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Growing fast: An interview with Box CEO Aaron Levie

How do you manage a rapidly growing company while maintaining a focus on operations? The head of the cloud-based file-storage group Box discusses the challenge.

Box began as a college business project in 2005 and was officially launched in March 2006. Today, it provides cloud-based services for storing, sharing, and managing files and has secured more than \$500 million in funding. In this video interview, cofounder and CEO Aaron Levie explores the challenges of managing a rapidly growing company, finding talent, and maintaining momentum. An edited transcript of Levie's comments follows.

A different growth model

Initially, when we launched Box, we actually just funded the company from my cofounder's poker winnings, something like \$12,000 or \$13,000. And we ran the whole business off of his winnings.

We went from 100 employees to 250 employees to 500 employees. Now we have a little over 1,000 employees. The focus became: How do we take this technology that we had built for individuals and small businesses and really begin to bring it into the enterprise? How could we make sure that we were building the de facto cloud platform for corporate information?

If you think of traditional enterprise software companies, you tend to not think of high-energy, highly disruptive, fast-iterating, agile-development-oriented environments. How do you take a sales force and a services organization that look more like a Salesforce.com or an Oracle or an IBM and marry that with a product and a cadence and a culture that moves like a Google or a Facebook? That's what we're trying to do at Box.

The talent imperative

As you scale from 10 to 50, and 50 to 200, and 200 to 500—and beyond—employees, you're always dealing with new challenges. You're always dealing with a new market that you want to enter where you have to make the decision: do you have the talent internally to enter that market or do you need to hire from the outside?

How are you growing your people from within the organization to take on new management challenges? We have a goal internally that we only hire 50 percent of new managers from the outside, which, by implication, means that we want to be able to grow management internally as well.

How are we going to keep an incredible culture, one that is going to retain our tenth employee as easily as it allows us to hire the thousandth employee? What is the kind of environment you want to create for employees to be able to do that?

It's something that we are constantly paying attention to—to make sure that we can be competitive, get the best talent, retain the best talent, and grow at the rate that this market is demanding of us.

Dealing with change

For every cycle of Moore's law, you can basically assume that there's going to be a new device, a new platform, a new company that emerges—that does something cheaper, better, faster, or in more novel ways than you would have expected.

The pace of change that happens in our industry is so massive. At the same time, we have to be thoughtful that our customers don't change that fast. You're always balancing what is possible today and what can we do with technology with the reality and the empathy that we have to have for where customers are. How do we bring them, and how do we bridge them, to where things are going? The ability to juggle that kind of portfolio is, we think, what separates the companies that are able to survive these kinds of transitions—and bridge customers from the present to the future.

Maintaining momentum

In the technology industry, you have to be able to—at least, specifically, for our business and for world-class companies—create dominant market positions. There's a compounding effect of how customers make decisions, the ecosystems that you're creating, and your ability to scale as a

company that mean that there's a significant fracture between the companies that grow the fastest and those that aren't able to develop those leading market positions.

The rate of growth that you have to drive to build the dominant position in an industry or in a category is something that, I think, hasn't existed in previous industries or at previous times. You have to be growing at a rate that is going to allow you to reach customers in all sorts of verticals, in all sorts of regions, all sizes of companies.

The network effects that are so important to our company are that we need to be able to have all the developers building on Box, so customers choose our platform. The more customers that choose our platform, the more developers will then build on top of the platform, which then brings more users into the platform.

There are so many virtuous cycles that we invest in that allow us to grow at the rate that we have been. But we also have to make sure that we're building the kind of technology, team, and talent and that we have the right kind of strategy that will be lined up for that type of growth. □

Aaron Levie is the CEO and cofounder of Box.

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