

MoS Rapid Response Transcript – Wences Casares

[Listen to the full Masters of Scale Rapid Response episode here.](#)

WENCES CASARES: If you and I were going to play a soccer football match to the death. You're given \$10 million and you can hire any players you want. And I am given \$10 million, and our teams are going to play, and whoever loses dies, right?

And then there's a little catch, which is, I can only hire in Buenos Aires, or in São Paulo, and you can hire all over the world. You will kill me no matter what, right? And this is no different when it comes to a startup. So I think that's the biggest advantage is just that when you have no geographical fencing, you will find better people, period.

REID HOFFMAN: Hi listeners. We are currently hard at work on the next season of Masters of Scale. And just like everyone else, we are grappling with the challenges brought on by the Corona outbreak.

A big one of these is the sudden, unexpected shift we have all taken to remote working. Just like so many of you, I am also working from home.

Today, I want to share with you an unreleased segment from my interview with [Wences Casares](#) who was recently on the show. Wences is a serial entrepreneur and founder of the bitcoin platform, Xapo. His team also works fully remote, so he's the perfect person to talk to about how to approach work life in the Corona era. There are so many great insights here that will help anyone going through these disorienting adjustments, whatever your line of work and size of your organization.

Wences has shared Xapo's guide to remote working with our listeners. You can find that link in the episode show notes.

I hope you enjoy my conversation with Wences Casares.

HOFFMAN: What's been your experience, and what pointers would you give to people, who are thinking about office versus remote?

CASARES: We are learning a lot about remote. I wish the book was written and we just followed the book like we do for so many other things. We're not guessing how to do accounting – the book's written and we just follow the book. I wish remote was one of those disciplines, but it's not. So we're learning as we go, and for us it's very important to make it work.

And I agree with you, it seems to me one of the main lessons is that you either go fully remote, with absolutely no offices – where I'm the CEO, I work from home, and my CFO

works from home in London, and my general counselor works from home in Santiago, Chile, and my head of HR works from home in Miami. And I think that is easier to make it work and to have everybody in the same office it's also easier to make... Even when you have multiple offices.

The blend that is really hard to make work is when you have some people working in an office, in some offices, and some people are working from home. Because it automatically creates a two-class system. You have first class citizens who go to an office, participate, have water cooler conversations, go out to lunch with some people, go for beers, and there's all of that information dissemination and informal channels that they have access to. They're first class citizens there in the office, and second class citizens who are alone at home. I think that's really, really hard to manage, and I wouldn't advise that. I think it's a lot easier to be one or the other. But the hybrid seems very, very hard to make it work.

HOFFMAN: And what are some of the lessons that you have learned? You originally were kind of a little hybrid, and now you've gone totally remote.

CASARES: For that reason. Exactly.

HOFFMAN: And what are some of the lessons you've learned from how to do remote well? Where are remote's strengths? Where are its weaknesses? What do you do in terms of organization?

CASARES: I would say, well first of all, we are still trying to figure it out. And it has advantages and disadvantages. We are all for the advantages, but I don't want to minimize the disadvantages. The main advantage is that if you and I we're going to play a soccer football match to the death, and you are not going to play and I'm not going to play, we are much better off that we don't have to play. But you're given \$10 million and you can hire any players you want. And I am given \$10 million and our teams are going to play and whoever loses dies, right?

And then there's a little catch, which is, I can only hire in Buenos Aires, or in Sao Paulo, and you can hire all over the world. You will kill me no matter what, right? And this is no different when it comes to a startup. So I think that's the biggest advantage is just that when you have no geographical fencing, you will find better people, period. Those people will be more motivated, and more loyal – we have almost zero unwanted churn. That is a huge advantage.

The biggest disadvantage is that it has to do... I would say that the number one is that if you don't manage it well, people tend to get burned out, and more than if they had to go to an office. And even, I would say, depressed. I would say that's a number one disadvantage. And maybe somewhat connected to that is the dissemination of informal

information, things that don't necessarily have to do with work and creating the equivalent of water cooler conversations, and lunches, and going for a beer, and things like that, right? Just running into someone at the cafeteria. You don't have that, how do you recreate that? That's an effort.

On the first point of being burned out. The difference between going to work at an office and working remote is exactly the same difference between living with your parents and moving out, living alone. And people don't realize this. And if you're not very conscious about this, it can very easily lead to burnout and maybe even depression, and just feeling sort of disconnected and disengaged from the world. When you have to go to an office, you don't realize that that dictates what time you wake up, that dictates that you probably take a shower, you get dressed more or less decently, you probably have breakfast before you go there or on the way. There are a number of things that your parents – in this case, the office – are deciding for you.

If I removed having to be in the office by 9:00 AM, all of a sudden you may or may not wake up at a given time. You may or may not take a shower, you may or may not have a healthy meal, you may have that meal sitting in your laptop. And anyway, there are a number of things that seem trivial, but by putting some effort into how do you work, setting a routine, setting your work space correctly. When you go to an office someone else did that for you. Someone else set up your cubicle or your office and when no one does that for you, you have to put more effort than you thought into thinking how is my space going to be, and how's my routine and my day going to look like?

HOFFMAN: Do you help your employees? Do you have a kit saying, "Here's some things you should consider. Here's some things we're going to send to your home"?

CASARES: Yes, it's a work in progress. We do some – we want to do more. And we want to package it more, make it more embedded in our onboarding program, and yeah. Because as I said, we're learning as we go and we're constantly adding things to that kit.

HOFFMAN: And then how do you do recruiting? Given that typically recruiting's a little... it's a little bit more practiced to have recruiting within an office, bring them to an office, have a group of people interview them, generally speaking you're pre-qualifying people based on whether or not they already live in the area or willing to move to the area. It strikes me that it's a different set of search pattern and a different set of interview process.

CASARES: Yes. So recruiting is very interesting when you're hiring remote. The first one is something that I have told you because of LinkedIn, which is that it's hard to find tools to do global searches, right? Most recruiting tools, you start by saying, "Where are you looking? Are you looking in Bangalore? Or you're looking in the San Francisco Bay area? Are you looking..." And if you remove that, it's very hard. So we end up tweaking, hacking existing tools, and sort of saying, "We think that because of this profile, these

are the geos where we are looking for." But there's not really a way to do sort of a global blanket search. There is some progress, but it's very nascent there. That's one way.

And then in regards to the interview process, we tend to get a lot of applicants for each search, so we have to do a little bit of more, how would you say, sifting through before we get to interviews. We do interviews through Zoom and that tends to work very well. We have done some experiment to where I would like to do even a lot more work for some positions.

We have done some experimenting where for some positions we don't do any voice or video interviewing – it's all chat, right? And I have surprised me of my own unconscious biases, right? I think that by doing that we've hired some people that maybe if I had seen them or heard them, we would have not for silly reasons, right? Some people who are very, very intelligent and to speak in a certain way or English is not their first language, and I am judging the wrong things. And for someone who's going to be working remote, this is going to be most of their communication. Despite us doing a lot of Zoom video calls, most communications for most positions happen on chat and on email.

So judging how people communicate there makes a lot of sense for some of these positions. And also leads you to hire people that otherwise you would never hire, sometimes being some of the best people we may have.

HOFFMAN: Because you don't have to do as much of how good is a person in a geolocated team. You don't have to do as much of the kind of... You need to have a time dynamic, but it's through chat, and email, and Zoom but not through other regards. On the other hand, you need to have more grit, you need to have probably more self motivation.

CASARES: Yes. Resourcefulness, and being a self starter is sort of crucial.

HOFFMAN: And so back to the kind of the depression and burnout, how do you amplify those elements of the team connectivity?

CASARES: So where we are right now is saying if you think you know how to work remotely, go ahead and do it. We really don't care which way you make it work, right? Now, if you are struggling, if you are burnt out, if you feel depressed, disconnected, we do have some guidelines we think work a lot. And we say this because some people get attracted to the remote model of working from home for the wrong reason.

So they think all about the upside, they don't really think about the downsides or the burden, right? And so when we give the guidelines they may seem like a big burden. And the guidelines have all to do with setting up your routine, putting a lot more effort into your routine than you would have to if you were going to an office. And some people think, "Wait, but that's the reason why I want to work remote."

Well yeah, maybe it works for you, fine. But if it's not working out, we've learned that this really helps. And also your workspace. Number one, having a workspace, right? Having a workspace that is distinct from the rest of your life. It's important because if you are working from the kitchen and then from the living room, then from your bedroom, your mind associates all of those places with work and you won't disconnect. Whereas if you have a space that you can close the door and that's your office and when you're there you're working, and when you're out you're not working, it's a lot healthier. It's a lot healthier way of separating work and not work.

And the same thing with the routine, right? Having a routine that makes sense, that it's healthy, that lets you work well when you're working, but also enjoy life when you're not working.

HOFFMAN: Well one of the things I remember from when you were down here in Patagonia for a year working, is you're not only kind of set up an office, but you are like there all the time. Like if someone wanted to reach you, they can essentially knock on the door through Zoom because you were there during work hours.

CASARES: Yeah, I do that. You're right. That happened almost by mistake when I lived for a year in Patagonia. And now I do it when I'm in my office – my Zoom is running. And especially people that I work with, they don't even need to knock, they come in. If I am going to have a meeting where I need privacy because it's an outside – I'm doing an interview with a candidate, or I'm talking with a regulator, or a vendor, or something – I do a separate meeting. But my personal meeting is always open, and you come in and when you come in you may see that I'm talking with someone else and you can hang out, just like if it was my office. When you walk into my office and if someone else – you may decide to leave because you want to talk with me alone or you may hang around.

Well, that seems to work quite well. If I'm in my office that Zoom is on and people can just come in and out. And sometimes I find it very interesting that you will come in to talk to me and there's someone else, and you end up discussing something, obviously impromptu because you didn't come to see that person, they just happened to be there. But that's the kind of thing that I'm talking about that happens in an office, and that we have to find ways to replicate remotely and it's hard.

HOFFMAN: Yep. And so what tools do you specifically use, and what tools, if any, have you built?

CASARES: We use Slack and Zoom a lot. I don't think this is doable without those tools, I don't know how people did it before. I can't wait for other tools, we'll make a similar leap in the future, kind of think of what they will be, but I'm sure they are coming and make it easier for all of us. I was very reluctant to use Zoom, we used Google Hangouts for a

while. And I started using it that year that I lived in Patagonia. And I cannot put my finger on it, but now I understand why so many people told me that if we were remote we needed to use Zoom, it's just better. There's no way we could use something else right now. Just the quality of the sound, the quality video, the functionality, it's very robust.

For our specific business we have built some tools, all of our tools are built so people work, assuming everybody is working remotely. We are making a very good use of Amazon Workspaces. So for some functions, some positions, et cetera, we give people who work with us an Amazon Workspace that has the VPN, the security we need to make sure they have. And it's a better way to do security and other things, but mostly security. We do not own any hardware of our employees. So we give our employees a stipend for them to buy their own computer, cell phone, et cetera – we don't own any of that, which forces us to put all the security in the cloud, and to not create that false sense of security because everybody's in an office, and something is somehow more secure. And in that effort, these Amazon Workspaces are very, very helpful.

HOFFMAN: I hope you enjoyed my conversation with Wences. If your company has found an interesting solution to the challenges of the current crisis, send us an email at hello@mastersofscale.com. We'll have brand new full episodes of Masters of Scale soon. I'm Reid Hoffman. Thank you for listening.