



Your dream team

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“The one thing that always stands out the most in an early stage startup is the team”

– David Pakman, Partner at Venrock

Chapter 8

The people you bring on board are one of the most important components of your startup success. Building the right team plays a huge part in how your startup will do from your employees to the support network you build around you. In this chapter, we'll look at recruitment practices, how to retain great employees, whether you should take on advisors and how to create a winning business culture.

Building a team

"As the founder of a company, you need to be the coach, not the quarterback. You want to identify the best players in their best positions at a price you can afford."

– **Daniel Epstein, CEO and Founder at Unreasonable**



Hiring your first team members is a very exciting step but it's also a challenging exercise. Finding the right people in terms of skill, experience and personality is not an easy task. How do you go about knowing whether someone will be right for your team in a few short meetings or interviews? It's a high-stake process: hiring the right person can have an incredible impact on your business in terms of productivity and team moral, whilst hiring the wrong person can have the exact opposite effect. In a very small team, the impact one person has on how the business performs is huge compared to larger businesses. It's thus worth thinking about the recruitment process carefully.

Identifying the gaps you have in your team

The first step in building your team is to figure out the gaps that exist and what roles need to be filled. It's useful for you/the founders to spend time assessing where your strengths and preferences lie and what the needs of the business are more widely. You'll then be able to identify where filling the gaps make sense and when to hire for the gaps identified. It won't make sense to recruit a business development person if you're still in early product development phases and have nothing sell. You only have limited resources at the beginning so think carefully about the type of hire that will have the biggest impact at that specific time.

In terms of when to hire: this varies drastically from startup to startup, and will depend on your speed of growth, your personal capabilities and resources to recruit employees. Early on, it's likely you'll know when the time is right. As you grow past the initial phase and raise your first round of funding, you may want to think about a recruitment timeline along with the rest of your business planning. It's worth scoping out what the people you recruit will be doing when they start, in 6 months' time, in a year's time and so on. This is to ensure resources are used wisely and that you hire someone who can grow with the business.

Your business needs will drive your staff requirements. For example, a company developing a new range of food additives is likely to have a team weighted towards research & development. A farmer's employment roster will lean towards labourers. And a food brand that outsources production will probably recruit sales and marketing people first.

Entrepreneur testimonial on bringing the right talent

"The team has grown to 7 people and I crucially attracted Laurence Kayson, a leader in the smart packaging industry to come lead Mimica into success as the CEO of the company, bringing his food industry contacts and knowledge. This has led to the company attracting almost £1m from investors and a pilot pipeline in the dairy and meat industries. He's been in the food industry for ages and so he knows how to deal with the various requirements and personalities within it and most importantly, he's made all the mistakes in the book already so we don't have to!"

– **Solveiga, Founder at Mimica Touch**

This is a great lesson in not being too proud to know your own strengths and weaknesses. Startup founders are not always the best placed to run the business at a later stage. Know when you have the right skills and experience, and when you need help from others.

Attracting talent

To attract the right people to your company, you'll need to advertise the role. It's worth noting that for many, working for a startup is a high-risk strategy, particularly those who may be leaving a job in a large established company. The way you advertise for a role and where you advertise for it will thus play a key part in attracting a certain type of profile. Your job description, like any communication you put out there, reflects your business and your brand. Make it exciting and engaging by using your tone of voice and making it genuine to who/ the founders are. Remember to share your vision and give an indication of company values. This should help attract people who identify with both and increases the chances of finding the right cultural fit for your team. A job description will usually have the following sections, but be as creative as you want with this as long as the information is there:



- **About the company:** this is where you clearly explain what you do, what your mission & visions are and give a flavour of the type of company culture you strive to create.
- **Role description:** this should explain what the role will entail. In the startup world, what needs to get done evolves all the time, so it might be worth focusing on objectives rather than strict tasks the new recruit will be performing.
- **What you're looking for:** you may want to split this into essential and desired. Startups need people who are versatile and finding the right attitude and cultural fit is often more important than having the exact correct skills and experience. You don't want to put anyone off from applying if they don't exactly match what you're looking for.
- **Perks/compensation:** you may want to leave the detail of this to have in conversation, but you should give an indication of what will be offered (salary, equity, other perks).

Where should you advertise the role? The first place to start is on your own networks. Share this on your business & personal social media channels. If your website doesn't have a blog feature, use www.medium.com so you can easily share it across different platforms. There are also lots of startup dedicated websites.

You may also want to actively look for people instead of waiting for them to come to you. LinkedIn is a great resource for this as you can search by job roles and by different companies. And you can always be in "recruiting mode." By building a strong network, you may come across people who would be great for your business, perhaps not straight away but at a later stage.

Interview process

Time is one of your most precious resources as a founder so before inviting people for interviews, you want to make sure you've screened their applications properly. This will entail deeply considering their CVs, screening their online presence (look at their social media channels, their LinkedIn profiles), and what they communicate in their cover letter/email. Try to get a sense of whether they'd be a good cultural fit for the company and whether they can be successful at the role you're hiring for depending on their skills, experience and potential. You may also want to ask potential candidates to carry out an exercise before inviting them for an interview. For instance, if you're hiring a marketing person, you could ask them to write a blog, draft a one-page marketing strategy overview, or an audit of your current marketing activities. If someone isn't successful, whether pre or post interview, make sure you get back to them as quickly as possible. This will take time but it's part of building your company's reputation. You never know



who they know or whether they might be suitable for another role in your business in the future.

When you're ready to interview, it's best to prepare for this rather than leave it to be an informal conversation. As tempting as it is to be unstructured about the whole process, hiring should be taken seriously. Doing it properly will increase your chances of hiring successfully. You can carry out interviews in person straight away or conduct initial ones over the phone to save time. When preparing questions to ask, think carefully of what you want to get out of the interview. A large part of this should be whether the person is a good cultural fit as this is such an important part of having a strong startup team. You should be able to assess their skills and capabilities from their CVs, previous experience and the exercise they completed. You can ask them specific questions relating to your company values to gain a sense of how they view them. You can also tell a lot about a person from how they speak about other companies they've worked for and projects they've worked on. Are they negative about past experiences or are they able to be constructive in criticism/positive? Do they use "I" a lot instead of "we"? A good litmus test is to ask yourself if this is someone you'd like to sit next to at dinner. If your gut says no, they're probably not a good fit for the team.

Not sure which interview questions to ask? Get some inspiration [here](#) and [here](#).

Entrepreneur top tips on recruitment

"We only work with young and relatively inexperienced people. Always attitude over skill. They work hard, with their heart and are full in our mission. But even with a small team, put effort in team building. You need different types of people in a team but working together doesn't work automatically. You have to invest in this."

– Chantal Engelman, Co-Founder at Krommkommer



"Hire people with commitment and passion (like in marriage):"

– John, Co-Founder at Own Greens

"We hire for mission first. We're a mission-based company with a big and bold mission. That's going to require a lot of work and a lot of passion. And our first filter is the mission. Because even the best performer, if they don't believe in the mission, it's not going to get them through the challenging times where things are uncertain, or something doesn't work out the way we planned. If people are equally mission driven as us the founders, that will get them through the ups and downs."

– Saasha Celestial-One, Co-Founder at Olio



"There is nothing more dangerous than confident but incompetent people and nothing less productive than unmotivated superstars.

Skills are as important as attitude and motivation is the fuel of everything. The hard truth is that recruiting is fundamental, but it takes time, effort, resources and luck."

– Stefan Meyer, CTO at Ambrosus

Compensation

Attracting and retaining great talent will largely depend on how you compensate them. When financial resources are scarce, there are other ways to do this. People who join startups often do this because they have more than just financial aspirations. However, it's worth remembering that your employees are likely

to be paid less than in more established companies or may take a pay-cut so find other ways to make it worthwhile.

You may want to give out equity to certain employees. This will require some legal help to ensure it's structured properly – you'll want the employee's equity to vest over a certain period of time. This prevents them from leaving three months into the job with a stake in your business having not contributed to the company's growth. It's essentially a promise of equity if they stay in the business for a certain period of time. There are many ways to structure this. For example, equity could be vested over 2 years with 25% received for every 6 months of employment, or you could link the vesting to reaching certain milestones. Other perks to incentivise employees can relate to job responsibility and autonomy, flexible working hours, unlimited holidays, free lunches, paid travel... the opportunities are endless.

Onboarding

Once you've gone through the hiring process and found someone great for your business, it's important to invest as much time into making sure they're a success once they join the team. Here are a few suggestions to make that happen:

- **Get the boring bits sorted:** get your paperwork in order such as contracts and payslips. Sort out logistics like desks, computers, stationary. You may work in public spaces with your teammates in the very early stages of your startup, but it's still important to put some thought into how they will physically work. Create email addresses and access to any online tools you're using.
- **Before their first day, plan and set objectives for their first month/two or three months.** You don't need to lay out exactly what they'll be doing, especially if you're taking on someone with skills and knowledge you don't have, but you should have an idea of what you want from them nonetheless.
- **Organise one to ones on their first day (and then regularly after that)** to discuss their personal objectives, go through your company's objectives short and longer term, and to make them feel invested in the business's success. If you have company guidelines, or a finished business plan, share it with them so they fully understand the business. It might be worth organising a team lunch or some more informal time together to build up relationships as a team.

Letting go of someone

There will inevitably come a time to let go of a team member. This will tend to come at a later stage than this guide is intended for, but we thought it'd be useful to address it anyway. Firing someone isn't easy. In fact, it might be one of the hardest things you'll have to do as a manager, especially if you've built a strong relationship with this person (which is likely the case given how small startup teams are). There's a saying in startups that says, "hire slow, fire fast". If you're starting to think about firing someone, it probably means you should do it sooner rather than later. It will affect how you interact with them and ultimately the atmosphere in your office. It's also important to remember that startup teams need to be edited as the business grows: the right people for the first stages of your business are not necessarily the right ones later on. Being open and transparent about this will help with managing your team, it doesn't have to come about negatively. People will often want to move on to other things when the time is right and know they best served the business' mission in their time spent there. Whether they just aren't a right fit for the company, or they're not delivering the results you want, remember to [let someone go with grace](#).



The legal stuff

Hiring employees will be subject to your country's employment laws. You will be subject to statutory requirements like providing a safe workplace, social contributions, minimum wages, pension contributions and so on. These vary greatly from country to country so it's best to research these yourself. Each stage of the recruitment process will be subject to some regulation – from the interview process (making sure you're not discriminating, making an offer) to letting someone go if you need to. You can use legal advice and tools provided in the legal chapter to help you with this.

Your wider startup team

Other than employees, there are a lot of other people who will be involved in your startup success. Mentors, advisors, board members, NEDs... who are these people and what role can they play?



Mentors & advisors

At the beginning of your journey, it's worth considering whether you can find mentors or advisors to guide you along the way. An easy way to do this is by reaching out to people who you think will have relevant experience and insight to provide useful input. If you're doing something incredibly innovative, you might not find someone with direct experience in building a similar business, but lessons can be learnt from all areas of life so think outside the box. It might be that someone who started a fashion business has interesting insights for starting a food brand. Don't underestimate the power of reaching out and asking to meet up for a chat - people love to help entrepreneurs, particularly those with mission-driven businesses. You'll also be able to access mentors and advisors through accelerators/incubators you join. Most of these programmes have a network of people who are keen to help. These may be generalist business mentors who can advise on many different topics or specific ones who, for example, can help with financial modelling. As you grow, your investors are also likely to become advisors, some more actively than others. It's useful to consider how each of them can help and whether there are particular areas they may be able to guide you on. For instance, you can have an advisor for your marketing strategy, one for your logistics and one for managing your suppliers.

Board members, directors & NEDs

When you create your company, you will create a board of directors. Initially, this will just include you (the founders) but as you take on investors and grow your business, your board will grow too. Picking the right people for your board is a bit like looking for the right investors. Find people who broaden your perspective - the more diversity in your overall team, the better. Pick board members who appreciate your mission. Can they open up their networks to you or provide expertise where your team currently lacks it? Use board meetings as strategic planning sessions as opposed to a time to update and answer to your board members.

Top tip on making your board meetings useful

"Your board meeting isn't about you reporting results back to your board for two hours. You should submit a document to your board with standard metrics so they can track progress. And then you should focus on strategy questions that you need answered and have those conversations during the meeting."

– Marc Zornes, Co-Founder at Winnow Solutions



Company culture

If you've worked in different companies, you've experienced different company cultures. Some may be very laid back, others strict and hierarchical. Entrepreneur.com defines company culture as *"a blend of the values, beliefs, taboos, symbols, rituals and myths all companies develop over time."* It's easy to overlook the importance of being deliberate about company culture when you've got a million things on your mind, but the kind of culture you create (intentionally or not) at the beginning of your journey will inevitably influence your company culture in the future. So perhaps it's worth a second thought. What's more the kind of culture you create will have a strong influence on your team dynamics and how your team performs. Culture always comes from the founders, especially in startups so think of yourself as a culture architect.

What kind of culture do you want to create? How do you want your days to be and your team to work together? Whatever you want your leadership style to be, make sure you articulate it and share it with your team. Create a relentless culture where work-life balance is non-existent, and you'll soon find you've got a team that is stressed and prone to burnout. Or create a collaborative culture where personal life is as important as working hard, and you'll likely create an extremely motivated and dedicated team.

How do you intentionally create a company culture?

The great thing about starting a mission-driven business is that you have aspirations beyond making money and these help create your culture. In the branding chapter, we discussed identifying your company values. To be intentional about business culture, you need to figure out how these values show up in time and space. It's all well and good saying one of your values is "transparency" but what does that mean on a day to day basis? How do you express this transparency with your employees, your investors, your customers? If one of your values is maintaining work life balance, how does that translate into everyday life? Do you let your employees manage their own time as long as they deliver results? Going through your values and identifying what these mean for your business will help you be intentional about the culture you create. Once this is done, you can opt to have an "audit" at regular intervals (once a year, once every 6 months) with your team. This can be in the form of discussions or anonymous surveys. It's also important to remember that culture evolves so culture and values need to be revisited as you grow.



Entrepreneur view on whether culture or strategy is more important



"It's chicken & egg argument. If you don't have a decent strategy, you have nothing to build your culture around. But if you don't have culture, you can't execute your strategy. You need to be good at both. You need to bake a culture into your business model, a place where you want to go to work, and where people want to go to work, and where you can look at yourself in the mirror every day. But if you don't have a strategic vision and strong strategy in place, you'll never have the luxury to talk about culture."

– Steve Dring, Co-Founder at Growing Underground

General team management

The way you manage your team is entirely up to you, but we thought we'd provide some quick tips:

- **Create focus:** you have many opportunities to chase yet very few resources to do so. Make sure your team stays focused by setting targets. They should be SMART (Specific, Measurable, Action-Based, Relevant, Time-Based) and you should set regular intervals to check how the team is doing in relation to them. That said, accept that keeping to targets can be challenging when the landscape is evolving. If you find yourself veering off course or chasing too many opportunities, take time to pause, reassess and refocus.
- **Decide how you will communicate with one another:** communication can be tricky as the team grows. Informal systems of whatsapp, email and paper can get chaotic very quickly without a good system. Take time to think about project management and invest in software. Have a look at some of the organisational management tools suggested in chapter 6.
- **Know when to let go:** as a founder, it can be tempting to keep control of all aspects of the business but it's not a sustainable strategy. Work with your team to enable them to take on more responsibility. If you're not hiring in expertise, work with your team to get them to be more proficient. Invest in personal development, this will help your business develop and will make your employees keener to stay. A good way of doing this is to discuss your employees' personal ambitions and figuring out a way of fitting them with business needs.

Chapter 8 Wrap-up

Key take-aways

- Building your team: you need to understand where you and your co-founders have skills gaps and recruiting to fill those gaps when the time is right. Who you bring into the business is one of the biggest decisions you'll make, so it's important that you search a broad pool of talent, have a good interview process and understand the levels of compensation needed.

Time to stop and think: what skills gaps exist within your company? What roles do you need to fill first? What will the people you recruit be doing immediately, in 6 months' time and in a year's time?



- Beyond employees, there are a lot of other people who will be involved in your startup success, including mentors, advisors, board members and non-executive directors. Look for people who can overcome skills gaps and have relevant experience as well as connections in your industry.

Time to stop and think: who are all the people involved in your startup success and what roles can they play?

- Company culture: be intentional about the type of company culture you create as it will have a strong impact on the success of your business.

Time to stop and think: what kind of culture do you want to create? How do you want your days to be and your team to work together? How do the values of your company translate into everyday life, how are they expressed on a day to day basis?



Now, let's get active!

1. Assess your strengths and preferences.

Sit down with your co-founders and assess where each of your strengths and preferences lie, then define what skills are needed in your business overall. Identify existing gaps and the skills you should be looking for when hiring.

2. Go through the values you defined earlier and identify what each of them mean for your business on a day to day basis.

How do your values translate to your business in practice?



Additional resources

Basics of the do's and don'ts of business networking – you'll be doing a lot of that so give this a read:

<https://www.bl.uk/business-and-ip-centre/articles/dos-and-donts-of-business-networking>

This startup hiring guide offers advice on building a winning team:

https://www.cobloom.com/blog/startup-hiring?utm_campaign=Repurposed%20Content&utm_source=Medium&utm_medium=startup%20hiring#

Going from startup founder to CEO – a lesson from football:

<https://unreasonable.is/secret-about-startup-founder-to-ceo/>

Want to know how to run one to one meetings efficiently or master brainstorming sessions to make your team thrive? Check out [Unreasonable guides!](#)