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## 37signals Earns Millions Each Year. Its CEO's Model? His Cleaning Lady

By [David Zax](#) [2]

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**Don't build a fast company, Jason Fried tells Fast Company. Build a slow one.**

Jason Fried is a founder and CEO of [37signals](#) [3], a software company based in Chicago. Fried also treats 37signals as something of a laboratory for innovative workplace practices--such as a recent experiment in shortening the summer workweek to just four days. We caught up with Fried to learn how employees are like fossil fuels, how a business can be like a cancer, and how one of the entrepreneurs he admires most is his cleaning lady.

**FAST COMPANY: You have your employees only work four-day weeks in the summer.**

JASON FRIED: Sometimes people are not really used to working just four days and actually want to stay to get more work done.

**You're saying you have people who actually want to stay the fifth day?**

When we first started this a few years ago, there was a small sense of guilt in a few corners. People were like, "I have stuff to get done, it's Thursday, so I'm gonna work Friday and just get it done. But we actually preferred that they didn't. There are very few things that can't wait

till Monday.

## **How many employees would stay to work Fridays?**

I don't know.

## **Because you weren't there!**

We don't track things in that way. I don't look at that. I don't want to encourage that kind of work. I want to encourage quality work.

## **As CEO, wouldn't it simply be rational to let people work the fifth day for you if they wanted?**

If you're a short-term thinker you'd think so, but we're long-term thinkers. We're about being in business for the long haul and keeping the team together over the long haul. I would never trade a short-term burst for a long-term decline in morale. That happens a lot in the tech business: They burn people out and get someone else. I like the people who work here too much. I don't want them to burn out. Lots of startups burn people out with 60, 70, 80 hours of work per week. They know that both the people or the company will flame out or be bought or whatever, and they don't care, they just burn their resources. It's like drilling for as much oil as you possibly can. You can look at people the same way.

"She's on her own, she cleans people's homes, she's incredibly nice. She brings flowers every time she cleans, and she's just respectful and nice and awesome. Why can't more people be like that?"

## **Are we reaching "peak people"?**

It seems like in a lot of companies we are. There's a shortage of talent out there, and if there's a shortage of resources, you want to conserve those resources.

## **So you think there's a slash-and-burn mentality in the tech world?**

For sure. I think there's a lot of lottery-playing going on right now. Companies staffing up, raising a bunch of money, hiring a bunch of people, and burning them out in the hopes that they'll hit the lottery.

## **You seem like too nice a guy to name names--but do you have certain companies in mind?**

I won't name names. I used to name names. But I think all you have to do is read TechCrunch. Look at what the top stories are, and they're all about raising money, how many employees they have, and these are metrics that don't matter. What matters is: Are you profitable? Are you building something great? Are you taking care of your people? Are you treating your customers well? In the coverage of our industry as a whole, you'll rarely see stories about treating customers well, about people building a sustainable business. TechCrunch to me is the great place to look to see the sickness in our industry right now.

## **Our magazine is called *Fast Company*, but it sounds like you want to build a slow company.**

I'm a fan of growing slowly, carefully, methodically, of not getting big just for the sake of getting big. I think that rapid growth is typically of symptom of... there's a sickness there. There's a great quote by a guy named Ricardo Semler, author of the book *Maverick* [4]. He said that only two things grow for the sake of growth: businesses and tumors. We have 35 employees at 37signals. We could have hundreds of employees if we wanted to--our revenues and profits support that--but I think we'd be worse off.

### What industries do you look to for inspiration, if not the tech world?

I take my inspiration from small mom-and-pop businesses that have been around for a long time. There are restaurants all over the place that I like to go to that have been around a long time, 30 years or more, and thinking about that, that's an incredible run. I don't know what percentage of tech companies have been around 30 years. The other interesting thing about restaurants is you could have a dozen Italian restaurants in the city and they can all be successful. It's not like in the tech world, where everyone wants to beat each other up, and there's one winner. Those are the businesses I find interesting--it could be a dry cleaner, a restaurant, a clothing store. Actually, my cleaning lady, for example, she's great.

### Your business icon is your cleaning lady?

She's on her own, she cleans people's homes, she's incredibly nice. She brings flowers every time she cleans, and she's just respectful and nice and awesome. Why can't more people be like that? She's been doing it some twenty-odd years, and that's just an incredible success story. To me that's far more interesting than a tech company that's hiring a bunch of people, just got their fourth round of financing for 12 million dollars, and they're still losing money. That's what everyone talks about as being exciting, but I think that's an absolutely disgusting scenario when it comes to business.

*This interview has been condensed and edited. For more from the Fast Talk interview series, [click here](#) [1]. Know someone who'd be a good Fast Talk subject? [Mention it to David Zax](#) [5].*

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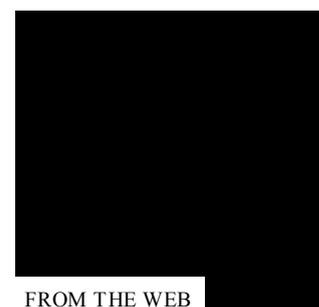
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