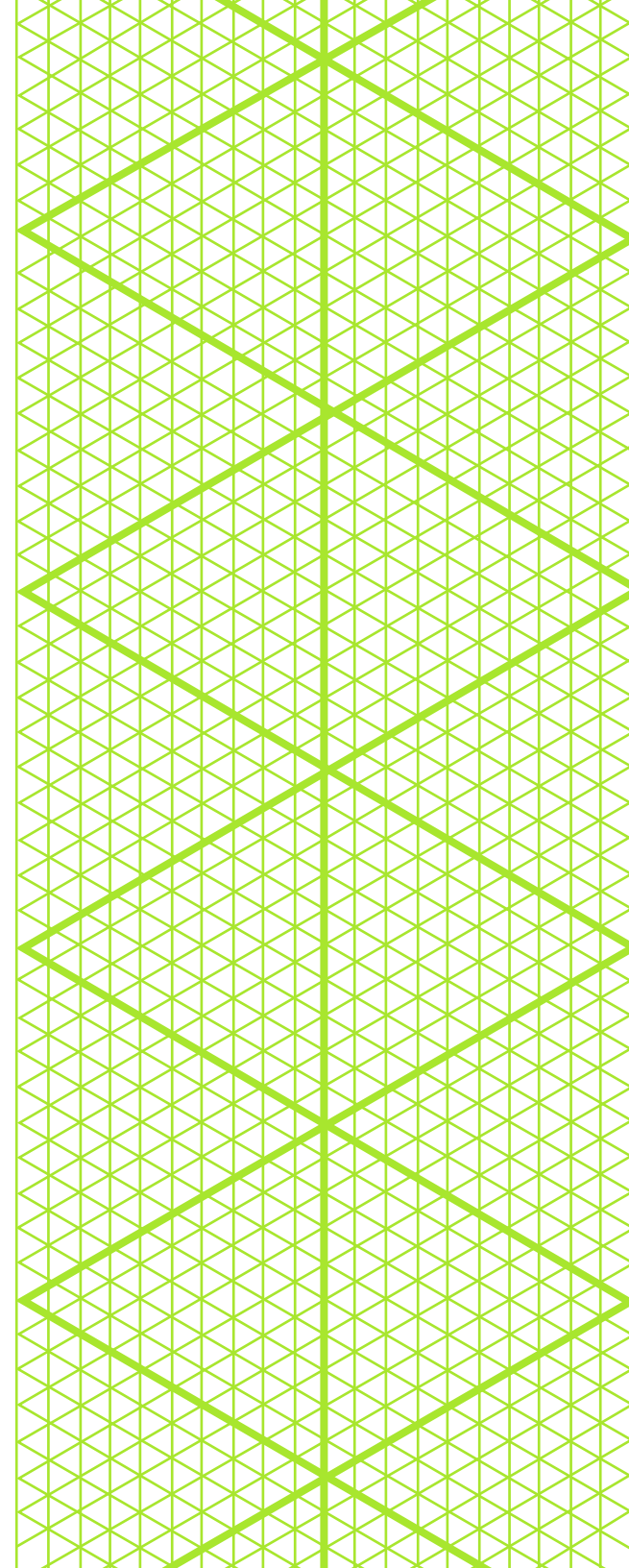


BUILDING
YOUR TEAM



CHAPTER 9:

BUILDING YOUR TEAM

Building your team is, in short, the most difficult aspect of starting a company, but also one of the most rewarding if done properly and with the necessary amount of foresight. The bad news is that the process of building your team is one rife with potholes and traps to fall into. Even the most experienced entrepreneurs struggle with this, as it requires more than a basic understanding of economics and your industry.

Indeed, selecting your staff, particularly in the early stages, is something that business founders at all levels struggle with. It's important that you take the time to ensure that you're bringing on the right people with the most value-add potential, but also that you don't take so long to do so that your business folds while waiting for the necessary human capital resources to be added.

With all this in mind, this chapter, like the rest, is best divided into three key sections. First and foremost, it's going to be critical that we discuss character and personality. This section can be a bit troublesome, as it's hard for many people to accept that there are, indeed, certain traits that transcend industry or business model when it comes to making the right hires for a startup. Here, we'll discuss such topics as common philosophies, goals, talents, working styles and, of course, visionaries (don't smirk).

Following that, we'll move into a discussion of people as more singular entities and what that means for the group dynamic of your business. Taking time to carefully evaluate the personality traits and motivations of the individuals you may hire will result in not only a more carefully structured team, but will also leave you with a firm understanding of what may go wrong (and what to do when these things inevitably happen).

In closing, we'll look beyond these topics from a management and personnel perspective and determine how these lessons can best be applied to the sales and marketing aspects of your business. Perhaps unsurprisingly, the ways in which you go about building your team will certainly have direct repercussions (positive or negative) when it comes to your bottom line. Thinking about these relationships in advance is critical to the success of your startup.

As we begin here, take a moment to consider the lessons we've covered in the previous chapters. In an indirect sense, all of those chapters have been building to this. It's our hope that, by the end of this section, you'll be beginning to draw conclusions about how building your team can tie in successfully to every other aspect of building your startup.

CHARACTER AND PERSONALITY

Perhaps the best allegory we can offer for picking a team for your business is picking a spouse. The most attractive individual isn't always the right call. Here, of course, that translates roughly into the most attractive resume isn't always the best call, but you get the general point.

It's important that you observe the character and personality of your potential hires closely to determine not only if they're capable of the work in a manner that is both productive and meaningful, but what intangibles they bring to the table, as well. Perhaps even more importantly, it's imperative that you avoid certain traits that may be warning flags of problems to come if you do, indeed, hire this person.

As a disclaimer, these aren't always true for everyone, but have shown to be the case in our experience. With that said, take these with a grain of salt. Maybe even two. At the very least, though, you'll want to consider these key character and personality points before making any given hire.

1) Beware the Visionary

We'll lead with this because this is one of the most commonly encountered pitfalls that we observe when individuals begin a startup. It's so easy to find someone who comes across as a visionary, someone who you're sure could really make a world of positive difference for your company, and very quickly give them an inordinately high degree of power or control over your organization.

Let's think about this for a moment, critically. Visionaries, real visionaries, are hard to come by. That's sort of why they're referred to as visionaries. Individuals who have such brilliant ideas that they could change the landscape of an industry, or even a startup, are few and far between. The odds that one has stumbled into your interview process are relatively low, and the odds that you know one personally are considerably lower. Nonetheless, people make the mistake of hiring individuals for their 'visionary drive' all the time, and this is particularly true in startups.

An uncomfortable reality about startups derives from the nature of the industry itself. No matter what line of work you're trying to build a company in, if you're working with entrepreneurs you're going to have an uncomfortably high number of narcissists in your hiring pool. The fact of the matter is that entrepreneurship attracts people who are deluded and narcissistic. That's an

aggressive statement, but by no means an untrue one.

It's critical that you recognize the importance of working with grounded people. Visionaries are going to be difficult to work with, difficult to compromise with, and difficult to retain. They're less likely to accept fault or responsibility when something goes wrong and more likely to demand an inordinately high amount of power in your organization.

Though the solution here is simple, most people just don't consider it when they're presented with someone whom, for whatever reason, they consider a visionary. Take the time to thoroughly get to know the person in question, not only their experience and work history, but also their thought process and how they approach the world. If the person sitting across from you in an interview seems extremely bright and qualified, but in the course of describing their work has never once mentioned help they received from a colleague, boss or mentor, they may be a bit too self-involved for a company in its infancy.

As a hiring manager, you need to be sure that you're taking the time not only to vet this individual and identify any potentially detrimental 'visionary' traits, but also to consider the ways in which they're going to interact with the rest of your staff (existing and future). We're not saying that it's bad to have strong leaders at all levels of your organization. On the contrary; people like that are among the greatest assets a company can hold. What we're trying to get across here is that you need to create a functional balance in your staff of people, experiences, working styles, attitudes and abilities. Hiring visionaries isn't usually in line with this. In fact, if we had to identify a given personality type that we'd recommend,

we'd likely describe that person more or less as a grateful student, but that's just us.

The bottom line here is that leadership involves self-awareness, not just reading and regurgitating. You're often better off with someone who has a fair amount of experience both as a baseline employee and a mid level manager than someone green who read a book about Steve Jobs once and now wants to invent a phone that makes breakfast. Just saying.

2) Check Yourself Before You Wreck Yourself

Too often, when it comes to team building, two critical errors occur before the team even gets started. We addressed some of these in the opening chapters of this book (when we went through the gut check phase and asked: 'would anyone besides your mother or girlfriend buy this product?'). Nonetheless, it's fitting that these issues are readdressed here.

First and foremost, before you even begin building your team, you need to ask yourself a few key questions, present yourself with a few key dilemmas, and face a few hard truths.

Tell yourself that you aren't a visionary. Get very comfortable with this notion. There are thousands of people just like you trying to build something from nothing. Some of them will succeed. Most of them will fail. This is simply the nature of entrepreneurship. If you aren't ok with this, you're in trouble. Building on that, understand that your bar for success is not the same as some of the greatest minds to have ever walked the earth. You aren't Steve Jobs. You likely won't revolutionize the entire world. If you build a functional company that only employs five to ten people and turns \$400,000 in revenue in its best year, you are a success. People

don't need to know who you are at the end. People don't have to make movies about you. People don't have to write their college entrance essays about you for you to be a success. Get very comfortable with this.

Understand that you're going to fail. You just are. That doesn't mean that your business won't be a success, necessarily, but you will fail more or less every day for the rest of your time as an entrepreneur. Deals will fall through, key hires will quit, products will be outpaced before reaching market. The measure of your success isn't defined by any of these single entities, and these failures are not all-consuming, but they will happen. If you aren't ok with failing, you are going to have a very bad time starting a company.

Brace yourself. You're going to lose money. Probably a fair amount of it, though we recognize that's a relative measure. The reality of starting a company with \$50,000 and then being a millionaire is at best a dramatic oversimplification and at worst a fantasy. If you're really committed to making this work, you're going to have to be ok with some real lifestyle changes along the way. It's more likely that you'll have to move in with your parents before you ever make more than you did at your last job than it is that you'll hit the big time year one. You need to be ok with this, one hundred percent, and expect it to happen, if you want to be successful.

We're speaking about these traits in terms of you as an individual for a reason. You need to be able to identify these potentialities within yourself and develop a certain comfort level with them as possible outcomes for your and your company

before you can make efficient and effective hiring decisions. Once you've done that, building your team will be far easier than it would be otherwise. You need to be able to apply these lessons and litmus tests to your hires, and that begins with being able to apply them to yourself.

3) Common Philosophies & Goals

Perhaps the simplest way to look at these broader lessons regarding building your team is through a lens that focuses plainly on common philosophies and goals. Here, of course, the pitfall of the visionary becomes clear once again.

It's easy to be taken in by someone who appears as though they have an exciting new vision for your company and industry, but this isn't always a good thing, and may lead to tension within your ranks more often than not.

The best way to ensure that a potential hire is the right fit when you're building your team is through looking for common philosophies and goals between you, your company and your potential hire. If you're incredibly growth-focused, you aren't going to look to hire someone who's extremely risk-averse, even if they've had a remarkably successful career in your industry. The same is true of the inverse, you need to find someone who feels similarly to the way that you and your existing staff do about the key issues facing the growth and prosperity of your startup.

Similarly, you also need to be sure that you're bringing on someone who has, for lack of a better term, the same kind of tolerance for heat that you and your existing staff do. Startups can be tumultuous places, as we've said in every chapter of this book. Again: you will fail, you will lose money, things will get harder

before they get easier. If you're staring down a potential hire and they seem perfect for the job, but don't seem like they'd work well under pressure or in crunch time, then they probably wouldn't, and that's not the person you need on your team. This sounds simple, but it's an extremely common pitfall.

In keeping with all of this, of course, is the notion that you should be looking for a healthy set of goals and philosophies surrounding work style from your potential hires. It's critical that they're able to handle the heat, but also that they can do so while maintaining a mature and reasonable attitude about the whole thing. Look for people who are more than willing to work with you not only towards the success of your company, but also towards the fostering of a cultural identity within the workplace. In short, look for hires who you know will not only work hard, but who will help you to build a culture of learning and improvement.

4) Skills, Talents & Styles of Your Ideal Partner

Who is your ideal partner? What does your ideal team look like? Only through answering these questions will you be able to build a successful staff for your business, and only through dividing these questions into smaller, answerable pieces will you be able to get the information that you're looking for.

Begin by asking yourself, when evaluating a new hire, what skills they bring to the table immediately. Of course, this is a trickier question than it sounds. You likely aren't going to be able to ascertain this information strictly by looking at someone's resume. Instead, you need to be able to draw a clear focus on execution over ability.

Whatever an individual's resume says that they can do is nice

- it provides you with a baseline measure of their abilities. What it doesn't show you, however, is the way in which they've actually been able to execute those abilities over time. More frequently than not, experience with execution of a given trait or skill is much more valuable than education formally within that skill set. For example, you'd rather have a VC whose successfully launched several companies than one who has an MBA in VC but not work experience. See what we're saying, here? Execution over ability should be one of your key philosophies when it comes to hiring.

This is particularly important because, at the end of the day, you can teach skills, but you certainly can't teach execution. Also, the standard of entry to suggest that you have a given skill is far lower than the standard of entry to prove that you've actually done that skill. Lots of kids can play basketball, or at least would say they can if asked, but how many of them win games or championships or play college ball or make it to the NBA?

This same mindset, unsurprisingly, can be applied to the evaluation of talents that your potential hires may or may not hold.

Now, this may seem like the inverse of what we've been stating in this chapter - that it's incredibly important to look for proven execution over raw, educated ability - but it holds true nonetheless: talent is worthwhile of pursuit. Even when raw and unproven, talent can be honed and delivered into a meaningful skill set that will benefit you, your company, and not least your employee.

Take time to carefully evaluate the talents that your given candidate has that may not shine through from their resume. If you're in a client-facing business, which we imagine most of you

will be, some of these talents will likely become clear during the interview. For example, no matter what your company does, if you're making a partner-level or early stage hire, it's extremely valuable for that individual to be able to speak well and present themselves well. This holds true regardless of their station in the company - all early hires, from developers to cofounders to account managers, benefit from having those extra talents like personal presentation. These are the kinds of skills - presentation, professionalism, and the like - cannot be taught, but can be honed and are extremely valuable if you can find them.

Naturally, working style of your potential hires, regardless of their level in the company, needs to be considered seriously, as well. No matter how talented, educated or skilled an individual that you're considering for a position is, the level of value that they can add to your particular company is going to be predominantly determined by how well their working style meshes with that of you and the rest of your staff.

For example, someone with an invaluable skill set and meaningful experience who wants to work from home four days a week and can't commit to even eight hours in the office at a time isn't going to do well with your startup (unless, of course, you've built some sort of model like this already - in which case, call us.)

With this in mind, the talent evaluation process gains yet another step: consideration of the working style of potential hires. You'll need to be ready to ask yourself questions including, at a bare minimum, the following regarding potential hires and their work style:

- 1) Do they prefer remote or in-office work? What's their

preferred proximity?

2) Do they work better as a leader or as a follower? Do they have the ability to be both?

3) What are their traits when it comes to communication and organization of work?

4) Are they going to be able to maintain a strong working balance between equally powerful members of the organization?

To put all of this in short form: the considerations that you make about any hire are important, but they gain importance the earlier on in your company history the hire is made. You need to ensure that you're bringing on early-stage hires and partner-level employees who are going to resonate with you and your business from perspectives of talent, skills, style, experience and education.

The importance of this, we've found, was perfectly summed up by The Zen himself, Phil Jackson:

"The strength of the team is each individual member."

II. PEOPLE (THEY'RE ONLY HUMAN)

There are countless schools of thought about the best way to go about evaluating the type of person that you might hire who would be best for the role in question, and far be it from us to say that any of these are wrong.

On the contrary, we'd argue that all methods (or at least all traditional, conventional methods that we'll mention here) of

evaluating personality types, motivations, work styles and the like can be used beneficially to enhance the ability of your company to perform well.

We're going to outline a few key methods of evaluating the more abstract traits of your potential employees in a few moments, but first we'd like to comment on the nature of the process as a whole.

In order to make sure that you're using this information correctly, it's imperative that you take a holistic view of talent evaluation. Understand that people, by and large, are all different, but may be drawn together by common motivators. Whether these are money, success, praise, career advancement or anything else doesn't matter so much as the fact that common motivations exist does.

In short form: it's not just what we can do.

It's who we are and why we do it.

If you approach the process of onboarding new staff from this perspective, you're going to make a lot more of the right calls than if you simply follow your hunches. With that in mind, let's discuss a few of the traditional methods of measuring personality types, motivations and working styles, all of which may be worth integrating into your team-building processes:

1) Myers Briggs & Carl Jung

You're likely already familiar with the Myers Briggs Type Indicator test, also known as the MBTI. The test, which was developed in the early 1900s, sorts test takers into a group of 'personality types' which are supposed to provide some level of indication regarding how that individual might perceive the world

and make decisions.

The nature of the test is built predominantly on research conducted by Carl Jung - who we'll touch on more later. Jung argued that there were four primary psychological functions that allow humans to experience the world - sensation, thinking, feeling and intuition - and that the balances of these four traits that an individual held would likely determine how they processed and acted on information.

Now, before we go much further, we'd be remiss not to make clear that we do understand that the Myers Briggs Type Indicator Test has been all but replaced at this point in time by a handful of other tools, including the more commonly accepted and implemented Big 5 Test. We don't expect or necessarily advise having candidates undergo an MBTI test, but we do recommend considering the ways the four aforementioned MBTI traits might cause an individual to function or not function in your workplace.

Another behavioral psychologist whose works might be well applied to building your company's team is the infamous Carl Jung. Jung was, effectively, the father of the sort of psychological thought that led to the MBTI indicator test, Big Five Test, and a great deal of other psychological evaluations of personalities.

To drastically oversimplify his work, we'll say that Jung believed that there were two primary forms of cognitive functions: the rational and the irrational. The rational, according to Jung, accounts for the way in which we act when it comes to matters of thinking and feeling, while the irrational is predominantly involved with the way we act when it comes to sensation and intuition.

Sensation and intuition are basically perceiving functions

(in the eyes of Jung's work and the MBTI Test) while thinking and feeling are judging or deciding functions. Now, you may be wondering how exactly these insights from Jung, Myers and Briggs can be applied directly to your hiring process. The answer is simple: You need to determine what it is that you need out of your ideal hire for any position, and then find evidence that they operate in desirable ways when it comes to these traits.

For example, if you're looking for a co-founder, you're likely in the market for someone whose personality trait takes more after the rational aspects of thinking and feeling, as this sort of individual will do well with making tough decisions and sticking to them.

Of course, it may not always be pragmatic to take the time to psychoanalyze your potential hires, however informally, but we assure you it can be worth it to at least consider your candidates and their experience through these lenses.

2] The 9 Types of Intelligence

Perhaps the simplest way to measure the personality type of your potential hires is through The 9 Types of Intelligence. It's important to recognize that the various hires you make from your company are all going to require a different skill set. With that in mind, you'll want to consider your potential hires from a perspective of which type of intelligence they excel in or have experience in, and which will be most beneficial to your organization.

Regardless of whether you choose to evaluate the personality and intelligence traits of your potential staff through tests like The Big 5 or the MBTI or through simpler, more informal methods like

the nine types of intelligence, the key thing is that you take the time to recognize the ways in which their abilities and motivations drive them, and whether or not those align well with the purpose and style of your company. No matter what method you use to do this, you'll be better off for doing it than if you don't.

III. APPLYING THESE LESSONS TO SALES AND MARKETING

Now, what you should be gathering here, as we near the end of the chapter, is that the primary purpose of building your team in a thoughtful and reflective manner is ensuring that you'll be able to function well internally as a company.

There is, of course, a secondary purpose to these lessons, as well, and that comes from learning to apply these lessons to your sales and marketing processes. Once you've learned to utilize these methods to make your company function as well as possible internally, this secondary utilization should be relatively simple. In order to do so, it's best to consider your company from the standpoint of your investors and consumers.

1) Buyer and User Personas

The ways in which you choose to structure your team will have long-reaching effects when it comes to your ability to effectively market and sell your product or service, and this is infrequently as well-illustrated as when you consider social demographics and targeting.

Consider the following: It's more than likely that you have a given segment of the population that you're hoping to market your product to (of course, if you don't, you may want to go back a few

chapters and reevaluate some things). While you definitely want to ensure that you're selecting staff members who are going to mesh well with your other employees and deliver favorable work, you also want to make sure that you're hiring employees who cater well to that demographic. To be honest, you may even want to hire from within that demographic or market segment.

While this seems like common sense, it's frequently overlooked; the persona of your buyer should be mirrored, at least partially in your staff. After all, what better way to gain insight into your target market than by employing parts of it?

In order to do this, you'll need to ask yourself a few constant questions about your staff, your investors, your consumers, and your company as a whole. For example, consider these as a starting point:

**Why does your customer need your product?
What issue is the product solving for them?
What solutions do they use currently?
What makes your solution better?
What are the goals of your company? Your user? Your consumer? Your employee? How can you help them achieve these goals?**

As you begin to ask these questions, you're going to realize that your sales and marketing departments can be most successfully built as extensions of your staff, and vice versa. The attitudes that you wish to capture in your target customer should be mirrored in your staff, much like how the traits you imagine will be most attractive for you to express to an investor may be the same traits you look for in that investor. The trick of course, is tying these lessons from building your team not only

into the fabric of your sales and marketing departments, but into the everyday operations of your startup, from day one of launch onward. As we move into the final chapter of this text, we'll review the design driven process, multiple paths to launch and product development, as well as address some of the ways in which Coder can help.