15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

1. Introduction & Objectives

In this paper, we will present organizational designs of technology startup companies in USA, Japan and India. We plan to cover the following as part of the paper:

1. Applying the frame works learned in the class, we identified what type of organizational designs (star, engineering, autocratic etc.) in each of these countries and more importantly, we will discuss the factors and drivers forcing these companies to adopt one type of organizational structure over another and how these factors are different or similar from country to country.

2. We think that the cultural norms of each country have a huge influence on the organizational choice made by the start up companies in the respective companies.   Using a survey and case studies of startups in each of these countries, we will analyze cultural influences on startups in these countries.

3. We will also discuss the similarities and differences in the incentive schemes.

4. The financing of the startups in these countries seems to have lot of influence on the organizational choices and we will discuss the funding patterns of technology startups in each of these countries (VC vs bootstrapping) and their influence on the organizational choices.

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

2. Methodology and Approach

For this study we leveraged the collective knowledge and experience of the 3 team members. All the three team members collectively have technology startup experience in USA, Japan and India primarily in information systems, software development, networking and hardware. In addition we conducted an online survey and got input from the people who have experience with startups in each of these countries.   The survey questions for USA and India are provided in Appendix-A.   Japanese survey is provided in Exhibit B.   The survey responses are provided in Appendices C, D and E for USA, India and Japan respectively. These survey results are attached as separate pdf files.   Please note that we have selected startups which started in these countries by people of the country but may have opened offices in other geographies over time.

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

3. **Congruence Model Framework**

We chose to view and analyze the startup companies in these three countries through the congruence model.   The following is the high-level quick comparison of startups in each region, based on the overall collective knowledge of the authors, who worked for startups started in each of the three countries – US, India and Japan.

	US	India	Japan
Strategy	Cutting edge technologies More product oriented – less service oriented US as the primary market Angel Funding and later VC funding Fast time-to-market Exit by acquisition or IPO	Popular or "Cool" technologies – predominantly software based More Service oriented and less product oriented Sometimes they are purely service (E.g. Business Process Outsourcing) US and Europe as the primary market Compete on low cost Global solution delivery Primarily owner's funds. A large % of startups are started by NRIs. Exit by acquisition or IPO	High Technologies More Product oriented and less service oriented Japan as the primary market Predominantly owner's funds and boot strap. VC funding is very limited but growing. Slower time-to-market? Exit by acquisition or IPO
Critical Tasks	Innovation Marketing	Efficiency Productivity	Innovation Marketing

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

		Global delivery capability	
		Scaled economies	
		24x7 capability (BPO)	
		Retention of talent	
		Quality Process Certification from External Agencies	
Culture	Very casual War room type environment Flexible work schedules Telecommuting is very prevalent Dress code is very liberal	Informal but "boss is right" culture and hierarchical in decision-making War room type environment Flexible work schedules but long working hours Telecommuting is minimal but increasing due to increased telecom capabilities A formal dress code is observed	Very formal and highly Hierarchical Rigid work schedules Telecommuting is very limited Dress code is observed Employees treat company as home and Company treats employees like family Employees socialize with colleagues late at night post work
Formal Organization	Very informal Flat organization structure Very team oriented decision making	Semi formal Some limited hierarchy exists Hierarchy is observed when the key decisions are made	Very formal Organization is very hierarchical Decisions are flowed from top to down Limited input from the employees

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

People	Very outgoing and aggressive	Hard working	Conservative
	Fast moving employees	Some what loyal	Hard working
	Job security is not important	Job security is not that important	Very loyal and long tenured
	Very less loyalty	Success and opportunity driven rather than money	Job security is very important – difficult to attract good talent to startups
	Opportunistic	Strong technical skills – More on software and Less on hardware	Low turnout ratio
	Turnout ratio is very high		Good business sense but limited to Japan markets
	Technical and business savvy	Less business savvy; more technically savvy than the US counterparts	Good salary. Not very popular to offer equity.
	Below market salaries but equity is critical	High global awareness	
		Mixed bag. Traditionally offered market salaries and no equity but moving towards below market salaries and equity	

4. Analysis

It is clear from the above information that the USA startups have star or engineering type of organizational structures and where as in India, the startup companies adopt some what engineering type of organizations in the beginning but quickly move into some what autocratic structures.   On the other hand Japan seems to adopt autocratic structure most of the time.   These are highly generalized statements and exceptions do exist.

There is clear evidence that startup companies are adopting the organizational structures according to their cultural norms.   USA is a very individualistic society and very much like to

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

control their own destiny and take chances.   The financing of the startup companies in USA is increasingly done by angels followed by Venture Capital and hence the owners influence on the decision making is some what limited.   And also almost all employees own the equity and hence the owners and employees are treated some what equals and the venture capital guys usually control the board and decisions.   Therefore the organizational structure becomes very star-like or engineering oriented.

Where as in India traditionally conservative society and work place culture is heavily influenced by British system and which used to be very formal and hierarchical.   It is very common for employees to address the higher level managers using "SIR" or "MADAM", depending on the gender.   However, in the last 20 years, the economic liberalization and increased trade with USA have significantly impacted the workplace culture and organizational structures of Indian companies and particularly startup companies.   In addition large presence of NRIs living in USA was instrumental in initiating the business links and also starting majority of the technology startup companies in India.   Thus the Indian startup companies are increasingly adopting USA-type of organizational models.

Japan has very successful industrial base and their companies play in global markets. Traditionally the new products and services based on the cutting edge technologies were developed by big companies themselves and the culture of high-tech startup companies is relatively new phenomenon and it is rising slowly.   However, it is very clear that the startup companies adopt very formal and traditional organization structures and hierarchy is very much respected and adhered to in decision making and tends to be very autocratic.   In addition the typical financing of the startup companies is from the owners own funds and the Venture capital is very limited but definitely on the rise.   Typically the employees are not offered equity in the startup companies.   Therefore the owners tend to have all the power and the organization structures become very autocratic and tops-down.

However, instead of relying on the congruence model, we tried to gather some actual data in two ways:

1. Survey targeted at people who worked in startups in US, India or Japan

2. Case studies of startups from US, India and Japan, where the authors were closely associated with.

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

5. Survey and Analysis

The Survey questions were framed very open ended.   We targeted at the entrepreneurs who have experience in startups in USA, Japan and India.   We got total of 26 responses; 11 for India, 3 for Japan and 12 for USA. The next section describes the design of the survey itself.

5.1 Survey design

The basis of this survey was from Ed Schein's article on organization culture[1]. We tried to have questions that capture how culture is embedded and transmitted and again restricted ourselves to mechanisms that we could measure using a survey. The entire survey questionnaire is attached in Exhibit D. This section describes the rationale of each question and how it relates to the following cultural mechanism listed in Schein's article:

a. Questions 1 & 2: Establish whether the respondent was associated closely with the startup and the manner in which associated (founder, executive, individual contributor, etc.)

b. Question 3: We tried to anchor the startup origin to one of US, India or Japan; because we felt that the origin closely impacts the culture of the organization.

c. Question 4: We tried to identify what stage the startup was in (seed, garage, series A, series B, etc.). The reason for this identification is that the closer the startup is to see or garage, the more the country of origin affects the culture of the startup. We were not sure if the latter stages of the startup would accurately reflect the culture of country of origin because at this stage, the startup could easily have established other offices and absorbed new cultural changes from other countries. This is perhaps unlikely but we felt that this was important.

d. Question 5-10: How the founders met, made decisions, method of decision making, organizational hierarchy, who made decisions and involving who other than key people (founders+executives) were important criteria in our opinion because this reflects the "selection", "organizational system and procedures" mechanism, "deliberate role modeling" and "organizational design" mechanisms in Schein's article.

---

[1] The role of the founder in creating organizational culture, Edgar H. Schein, Organizational Dynamics, Summer 1983.

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

e. Question 11: This question addresses the "design of physical spaces" mechanism in Schein's article and indicates a cultural dimension regarding openness and decision making in the startup.

f. Question 12: We think this question address the "what leaders pay attention to" mechanism and how they seek external input is one measure of this.

g. Question 13: This was a totally open ended question to reflect country level characteristics as viewed by the respondent.

5.2. Analysis of responses from US startups:

All survey respondents have experience with technology start ups in US. Almost 60% of them are founders and rest of the 24% are employees in startup and 16% happen to be the external shareholders and advisors and hence, the survey responses are good indicator of the US startup companies.   The companies (respondents known) were equally distributed in terms of the maturity of the companies and represent whole spectrum of the startup companies life cycle.   There were companies in garage stage, angel funding, series A and all the way to exited companies.

Most of the founders met and formed relationships before starting the venture through past working relationships. The previous working relationships existed in many forms and it ranged from the random events to being class mates at business school and coworkers. Interestingly one founding team knew each other through their wives who happen to be coworkers. And another important observation is that 33% of the companies had only a single founder.

50% of the founding teams were very collaborative in decision making and 25% were some what collaborative and 25% felt they were not very collaborative at all in decision making.

Almost 50% felt that the organization structure was very flat and 25% felt that the organization was very hierarchical.   Surprisingly, only a smaller percentage (17%) felt that it was very informal without any structure.   And interestingly only one person noted that the organization evolved from no structure to very formal structure as the company grew indicating majority of the startup companies try to maintain their original organizational designs.

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

Regarding the decision making, overwhelmingly (75%) felt that the decisions were made by taking input from all employees and then a few key people made the decisions and only a tiny percentage (8%) of the startups made decisions by consensus and similar number of respondents felt that there was hardly any input sought from employees.

The majority (67%) of organization structures was very flat and informal but the key decisions were made by founders and executive team, though they sought input from the employees, there was little evidence that the founders attempted to achieve consensus among the team.

Interestingly almost 58% of them felt that employees were always consulted on key decisions 15% felt that occasionally consulted.   Only a small percentage felt that the employees were not consulted at all.   It is interesting to note that majority of the employees were consulted in key decisions and their input was solicited but the founders and executive team made the key decisions most of the time.   All the respondents felt that there was a strong evidence of consulting external resources; board members, board of advisors, consultants and external subject matter experts into the key decision making process and some times customers were also consulted in key decisions.

The work environment was predominantly consisted of cubicles for employees and private offices for the founders and executive team.   War room type environment is observed only in 15% of the time.

Some other observations that the respondents felt were relevant to US culture in these startups were the following:

1. Long but very flexible working hours

2. The workforce truly multinational coming from various ethnic backgrounds and nationalities

3. Lots of group events and parties in the office.   Friday happy hours at the local pub. Group lunches, birthday parties, thanks giving turkey dinner and Christmas parties were common celebrations in the office.

4. Some one commented "*Life really centered around the office kitchen... lunches, dinners, coffee and other events were a primary focus point for people to come together*".

5. Ping pong in the office

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

5.3. Analysis of responses from Indian startups:

As can be seen from the survey responses, all the respondents were associated with technology startups and 90% of the respondents were founders. Therefore, we feel that this is a good measure of the cultural aspect of the organization. 90% of the startups where in a garage stage, only 10% was an angel stage startup.

All the founders met and formed relationships before they actually started the venture through past work relationships, knowing each other at school (E.g. MBA) or like in some cases they were family (E.g. Husband and wife team).

Most of the respondents felt that the founders were very collaborative in decision making (About 70%).

About 50% of the respondents felt that the organizational structure was very informal. It was very interesting to note that about 30% noted that the structure was a hybrid one and changed with the needs of the organization.

Most respondents took inputs from others, but felt that only a few key people made decisions in the organization. Only 20% of the respondents took decisions by consensus. Again, interestingly, there were 20% respondents who took corrective or "special action" when things went wrong.

Although the organizational structure was informal for 50% of the respondents, 70% of the respondents felt that only the founders and executives made the decisions! This is a very interesting observation as it shows how the informal nature of the organization has no impact on the way the decisions are made! However, it is worth noting that founders and the executives frequently involved others in decision making.

Over 60% of the respondents mentioned that the seating was that of a war room type environment (everyone seated in 1 room).

Some external input in decision making was always sought and this is a mixed bag of board of directors, advisors, friends, past colleagues, experts, etc. The advisory board seemed to be more popular relative to other forms of input.

Some other observations that the respondents felt were relevant to Indian culture in these startups were the following:

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

1. The ability to attract talent was weak due to trust and low compensation. This is especially true for senior talent.

2. Most people had flexible work hours that extended late into the night and coming late in the morning.

3. Low cost focus.

4. Lots of parties, both inside and outside of the office environment.

The analysis seems to indicate that most characteristics of Indian startups are general characteristics of any startups! However, the nature of decision making, startup team formation through past working relationships and ability to attract talent due to lack of compensation and trust is probably very much an Indian cultural issue.

5.4. Analysis of responses from Japanese startups:

From the Japanese startups we got 100% responses from founders or co-founders who started a company in Japan or in the U.S. For Japanese entrepreneurs, starting up a company in the U.S. despite of several disadvantages may be a worthwhile choice given that Japan is a tough place to start a high tech business.

They mostly start with members from the same university classes or colleagues from their previous employers.

One characteristic result was their perception of their collaboration. We got roughly same percentage of very collaborative, somewhat collaborative for Japanese located Japanese team companies but not collaborative for international member companies established in the U.S.

The responses about organizational structure reveal that there is variety of formations from hierarchal to free style or tiger teams.

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

In terms of business decision making Japanese companies tend to involve only the core member and do not include everybody in the firm. However, the international team tended to decide by overall consensus. However both types included only founders and executives in the decision making process therefore other members of the company tend to be excluded.

Regarding the office environment, there was no tendency from our response. Some work in cubicles other in desk to desk open space, others with personal rooms.

Most companies seek advice from external sources in terms of business advice.

6. Case Studies

Apart from survey results, we felt a case study analysis of startups that authors were closely involved in each country would provide a good additional insight. The following startups were analyzed by each of the respective authors as indicated below:

Country	**Startup Analyzed**	**Contributor**
US	Kelton Graphics Inc.	Venkat Maroju
India	AirTight Networks	Shiva Venkatraman
Japan	Excellentia	Shinichi Sakata

6. 1 India – Airtight:

AirTight Networks was incubated at the Indian Institute of Technology (IIT[2]), Kanpur, campus. AirTight's business was to create software solutions to plan, secure, monitor and manage Wi-Fi networks. The founders came from IIT Kanpur and IIT Bombay.

---

[2] The IITs are pre-eminent schools of engineering founded and funded by the government of India and select about 6000 students collectively each year through a very tough and competitive nationwide exam for seven sister campuses. Some of India's brightest engineering students attend the IITs. In addition to the IITs, there are numerous other eminent institutions like the Indian Institute of Science, Regional Engineering Colleges and private institutions.

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

Following the questionnaire thread, one of the authors – Shiva was an early employee of the startup and worked closely with all the founders. AirTight had offices in Kanpur in Northern India and then moved its office to Pune, close to Mumbai on the west coast of India, where one of the founders lived.

When the author joined the startup, it was at the seed stage, meaning that it was self-funded and seeded by the founders. The founders met because of a common thread – alumni of the IIT and common passion/interest in research in advanced software for networking. In the author's opinion, the founders were very collaborative in decision making, although one of them had the highest clout, being more experienced and being the CEO of the startup venture. The organizational structure was very informal for sometime but soon became quite hierarchical with 4 levels of hierarchy as follows:

1. CEO: top level

2. Executive team members: 3 VPs: second level

3. Directors and Managers: third level

4. Individual contributors: fourth level

This hierarchy was not discussed much out of concern for upsetting people but was followed implicitly!

The decisions in this startup were made mainly by the founders with inputs from Directors/Managers, when appropriate, but never by consensus. The CEO had a lot of decision power. Generally, the founders made most of the decisions with some fundraising, business and R&D input being sought from a board of advisors.

The layout of the work environment was a mixed bag. The founders sat in an open door war room facing each other, the Directors/Managers had large cubicles, while the individual contributors shared cubicles with each other. In the author's opinion, this was another way, hierarchy was observed!

Some elements of culture that were uniquely Indian in this startup were:

1. "Chai" tea was offered to all employees twice a day by an office worker.

2. All Indian festivals and holidays were observed and celebrated.

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

3. Very low cost mentality, without compromising quality.

4. Squeezing vendors in negotiations and delaying accounts payable to them.

5. Communication in many ethnic Indian languages – Hindi, Marathi, Gujarati, interspersed with English.

6. Individual contributors addressed the CEO as "sir". The founders had to explicitly request employees not to do this.

7. Coming late to meetings. It is customary in India to be relaxed and laid back about time.

8. Hiring of servants or office workers to run errands.

Though, this startup was a very Indian startup, when two more members were added to the executive team from Silicon Valley, the culture changed to absorb some elements of Silicon Valley culture through the influence of these key individuals. Since the executives were Indian, they were careful not to blindly introduce these elements. Some of the elements that were introduced were:

1. Thank God its Friday – Beer bust for all employees on Friday afternoon.

2. Fitness culture: Yoga introduction.

3. Elimination of "sir".

4. Challenging of decisions by subordinates was encouraged.

5. Timeliness through a 10 rupee fine and synchronized clocks throughout the office.

6.2 USA – Kelton Graphics Inc.

Kelton Graphics Inc. was founded 1994 in Canton, Ohio.   The founders; an American and an Indian worked together for an automotive supplier company.   The American was 50% owner of the previous company.   They both decided to start an engineering services company focusing on the CAD/CAM/CAE services and product development targeted at smaller automotive supplier companies.   The automotive industry was in the early stages of adopting digitization in their product development and manufacturing processes.   One of the key components of this company was to establish the offshore development facility in India

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

and leverage cost differential of the resources.   The offshore phenomenon was still very a nascent idea at that time.

When one of the author, Venkat Maroju joined the company there were only 5 people (including the founders) in USA and about 10 people in Indian office.   The company was completely bootstrapped with the founders own money and there was no external financing. The company had a very minimal hierarchy in organization structure as depicted below.

1. CEO & VP of Development

2. VP of Sales and Marketing;   CFO

3. Managers

4. Individual Contributors

CEO used to run the company very hands-on.   He was also in charge for the development and pretty much all the managers reported to the CEO.   VP of sales & Marketing and CFO were only a one person teams.   The hierarchy was not observed in day-to-day work and it was very informal every one interacting with every one else.   We used to have war room type meetings all the time and almost all the employees were pulled together to discuss important issues.   However, the decisions were primarily taken by the CEO and VPs.

In US the CEO and VPs had private offices and managers and employees had cubicles.   In India, the General Manager had private office and the managers had cubicles and rest of the employees worked in a war-room type environment.

The Indian operation was run by the very own brother of one of the founders.   Having family members part of the operation did pose some challenges to the rest of the employees. Employees worked long hours and it was not at all uncommon to stay until 7 or 8pm.   But the working hours were very flexible.   The internet was not still very prevalent and telecommuting was not an option at that time.

It was a very interesting cultural mix having offices in both the countries.   Predominantly the employees were of Indian origin, about 70%.   Some of the key observations about the culture of the company are as follows:

1. Due to 6-day work week in India, most of the employees in USA also used to work on Saturdays as well

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

2. Having group lunches together and sharing each other dishes was a very common phenomenon

3. It was very common to have group lunches and Friday night beer parties according to the US culture

4. Employees would talk in their native language at work time to time.

5. The founders would invite the employees to their houses in USA to celebrate Indian festivals such as Diwali, Dasara and Ugadi as well as US holidays such as thanks giving and Christmas parties.

6. Having family gatherings outside the office was very common.

7. Indian based employees had the habit of addressing the senior managers by "SIR" or "MADAM" and US-based employees and managers tried to remind that it is not necessary to address that way.   It took some time to eliminate these words from our companies dictionary

6.3 Japan - Excellentia

Excellentia was established in 2002 with six original members. The company's first project was to brokerage investment information among professional investors such as VC's etc. The primary communicating tool for brokerage is through a website in which subscribers log in.

The member of the company are college school mates and family members of the founder, and the decision making is mostly made solely by the founder who also is the CEO of the company. CEO asks advices personally to each individual contributors and make business decisions but not by overall consensus.

The company was bootstrapped by the founder and had no external capital. Compensation was based solely on salary and no stock option was provided. They all worked in the founders annex house with no cubicles.

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

In terms of culture, people often had parties inside the company and celebrated each milestone all together. They also held parties at the founder's house and often enjoyed barbeque. The founder had an experience as a New York branch president in his past career so the culture is somehow Japanese and U.S mixed.

8. Results & Conclusion

From the surveys, case studies and the congruence model framework analysis, it seems that two major results and associated conclusions can be drawn:

1. Irrespective of geography of the startup, there is something called "startup culture" and it has similarities across the US, India and Japan. It will be interesting to find out if this is true in other geographies (e.g. Europe? UK? S. America?).

2. The culture of the country has a definite impact in many ways on the culture of the startup and particularly when the office is in the same country. When the same startup has a different office in a different country, the cultural norms either change to adapt to that of the local culture or there is a mixed culture, reflecting the cultures of the different offices involved.

The similarities amongst all the startups were as follows:

   a. Starting up is tough and this is reflected in all the three country startups and the surveys.

   b. People generally form founder relationships through past associations – colleagues, wives knew each other, etc. It seems founders across US, Japan and India are risk averse to starting up without knowing the other person!

   c. Decision making is quite collaborative in nature. While this is similar across all country startups, the extent of involvement from others in the company varies from country to country. This is discussed in the differences section below.

   d. All startups sought external advice either through board members, advisors or friends or experts!

   e. Social events in the startups centered around parties and food events.

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

The differences between the startup cultures were present but very subtle. These are:

a. US startups tend to be the most informal in their organizational structure. India was less informal and Japan was the least.

b. From a hierarchy standpoint, it seems that the US has a flat organizational structure. While India seems to be similar, it is only like that in principle, whereas in actuality decision-making reflects the hierarchy. We believe this may be due to the fact that Indian corporate culture is changing and in flux towards western corporate culture. In Japan, the hierarchy seems to be clearly present and more clearly evident than in US and India.

c. US startups also tend to be the most collaborative and inclusive of non-founding employees in decision making. India was somewhat less inclusive and in Japan, it seems it is the founder/owner/CEO that makes the decisions.

d. US startups had the most diverse teams, whereas Indian and Japanese startups had a high degree of local ethnicity in the team. This may be a reflection of the United States population itself as it is a melting pot.

e. Conditions to start seem to be favorable in the US, while it is less in India and very tough to startup in Japan. It would be interesting to delve further in this point and see what factors influence this difference between the three countries.

9. **Next Steps**

We believe that this was a very interesting piece of work for us. However, for deeper insights we would like to recommend a few follow-on studies. The key element in any research is data and we believe that the surveys and case studies have some limitations with regard to data. Therefore, we would like to recommend the following areas of research, using different methods:

1. How the employees view startups in US, India and Japan via interviews

2. Does freedom of speech and per capita income have an effect on startup culture, hierarchy, decision making and so forth?

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

3. What are the affects of anthropology and sociology on startups from US, India

   and Japan?

4. Is there a winning culture for startups companies and can it be imitated?

We would also like to recommend that at least 100 startups are interviewed in each

country and multiple people in the startup are interviewed to get a comprehensive

picture.

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

APPENDIX - A

Entrepreneurial Organization Culture Survey (India and USA)

1. 1. Were you involved with a technology startup (IT, Software, Wireless, Telecom)?*

   We would like to ensure that you have worked for a startup that involves some hardware or software and not bio-tech, energy, etc.

   ☐ Yes ☐ No

2. If yes to question 1 above, what was your role in the startup?*

   ☐ Founder

   ☐ Executive (VP or CxO) but not founder

   ☐ Senior Manager (Sr. Director, Director, Sr. Manager, Manager, Lead Architect)

   ☐ Individual Contributor

   ☐ Other, please specify

3. In which country was the startup office located in?*

   Please check all that apply.   Select at least 1 response.

   ☐ US

   ☐ India

   ☐ Japan

   ☐ Other, please specify

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
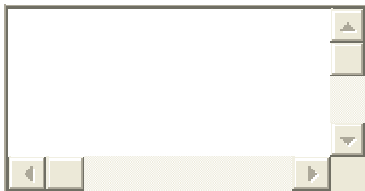Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

4. Please specify the stage at which the startup is/was at?*

   Garage stage is defined as a few founders in a room or apartment or a small office or working together virtually with a few other early employees. Typically, the startup is self-funded at this stage. A seed/angel stage is defined as a stage when there is an outside investor, who is not a traditional venture capitalist. A series A or B stage is when a venture capital firm has invested in the company.

   ☐ Garage Stage

   ☐ Seed or Angel Stage

   ☐ Series A funded

   ☐ Series B funded

   ☐ Other, please specify

5. How did the founders meet and form the startup venture?*

   Please describe briefly, how the founders met. E.g. Was it by chance or did they know each other from before ? What motivated them to work together ? If you dont know, how they met or dont recollect, please specify this as well.

6. Do you think founders are/were collaborative in decision making?*

   The word "collaborative" indicates whether the founders consulted with each other and accommodated each other's inputs in the decision making. If they did that most of the time, select "Very Collaborative". If they did that but not so often, selet "Somewhat collaborative",

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

otherwise select "Not Collaborative", if one person took all the decisions.

- ☐ Very Collaborative

- ☐ Somewhat Collaborative

- ☐ Not very collaborative

- ☐ Other, please specify

[ ]

7. How would you describe the organizational structure?*

- ☐ Hierarchical

- ☐ Flat

- ☐ Informal (No structure)

- ☐ Other, please specify

[   ]

8. How were decisions made in this startup?*

- ☐ Everyone by consensus

- ☐ No input was sought from relevant people and a few key people made decisions

- ☐ Input was sought from relevant people and a few key people made decisions

- ☐ Other, please specify

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

9. Who were the people who made the decisions in this startup?*

    ☐ Everyone

    ☐ Only founders

    ☐ Only founders and executives (VP, CTO, etc.)

    ☐ Only executives but not founders

    ☐ Other, please specify

10. How much did management (founders+executives) involve others in the decision making?

    ☐ Frequently

    ☐ Occassionally

    ☐ Never

    ☐ Other, please specify

11. What was the layout of the work environment?*

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

☐ Cubicles for all employees, including founders+executives

☐ Cubicles for all employees, private offices for founders+executives

☐ Private Offices for everyone

☐ War Room Type (Everyone in 1 room)

☐ If there were other special seating arrangements, please specify.

[   ]

12. Was input sought from outside the organization?*

    Examples of input outside the organization, include input from a Board of Directors, Board of Advisors, Consultants, etc.

    ☐ Board of Directors

    ☐ Board of Advisors

    ☐ Consultants

    ☐ Experts

    ☐ Other, please specify

    [   ]

13. What elements of this startup company's culture are/were characteristic of the country where the office is/was located ? (Please describe each characteristic and why you think it is characteristic of a particular country. If you cannot think of any, please enter "none".) E.g. We drank chai because that is characteristic of India or we had bagel fridays as that is characteristic of the US or we went to a sushi bar at night with all employees as a family because that is characteristic of Japan.*
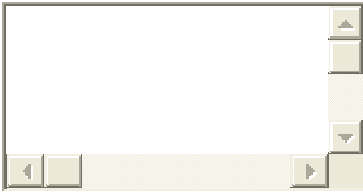
15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

Done   Cancel

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

APPENDIX - B

Entrepreneurial Organization Culture Survey (Japan)

1. 1. ,h,s Af\ƒtƒgƒEƒGƒA Af ƒCƒ„ƒŒƒX,Ü,½,Í'Ê M,È,Ç,ÌƒnƒoƒefN•ª–
   ì,Å‹N‹Æ,ð,²Œ o Œ±,³,ê,½,±,Æ,Í,²´,¢,Ü,·,© H*
   ƒnƒoƒefN•ª–ì,Å ƒoƒCƒIƒefN,m,f ƒW [,âƒGƒlƒ‹ƒM [,Ì•ª–ì,Ì ê ‡,Í,¢,¢,¦,ð'I'ð,µ,Ä,,¾,³,¢ B

   ◯ Yes   ◯ No

2. u,Í,¢ v,Ì ê ‡ A ,È,½,Ì—§ ê,Í^È‰º,Ì,Ç,ê,ÉŠY"–,µ,Ü,·,© H*

   ◯ 'n‹ÆŽÒ

   ◯ 'n‹ÆŽÒ,Å,Í,È,¢,ªŽæ'÷–ð

   ◯ ã‹‰ŠÇ— E i•"'·,È,Ç j

   ◯ ŽÐ^õ

   ◯ ,»,Ì¼,Ì ê ‡ A,²‹L q,,¾,³,¢ B
   _____

3. ‹N‹Æ,µ,½‰ïŽÐ,Ì Š Ý'n,Í,Ç,¿,ç,Å,µ,¤,© H*
    Å'á,P,Â,Íƒ`ƒFƒbƒN,µ,Ä,,¾,³,¢ B•i ~Î'ð‰Å B   Select at least 1 response.

   ☐ •Ä '

   ☐ ƒCƒ"ƒh

   ☐ "ú–{

   ☐ ,»,Ì¼,Ì ê ‡,²‹L q,,¾,³,¢
   _____

4. ,»,Ì‰ïŽÐ,É,²ŽQ‰æ,³,ê,½"–Žž,Ì‰ïŽÐ,ÌƒXƒe [ƒW,ð'I'ð,,¾,³,¢ B*
   ƒKƒŒ [ƒWƒXƒÆ [ƒW,Ì ”,Ì'n‹ÆŽÒ,ÆÆ]‹Æ^õ,ª Ž©' î,âƒAƒp [ƒg,Ì,PŽ°,Å^ê ,É",«ŠO•",ÌŽ'–{ƒ‹,ðŽ ó ,¯,Ä,È,¢ ó'Ô,č
    B @ @ƒV [ƒh ^ƒGƒ"ƒWƒFƒ‹ƒXƒe [ƒW,Ì,Íƒxƒ"ƒ`ƒ` ƒ‹ƒ‹ƒsƒ^ƒ‹,©,çŽ'–{,ð,«ŠO•",ÌŽ'–{,ð,«,é
   ¾,³,¢ B @ @ƒVƒŠ [ƒY,`,Ü,½,ÍaƒXƒe [ƒW,Ìƒxƒ"ƒ`ƒ` ƒ‹ƒ‹ƒsƒ^ƒ‹,©,çŽ'–{ ~ü,Ì,P‰ñ–Ú B,Q‰ñ–Ú,ð,²'z'è,¾,³

   ◯ ƒKƒŒ [ƒWƒXƒe [ƒW

   ◯ ƒV [ƒh ^ƒGƒ"ƒWƒFƒ‹ƒXƒe [ƒW

   ◯ ƒVƒŠ [ƒY,`ƒXƒe [ƒW

   ◯ ƒVƒŠ [ƒY,aƒXƒe [ƒW

   ◯ ,»,Ì¼,Ì ê ‡,²‹L q,,¾,³,¢
   _____

5. 'n‹ÆŽÒ ^'B,Í,Ç,Ì,æ,¤,É,µ,Ä'm,è ‡,¢‹N‹Æ,µ,½,©,É,Â,Ä,²‹L q,,¾,³,¢ B*
   ŠÈ'P,É'n‹ÆŽÒ'B,Ì o‰ï,Å,½,«,Á,©,¯,ð,²‹L q,,¾,³,¢ B‹ô'R A,à,µ,,Í^È'O,Ì E ê AŒÚ‹q"™ B,È,º'n‹ÆŽÒ'B,ªê ,É ,É"–
   ,±,¤,ÆŽv,í,ê,½,©,©,©"™ B,à,µ,²¶,¶,È,,¾,³,¢ ê‡,Í,»,ÌŽ|,²‹L q,,¾,³,¢

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

6. Œo‰oc"»'f,Ì Û,É'n‹ÆŽÒŠÔ,Ì‹¦'²"Ì §,Í,Ç,Ì"ö"x-§ Ú,Å,µ,å,¤,© H*
'n‹ÆŽÒ'B,ª,¨ŒÝ,¢ í•ñ,ð•p"É,É'ñ‹Ý,µ,¢ A`Š'k,µ,ÄŒˆ'f,µ,Ä,¢,é ‡,Í u,Æ,Ä,à‹'²"Ì v A,»,ê,Ù,Ç•p"É,Å,Í,È,¢ ‡ ‡ u‹-'²"Ì v A,»,ê^ÈŠO,Í u‹'²,µ,È,¢ v,ð'Ì'ð,µ,Ä,¾³,¢ B

   ○ ,Æ,Ä,à‹¦'²"I

   ○ ‹¦'²"I

   ○ ‹¦'²,µ,È,¢

   ○ ,»,Ì'¼,Ì ê ‡‹L q,,¾³,¢

7. 'g D \'¢,É,Â,¢,Ä,Ç,ê,ª Å,à"–,Ä,Í,Ü,è,Ü,·,© H*

   ○ ,'¼ \'¢

   ○ …•½ \'¢

   ○ Ž©—R \'¢,ÅŒöŽ®,È'g D'ÌŒn,Í'¶ Ý,µ,È,¢

   ○ ,»,Ì'¼,Ì ê ‡,²‹L q,,¾³,¢ B

8. Œo‰oc"»'f,Í ê,ç,Ç,Ì,æ,¤,É,µ,ÄŒˆ'f,µ,Ä,¨,ç,ê,Ü,·,© H*

   ○ 'S^õ,Ì ‡^Ó

   ○ ŒÀ,ç,ê,½Šj,Æ,È,é l'B,Ì^ÓŒ©,ð W–ñ,µŒˆ'è,·,é B

   ○ ŠÖŒWŠe^Ê,Ì^ÓŒ©,ð W–ñ,µ,½ ã,ÅŒÀ,ç,ê,½Šj,Æ,È,é l'B,ªŒˆ'è,·,é B

   ○ その他の場合記述ください

9. Œo‰oc"»'f,ðŽÀŽ¿"I,É s,¤,Ì,Í‰ºL,Ì'†,Ì,Ç,Ì,æ,¤,È l•¨,Å,·,© H*

   ○ 'S^õ

   ○ 'n‹ÆŽÒ ^'B

   ○ 'n‹ÆŽÒ ^'B‹y,ÑŽæ'÷-ð

   ○ 'n‹ÆŽÒ^ÈŠO,ÌŽæ'÷-ð

   ○ ,»,Ì'¼,Ì ê ‡,²‹L q,,¾³,¢ B

10. 'n‹ÆŽÒ,ÆŽæ'÷-ð^ÈŠO,ÌŽÐ^õ,ªŒo‰oc"»'f,ÉŽQ‰Á,·,é•p"x,Í,Ç,ê,,ç,¢,¾,ÆŽv,í,ê,Ü,·,© H

15.388 Designing and Leading the Innovative Organization
Professor: Diane Burton
Topic: **Study Organizational Design of Technology startups in USA, Japan and India**
Students Names: Venkat Maroju, Shiva Venkataraman, Shinichi Sakata

○ •p″É

○ Žž⌷ X

○ 皆無

○ その他の場合記述ください

11. ƒIƒtƒBƒXŠÂ‹«,ð‹³,¦,Ä‰⁰,³,¢⌷ B*

   ○ ʻSˆõ,ªƒp⌷ [ƒeƒVƒ‡ƒ",Å‹æ⌷ Ø,ç,ê,½Š÷,Å‹Æ–±,É, ,½,é⌷ B

   ○ ⌷]‹Æˆõ,Íƒp⌷ [ƒeƒVƒ‡ƒ",Å‹æ⌷ Ø,ç,ê,½Š÷,Å‹Æ–±,ð⌷ s,¢'n‹ÆŽÒ,ÆŽæʼ÷–ð,ÍŒÂŽ⁰,Å‹Æ–±,É″–,½,é

   ○ ʻSŽÐˆõ,ÉŒÂŽ⁰,ª—^,¦,ç,ê,Ä,¢,é⌷ B

   ○ ,»,Ì'¼,ÌŠ÷⌷ E⌷ À⌷ È″z'u″™,Ì⌷ ê⌷ ‡‹L⌷ q,,¾,³,¢⌷ B

12. ŽÐŠO,©,ç,Ìˆ´ÓŒ©,ðŽæ,è″ü,ê,é,±,Æ,Í, ,è,Ü,·,©⌷ H*
   ŽÐŠOŽæʼ÷–ð⌷ AŽÐŠOʻŠ'k–ð⌷ AŽÐŠOƒRƒ"ƒTƒ‹ƒ^ƒ"ƒg,ðŠÜ,Ý,Ü,·

   □ ŽÐŠOŽæʼ÷–ð

   □ ŽÐŠOʻŠ'k–ð

   □ ŽÐŠOƒRƒ"ƒTƒ‹ƒ^ƒ"ƒg

   □ ƒRƒ"ƒTƒ‹ƒ^ƒ"ƒgˆÈŠO,Ì—LŽ¯ŽÒ

   □ ,»,Ì'¼,Ì⌷ ê⌷ ‡‹L⌷ q,,¾,³,¢

13. ‰⁰ïŽÐ,Ì•¶‰»⌷ ^ŽÐ•—,Ì′†,Å"Á,É⌷ ʻ,Ì•¶‰»,ð⌷ F″Ƶ,″½‰⁰ƒ,µ,Ä,¢,é,ÆŽv,í,ê,é″_ª, ,ê,Î,»,Ì″Áʼ¥‹y,Ñ,»,Ì—⌷ –
   R,É,Â,¢,Ä,¨•·,©,¹‰⁰⁰,³,¢⌷ B⌷ @⌷ B⌷ @—á⌷ @%‰⁰ïŽÐ‹A,è,Éʻp″É,É ̂ê″¯,ÃŽõŽì‰®,Ù,½,Ì‹⌷ Žð‰⁰®,ÉŒEJ,é
   {″I,ÆŠ´,¶,é,È,Ç*
   ⌷ I—¹,·,é⌷ ê⌷ ‡‹ @,c,⌷ ,Ž,…⌷ @,ð⌷ @ƒLƒƒƒ"ƒZƒ‹,·,é⌷ ê⌷ ‡,Í⌷ @,b,⌷ ,Ž,ƒ,…,Œ⌷ @ƒ{ƒ^ƒ",ðƒNƒŠƒbƒN,µ,Ä,,¾,³,¢⌷ B

Done   Cancel