Have you heard of Jonathan Abrams? Unless you are tied into Silicon Valley, you probably haven’t. Jonathan created Friendster in 2002; it was one of the first social networks. The site was an immediate hit and should have become the dominant player in the space, not Facebook.

Friendster raised substantial amounts of venture capital from tier-1 players like Kleiner Perkins Caufield & Byers, and Benchmark Capital. The company also received various juicy buyout offers, including one from Google.

Yet a couple of years later, Friendster imploded. There were many reasons—including destructive internal politics and too much focus on getting media attention—but a key problem was that the company had a feeble infrastructure. When millions of users hit the site, it slowed to a crawl. It often took over a minute for a page to appear!

Mark Zuckerberg learned some valuable lessons from Friendster, thanks to the fact that Peter Thiel, Reid Hoffman, and Sean Parker were Friendster investors. But avoiding mistakes was just one part of making Facebook great. Zuckerberg also needed to make strategic decisions about the product, business model, and funding. In other words, he needed to be a great CEO.

This chapter looks at some of the key takeaways from Zuckerberg’s journey. The good news is that you don’t have to be a natural-born leader to be a great CEO. It’s definitely something that can be learned.
“CEO Lessons”

In the early days of Facebook, Zuckerberg was a terrible CEO. He didn’t communicate well, he kept things to himself, and he often riled his employees. He also had a bit of an attitude. One famous example was his business card, which had the following at the top and bolded: “I’m the CEO, Bitch.”

In late 2005, things were getting worse. Zuckerberg was spending most of his time hanging out with media moguls, flying private jets and dining at elite restaurants. These pastimes may have been a great ego boost, but they were taking a toll on Facebook’s employees. Was the company up for sale? Would the owner be a global media conglomerate? Employees were becoming demoralized, and it was harming the company.

Trying to get things back on track, the company’s in-house recruiter, Robin Reed, confronted Zuckerberg and said, “You’d better take CEO lessons, or this isn’t going to work for you.”

It was a pivotal moment—and a wakeup call. Zuckerberg was mature enough to evaluate the criticism and act on it. It was a valuable lesson and critical for the company’s growth. From that point on, Zuckerberg set out to get CEO lessons from people who included some of the world’s best leaders: Steve Jobs, Marc Andreessen, Jim Breyer, Bill Gates, and even Warren Buffett.

But perhaps the most influential—at least during the critical early years—was Donald Graham, CEO of the Washington Post. The two had an instant rapport. Zuckerberg was impressed with Graham’s long-term strategic ideas about building a company that thrives across generations. To soak up information, Zuckerberg followed him around the offices.

No doubt, being a CEO can be lonely. You can’t say something like, “I have no idea what to do. Any suggestions?” To do that would be a killer. This is why it’s important to find mentors, as Zuckerberg did—especially those who have several rungs more experience than you.

But a CEO also needs to encourage an open environment. Employees should feel free to say negative things. If they don’t, it will be nearly impossible for the CEO to understand the company’s problems, especially as it grows at hyperspeed. The very fact that Reed was able to criticize Zuckerberg was an encouraging sign that Facebook had a culture of openness; and this became an element of his Hacker Way.

Zuckerberg’s mistakes in the early years provided him with another crucial lesson: the perils of corporate imprinting. This is a natural human behavior in which employees copy their leader. If the CEO wears a hoodie, guess what?