going. I think it's a privilege to disappear. And there were times where I wanted to do that. But I also have a lot to offer. And I know that I can make a huge impact



Jacob Morgan 00:37

what hurt you the



00:38

most definitely the public scrutiny because nobody knows what actually happens. nobody actually knows who I am. Nobody knew the company's valuation. nobody knew

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Jacob Morgan 00:54

Everyone, it's Jacob here. And I'm very excited for today's conversation with Sophia Amoruso, the founder of Nasty Gal, she's also a best selling author of a book called Girlboss. She also has lots of other exciting ventures she's involved in including something called trust fund, and business class, which we will talk about a little bit in this show as well. One of the reasons why I wanted to talk to Sophia is because she has a fascinating story, just in general, not just even from the business perspective, just her life in general. She's gone through a lot of ups, a lot of downs. She created a very, very successful business. She went from being someone who was dumpster diving to and being caught stealing and shoplifting to somebody who created a company that was worth well over \$300 million to somebody who had that company go bankrupt to then starting another company. So she lots of ups and downs have really fantastic and amazing story that shows tremendous resiliency, and tremendous ability to move forward. If you subscribe to this podcast on Apple, you will also get a bonus episode where Sofia talks about vulnerability and how she has used it is actually a very powerful Leadership and Learning hack for herself. And we also touch a little bit more on resiliency as well. It's really a fantastic bonus episode, you won't want to miss it only available to subscribers on Apple. And with that being said, let's jump in to this conversation with Sophia Amoruso. Enjoy. I found your story. Very fascinating. It reads like a movie, which I know obviously, ironically enough, you had a Netflix series turned, turned after Yeah. But I thought we could get started kind of way back in the day because I read that you were raised in a Greek Orthodox Church. You had your first job at Subway. You as a very young person. Were doing dumpster diving, you were stealing things you got caught shoplifting. So take us back to the very, very early days of Sofia. Yeah. And what was life like and how did it progress from there?



03:05

Yeah, I you know, I grew up in the suburbs, like, middle class. You know, my parents, my dad's did loans for, you know, track homes, and my mom sold them. She was like working in the model homes on weekends. And I'm an only child I was always just kind of an angsty kid. I never really loved authority. And even in high school, I was like, there's a bell ringing and I have to walk from one room to the next. Each hour every time a bell rings and sit in a desk like what am I being trained for? No, it was like very angsty. And that's, you know, the traditional learning environment really wasn't for me. And it's cool that there's so many other options out there based on how people learn, but there weren't those for me. So, in high school, I decided to do homeschool for the second half. And moved out when I was 17. And I was actually going to anarchist book fairs in San Francisco in high school anarchist bookfair just like was like I want to



Jacob Morgan 04:10

Oh, man.



04:13

Yeah, there's anarchist bookstores and stuff. There's one on Haight Street. And then, you know, I was like, I don't want to work. I don't I can live on the scraps of capitalism. There's so much waste, and just decided to kind of do as little as possible and had a lot of odd jobs. The first one was at Subway I worked at a Borders Books that was in high school, but then it was like, you know, photo ops and record stores and shoe stores. And my last job he worked at like, Sharpies, Mexican restaurant and Dexter fears and I mean, it's like so many, like small, weird retail jobs. And my last job was working in the lobby of an art school in San Francis. So called the Academy of Art University. And I think I was paid. I don't know what \$12 An hour, which was kind of a lot of the time. So this is 2006 2006. And my job is a campus safety host. So I was just standing, sitting, standing, mostly standing in the lobby checking students and asking for their IDs, and telling them they needed to sign in and go to the second floor for admissions. And that was my last job. I had done a bunch of stupid stuff before then. I, the first stuff I sold on the internet was books that I stole from borders and sold on Amazon. You know, I learned the hard way that when you break the law, you end up in the hands of other people and stuck with authority. So it was like, Okay, I'm just gonna, you know, once I got caught stealing, finally, and this was like, I was like, 1819. I was like, Okay, I'm just gonna be legitimate, but I'm not gonna, like work as hard as possible, my idea of work was, you know, have a job where the delta between, you know, what I'm being paid and the effort I have to make as big as possible. So standing in a lobby kind of seemed like a fit. And while I was there, I started getting requests on MySpace from eBay sellers. And, you know, that's the next part of the story. But I wasn't, I didn't know that I was entrepreneurial until, you know, something, I found something that I was curious about, and ready to learn, and just go down that rabbit hole.



Jacob Morgan 06:44

It's funny, you mentioned something that I thought was very interesting. And that was when you were in school. And you had to go from classroom to classroom when a bell rang and sit at a desk and you were thinking like, what, what is that going to be preparing me for? And I guess now in today's corporate environment, we know exactly what that's preparing people for is to be for the most part, drones, who, you know, order takers and whatnot. So clearly, that didn't resonate with you, or with me, for that matter, and many, many other people. But thankfully, I think we've been doing a little bit better in the corporate world. It's getting making some progress over the years. For sure, yeah, absolutely. I read that you were also diagnosed with depression, ADHD, I was also diagnosed with ADHD when I was much younger. And I was put on Ritalin for a while. And later, I realized that ADHD could actually be kind of a superpower for me, because when I find something that I either really like, or I'm in the middle of doing, I could really focus on that thing. But it had to be something that really captured my attention. And so for me, I always viewed ADHD as kind of like a magnifying glass. And when you pointed at the right thing, you could just laser zoom in on it. Otherwise, I would just be going crazy. Did you find that to be kind of a superpower for you something that a lot of people thought was a weakness that you were able to leverage?



08:06

Yeah, absolutely. I mean, I was diagnosed with ADHD in high school, and it was just like, No, actually, this is just isn't the environment. For me, it was diagnosed with depression in high school. And it's like, well, look around, you know, I don't want to be here. Yeah, this isn't, if I don't want to be here, of course, I'm gonna be bummed. But it turns out that I actually do struggle with depression. And it wasn't a situational thing. And that's something that I've

worked through, you know, my whole life. And then with ADHD, I do think it has helped me I think, like, I can be really, really focused at times, but it is tough, because I do get distracted. And now with the amount of browser tabs that, you know, we can have open, it's just like primed for add, I think there's like a little bit of like, a manic curiosity. And I don't, you know, I don't, I don't think I'm on the spectrum per se. But for me, it's a little bit more of a, like, obsessive, I I'm so curious, I will spend all my time on this immerse myself in it, learn everything there is to learn about it and reverse engineer, everything everyone else has done and just do it differently, and often better. And that's, you know, I don't know if I can attribute add to that. But I do know, that add, to a certain extent allows me to make asymmetrical connections between things that other people wouldn't. And so those browser tabs ended up in folders together that that are sometimes unrelated, but still really valuable. And kind of a little bit radical sometimes in their pairing. Yeah. And



Jacob Morgan 09:45

yeah, yeah, that's interesting. Sometimes there is kind of logic in the chaos, so to speak, and I find very much that I work in the same way I you get a lot of browser tabs, and sometimes they're organized in strange ways. And then you look at it you're like, oh, yeah, I guess that makes sense. So take us to the lunch of Nasty Gal because this ended up becoming this huge, huge organization it was worth what was it worth at the peak, it was hundreds of millions of dollars, right?



10:11

was worth 350 million Manna for so I bootstrap Nasty Gal. Yeah, I started as an eBay store first year was 75k was 22. Second year was 250k. Third year was six and a half. And then it was 12. And that was profitably no debt, no investors no family money just flipping clothes, because I thought business was selling things for more than you bought them for not since you know, spending all the money, no one would have given me money. That was just the math I understood. And eventually, in 2012, venture capitalists came in and invested \$60 million and valued the company at 350. And I own 80% of it. So on paper, I was worth a ton of money. Yeah, ultimately, we built the company to over \$100 million in revenue.



Jacob Morgan 11:05

Did you know that 96% of the people who watch videos on this channel are not subscribed. That's pretty crazy, right? Make sure that you hit subscribe to the YouTube channel. So you can get notified when more videos just like this one are released. What happened from there because I understand and from what I read from what I saw, it seemed like everything was going great. Everything was on the up and up. And then some kind of challenges, some roadblocks started to come your way. And this is where I thought a lot of people who are listening this would learn a lot from your experiences the importance of being resilient, especially when they're growing, trying to create new products and services, leading teams. What ended up kind of changing the trajectory of the company because it seemed like everything was going amazingly well. And then all of a sudden problems started to happen.



11:53

Yeah, so I mean, I guess I'll just to start it, you know, I'm a community college dropout from Sacramento should the this chance of me having built a business that large is really really slim, was a super young founder, I wasn't trying to build a startup, I was just trying to sell stuff on eBay and followed my nose and got really good at it and and went from there, it was called Nasty Gal. So I guess, establishing just for the people listening, it's called Nasty Gal. Started with eBay, vintage clothing on eBay, and then eventually built my own site, nasty gal.com. And we had our own designs, and we curated from the market. And it got very, very big people were obsessed with it. And 2014 I wrote a book about it called Girlboss. It's been 18 weeks on the New York Times bestseller list, it sold half a million copies. And it put me on a map in a way that was beyond even the whole entrepreneur story that had happened where I was on the cover of Entrepreneur Magazine, and, you know, years before the book came out. So I was this kind of poster child. And so when I you know, before I get into the hard part, I think it's important to establish that there was this insane amount of hype, you know, we hired 100 people in a year, they were so stoked to work at the company. You know, I was this whatever golden child, female entrepreneur of which they were very few. I had written this book and inspired a lot of people and kind of got handed a responsibility that I didn't quite sign up for. But of course, as the CEO or leader, you sign up for kind of whatever happens. I didn't know what would happen. I you know, so you know, hiring 100 people in a year. It's like the Tower of Babel. I don't know how companies do that and integrate their teams. So for us, it was yes, very exciting. You know, we were there. Champagne clinks every day for some different milestone. But also people were joining the company and we didn't have processes in place. And eventually there was, you know, politics and five dumps and silos and cattiness and one team's culture was great, and another team's culture was different. So every team had a different experience of what culture was in the company. And I never set a culture. We said some words like no assholes, and like whatever work hard stuff like that, but it was like on the wall. And it wasn't something that we think had discipline about instituting as much as we could have. I never worked in an office or managed anybody when I started this company. I also had never experienced leadership leadership was management. And it was a clock in can you do this differently? Well, that was literally the leadership I had experienced. And as someone who started a company, and did whatever needed to happen and held myself accountable, I thought that the C level executives that I hired, would show up diagnose what needed to happen in the business and and do what needed to happen and hold themselves accountable. I didn't know that grownups whose careers were longer than my entire lifespan needed to be told, you know, how did you pay? Did you actually do the thing you said you were going to do? And then understand that people needed to be inspired. I, they were inspired. But you know, I didn't have I just didn't even have, I didn't have the empathy because I didn't have that same need. And I never really had a model for what leadership looks like. So it's just feeling my way around in the dark. And it was, you know, finding the gaps eventually and what wasn't happening. That was really interesting. And I learned the most about leadership from what I found out, I wasn't doing so nasty. I was on this amazing trajectory, we built the company to over \$100 million in revenue. Ultimately, we were overpriced. And we had spent more money to get to 100 million that we than we had anticipated. We were bloated, we you know, at that time, you had to have an engineering team to have an ecommerce site you there was no Shopify. At the time, there weren't as many, three PLS, or third party logistics companies that could have warehouses ship your stuff for you. We had to hire a huge executive at Davos and open a fulfillment center in Louisville, sign a lease for 100,000 square feet. So we were overpriced. We were bloated. Culture wasn't great, because we grown super fast. I didn't know what culture was, I didn't really know how to integrate those people, as we hired them. And as you know, growth kind of plateaued. We had a hard time fundraising, because we were priced at \$350 million, when

maybe even at 100 million in revenue super successful, the company might have been worth 200 or 250 million to someone at a private equity firm, or a strategic retail, you know, a buyer. So ultimately, it became really hard to fundraise. So we did layoffs, the book was published in early 2014. By the end of 2014, we had laid off, I don't know if it was 15% of the staff, I had never done anything like that before we laugh the PR team, like they know who to talk to. So that's part of it. And when you separate people from a company that they're so passionate about working for, and are inspired to work for and their identity hinges on the, you know, the fact that they're affiliated with this business, it's not just getting laid off. It's like, Oh, my God, my identity. Yeah,



Jacob Morgan 17:44

it's a tough thing,



17:45

my coolness, this, this social capital, I get to run around with saying I work at Nasty Gal, all of that is ripped away, I don't get to come to work and have fun here anymore. So that's when there were some, you know, headlines of toxic culture. And there, there was some I didn't know, what was happening in different rooms as a leader or especially a CEO, I think I can't really speak for leaders of orgs within a company, you know, about 10% of what's happening in your business at any given time. But you're held accountable for 100% of it. Yeah, that's nuts. Ultimately, you know, that's just what comes with the territory. But you don't know until people are like, Hey, this is happening. Don't you know about it? It's like, you must have co signed on this. It's like, No, I didn't know, that was happening in the row, you know, but it is my responsibility.



Jacob Morgan 18:39

It's funny. That's an interesting challenge that you make. And it's it's also interesting, because a lot of leaders that I talked to, you know, ask them, Have you ever received formal leadership training early on in your career, and a lot of leaders are like, No, we just kind of get thrown into it. And it's like, you hope for the best and, you know, see if you can figure it out. So it's interesting that you were put into this position. And I think a lot of leaders can relate to this. Because for most people who have full time jobs, when they get promoted in their first leadership role, many of them have no training, no experience leading, they're just kind of like, Hey, you're good at your job. Now they're managing 20 people. See you later. And you're kind of like, why What do you mean that you're going to teach me something already? So I guess looking back at that, what what do you wish that you would have done? So if you could kind of redo that process? And this is kind of speaking to a lot of leaders out there who are probably in a similar situation in their careers now. How can you better navigate that leadership? I don't know. Tornado, I guess if you want to call it without having somebody guiding you. Like how do you how do you figure out your way or is it just destined to fail?



19:47

I think a lot of people want to go from zero to the top really fast especially younger workers

I think a lot of people want to go from zero to the top really fast, especially younger workers. They want inflated titles. They want to be a director or VP after working at a company for a few years, they don't want to be a manager, you know, they want to go sit on panels, there's a certain amount of kind of, yeah, hierarchy glory that that people seek. And it's actually a disservice to them to promote them too early, and throw them in a position where they're actually not equipped to run that team. And they may even be employing people or managing people who know more about management than they do. But somehow they got promoted into that role. And they lose respect and the company loses credibility, I would I really think people should put in the time I wish I had worked in an organization, I would have done a good job, I would fire. But I would have been so much more prepared to at least empathize with or have a model for even if it wasn't trained for it, to have a model for what leadership looks like. So for those people, I would say go find a great person to report to. And if you're not learning from the person you're reporting to, like you're, you're not, there's not a, you're just getting paid. So you may be learning about your role. But if you want to move up in your career, your job is going to become about people and resource allocation and leadership, and holding people accountable when you aren't going to be doing the work anymore. You may not even want to do that.



Jacob Morgan 21:20

Do you want to learn how to create an amazing corporate culture, while avoiding the pitfalls that make for a toxic one. If so, I created a brand new eight part training video series just for you. In total, it's around 30 minutes in length, and you can get it right now by going to [help my culture.com](https://helpmyculture.com) Go there right now, before this training series disappears forever. Again, that is [help my culture.com](https://helpmyculture.com) and get access to this free eight part training series on how to create an amazing corporate culture. I guess there's still something to be said for. And I hate using this phrase, because somebody told it to me when I was much younger, and it kind of the idea of paying your dues. You know, climbing that traditional corporate ladder, I guess you could say. So some of that. And it's funny, because years ago, I used to be the person who says you don't need to climb the corporate ladder, the hell with it, like go do your own thing. But it turns out there is some value to going through that process, if you are working with and four leaders who can kind of guide you and coach you and mentor you and show you the ropes. Because that I think will really help set you up for success. And it sounds like you didn't have that a lot of leaders inside of organizations don't have that. And so probably the best piece of advice there is find somebody at your company, whether you report to them directly or not. Who can guide you show you the ropes and mentor you. And I think it's a an important piece of advice for people out there. You also mentioned culture, and you had 100 people and some companies out there have hundreds 1000s of people. How, how do you even create that culture? Because I understand how hard it must be even for 100 people. And I think sometimes the the challenge of culture gets lost. And it's very easy to say, oh, toxic culture, bad culture, you shouldn't work there. Can you talk a little bit about the challenge of what what does culture mean? And what is the effort that's required to actually create it in a way so that it connects with people?



23:23

Yeah. So I learned a lot about this both from doing it wrong. And then I did it right in my second company, girl boss. And it's something that I have a digital course for entrepreneurs called business class, and there's an entire module on building culture and leadership, it's the last one. And what I learned is that you have to hold yourself accountable to leading yourself with a level of discipline, in the kind of culture that you want to build you that whether it's inside your

organization or your team, if it's not your business, even if it's a team of one so even if it's just you, the culture that you lead yourself by is going to be the groundwork lay the groundwork for the culture that you then employ people and and model for them. So setting objective guidelines for what culture and success look like in your business from day one gives people something to point to and say, Oh, this is it rather than well Sophia said this, like anything you can make that people think is implicit making it explicit and saying I signed on for this we signed on for this. It's not my opinion, your or your opinion, this is this. These are the guiding principles of how we operate. It has to happen with your first employee, and you have to hold people accountable to it because performance will drop to the level of the lowest performer, if you tolerate that, like what you tolerate in relationships, what you tolerate in the workplace, what you tolerate in your organization, is what you're accepting. And it's what you can expect. So, you know, Netflix, I think has great, you know, their, their, you know, what guide, their guiding principles are pretty hardcore. But it's like, you know, we're high performers, if this doesn't happen, that's great, we'll pay you to go away, you know, but it's you set the expectations for your team based on who you keep, and who you fire, and also what the model that you set as a leader. And this goes for even taking time off. So, you know, I thought, Oh, my employees might think I'm distracted if I'm on vacation, but if I never take a vacation, they're gonna think that that's the culture and that they're not allowed to either. So what you model as a leader is what your team will model after you. And you have to hold yourself accountable to that. And you have to hold them accountable that and sometimes that means making unpopular decisions, and removing people from the organization, if that's not what they're living up to. The culture also means trying to get people there. Yeah, I've made the mistake of just like whack whacking people and being like, that's not the culture. But great leaders also help get people there. And they reinforce that. And they course correct. And I've seen really great, really people who are like, Oh, wow, you're actually talking to people like that be coached and learn and become great people that everybody loves working with, if they're given a chance, and they're given that feedback.



Jacob Morgan 26:36

So how does that course correct actually happen? Is it just a matter of a leader going to one of their employees and saying, Hey, I noticed you're doing this, because to your point, it's easy to just kind of, you know, slap somebody's wrist and say, Hey, we don't do that here. That's not our culture. It's another thing to actually get people to move in the direction of that culture. So how do you do that? And maybe kind of a second part to that question is what do you do when things get out of hand? Because as you experience the fiefdoms come up, toxicity starts coming in one part of the organization here and there and all of a sudden it spreads. How do you keep that from happening? And course correct? If it does,



27:14

you do it quickly. Because once once any toxicity or dysfunction permeates a culture, you can't, it's really hard to correct at scale, I would just be like, move your company to New York and lay everybody off, start over. Because you can't, you cannot retrofit culture into an organization. You can do it individually and catch something as it comes up and not have HR be a black hole where people go to complain, but have an organization where when something happens, somebody comes to their boss, and their boss deals with it. And you know, that's what they're, that's what they're expecting. So for us HR was just a place where complaints when she went to

die, unfortunately. So do it quickly. Treat people like adults. And I think there are really diplomatic ways of having conversations that are not personal, about somebody's performance, whether it's a bad attitude, or they're a low performer and saying, I mean, I'm like, What's the script for that I've employed great leaders, you can do things like that, I'm still challenged in terms of getting someone from here to there, I'm a very good Zero to One founder, which is why I'm an investor now. And I just want to do that over and over again, a bunch of companies, but it's sitting down and saying, you know, we're committed to you here. And, you know, when you join this was, these are the principles that guide our organization. And it's really important that we maintain those, you know, this came up, of course, give that person a chance to tell their side of the story and say, Well, okay, I don't really know what happened. But as a reminder, this is, this is, this is how we operate. And you know, if, you know, I want to, I want you to be a success here, but this is what's going to have to change. And eventually the conversations when you remove people or things like you know, it's okay, if it's not a fit, it's a double opt in. It's not personal. Yeah. I think the challenge with with lung young leaders and founders is that they try to be friends with their teams. And then it's like, you know, some big shock. I think, like teams, teams should be teams and not families.



Jacob Morgan 29:32

It's funny, because I'm sure you've heard the book. Well, I guess it depends who you talk to. There's a book that came out many years ago. What was it called the alliance and they talked about like tours of duty. And then there are some leaders I talked to and they're like, oh, yeah, it's a family and they literally use language. Like I love my people. And I'm like, really? Do you really love them? Because would you be letting them go if you love them? So I see the direction that you're going in and it's very interesting because I Mmm. I don't know, do you think it's good to be friends with your employees? Or is it good to have that separation? Because Gallup? I know, one of the things they do is some study, I think it's every year. And they say that one of the predictors of either engagement or loyalty is do you have a best friend at work?



30:22

I think teammates and peers can have friends at work. I think cronyism is really dangerous. I think clicking this is really dangerous. I think leaders need to set boundaries with their teams that they're, you know, whether it's being available during these hours, or these are the conversations we have, we keep it light, we don't hang out on weekends. You know, people, I guess, what was I gonna say? I think it's dangerous. And your ultimate responsibility as a leader or business owner, is to protect the larger organization. And if you have emotional attachments to people in the company, you may make decisions more slowly, than you would if your objective about how well someone's doing and how that affects the greater success of the business. And if your loyalties to an individual, and you let their low performance persist, it's going to slow the company down. And if your mandate, and it should be as a leader, and a business owner is to do no harm, you're doing harm to the company by not thinking about your responsibilities to the organization above any individual.



Jacob Morgan 31:36

It's funny, because I'm working on a new book on leading with vulnerability, which is coming out in October. And one of the questions I've been asking a lot of these CEOs is, you know,

what makes you feel most vulnerable and why. And one of the most common responses I got back from the CEOs is, they feel very vulnerable when they hire somebody, and they let them stay in their position for too long of a time, even though that they see that this person is coming, causing damage to the company, and they don't do anything about it. And they just feel like well, you know, I should give them a chance, or I know this person, you know, they would never do something to harm the company. And that's been one of the biggest regrets from a lot of the CEOs that I've that I've interviewed. I think it's precisely because you mentioned right, there's some sort of emotional attachment. So how do you balance that? Because we're all human beings in an organization? How do you keep that separation of, you know, we're working together, I care about you as a person, I want to know what's going on in your life. But like, don't screw up where you're getting the hell out of this company? Like, how do you how do you balance that?



32:43

I mean, just to your point about leaders feeling vulnerable when they let a low performer stick around the organization, sometimes. And this is contrary to what I just said, doing harm means removing that person. And being super strategic and understand the implications of taking one piece out of the kind of Jenga, knowing that, you know, understanding that the bigger harm you do by removing that person could be that an entire organization falls apart or just work falls to the ground, or there's no institutional knowledge and the organization that can take the team or the next person who replaces that person and keep a level of continuity within the business. So having benched I think is important. And scenario planning, and being thoughtful when you remove someone from an organization. If you don't, you know, if removing them doesn't put the company at risk, like, you know, yeah, take them out. But, um, you know, initially, I had old school HR guidance as a young founder and attorney saying things like, Don't apologize. Don't make it personal. I mean, of course, it shouldn't be personal. But you don't say like, I love you. You're like, Thank you for your time here. We can no longer Unfortunately, your role has been eliminated. Here's a piece of paper, you have two weeks, let us know, if you have any questions, this person will see you out. Like, that's a layoff and it shouldn't be a layoff should be shouldn't be a surprise. And no one should be surprised when they get fired unless it's something super egregious. And they're really out of touch with themselves, okay once in a while, and they'll probably sue you. But people revolt when they're not given a heads up that they're not performing well, or that the company is not performing well. So at Girlboss we did have to make layoffs during COVID. But we said hey, you know, because we had a little bit of a media company and we said hey, guys, revenue has gone to hell, we can't put events on brands have pulled their dollars. And we have an organization to support. We can't do that if we don't have a revenue. So we're just going to work as hard as we can as a team to get X amount of revenue in the door specific. And if we aren't able to do that, unfortunately, that means we can't support our team. And so everybody, you know, banded together, we did our best people were able to think about their next move, we placed people even if, you know, while we were maybe going to hit that number, and ultimately, we didn't hit that number. But when I laid those folks off, I got Thank you. Emails, like so different. And instead of toxic headline, toxic culture headlines,



Jacob Morgan 35:48

yes, human? Yeah,



35:49

I don't know if that answers. Does that answer your question? Yeah,



Jacob Morgan 35:52

it does. And it's funny reminds me of my wife used to work for a fortune 100 company. And she was laid off there many, many years ago. And she told me the story about how she and this was a company that was going through layoffs, you know, there were challenges. And so she just found out about it one day, and she shows up to the company, it's one of the world's largest technology companies, I'm sure people might be able to figure it out. And she goes in there. And there was a lady who was literally running a meeting, she had a headset on, she had like zoom open, or whatever it was. And she was laying my wife off while she was in this meeting. And it was so impersonal and so inhuman. And so like, get the hell out urine number. It's like your expired milk that's being taken out of the fridge and throwing out in the trash. And it's funny, because now when my wife gives talks on customer experience, you know, that's one of the stories that she tells the audiences around the world about how she got laid off and the inhuman experience that it was. And so I like your story that even when you're going through tough times, you can still treat people with dignity and respect and be kind to them and be human to them. Even when things are going tough. And I don't know why that's a hard such a hard thing for people to do. Like up keep hearing in the news, right with these layoffs that are happening. And whether you look at Elon Musk, or you know any of these other companies out there, it just seems like they're doing it in a way that is I don't know, it's almost like cold. It's almost like an assassin walking in there with like a giant samurai sword and just lopping people's heads off. Like, that's kind of what it feels like sometimes.



37:29

Yeah, totally. I mean, people are doing it over zoom. You know, they're just it's like it people really put a lot into their jobs. Yeah, you know, some people don't, but a lot of people really care about their jobs more than you would ever think. And there, they take pride in the work that they're doing. And they really do care about the people that they work with. And they care about the customer. And they care about the product. And if they feel aligned with the mission, if they're removed from the organization without any kind of humanity, or gratitude. It's really it's, it's dehumanizing. And I think that was like an old school kind of okay, here's layoffs, call everybody into the room. Yep. Kind of thing. And yes, that does happen. But I think always leading with gratitude. And, you know, you, you know, I just, I mean, we're just talking about layoffs specifically, but you've made a huge contribution here. And I'm so grateful for the time that we've been able to spend together, and I've seen you grow so much, and I've learned from you and I, you know, have seen you grow and I'm so excited for your future. Unfortunately. We don't have yeah, there's no role and the organization is fill in the blank macro conditions, low profile, you know, company not hitting its numbers, whatever, that parts. I mean, the whole thing is objective. But when you're grateful for people and the heart and soul that they put into their jobs, and yeah, treat them like adults, then, you know, you're like, you're,



Jacob Morgan 39:12



Jacob Morgan 39:12

you're protected. Yeah, I think it's important when you



39:15

don't do that. That's when they that's when they send threats.



Jacob Morgan 39:19

Yeah, yeah, no, I mean, it seems like you definitely learned a lot during the course of all these different things that you've been involved in. You won't want to miss my conversation with Sophia as it continues for subscribers of the show on Apple podcasts. If you subscribe, you will get ad free listening bonus content, and also early access to new episodes. If you subscribe right now, you'll also get access to this bonus episode with Sophia, where we dive a little bit deeper into the subject of resiliency and vulnerability and how she has used that as a very powerful leadership hack, which helped her grow and succeed in her career. So how could you possibly not want to subscribe to get access to that episode, as well as getting access to episodes every week from my amazing guests. Most importantly, when you subscribe it supports this program, the team that comes together to help create this program and it allows me to bring in more amazing guests like Sophia, so I hope you decide to subscribe and support the show