

How Leaders Can Make a Lot Happen With Very Little

Fast Company | Alexa Von Tobel | June 29, 2023

A silver lining to building during a downturn is that it creates a certain kind of leader, someone who can unlock success in spite of constraints like a limited budget or a small team working toward a giant goal.

Many business leaders today view our economic climate as a challenge. Capital has tightened and the economy is rocky, which impacts businesses of all shapes and sizes, both consumer and B2B. But there's a silver lining to building during a downturn. It creates a certain kind of leader who has to learn to make a lot happen with very little.

I recently spoke with Julia Hartz, who started Eventbrite in 2008 during the height of the Great Recession. I started LearnVest during the same vintage of companies, so I asked her how being a fellow "recession entrepreneur" has given her an edge: "I think the best companies are built during times of scarcity, because there's not as much margin for error," she said. "At the same time, there's an immense amount of freedom and creativity."

Whether you are starting a company today or are leading a long-established team through a new chapter of your business, here are a few ways we can all take the ethos of recession entrepreneurship and use it to make our companies stronger.

CREATE A CULTURE OF SPEED

During the pandemic, we were forced to slow down. We all had to find creative ways to try to maintain productivity, but most organizations ended up running more slowly. Now that the economy has reset and companies are facing uphill battles, we need to turn up the pace of our cultures.

I think of it like being on a treadmill. For the past two years, many companies were jogging at 5 miles per hour. Companies that start today are setting out at 10 miles per hour, so by default this new cohort is going to have a real competitive advantage over the businesses that got comfortable operating at a slower pace. Leaders need to infuse energy into their teams, find ways to connect and get back together in person, and get comfortable with doing things differently in order to thrive. Ask yourself: Is my organization running extremely quickly?

LOOK FOR ALL-STAR TALENT

The hiring market was incredibly challenging, with so many companies competing for top performers and offering up increasingly extravagant perks to seal the deal. If you have any open positions today, view it as a big opportunity to bring in employees who are ready to roll up their sleeves and operate effectively in a scrappy environment.

One piece of advice I love is that everyone in your company, no matter their level, should always remain an individual contributor in some capacity. This ensures that every single person

who's adding to the headcount on the team is adding value every day and has accountability to deliver on their own goals in addition to the goals of their team.

And if you're hiring, generalist talent can be a huge value-add. Seek out individuals who have multifaceted experience and are willing to wear multiple hats. I am always impressed by the example of Expensify, where total headcount stayed steady at 140 employees in 2021 while the company was generating over a million dollars of revenue per employee. Making a lot happen requires 10x teammates who can meet the overall momentum of the team.

CREATE CONSTRAINTS

Time and time again, top founders will tell you that constraints actually unlock success. Like David Velez at Nubank, now the largest neobank in the world, who called the company's constraints a blessing. Nubank started with a credit product that needs a lot of funding, which was challenging at the time. Limited funding forced the company to grow slowly, and it ended up building tons of customer demand with a waitlist and referral program that helped supercharge growth as it scaled.

Constraints, like a limited budget or a small team working to accomplish a giant goal, often lead to creativity and outside-the-box thinking. As Apple's Jony Ive put it, "What focus means is saying no to something that with every bone in your body you feel is a phenomenal idea." In other words, take a close look at your goals for the upcoming quarter and identify the singular goal that is a must. Everything else can take a back seat as you work to make the number-one priority happen.

This is the precise moment to focus your organization on the one core goal you need to reach, add in constraints, and hit the ground running—at 10 mph.