years for our own people to develop them. And we'll do more of this as we grow." By late 2009, 19 people were on the payroll. Eight were on the management team, making the company strategically top-heavy in preparation for growth.

The launch and the addition of new people had an impact on the roles of the three founders. "We're now wearing fewer hats," said one. "Each of us is developing new skills and learning a lot from Dave." As an obliging mentor, Dave Dickinson made an effort to learn what each founder did innately well and then directed each into areas where he could make the greatest contribution and develop more skills. "To do this I actually used the same profile test for Eric, Jason, and Ben that their recruiter had used on me." Each person's tests results were shared with his colleagues, and this helped each person to better understand his strengths and weaknesses and those of his peers. "That exercise really developed trust, which made the rest of the effort easier."

For Jason Donahue, the post-launch period coincided with a major redirection of attention, from product development, sales, and customers to brand management and assuring high customer satisfaction. With Dave at the helm, Eric Shashoua shifted his primary attention to business development and to relationships that would help the company grow. He was now spending more time with Zeo's directors (Exhibit 6.4), the advisory board, the sleep-health community, and potential channel and product partners. Ben Rubin had once been in charge of technology development, product development, engineering and manufacturing. He was now focused on technology and its application to the company's next generation of sleep-related products.

While all acknowledged the necessity of these changes, it came not without some nostalgia. Ben commented that, "As the company has gotten bigger and our roles have become more specialized, we [the founders] have lost something. Each of us probably misses having a larger role." He notes that decision making has also changed. "The three of us can no longer sit down together for five minutes and make a decision. The process is now more complicated. That's good for the business but sometimes frustrating for us." As the same time, Ben is accepting of changing roles, seeing them as direct outcomes of choices the three of them had made.

> *If we had decided to be a smaller niche company, our roles would not have had to change nearly as much. Our decision to address a large consumer market had important consequences: It dictated our need for an experienced CEO, for more outside capital, for more employees with specialized know-how, and so forth. We have to recognize and accept the impact of our own decisions.*

EXHIBIT 6.4 **Zeo Board of Directors**

Colin Angle
CEO, iRobot Corporation

Ronald Chwang
Chairman and President, iD Ventures America

Peter Meekin
Managing Director, Trident Capital

W. Anthony Vernon
Former Company Group Chairman, Johnson & Johnson

Dave Dickinson
CEO, Zeo Inc.

Sherwin Greenblatt
Former President, Bose Corporation

Eric Shashoua
Co-Founder & VP, Zeo Inc.

Any misgivings the founders had about their changing roles appeared to have taken a back seat to conscious efforts to grow into those new roles. Speaking for the group, Eric noted that they had surrounded themselves with experienced employees and routinely interacted with business advisors, investors, sleep-science specialists, and with other entrepreneurs. Jason pointed to books and blogs, and to events and seminars as important sources of learning and growth.[51] For his part, Ben acknowledged the benefit of having experienced and knowledgeable mentors on the board and outside the company.

After six years of building a company from scratch, the three founders were not intimidated by the challenge of taking on new roles and learning new skills. "We have a *just do it* attitude around here," said Jason. "Sometimes you have to learn under fire." He cited how Eric had successfully negotiated a deal with a direct-mail catalog company even though he had no experience in that area. "Eric talked to experts who understood the catalog business, then did it."

Case Questions

1. What are the advantages/disadvantages of founding a company with your friends?
2. How did the founders identify and entice stakeholders to join their board of advisors?
3. Why did the founders seek a new CEO? Would you do that or would you want to run the business yourself? What was the process they used to select the CEO?
4. How did the role of each founder change as the business grew?
5. How do you maintain the culture when the company is professionalizing with a large top management team?